

Village of Glenwood, Illinois

Annual Financial Report
April 30, 2017

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RSM US LLP

Independent Auditor's Report

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

Report on the Financial Statements

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, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 58.6%, 67.8%, and 38.1%, respectively, of assets, fund balance/net position, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been 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 from material misstatement.

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

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

Opinions

In our opinion, 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 3-11), pension and postemployment related information (on pages 73-79) and budgetary comparison information (on pages 80-83) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The other information as 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 do not express an opinion or provide any assurance on it.

RSM US LLP

Chicago, Illinois
October 17, 2017

Required Supplementary Information

Management's Discussion and Analysis (MD&A)

Village of Glenwood, Illinois

Management's Discussion and Analysis

April 30, 2017

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 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 12).

Using the Financial Section of this Comprehensive Annual Report

For over 20 years, the primary focus of local governmental financial statements has been summarized by fund type information on a current financial resource basis. This approach has been modified; 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 12-14) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the Unrestricted Net Position) is designed to be similar to bottom line results for the Village and its governmental and business-type activities. Governmental Accounting Standards Board Statement (GASB) 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 14) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including general government, public safety, public works, and highway and streets. 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 and 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 15 and 17) 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)

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police and Firefighters' Pension Funds and Agency Funds; see pages 24-25). While these Funds represent trust or custodial 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 19-23) 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 18). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-Wide Financial Statements).

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 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 Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$26.2 million as of April 30, 2017.

A significant portion of the Village's net position (124.2%) reflects its net 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 net 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.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

The table below presents condensed financial information taken from the Village's Statement of Net Position for the fiscal year ended April 30, 2017.

Table 1
Statement of Net Position
As of April 30, 2017
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current assets	\$16.7	\$16.2	\$3.7	\$3.6	\$20.4	\$19.8
Capital assets	<u>30.6</u>	<u>30.3</u>	<u>18.2</u>	<u>17</u>	<u>48.8</u>	<u>47.3</u>
Total assets	<u>47.3</u>	<u>46.5</u>	<u>21.9</u>	<u>20.6</u>	<u>69.2</u>	<u>67.1</u>
Deferred outflows of resources	<u>0.9</u>	<u>0.7</u>	<u>0.2</u>	<u>0.2</u>	<u>1.1</u>	<u>0.9</u>
Total assets and deferred outflows of resources	<u>48.2</u>	<u>47.2</u>	<u>22.1</u>	<u>20.8</u>	<u>70.3</u>	<u>68.0</u>
Current liabilities	6.1	6.4	1.3	1.3	<u>7.4</u>	7.7
Noncurrent liabilities	<u>22.3</u>	<u>23.2</u>	<u>6.2</u>	<u>6.8</u>	<u>28.5</u>	<u>30.0</u>
Total liabilities	<u>28.4</u>	<u>29.6</u>	<u>7.5</u>	<u>8.1</u>	<u>35.9</u>	<u>37.7</u>
Deferred inflows of resources	<u>7.7</u>	<u>7.1</u>	<u>0.5</u>	<u>0.6</u>	<u>8.2</u>	<u>7.7</u>
Total liabilities and deferred inflows of resources	36.1	36.7	8.0	8.7	44.0	45.4
Net Position:						
Net investment in capital assets	21.4	21.1	11.2	9.5	32.6	30.6
Restricted	11.6	3.4	-	-	11.6	3.4
Unrestricted	<u>(20.9)</u>	<u>(14.0)</u>	<u>2.9</u>	<u>2.6</u>	<u>(18.0)</u>	<u>(11.4)</u>
Total net position	<u>\$12.1</u>	<u>\$10.5</u>	<u>\$14.1</u>	<u>\$12.1</u>	<u>\$26.2</u>	<u>\$22.6</u>

For more detailed information see the Statement of Net Position (pages 12-13).

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

The Village's combined net position, which is the Village's equity, increased to \$26.2 million from \$22.6 million as a result of the increase in net position in the Governmental Activities. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations, was a deficit of \$20.9 million. The unrestricted net position of Business-Type Activities was \$2.9 million. The Village can use unrestricted net position 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 Position summary presentation.

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

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

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

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

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

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

Current Year Impacts

The Village's Governmental Activities net position increased by \$1.6 million. Assets and deferred outflows increased by \$1.0 million mainly due to increases in cash and cash equivalents. Total liabilities and deferred inflows decreased by \$1.6 million, due to a decrease in accounts payable and net pension liabilities.

The Village's Business-Type Activities net position increased by \$2 million. Assets increased by \$1.3 million while total liabilities decreased by \$0.6 million and can be attributed to a decrease in General Obligation Bonds.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

Changes in Net Position

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

Table 2
Changes in Net Position
For the Fiscal Year Ended April 30, 2017
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program Revenues						
Charges for Services	\$2.1	\$1.4	\$5.1	\$5.3	\$7.2	\$6.7
Grants and Contributions	0.6	0.8	2.2	0.3	2.9	1.2
General Revenues						
Property Taxes	6.6	6.8	0.9	0.5	7.5	7.3
Other Taxes	3.9	3.5	-	-	3.9	3.5
Other	-	0.9	-	-	-	0.9
Transfer	<u>0.1</u>	<u>0.1</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>
Total Revenues and Transfer	<u>13.3</u>	<u>13.5</u>	<u>8.2</u>	<u>6.1</u>	<u>21.5</u>	<u>19.6</u>
EXPENSES						
General Government	4.4	5.4	-	-	4.4	5.4
Public Safety	5.6	5.3	-	-	5.6	5.3
Public Works	0.4	0.9	-	-	0.4	0.9
Highway and Streets	0.4	0.3	-	-	0.4	0.3
Water and Sewer	-	-	4.3	3.2	4.3	3.2
Golf Course	-	-	1.9	2	1.9	2
Debt Service	<u>0.9</u>	<u>0.7</u>	<u>-</u>	<u>-</u>	<u>0.9</u>	<u>0.7</u>
Total Expenses	<u>11.7</u>	<u>12.6</u>	<u>6.2</u>	<u>5.2</u>	<u>17.9</u>	<u>17.8</u>
CHANGE IN NET POSITION	1.6	0.9	2.0	0.9	3.6	1.8
NET POSITION – BEGINNING	<u>10.5</u>	<u>9.6</u>	<u>12.1</u>	<u>11.3</u>	<u>22.6</u>	<u>20.8</u>
NET POSITION – ENDING	<u>\$12.1</u>	<u>\$10.5</u>	<u>\$14.1</u>	<u>\$12.1</u>	<u>\$26.2</u>	<u>\$22.6</u>

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

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 a significant portion 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 remained consistent with the prior year at \$13.3 million.

The Village's Business-Type Activities total revenues increased by \$2.1 million over the prior year. This increase can mainly be attributed to a \$1.9 million increase in grants and contributions.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

Expenses:

The Village's total expenses for governmental activities for the year ended April 30, 2017, decreased by \$0.9 million to \$11.7 million, due mainly to a decrease in general government expenses and public works.

The Village's total expenses for business-type activities for the year ended April 30, 2017, were \$6.2 million, an increase of \$1 million from the prior year. The increase can mainly be attributed to increases in Water and Sewer expenses.

Financial Analysis of the Village's Funds

Governmental Funds

At April 30, 2017, the governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$8.3 million. Revenues and other sources exceeded expenses and other uses in 2017 by \$0.8 million.

The General Fund experienced a current year operating surplus of \$0.4 million. This resulted in a year-end fund balance of \$3.2 million.

The Holbrook Road Tax Increment Financing District Fund experienced an operating surplus of \$1.3 million. This resulted in an ending fund balance of \$3.2 million.

The TIF Halsted Fund experienced an operating deficit of \$1.1 million, mainly related to operating expenses and the developer contribution of land. This resulted in an ending fund balance of \$0.2 million.

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 2017. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Actual
Revenues		
Taxes	\$ 4.8	\$ 4.6
Intergovernmental	2.5	2.4
Licenses, permits and fees	0.5	0.5
Fines	0.3	0.2
Charges for services	1.0	1.0
Other	<u>0.0</u>	<u>0.3</u>
Total	<u>9.1</u>	<u>9.0</u>
Expenditures		
Administration	3.0	2.3
Public works	0.8	0.6
Parks	0.1	0.1
Police	4.4	4.1
Fire	1.3	1.2
Capital outlay	0.8	0.1
Other	<u>0.5</u>	<u>0.2</u>
Total	<u>10.9</u>	<u>8.6</u>
Change in Fund Balance	<u>\$(1.8)</u>	<u>\$0.4</u>

The General Fund anticipated a deficit of \$1.8 million, while actual results were a \$0.4 million surplus.

Capital Assets

At the end of the fiscal year 2017, the Village had a combined total of capital assets of \$48.8 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 about \$1.5 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 4/30/16	Net Additions/Deletions	Balance 4/30/17
Land	\$ 25.5	\$ 0.6	\$ 26.1
Improvements	1.8	(0.0)	1.8
Buildings	7.6	(0.2)	7.4
Machinery and Equipment	1.8	0.2	2.0
Infrastructure	<u>10.6</u>	<u>0.9</u>	<u>11.5</u>
Total Capital Assets	<u>\$ 47.3</u>	<u>\$ 1.5</u>	<u>\$ 48.8</u>

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

Long-Term Debt

The Village had \$21.2 million and \$22.0 million in outstanding long-term debt (including bonds payable net of unamortized bond premium, notes payable, lines of credit, and capital leases) at April 30, 2017 and 2016, respectively. The Village paid off approximately \$0.8 million in long-term debt in the current year.

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 2017 and is expected to continue into 2018. 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 Position
April 30, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 6,569,973	\$ 3,100,014	\$ 9,669,987
Receivables:			
Property taxes	2,615,351	445,594	3,060,945
Accounts	-	589,939	589,939
Other	98,564	3,591	102,155
Prepays	110,029	-	110,029
Inventories	-	59,328	59,328
Due from other governments	664,083	-	664,083
Property held for resale	6,191,589	-	6,191,589
Internal balances	453,874	(453,874)	-
Total current assets	16,703,463	3,744,592	20,448,055
Noncurrent assets:			
Capital assets not being depreciated	21,801,642	4,323,187	26,124,829
Capital assets being depreciated, net	8,841,899	13,853,765	22,695,664
Total noncurrent assets	30,643,541	18,176,952	48,820,493
Total assets	47,347,004	21,921,544	69,268,548
Deferred outflows of resources:			
Deferred outflows of resources - Pension actuarial adjustments	854,367	154,878	1,009,245
Total deferred outflows of resources	854,367	154,878	1,009,245
Total assets and deferred outflows of resources	\$ 48,201,371	\$ 22,076,422	\$ 70,277,793

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Net Position (Continued)
April 30, 2017

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 406,616	\$ 256,452	\$ 663,068
Accrued payroll	27,491	6,861	34,352
Line of credit	5,000,000	-	5,000,000
Accrued interest	270,362	71,942	342,304
Deposits	130,090	64,238	194,328
Unearned revenue	80,024	-	80,024
Compensated absences	167,941	48,659	216,600
Note payable	-	131,701	131,701
Capital leases	-	62,343	62,343
General obligation bonds	-	705,000	705,000
Total current liabilities	6,082,524	1,347,196	7,429,720
Long-term liabilities, net of current maturities:			
Compensated absences	55,983	16,222	72,205
Note payable	-	2,106,138	2,106,138
Capital leases	-	307,258	307,258
General obligation bonds, net of unamortized bond premium	9,230,000	3,652,409	12,882,409
Net pension liability - IMRF	106,901	88,994	195,895
Net pension liability - Police	9,679,173	-	9,679,173
Net pension liability - Fire	3,026,950	-	3,026,950
OPEB obligation	162,059	-	162,059
Total noncurrent liabilities	22,261,066	6,171,021	28,432,087
Total liabilities	28,343,590	7,518,217	35,861,807
Deferred inflows of resources:			
Deferred inflow of resources - Pension actuarial adjustments	5,186,943	73,814	5,260,757
Deferred property taxes	2,512,036	394,443	2,906,479
Total deferred inflows of resources	7,698,979	468,257	8,167,236
Total liabilities and deferred inflows of resources	\$ 36,042,569	\$ 7,986,474	\$ 44,029,043
Net position:			
Net investment in capital assets	\$ 21,413,541	\$ 11,212,103	\$ 32,625,644
Restricted for:			
Debt service	221,294	-	221,294
Capital projects	624,832	-	624,832
Road improvements	812,264	-	812,264
Tax increment financing projects	9,798,354	-	9,798,354
Retirement benefits	53,253	-	53,253
Public safety expenditures	98,695	-	98,695
Unrestricted (deficit)	(20,863,431)	2,877,845	(17,985,586)
Total net position	\$ 12,158,802	\$ 14,089,948	\$ 26,248,750

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Activities
Year Ended April 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 4,419,463	\$ 1,572,420	\$ 346,875	\$ -	\$ (2,500,168)	\$ -	\$ (2,500,168)
Public safety	5,630,562	370,644	37,191	-	(5,222,727)	-	(5,222,727)
Public works	381,331	9,523	-	-	(371,808)	-	(371,808)
Highway and streets	443,632	176,206	227,333	-	(40,093)	-	(40,093)
Interest and fees	883,907	-	-	-	(883,907)	-	(883,907)
Total governmental activities	<u>11,758,895</u>	<u>2,128,793</u>	<u>611,399</u>	<u>-</u>	<u>(9,018,703)</u>	<u>-</u>	<u>(9,018,703)</u>
Business-type activities:							
Water and sewer	4,279,573	3,657,293	817,471	1,460,622	-	1,655,813	1,655,813
Golf course operations	1,888,362	1,475,217	-	25,558	-	(387,587)	(387,587)
Total business-type activities	<u>6,167,935</u>	<u>5,132,510</u>	<u>817,471</u>	<u>1,486,180</u>	<u>-</u>	<u>1,268,226</u>	<u>1,268,226</u>
Total	<u>\$ 17,926,830</u>	<u>\$ 7,261,303</u>	<u>\$ 1,428,870</u>	<u>\$ 1,486,180</u>	<u>(9,018,703)</u>	<u>1,268,226</u>	<u>(7,750,477)</u>
General revenues							
Taxes:							
Property					6,550,744	848,905	7,399,649
Sales					1,174,366	-	1,174,366
Income					816,395	-	816,395
Utility					578,272	-	578,272
Other					1,362,170	-	1,362,170
Interest					8,398	3,668	12,066
Miscellaneous					27,295	-	27,295
Transfers					125,775	(125,775)	-
Total general revenues and transfers					<u>10,643,415</u>	<u>726,798</u>	<u>11,370,213</u>
Change in net position					1,624,712	1,995,024	3,619,736
Net position:							
May 1, 2016					<u>10,534,090</u>	<u>12,094,924</u>	<u>22,629,014</u>
April 30, 2017					<u>\$ 12,158,802</u>	<u>\$ 14,089,948</u>	<u>\$ 26,248,750</u>

See notes to financial statements.

