

# **Village of Glenwood, Illinois**

Annual Financial Report  
Year Ended April 30, 2011

## Village of Glenwood, Illinois

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## Independent Auditor's Report

To the Honorable President and  
Members of the Board of Trustees  
Village of Glenwood, Illinois  
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, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Glenwood, Illinois. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund, which represents 52.1 percent, 54.0 percent and 42.3 percent, respectively, of assets, fund balance/net assets and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Glenwood, Illinois, as of April 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information which includes management's discussion and analysis (pages 3 - 10), schedules of funding progress and employer contributions (pages 52 - 57) and budgetary schedule and related note (pages 58 - 59) is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We and other auditors 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 express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Glenwood, Illinois. The combining and individual fund financial statements and other schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*McGladrey & Pullen, LLP*

Chicago, Illinois  
December 12, 2011

## **Required Supplementary Information**

## **Management's Discussion and Analysis (MD&A)**

**Village of Glenwood, Illinois**  
**Management's Discussion and Analysis**

**April 30, 2011**

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements (beginning on page 11).

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

For over 20 years, the primary focus of local governmental financial statements has been summarized fund type information on a current financial resource basis. This approach has been modified and as the Village's financial statements present two kinds of statements, each with a different snapshot of the Village's finances. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

**Government-Wide Financial Statements**

The government-wide financial statements (see pages 11-13) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (the Unrestricted Net Assets) is designed to be similar to bottom line results for the Village and its governmental and business-type activities. Governmental Accounting Standards Board Statement No. 34 combined and consolidated the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see page 13) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

**Fund Financial Statements**

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

The Governmental Funds (see pages 14-15 and 17-18) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.



## Village of Glenwood, Illinois

### Management's Discussion and Analysis (Continued)

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The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police and Firefighters' Pension Funds, see pages 24-25). While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-Type Activities column on the Business-Type Fund Financial Statements (see pages 20-23) is the same as the Business-Type column on the Government-Wide Financial Statements, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 16 and 19). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-Wide financial statements).

#### Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. The Governmental Accounting Standards Board Statement No. 34 (GASB 34) requires that these assets be valued and reported within the Governmental column of the Government-Wide Financial Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful lives. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

#### Government-Wide Financial Statements

##### Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$42.5 million as of April 30, 2011.

A significant portion of the Village's net assets (78.3%) reflects its investment in capital assets (i.e., land, land improvements, streets and bridges, storm sewers, water mains, buildings and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis (Continued)

**Table 1**  
**Statement of Net Assets**  
**As of April 30, 2011**  
**(in millions)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current Assets	\$ 15.9	\$ 9.8	\$ 2.5	\$ 2.1	\$ 18.4	\$ 11.9
Non Current Assets	0.3	0.1	0.1	0.1	0.4	0.2
Capital Assets	<u>29.7</u>	<u>27.4</u>	<u>15.7</u>	<u>12.9</u>	<u>45.4</u>	<u>40.3</u>
Total Assets	45.9	37.3	18.3	15.1	64.2	52.4
Current Liabilities	4.5	2.9	0.5	0.9	5.0	3.8
Non Current Liabilities	<u>11.2</u>	<u>1.9</u>	<u>5.5</u>	<u>5.1</u>	<u>16.7</u>	<u>7.0</u>
Total Liabilities	15.7	4.8	6.0	6.0	21.7	10.8
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	22.9	25.6	10.4	7.7	33.3	33.3
Restricted	4.9	5.3	-	-	4.9	5.3
Unrestricted	<u>2.4</u>	<u>1.6</u>	<u>1.9</u>	<u>1.4</u>	<u>4.3</u>	<u>3.0</u>
Total Net Assets	<u>\$ 30.2</u>	<u>\$ 32.5</u>	<u>\$ 12.3</u>	<u>\$ 9.1</u>	<u>\$ 42.5</u>	<u>\$ 41.6</u>

For more detailed information see the Statement of Net Assets (pages 11-12).

The Village's combined net assets, which is the Village's equity, increased to \$42.5 million from \$41.6 million as a result of the increase in net assets in the Business-Type Activities. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, were a surplus of \$2.4 million. The unrestricted net assets of Business-Type Activities were \$1.9 million. The Village can use unrestricted net assets to finance the continuing operation of its waterworks and sewerage system and golf course.

**Normal Impacts**

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

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

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

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

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

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

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

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

**Current Year Impacts**

The Village's governmental activities net assets decreased by \$2.3 million. Assets increased by \$8.6 million and can be attributed to several factors. The Village issued bonds in the current year to finance capital projects. At the end of the fiscal year, there were \$4.9 million of unspent bond proceeds. Capital assets increased by \$2.3 million attributed to the purchase of land and a building in the TIF Fund. The remainder of the increase is in cash, which can be attributed to improved operations in the Village. Total liabilities increased by \$10.9 million and can mainly be attributed to the Village issuing \$9.2 million in general obligation bonds to fund several capital projects in the Village. In addition, \$1.0 million in increases can be attributed to increases in accounts payable related to capital projects, which would be used to fund unspent bond proceeds.

The Village's Business-Type Activities net assets increased by \$3.2 million. Assets increased by \$3.2 million and can be mainly attributed to increased capital asset balances of \$2.8 million due to the new Glenwood Golf Course clubhouse being constructed in the current year and several water and sewer projects including the water tower painting and 187<sup>th</sup> lift station renovations. Total liabilities remained consistent.

**Changes in Net Assets**

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

**Table 2  
Changes in Net Assets  
For the Fiscal Year Ended April 30, 2011  
(in millions)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
REVENUES						
Program Revenues						
Charges for Services	\$1.3	\$1.1	\$3.0	\$3.2	\$ 4.3	\$ 4.3
Grants and Contributions	0.3	1.1	3.3	0.2	3.6	1.3
General Revenues						
Property Taxes	7.0	6.9	0.3	0.5	7.3	7.4
Other Taxes	2.6	2.6	-	-	2.6	2.6
Other	<u>0.1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.1</u>	<u>-</u>
Total Revenues	<u>11.3</u>	<u>11.7</u>	<u>6.6</u>	<u>3.9</u>	<u>17.9</u>	<u>15.6</u>
EXPENSES						
General Government	6.4	5.0	-	-	6.4	5.0
Public Safety	4.1	4.0	-	-	4.1	4.0
Public Works	1.2	0.6	-	-	1.2	0.6
Highway and Streets	1.3	0.5	-	-	1.3	0.5
Water and Sewer	-	-	1.3	1.4	1.3	1.4
Golf Course	-	-	2.1	1.5	2.1	1.5
Debt Service	<u>0.6</u>	<u>0.1</u>	<u>-</u>	<u>-</u>	<u>0.6</u>	<u>0.1</u>
Total Expenses	<u>13.6</u>	<u>10.2</u>	<u>3.4</u>	<u>2.9</u>	<u>17.0</u>	<u>13.1</u>
CHANGE IN NET ASSETS	<u>(2.3)</u>	<u>1.5</u>	<u>3.2</u>	<u>1.0</u>	<u>0.9</u>	<u>2.5</u>
ENDING NET ASSETS	<u>\$ 31.2</u>	<u>\$ 32.5</u>	<u>\$12.3</u>	<u>\$ 9.1</u>	<u>\$ 42.5</u>	<u>\$ 41.6</u>

## Village of Glenwood, Illinois

### Management's Discussion and Analysis (Continued)

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There are eight basic impacts on revenues and expenses as reflected below:

#### Normal Impacts

##### Revenues:

**Economic Condition** – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

**Increase/Decrease in Village Board Approved Rates** – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, home rule sales tax, etc.).

**Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)** – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

**Market Impacts on Investment Income** – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

##### Expenses:

**Introduction of New Programs** – within the functional expense categories (Public Safety, Public Works, General Government, Parks, etc.) individual programs may be added or deleted to meet changing community needs.

**Increase in Authorized Personnel** – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 80 percent of the Village's operating costs.

**Salary Increases (annual adjustments and merit)** – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

**Inflation** – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

#### Current Year Impacts

##### Revenues:

The Village's governmental activities total revenues decreased by \$0.4 million over the prior year to \$11.3 million. The main reason for the decrease can be attributed to the Village receiving a grant for capital projects in the amount of \$0.8 million in the prior fiscal year. The Village did not receive any grants of this nature in the current fiscal year.

The Village's Business-Type Activities total revenues increased by \$2.7 million over the prior year. This increase can be attributed to the Village receiving capital contributions from the governmental funds in the amount of \$3.3 million and increase in capital contributions from the prior year of \$3.1 million. The contributions pertained to the new golf course club house and other projects at the golf course. In addition, several water and sewer projects including the water tower painting and 187<sup>th</sup> street pump house repairs were financed through capital contributions. This increase in contributions was offset by decreases in golf course fees due to the construction and the decrease in property tax revenues due to the re-financing of bonds in the current year.

## Village of Glenwood, Illinois

### Management's Discussion and Analysis (Continued)

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#### Expenses:

The Village's total expenses for governmental activities for the year ended April 30, 2011, were \$13.6 million, an increase of \$3.4 million over the prior year. The majority of this increase can be attributed to the capital contributions made to Business-Type Activities of \$3.3 million as the expenses are incurred in the governmental activities opinion unit, but the assets are capitalized in the Business-Type Activities opinion unit. The remaining increase can be attributed to additional street repairs that were done in the current fiscal year that are not considered capital asset additions.

The Village's total expenses for Business-Type Activities for the year ended April 30, 2011, were \$3.4 million, an increase of \$0.5 million over the prior year. The increase can be attributed to capital asset deletions related to Glenwoodie Gold Course, which had a net book value of \$0.6 million when written off. The deletions mainly related to the demolishing of the old club house.

#### **Financial Analysis of the Village's Funds**

##### **Governmental Funds**

At April 30, 2011, the governmental funds (as presented on the balance sheet on page 14-15) reported a combined fund balance of \$11.8 million. Revenues and other sources exceeded expenditures and other uses in 2011 by \$4.8 million.

The General Fund experienced a current year operating surplus of \$0.7 million. This surplus resulted in a year-end fund balance of \$2.2 million. This surplus is consistent with the prior year surplus of \$0.5 million and can be attributed to the Village controlling expenditures over the prior two fiscal years as the fund was in a deficit position at April 30, 2009.

The TIF Fund's fund balance experienced a current year operating deficit of \$1.5 million decreasing fund balance to \$1.3 million. This deficit can be attributed to the TIF purchasing land and a building in the current year to assist in future TIF development. The Holbrook Road Tax Increment Financing District Fund transferred in \$800,000 to assist in the payment of the project costs.

The Holbrook Road Tax Increment Financing District Fund balance experienced a current year operating surplus of \$0.8 million increasing fund balance to \$1.1 million. The District received \$1.6 million in property taxes in the current year and incurred minimal expenses. The District did transfer \$0.8 million to the TIF Fund to assist in the costs of a new development.

The Series 1998B Village Hall Construction Bonds fund was closed in the current fiscal year. Bonds were issued to pay off the entire outstanding balance on the Alternative Revenue Bonds. The remaining fund balance was transferred into the 2010 Bond Payment Fund to assist in the payment of the new bonds.

The 2010 Bond Payment Fund was created in the current fiscal year to finance the payment of the Series 2010A and Series 2010B General Obligation Bonds. The fund has a year-end fund balance of \$0.5 million, which will be used to fund bond principal and interest payments in future fiscal years.

The 2010 Bond Project Fund was created in the current fiscal year to account for the expenditures of the bond proceeds related to the series 2010A General Obligation Bonds. The Village issues \$9.3 million in bonds in the current fiscal year. The Village expended approximately \$5.2 million in the current fiscal year resulting in a year-end fund balance of \$4.1 million. The majority of the expenditures related to the Glenwoodie Golf Course new club house and other renovations (\$2.8 million), street resurfacing and side walk repairs (\$1.0 million), water and sewer projects (\$0.8 million) and park renovations (\$0.2 million).

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

**General Fund Budgetary Highlights**

At the first Village Council Committee meeting in May, the Mayor submits to the Village Council a proposed operating budget for the fiscal year commencing on May 1. The operating budget includes proposed expenditures and the means to finance them. The Village had no budget amendments in 2011. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

**Table 3  
General Fund Budgetary Highlights  
(in millions)**

<b>General Fund</b>	<b>Original Budget</b>	<b>Actual</b>
Revenues and Other Financing Sources		
Taxes	\$ 3.4	\$ 3.2
Intergovernmental	2.2	2.3
Licenses, permits and fees	0.6	0.4
Fines	0.1	0.2
Charges for services	<u>0.6</u>	<u>0.6</u>
<b>Total</b>	<b>6.9</b>	<b>6.7</b>
Expenditures and Other Financing Uses		
Administration	2.3	1.5
Public works	0.5	0.4
Police	3.0	2.8
Fire	1.1	1.0
Capital outlay	0.6	0.2
Other	<u>0.1</u>	<u>0.1</u>
<b>Total</b>	<b><u>7.6</u></b>	<b><u>6.0</u></b>
Change in Fund Balance	<b><u>(\$ 0.7)</u></b>	<b><u>\$ 0.7</u></b>

The General Fund anticipated a deficit of \$0.7 million, while actual results were a \$0.7 million surplus. This can mainly be attributed to expenditures being \$1.6 million below budget. Liability and workman's compensation insurance was approximately \$0.7 million less than anticipated. The Village anticipated premiums being higher than in the prior year, when they were actually less than the prior year. Capital outlay was approximately \$0.4 million less than anticipated as the Village was able to perform park renovations in the capital projects fund instead of the General Fund. The remainder \$0.5 million of expenditures less than budget can be attributed to several expenditures line items being under budget, but nothing of significant that warrants the reader's attention. Revenues were \$0.2 million less than anticipated due to property taxes being less than anticipated.

