

**VILLAGE OF GLENWOOD, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

April 30, 2008

VILLAGE OF GLENWOOD, ILLINOIS

April 30, 2008

CONTENTS

Independent Auditors' Report .....	1
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis .....	3
BASIC FINANCIAL STATEMENTS:	
Village-Wide Financial Statements:	
Statement of Net Assets .....	12
Statement of Activities .....	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	14
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	16
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities.....	17
Statement of Net Assets - Enterprise Funds.....	18
Statement of Revenues, Expenses, and Changes in Net Assets - Enterprise Funds.....	19
Statement of Cash Flows - Enterprise Funds .....	20
Statement of Fiduciary Net Assets - Pension Trust Funds.....	21
Statement of Changes in Fiduciary Net Assets - Pension Trust Funds .....	22
Notes to the Financial Statements.....	23
REQUIRED SUPPLEMENTARY INFORMATION:	
Analysis of Funding Progress - Illinois Municipal Retirement Fund.....	55
Analysis of Funding Progress - Pension Trust Funds.....	56
Schedule of Employer Contributions - Pension Trust Funds .....	57
Budgetary Comparison Schedule:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual - General Fund.....	58
Notes to Budgetary Comparison Schedule.....	59

VILLAGE OF GLENWOOD, ILLINOIS

April 30, 2008

CONTENTS

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:

Major Governmental Funds

General Fund:

Schedule of Revenues and Expenditures - Budget (GAAP Basis) and Actual ..... 61

Nonmajor Governmental Funds

Combining Balance Sheet ..... 68

Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances..... 72

Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Budget (GAAP Basis) and Actual..... 76

Major Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Water and  
Sewer Fund ..... 78

Fiduciary Funds - Pension Trust Funds

Combining Statement of Fiduciary Net Assets..... 80

Combining Statement of Changes in Fiduciary Net Assets..... 81

Schedule of Expenditures for Tort Immunity Purposes ..... 82

OTHER SUPPLEMENTARY INFORMATION:

Supplementary Schedules

Schedule of Assessed Valuations, Tax Rates, and Extensions ..... 83

Schedules of Debt Service Requirements..... 84

COMPLIANCE REPORT:

Independent Accountants' Report on Compliance ..... 87

**REQUIRED SUPPLEMENTARY INFORMATION**



Crowe Horwath LLP  
Member Horwath International

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Glenwood, Illinois (the Village), as of and for the year ended April 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund, which represent 75 percent and 73 percent of the assets and revenues, respectively, of the fiduciary funds. These financial 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying Combining and Individual Fund Financial Statements and Schedules and the Other Supplementary Information for the year ended April 30, 2008, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Combining and Individual Fund Financial Statements and Schedules and the Other Supplementary Information have been subjected to the auditing procedures applied in the audit of the basic financial statements by us and the other auditors of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
Crowe Horwath LLP

Oak Brook, Illinois  
December 19, 2008

**VILLAGE OF GLENWOOD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**April 30, 2008  
(Unaudited)**

As management of the Village of Glenwood ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2008. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements. Comparative analysis will be provided in future years when prior year information is available.

**Financial Highlights**

- The assets of the Village exceeded liabilities at April 30, 2008 by \$39,405,978.
- At April 30, 2008, the governmental funds reported combined fund balances of \$7,476,375 of which \$6,388,649 was unreserved and is available for spending at the Village's discretion. This compares to April 30, 2007 figures of \$4,594,228.
- Governmental net assets increased \$2,310,483 as of year end April 30, 2008. This compares to \$2,389,457 of April 30, 2007.

**Overview of the Financial Statements**

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

**Village-Wide Financial Statements**

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

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

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

**VILLAGE OF GLENWOOD, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2008**  
**(Unaudited)**

The Village-wide financial statements can be found on pages 12-13 of this report.

**Fund Financial Statements**

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

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

The Village maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the outstanding bond holding fund, both of which are considered to be major funds. Information from the Village's seven other governmental funds are combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report. The governmental fund financial statements can be found on pages 14-17 of this report.