Fund Financial Statements

Village of Glenwood, Illinois

Balance Sheet - Governmental Funds
April 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Holbrook Road Tax Increment Financing District Fund	TIF Halsted Fund	Nonmajor Governmental Funds	
Assets					
Cash and cash equivalents	\$ 2,364,658	\$ 1,048,983	\$ 291,282	\$ 2,865,050	\$ 6,569,973
Receivables:					
Property taxes	2,284,175	-	-	331,176	2,615,351
Other receivables	98,564	-	-	-	98,564
Prepays	110,029	-	-	-	110,029
Due from other governments	588,446	-	-	75,637	664,083
Due from other funds	704,374	2,125,625	-	150,000	2,979,999
Property held for resale	56,000	-	5,904,225	231,364	6,191,589
Total assets	\$ 6,206,246	\$ 3,174,608	\$ 6,195,507	\$ 3,653,227	\$ 19,229,588
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 270,512	\$ 3,120	\$ 23,402	\$ 109,582	\$ 406,616
Accrued payroll	27,491	-	-	-	27,491
Line of credit	-	-	5,000,000	-	5,000,000
Deposits	130,090	-	-	-	130,090
Unearned revenue	80,024	-	-	-	80,024
Due to other funds	-	-	961,125	1,565,000	2,526,125
Total liabilities	508,117	3,120	5,984,527	1,674,582	8,170,346
Deferred Inflows of Resources:					
Deferred property taxes	2,226,639	-	-	320,200	2,546,839
Deferred intergovernmental revenue	222,521	-	-	-	222,521
Total deferred inflows	2,449,160	-	-	320,200	2,769,360
Fund Balances:					
Nonspendable for prepaids	110,029	-	-	-	110,029
Nonspendable for property held for resale	56,000	-	-	-	56,000
Restricted for:					
Road improvements	-	-	-	812,264	812,264
Tax increment financing projects	-	3,171,488	5,904,225	762,005	9,837,718
Retirement benefits	-	-	-	53,253	53,253
Public safety expenditures	-	-	-	98,695	98,695
Debt service	-	-	-	491,656	491,656
Capital projects	-	-	-	624,832	624,832
Unassigned	3,082,940	-	(5,693,245)	(1,184,260)	(3,794,565)
Total fund balances	3,248,969	3,171,488	210,980	1,658,445	8,289,882
Total liabilities, deferred inflows of resources and fund balances	\$ 6,206,246	\$ 3,174,608	\$ 6,195,507	\$ 3,653,227	\$ 19,229,588

See notes to financial statements.

Village of Glenwood, Illinois

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
April 30, 2017

Total fund balances - governmental funds \$ 8,289,882

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

Revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements:

Property taxes	34,803
Intergovernmental	222,521

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. 30,643,541

Deferred outflows of resources resulting from changes in pension actuarial assumptions are not considered to represent a financial resource and, therefore, are not recorded in the funds. 854,367

Deferred inflows of resources resulting from changes in pension actuarial assumptions are not considered to represent a financial resource and, therefore, are not recorded in the funds. (5,186,943)

Some assets and liabilities reported in the statement of net position 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	(9,230,000)
Accrued interest	(270,362)
OPEB obligations	(162,059)
Net pension liability - IMRF	(106,901)
Net pension liability - Police	(9,679,173)
Net pension liability - Fire	(3,026,950)
Compensated absences	(223,924)

Net position of governmental activities \$ 12,158,802

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended April 30, 2017

	Major Funds				
	General Fund	Holbrook Road Tax Increment Financing District Fund	TIF Halsted Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 4,129,019	\$ 1,421,295	\$ -	\$ 1,002,301	\$ 6,552,615
Other taxes	485,099	-	-	-	485,099
Intergovernmental	2,430,314	-	-	856,739	3,287,053
Licenses, permits and fees	531,149	-	-	-	531,149
Fines	242,216	-	-	-	242,216
Interest	5,182	-	-	214,764	219,946
Charges for services	995,837	-	359,591	-	1,355,428
Miscellaneous	214,252	43	-	353,508	567,803
Total revenues	9,033,068	1,421,338	359,591	2,427,312	13,241,309
Expenditures:					
Current:					
Administration	2,312,707	127,689	594,471	859,081	3,893,948
Public works	610,185	-	-	-	610,185
Parks	92,353	-	-	-	92,353
Police	4,066,888	-	-	45,173	4,112,061
Fire	1,203,685	-	-	-	1,203,685
ESDA	10,534	-	-	-	10,534
Senior center	58,943	-	-	-	58,943
Highway and streets	140,028	-	-	170,232	310,260
Pension contributions	-	-	-	485,636	485,636
Miscellaneous	-	-	-	8,448	8,448
Debt service:					
Interest and fees	-	-	233,438	650,469	883,907
Capital outlay	150,238	-	647,775	89,622	887,635
Total expenditures	8,645,561	127,689	1,475,684	2,308,661	12,557,595
Excess (deficiency) of revenues over (under) expenditures	387,507	1,293,649	(1,116,093)	118,651	683,714
Other financing sources (uses):					
Transfers in	-	-	-	750,000	750,000
Transfers (out)	-	-	-	(624,225)	(624,225)
Total other financing sources (uses)	-	-	-	125,775	125,775
Change in fund balance	387,507	1,293,649	(1,116,093)	244,426	809,489
Fund balances (deficit):					
May 1, 2016	2,861,462	1,877,839	1,327,073	1,414,019	7,480,393
April 30, 2017	\$ 3,248,969	\$ 3,171,488	\$ 210,980	\$ 1,658,445	\$ 8,289,882

See notes to financial statements.

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, 2017**

Net change in fund balances - total governmental funds	\$ 809,489
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Amounts reported for governmental activities in the statement of activities are different because:

Revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements.

Prior year deferred balance:

Property taxes	(36,674)
Intergovernmental	(183,332)

Current year deferred balance:

Property taxes	34,803
Intergovernmental	222,521

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

Capital outlays	740,101
Depreciation expense	(411,567)

Contributions to pension funds are recognized as expenditures when paid to the pension fund on the fund financial statements. These expenditures are recorded on the government-wide financial statements based on the annual service cost. This is the difference in the amounts for the current period.

	497,483
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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 compensated absences	(15,790)
(Increase) in OPEB obligation	(32,322)

Change in net position of governmental activities	<u>\$ 1,624,712</u>
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See notes to financial statements.

Village of Glenwood, Illinois

Statement of Net Position - Enterprise Funds
April 30, 2017

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,627,592	\$ 472,422	\$ 3,100,014
Receivables:			
Property taxes	-	445,594	445,594
Accounts	557,086	32,853	589,939
Other	-	3,591	3,591
Inventories	-	59,328	59,328
Total current assets	3,184,678	1,013,788	4,198,466
Noncurrent assets:			
Capital assets not being depreciated	-	4,323,187	4,323,187
Capital assets being depreciated, net	9,986,730	3,867,035	13,853,765
Total noncurrent assets	9,986,730	8,190,222	18,176,952
Total assets	13,171,408	9,204,010	22,375,418
Deferred outflows of resources:			
Deferred outflow of resources - Pension actuarial adjustments	84,398	70,480	154,878
Total assets and deferred outflows of resources	\$ 13,255,806	\$ 9,274,490	\$ 22,530,296

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Net Position - Enterprise Funds (Continued)
 April 30, 2017

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 126,140	\$ 130,312	\$ 256,452
Accrued payroll	553	6,308	6,861
Accrued interest	3,359	68,583	71,942
Deposits	64,238	-	64,238
Due to other funds	227,724	226,150	453,874
Compensated absences	18,869	29,790	48,659
Note payable	131,701	-	131,701
Capital leases	-	62,343	62,343
General obligation bonds	-	705,000	705,000
Total current liabilities	<u>572,584</u>	<u>1,228,486</u>	<u>1,801,070</u>
Long-term liabilities, net of current maturities:			
Compensated absences	6,290	9,932	16,222
Note payable	2,106,138	-	2,106,138
Capital leases	-	307,258	307,258
General obligation bonds, net of unamortized bond premium	-	3,652,409	3,652,409
Net pension liability - IMRF	47,916	41,078	88,994
Total noncurrent liabilities	<u>2,160,344</u>	<u>4,010,677</u>	<u>6,171,021</u>
Total liabilities	<u>2,732,928</u>	<u>5,239,163</u>	<u>7,972,091</u>
Deferred inflows of resources:			
Deferred inflow of resources - Pension actuarial adjustments	41,522	32,292	73,814
Deferred property taxes	-	394,443	394,443
Total deferred inflows of resources	<u>41,522</u>	<u>426,735</u>	<u>468,257</u>
Total liabilities and deferred inflows of resources	<u>\$ 2,774,450</u>	<u>\$ 5,665,898</u>	<u>\$ 8,440,348</u>
Net position:			
Net investment in capital assets	\$ 7,748,891	\$ 3,463,212	\$ 11,212,103
Unrestricted	2,732,465	145,380	2,877,845
Total net position	<u>\$ 10,481,356</u>	<u>\$ 3,608,592</u>	<u>\$ 14,089,948</u>

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Revenues, Expenses, and Changes in Net Position
Enterprise Funds
Year Ended April 30, 2017

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Operating revenues:			
Charges for service	\$ 3,657,293	\$ 1,475,217	\$ 5,132,510
Operating expenses:			
Operations	3,899,606	1,421,551	5,321,157
Depreciation	349,143	297,048	646,191
Amortization	-	(12,528)	(12,528)
Total operating expenses	4,248,749	1,706,071	5,954,820
Operating loss	(591,456)	(230,854)	(822,310)
Nonoperating income (expense):			
Property taxes	-	848,905	848,905
Interest income	3,668	-	3,668
Interest expense	(30,824)	(182,291)	(213,115)
Grants	817,471	-	817,471
Total nonoperating income (expense)	790,315	666,614	1,456,929
Income before contributions and transfers	198,859	435,760	634,619
Capital contributions	1,460,622	25,558	1,486,180
Transfers in	124,225	-	124,225
Transfers out	(150,000)	(100,000)	(250,000)
Change in net position	1,633,706	361,318	1,995,024
Net position:			
May 1, 2016	8,847,650	3,247,274	12,094,924
April 30, 2017	\$ 10,481,356	\$ 3,608,592	\$ 14,089,948

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds
Year Ended April 30, 2017

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Cash flows from operating activities:			
Cash received for services	\$ 3,638,680	\$ 1,522,765	\$ 5,161,445
Payments to employees	(418,447)	(576,878)	(995,325)
Payments to suppliers	(3,638,831)	(784,881)	(4,423,712)
Net cash (used in) provided by operating activities	(418,598)	161,006	(257,592)
Cash flows from noncapital financing activities:			
Property taxes	-	816,553	816,553
Decrease in due from other funds	-	1,000	1,000
Increase in due to other funds	185,373	-	185,373
Operating grants received	817,471	-	817,471
Transfer in	124,225	-	124,225
Transfer out	(150,000)	(100,000)	(250,000)
Net cash provided by noncapital financing activities	977,069	717,553	1,694,622
Cash flows from capital and related financing activities:			
Additions to capital assets	-	(321,405)	(321,405)
Principal proceeds, capital leases, net	-	239,720	239,720
Principal payments, general obligation bonds	-	(630,000)	(630,000)
Principal payments, note payable	(130,071)	-	(130,071)
Interest paid	(29,192)	(191,479)	(220,671)
Net cash used in capital and related financing activities	(159,263)	(903,164)	(1,062,427)
Cash flows from investing activities:			
Cash receipts from interest income	3,668	-	3,668
Net cash provided by investing activities	3,668	-	3,668
Net increase (decrease) in cash and cash equivalents	402,876	(24,605)	378,271
Cash and cash equivalents:			
May 1, 2016	2,224,716	497,027	2,721,743
April 30, 2017	\$ 2,627,592	\$ 472,422	\$ 3,100,014

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds (Continued)
Year Ended April 30, 2017

	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)	\$ (591,456)	\$ (230,854)	\$ (822,310)
Adjustments to reconcile operating income/(loss) to net cash (used in) provided by operating activities:			
Depreciation	349,143	297,048	646,191
Amortization	-	(12,528)	(12,528)
Changes in assets and liabilities:			
Accounts receivable	(34,432)	42,477	8,045
Prepays	8,307	5,071	13,378
Accounts payable	(147,388)	62,673	(84,715)
Accrued payroll	180	1,092	1,272
Deposits	7,512	-	7,512
Compensated absences	(1,861)	(3,372)	(5,233)
Deferred outflow of resources - Pension actuarial adjustments	14,369	9,669	24,038
Deferred inflow of resources - Pension actuarial adjustments	(22,962)	(18,554)	(41,516)
Net pension liability - IMRF	(10)	2,187	2,177
Total adjustments	172,858	391,860	564,718
Net cash (used in) provided by operating activities	\$ (418,598)	\$ 161,006	\$ (257,592)
Supplemental schedule of non-cash capital and related finance activities:			
Capital assets contributed from government	\$ 1,460,622	\$ 25,558	\$ 1,486,180

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Fiduciary Net Position
 Fiduciary Funds
 April 30, 2017

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 93,256	\$ 85,024
Investments:		
Certificates of deposit	586,143	-
U.S. government and agency obligations	3,650,348	-
Corporate bonds	1,918,815	-
Insurance contracts	372,875	-
Equity mutual funds	4,195,796	-
Money market mutual funds	141,578	-
Illinois Funds	12,184	-
Accrued interest	37,107	-
Prepaid items	3,583	-
	<hr/>	<hr/>
Total assets	11,011,685	85,024
Liabilities		
Accounts payable	7,846	-
Deposits payable	-	85,024
Total liabilities	<hr/> 7,846	<hr/> 85,024
Net position:		
Restricted for pension benefits	<hr/> \$ 11,003,839	<hr/> \$ -

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2017

Additions:	
Contributions:	
Employer	\$ 1,071,980
Employee	208,770
Total contributions	<u>1,280,750</u>
Investment income:	
Net increase in fair value of investments	343,393
Interest and dividend earnings	271,348
Less: investment expenses	<u>(23,410)</u>
Net investment income	<u>591,331</u>
Total additions	<u>1,872,081</u>
Deductions:	
Benefits and refunds	794,081
Administrative expenses	<u>55,454</u>
Total deductions	<u>849,535</u>
Net increase	1,022,546
Restricted for pensions:	
May 1, 2016	<u>9,981,293</u>
April 30, 2017	<u>\$ 11,003,839</u>

See notes to financial statements.