## Village of Glenwood, Illinois

### Management's Discussion and Analysis (Continued)

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#### Capital Assets

At the end of the fiscal year 2011, the Village had a combined total of capital assets of \$45.4 million invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers and sanitary sewer lines. (See Table 4 below). This amount represents a net increase (including additions and deletions) of just over \$4.1 million.

For more detailed information related to capital assets, see Notes 1 and 4 of the Basic Financial Statements.

**Table 4**  
**Total Capital Assets at Year-End**  
**Net of Depreciation**  
**(in millions)**

	Balance 4/30/10	Net Additions/Deletions	Balance 4/30/11
Land	\$ 24.1	\$ 1.0	\$ 25.1
Construction in progress	-	4.1	4.1
Improvements	0.9	0.1	1.0
Buildings	4.3	(0.5)	3.8
Machinery and Equipment	1.4	0.1	1.5
Infrastructure	<u>9.6</u>	<u>0.3</u>	<u>9.9</u>
Total Capital Assets	<u>\$ 40.3</u>	<u>\$ 5.1</u>	<u>\$ 45.4</u>

#### Long-Term Debt

The Village had \$7.0 million and \$16.8 million in outstanding long-term debt at April 30, 2010 and 2011, respectively.

The Village paid off approximately \$7.0 million in long-term debt in the current year. This was offset by \$6.9 million of new bonds, which were used to pay off a portion of the old debt.

The Village issued \$9.2 million of general obligation bonds to finance several capital projects of the Village.

For more detailed information related to debt outstanding, see Notes 1 and 5 of the Basic Financial Statements.

#### Economic Factors

The financial condition of the Federal and State governments has had a dramatic effect on the Village of Glenwood during 2011 and is expected to continue into 2012. Grant assistance is extremely competitive and previously reliable state share revenues (especially the income tax and use tax) have been materially reduced. The Village will need to look internally and consider increasing other revenue sources and/or reduce expenditures until these larger governments get their finances in order.

#### Contacting the Village's Financial Management

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

## **Basic Financial Statements**



**Government-Wide Financial Statements**

Village of Glenwood, Illinois

Statement of Net Assets

April 30, 2011

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 12,848,129	\$ 1,394,124	\$ 14,242,253
Investments	-	522,271	522,271
Receivables:			
Property taxes	2,428,630	54,651	2,483,281
Accounts	-	363,163	363,163
Interest	-	4,902	4,902
Other	82,457	3,591	86,048
Inventories	-	41,251	41,251
Due from other governments	663,659	-	663,659
Due from fiduciary fund	3,349	-	3,349
Internal balances	(149,249)	149,249	-
<b>Total current assets</b>	<b>15,876,975</b>	<b>2,533,202</b>	<b>18,410,177</b>
Noncurrent Assets			
Unamortized bond issuance cost	252,613	103,402	356,015
Net pension asset	30,130	-	30,130
Capital assets not being depreciated	22,214,632	7,014,277	29,228,909
Capital assets being depreciated, net	7,506,202	8,678,535	16,184,737
<b>Total noncurrent assets</b>	<b>30,003,577</b>	<b>15,796,214</b>	<b>45,799,791</b>
<b>Total assets</b>	<b>45,880,552</b>	<b>18,329,416</b>	<b>64,209,968</b>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Net Assets (Continued)  
April 30, 2011

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	\$ 1,266,829	\$ 192,284	\$ 1,459,113
Accrued payroll	83,533	23,344	106,877
Accrued interest	545,362	113,184	658,546
Deposits	82,234	57,024	139,258
Unearned revenue	2,252,168	48,757	2,300,925
Compensated absences	208,264	64,301	272,565
Capital leases	-	35,964	35,964
General obligation bonds	60,000	-	60,000
<b>Total current liabilities</b>	<b>4,498,390</b>	<b>534,858</b>	<b>5,033,248</b>
Long-Term Liabilities, net of current maturities			
Unamortized premium on bonds	28,083	132,577	160,660
Compensated absences	269,563	87,469	357,032
Capital leases	-	113,017	113,017
General obligation bonds	10,905,000	5,115,000	16,020,000
OPEB obligation	14,802	-	14,802
<b>Total noncurrent liabilities</b>	<b>11,217,448</b>	<b>5,448,063</b>	<b>16,665,511</b>
<b>Total liabilities</b>	<b>15,715,838</b>	<b>5,982,921</b>	<b>21,698,759</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	22,848,823	10,428,831	33,277,654
Restricted for:			
Road improvements	607,600	-	607,600
Tax increment financing projects	4,009,086	-	4,009,086
Retirement benefits	286,703	-	286,703
Public safety expenditures	13,440	-	13,440
Unrestricted	2,399,062	1,917,664	4,316,726
<b>Total net assets</b>	<b>\$ 30,164,714</b>	<b>\$ 12,346,495</b>	<b>\$ 42,511,209</b>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Activities

Year Ended April 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 6,372,998	\$ 820,702	\$ -	\$ -	\$ (5,552,296)	\$ -	\$ (5,552,296)
Public safety	4,086,901	268,943	3,529	-	(3,814,429)	-	(3,814,429)
Public works	1,283,780	6,457	-	-	(1,277,323)	-	(1,277,323)
Highway and streets	1,314,021	225,822	285,518	-	(802,681)	-	(802,681)
Interest and fees	589,805	-	-	-	(589,805)	-	(589,805)
Total governmental activities	<u>13,647,505</u>	<u>1,321,924</u>	<u>289,047</u>	<u>-</u>	<u>(12,036,534)</u>	<u>-</u>	<u>(12,036,534)</u>
Business-type activities:							
Water and sewer	1,346,027	1,989,178	-	836,310	-	1,479,461	1,479,461
Golf course operations	2,046,230	1,040,818	-	2,522,439	-	1,517,027	1,517,027
Total business-type activities	<u>3,392,257</u>	<u>3,029,996</u>	<u>-</u>	<u>3,358,749</u>	<u>-</u>	<u>2,996,488</u>	<u>2,996,488</u>
Total	<u>\$ 17,039,762</u>	<u>\$ 4,351,920</u>	<u>\$ 289,047</u>	<u>\$ 3,358,749</u>	<u>(12,036,534)</u>	<u>2,996,488</u>	<u>(9,040,046)</u>
General revenues							
Taxes:							
Property					7,031,420	272,454	7,303,874
Sales					943,209	-	943,209
Income					696,480	-	696,480
Utility					758,998	-	758,998
Other					221,660	-	221,660
Interest					44,034	13,885	57,919
Miscellaneous					17,880	-	17,880
Total general revenues					<u>9,713,681</u>	<u>286,339</u>	<u>10,000,020</u>
Change in net assets					(2,322,853)	3,282,827	959,974
Net assets:							
May 1, 2010					<u>32,487,567</u>	<u>9,063,668</u>	<u>41,551,235</u>
April 30, 2011					<u>\$ 30,164,714</u>	<u>\$ 12,346,495</u>	<u>\$ 42,511,209</u>

See Notes to Financial Statements.

**Fund Financial Statements**

Village of Glenwood, Illinois

Balance Sheet - Governmental Funds  
April 30, 2011

	General Fund	TIF Fund	Holbrook Road Tax Increment Financing District Fund
<b>Assets</b>			
Cash and cash equivalents	\$ 1,897,332	\$ 1,336,325	\$ 1,121,275
Receivables:			
Property taxes	1,825,091	53,137	-
Other	82,457	-	-
Due from other governments	645,084	-	-
Due from other funds	317,030	-	-
<b>Total assets</b>	<b>\$ 4,766,994</b>	<b>\$ 1,389,462</b>	<b>\$ 1,121,275</b>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts payable	\$ 202,852	\$ 59,616	\$ -
Accrued payroll	83,533	-	-
Deposits	82,234	-	-
Deferred revenue	2,222,202	-	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>2,590,821</b>	<b>59,616</b>	<b>-</b>
Fund balances			
Reserved for:			
Debt service	-	-	-
Capital projects	-	-	-
Unreserved, reported in:			
General fund	2,176,173	-	-
Special revenue funds	-	1,329,846	1,121,275
Capital projects fund	-	-	-
<b>Total Fund Balances</b>	<b>2,176,173</b>	<b>1,329,846</b>	<b>1,121,275</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,766,994</b>	<b>\$ 1,389,462</b>	<b>\$ 1,121,275</b>

See Notes to Financial Statements.

Series 1998B Village Hall Construction Bond Fund	2010 Bond Payment Fund	2010 Bond Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,051,064	\$ 4,893,349	\$ 2,548,784	\$ 12,848,129
-	355,237	-	195,165	2,428,630
-	-	-	-	82,457
-	-	-	18,575	663,659
-	54,001	6,700	192,660	570,391
<u>\$ -</u>	<u>\$ 1,460,302</u>	<u>\$ 4,900,049</u>	<u>\$ 2,955,184</u>	<u>\$ 16,593,266</u>
\$ -	\$ -	\$ 807,060	\$ 197,301	\$ 1,266,829
-	-	-	-	83,533
-	-	-	-	82,234
-	340,146	-	126,500	2,688,848
-	658,521	-	57,770	716,291
-	998,667	807,060	381,571	4,837,735
-	461,635	-	-	461,635
-	-	4,092,989	-	4,092,989
-	-	-	-	2,176,173
-	-	-	2,457,073	4,908,194
-	-	-	116,540	116,540
-	461,635	4,092,989	2,573,613	11,755,531
<u>\$ -</u>	<u>\$ 1,460,302</u>	<u>\$ 4,900,049</u>	<u>\$ 2,955,184</u>	<u>\$ 16,593,266</u>

Village of Glenwood, Illinois

Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
April 30, 2011

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Total fund balances-governmental funds	\$ 11,755,531
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	29,720,834
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Bond issuance costs that are an expenditure in the fund financial statements are an asset that is amortized over the life of the bonds in the government-wide financial statements.	252,613
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Premium on bonds that are other financing source in the fund financial statements are a liability that is amortized over the life of the bonds in the government-wide financial statements.	(28,083)
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Revenue that is deferred in the fund financial statements because it is not available but is recognized as revenue in the government-wide financial statements.	436,680
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Some assets and liabilities reported in the statement of net assets do not require the use of current financial resources and, therefore, are not reported as assets or liabilities in governmental funds. These assets and liabilities consist of:

General obligation bonds	(10,965,000)
Accrued interest	(545,362)
Net pension asset	30,130
OPEB obligations	(14,802)
Compensated absences	(477,827)

Net assets of governmental activities	<u>\$ 30,164,714</u>
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See Notes to Financial Statements.



Village of Glenwood, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended April 30, 2011

	General Fund	TIF Fund	Holbrook Road Tax Increment Financing District Fund
<b>Revenues:</b>			
Property taxes	\$ 2,803,046	\$ 1,365,636	\$ 1,606,266
Other taxes	445,272	-	-
Intergovernmental	2,254,046	-	-
Licenses, permits and fees	382,575	-	-
Fines	152,097	-	-
Interest	2,005	1,270	103
Charges for services	592,514	-	-
Miscellaneous	48,993	-	-
<b>Total revenues</b>	<b>6,680,548</b>	<b>1,366,906</b>	<b>1,606,369</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Administration	1,505,262	1,211,404	34,375
Public works	379,650	-	-
Parks	47,599	-	-
Police	2,792,222	-	-
Fire	1,031,624	-	-
ESDA	8,203	-	-
Senior center	14,726	-	-
Highway and streets	-	-	-
Pension contributions	-	-	-
<b>Debt service:</b>			
Principal	-	-	-
Interest and fees	-	-	-
Bond issuance costs	-	-	-
Capital outlay	204,896	2,396,101	-
<b>Total expenditures</b>	<b>5,984,182</b>	<b>3,607,505</b>	<b>34,375</b>
Excess (deficiency) of revenues over (under) expenditures	696,366	(2,240,599)	1,571,994
<b>Other financing sources (uses):</b>			
General obligation bonds issued	-	-	-
Premium on bonds	-	-	-
Transfers in	-	800,000	-
Transfers (out)	-	-	(800,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>800,000</b>	<b>(800,000)</b>
<b>Change in fund balance</b>	<b>696,366</b>	<b>(1,440,599)</b>	<b>771,994</b>
<b>Fund balances (deficit):</b>			
May 1, 2010	1,479,807	2,770,445	349,281
April 30, 2011	\$ 2,176,173	\$ 1,329,846	\$ 1,121,275

See Notes to Financial Statements.