The Village maintains three types of proprietary funds (enterprise funds). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sanitary sewer operations and its golf course operations. Proprietary funds provide the same type of information as the government-wide financial statements.

The proprietary fund financial statements provide separate information for the water and sewer fund and the golf course fund, both of which are considered to be major funds of the Village. The enterprise fund financial statements can be found on pages 18-20 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds. The fiduciary fund financial statements can be found on pages 21-22 of this report.

**VILLAGE OF GLENWOOD, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2008**  
**(Unaudited)**

**Notes to the Financial Statements**

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

**Other Information**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Assets**

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

CONDENSED STATEMENT OF NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Assets:</b>						
Current & other assets	\$ 10.0	\$ 8.2	\$ 0.9	\$ 0.9	\$ 10.9	\$ 9.1
Capital assets	27.0	27.3	13.3	13.6	40.3	40.9
<b>Total assets</b>	<b>37.0</b>	<b>35.5</b>	<b>14.2</b>	<b>14.5</b>	<b>51.2</b>	<b>50.0</b>
<b>Liabilities:</b>						
Current liabilities	3.3	3.4	0.9	0.9	4.2	4.3
Long-term liabilities	2.3	2.8	5.4	5.5	7.7	8.3
<b>Total liabilities</b>	<b>5.6</b>	<b>6.2</b>	<b>6.3</b>	<b>6.4</b>	<b>11.9</b>	<b>12.6</b>
<b>Net Assets:</b>						
Invested in capital assets, net	24.4	23.7	7.8	8.3	32.2	32.0
Restricted	6.1	4.4	-	-	6.1	4.4
Unrestricted	1.0	1.1	0.1	(0.2)	1.1	0.9
	<b>\$ 31.5</b>	<b>\$ 29.2</b>	<b>\$ 7.9</b>	<b>\$ 8.1</b>	<b>\$ 39.4</b>	<b>\$ 37.3</b>

**VILLAGE OF GLENWOOD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

April 30, 2008  
(Unaudited)

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

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

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

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

	Activities		Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Fees, fines & charges for services	\$ 0.5	\$ 0.5	\$ 2.4	\$ 2.2	\$ 2.9	\$ 2.7
Operating grants & contributions	0.3	0.3	-	-	0.3	0.3
Capital grants	-	-	-	-	-	-
Total program revenues	<u>0.8</u>	<u>0.8</u>	<u>2.4</u>	<u>2.2</u>	<u>3.2</u>	<u>3.0</u>
General revenues:						
Property taxes	5.9	6.2	0.4	0.4	6.3	6.6
Income taxes	1.0	0.8	-	-	1.0	0.8
Sales taxes	1.1	1.2	-	-	1.1	1.2
Utility taxes	0.9	0.9	-	-	0.9	0.9
Other taxes	0.3	0.4	-	-	0.3	0.4
Investment earnings	0.1	0.1	-	-	0.1	0.1
Other general revenues	-	-	0.4	0.4	0.4	0.4
Total general revenues	<u>9.3</u>	<u>9.6</u>	<u>0.8</u>	<u>0.8</u>	<u>10.1</u>	<u>10.4</u>
Total revenues	<u>10.1</u>	<u>10.4</u>	<u>3.2</u>	<u>3.0</u>	<u>13.3</u>	<u>13.4</u>
Expenses:						
General government	2.6	2.7	-	-	2.6	2.7
Public safety	4.0	3.7	-	-	4.0	3.7
Highway and streets	0.2	-	-	-	0.2	-
Public works	0.7	0.7	-	-	0.7	0.7
Buildings	0.2	0.3	-	-	0.2	0.3
Interest on debt	0.1	0.1	-	-	0.1	0.1
Water operations	-	-	1.8	1.6	1.8	1.6
Sewer operations	-	-	0.1	0.2	0.1	0.2
Golf Course Operations	-	-	1.5	1.4	1.5	1.4
Total expenses	<u>7.8</u>	<u>7.5</u>	<u>3.4</u>	<u>3.2</u>	<u>11.2</u>	<u>10.7</u>
Change in net assets	2.3	2.9	(0.2)	(0.2)	2.1	2.7
Net assets, beginning of year	29.2	26.3	8.1	8.3	37.3	34.6
Net assets, end of year	<u>\$ 31.5</u>	<u>\$ 29.2</u>	<u>\$ 7.9</u>	<u>\$ 8.1</u>	<u>\$ 39.4</u>	<u>\$ 37.3</u>