Village of Glenwood, Illinois

Notes to Financial Statements

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 Village is a Home Rule unit under the Home Rule provisions of the Illinois State Constitution.

Financial Reporting Entity

As defined by generally accepted accounting principles established by the 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:

- 1) 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
- 2) Fiscal dependency on the primary government and the possibility that the component unit will provide a financial benefit
- 3) to or impose a financial burden on the primary government.

Financial benefit or financial burden is created if any one of the following relationships exists:

- 1) The primary government is legally entitled to or has access to the component unit's resources.
- 2) The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.
- 3) The primary government is obligated in some manner for the other component unit's debt.

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

Government-Wide Financial Statements: The government-wide Statement of Net Position 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 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.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 Village has the following governmental fund types – General, Special Revenue, Debt Service, and Capital Projects. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. 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.

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.

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

All remaining governmental funds are aggregated and reported as non-major governmental funds.

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, concessions purchased, and banquet services.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of its police and fire department employees and an agency fund, which accounts for assets held as custodian or agent for others.

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. Fiduciary fund statements do not have a measurement focus. 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.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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.

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

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position 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

The Village uses the purchases method to report inventories. Inventory is stated at the lower of cost or market determined on the first-in, first-out basis.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The Village uses the purchases method to report prepaid items.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

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 position.

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 position.

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.

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.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

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

<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 operations on the Statement of Activities.

Property Held for Resale

Land held for resale is recorded at the lower of cost or fair value less costs to sell.

Deferred Inflows or Deferred Outflows of Resources and Unearned Revenue

Deferred inflows of resources are the acquisition of net position or fund balance that is applicable to future reporting periods. Property taxes that are received or recorded as receivables prior to the period the levy is intended to finance are recorded as deferred inflows of resources on both the fund financial statements and government-wide financial statements. Potential grant revenue is recorded as deferred inflows of resources on the fund financial statements when it has not yet met both the “measurable” and “available” criteria for recognition in the current period.

Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. The net difference between projected and actual earnings on pension plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, as well as pension payments made subsequent to the pension liability measurement date are reported as deferred outflows or inflows of resources on the government-wide financial statements. See Note 8 for pension related disclosures.

Unearned revenues arise when resources are received by the Village before it has a legal claim to them, In subsequent periods, when revenue recognition criteria are met or when the Village has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

Compensated Absences

Accumulated unpaid compensated absences represent vacation time and 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 position. The General Fund is typically used to liquidate the governmental fund liability.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position 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, post-employment benefits, and pension benefits, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts, as well as deferred amounts 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 or expenses.

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.

Net Position

The Village's net position is classified as follows:

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

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

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

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

Fund Balances

Within the governmental fund types, the Village's fund balances are reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. As of April 30, 2017, the Village has nonspendable fund balance in the amount of \$166,029.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board of Trustees. The Village passes formal resolutions to commit their fund balances. As of April 30, 2017, the Village has no committed fund balance amounts.

Assigned – includes amounts that are constrained by the Village's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's Board of Trustees itself; or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's Board of Trustees has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. Within these same funds, a residual deficit, if any, is reported as unassigned. As of April 30, 2017, the Village has no assigned fund balance amounts.

Unassigned – includes the residual fund balance that has not been restricted, committed, or assigned within the General Fund and unassigned deficit fund balances of other governmental funds.

It is the Village's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e., committed, assigned or unassigned fund balances) are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

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.

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 July 1, and are payable in two installments which become delinquent on or about March 1 and August 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 inflows of resources 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 at 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, 2017, the carrying amount of the Village's deposits was \$7,450,289 with bank balances totaling \$7,468,924. The Village did not have custodial credit risk as of year-end.

Investments

As of April 30, 2017, the Village, the Police Pension Fund, and the Firefighter's Pension Fund 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	\$ 388,651	\$ -	\$ 316,062	\$ -	\$ 72,589
U.S. agencies - FFCB	1,313,368	162,198	390,285	760,885	-
U.S. agencies - FHLB	1,488,525	156,975	821,384	418,609	91,557
U.S. agencies - FHLM	154,956	-	154,956	-	-
U.S. agencies - FNMA	200,216	-	200,216	-	-
U.S. agencies - GNMA	104,632	11	80,143	6,478	18,000
Corporate bonds	1,918,815	335,312	1,254,128	287,724	41,651
Money Market Funds *	141,578	141,578	-	-	-
Total	\$ 5,710,741	\$ 796,074	\$ 3,217,174	\$ 1,473,696	\$ 223,797

*Weighted average maturity is less than one year.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

The Village also has \$2,510,482 in Illinois Funds. The Police Pension Fund has insurance contracts in the amount of \$372,875, certificates of deposits in the amount of \$485,823, and equity mutual fund holdings in the amount of \$3,964,166. The Fire Pension Fund has Illinois Funds in the amount of \$12,184, certificates of deposits in the amount of \$100,320, and equity mutual fund holdings in the amount of \$231,630.

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.

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 as 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, 2017, investments in Illinois Funds were rated AA+ by Standard and Poor’s and AAA by Moody’s Investors Service. The FFCB, FHLB, and FNMA were rated Aaa by Moody’s Investors Services and AA+ by Standard and Poor’s. The Money Market Funds are not rated.

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.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

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 and FHLB, and corporate bonds. These investments represent 11.9%, 18.1%, and 17.6%, 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 U.S. Treasury strips, FFCB, FHLB, FNMA, and corporate bonds. These investments represent 16.0%, 12.5%, 27.1%, 30.0%, 5.1%, and 16.6%, respectively, 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 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.

The Village implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ended April 30, 2017. In accordance with this Statement, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation on the inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village has the following as of April 30, 2017:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market Funds	\$ 141,578	\$ 141,578	\$ -	\$ -
Equity Mutual Funds	4,195,796	4,195,796	-	-
Corporate Bonds	1,918,815	-	1,918,815	-
U.S. Government and Agency Obligations	3,650,348	-	3,650,348	-
	<u>\$ 9,906,537</u>	<u>\$ 4,337,374</u>	<u>\$ 5,569,163</u>	<u>\$ -</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

Cash and cash equivalents and investments are reported in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Pension Funds	Agency Funds	Total
Cash and cash equivalents	\$ 6,569,973	\$ 3,100,014	\$ 93,256	\$ 85,024	\$ 9,848,267
Investments	-	-	10,877,739	-	10,877,739
	<u>\$ 6,569,973</u>	<u>\$ 3,100,014</u>	<u>\$ 10,970,995</u>	<u>\$ 85,024</u>	<u>\$ 20,726,006</u>

Note 4. Capital Assets

A summary of the changes in capital assets for governmental activities of the Village for the year ended April 30, 2017, is as follows:

	Balance May 1, 2016	Additions	Deletions and Transfers	Balance April 30, 2017
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 21,153,867	\$ 647,775	\$ -	\$ 21,801,642
Capital assets being depreciated:				
Improvements	2,245,150	-	-	2,245,150
Buildings	6,273,256	-	-	6,273,256
Machinery and equipment	3,460,365	92,326	27,978	3,524,713
Infrastructure	6,412,800	-	-	6,412,800
Total capital assets being depreciated	<u>18,391,571</u>	<u>92,326</u>	<u>27,978</u>	<u>18,455,919</u>
Less accumulated depreciation for:				
Improvements	844,149	11,773	-	855,922
Buildings	2,207,878	124,364	-	2,332,242
Machinery and equipment	2,463,428	151,696	27,978	2,587,146
Infrastructure	3,714,976	123,734	-	3,838,710
Total accumulated depreciation	<u>9,230,431</u>	<u>411,567</u>	<u>27,978</u>	<u>9,614,020</u>
Total capital assets being depreciated, net	<u>9,161,140</u>	<u>(319,241)</u>	<u>-</u>	<u>8,841,899</u>
Governmental activities capital assets, net	<u>\$ 30,315,007</u>	<u>\$ 328,534</u>	<u>\$ -</u>	<u>\$ 30,643,541</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, 2017, is as follows:

	Balance May 1, 2016	Additions	Deletions and Transfers	Balance April 30, 2017
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 4,323,187	\$ -	\$ -	\$ 4,323,187
Capital assets being depreciated:				
Improvements	1,911,156	-	-	1,911,156
Buildings	4,205,420	-	-	4,205,420
Machinery and equipment	2,130,230	480,583	-	2,610,813
Infrastructure	17,417,172	1,327,002	-	18,744,174
Total capital assets being depreciated	25,663,978	1,807,585	-	27,471,563
Less accumulated depreciation for:				
Improvements	1,489,289	57,521	-	1,546,810
Buildings	630,857	82,665	-	713,522
Machinery and equipment	1,336,867	216,584	-	1,553,451
Infrastructure	9,514,594	289,421	-	9,804,015
Total accumulated depreciation	12,971,607	646,191	-	13,617,798
Total capital assets being depreciated, net	12,692,371	1,161,394	-	13,853,765
Business-type activities capital assets, net	\$ 17,015,558	\$ 1,161,394	\$ -	\$ 18,176,952

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 56,590
Public safety	152,860
Public works	87,899
Highway and streets	114,218
Total depreciation expense - governmental activities	\$ 411,567
Business-type activities:	
Water and sewer	\$ 349,143
Golf course operations	297,048
Total depreciation expense - business-type activities	\$ 646,191

Village of Glenwood, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations

The following is a summary of debt transactions of the Village's governmental activities for the year ended April 30, 2017:

	Outstanding Debt as of May 1, 2016	Additions	Reductions	Outstanding Debt as of April 30, 2017	Due within one year
General obligation bonds	\$ 9,230,000	\$ -	\$ -	\$ 9,230,000	\$ -
Line of credit	5,000,000	-	-	5,000,000	5,000,000
Compensated absences *	208,134	176,324	160,534	223,924	167,941
	<u>\$ 14,438,134</u>	<u>\$ 176,324</u>	<u>\$ 160,534</u>	<u>\$ 14,453,924</u>	<u>\$ 5,167,941</u>

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

The following is a summary of debt transactions of the Village's business-type activities for the year ended April 30, 2017:

	Outstanding Debt as of May 1, 2016	Additions	Reductions	Outstanding Debt as of April 30, 2017	Due within one year
General obligation bonds	\$ 4,930,000	\$ -	\$ 630,000	\$ 4,300,000	\$ 705,000
Unamortized bond premium	69,937	-	12,528	57,409	-
Note payable	2,367,910	-	130,071	2,237,839	131,701
Capital leases	129,881	321,405	81,685	369,601	62,343
Compensated absences	70,114	58,416	63,649	64,881	48,659
	<u>\$ 7,567,842</u>	<u>\$ 379,821</u>	<u>\$ 917,933</u>	<u>\$ 7,029,730</u>	<u>\$ 947,703</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Outstanding debt as of April 30, 2017, 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 2010C, dated September 29, 2010, provide for the retirement of principal of \$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 3.50% and 4.00%.	<u>4,300,000</u>
Total general obligation bonds	<u>13,530,000</u>
Unamortized bond premiums	<u>57,409</u>
Capital leases	<u>369,601</u>
Line of credit	<u>5,000,000</u>
Note payable	<u>2,237,839</u>
Compensated absences	<u>288,805</u>
Total long-term obligations	<u><u>\$ 21,483,654</u></u>
Due within one year	<u><u>\$ 6,115,644</u></u>

An Illinois Environmental Protection Agency Clean Water State Revolving Funds loan agreement was approved November 11, 2011 and provides for a repayment period of 20 years which commenced October 9, 2013 with principal and interest payments due in October and April of each fiscal year. In addition, the loan accrues interest of 1.25% that is calculated monthly. As of April 30, 2017, the total outstanding principal and interest is \$2,237,839 and \$230,751, respectively.

The Village has a revolving line of credit with a bank which allows for borrowings up to \$7,000,000 with an interest rate of prime plus 1%, or 4.50% - 5.00% during the year ended April 30, 2017. The Village maintained a balance on the line of \$5,000,000 during the fiscal year. The Village paid interest of \$233,438 on the line during the fiscal year.

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, line of credit, compensated absences, net pension liability, OPEB obligation, and capital leases as of April 30, 2017, are as follows:

Year Ending April 30,	Governmental		Business-Type					Total
	General Obligation Bonds		General Obligation Bonds		Note Payable			
	Principal	Interest	Principal	Interest	Principal	Interest		
2018	\$ -	\$ 648,869	\$ 705,000	\$ 164,600	\$ 131,701	\$ 27,563	\$ 1,677,733	
2019	-	648,869	775,000	139,925	133,353	25,911	1,723,058	
2020	-	648,869	855,000	112,800	135,025	24,239	1,775,933	
2021	-	648,869	940,000	78,600	136,718	22,546	1,826,733	
2022	-	648,869	1,025,000	41,000	138,432	20,832	1,874,133	
2023-2027	6,595,000	2,405,668	-	-	718,637	77,682	9,796,987	
2028-2032	2,635,000	252,025	-	-	764,836	31,483	3,683,344	
2033	-	-	-	-	79,137	495	79,632	
	<u>\$ 9,230,000</u>	<u>\$ 5,902,038</u>	<u>\$ 4,300,000</u>	<u>\$ 536,925</u>	<u>\$ 2,237,839</u>	<u>\$ 230,751</u>	<u>\$ 22,437,553</u>	

Note 6. Capital Lease Obligations

The Village leases equipment under capital leases, which expire between June 2017 and November 2021. Monthly lease payments, including interest between 0.2% and 5.8%, are between \$410 and \$14,027. The cost of the capital assets acquired under the capital leases included in business-type activities machinery and equipment is \$892,138 and accumulated depreciation is \$627,840.