Series 1998B Village Hall Construction Bond Fund	2010 Bond Payment Fund	2010 Bond Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 7,542	\$ 425,964	\$ -	\$ 701,351	\$ 6,909,805
-	-	-	-	445,272
-	-	-	286,323	2,540,369
-	-	-	161,436	544,011
-	-	-	-	152,097
538	-	28,379	11,739	44,034
-	-	-	-	592,514
-	-	-	2,189	51,182
8,080	425,964	28,379	1,163,038	11,279,284
-	-	164,930	140,468	3,056,439
-	-	-	-	379,650
-	-	-	-	47,599
-	-	-	2,999	2,795,221
-	-	-	-	1,031,624
-	-	-	-	8,203
-	-	-	-	14,726
-	-	-	203,143	203,143
-	-	-	323,099	323,099
1,860,000	-	-	-	1,860,000
42,164	-	-	-	42,164
40,937	-	226,715	-	267,652
-	-	4,773,745	52,656	7,427,398
1,943,101	-	5,165,390	722,365	17,456,918
(1,935,021)	425,964	(5,137,011)	440,673	(6,177,634)
1,735,000	-	9,230,000	-	10,965,000
33,843	-	-	-	33,843
-	35,671	-	-	835,671
(35,671)	-	-	-	(835,671)
1,733,172	35,671	9,230,000	-	10,998,843
(201,849)	461,635	4,092,989	440,673	4,821,209
201,849	-	-	2,132,940	6,934,322
\$ -	\$ 461,635	\$ 4,092,989	\$ 2,573,613	\$ 11,755,531

**Village of Glenwood, Illinois**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
Year Ended April 30, 2011**

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Net change in fund balances-total governmental funds	\$ 4,821,209
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Amounts reported for governmental activities in the statement of activities are different because:

Revenue that is deferred in the fund financial statements because it is not available but is recognized as revenue in the government-wide financial statements.

Prior year deferred balance	(391,312)
Current year deferred balance	436,680

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

Capital outlays	2,750,290
Loss on disposal	(339)
Depreciation expense	(464,715)

In governmental funds, long-term debt is considered other financing sources, but in the statement of net assets, debt is reported as a liability. In the current period, proceeds were received from:

General obligation bonds	(10,965,000)
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Premium on bonds is recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the statement of net assets and is amortized over the life of the bonds. These are the amounts in the current period.

Premium on bonds	(33,843)
Amortization premium on bonds	5,760

Bond issuance costs are recorded as an expenditure in the fund financial statements, but the cost is recorded as an asset in the statement of net assets and is amortized over the life of the bonds. These are the amounts in the current period.

Bond issuance costs	267,652
Amortization bond issuance costs	(15,039)

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.

	1,860,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Increase in accrued interest	(538,362)
Increase in compensated absences	(24,690)
Decrease in net pension asset	(26,210)
Increase in OPEB obligation	(4,934)

Change in net assets of governmental activities	<u>\$ (2,322,853)</u>
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See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Net Assets - Enterprise Funds  
April 30, 2011

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 1,089,430	\$ 304,694	\$ 1,394,124
Investments	522,271	-	522,271
Receivables:			
Property taxes	-	54,651	54,651
Accounts	330,721	32,442	363,163
Interest	4,902	-	4,902
Other	-	3,591	3,591
Inventories	-	41,251	41,251
Due from other funds	65,000	87,512	152,512
<b>Total current assets</b>	<b>2,012,324</b>	<b>524,141</b>	<b>2,536,465</b>
Noncurrent Assets			
Unamortized bond issuance cost	-	103,402	103,402
Capital assets not being depreciated	385,883	6,628,394	7,014,277
Capital assets being depreciated, net	6,897,724	1,780,811	8,678,535
<b>Total noncurrent assets</b>	<b>7,283,607</b>	<b>8,512,607</b>	<b>15,796,214</b>
<b>Total assets</b>	<b>9,295,931</b>	<b>9,036,748</b>	<b>18,332,679</b>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	112,323	79,961	192,284
Accrued payroll	11,819	11,525	23,344
Accrued interest	-	113,184	113,184
Deposits	26,970	30,054	57,024
Unearned revenue	-	48,757	48,757
Due to other funds	3,263	-	3,263
Compensated absences	20,697	43,604	64,301
Capital leases	-	35,964	35,964
<b>Total current liabilities</b>	<b>175,072</b>	<b>363,049</b>	<b>538,121</b>
Long-Term Liabilities, net of current maturities			
Unamortized bond premium	-	132,577	132,577
Compensated absences	33,221	54,248	87,469
Capital leases	-	113,017	113,017
General obligation bonds	-	5,115,000	5,115,000
<b>Total noncurrent liabilities</b>	<b>33,221</b>	<b>5,414,842</b>	<b>5,448,063</b>
<b>Total liabilities</b>	<b>208,293</b>	<b>5,777,891</b>	<b>5,986,184</b>
<b>Net assets</b>			
Invested in capital assets, net of related debt	7,283,607	3,145,224	10,428,831
Unrestricted	1,804,031	113,633	1,917,664
<b>Total net assets</b>	<b>\$ 9,087,638</b>	<b>\$ 3,258,857</b>	<b>\$ 12,346,495</b>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Revenues, Expenses, and Changes in Net Assets  
Enterprise Funds  
Year Ended April 30, 2011

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Operating revenues:			
Charges for service	\$ 1,989,178	\$ 1,040,818	\$ 3,029,996
Operating expenses:			
Operations	1,119,681	894,756	2,014,437
Depreciation	226,346	190,878	417,224
Amortization	-	95,892	95,892
<b>Total operating expenses</b>	<b>1,346,027</b>	<b>1,181,526</b>	<b>2,527,553</b>
<b>Operating income (loss)</b>	<b>643,151</b>	<b>(140,708)</b>	<b>502,443</b>
Nonoperating income (expense):			
Property taxes	-	272,454	272,454
Interest income	10,368	3,517	13,885
Interest expense	-	(275,961)	(275,961)
Loss on disposal of capital assets	-	(588,743)	(588,743)
<b>Total nonoperating income (expense)</b>	<b>10,368</b>	<b>(588,733)</b>	<b>(578,365)</b>
<b>Income (loss) before contributions</b>	<b>653,519</b>	<b>(729,441)</b>	<b>(75,922)</b>
Capital contributions	836,310	2,522,439	3,358,749
<b>Change in net assets</b>	<b>1,489,829</b>	<b>1,792,998</b>	<b>3,282,827</b>
Net assets:			
May 1, 2010	7,597,809	1,465,859	9,063,668
April 30, 2011	\$ 9,087,638	\$ 3,258,857	\$ 12,346,495

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds  
Year Ended April 30, 2011

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Cash flows from operating activities			
Cash received for services	\$ 1,954,066	\$ 1,036,645	\$ 2,990,711
Payments to employees	(349,108)	(441,396)	(790,504)
Payments to suppliers	(742,791)	(509,251)	(1,252,042)
<b>Net cash provided by operating activities</b>	<b>862,167</b>	<b>85,998</b>	<b>948,165</b>
Cash flows from noncapital financing activities			
Property taxes	-	266,560	266,560
(Increase) decrease in due from other funds	1,737	(87,512)	(85,775)
Decrease in due to other funds	3,263	(206,624)	(203,361)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>5,000</b>	<b>(27,576)</b>	<b>(22,576)</b>
Cash flows from capital and related financing activities			
Additions to capital assets	(264,288)	(58,174)	(322,462)
Principal payments, capital leases	-	(37,694)	(37,694)
Principal payments, note payable	-	(7,539)	(7,539)
Principal payments, general obligation bonds	-	(5,160,000)	(5,160,000)
Bond proceeds, general obligation bonds	-	5,115,000	5,115,000
Issuance costs paid on general obligation bonds	-	(109,100)	(109,100)
Premiums received on general obligation bonds	-	139,885	139,885
Interest paid	-	(275,277)	(275,277)
<b>Net cash used in capital and related financing activities</b>	<b>(264,288)</b>	<b>(392,899)</b>	<b>(657,187)</b>
Cash flows from investing activities			
Purchase of investments	(309,771)	-	(309,771)
Cash receipts from interest income	10,368	3,517	13,885
<b>Net cash flows provided by (used in) investing activities</b>	<b>(299,403)</b>	<b>3,517</b>	<b>(295,886)</b>
<b>Net increase (decrease ) in cash and cash equivalents</b>	<b>303,476</b>	<b>(330,960)</b>	<b>(27,484)</b>
Cash and cash equivalents:			
May 1, 2010	785,954	635,654	1,421,608
April 30, 2011	\$ 1,089,430	\$ 304,694	\$ 1,394,124

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds (Continued)  
Year Ended April 30, 2011

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 643,151	\$ (140,708)	\$ 502,443
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	226,346	190,878	417,224
Amortization	-	95,892	95,892
Changes in assets and liabilities			
Accounts receivable	(40,075)	(1,276)	(41,351)
Prepaid items	4,424	249	4,673
Accounts payable	13,699	(41,011)	(27,312)
Accrued payroll	2,371	(904)	1,467
Deposits	4,963	(2,897)	2,066
Compensated absences	7,288	(14,225)	(6,937)
Total adjustments	219,016	226,706	445,722
Net cash provided by operating activities	\$ 862,167	\$ 85,998	\$ 948,165
Supplemental Schedule of Non-Cash Capital and Related Finance Activities			
Capital assets contributed from government	\$ 836,310	\$ 2,522,439	\$ 3,358,749
Capital assets financed through capital lease	-	178,520	178,520

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2011

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**Assets**

Cash and cash equivalents	\$ 463,766
Investments:	
Certificates of deposit	321,509
U.S. government and agency obligations	2,979,421
Insurance contracts	823,744
Equity mutual funds	2,927,638
Money market mutual funds	284,090
Illinois Funds	101,598
Accrued interest	16,091
Prepaid items	5,292
Due from other governments	65,147
	<hr/>
<b>Total assets</b>	<b>7,988,296</b>

**Liabilities**

Accounts payable	8,309
Due to other funds	3,349
	<hr/>
<b>Total liabilities</b>	<b>11,658</b>

**Net Assets**

Held in trust for pension benefits	<u><u>\$ 7,976,638</u></u>
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See Notes to Financial Statements.



Village of Glenwood, Illinois

Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2011

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Additions	
Contributions:	
Employer	\$ 427,057
Employee	171,869
<b>Total contributions</b>	<u>598,926</u>
Investment income:	
Net increase in fair value of investments	554,153
Interest and dividend earnings	157,681
Less: investment expenses	(15,844)
<b>Net investment income</b>	<u>695,990</u>
<b>Total additions</b>	<u>1,294,916</u>
Deductions	
Benefits and refunds	736,406
Administrative expenses	53,341
<b>Total deductions</b>	<u>789,747</u>
<b>Net increase</b>	505,169
Net assets held in trust for employees' pension benefits:	
May 1, 2010	<u>7,471,469</u>
April 30, 2011	<u>\$ 7,976,638</u>

See Notes to Financial Statements.

## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

##### Nature of Activities

The Village of Glenwood, Illinois (the Village), is located in Cook County, Illinois and was first incorporated in 1871 under the provisions of the constitution and general statutes of the State of Illinois. The Village operates under a Board-Manager form of government. The Village Board consists of six elected members that exercise all powers of the Village but are accountable to their constituents for all their actions. The Village provides the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

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

##### Financial Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

Fiscal dependency on the primary government.

Based upon the application criteria, no component units have been included within the reporting entity.

##### Government-Wide and Fund Financial Statements

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

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

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

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

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

## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (continued)

##### Government-Wide and Fund Financial Statements (continued)

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

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

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

**Fund Financial Statements:** Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund, TIF Fund, Holbrook Road Tax Increment Financing District Fund, Series 1998B Village Hall Construction Bond Fund, 2010 Bond Payment Fund and 2010 Bond Project Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise funds – Water and Sewer Fund and Golf Course Fund.

The Village administers the following major governmental funds:

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

**TIF Fund** – A special revenue fund, accounts for the revenue generated from the tax incremental finance district to pay development costs.

**Holbrook Road Tax Increment Financing District Fund** – A special revenue fund, accounts for the revenue generated from the tax incremental finance district to pay development costs.

**Series 1998B Village Hall Construction Bond Fund** – A debt service fund, accounts for the revenue accumulated for the repayment of principal and interest on the Series 1998B alternative revenue bonds.

**2010 Bond Payment Fund** – A debt service fund, accounts for the revenue accumulated for the repayment of principal and interest on the Series 2010A and Series 2010B general obligation bonds.

**2010 Bond Project Fund** – A capital projects fund, accounts for bonds proceeds received and other resources accumulated for capital projects of the Village.

## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (continued)

##### Government-Wide and Fund Financial Statements (continued)

The Village administers the following major proprietary funds:

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

**Golf Course Fund** – Accounts for the revenues and expenses related to the operations of Glenwoodie Golf Course. Revenues are generated through charges to users based on rounds played and concessions purchased.