**VILLAGE OF GLENWOOD, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2008**  
**(Unaudited)**

The statement of activities can be found on page 13 of this report.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Governmental Funds**

As noted earlier, the Village of Glenwood uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Village's governmental funds reported combined ending fund balances of \$7,476,375.

The general fund is the primary operating fund of the Village. During the year, expenditures disbursed exceeded revenues received in the general fund by \$188,479. Revenues from local activities such as fines, licenses and permits were less than anticipated.

The TIF Fund balance increased \$776,436 due to an increase in property taxes from development in the Industrial Park TIF District.

The Holbrook Road Tax Increment Financing District Fund balance increased \$1,032,242 due to Walmart store located in the TIF district.

**Proprietary Funds**

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

Net assets of the water and sewer fund and the golf course fund at the end of the year amounted to \$7,253,165 and \$879,082 respectively. The water and sewer fund had a decrease in net assets of \$407,126 compared to a decrease of \$397,710 in fiscal year 2007. The net assets of the golf course fund increased \$206,485. The main cause of this is the inclusion of the golf course bond issue, increasing non-operating revenues.

**VILLAGE OF GLENWOOD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2008  
(Unaudited)  
GENERAL FUND BUDGETARY HIGHLIGHTS**

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues received:			
Sales tax	\$ 1,300,000	\$ 1,082,860	\$ (217,140)
Local Use Tax	-	126,541	126,541
Real Estate Transfer Tax	195,000	96,021	(98,979)
Grants	120,500	18,757	(101,743)
Expenditures disbursed:			
Insurance	17,500	115,124	(97,624)
Engineer service	85,000	119,526	(34,526)
Hickory Glen Park Expense	343,000	-	343,000
Police Dept.Full Time Employees	1,500,000	1,221,605	278,395
Part Time Employees Police	170,000	95,985	74,015
OverTime Wages Police Dept	50,000	149,078	(99,078)
Maintenance Station #2	33,500	593	32,907

Sales tax revenue and Local Use Tax Revenue were recorded in the same line item in the past. During fiscal year 2008, they were recorded in separate line items for classification purposes.

Real Estate Transfer Tax was down due to less than anticipated home sales. The budget was based on prior year's activities.

Grants were budgeted to include a grant for the Hickory Glen Fieldhouse in the amount of \$115,000. The grant was not awarded or received during fiscal year 2008, as anticipated.

Insurance is high due to additional payments that were required due to the excessive claim history.

Hickory Glen Park Expense budget line item was based on the expenses that would be incurred when grant funding was received for the fieldhouse. We did not receive the funds during fiscal year 2008.

Police Department Full Time Employees budget line item included the salaries of new officers that were not hired, resulting in the budget variance of \$278,395.

Police Department Part Time Employees budget line item included the Community Service Officers pay. The CSO program ended in fiscal year 2008, resulting in the budget variance of \$74,015.

Police Department overtime wages budget line item was also based on the hiring of new officers. The officers were not hired and the current officers had to take on additional hours.

Maintenance Station #2 budget line item was based on an expense for repaving the parking lot at Fire Station 2. This project did not occur.