Minimum future lease payments under the capital leases together with the present value of the net minimum lease payments as of April 30, 2017, are as follows:

Year ending April 30:	
2018	\$ 73,577
2019	97,023
2020	79,834
2021	75,749
2022	73,188
Total minimum lease payments	<u>399,371</u>
Less amount representing interest	<u>29,770</u>
Present value of future minimum lease payments	369,601
Less current portion	<u>62,343</u>
Long-term portion	<u><u>\$ 307,258</u></u>

Village of Glenwood, Illinois

Notes to Financial Statements

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 employer 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 – Regular Plan

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 managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Employees Covered by Benefit Terms. As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	32
Inactive plan members entitled to but not yet receiving benefits	27
Active plan members	<u>30</u>
Total members	<u><u>89</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar years 2017 and 2016 were 7.71% and 8.40%, respectively, of annual covered payroll. For the fiscal year ended April 30, 2017, the Village contributed \$127,823 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute. The contributions as of April 30, 2017, are reported in the financial statements as follows:

Governmental Activities - general government expense	\$ 65,231
Business-Type Activities:	
Waterworks and Sewerage Fund	33,701
Golf Course Fund	<u>28,891</u>
	<u><u>\$ 127,823</u></u>

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

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	<u>100%</u>	

Single Discount Rate. A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Changes in the Net Pension Liability.

The following table shows the components of the Village's annual pension liability and related plan fiduciary net position for the year ended December 31, 2016:

Illinois Municipal Retirement Fund – Regular

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 6,150,633	\$ 5,964,033	\$ 186,600
Changes for the year:			
Service cost	160,554	-	160,554
Interest on the total pension liability	457,367	-	457,367
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	10,413	-	10,413
Changes of assumptions	-	-	-
Contributions - employer	-	131,768	(131,768)
Contributions - employees	-	70,591	(70,591)
Net investment income	-	416,353	(416,353)
Benefit payments, including refunds of employee contributions	(265,317)	(265,317)	-
Other (net transfer)	-	14,483	(14,483)
Net changes	363,017	367,878	(4,861)
Balances at December 31, 2016	<u>\$ 6,513,650</u>	<u>\$ 6,331,911</u>	<u>\$ 181,739</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability/(asset)	\$ 1,050,073	\$ 181,739	\$ (530,844)

The net pension liability of \$181,739 as of April 30, 2017, is reported on the financial statements as follows:

Governmental Activities	\$ 92,745
Business-Type Activities	88,994
	<u>\$ 181,739</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2017, the Village recognized pension expense of \$(33,819). Pension expense as of April 30, 2017, is reported in the financial statements as follows:

Governmental Activities	\$ (18,808)
Business-Type Activities	(15,011)
	<u>\$ (33,819)</u>

At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pensions		
Expense in Future Periods:		
Differences between expected and actual experience	\$ 7,619	\$ 162,283
Changes of assumptions	-	-
Changes in allocation proportion	4,378	4,378
Net difference between projected and actual earnings on pension plan investments	278,335	-
Total deferred amounts to be recognized in pension expense in future periods	290,332	166,661
Employer contributions subsequent to measurement date	40,564	-
Total Deferred Amounts Related to Pensions	<u>\$ 330,896</u>	<u>\$ 166,661</u>

The deferred outflows and inflows of resources as of April 30, 2017, is reported on the financial statements as follows:

Governmental Activities	\$ 176,018	\$ 92,847
Business-Type Activities	154,878	73,814
	<u>\$ 330,896</u>	<u>\$ 166,661</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

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

	Net Deferred Outflows of Resources
Year ending April 30:	
2018	\$ 18,338
2019	92,868
2020	5,826
2021	-
2022	-
Thereafter	-
Total	<u>\$ 117,032</u>

Illinois Municipal Retirement Fund - SLEP

Plan Description. The Village's defined benefit pension plan for SLEP employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided. The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. The IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms. As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>1</u>
Total members	<u><u>1</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 7.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar years 2017 and 2016 were 13.67 and 13.28%, respectively, of annual covered payroll. For the fiscal year ended April 30, 2017, the Village contributed \$16,769 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute. The contributions as of April 30, 2017, are reported in the financial statements as follows:

Governmental Activities - general government expense	<u>\$ 16,769</u>
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Net Pension Liability. The Village's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	<u>1%</u>	2.25%
Total	<u>100%</u>	

Single Discount Rate. A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Changes in the Net Pension Liability.

The following table shows the components of the Village's annual pension liability and related plan fiduciary net position for the year ended December 31, 2016:

Illinois Municipal Retirement Fund - SLEP

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 127,977	\$ 124,444	\$ 3,533
Changes for the year:			
Service cost	19,341	-	19,341
Interest on the total pension liability	10,324	-	10,324
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	12,429	-	12,429
Changes of assumptions	-	-	-
Contributions - employer	-	15,810	(15,810)
Contributions - employees	-	8,929	(8,929)
Net investment income	-	8,824	(8,824)
Benefit payments, including refunds of employee contributions	-	-	-
Other (net transfer)	-	(2,092)	2,092
Net changes	42,094	31,471	10,623
Balances at December 31, 2016	<u>\$ 170,071</u>	<u>\$ 155,915</u>	<u>\$ 14,156</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability/(asset)	\$ 35,889	\$ 14,156	\$ (4,134)

The net pension liability of \$14,156 as of April 30, 2017, is reported on the financial statements as follows:

Governmental Activities	<u>\$ 14,156</u>
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Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2017, the Village recognized pension expense of \$16,769. Pension expense as of April 30, 2017, is reported in the financial statements as follows:

Governmental Activities - general government expense	<u>\$ 16,769</u>
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At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pensions		
Expense in Future Periods:		
Differences between expected and actual experience	\$ 10,503	\$ 869
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	6,017	-
Total deferred amounts to be recognized in pension expense in future periods	<u>16,520</u>	<u>869</u>
Employer contributions subsequent to measurement date	5,914	-
Total Deferred Amounts Related to Pensions	<u>\$ 22,434</u>	<u>\$ 869</u>

The deferred outflows and inflows of resources as of April 30, 2017, is reported on the financial statements as follows:

Governmental Activities	<u>\$ 22,434</u>	<u>\$ 869</u>
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year ending April 30:	Net Deferred Outflows of Resources
2018	\$ 3,662
2019	3,660
2020	2,017
2021	1,777
2022	873
Thereafter	-
Total	<u>\$ 11,989</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements for the Police Pension Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings. No stand-alone statements are issued for the defined benefit pension plan.

Plan Description

Plan Administration:

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 Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The Village presents the plan as a pension trust fund. An actuarial valuation was performed as of April 30, 2017, and, accordingly, the most recent available information has been presented.

Plan Membership:

At April 30, 2017, the Police Pension Plan membership consisted of:

	<u>Membership</u>
Inactive Plan members or beneficiaries currently receiving benefits	13
Inactive Plan members entitled to but not yet receiving benefits	-
Active Plan members	<u>22</u>
Total membership	<u><u>35</u></u>

Police Pension Fund

Benefits Provided:

The Illinois Pension Code (40 ILCS 5/Art. 3) is the authority under which pension benefit terms are established. The maximum salary cap is indexed for inflation thereafter. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Covered employees hired on or after January 1, 2011, attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of services after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:

Covered employees are required to contribute 9.91% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the actuarial liabilities of the pension fund by April 30, 2040. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2017, the statutory minimum which the Village was required to contribute was \$818,116, or 49.9% of member payroll, to the Police Pension Fund.

Investments

Investment Policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board by a majority vote of its members. It is the policy of the Police Pension Board to pursue an investment strategy that preserves capital and minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes as allowed under Illinois Statutes (40 ILCS 5/1-113.2 to 113.4a). The Police Pension's investment policy encourages maintaining adequate liquidity to meet the pension fund's obligations. The investment policy implies that funds not needed to meet liquidity requirements should be invested with diversity between asset classes and types of investments. Fiduciary objectives toward maintenance of Public Trust and Prudence dictate that dramatic shifts in asset class allocations over short time spans are discouraged and should be avoided where possible. The following represents the Board's current asset allocation goals as of April 30, 2017:

<u>Asset Class</u>	<u>Target Asset Allocation</u>
Cash and cash equivalents	3%
Fixed income	42%
Equities, domestic	42%
Equities, international	5%
Real estate	8%

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as established by the Board in accordance with the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the long-term expected arithmetic real rates of return by asset class as of April 30, 2017:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Domestic Equity Large Caps	7.60%	2.26%	5.34%
Domestic Equity Mid Caps	8.34%	2.26%	6.08%
Domestic Small Caps	8.81%	2.26%	6.55%
International Developed Foreign	8.10%	2.26%	5.84%
Emerging Markets	11.77%	2.26%	9.51%
Commodities	5.22%	2.26%	2.96%
Aggregate Bonds	4.08%	2.26%	1.82%
Fixed Income Investment Grade Corporate	4.95%	2.26%	2.69%
Fixed Income Intermediate U.S. Treasuries	4.29%	2.26%	2.03%
Fixed Income High Yield	6.40%	2.26%	4.14%
REITS	8.17%	2.26%	5.91%
Cash	2.00%	2.26%	-0.26%

Method Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Significant Investments:

Information on significant investments is presented in Note 3 under "Concentration of Credit Risk."

Police Pension Fund

Rate of Return:

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.1%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Net Pension Liability of the Village

The total pension liability was determined by an actuarial valuation as of April 30, 2017, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Straight Line
Discount Rates used for the Total Pension Liability	6.50%
Long-Term Expected Rate of Return on Plan Assets	6.50%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	3.82%
Projected Individual Salary Increases	4.00 - 23.87%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Actuarial assumptions:	
Mortality Table	Lauterbach & Amen (L&A) 2016 Illinois Police
Retirement Rates	L&A 2016 Illinois Police 100% Capped at age 65
Disability Rates	L&A 2016 Illinois Police 100%
Termination Rates	L&A 2016 Illinois Police 100%
Percent Married	80%

The actuarial assumptions used in the April 30, 2017, valuation were based on the results of an actuarial assumption study for the period including various municipal fiscal years ending December 2009-June 2015.

The study was performed by Lauterbach & Amen LLP (L&A), which provides a variety of actuarial and other services to Police and Firefighter Pension Funds across the State of Illinois.

The assumptions were changed from the prior year. The assumed rate on the High Quality 20-year tax-exempt G.O. bond was changed from 3.32% to 3.82%. The discount rate used in determination of the Total Pension Liability was changed from 6.30% to 6.50%. The mortality assumption was updated to include mortality improvements based on the MP-2016 table. The rates are being applied on a fully-generational basis.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund

Discount Rate:

The discount rate used to measure the total pension liability is 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current employees. Therefore, the long-term expected rate of return on pension plan assets was applied for all remaining years.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at May 1, 2016	\$ 18,034,267	\$ 7,586,685	\$ 10,447,582
Changes for the year:			
Service cost	513,528	-	513,528
Interest on the total pension liability	1,152,594	-	1,152,594
Actuarial experience	268,095	-	268,095
Changes of assumptions	(1,094,955)	-	(1,094,955)
Contributions - employer	-	903,512	(903,512)
Contributions - employees	-	184,392	(184,392)
Contributions - other	-	-	-
Net investment income	-	552,270	(552,270)
Benefit payments, including refunds of employee contributions	(604,107)	(604,107)	-
Administrative expense			
Other (net transfer)	-	(32,503)	32,503
Net changes	235,155	1,003,564	(768,409)
Balances at April 30, 2017	\$ 18,269,422	\$ 8,590,249	\$ 9,679,173

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund

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

The following presents the net pension liability of the Village, calculated using the discount rate of 6.50%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate.

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Village's net pension liability	\$ 12,873,223	\$ 9,679,173	\$ 7,130,411

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

For the year ended April 30, 2017, the Village recognized pension expense of \$444,041. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ 236,702	\$ 643,647
Changes of assumptions	-	3,957,982
Net difference between projected and actual earnings on pension plan investments	277,305	34,715
Total Deferred Amounts Related to Pensions	<u>\$ 514,007</u>	<u>\$ 4,636,344</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund

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

	<u>Net Deferred Outflows of Resources</u>
Year ending April 30:	
2018	\$ (562,390)
2019	(562,390)
2020	(562,393)
2021	(654,824)
2022	(645,072)
Thereafter	(1,135,268)
Total	<u><u>\$ (4,122,337)</u></u>

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

Fire Pension Fund

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements for the Firefighters' Police Pension Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings. No stand-alone statements are issued for the defined benefit pension plan.

Plan Description

Plan Administration:

Firefighters' sworn personnel are covered by the Firefighters' 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 Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The Village presents the plan as a pension trust fund. An actuarial valuation was performed as of April 30, 2017, and, accordingly, the most recent available information has been presented.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund

Plan Membership:

At April 30, 2017, the Firefighters' Pension Plan membership consisted of:

	<u>Membership</u>
Inactive Plan members or beneficiaries currently receiving benefits	4
Inactive Plan members entitled to but not yet receiving benefits	1
Active Plan members	<u>3</u>
Total membership	<u><u>8</u></u>

Benefits Provided:

The Illinois Pension Code (40 ILCS 5/Art. 4) is the authority under which pension benefit terms are established. The maximum salary cap is indexed for inflation thereafter. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary.

Covered employees hired on or after January 1, 2011, attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of services after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:

Covered employees are required to contribute 9.455% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 4) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the actuarial liabilities of the pension fund by April 30, 2040. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2017, the statutory minimum which the Village was required to contribute was \$141,262, or 69.9% of member payroll, to the Police Pension Fund.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund

Investments

Investment Policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Fire Pension Board by a majority vote of its members. It is the policy of the Fire Pension Board to pursue an investment strategy that preserves capital and minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes as allowed under Illinois Statutes (40 ILCS 5/1-113.2 to 113.4a). The Fire Pension's investment policy encourages maintaining adequate liquidity to meet the pension fund's obligations. The investment policy implies that funds not needed to meet liquidity requirements should be invested with diversity between asset classes and types of investments. Fiduciary objectives toward maintenance of Public Trust and Prudence dictate that dramatic shifts in asset class allocations over short time spans are discouraged and should be avoided where possible. The following represents the Board's current asset allocation goals as of April 30, 2017:

Asset Class	Target Asset Allocation
Cash and Cash Equivalents	2%
Fixed Income	88%
Equities	10%

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as established by the Board in accordance with the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the long-term expected arithmetic real rates of return by asset class as of April 30, 2017:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Fixed Income	6.20%	0.80%	5.40%
Large Cap Domestic Equity	9.90%	0.80%	9.10%
Small Cap Domestic Equity	7.65%	0.80%	6.85%
International Equity	5.40%	0.80%	4.60%
Real Estate	11.50%	0.80%	10.70%
Cash	0.10%	0.80%	-0.70%

Method Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Significant Investments:

Information on significant investments is presented in Note 3 under "Concentration of Credit Risk."