Additionally, the Village administers a fiduciary (pension trust) fund for assets held by the Village in a fiduciary capacity on behalf of its police and fire department employees.

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

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

Governmental funds 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 60 days of the end of the current fiscal year.

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

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

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

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

**Note 1. Summary of Significant Accounting Policies (continued)**

**Measurement Focus and Basis of Accounting and Financial Statement Presentation (continued)**

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

**Assets, Liabilities, and Net Assets or Equity**

***Cash and Cash Equivalents***

The Village considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

***Investments***

Investments are reported at fair value. Fair value is based on quoted market prices for same or similar investments, except for insurance contracts which are carried at contract value, which approximates fair value.

***Inventories***

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

***Interfund Receivables, Payables and Activity***

The Village has the following types of transactions between funds:

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

***Services provided and used*** – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net assets.

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

***Transfers*** – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

Village of Glenwood, Illinois

Notes to Financial Statements

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**Note 1. Summary of Significant Accounting Policies (continued)**

**Assets, Liabilities, and Net Assets or Equity (continued)**

***Capital Assets***

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

These assets have been valued at historical cost or estimated historical cost if purchased or constructed.

Donated assets are recorded at their estimated fair market value at the date of donation. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

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

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements	3 – 30 years
Buildings	20 – 75 years
Machinery and equipment	4 – 40 years
Infrastructure	20 – 75 years

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

***Unearned/Deferred Revenue***

The Village defers revenue recognition in connection with resources that have been received, but not yet earned.

In addition, governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

***Compensated Absences***

Accumulated unpaid compensated absences are accrued as a liability in the 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 in 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. The General Fund is typically used to liquidate the governmental fund liability.

**Note 1. Summary of Significant Accounting Policies (continued)**

**Assets, Liabilities, and Net Assets or Equity (continued)**

***Long-Term Obligations***

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Bond premiums and discounts, as well as issuance costs and deferred amount on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond issuance costs during the year the bonds are sold. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits these funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

***Fund Balance Reserves***

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.

***Elimination and Reclassification***

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

***Use of Estimates***

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

**Village of Glenwood, Illinois**

**Notes to Financial Statements**

**Note 2. Property Taxes**

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by the County and issued on or about February 1 and September 1, and are payable in two installments which become delinquent on or about March 1 and October 1.

Property taxes are billed, collected and remitted periodically by the County Treasurer of Cook County, Illinois. For all funds, the Village recognizes no more than one-half of the levy in the current fiscal year as revenue with the second half to be recognized in the following fiscal year. Accordingly, the second half amount is reflected as deferred/unearned revenue this year. This methodology conforms to the measurable and available criteria for revenue recognition. An allowance for the estimated uncollectible taxes has been provided based on prior year collection experiences. Property tax collection through 60 days were not sufficient to meet the availability criteria, therefore, the Village was not able to recognize one-half of the levy as revenue in the current fiscal year on the fund financial statements. The shortfall was recognized as revenue in the government-wide financial statements.

For employee pension plan property taxes, revenues are recognized in the year they are received.

For tax increment financing district property taxes, revenues are recognized for all cash receipts received through 60 days of year end.

**Note 3. Cash and Investments**

**Deposits**

*Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of bank failure, the Village, Police Pension or Firefighters' Pension deposits may not be returned. The Village, Police Pension and Firefighters' Pension do not have a policy for custodial credit risk. As of April 30, 2011, none of the Village or Firefighters' Pension deposits were exposed to custodial credit risk due to being uninsured and uncollateralized. \$42,977 of the Police Pension deposits were exposed to custodial credit risk due to being uninsured and uncollateralized.

**Investments**

As of April 30, 2011, the Village had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Strips	\$ 361,097	\$ -	\$ 110,728	\$ 250,369	\$ -
U.S. agencies - FFCB	409,032	-	-	110,007	299,025
U.S. agencies - FHLB	1,010,797	-	470,906	128,052	411,839
U.S. agencies - GNMA	1,198,495	-	221	535,920	662,354
Illinois Funds *	1,179,597	1,179,597	-	-	-
Illinois Metropolitan Investment Fund *	883,133	883,133	-	-	-
Money Market Funds *	284,090	284,090	-	-	-
<b>Total</b>	<b>\$ 5,326,241</b>	<b>\$ 2,346,820</b>	<b>\$ 581,855</b>	<b>\$ 1,024,348</b>	<b>\$ 1,373,218</b>

\* Weighted average maturity is less than one year.



## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### **Note 3. Cash and Investments (continued)**

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

The Police Pension Fund’s investment policy limits its exposure to interest rate risk by structuring the portfolio to remain sufficiently liquid to enable the pension fund to pay all necessary benefits and meet all operating requirements, which might be reasonably anticipated.

The Firefighters’ Pension Fund’s investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Illinois Metropolitan Investment Fund (I.M.E.T.) is a not-for-profit investment fund formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. I.M.E.T. is not registered with the SEC as an investment company. Investments in I.M.E.T. are valued at I.M.E.T.’s share price, which is the price the investment could be sold for.

*Credit Risk* – Is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest investments as allowed by Illinois Compiled Statutes.

The Village’s investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with the discretion of intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments.

The Police Pension Fund’s investment policy is to also apply the prudent person rule, which states investments shall be made with judgment and care, under circumstances then 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 objective of safety as well of the secondary objective of the attainment of market rate of return.

The Firefighters’ Pension Fund’s investment policy is to also apply the prudent person rule, which states investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived.

As of April 30, 2011, investments in Illinois Funds and Illinois Metropolitan Investment Fund were rated AAA by Standard and Poor’s. The FFCB and FHLB were rated Aaa by Moody’s Investors Services and AAA by Standard and Poor’s. The Money Market Funds are not rated.

## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### **Note 3. Cash and Investments (continued)**

*Concentration of Credit Risk* – Is the risk of loss attributed to the magnitude of the investments in a single issuer.

The Village's investment policy states that investments shall be diversified to the best of their ability based on the types of funds invested and cash flow needs of those funds. Diversification can be the type of investment, the number of institutions invested in, and the length of maturity. The policy does not restrict the amount of investments in any one issuer. None of the Village's investments exceed 5% of total investments.

The Police Pension Funds investment policy states that the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. More than 5% of the Fund's investments are in FFCB's and insurance contracts. These investments represent 6.4% and 16.4%, respectively, of the Fund's total investments.

The Firefighters' Pension Fund policy provides target percentages that have been determined for each asset class. These allocations are to serve as a guideline. Market conditions or investment transitions may require interim investment strategy and therefore temporary imbalance in asset mix. The target percentages by asset class are as follows: fixed income 88%, equities 10%, and cash 2%. More than 5% of the Fund's investments are in FHLB's. These investments represent 41.9% of the Fund's total investments.

*Custodial Credit Risk* – For an investment, this is the risk that, in the event of failure of the counterparty, the Entity will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Illinois Funds, Illinois Metropolitan Investment Fund, Mutual Funds, and Money Market Funds are not subject to custodial credit risk.

The Village's investment policy states that the only authorized financial institutions are those that are FDIC insured and/or provide sufficient collateralization to cover the balance of the Village's deposits. None of the Village's investments are subject to custodial credit risk.

The Police Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Fund, to act as a custodian for its securities and collateral. The U.S. agency securities and insurance contracts are held by the Fund's agent in the Fund's name.

The Firefighters' Pension Fund's investment policy requires collateral for funds in excess of FDIC or FSLIC limits. The U.S. Treasury Strips and U.S. agency securities are held by the Fund's agent in the Fund's name.

Village of Glenwood, Illinois

Notes to Financial Statements

**Note 4. Capital Assets**

A summary of the changes in capital assets for governmental activities of the Village for the year ended April 30, 2011, is as follows:

	Balance May 1, 2010	Additions	Deletions	Balance April 30, 2011
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 19,762,043	\$ 1,057,325	\$ -	\$ 20,819,368
Construction in progress	-	1,395,264	-	1,395,264
Total capital assets not being depreciated	<u>19,762,043</u>	<u>2,452,589</u>	<u>-</u>	<u>22,214,632</u>
Capital assets being depreciated:				
Improvements	1,278,525	52,006	-	1,330,531
Buildings	4,643,712	107,125	-	4,750,837
Machinery and equipment	3,454,115	51,074	307,297	3,197,892
Infrastructure	6,275,725	87,496	6,356	6,356,865
Total capital assets being depreciated	<u>15,652,077</u>	<u>297,701</u>	<u>313,653</u>	<u>15,636,125</u>
Less accumulated depreciation for:				
Improvements	1,131,899	27,047	-	1,158,946
Buildings	1,542,674	85,330	-	1,628,004
Machinery and equipment	2,295,836	235,603	307,297	2,224,142
Infrastructure	3,008,113	116,735	6,017	3,118,831
Total accumulated depreciation	<u>7,978,522</u>	<u>464,715</u>	<u>313,314</u>	<u>8,129,923</u>
Total capital assets being depreciated, net	<u>7,673,555</u>	<u>(167,014)</u>	<u>339</u>	<u>7,506,202</u>
Governmental activities capital assets, net	<u>\$ 27,435,598</u>	<u>\$ 2,285,575</u>	<u>\$ 339</u>	<u>\$ 29,720,834</u>

Village of Glenwood, Illinois

Notes to Financial Statements

**Note 4. Capital Assets (continued)**

A summary of changes in capital assets for business-type activities of the Village for the year ended April 30, 2011, is as follows:

	Balance May 1, 2010	Additions	Deletions	Balance April 30, 2011
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 4,309,187	\$ -	\$ -	\$ 4,309,187
Construction in Progress	-	2,705,090	-	2,705,090
Total capital assets not being depreciated	4,309,187	2,705,090	-	7,014,277
Capital assets being depreciated:				
Improvements	1,648,024	197,183	-	1,845,207
Buildings	1,665,303	-	761,317	903,986
Machinery and equipment	670,638	480,420	193,017	958,041
Infrastructure	14,274,837	477,038	-	14,751,875
Total capital assets being depreciated	18,258,802	1,154,641	954,334	18,459,109
Less accumulated depreciation for:				
Improvements	938,209	88,227	-	1,026,436
Buildings	430,041	25,947	228,395	227,593
Machinery and equipment	449,002	95,153	137,196	406,959
Infrastructure	7,911,689	207,897	-	8,119,586
Total accumulated depreciation	9,728,941	417,224	365,591	9,780,574
Total capital assets being depreciated, net	8,529,861	737,417	588,743	8,678,535
Business-type activities capital assets, net	<u>\$ 12,839,048</u>	<u>\$ 3,442,507</u>	<u>\$ 588,743</u>	<u>\$ 15,692,812</u>

Village of Glenwood, Illinois

Notes to Financial Statements

**Note 4. Capital Assets (continued)**

Depreciation was charged to functions/programs as follows:

Governmental activities:		
General government		\$ 65,117
Public safety		205,714
Public works		72,990
Highway and streets		120,894
<b>Total depreciation expense - governmental activities</b>		<u><u>\$ 464,715</u></u>
Business-type activities:		
Water and sewer		\$ 226,346
Golf course operations		190,878
<b>Total depreciation expense - business-type activities</b>		<u><u>\$ 417,224</u></u>

**Note 5. Long-Term Obligations**

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

	Outstanding Debt as of May 1, 2010	Additions	Reductions	Outstanding Debt as of April 30, 2011	Due within one year
Alternate revenue bonds	\$ 1,860,000	\$ -	\$ 1,860,000	\$ -	\$ -
General obligation bonds	-	10,965,000	-	10,965,000	60,000
Unamortized bond premium	-	33,843	5,760	28,083	-
Compensated absences	453,137	431,500	406,810	477,827	208,264
OPEB obligation*	9,868	4,934	-	14,802	-
	<u>\$ 2,323,005</u>	<u>\$ 11,435,277</u>	<u>\$ 2,272,570</u>	<u>\$ 11,485,712</u>	<u>\$ 268,264</u>

\*The General Fund resources are used to liquidate this liability.

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

	Outstanding Debt as of May 1, 2010	Additions	Reductions	Outstanding Debt as of April 30, 2011	Due within one year
General obligation bonds	\$ 5,160,000	\$ 5,115,000	\$ 5,160,000	\$ 5,115,000	\$ -
Unamortized bond premium	-	139,885	7,308	132,577	-
Note payable	7,539	-	7,539	-	-
Capital leases	8,155	178,520	37,694	148,981	35,964
Compensated absences	158,707	119,390	126,326	151,771	64,301
	<u>\$ 5,334,401</u>	<u>\$ 5,552,795</u>	<u>\$ 5,338,867</u>	<u>\$ 5,548,329</u>	<u>\$ 100,265</u>

Village of Glenwood, Illinois

Notes to Financial Statements

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**Note 5. Long-Term Obligations (continued)**

Outstanding debt as of April 30, 2011, consists of the following:

General obligation bonds:

General Obligation Bonds, Series 2010A, dated July 22, 2010, provide for the retirement of principal of \$1,035,000 in 2023, \$1,230,000 in 2024, \$1,330,000 in 2025, \$1,440,000 in 2026, \$1,560,000 in 2027, \$1,685,000 in 2028 and \$950,000 in 2029. Interest is payable on December 1 and June 1 of each year at a rate of 7.030%.