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund

Investments (Continued)

Rate of Return:

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Village

The total pension liability was determined by an actuarial valuation as of April 30, 2017, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Straight Line
Discount Rates used for the Total Pension Liability	4.84%
Long-Term Expected Rate of Return on Plan Assets	6.00%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	3.82%
Projected Individual Salary Increases	3.75-23.37%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Actuarial assumptions:	
Mortality Table	Lauterbach & Amen (L&A) 2016 Illinois Firefighters
Retirement Rates	L&A 2016 Illinois Firefighters' 100%, capped at age 65
Disability Rates	L&A 2016 Illinois Firefighters 100%
Termination Rates	L&A 2012 Illinois Firefighters 100%
Percent Married	80%

The actuarial assumptions used in the April 30, 2017, valuation were based on the results of an actuarial assumption study for the period including various municipal fiscal years ending December 2009-June 2015.

The study was performed by Lauterbach & Amen LLP (L&A), which provides a variety of actuarial and other services to Police and Firefighter Pension Funds across the State of Illinois.

The assumptions were changed from the prior year. The assumed rate on the High Quality 20-year tax-exempt G.O. bond was changed from 3.32% to 3.82%. The discount rate used in determination of the Total Pension Liability was changed from 4.50% to 4.84%. The mortality assumption was updated to include mortality improvements based on the MP-2016 table. The rates are being applied on a fully-generational basis.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund

Discount Rate:

The discount rate used to measure the total pension liability is 4.84%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current members for the next 29 years. Therefore, the long-term expected rate of return on pension plan assets was applied only to those years and for the remaining years the municipal bond rate was used.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at May 1, 2016	\$ 5,653,667	\$ 2,394,609	\$ 3,259,058
Changes for the year:			
Service cost	91,006	-	91,006
Interest on the total pension liability	269,040	-	269,040
Actuarial experience	(97,922)	-	(97,922)
Changes of assumptions	(285,278)	-	(285,278)
Contributions - employer	-	168,468	(168,468)
Contributions - employees	-	24,378	(24,378)
Contributions - other	-	-	-
Net investment income	-	39,060	(39,060)
Benefit payments, including refunds of employee contributions	(189,975)	(189,975)	-
Administrative expense			
Other (net transfer)	-	(22,952)	22,952
Net changes	(213,129)	18,979	(232,108)
Balances at April 30, 2017	\$ 5,440,538	\$ 2,413,588	\$ 3,026,950

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund

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

The following presents the net pension liability of the Village, calculated using the discount rate of 4.84%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.84%) or 1-percentage-point higher (5.84%) than the current rate.

	1% Decrease 3.84%	Current Discount Rate 4.84%	1% Increase 5.84%
Village's net pension liability	\$ 3,933,798	\$ 3,026,950	\$ 2,307,510

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

For the year ended April 30, 2017, the Village recognized pension expense of \$149,438. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ -	\$ 89,806
Changes of assumptions	-	367,077
Net difference between projected and actual earnings on pension plan investments	141,908	-
Total Deferred Amounts Related to Pensions	<u>\$ 141,908</u>	<u>\$ 456,883</u>

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

	Net Deferred Outflows of Resources
Year ending April 30:	
2018	\$ (66,109)
2019	(66,109)
2020	(66,113)
2021	(74,979)
2022	(41,665)
Thereafter	-
Total	<u>\$ (314,975)</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

**Combining Statement of Fiduciary Net Position
Pension Trust Funds
April 30, 2017**

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 10,000	\$ 83,256	\$ 93,256
Investments:			
Certificates of deposit	485,823	100,320	586,143
U.S. government and agency obligations	2,359,116	1,291,232	3,650,348
Corporate bonds	1,237,916	680,899	1,918,815
Fixed income	-	-	-
Insurance contracts	372,875	-	372,875
Equity mutual funds	3,964,166	231,630	4,195,796
Money market mutual funds	139,890	1,688	141,578
Illinois Funds	-	12,184	12,184
Accrued interest	22,536	14,571	37,107
Prepaid items	530	3,053	3,583
Total assets	8,592,852	2,418,833	11,011,685
Liabilities			
Accounts payable	2,603	5,243	7,846
Total liabilities	2,603	5,243	7,846
Net position:			
Restricted for pension benefits	\$ 8,590,249	\$ 2,413,590	\$ 11,003,839

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

**Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2017**

	Police Pension	Firefighters' Pension	Total
Additions:			
Contributions:			
Employer	\$ 903,512	\$ 168,468	\$ 1,071,980
Employee	184,392	24,378	208,770
Total contributions	1,087,904	192,846	1,280,750
Investment income:			
Net increase (decrease) in fair value of investments	361,427	(18,034)	343,393
Interest and dividend earnings	214,253	57,095	271,348
Less: investment expenses	(23,410)	-	(23,410)
Net investment income	552,270	39,061	591,331
Total additions	1,640,174	231,907	1,872,081
Deductions:			
Benefits and refunds	604,107	189,974	794,081
Administrative expenses	32,503	22,951	55,454
Total deductions	636,610	212,925	849,535
Net increase	1,003,564	18,982	1,022,546
Restricted for pensions:			
May 1, 2016	7,586,685	2,394,608	9,981,293
April 30, 2017	\$ 8,590,249	\$ 2,413,590	\$ 11,003,839

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 Counties Risk Management Trust (ICRMT) 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 ICRMT for its workers' compensation.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 9. Risk Management (Continued)

The member agreement provides that ICRMT 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 ICRMT's members has a contractual obligation to fund any deficit of ICRMT 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.

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

Note 10. Other Fund Disclosures (FFS Level Only)

Interfund transfers for the year ended April 30, 2017, are as follows:

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
Major governmental funds:		
Nonmajor governmental funds:		
Water and Sewer Fund	\$ 124,225	\$ 150,000
Golf Course Fund	-	100,000
Nonmajor Governmental Fund	500,000	500,000
	<u>624,225</u>	<u>750,000</u>
Major enterprise funds:		
Water and Sewer Fund:		
Nonmajor Governmental Fund	150,000	124,225
	<u>150,000</u>	<u>124,225</u>
Golf Course Fund:		
Nonmajor Governmental Fund	100,000	-
	<u>100,000</u>	<u>-</u>
Total	<u>\$ 874,225</u>	<u>\$ 874,225</u>

Interfund transfers relate to funding the portion of the debt service payments that are not covered by property taxes.

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, 2017, are as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
Major governmental funds:		
General fund:		
Water and Sewer Fund	\$ 227,724	\$ -
Golf Course Fund	226,150	-
TIF Halsted Fund	250,500	-
	<u>704,374</u>	<u>-</u>
Holbrook Road Tax Increment Financing District:		
Nonmajor Governmental Fund	1,415,000	-
TIF Halsted Fund	710,625	-
	<u>2,125,625</u>	<u>-</u>
TIF Halsted Fund:		
General Fund	-	250,500
Holbrook Road Tax Increment Financing District	-	710,625
	<u>-</u>	<u>961,125</u>
Major enterprise fund:		
Water and Sewer Fund:		
General Fund	-	227,724
	<u>-</u>	<u>227,724</u>
Golf Course Fund:		
General Fund	-	226,150
	<u>-</u>	<u>226,150</u>
Nonmajor governmental funds:		
TIF Holbrook Road Fund	-	1,415,000
Nonmajor Governmental Funds	150,000	150,000
	<u>150,000</u>	<u>1,565,000</u>
Total	<u>\$ 2,979,999</u>	<u>\$ 2,979,999</u>

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

Deficit fund balances for the year ended April 30, 2017, are as follows:

	<u>Deficit Amount</u>
Special Revenue Funds:	
TIF Industrial North	\$ (861,018)
TIF Main Street	(309,570)

Village of Glenwood, Illinois

Notes to Financial Statements

Note 11. Contingencies

From time to time in the normal course of business, 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 position at April 30, 2017.

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 2017, the Village was not required to make any explicit contributions to the Plan. Members receiving benefits contributed 100% 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 No. 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 30 years.

Annual required contribution	\$ 80,681
Interest on net OPEB obligation	5,189
Adjustment to annual requirement contribution	<u>(7,503)</u>
Annual OPEB cost (expense)	78,367
Contributions made	<u>46,045</u>
Increase in net OPEB obligation	32,322
Net OPEB obligation, beginning of year	129,737
Net OPEB obligation, end of year	<u><u>\$ 162,059</u></u>

Village of Glenwood, Illinois

Notes to Financial Statements

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 2017 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage Annual OPEB Costs Contributed	Annual Pension Contributions	Net OPEB Obligation
04/30/17	\$ 78,367	58.8 %	\$ 46,045	\$ 162,059
04/30/16	75,908	52.4	39,780	129,737
04/30/15	73,577	50.3	36,978	93,609

Funded Status and Funding Progress

As of May 1, 2014, the most recent actuarial valuation date, the Plan was 100% unfunded. The actuarial accrued liability for benefits was \$596,505, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$596,505. The covered payroll (annual payroll of active employees covered by the Plan) was \$3,486,485 and the ratio of UAAL to the covered payroll was 17.1%.

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 May 1, 2014, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% discount rate (includes inflation at 3.0%), annual healthcare cost trend rate of 7.9% initially, reduced by decrements to an ultimate rate of 5.0%, and anticipated participation of 15.0% 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.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 13. Commitments

Economic Development Agreements and Tax Abatements

The Village entered into an agreement with Landauer to reimburse the developer for 100% of certified eligible redevelopment project costs up to \$500,000. As of April 30, 2017, the Village has remitted \$498,920 related to this agreement.

The Village entered into an agreement with Patton Properties for economic assistance from the Village. If not for the economic assistance to be provided 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 expired on December 31, 2016, with final payment due on June 30, 2017. As of April 30, 2017, the Village has remitted \$24,942 related to this agreement.

The Village entered into an agreement with West Side Property to purchase a building to construct and operate a new permanent truck maintenance facility. The Village agreed to reimburse West Side a maximum of \$400,000 or 50% of eligible costs, whichever is less. As of April 30, 2017, the Village has remitted \$47,403 related to this agreement. In May 2013, the Village sold this parcel of property in the amount of \$200,000 to West Side Property. The amount is scheduled to be paid in seven annual installments at a rate of 4%. The agreement further stipulates that on each annual date West Side Property is required to make a payment, the Village will waive its right to receive the amount due provided that West Side continues to operate on the premises and pay all property tax bills that are associated with this property and due. As of April 30, 2017, the receivable is fully reserved for in the Holbrook Road Tax Increment Financing District Fund as the collectability of this amount is not known.

The Village entered into an agreement with Torres Allcorn Co. Inc. for the purchase of the subject property not to exceed \$75,000. The Village also agreed to pay 65% of the developer's costs or a maximum of \$81,250 for eligible reimbursement costs. As of April 30, 2017, the Village has remitted \$75,000 related to this agreement. The Village entered into an agreement with Torres Allcorn Co. for the purchase of an additional subject property not to exceed \$175,500. The Village also agreed to pay 65% of the developer's costs or a maximum of \$175,500. As of April 30, 2017, the Village has remitted \$123,076 related to this agreement.

The Village entered into an agreement with All Star Management, Inc. to reimburse the developer for eligible real estate costs for the lesser of 25% of the cost of \$150,000. As of April 30, 2017, the Village has remitted \$147,847 related to this agreement.

The Village entered into an agreement with Porkchop Glenwood, LLC to complete the renovation and remodel the building on the Redevelopment Property. The Village agreed to reimburse the developer for permanent improvements to a maximum of \$250,000. As of April 30, 2017, the Village has remitted \$250,000 related to this agreement.

The Village entered into an agreement with Duff Real Estate, LLC to reimburse the developer for the lesser of \$10,000,000 or the total sum of eligible redevelopment costs with reimbursement costs to pay only from property taxes received from the developer. As of April 30, 2017, the Village has remitted \$0 related to this agreement.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 13. Commitments (Continued)

The Village entered into an agreement with Mack Industries to complete the renovation and remodel the building on the Redevelopment Property. The Village agreed to pay the developer's costs for eligible costs up to \$200,000. As of April 30, 2017, the Village has remitted \$200,000 related to this agreement. During fiscal year 2015, the Village sold this parcel of property in the amount of \$162,000 to Morrison Container. The amount is scheduled to be paid in seven annual installments. The agreement further stipulates that on each annual date Mack Industries is required to make a payment, the Village will waive its right to receive the amount due provided that West Side continues to operate on the premises and pay all property tax bills that are associated with this property and due. As of April 30, 2017, the receivable is fully reserved for in the Holbrook Road Tax Increment Financing District Fund as the collectability of this amount is not known.

The Village entered into an agreement with the owner and developer of Glenwood Oaks restaurant. The developer shall pay the first \$50,000 of redevelopment costs. After this, the Village shall pay the next \$250,000 of redevelopment costs. Should the project exceed the planned \$300,000 cost, but the cost remain under \$345,000, the Village will provide an additional incentive equal to approximately 83% by which the total cost of the project exceeds \$300,000, for a maximum of 337,350. As of April 30, 2017, the Village has remitted \$328,929 related to this agreement. During fiscal year 2015, the Village entered another redevelopment agreement with the owner and developer, agreeing to reimburse the developer for 65% of eligible costs or \$74,750. As of April 30, 2017, the Village has remitted \$73,684 related to this agreement.

The Village entered into an agreement with Bernard's Distribution to reimburse the developer for certain eligible redevelopment project costs not to exceed \$128,000. As of April 30, 2017, the Village has remitted \$128,000 related to this agreement.