\$ 9,230,000

General Obligation Bonds, Series 2010B, dated July 22, 2010, provide for the retirement of principal of \$60,000 in 2012, \$335,000 in 2013, \$400,000 in 2014, \$465,000 in 2015 and \$475,000 in 2016. Interest is payable on December 1 and June 1 of each year at varying rates between 2.50% and 4.00%.

1,735,000

General obligation bonds, Series 2010C, dated September 29, 2010 provide for the retirement of principal of \$35,000 in 2013, \$35,000 in 2014, \$30,000 in 2015, \$85,000 in 2016, \$630,000 in 2017, \$705,000 in 2018, \$775,000 in 2019, \$855,000 in 2020, \$940,000 in 2021 and \$1,025,000 in 2022. Interest is payable on December 1 and June 1 of each year at varying rates between 3.00% and 4.00%.

5,115,000

**Total general obligation bonds**

16,080,000

Unamortized bond premiums

160,660

Capital leases

148,981

OPEB obligation

14,802

Compensated absences

629,598

**Total long-term debt**

\$ 17,034,041

Village of Glenwood, Illinois

Notes to Financial Statements

**Note 5. Long-Term Obligations (continued)**

The future debt service requirements to amortize the outstanding debt other than unamortized bond premiums, compensated absences, net pension asset and OPEB obligation as of April 30, 2011 are as follows:

Year Ending April 30,	Governmental		Business-Type		Total
	General		General		
	Obligation Bonds		Obligation Bonds		
	Principal	Interest	Principal	Interest	
2012	\$ 60,000	\$ 955,851	\$ -	\$ 225,301	\$ 1,241,152
2013	335,000	702,194	35,000	192,200	1,264,394
2014	400,000	693,819	35,000	191,150	1,319,969
2015	465,000	681,819	30,000	190,100	1,366,919
2016	475,000	667,869	85,000	189,200	1,417,069
2017-2021	-	3,244,345	3,905,000	682,575	7,831,920
2022-2026	5,035,000	2,759,628	1,025,000	41,000	8,860,628
2027-2029	4,195,000	546,934	-	-	4,741,934
	<u>\$ 10,965,000</u>	<u>\$ 10,252,459</u>	<u>\$ 5,115,000</u>	<u>\$ 1,711,526</u>	<u>\$ 28,043,985</u>

**Note 6. Capital Lease Obligations**

The Village leases equipment under a capital lease, which expire between June 2013 and October 2014. Monthly lease payments, including interest between 4.88% and 7.95%, are between \$249 and \$6,638, respectively. The cost of the capital assets acquired under the capital leases was \$192,020, which is included in business-type activities machinery and equipment.

Minimum future lease payments under the capital leases together with the present value of the net minimum lease payments as of April 30, 2011 are as follows:

Year ending April 30:	
2012	\$ 42,819
2013	42,819
2014	40,077
2015	39,828
Total minimum lease payments	<u>165,543</u>
Less amount representing interest	<u>16,562</u>
Present value of future minimum lease payments	148,981
Less current portion	<u>35,964</u>
Long-term portion	<u>\$ 113,017</u>

## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### Note 7. Deferred Compensation

The Village offers its employees deferred compensation plans created in accordance with Internal Revenue Code 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. There were no contributions for the current year.

#### Note 8. Pension and Retirement Plan Commitments

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

##### Illinois Municipal Retirement Fund

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

*Funding Policy.* As set by statute, the Village's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's contribution rate for calendar years ended December 31, 2011 and December 31, 2010 were 9.04 percent and 9.02 percent, respectively. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The annual required contribution for the fiscal year ended April 30, 2011 was \$96,692 was equal to the actual contributions.

##### Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
April 30, 2011	\$ 96,693	100 %	\$ -
April 30, 2010	89,194	100	-
April 30, 2009	91,126	100	-

The required contributions for 2011 and 2010 were determined as part of the December 31, 2009 and 2008 actuarial valuations, respectively, using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 and 2008, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the Village's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's Regular plan unfunded actuarial accrued liability at December 31, 2009 and 2008 is being amortized as a level percentage of projected payroll on an open 30-year basis.



## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### Note 8. Pension and Retirement Plan Commitments (continued)

*Funded Status and Funding Progress.* As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 95.91 percent funded. The actuarial accrued liability for benefits was \$2,637,717 and the actuarial value of assets was \$2,529,861, resulting in an underfunded actuarial accrued liability (UAAL) of \$107,856. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$1,080,211 and the ratio of the UAAL to the covered payroll was 9.98 percent.

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

#### Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan is a fund of the Village and also issues separate financial statements. You can obtain this report by contacting the Village of Glenwood, One Asselborn Way, Glenwood, Illinois 60425.

The Police Pension Plan's most recent actuarial valuation was completed as of the year ended April 30, 2010.

Covered employees are currently required to contribute 9.91 percent of their base salary to the Police Pension Plan. The member rate is determined by State statute. The Village is required to contribute at an actuarially determined amount. The employer rate for fiscal year ended April 30, 2010, was 32.80 percent of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

The Village's annual pension cost and net pension asset to the Plan for the year ended April 30, 2011 were as follows:

Annual required contribution	\$ 359,340
Interest on net pension obligation	2,562
Adjustment to annual requirement contribution	<u>(2,540)</u>
Annual pension cost (expense)	359,362
Contributions made	<u>344,055</u>
Decrease in net pension asset	15,307
Net pension asset, beginning of year	<u>(37,445)</u>
Net pension asset, end of year	<u>\$ (22,138)</u>

Village of Glenwood, Illinois

Notes to Financial Statements

**Note 8. Pension and Retirement Plan Commitments (continued)**

The annual required contribution for the year ended April 30, 2011, was determined as part of the April 30, 2010, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0 percent investment rate of return, (b) projected salary increases of 5.5 percent, (c) 3.0 percent per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2010, was 23 years.

As of April 30, 2010, the most recent actuarial valuation date, the regular plan was 49.50 percent funded. The actuarial accrued liability for benefits was \$10,780,959 and the actuarial value of assets was \$5,336,052, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,444,907. The covered payroll (annual payroll of active employees covered by the plan) was \$1,325,675 and the ratio of the UAAL to the covered payroll was 410.7 percent.

**Three-Year Trend Information**

Fiscal Year Ending	Annual Pension Costs (APC)	Percentage of APC Contributed	Annual Pension Contributions	Net Pension Obligation (Asset)
4/30/11	\$ 359,362	95.7 %	\$ 344,055	\$ (22,138)
4/30/10	360,091	120.8	434,872	(38,174)
4/30/09	360,820	108.3	390,899	36,607

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

At April 30, 2010, the Police Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	16
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	6
Active nonvested plan members	14
<b>Total members</b>	<b>36</b>

**Firefighters' Pension Plan**

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

**Village of Glenwood, Illinois**

**Notes to Financial Statements**

**Note 8. Pension and Retirement Plan Commitments (continued)**

Costs of administering the plan are financed through employee and employer contributions. Covered employees are required to contribute 9.46 percent of their base salary to the Fire Pension Plan. The member rate is determined by State statute. The Village is required to contribute at an actuarially determined rate. The Village's most recent actuarial determination was as of April 30, 2010. The employer rate for fiscal year 2010 was 38.29 percent of covered payroll.

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2011 were as follows:

Annual required contribution	\$ 91,589
Interest on net pension obligation	(275)
Adjustment to annual requirement contribution	2,591
Annual pension cost (expense)	<u>93,905</u>
Contributions made	<u>83,002</u>
Decrease in net pension asset	10,903
Net pension asset, beginning of year	<u>(18,895)</u>
Net pension asset, end of year	<u><u>\$ (7,992)</u></u>

The annual required contribution for the year ended April 30, 2011 was determined as part of the April 30, 2010, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.00 percent investment rate of return, (b) projected salary increases of 5.5 percent, (c) 3.0 percent per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of Fire Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Fire Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2010, was 23 years.

As of April 30, 2010, the plan was 78.52 percent funded. The actuarial accrued liability for benefits was \$2,719,652 and the actuarial value of assets was \$2,135,416, resulting in an unfunded actuarial accrued liability of \$584,236. The covered payroll (annual payroll of active employees covered by the plan) was \$271,819 and the ratio of UAAL to covered pay was 214.94 percent.

**Three-Year Trend Information**

Fiscal Year Ending	Annual Pension Costs (APC)	Percentage of APC Contributed		Annual Pension Contributions	Net Pension Asset
4/30/11	\$ 93,905	88.4	%	\$ 83,002	\$ (7,992)
4/30/10	91,508	113.7		104,078	(16,498)
4/30/09	89,111	100.6		89,664	(3,928)

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

Village of Glenwood, Illinois

Notes to Financial Statements

**Note 8. Pension and Retirement Plan Commitments (continued)**

At April 30, 2010, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	3
Active nonvested plan members	1
	<hr/>
<b>Total members</b>	<b>7</b>
	<hr/> <hr/>

**Combining Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2011**

	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 392,758	\$ 71,008	\$ 463,766
Investments:			
Certificates of deposit	212,319	109,190	321,509
U.S. government and agency obligations	1,270,820	1,708,601	2,979,421
Insurance contracts	823,744	-	823,744
Equity mutual funds	2,692,788	234,850	2,927,638
Money market mutual funds	235,578	48,512	284,090
Illinois Funds	-	101,598	101,598
Accrued interest	3,727	12,364	16,091
Prepaid items	3,173	2,119	5,292
Due from other governments	65,147	-	65,147
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>5,700,054</b>	<b>2,288,242</b>	<b>7,988,296</b>
	<hr/>	<hr/>	<hr/>
<b>Liabilities</b>			
Accounts payable	5,574	2,735	8,309
Due to other funds	-	3,349	3,349
<b>Total liabilities</b>	<b>5,574</b>	<b>6,084</b>	<b>11,658</b>
	<hr/>	<hr/>	<hr/>
<b>Net Assets</b>			
Held in trust for pension benefits	\$ 5,694,480	\$ 2,282,158	\$ 7,976,638
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Village of Glenwood, Illinois

Notes to Financial Statements

**Note 8. Pension and Retirement Plan Commitments (continued)**

**Combining Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2011**

	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 344,055	\$ 83,002	\$ 427,057
Employee	144,499	27,370	171,869
<b>Total contributions</b>	<u>488,554</u>	<u>110,372</u>	<u>598,926</u>
Investment income:			
Net increase in fair value of investments	468,415	85,738	554,153
Interest and dividend earnings	97,388	60,293	157,681
Less: investment expenses	(15,844)	-	(15,844)
<b>Net investment income</b>	<u>549,959</u>	<u>146,031</u>	<u>695,990</u>
<b>Total additions</b>	<u>1,038,513</u>	<u>256,403</u>	<u>1,294,916</u>
<b>Deductions</b>			
Benefits and refunds	649,878	86,528	736,406
Administrative expenses	30,208	23,133	53,341
<b>Total deductions</b>	<u>680,086</u>	<u>109,661</u>	<u>789,747</u>
<b>Net increase</b>	358,427	146,742	505,169
Net assets held in trust for employees' pension benefits:			
May 1, 2010	<u>5,336,053</u>	<u>2,135,416</u>	<u>7,471,469</u>
April 30, 2011	<u>\$ 5,694,480</u>	<u>\$ 2,282,158</u>	<u>\$ 7,976,638</u>

**Village of Glenwood, Illinois**

**Notes to Financial Statements**

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**Note 9. 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; and natural disasters. 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 their 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 provide coverage of \$2,500,000 with an additional \$9,000,000 of insurance provided by an umbrella policy. The Village along with IPRF's 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.

The Village has not had significant reductions in insurance coverage from the previous fiscal year nor did settlements exceed insurance coverage in any of the last three years.

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

**Note 10. Other Fund Disclosures (FFS Level Only)**

As of April 30, 2011, the following fund over expended its budget:

<u>Fund</u>	<u>Amount</u>
Road and Bridge Fund	\$ 24,700

Interfund transfers for the year ended April 30, 2011, are as follows:

<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
Major Governmental Funds:		
TIF Fund:		
Holbrook Road Tax Increment Financing District Fund	\$ 800,000	\$ -
Holbrook Road Tax Increment Financing District Fund:		
TIF Fund	-	800,000
Series 1998 Village Hall Construction Bond Fund:		
2010 Bond Payment Fund	-	35,671
2010 Bond Payment Fund:		
Series 1998 Village Hall Construction Bond Fund	35,671	-
Total	<u>\$ 835,671</u>	<u>\$ 835,671</u>

Interfund transfers relate to the following items:

- Transfer between conjoining TIF's to cover expenditures.
- To move remaining fund balance in Series 1998 Village Hall Construction Bond Fund after repayment to remaining balance outstanding to 2010 Bond Payment Fund to finance future debt payments.