Cook County Economic Development Incentive

The Cook County Assessor's Office, in conjunction with municipalities located within Cook County, encourage certain industrial and commercial development by offering real estate tax incentive programs (such as Class 6a, 6b, 7, 8, and 9) for the development of new industrial facilities, the rehabilitation of existing industrial structures and industrial utilization of abandoned buildings or areas experiencing severe stagnation. These programs offer qualified properties a reduced equalized assessed valuation for up to 12 years. The Village estimates its portion of annual abatement of property taxes to various local companies under this development incentive approximates \$76,000.

Note 14. Subsequent Event

The Village has evaluated subsequent events for potential recognition and/or disclosure through October 17, 2017, the date the financial statements were available to be issued.

Note 15. Pronouncements Issued But Not Yet Adopted

The GASB recently issued the following statements:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the Village beginning with its year ending April 30, 2018. This statement will establish rules on reporting by OPEB plans that administer benefits on behalf of governments.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the Village beginning with its year ending April 30, 2019. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 15. Pronouncements Issued But Not Yet Adopted (Continued)

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, will be effective for the Village beginning with its year ending April 30, 2018. This statement addresses accounting and financial reporting for certain external investment pools and pool participants.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, will be effective for the Village beginning with its year ending April 30, 2018. This statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, will be effective for the Village beginning with its year ending April 30, 2018. This statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, will be effective for the Village beginning with its year ending April 30, 2018, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, will be effective for the Village beginning with its year ending April 30, 2020. This statement establishes guidance for determining the timing and pattern of recognition for asset retirement obligations and corresponding deferred outflow of resources related to such obligations.

GASB Statement No. 84, *Fiduciary Activities*, will be effective for the Village beginning with its year ending April 30, 2020. This statement establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 provides that governments should report activities meeting certain criteria in a fiduciary fund in the basic financial statements and present a statement of fiduciary net position and a statement of changes in fiduciary net position.

GASB Statement No. 85, *Omnibus 2017*, will be effective for the Village beginning with its year ending April 30, 2019. This statement addresses issues found during application of various previous statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, will be effective for the Village beginning with its year ending April 30, 2019. This statement provides guidance for transactions in which cash and other monetary assets acquired with only existing resources, that is, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 15. Pronouncements Issued But Not Yet Adopted (Continued)

GASB Statement No. 87, *Leases*, will be effective for the Village beginning with its year ending April 30, 2021. Among other things, this statement requires that government lessees (1) recognize (a) a lease liability and (b) an intangible asset representing the lessee's right to use the leased asset; and (2) report in their financial statements (a) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (b) interest expense on the lease liability and (c) note disclosures about the lease.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these standards on its financial statements; however, the impact of GASB Statement No. 75 will likely be material to the statement footnotes and required supplementary information of the Village.

Required Supplementary Information

Village of Glenwood, Illinois

Post Employment Healthcare Plan

Schedule of Funding Progress

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]
4/30/15	\$ -	\$ 596,505	\$ 596,505	0.00 %	\$ 3,486,485	17.11 %
4/30/12	-	218,541	218,541	0.00	3,272,388	6.68
4/30/09	-	96,044	96,044	0.00	2,475,522	3.88

The Village is required to have actuarial valuations done on a triennial basis. Information is presented for all years available.

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
04/30/17	\$ 78,367	58.76 %
04/30/16	77,578	51.28
04/30/15	74,594	49.57

Village of Glenwood, Illinois

**Illinois Municipal Retirement Fund - Regular
Schedule of Changes in Net Pension Liability and Related Ratios**

Calendar year ended December 31,	2016	2015	2014
Total pension liability			
Service cost	\$ 160,554	\$ 192,215	\$ 187,434
Interest on the total pension liability	457,367	455,982	405,205
Differences between expected and actual experience	10,413	(336,265)	143,503
Changes in assumptions	-	-	205,492
Benefit payments	(265,371)	(289,914)	(244,074)
Net change in total pension liability	362,963	22,018	697,560
Total pension liability—beginning	6,150,633	6,128,615	5,431,055
Total pension liability—ending (a)	\$ 6,513,596	\$ 6,150,633	\$ 6,128,615
Plan fiduciary net position			
Contributions - Employer	\$ 131,768	\$ 136,654	\$ 139,908
Contributions - Member	70,591	73,558	77,702
Pension plan net investment income	416,353	30,933	355,400
Benefit payments	(265,371)	(289,914)	(244,074)
Pension plan administrative expense	14,483	(213,683)	58,090
Net change in plan fiduciary net position	367,824	(262,452)	387,026
Plan fiduciary net position—beginning	5,964,033	6,226,485	5,839,459
Plan fiduciary net position—ending (b)	\$ 6,331,857	\$ 5,964,033	\$ 6,226,485
Net pension liability (asset) - ending (a) - (b)	\$ 181,739	\$ 186,600	\$ (97,870)
Plan fiduciary net position as a percentage of the total pension liability	97.21%	96.97%	101.60%
Covered-Employee Payroll	\$ 1,568,668	\$ 1,634,622	\$ 1,721,563
Employer net pension liability as a percentage of covered-employee payroll	11.59%	11.42%	(5.68)%

Note to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Village of Glenwood, Illinois

**Illinois Municipal Retirement Fund - Regular
Schedule of Employer Contributions
Calendar Year Ended December 31, 2016**

Calendar Year Ended December	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 131,768	\$ 131,768	\$ -	\$ 1,568,668	8.40%
2015	136,654	136,654	-	1,634,622	8.36%
2014	139,477	139,908	(431)	1,724,563	8.13%

Note to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate*

Valuation Date:

Note: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level Percentage of Payroll, Open

Remaining Amortization Period: 27-year open basis

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.50%

Price Inflation: 3%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.90% to 13.50%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation.

Village of Glenwood, Illinois

Illinois Municipal Retirement Fund - SLEP
Schedule of Changes in Net Pension Liability and Related Ratios

Calendar year ended December 31,	2016	2015	2014
Total pension liability			
Service cost	\$ 19,341	\$ 19,062	\$ 18,293
Interest on the total pension liability	10,324	8,349	7,277
Differences between expected and actual experience	12,429	(1,229)	(6,655)
Changes in assumptions	-	-	3,487
Benefit payments	-	-	(16,979)
Net change in total pension liability	42,094	26,182	5,423
Total pension liability—beginning	127,977	101,795	96,372
Total pension liability—ending (a)	\$ 170,071	\$ 127,977	\$ 101,795
Plan fiduciary net position			
Contributions - Employer	\$ 15,810	\$ 13,995	\$ 5,083
Contributions - Member	8,929	7,957	7,797
Pension plan net investment income	8,824	613	6,976
Benefit payments	-	-	(16,979)
Pension plan administrative expense	(2,092)	(9,773)	(7,641)
Net change in plan fiduciary net position	31,471	12,792	(4,764)
Plan fiduciary net position—beginning	124,444	111,652	116,416
Plan fiduciary net position—ending (b)	\$ 155,915	\$ 124,444	\$ 111,652
Net pension liability (asset)—ending (a) - (b)	\$ 14,156	\$ 3,533	\$ (9,857)
Plan fiduciary net position as a percentage of the total pension liability	91.68%	97.24%	109.68%
Covered-Employee Payroll	\$ 119,053	\$ 106,096	\$ 103,957
Employer net pension liability as a percentage of covered-employee payroll	11.89%	3.33%	(9.48)%

Note to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Village of Glenwood, Illinois

**Illinois Municipal Retirement Fund - SLEP
Schedule of Employer Contributions
Calendar Year Ended December 31, 2016**

Calendar Year Ended December	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 15,810	\$ 15,810	\$ -	\$ 119,053	13.28%
2015	13,994	13,995	(1)	106,096	13.91%
2014	11,986	5,083	6,903	103,957	4.89%

Note to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate*

Valuation Date:

Note: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level Percentage of Payroll, Open

Remaining Amortization Period: 27-year open basis

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.50%

Price Inflation: 3%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.90% to 13.50%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation.

Village of Glenwood, Illinois

Required Supplementary Information - Police Pension Plan
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related
Ratios and Investment Returns

Fiscal year ended April 30,	2017	2016	2015
Total pension liability			
Service cost	\$ 513,528	\$ 436,295	\$ 700,590
Interest on the total pension liability	1,152,594	1,341,032	954,337
Change in assumptions	(1,094,955)	(3,893,580)	-
Differences between expected and actual experience	268,095	(837,809)	-
Benefit payments	(604,107)	(595,787)	(751,714)
Net change in total pension liability	235,155	(3,549,849)	903,213
Total pension liability—beginning	18,034,267	21,584,116	20,680,903
Total pension liability—ending (a)	\$ 18,269,422	\$ 18,034,267	\$ 21,584,116
Plan fiduciary net position			
Contributions - Employer	\$ 903,512	\$ 634,894	\$ 562,168
Contributions - Member	184,392	167,505	166,018
Pension plan net investment income	552,270	23,729	400,241
Benefit payments	(604,107)	(595,787)	(751,714)
Pension plan administrative expense	(32,503)	(31,637)	(37,738)
Net change in plan fiduciary net position	1,003,564	198,704	338,975
Plan fiduciary net position—beginning	7,586,685	7,387,981	7,049,006
Plan fiduciary net position—ending (b)	\$ 8,590,249	\$ 7,586,685	\$ 7,387,981
Net pension liability—ending (a) - (b)	\$ 9,679,173	\$ 10,447,582	\$ 14,196,135
Plan fiduciary net position as a percentage of the total pension liability	47%	42%	34%
Covered-Employee Payroll	\$ 1,811,015	\$ 1,631,556	\$ 2,013,041
Employer net pension liability as a percentage of covered-employee payroll	534%	640%	705%
Annual money-weighted rate of return, net of investment expense	7.11%	3.20%	5.82%

Note to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Village of Glenwood, Illinois

**Required Supplementary Information - Firefighters' Pension Plan
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related
Ratios and Investment Returns**

Fiscal year ended April 30,	2017	2016	2015
Total pension liability			
Service cost	\$ 91,006	\$ 97,158	\$ 121,332
Interest on the total pension liability	269,040	252,640	218,814
Change in assumptions	(97,922)	(14,363)	-
Differences between expected and actual experience	(285,278)	(203,971)	-
Benefit payments	(189,975)	(184,016)	(181,245)
	(213,129)	(52,552)	158,901
Net change in total pension liability			
	(213,129)	(52,552)	158,901
Total pension liability—beginning	5,653,667	5,706,219	5,547,318
Total pension liability—ending (a)	\$ 5,440,538	\$ 5,653,667	\$ 5,706,219
Plan fiduciary net position			
Contributions - Employer	\$ 168,468	\$ 76,342	\$ 86,579
Contributions - Member	24,378	24,009	20,195
Pension plan net investment income	39,060	46,272	98,571
Benefit payments	(189,975)	(184,016)	(181,245)
Pension plan administrative expense	(22,952)	(23,088)	(23,355)
	18,979	(60,481)	745
Net change in plan fiduciary net position			
	18,979	(60,481)	745
Plan fiduciary net position—beginning	2,394,609	2,455,090	2,454,345
Plan fiduciary net position—ending (b)	\$ 2,413,588	\$ 2,394,609	\$ 2,455,090
Net pension liability—ending (a) - (b)	\$ 3,026,950	\$ 3,259,058	\$ 3,251,129
Plan fiduciary net position as a percentage of the total pension liability	44%	42%	43%
Covered-Employee Payroll	\$ 241,022	\$ 234,399	\$ 226,148
Employer net pension liability as a percentage of covered-employee payroll	1256%	1390%	1438%
Annual money-weighted rate of return, net of investment expense	5.48%	6.40%	4.33%

Note to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Village of Glenwood, Illinois

Required Supplementary Information
Schedule of Contributions

Police Pension Plan	2017	2016	2015
Actuarially Determined Contribution	\$ 818,116	\$ 614,208	\$ 594,823
Contributions in Relation to the Actuarial Determined Contribution	903,512	634,894	562,168
Contribution Deficiency (excess)	\$ (85,396)	\$ (20,686)	\$ 32,655
Covered-Employee Payroll	\$ 1,811,015	\$ 1,631,556	\$ 2,013,041
Contributions as a Percentage of Covered-Employee Payroll	49.89%	38.91%	27.93%
Firefighters' Pension Plan	2017	2016	2015
Actuarially Determined Contribution	\$ 141,262	\$ 133,054	\$ 125,534
Contributions in Relation to the Actuarial Determined Contribution	168,468	76,342	86,579
Contribution Deficiency (excess)	\$ (27,206)	\$ 56,712	\$ 38,955
Covered-Employee Payroll	\$ 241,022	\$ 234,399	\$ 226,148
Contributions as a Percentage of Covered-Employee Payroll	69.90%	32.57%	38.28%

Note: Information is presented for as many years as available.

Village of Glenwood, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended April 30, 2017**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 4,291,729	\$ 4,129,019	\$ (162,710)
Other taxes	454,800	485,099	30,299
Intergovernmental	2,478,000	2,430,314	(47,686)
Licenses, permits and fees	503,800	531,149	27,349
Fines	345,000	242,216	(102,784)
Interest	500	5,182	4,682
Charges for services	995,374	995,837	463
Miscellaneous	16,000	214,252	198,252
Total revenues	<u>9,085,203</u>	<u>9,033,068</u>	<u>(52,135)</u>
Expenditures:			
Current:			
Administration	2,999,622	2,312,707	686,915
Public works	788,878	610,185	178,693
Parks	97,753	92,353	5,400
Police	4,453,316	4,066,888	386,428
Fire	1,254,425	1,203,685	50,740
ESDA	11,530	10,534	996
Senior center	77,506	58,943	18,563
Highways and streets	420,000	140,028	279,972
Debt service, Interest expense	-	-	-
Capital outlay	753,500	150,238	603,262
Total expenditures	<u>10,856,530</u>	<u>8,645,561</u>	<u>2,210,969</u>
Excess (deficiency) of revenues over (under) expenditures	(1,771,327)	387,507	2,158,834
Change in fund balance	<u>\$ (1,771,327)</u>	<u>387,507</u>	<u>\$ 2,158,834</u>
Fund balance:			
May 1, 2016		<u>2,861,462</u>	
April 30, 2017		<u>\$ 3,248,969</u>	

See notes to required supplementary information.