Village of Glenwood, Illinois

Notes to Financial Statements

**Note 10. Other Fund Disclosures (FFS Level Only) (continued)**

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

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
Major Governmental Funds:		
General Fund:		
2010 Bond Payment Fund	\$ 306,649	\$ -
Water and Sewer Fund	3,263	-
Non-Major Governmental Fund	3,769	-
Fiduciary Fund	3,349	-
	<u>317,030</u>	<u>-</u>
2010 Bond Payment Fund:		
General Fund	-	306,649
2010 Bond Project Fund	-	6,700
Water and Sewer Fund	-	65,000
Golf Course Fund	-	87,512
Non-Major Governmental Fund	54,001	192,660
	<u>54,001</u>	<u>658,521</u>
2010 Bond Project Fund:		
2010 Bond Payment Fund	6,700	-
	<u>6,700</u>	<u>-</u>
Major Enterprise Fund:		
Water and Sewer Fund:		
2010 Bond Payment Fund	65,000	-
General Fund	-	3,263
	<u>65,000</u>	<u>3,263</u>
Golf Course Fund:		
2010 Bond Payment Fund	87,512	-
	<u>87,512</u>	<u>-</u>
Non-Major Governmental Funds:		
2010 Bond Payment Fund	192,660	54,001
General Fund	-	3,769
	<u>192,660</u>	<u>57,770</u>
Fiduciary Fund:		
General Fund	-	3,349
	<u>-</u>	<u>3,349</u>
Total	<u>\$ 722,903</u>	<u>\$ 722,903</u>

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

## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### Note 11. Contingencies

The Village is a defendant in various lawsuits. Although the outcome of these proceedings is not presently determinable, in the opinion of the Village's management through consultation with legal counsel, the resolution of these matters does not impose a material commitment of the Village's net assets at April 30, 2011.

#### Note 12. Post Employment Healthcare Plan

##### Plan Description

The Village provides post employment health care benefits (OPEB) for retired employees. The Village Group Health Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Village. The Plan provides medical insurance benefits to eligible retirees. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Village Board and can only be amended by the Village Board. The Plan is not accounted for as a trust fund and an irrevocable trust has not been established. The Village does not issue a Plan financial report.

##### Funding Policy

The contribution requirements of plan members and the Village are established and may be amended by the Village Board and are detailed in the "Plan Document." The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2011, the Village was not required to make any explicit contributions to the plan. Members receiving benefits contributed \$5,427, or 100 percent of the total premiums, through their required contribution.

##### Annual OPEB Cost and Net OPEB Obligation

The Village's annual other post employment health care benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Annual required contribution	\$ 10,361
Interest on net OPEB obligation	-
Adjustment to annual requirement contribution	-
Annual OPEB cost (expense)	<u>10,361</u>
Contributions made	<u>5,427</u>
Increase in net OPEB obligation	4,934
Net OPEB obligation, beginning of year	<u>9,868</u>
Net OPEB obligation, end of year	<u><u>\$ 14,802</u></u>



## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### Note 12. Post Employment Healthcare Plan (continued)

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

Year Ending	Annual OPEB Costs	Percentage Annual OPEB Costs Contributed	Annual Pension Contributions	Net OPEB Obligation
04/30/11	\$ 10,361	52.4 %	\$ 5,427	\$ 14,802
04/30/10	10,361	52.4	5,427	9,868
04/30/09	10,361	52.4	5,427	4,934

#### Funded Status and Funding Progress

As of April 30, 2009, the most recent actuarial valuation date, the plan was 100 percent unfunded. The actuarial accrued liability for benefits was \$94,044, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$96,044. The covered payroll (annual payroll of active employees covered by the plan) was \$2,475,522 and the ratio of UAAL to the covered payroll was 3.9 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Amounts determined reporting the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the April 30, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent discount rate (includes inflation at 3.0 percent), annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 6.0 percent, and anticipated participation of 20.0 percent, and 30.0 percent of active employees assumed to elect the benefit. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a 30-year open basis.

#### Note 13. Commitments

The Village entered into an agreement with H.N. Properties LLC to purchase and renovate a 5,000 square foot building at 113 East Main Street. The Village agreed to pay to H.N. Properties a pro rata rate not to exceed 25% of project costs up to a maximum of \$75,000. As of April 30, 2011, the Village has remitted \$71,383 related to this agreement.

## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### **Note 13. Commitments (continued)**

The Village entered into an agreement with a business as an inducement to remain in Glenwood and modernize, improve, and/or expand their facilities. The business would receive the right to 60% of the incremental property taxes generated by their property each year on an annual basis for a period of 20 years from the date of the agreement, which is the fiscal year ending April 30, 2012. Payments are due on or before the 15th of December of every year. As of April 30, 2011, the Village has remitted \$1,510,644 related to this agreement.

The Village entered into an agreement with Sherwood Forest LLC to renovate various properties held by the developer. The Village agreed to reimburse Sherwood Forest a maximum of \$2,000,000 or 50% of the Developer's total project costs, whichever is less. As of April 30, 2011, the Village has remitted \$1,165,943 related to this agreement.

The Village entered into an agreement with S.E.T. Environmental to purchase building and land at 420 W. 194th St. to be utilized as the company's administrative and dispatch offices. The maximum reimbursement for eligible redevelopment project costs under this agreement shall be \$120,000. This amount shall be payable in annual installments of \$15,000 as long as the Developer maintains at least 20 Employee's during the calendar year. The payment is approved each year at the January Village Board Meeting. As of April 30, 2011, the Village has remitted \$75,000 related to this agreement.

The Village entered into an agreement with a developer for economic assistance from the Village. If for not the economic assistance to be given by the Village, the Project would not be economically viable to the Developer. The Redevelopment Project Costs have been initially deemed to qualify under the Act for Village payment through tax increment allocation financing. The Village agreed to pay to the Developer an amount equal to fifty percent (50%) of the municipal sales tax revenues received by the Village as a result of the operations of such retail store at the Subject Property. The municipal sales tax revenue sharing shall continue for a term of 10 years from the date the Village's obligation to share municipal sales tax revenue arises for each retail store located within the project. Payments are due on or before the 30th of June following the date of the Village's obligation to share municipal sales tax revenue and on each June 30th thereafter. The agreement expires on December 31, 2016 with final payment due on June 30, 2017. As of April 30, 2011, the Village has remitted \$8,180 related to this agreement.

The Village entered into an agreement with a developer to construct and operate a new permanent truck maintenance facility. The maximum reimbursement for eligible redevelopment project costs under this agreement shall be \$400,000 or 50% of the Developer's certified eligible property acquisition costs, whichever is less. This amount shall be payable as long as the Developer has a tenant in the said property by December 1, 2011. As of April 30, 2011, the Village has remitted \$400,000 related to this agreement.

As of April 30, 2011, the Village is committed under construction contracts and purchase commitments of approximately \$1,000,000.

#### **Note 14. Pronouncements Issued But Not Yet Adopted**

GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definition*, issued March 2009, will be effective for the Village beginning with its year ending April 30, 2012. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

GASB Statement No. 59, *Financial Instrument Omnibus*, will be effective for the Village with its year ending April 30, 2012. This Statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

**Note 14. Pronouncements Issued Not Yet Adopted (continued)**

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, will be effective for the Village beginning with its year ending April 30, 2013. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, will be effective for the Village beginning with its year ending April 30, 2014. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the Village beginning with its year ending April 30, 2013. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure

GASB Statement No. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows or Resources, and Net Position*, will be effective for the Village beginning with its year ending April 30, 2013. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – An Amendment to GASB Statement No. 53*, will be effective for the Village beginning with its year ending April 30, 2013. The objective of this Statement is to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty’s credit support provider, is replaced.

Management has not determined the impact, if any, these Statements will have on the financial position and results of operations of the Village.

## **Required Supplementary Information**

Village of Glenwood, Illinois

**Schedule of Funding Progress  
Illinois Municipal Retirement Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10	\$ 2,529,861	\$ 2,637,717	\$ 107,856	95.91 %	\$ 1,080,211	9.98 %
12/31/09	2,397,367	2,437,665	40,298	98.35	1,144,446	3.52
12/31/08	2,215,181	2,290,613	75,432	96.71	1,117,076	6.75

On the market value basis, the actuarial value of assets as of December 31, 2010 is \$2,693,324. On a market value basis, the funded ratio would be 102.11%.

Village of Glenwood, Illinois

Schedule of Funding Progress  
Police Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) 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)
4/30/10	\$ 5,336,052	\$ 10,780,959	\$ 5,444,907	49.50 %	\$ 1,325,675	410.73 %
4/30/09	4,544,635	10,343,630	5,798,995	43.94	1,301,838	445.45
4/30/06	5,133,758	9,279,320	4,145,562	55.32	873,228	474.74

Village of Glenwood, Illinois

Schedule of Funding Progress  
Firefighters' Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) 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)
4/30/10	\$ 2,135,416	\$ 2,719,652	\$ 584,236	78.52 %	\$ 271,819	214.94 %
4/30/09	1,937,824	2,536,888	599,064	76.39	336,392	178.09
4/30/06	1,465,330	2,009,186	543,856	72.93	294,931	184.40

**Village of Glenwood, Illinois**

**Schedule of Funding Progress  
Post Employment Healthcare Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) 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]
4/30/11	N/A	N/A	N/A	N/A	N/A	N/A
4/30/10	N/A	N/A	N/A	N/A	N/A	N/A
4/30/09	\$ -	\$ 96,044	\$ 96,044	0.00 %	\$ 2,475,522	3.88 %

N/A – The Village is required to have actuarial valuations done on a triennial basis. GASB 45 was implemented by the Village in 2009.



**Village of Glenwood, Illinois**

**Schedule of Employer Contributions  
Police Pension Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
Fiscal Year		
2010	\$ 359,340	121.02 %
2009	359,340	108.78
2008	N/A	N/A
2007	N/A	N/A
2006	203,332	79.77
2005	N/A	N/A

N/A – The Village did not have actuarial valuations performed in these years.

**Village of Glenwood, Illinois**

**Schedule of Employer Contributions  
Firefighters' Pension Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
Fiscal Year		
2010	\$ 91,589	113.64 %
2009	89,186	100.54
2008	N/A	N/A
2007	N/A	N/A
2006	71,808	98.89
2005	N/A	N/A

N/A – The Village did not have actuarial valuations performed in these years.

Village of Glenwood, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund  
Year Ended April 30, 2011**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 3,087,959	\$ 2,803,046	\$ (284,913)
Other taxes	359,500	445,272	85,772
Intergovernmental	2,163,000	2,254,046	91,046
Licenses, permits and fees	531,950	382,575	(149,375)
Fines	122,500	152,097	29,597
Interest	500	2,005	1,505
Charges for services	603,600	592,514	(11,086)
Miscellaneous	32,000	48,993	16,993
<b>Total revenues</b>	<u>6,901,009</u>	<u>6,680,548</u>	<u>(220,461)</u>
Expenditures:			
Current:			
Administration	2,333,939	1,505,262	828,677
Public works	497,700	379,650	118,050
Parks	35,700	47,599	(11,899)
Police	2,966,347	2,792,222	174,125
Fire	1,078,352	1,031,624	46,728
ESDA	17,600	8,203	9,397
Senior center	14,796	14,726	70
Capital outlay	649,000	204,896	444,104
<b>Total expenditures</b>	<u>7,593,434</u>	<u>5,984,182</u>	<u>1,609,252</u>
<b>Change in fund balance</b>	<u>\$ (692,425)</u>	696,366	<u>\$ 1,388,791</u>
Fund balance:			
May 1, 2010		<u>1,479,807</u>	
April 30, 2011		<u>\$ 2,176,173</u>	

See Note to Required Supplementary Information.

## Village of Glenwood, Illinois

### Note to Required Supplementary Information

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#### Note 1. Budgetary Basis of Accounting

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

- i) The Village Manager submits to the Village Board of Trustees a proposed operating budget, which serves as a budget, for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- ii) Public hearings are conducted by the Village to obtain taxpayer comments.
- iii) Subsequently, the budget is adopted by the Village Board. This budget is the Village's legal budgetary document. The budget ordinance is enacted through passage of a Village ordinance.
- iv) Formal budgetary integration is employed as a management control device during the year for all governmental funds.
- v) Appropriations lapse at year-end.
- vi) Transfers between line items and departments may be made by administrative actions; however, amounts to be transferred between funds would require Village Board approval. The level of legal control is the individual fund budget in total.
- vii) Budgeted amounts are as originally adopted.
- viii) The Village adopts budgets for the General Fund, Road and Bridge Fund, Motor Fuel Tax Fund, Illinois Municipal Retirement Fund, and Water and Sewer Fund.