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Holbrook Road Tax Increment Financing District Fund
 Year Ended April 30, 2017

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,000,000	\$ 1,421,295	\$ 421,295
Miscellaneous	-	43	43
Total revenues	<u>1,000,000</u>	<u>1,421,338</u>	<u>421,338</u>
Expenditures:			
Current:			
Administration	<u>1,395,000</u>	<u>127,689</u>	<u>1,267,311</u>
Change in fund balance	<u>\$ (395,000)</u>	<u>1,293,649</u>	<u>\$ 1,688,649</u>
Fund balance:			
May 1, 2016		<u>1,877,839</u>	
April 30, 2017		<u>\$ 3,171,488</u>	

See notes to required supplementary information.

Village of Glenwood, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Halsted Tax Increment Financing District Fund
Year Ended April 30, 2017**

	Budget	Actual	Variance
Revenues:			
Charges for services	\$ -	\$ 359,591	\$ 359,591
Total revenues	<u>-</u>	<u>359,591</u>	<u>359,591</u>
Expenditures:			
Current:			
Administration	4,225,000	594,471	3,630,529
Debt service:			
Interest and fees	250,000	233,438	16,562
Capital outlay	-	647,775	(647,775)
Total expenditures	<u>4,475,000</u>	<u>1,475,684</u>	<u>2,999,316</u>
Change in fund balance	<u>\$ (4,475,000)</u>	<u>(1,116,093)</u>	<u>\$ 3,358,907</u>
Fund balance:			
May 1, 2016		<u>1,327,073</u>	
April 30, 2017		<u>\$ 210,980</u>	

See notes to required supplementary information.

Village of Glenwood, Illinois

Notes to Required Supplementary Information

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.

Village of Glenwood, Illinois

Notes to Required Supplementary Information

Note 2. Pension Contributions

The following methods and assumptions were utilized to measure the actuarially determined contribution (ADC) for each applicable pension plan.

Police Pension Plan

Methods and Assumptions

Valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Smoothed Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	24 Years
Investment rate of return	6.50%
Projected Individual Salary Increases	4.0% - 23.87%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Mortality Table	Lauterbach & Amen (L&A) 2016 Illinois Police

Firefighters' Pension Plan

Methods and Assumptions

Valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Smoothed Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	23 Years
Investment rate of return	6.00%
Projected Individual Salary Increases	3.75% - 23.37%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Mortality Table	Lauterbach & Amen (L&A) 2016 Illinois Firefighters

Supplementary Information

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual
Year Ended April 30, 2017

	Budget	Actual
Property taxes	\$ 4,291,729	\$ 4,129,019
Other taxes:		
Utility taxes	375,000	374,561
Auto rental tax	10,000	15,874
Real estate transfer tax	65,000	88,464
Tax exempt TFS fee	4,800	6,200
Total other taxes	454,800	485,099
Intergovernmental:		
Sales tax	629,000	675,949
Home rule sales tax	425,000	536,848
Income tax	915,000	725,457
Local use tax	211,000	221,144
Video gaming tax	23,000	44,303
Personal property replacement tax	25,000	39,844
Telecommunication maintenance fee	250,000	217,647
Grants	-	(30,878)
Total intergovernmental	2,478,000	2,430,314
Licenses, permits and fees:		
Vehicle stickers	185,000	176,206
Zoning board/hearing application fee	100	1,770
Building and electrical permit	100,000	119,218
Alarm permits	1,200	125
Cable TV revenue	115,000	143,600
Landlord crime fee	10,500	9,775
Business licenses	36,000	37,558
Animal licenses	1,500	1,374
Health inspection fees	2,500	3,300
Towed vehicle administration fee	36,000	24,000
Fire protection fees	6,000	5,750
Yard waste stickers	10,000	8,473
Total licenses, permits and fees	503,800	531,149
Fines:		
Police - DUI-related revenues	80,000	90,954
Police fines	235,000	145,622
Building code fines	-	5,640
Overweight truck fines	30,000	-
Total fines	345,000	242,216
Interest	500	5,182

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual (Continued)
Year Ended April 30, 2017

	Budget	Actual
Charges for services:		
Project reimbursement - police	\$ 1,500	\$ 1,690
Bad check charge	150	20
SBA towers	100,000	102,722
Park program fees	2,500	575
Senior center program fees	1,000	1,945
Grass cutting fees	600	1,050
Refuse fees	564,000	549,618
Taxi voucher program fees	2,000	1,140
Rental income	323,624	337,077
Total charges for services	995,374	995,837
Miscellaneous:		
Newsletter advertising	5,000	1,225
Miscellaneous	11,000	213,027
Total miscellaneous	16,000	214,252
Total revenues	\$ 9,085,203	\$ 9,033,068

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2017

	Budget	Actual
Current:		
Administration:		
Mayor	\$ 23,500	\$ 23,500
Treasurer	5,000	5,000
Trustees	36,000	36,000
Village clerk	10,000	10,000
Village collector	100	-
Village administrator	100,000	-
Department supervisor	83,822	83,921
Full time employees	165,000	147,951
Part time employees	50,000	48,718
Contract services	15,000	7,315
Consulting services	30,000	-
HSA employer contributions	4,500	2,512
Salary - liquor commissioner	1,500	1,500
Employer FICA	33,000	765
Employer IMRF	34,500	437
Unemployment insurance	5,000	-
Office supplies	12,000	8,107
Data processing	25,000	13,283
Copier supplies and maintenance	18,000	15,505
Postage	12,000	7,483
Employee appreciation	3,000	4,301
Telephone	15,000	6,230
Legal notices	3,000	1,706
Newsletter	30,000	6,595
Code of ordinances expense	10,000	2,989
Dues, subscription, and memberships	15,000	13,329
Legal services	350,000	192,607
Auditing	100,000	116,070
E-Comm annual expense	277,000	124,386
Group insurance and hospital	56,000	52,566
Workmen's compensation insurance	10,000	7,429
Liability insurance	700,000	580,025
Utility consulting	3,000	-
Board member training	2,000	1,405
Utilities	6,000	2,540
Personnel training	2,500	425
Travel, lodging, and meals	9,500	10,547
Donations/memorials	4,000	1,111
Police and fire commission	10,500	2,665
Yard waste sticker	-	9,640
Website expense	1,500	-
Vehicle stickers	8,500	7,897
Economic incentive agreements	5,000	3,472
Computer - programs and equipment	100,000	120,371
Railroad property rental	3,200	3,090

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2017

	Budget	Actual
Current:		
Administration: (Continued)		
OSLAD Grant	\$ -	\$ 9,480
Engineer services	30,000	3,704
Bank charges	3,000	8,324
Property taxes paid	-	20,795
Village trash disposal	570,000	579,801
Miscellaneous	8,000	7,210
Total administration	2,999,622	2,312,707
Public works:		
Department supervisor	32,128	32,128
Full time employees	190,000	165,528
Over-time wages	25,000	17,164
Contract services	55,000	47,486
Lawn care services	45,000	40,893
HAS employer contributions	1,500	-
Employer FICA	16,000	286
Employer IMRF	16,000	328
Unemployment insurance	-	966
Printing and advertising	1,000	199
Postage	250	-
Cleaning supplies	5,000	8,081
Telephone	4,000	10,210
Group insurance and hospital	60,000	49,225
Workmen's compensation insurance	25,000	16,610
Utilities	2,000	374
Personnel training	3,000	2,675
Travel, lodging, and meals	2,000	534
Physicals	500	575
Uniforms	2,000	540
Gas and oil	30,000	12,452
Repair and maintenance - vehicle	50,000	60,472
Repair and maintenance - storm sewers	-	-
Repair and maintenance - traffic signals	20,000	14,125
Repair and maintenance - general tools/equipment	2,500	1,895
Repair and maintenance - municipal buildings	45,000	54,819
Maintenance - municipal grounds	40,000	31,161
Street lighting	25,000	19,154
Flags	-	1,127
Tree contractors	15,000	-
HVAC maintenance	20,000	5,677
Christmas decorations	5,000	3,996
Computer - programs and equipment	-	1,583
Engineering services	50,000	9,505
Miscellaneous	1,000	417
Total public works	788,878	610,185
Parks:		
Departments supervisor	17,503	15,567
Part time employees	-	-
HAS employer contributions	600	632
Employer FICA & IMRF	1,400	20

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2017

	Budget	Actual
Current:		
Parks: (Continued)		
Utilities	\$ 10,000	\$ 6,308
IMRF	-	-
Park program expenses	16,000	10,624
Repair and maintenance - municipal buildings	20,000	25,903
Maintenance - municipal grounds	20,000	21,549
Fireworks	11,750	11,750
Miscellaneous	500	-
Total parks	97,753	92,353
Police:		
Part time police officers	43,000	27,848
Department supervisor	125,000	125,000
Full time employees	1,850,000	1,815,589
Part time employees	80,000	55,767
Over-time wages	200,000	201,162
Holiday pay	100,000	54,006
Retro pay	140,000	95,007
HSA employer contribution	3,000	982
Employer FICA	165,000	3,065
Employer IMRF	27,000	4,219
Pension contributions	818,116	903,512
Unemployment insurance	-	-
Office supplies	10,000	7,049
Postage	3,000	2,056
Telephone	8,000	13,579
Dues, subscription, and membership	12,000	18,810
Legal services	60,000	28,552
Municipal systems	13,000	10,682
Group insurance and hospital	312,000	319,543
Workmen's compensation insurance	95,000	88,050
Utilities	3,500	2,930
Personnel training	25,000	13,342
Travel, lodging, and meals	10,000	7,695
Public education programs	1,500	1,874
Physicals	1,200	200
Uniforms	35,000	31,467
Gas and oil	70,000	50,890
Food for prisoners	1,500	818
Repair and maintenance - communications	25,000	24,310
Repair and maintenance - copy machine	5,000	2,497

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2017

	Budget	Actual
Current:		
Police: (Continued)		
Repair and maintenance - vehicle	\$ 55,000	\$ 43,495
Repair and maintenance - general tools/equipment	6,000	8,885
Repair and maintenance - municipal buildings	30,000	29,248
Radar equipment	1,500	-
In-Car L3 cameras	10,000	-
Evidence management system	15,000	12,930
Portable truck weight	11,000	-
3M opticom lighting	500	-
Municipal security cameras	7,000	-
Spillman touch 4 / ipads	4,000	-
Range usage/ammunition	16,000	15,935
Tow fee expense	2,500	1,671
License plate reader	5,000	2,080
Police crime prevention	2,000	802
Vest program	2,000	1,052
Computer - programs and equipment	40,000	34,235
Board expense	1,000	824
Bank charges	500	-
Miscellaneous	2,500	3,196
Total police	4,453,316	4,066,888
Fire:		
Department supervisor	102,571	103,601
Full time employees	244,105	235,464
Part time employees	21,012	13,222
Secretarial services	58,355	41,718
Over-time wages	2,000	5,312
Paid on call fire personnel	103,000	98,709
Sleep-in-pay	96,360	97,416
Duty shift assignment	66,660	59,024
Contract services	72,000	64,619
HSA employer contributions	5,500	4,224
Employer FICA	31,000	1,017
Employer IMRF	11,900	209
Pension contributions	141,262	168,468
Building code hearings	18,000	14,177
Planning and zoning	1,200	829
Printing and advertising	1,700	2,509
Office supplies	3,500	4,713
Postage	2,000	1,329
Food service inspections	900	-
Telephone	4,000	7,796
Dues, subscription, and membership	1,000	3,524
Legal services	5,000	6,983
Legal fees zoning	5,000	4,953
Group insurance and hospital	53,000	50,416
Workmen's compensation insurance	70,000	51,511
Utilities	1,500	924
Personnel training	15,000	13,228
Travel, lodging, meals	1,500	450
Public education programs	1,500	-
Physicals	5,000	3,380
Uniforms	7,500	10,924
Gas and oil	28,000	17,201
Station supplies	1,800	2,351
Repair and maintenance - vehicle	24,000	35,743
Repair and maintenance - hazardous material trailer	4,000	5,586
Repair and maintenance - general tools/equipment	8,500	13,370

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2017

	Budget	Actual
Current:		
Fire: (Continued)		
Maintenance - station #1	\$ 5,000	\$ 6,557
Maintenance - station #2	5,000	2,616
Copy machine	600	892
Grass cutting vacant homes	7,500	21,842
Computer - programs and equipment	15,000	25,519
Miscellaneous	2,000	1,359
Total fire	1,254,425	1,203,685
ESDA:		
Department supervisor	1,030	-
Part time employees	4,500	9,022
Employer FICA & IMRF	1,500	12
Uniforms	500	-
Communications	4,000	1,500
Total ESDA	11,530	10,534
Senior center:		
Department supervisor	37,906	34,874
Part time employees	9,200	8,665
Employer FICA	3,800	87
Employer IMRF	3,200	93
Office supplies	700	555
Telephone/internet	-	16
Due subscription memberships	-	-
Group insurance and hospital	7,000	6,557
Utilities	3,700	2,057
Repair/Maint buildings	2,500	-
Special events	3,500	3,080
Taxi voucher program	5,000	2,485
Miscellaneous	1,000	474
Total senior center	77,506	58,943
Highways and streets:		
Traffic control signs	20,000	16,118
Street lighting maintenance	25,000	12,695
Streets, sidewalks, and roadways	375,000	111,215
Total highways and streets	420,000	140,028
Interest expense	-	-
Capital outlay	753,500	150,238
Total expenditures	\$ 10,856,530	\$ 8,645,561

Nonmajor Governmental Funds

Village of Glenwood, Illinois

Combining Balance Sheet
 Nonmajor Governmental Funds
 April 30, 2017

	Special Revenue Funds	Capital Project Funds Illinois Capital Acquisition Fund	Debt Service Fund 2010 Bond Payment Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,750,973	\$ 624,832	\$ 489,245	\$ 2,865,050
Receivables:				
Property taxes	258,416	-	72,760	331,176
Due from other governments	75,637	-	-	75,637
Due from other funds	150,000	-	-	150,000
Property held for resale	231,364	-	-	231,364
Total assets	\$ 2,466,390	\$ 624,832	\$ 562,005	\$ 3,653,227
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 109,582	\$ -	\$ -	\$ 109,582
Due to other funds	1,565,000	-	-	1,565,000
	1,674,582	-	-	1,674,582
Deferred inflows of resources:				
Deferred property taxes	249,851	-	70,349	320,200
Fund balances:				
Restricted for:				
Road improvements	812,264	-	-	812,264
Tax increment financing projects	762,005	-	-	762,005
Retirement benefits	53,253	-	-	53,253
Public safety expenditures	98,695	-	-	98,695
Debt service	-	-	491,656	491,656
Capital projects	-	624,832	-	624,832
Unassigned	(1,184,260)	-	-	(1,184,260)
Total fund balances	541,957	624,832	491,656	1,658,445
Total liabilities, deferred inflows of resources and fund balances	\$ 2,466,390	\$ 624,832	\$ 562,005	\$ 3,653,227