## **Supplemental Data**

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual  
Year Ended April 30, 2011

	Budget	Actual
Property taxes	\$ 3,087,959	\$ 2,803,046
Other taxes:		
Utility taxes	300,000	392,451
Auto rental tax	9,500	12,476
Real estate transfer tax	50,000	40,345
<b>Total other taxes</b>	<b>359,500</b>	<b>445,272</b>
Intergovernmental:		
Sales tax	945,000	936,847
Income tax	693,000	780,052
Local use tax	100,000	128,210
Personal property replacement tax	25,000	38,065
Telecommunication maintenance fee	400,000	367,343
Grants	-	3,529
<b>Total intergovernmental</b>	<b>2,163,000</b>	<b>2,254,046</b>
Licenses, permits and fees:		
Vehicle stickers	200,000	64,386
Zoning board/hearing application fee	1,500	300
Building and electrical permit	80,000	85,365
Alarm permits	4,500	414
Cable TV revenue	95,000	96,637
Business licenses	50,000	37,095
Animal licenses	950	1,166
Grass cutting fees	5,000	6,457
Health inspection fees	7,000	7,105
Towed vehicle administration fee	78,000	76,250
Fire protection fees	10,000	7,400
<b>Total licenses, permits and fees</b>	<b>531,950</b>	<b>382,575</b>
Fines:		
Police - DUI-related revenues	2,500	100
Police fines	95,000	126,335
Building code fines	20,000	25,662
Vehicle sticker penalty	5,000	-
<b>Total fines</b>	<b>122,500</b>	<b>152,097</b>
Interest	500	2,005

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual (continued)  
 Year Ended April 30, 2011

	Budget	Actual
Charges for services:		
Project reimbursement - administration	\$ 1,000	\$ -
Project Reimbursement - police	1,000	2,774
Project Reimbursement - fire	-	55
Bad check charge	100	140
SBA towers	108,000	115,014
Park program fees	3,500	3,508
Refuse fees	490,000	471,023
<b>Total charges for services</b>	<b>603,600</b>	<b>592,514</b>
Miscellaneous:		
Foreign fire insurance	6,000	7,744
Newsletter advertising	3,000	2,700
Facility rent	2,500	4,245
Police insurance/miscellaneous reimbursement	2,000	11,019
Yard waste stickers	6,000	8,650
Miscellaneous	12,000	14,610
Miscellaneous fire	500	25
<b>Total miscellaneous</b>	<b>32,000</b>	<b>48,993</b>
<b>Total revenues</b>	<b>\$ 6,901,009</b>	<b>\$ 6,680,548</b>

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2011

	Budget	Actual
Current:		
Administration:		
Mayor	\$ 13,500	\$ 12,923
Treasurer	1,500	1,500
Trustees	36,000	35,000
Village clerk	2,000	2,000
Village collector	100	100
Village administrator	75,000	61,250
Department supervisor	68,349	65,720
Full time employees	79,000	82,711
Part time employees	21,000	23,218
Contract services	80,000	21,236
Salary - liquor commissioner	1,500	1,500
Employer FICA and IMRF	46,790	-
Unemployment insurance	6,000	3,928
Office supplies	11,000	16,518
Data processing	25,000	16,111
Copier supplies and maintenance	3,000	1,866
Postage	5,000	5,161
Employee Appreciation	4,000	1,300
Telephone	3,000	2,107
Legal notices	4,000	777
Newsletter	13,600	9,359
Code of ordinances expense	5,000	4,305
Dues, subscription, and memberships	15,000	10,738
Legal services	95,000	90,928
Auditing	45,600	43,233
E-Comm annual expense	190,000	184,878
Legal services - board of trustees	20,000	874
Group insurance and hospital	30,000	28,802
Workmen's compensation insurance	2,500	(67,609)
Liability insurance	745,000	240,245
Board member training	2,000	-
Utilities	6,000	1,046
Personnel training	1,500	2,263
Travel, lodging, and meals	5,000	6,832
Donations/memorials	10,000	1,804
Police and fire commission	25,000	11,012
Grant expense	50,000	550
Web site expense	2,500	300
Vehicle stickers	5,000	7,800
Economic incentive agreements	15,000	275
TIF Industrial No	-	37,205
Railroad property rental	2,500	2,185
TIF Town Center	-	31,902
Engineer services	70,000	14,826
Homewood disposal	490,000	485,367
Miscellaneous	2,000	1,216
<b>Total administration</b>	<b>2,333,939</b>	<b>1,505,262</b>

(continued)



Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
Year Ended April 30, 2011

	Budget	Actual
Current:		
Public works:		
Department supervisor	\$ 25,900	\$ 25,900
Full time employees	150,000	115,511
Over-time wages	30,000	21,716
Holiday pay	3,000	-
Lawn care services	30,000	28,331
Employer FICA and IMRF	20,000	-
Unemployment insurance	6,000	2,460
Printing and advertising	1,500	898
Office supplies	1,500	414
Postage	700	442
Telephone	8,000	1,465
Legal services	1,500	1,954
Group insurance and hospital	37,600	55,187
Workmen's compensation insurance	40,000	40,000
Personnel training	3,000	-
Travel, lodging, and meals	1,000	140
Physicals	2,000	1,015
Gas and oil	20,000	25,453
Repair and maintenance - communications	1,000	-
Repair and maintenance - vehicle	20,000	1,804
Repair and maintenance - general tools/equipment	5,000	8,762
Repair and maintenance - municipal buildings	50,000	36,208
Maintenance - municipal grounds	10,000	7,807
Flags	500	-
Christmas decorations	25,000	1,062
Computer - programs and equipment	3,000	-
Lawn equipment	500	-
Miscellaneous	1,000	3,121
<b>Total public works</b>	<b>497,700</b>	<b>379,650</b>
Parks:		
Department supervisor	6,000	6,807
Employers FICA & IMRF	700	-
Utilities	5,000	4,181
Park program expenses	5,500	2,845
Easter Program	500	2,744
July 4th expenses	1,500	8,375
Kids day out/summer bash	2,500	1,776
Halloween/hayride expenses	500	399
Christmas in the park expenses	500	584
Tents for events	-	4,424
Repair and maintenance - general tools/equipment	2,500	-
Repair and maintenance - municipal buildings	2,000	3,790
Maintenance - municipal grounds	8,500	11,674
<b>Total parks</b>	<b>35,700</b>	<b>47,599</b>

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2011

	Budget	Actual
Current:		
Police:		
Police department compensation time payout	\$ 10,000	\$ -
Part time police officers	50,000	32,187
Department supervisor	90,000	109,077
Full time employees	1,308,000	1,402,966
Part time employees	78,000	92,776
Crossing guards	25,000	27,014
Over-time wages	24,000	109,097
Holiday pay	75,000	57,557
Personal leave pay	18,240	-
Employer FICA and IMRF	141,000	-
Pension contributions	541,107	344,055
Unemployment insurance	6,000	-
Office supplies	6,000	11,508
Postage	3,000	4,649
Telephone	11,000	6,780
Dues, subscription, and membership	5,500	15,706
Legal services	25,000	20,633
Municipal systems	10,000	15,972
Group insurance and hospital	208,500	206,589
Workmen's compensation insurance	165,000	165,000
Utilities	8,000	-
Personnel training	10,000	7,985
Travel, lodging, and meals	2,500	4,271
Physicals	1,000	1,558
Uniforms	3,000	21,047
Gas and oil	65,000	66,071
Grant expense	5,000	900
Repair and maintenance - communications	15,000	11,145
Repair and maintenance - copy machine	2,500	3,755
Repair and maintenance - vehicle	30,000	35,037
Repair and maintenance - general tools/equipment	2,000	558
Repair and maintenance - municipal buildings	1,500	5,037
Computer - programs and equipment	10,000	6,445
Communications equipment	10,000	4,796
Miscellaneous	500	2,051
<b>Total police</b>	<b>2,966,347</b>	<b>2,792,222</b>
Fire:		
Department supervisor	87,000	87,096
Full time employees	205,000	202,011
Part time employees	7,500	8,980
Secretarial services	36,000	35,897
Over-time wages	1,000	-
Paid on call fire personnel	70,000	70,206
Sleep-in-pay	95,800	96,899
Duty shift assignment	48,000	47,185
Contract services	64,000	70,460

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2011

	Budget	Actual
Current:		
Fire: (continued)		
Employer FICA and IMRF	\$ 44,800	\$ 40,344
Pension contributions	94,852	83,002
Building code hearings	1,800	3,488
Planning and zoning	2,000	1,042
Printing and advertising	2,000	2,525
Office supplies	3,000	2,639
Postage	1,400	1,438
Food service inspections	1,000	1,924
Telephone	6,000	11,618
Dues, subscription, and membership	4,500	874
Legal services	2,500	8,772
Legal fees zoning	2,000	1,131
Group insurance and hospital	50,800	54,537
Workmen's compensation insurance	125,000	35,000
Utilities	3,000	319
Personnel training	10,500	6,714
Public education programs	2,000	68
Physicals	1,500	1,080
Uniforms	8,000	1,721
Gas and oil	22,000	25,292
Station supplies	2,000	221
Grant expense	10,000	73,664
Repair and maintenance - vehicle	22,000	21,481
MABAS expense	4,400	3,668
Repair and maintenance - general tools/equipment	10,000	8,974
Maintenance - station #1	7,000	2,301
Maintenance - station #2	4,000	3,716
Copy machine	2,000	434
Grass cutting vacant homes	5,000	4,319
Computer - programs and equipment	6,000	1,769
Communications equipment	1,000	4,582
Miscellaneous	2,000	4,233
<b>Total fire</b>	<b>1,078,352</b>	<b>1,031,624</b>
ESDA:		
Department supervisor	1,000	1,000
Part time employees	8,000	-
Employer FICA and IMRF	600	77
Uniforms	3,500	5,515
Communications	4,500	1,611
<b>Total ESDA</b>	<b>17,600</b>	<b>8,203</b>

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
Year Ended April 30, 2011

	Budget	Actual
Current:		
Senior center:		
Part time employees	\$ 9,000	\$ 12,236
Employer FICA and IMRF	746	400
Office supplies	250	18
Utilities	2,000	2,060
Special events	2,500	-
Miscellaneous	300	12
<b>Total senior center</b>	<u>14,796</u>	<u>14,726</u>
Capital outlay	<u>649,000</u>	<u>204,896</u>
<b>Total expenditures</b>	<u>\$ 7,593,434</u>	<u>\$ 5,984,182</u>

**Nonmajor Governmental Funds – Combining Statements**

Village of Glenwood, Illinois

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 April 30, 2011

	Special Revenue	Capital Projects Road Improvement Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 2,432,244	\$ 116,540	\$ 2,548,784
Receivables:			
Property taxes	195,165	-	195,165
Due from other governments	18,575	-	18,575
Due from other funds	192,660	-	192,660
<b>Total assets</b>	<b>\$ 2,838,644</b>	<b>\$ 116,540</b>	<b>\$ 2,955,184</b>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts payable	\$ 197,301	\$ -	\$ 197,301
Deferred revenue	126,500	-	126,500
Due to other funds	57,770	-	57,770
<b>Total liabilities</b>	<b>381,571</b>	<b>-</b>	<b>381,571</b>
Fund balances			
Unreserved	2,457,073	116,540	2,573,613
<b>Total liabilities and fund balances</b>	<b>\$ 2,838,644</b>	<b>\$ 116,540</b>	<b>\$ 2,955,184</b>

Village of Glenwood, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended April 30, 2011**

	Special Revenue	Capital Projects <u>Road Improvement</u> Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Property taxes	\$ 701,351	\$ -	\$ 701,351
Intergovernmental	286,323	-	286,323
Licenses, permits and fees	161,436	-	161,436
Interest	11,739	-	11,739
Miscellaneous	2,189	-	2,189
<b>Total revenues</b>	<b>1,163,038</b>	<b>-</b>	<b>1,163,038</b>
<b>Expenditures:</b>			
Current:			
Administration	140,468	-	140,468
Police	2,999	-	2,999
Highway and streets	203,143	-	203,143
Pension contributions	323,099	-	323,099
Capital outlay	52,656	-	52,656
<b>Total expenditures</b>	<b>722,365</b>	<b>-</b>	<b>722,365</b>
<b>Change in fund balance</b>	<b>440,673</b>	<b>-</b>	<b>440,673</b>
<b>Fund balances:</b>			
May 1, 2010	2,016,400	116,540	2,132,940
April 30, 2011	<b>\$ 2,457,073</b>	<b>\$ 116,540</b>	<b>\$ 2,573,613</b>

Village of Glenwood, Illinois

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 April 30, 2011

	Road and Bridge Fund	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Police Department Forfeiture Fund	TIF Main Street Fund	TIF Glenwoodie Golf Course Fund	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 47,275	\$ 405,428	\$ 326,457	\$ 15,639	\$ 1,236,091	\$ 401,354	\$ 2,432,244
Receivables:							
Property taxes	-	-	132,112	-	63,053	-	195,165
Due from other governments	-	18,575	-	-	-	-	18,575
Due from other funds	-	192,660	-	-	-	-	192,660
<b>Total assets</b>	<b>\$ 47,275</b>	<b>\$ 616,663</b>	<b>\$ 458,569</b>	<b>\$ 15,639</b>	<b>\$ 1,299,144</b>	<b>\$ 401,354</b>	<b>\$ 2,838,644</b>
<b>Liabilities and Fund Balances</b>							
Liabilities							
Accounts payable	\$ 23,603	\$ 28,966	\$ -	\$ 2,199	\$ 142,533	\$ -	\$ 197,301
Deferred revenues	-	-	126,500	-	-	-	126,500
Due to other funds	-	3,769	54,001	-	-	-	57,770
<b>Total liabilities</b>	<b>23,603</b>	<b>32,735</b>	<b>180,501</b>	<b>2,199</b>	<b>142,533</b>	<b>-</b>	<b>381,571</b>
Fund balances							
Unreserved	23,672	583,928	278,068	13,440	1,156,611	401,354	2,457,073
<b>Total liabilities and fund balances</b>	<b>\$ 47,275</b>	<b>\$ 616,663</b>	<b>\$ 458,569</b>	<b>\$ 15,639</b>	<b>\$ 1,299,144</b>	<b>\$ 401,354</b>	<b>\$ 2,838,644</b>



Village of Glenwood, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year Ended April 30, 2011

	Road and Bridge Fund	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Police Department Forfeiture Fund	TIF Main Street Fund	TIF Glenwoodie Golf Course Fund	Total
Revenues:							
Property taxes	\$ 24,711	\$ -	\$ 289,754	\$ -	\$ 386,661	\$ 225	\$ 701,351
Intergovernmental	19,555	266,768	-	-	-	-	286,323
Licenses, permits and fees	161,436	-	-	-	-	-	161,436
Interest	2	10,955	-	-	-	782	11,739
Miscellaneous	-	-	-	2,189	-	-	2,189
<b>Total revenues</b>	<b>205,704</b>	<b>277,723</b>	<b>289,754</b>	<b>2,189</b>	<b>386,661</b>	<b>1,007</b>	<b>1,163,038</b>
Expenditures:							
Current:							
Administration	-	-	-	-	142,642	(2,174)	140,468
Police	-	-	-	2,999	-	-	2,999
Highways and streets	122,044	81,099	-	-	-	-	203,143
Pension contributions	-	-	323,099	-	-	-	323,099
Capital outlay	52,656	-	-	-	-	-	52,656
<b>Total expenditures</b>	<b>174,700</b>	<b>81,099</b>	<b>323,099</b>	<b>2,999</b>	<b>142,642</b>	<b>(2,174)</b>	<b>722,365</b>
<b>Change in fund balance</b>	<b>31,004</b>	<b>196,624</b>	<b>(33,345)</b>	<b>(810)</b>	<b>244,019</b>	<b>3,181</b>	<b>440,673</b>
Fund balances (deficits):							
May 1, 2010	(7,332)	387,304	311,413	14,250	912,592	398,173	2,016,400
April 30, 2011	\$ 23,672	\$ 583,928	\$ 278,068	\$ 13,440	\$ 1,156,611	\$ 401,354	\$ 2,457,073

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Road and Bridge Fund  
 Year Ended April 30, 2011

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 25,000	\$ 24,711	\$ (289)
Intergovernmental	-	19,555	19,555
Licenses, permits and fees	-	161,436	161,436
Interest	200	2	(198)
<b>Total revenues</b>	<u>25,200</u>	<u>205,704</u>	<u>180,504</u>
Expenditures:			
Current:			
Highway and streets	100,000	122,044	(22,044)
Capital outlay	50,000	52,656	(2,656)
<b>Total expenditures</b>	<u>150,000</u>	<u>174,700</u>	<u>(24,700)</u>
<b>Change in fund balance</b>	<u>\$ (124,800)</u>	31,004	<u>\$ 155,804</u>
Fund balance (deficit):			
May 1, 2010		<u>(7,332)</u>	
April 30, 2011		<u>\$ 23,672</u>	

Village of Glenwood, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Motor Fuel Tax Fund**  
**Year Ended April 30, 2011**

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 225,000	\$ 266,768	\$ 41,768
Interest	250	10,955	10,705
<b>Total revenues</b>	<u>225,250</u>	<u>277,723</u>	<u>52,473</u>
Expenditures:			
Current:			
Highways and streets	<u>1,528,000</u>	<u>81,099</u>	<u>1,446,901</u>
<b>Change in fund balance</b>	<u>\$ (1,302,750)</u>	<u>196,624</u>	<u>\$ 1,499,374</u>
Fund balance:			
May 1, 2010		<u>387,304</u>	
April 30, 2011		<u>\$ 583,928</u>	

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Illinois Municipal Retirement Fund  
Year Ended April 30, 2011

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 380,000	\$ 289,754	\$ (90,246)
Expenditures:			
Current:			
Pension contributions	380,000	323,099	56,901
<b>Change in fund balance</b>	<u>\$ -</u>	<u>(33,345)</u>	<u>\$ (33,345)</u>
Fund balance:			
May 1, 2010		<u>311,413</u>	
April 30, 2011		<u>\$ 278,068</u>	

**Enterprise Fund**

Village of Glenwood, Illinois

**Schedule of Operations Expenses - Budget and Actual  
Water and Sewer Fund  
Year Ended April 30, 2011**

	Budget	Actual
Department supervisor	\$ 48,100	\$ 46,250
Full time employees	280,000	269,097
Part time employees	-	465
Over-time wages	50,000	42,955
Holiday pay	1,000	-
Contract services	3,000	8,546
Lawn care services	9,000	7,083
Employer's FICA and IMRF	66,364	13,568
Unemployment insurance	2,000	-
Printing and advertising	3,500	9,900
Office supplies	2,500	1,774
Copier supplies and maintenance	1,000	-
Postage	9,000	10,519
Telephone	25,000	27,029
Dues, subscription, and membership	1,500	561
Legal services	2,000	3,800
Group insurance and hospital	64,000	36,755
Workmen's compensation insurance	117,500	70,000
Utilities	10,000	9,406
Personnel training	1,500	198
Travel, lodging, and meals	500	551
Public education programs	3,000	-
Physicals	1,500	-
Gas and oil	35,000	18,559
Energy for pumping	80,000	50,046
Chemicals	15,000	20,902
Repair and maintenance - communications	3,000	1,170
Repair and maintenance - water system	175,000	95,527
Repair and maintenance - vehicle	20,000	32,975
Repair and maintenance - general tools/equipment	10,000	11,203
Repair and maintenance - municipal buildings	35,000	1,437
Maintenance - municipal grounds	12,000	2,688
Repair and maintenance - sewer system	200,000	56,592
Purchase - general tools and equipment	8,000	11,545
Purchase - personnel equipment	5,000	6,317
SCADA system upgrade	35,000	-
Water purchase - Chicago Heights	250,000	196,660
Computer - programs and equipment	35,000	728
Water Meter Program	75,000	50,758
S&W Improvement Projects	5,000,000	-
Operations and maintenance - Chicago Heights	35,000	4,362
Purchase of vehicles	120,000	(21,471)
Engineering services	40,000	12,358
Communications equipment	3,000	-
Bond Expense	100,000	-
Homewood disposal	10,000	8,055
Miscellaneous	2,000	813
<b>Total operations expenses</b>	<b>\$ 7,004,964</b>	<b>\$ 1,119,681</b>

## **Other Schedules**

Village of Glenwood, Illinois

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

	2010	2009	2008	2007	2006
Tax Rates (per \$100 of assessed valuation):					
Corporate	1.670	0.108	0.080	0.094	0.078
Audit	-	0.028	0.036	0.041	0.040
Liability Insurance	-	0.217	0.180	0.170	0.257
Workmen's Compensation	-	0.402	0.356	0.281	0.144
Unemployment Insurance	-	0.004	0.010	0.012	0.020
Police Protection	-	0.629	0.504	0.539	0.564
Crossing Guards	-	0.018	0.017	0.020	0.021
Fire Protection	-	0.223	0.230	0.235	0.246
Civil Defense	-	-	-	0.012	0.012
Police Pension	0.378	0.252	0.252	0.267	0.228
Fire Pension	0.066	0.060	0.060	0.064	0.069
Bond and Interest	0.499	0.479	0.479	0.347	0.346
IMRF	0.161	0.238	0.286	0.328	0.721
<b>Totals</b>	<b>2.774</b>	<b>2.655</b>	<b>2.491</b>	<b>2.410</b>	<b>2.745</b>
Tax extensions:					
Corporate	\$ 2,462,526	\$ 159,238	\$ 118,553	\$ 123,703	\$ 99,086
Audit	-	41,200	52,530	53,766	51,500
Liability Insurance	-	319,300	264,710	223,510	328,570
Workmen's Compensation	-	592,250	525,300	370,800	184,370
Unemployment Insurance	-	5,150	15,450	15,450	25,750
Police Protection	-	927,000	743,040	710,385	720,989
Crossing Guards	-	25,750	25,750	26,780	26,780
Fire Protection	-	328,649	339,591	309,690	314,150
Civil Defense	-	-	-	15,450	15,450
Police Pension	557,340	370,800	370,800	351,239	291,840
Fire Pension	97,698	89,095	89,095	84,507	87,951
Bond and Interest	735,000	705,666	705,666	457,835	442,900
IMRF	236,900	350,200	422,300	432,272	922,155
<b>Totals</b>	<b>\$ 4,089,464</b>	<b>\$ 3,914,298</b>	<b>\$ 3,672,785</b>	<b>\$ 3,175,387</b>	<b>\$ 3,511,491</b>
<b>Collections</b>	<b>\$ 1,807,308</b>	<b>\$ 3,741,820</b>	<b>\$ 3,643,065</b>	<b>\$ 3,017,440</b>	<b>\$ 3,422,524</b>
<b>Percent Collected</b>	<b>44.19%</b>	<b>95.59%</b>	<b>99.19%</b>	<b>95.03%</b>	<b>97.47%</b>



Village of Glenwood, Illinois

Schedule of Debt Service Requirements  
April 30, 2011

	Year Ending April 30,	Principal	Interest	Total
General Obligation Bonds				
Series 2010A	2012	\$ -	\$ 881,380	\$ 881,380
Dated July 22, 2010	2013	-	648,869	648,869
Interest due on June 1	2014	-	648,869	648,869
and December 1 at a	2015	-	648,869	648,869
rate of 7.030%	2016	-	648,869	648,869
	2017	-	648,869	648,869
	2018	-	648,869	648,869
	2019	-	648,869	648,869
	2020	-	648,869	648,869
	2021	-	648,869	648,869
	2022	-	648,869	648,869
	2023	1,035,000	648,869	1,683,869
	2024	1,230,000	576,109	1,806,109
	2025	1,330,000	489,640	1,819,640
	2026	1,440,000	396,141	1,836,141
	2027	1,560,000	294,909	1,854,909
	2028	1,685,000	185,240	1,870,240
	2029	950,000	66,785	1,016,785
		<u>\$ 9,230,000</u>	<u>\$ 10,027,763</u>	<u>\$ 19,257,763</u>
General Obligation Bonds				
Series 2010B	2012	\$ 60,000	\$ 74,471	\$ 134,471
Dated July 22, 2010	2013	335,000	53,325	388,325
Interest due on June 1	2014	400,000	44,950	444,950
and December 1 at rates	2015	465,000	32,950	497,950
ranging from 2.50% to 4.00%	2016	475,000	19,000	494,000
		<u>\$ 1,735,000</u>	<u>\$ 224,696</u>	<u>\$ 1,959,696</u>

(continued)

Village of Glenwood, Illinois

Schedule of Debt Service Requirements (continued)  
April 30, 2011

	Year Ending April 30,	Principal	Interest	Total
<b>General Obligation Bonds</b>				
Series 2010C	2012	\$ -	\$ 225,301	\$ 225,301
Dated September 29, 2010	2013	35,000	192,200	227,200
Interest due on June 1	2014	35,000	191,150	226,150
and December 1 at rates	2015	30,000	190,100	220,100
ranging from 3.00% to 4.00%	2016	85,000	189,200	274,200
	2017	630,000	186,650	816,650
	2018	705,000	164,600	869,600
	2019	775,000	139,925	914,925
	2020	855,000	112,800	967,800
	2021	940,000	78,600	1,018,600
	2022	1,025,000	41,000	1,066,000
		<u>\$ 5,115,000</u>	<u>\$ 1,711,526</u>	<u>\$ 6,826,526</u>
<b>Capital Lease:</b>				
Dated June 1, 2008	2012	\$ 2,630	\$ 361	\$ 2,991
Principal and Interest due monthly	2013	2,847	144	2,991
at a rate of 7.95%	2014	248	1	249
		<u>\$ 5,725</u>	<u>\$ 506</u>	<u>\$ 6,231</u>
<b>Capital Lease:</b>				
Dated May 17, 2010	2012	\$ 33,334	\$ 6,494	\$ 39,828
Principal and Interest due monthly	2013	34,935	4,893	39,828
May 1 - October 1 at a rate of 4.88%	2014	36,614	3,214	39,828
	2015	38,373	1,455	39,828
		<u>\$ 143,256</u>	<u>\$ 16,056</u>	<u>\$ 159,312</u>