Village of Glenwood, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended April 30, 2017**

		Capital Project Funds	Debt Service Fund	
		Illinois		
	Special Revenue Funds	Capital Acquisition Fund	2010 Bond Payment Fund	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 895,947	\$ -	\$ 106,354	\$ 1,002,301
Intergovernmental	754,259	102,480	-	856,739
Interest	3,216	-	211,548	214,764
Miscellaneous	10,656	342,852	-	353,508
Total revenues	1,664,078	445,332	317,902	2,427,312
Expenditures:				
Current:				
Administration	827,132	31,949	-	859,081
Police	45,173	-	-	45,173
Highway and streets	170,232	-	-	170,232
Pension contributions	485,636	-	-	485,636
Miscellaneous	8,448	-	-	8,448
Debt service:				
Interest and fees	-	-	650,469	650,469
Capital outlay	-	89,622	-	89,622
Total expenditures	1,536,621	121,571	650,469	2,308,661
(Deficiency) of revenues (under) expenditures	127,457	323,761	(332,567)	118,651
Other financing sources (uses):				
Transfers in	400,000	-	350,000	750,000
Transfers (out)	(624,225)	-	-	(624,225)
Total other financing sources (uses)	(224,225)	-	350,000	125,775
Change in fund balances	(96,768)	323,761	17,433	244,426
Fund balances:				
May 1, 2016	638,725	301,071	474,223	1,414,019
April 30, 2017	\$ 541,957	\$ 624,832	\$ 491,656	\$ 1,658,445

Village of Glenwood, Illinois

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 April 30, 2017

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Police Department Forfeiture Fund	Foreign Fire Insurance Fund
Assets				
Cash and cash equivalents	\$ 803,852	\$ 44,688	\$ 50,041	\$ 48,654
Property taxes receivable	-	258,416	-	-
Land held for resale	-	-	-	-
Due from other governments	75,637	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 879,489	\$ 303,104	\$ 50,041	\$ 48,654
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 67,225	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
	<u>67,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Deferred property taxes	-	249,851	-	-
Fund balances:				
Restricted for:				
Road improvements	812,264	-	-	-
Tax increment financing projects	-	-	-	-
Retirement benefits	-	53,253	-	-
Public safety expenditures	-	-	50,041	48,654
Unassigned	-	-	-	-
Total fund balances	812,264	53,253	50,041	48,654
Total liabilities, deferred inflows of resources and fund balances	\$ 879,489	\$ 303,104	\$ 50,041	\$ 48,654

EDA Fund	TIF Fund	TIF Industrial North Fund	TIF Main Street Fund	Total
\$ 25,692	\$ 610,783	\$ 115,953	\$ 51,310	\$ 1,750,973
-	-	-	-	258,416
-	192,000	-	39,364	231,364
-	-	-	-	75,637
-	150,000	-	-	150,000
<u>\$ 25,692</u>	<u>\$ 952,783</u>	<u>\$ 115,953</u>	<u>\$ 90,674</u>	<u>\$ 2,466,390</u>

\$ -	\$ 40,142	\$ 1,971	\$ 244	\$ 109,582
-	190,000	975,000	400,000	1,565,000
-	230,142	976,971	400,244	1,674,582

-	-	-	-	249,851
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-	-	-	-	812,264
-	722,641	-	39,364	762,005
-	-	-	-	53,253
-	-	-	-	98,695
25,692	-	(861,018)	(348,934)	(1,184,260)
<u>25,692</u>	<u>722,641</u>	<u>(861,018)</u>	<u>(309,570)</u>	<u>541,957</u>

<u>\$ 25,692</u>	<u>\$ 952,783</u>	<u>\$ 115,953</u>	<u>\$ 90,674</u>	<u>\$ 2,466,390</u>
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Village of Glenwood, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended April 30, 2017

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Police Department Forfeiture Fund
Revenues:			
Property taxes	\$ -	\$ 494,625	\$ -
Intergovernmental	227,333	-	37,191
Interest	3,216	-	-
Miscellaneous	-	-	-
Total revenues	230,549	494,625	37,191
Expenditures:			
Current:			
Administration	-	-	-
Police	-	-	45,173
Miscellaneous	-	-	-
Highways and streets	170,232	-	-
Pension contributions	-	485,636	-
Total expenditures	170,232	485,636	45,173
Excess (deficiency) of revenues over (under) expenditures	60,317	8,989	(7,982)
Other financing sources (uses):			
Transfers in	-	-	-
Transfers (out)	(100,000)	-	-
Total other financing sources (uses)	(100,000)	-	-
Change in fund balances	(39,683)	8,989	(7,982)
Fund balances (deficit):			
May 1, 2016	851,947	44,264	58,023
April 30, 2017	\$ 812,264	\$ 53,253	\$ 50,041

Foreign Fire Insurance Fund	EDA Fund	TIF Fund	TIF Industrial North Fund	TIF Main Street Fund	Total
\$ -	\$ -	\$ 325,236	\$ 64,583	\$ 11,503	\$ 895,947
-	489,735	-	-	-	754,259
-	-	-	-	-	3,216
10,656	-	-	-	-	10,656
10,656	489,735	325,236	64,583	11,503	1,664,078
-	2,681	624,422	140,707	59,322	827,132
-	-	-	-	-	45,173
8,448	-	-	-	-	8,448
-	-	-	-	-	170,232
-	-	-	-	-	485,636
8,448	2,681	624,422	140,707	59,322	1,536,621
2,208	487,054	(299,186)	(76,124)	(47,819)	127,457
-	-	400,000	-	-	400,000
-	(400,000)	-	-	(124,225)	(624,225)
-	(400,000)	400,000	-	(124,225)	(224,225)
2,208	87,054	100,814	(76,124)	(172,044)	(96,768)
46,446	(61,362)	621,827	(784,894)	(137,526)	638,725
\$ 48,654	\$ 25,692	\$ 722,641	\$ (861,018)	\$ (309,570)	\$ 541,957

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Motor Fuel Tax Fund
 Year Ended April 30, 2017

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 232,297	\$ 227,333	\$ (4,964)
Interest	300	3,216	2,916
Total revenues	<u>232,597</u>	<u>230,549</u>	<u>(2,048)</u>
Expenditures:			
Current:			
Highways and streets	<u>540,000</u>	<u>170,232</u>	<u>369,768</u>
Excess (deficiency) of revenues over (under) expenditures	(307,403)	60,317	367,720
Other financing uses:			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Change in fund balance	<u>\$ (407,403)</u>	<u>(39,683)</u>	<u>\$ 367,720</u>
Fund balance:			
May 1, 2016		<u>851,947</u>	
April 30, 2017		<u>\$ 812,264</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, 2017

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ -	\$ 494,625	\$ 494,625
Expenditures:			
Current:			
Pension contributions	482,800	485,636	(2,836)
Change in fund balance	<u>\$ (482,800)</u>	8,989	<u>\$ 491,789</u>
Fund balance:			
May 1, 2016		44,264	
April 30, 2017		<u>\$ 53,253</u>	

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 TIF Fund
 Year Ended April 30, 2017

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 700,000	\$ 325,236	\$ (374,764)
Interest	-	-	-
Total revenues	<u>700,000</u>	<u>325,236</u>	<u>(374,764)</u>
Expenditures:			
Current:			
Administration	<u>2,285,000</u>	<u>624,422</u>	<u>1,660,578</u>
Excess (deficiency) of revenues over (under) expenditures	(1,585,000)	(299,186)	1,285,814
Other financing sources (uses):			
Transfers in	-	400,000	400,000
Transfers (out)	-	-	-
	<u>-</u>	<u>400,000</u>	<u>400,000</u>
Change in fund balance	<u>\$ (1,585,000)</u>	<u>100,814</u>	<u>\$ 1,685,814</u>
Fund balance:			
May 1, 2016		<u>621,827</u>	
April 30, 2017		<u>\$ 722,641</u>	

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 TIF Industrial North Fund
 Year Ended April 30, 2017

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 80,000	\$ 64,583	\$ (15,417)
Expenditures:			
Current:			
Administration	1,625,000	140,707	1,484,293
Change in fund balance	<u>\$ (1,545,000)</u>	<u>(76,124)</u>	<u>\$ 1,468,876</u>
Fund balance (deficit):			
May 1, 2016		<u>(784,894)</u>	
April 30, 2017		<u>\$ (861,018)</u>	

Village of Glenwood, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
TIF Main Street Fund
Year Ended April 30, 2017**

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 200,000	\$ 11,503	\$ (188,497)
Expenditures:			
Current:			
Administration	<u>1,615,000</u>	<u>59,322</u>	<u>1,555,678</u>
Excess (deficiency) of revenues over (under) expenditures	(1,415,000)	(47,819)	1,367,181
Other financing sources (uses):			
Transfers (out)	<u>-</u>	<u>(124,225)</u>	<u>(124,225)</u>
	<u>-</u>	<u>(124,225)</u>	<u>(124,225)</u>
Change in fund balance	<u><u>\$ (1,415,000)</u></u>	<u>(172,044)</u>	<u><u>\$ 1,242,956</u></u>
Fund balance (deficit):			
May 1, 2016		<u>(137,526)</u>	
April 30, 2017		<u><u>\$ (309,570)</u></u>	

Enterprise Fund

Village of Glenwood, Illinois

Schedule of Operations Expenses - Budget and Actual
 Water and Sewer Fund
 Year Ended April 30, 2017

	Budget	Actual
Department supervisor	\$ 59,667	\$ 59,666
Full time employees	380,000	317,926
Over-time wages	30,000	30,571
Contract services	27,500	21,597
Lawn care services	15,000	11,099
Employers contribution	7,100	5,609
Employers FICA	30,000	12
IMRF	32,000	14
Unemployment insurance	3,000	1,656
Printing and advertising	5,000	2,918
Office supplies	2,000	1,586
Copier supplies and maintenance	2,000	-
Postage	12,000	10,178
Telephone	35,000	7,104
Dues, subscription, and membership	3,000	1,139
Legal services	3,000	926
Group insurance and hospital	102,000	88,095
Workmen's compensation insurance	50,000	34,058
Utilities	10,000	7,295
Personnel training	2,500	1,833
Travel, lodging, and meals	2,000	847
Public education programs	3,000	3,003
Physicals	500	-
Gas and oil	34,000	14,204
Energy for pumping water	50,000	57,820
Chemicals for water treatment	35,000	16,009
IEPA loan project	36,000	-
Repair and maintenance - water system	200,000	74,656
Repair and maintenance - vehicle	50,000	47,352
Repair and maintenance - general tools/equipment	2,500	1,767
Repair and maintenance - municipal buildings	10,000	7,423
Repair and maintenance - storm sewers	-	730,740
Maintenance - municipal grounds	75,000	70,349
Repair and maintenance - sewer system	425,000	243,181
Purchase - general tools and equipment	5,000	6,010
Purchase - personnel equipment	7,500	8,547
Water purchase - Chicago Heights	1,600,000	1,243,858
Computer - programs and equipment	45,000	42,950
Water meter program	80,000	139,555
Purchase of vehicles	200,000	133,620
Engineering services	75,000	452,572
Miscellaneous	2,000	10,461
Total operating expenses	\$ 3,748,267	\$ 3,899,606

Village of Glenwood, Illinois

Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended April 30, 2017

	Balance May 1, 2016	Additions	Deletions	Balance April 30, 2017
Cable Escrow Fund:				
Assets:				
Cash and cash equivalents	\$ 84,920	\$ 104	\$ -	\$ 85,024
Liabilities:				
Due to other funds	\$ 84,920	\$ 104	\$ -	\$ 85,024

Other Information (Unaudited)

Village of Glenwood, Illinois

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

	2016	2015	2014	2013	2012
Tax rates (per \$100 of assessed valuation):					
Corporate	3.465	3.272	3.125	2.903	2.495
Police Pension	0.919	0.896	0.661	0.563	0.476
Fire Pension	0.173	0.155	0.086	0.089	0.078
Bond and Interest	1.035	1.005	0.933	0.889	0.789
IMRF	0.516	0.578	0.538	0.282	0.199
Totals	6.108	5.906	5.343	4.727	4.037
Tax extensions:					
Corporate	\$ 3,340,673	\$ 3,078,504	\$ 2,990,754	\$ 2,913,039	\$ 2,655,204
Police Pension	885,813	842,659	632,634	565,277	506,420
Fire Pension	167,193	145,500	82,615	89,145	82,369
Bond and Interest	997,500	945,000	892,500	892,500	840,000
IMRF	497,284	543,987	515,103	283,250	212,180
Totals	\$ 5,888,463	\$ 5,555,650	\$ 5,113,606	\$ 4,743,211	\$ 4,296,173
Collections	\$ 2,711,642	\$ 5,358,614	\$ 4,845,924	\$ 4,545,051	\$ 4,196,139
	46.05%	96.45%	94.77%	95.82%	97.67%

Village of Glenwood, Illinois

Schedule of Debt Service Requirements
April 30, 2017

	Year Ending April 30,	Principal	Interest	Total
General Obligation Bonds				
Series 2010A	2018	\$ -	\$ 648,869	\$ 648,869
Dated July 22, 2010	2019	-	648,869	648,869
Interest due on June 1	2020	-	648,869	648,869
and December 1 at a	2021	-	648,869	648,869
rate of 7.030%	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>\$ 5,902,038</u>	<u>\$ 15,132,038</u>
General Obligation Bonds				
Series 2010C	2018	\$ 705,000	\$ 164,600	\$ 869,600
Dated September 29, 2010	2019	775,000	139,925	914,925
Interest due on June 1	2020	855,000	112,800	967,800
and December 1 at rates	2021	940,000	78,600	1,018,600
ranging from 3.00% to 4.00%	2022	1,025,000	41,000	1,066,000
		<u>\$ 4,300,000</u>	<u>\$ 536,925</u>	<u>\$ 4,836,925</u>