**VILLAGE OF GLENWOOD, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2008**  
**(Unaudited)**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**CAPITAL ASSETS - GOVERNMENTAL ACTIVITIES**

	Balance at May 1, 2007	Additions	Deletions	Balance at April 30, 2008
<b>Governmental Activities:</b>				
<b>Capital Assets not Being Depreciated:</b>				
Land	\$ 19,762,043	\$ -	\$ -	\$ 19,762,043
<b>Total Capital Assets not Being Depreciated, Net</b>	<b>19,762,043</b>	<b>-</b>	<b>-</b>	<b>19,762,043</b>
<b>Capital Assets Being Depreciated:</b>				
Improvements	1,254,980	-	-	1,254,980
Buildings	4,600,010	43,702	-	4,643,712
Machinery and Equipment	3,340,595	126,068	-	3,466,663
Infrastructure	4,974,266	31,538	-	5,005,804
Subtotal	14,169,851	201,308	-	14,371,159
Less Accumulated Depreciation	(6,642,373)	(488,178)	-	(7,130,551)
<b>Total Capital Assets Being Depreciated, Net</b>	<b>7,527,478</b>	<b>(286,870)</b>	<b>-</b>	<b>7,240,608</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 27,289,521</b>	<b>\$ (286,870)</b>	<b>\$ -</b>	<b>\$ 27,002,651</b>

The Village's investments in capital assets for its governmental activities as of April 30, 2008, amounts to \$27,002,651 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and infrastructure. During the fiscal year, the police department purchased 3 Ford Crown Victoria for a total of \$62,660. The fire Department purchased 2 Zoll Defibrilators for \$22,076.

**CAPITAL ASSETS - BUSINESS TYPE ACTIVITIES**

	Balance at May 1, 2007	Additions	Deletions	Balance at April 30, 2008
<b>Business-Type Activities:</b>				
<b>Capital Assets not Being Depreciated:</b>				
Land	\$ 4,309,187	\$ -	\$ -	\$ 4,309,187
<b>Total Capital Assets not Being Depreciated, Net</b>	<b>4,309,187</b>	<b>-</b>	<b>-</b>	<b>4,309,187</b>
<b>Capital Assets Being Depreciated:</b>				
Improvements	1,648,024	-	-	1,648,024
Buildings	1,709,005	-	43,702	1,665,303
Machinery and Equipment	577,782	95,188	62,174	610,796
Infrastructure	14,075,362	-	-	14,075,362
Subtotal	18,010,173	95,188	105,876	17,999,485
Less Accumulated Depreciation	(8,700,244)	(371,390)	(62,313)	(9,009,321)
<b>Total Capital Assets Being Depreciated, Net</b>	<b>9,309,929</b>	<b>(276,202)</b>	<b>43,563</b>	<b>8,990,164</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 13,619,116</b>	<b>\$ (276,202)</b>	<b>\$ 43,563</b>	<b>\$ 13,299,351</b>

**VILLAGE OF GLENWOOD, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2008**  
**(Unaudited)**

The Village's investment in capital assets for its business-type activities as of April 30, 2008 amounts to \$13,299,351 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, improvements, buildings, machinery and equipment, and infrastructure. During the fiscal year, the Village purchased 5 mowers for the golf course for a total of \$88,321.

For more detailed information related to capital assets, see Note 3 of the basic financial statements.

**Debt Administration**

The Village of Glenwood had total outstanding bonded debt of \$8,716,486 at April 30, 2008. This entire amount is backed by the full faith and credit of the Village. The following is a comparative table of outstanding debt:

	2008	2007
Governmental Activities:		
General Obligation Bonds:		
Series 2002 Bonds	\$ -	\$ 450,000
Alternative Revenue Bonds:		
Series 1998A Motor Fuel Tax Bonds	205,000	400,000
Series 1998B Village Hall Construction Bonds	2,185,000	2,340,000
Total Alternative Revenue Bonds	2,390,000	2,740,000
Leases Payable	227,241	368,246
Compensated Absences	425,704	362,847
Net Pension Obligation	66,686	66,686
Total Business-Type Activities:	\$ 3,109,631	\$ 3,987,779
	2008	2007
Business-Type Activities:		
Alternative Revenue Bonds		
Golf Course Bonds, Series 2001	\$ 5,430,000	\$ 5,555,000
Installment Contracts	67,559	56,381
Compensated Absences	109,296	89,310
Loan Payable	-	29,242
Total Business-Type Activities:	\$ 5,606,855	\$ 5,729,933

The Village did not issue any bond issues during the fiscal year.

Detailed information on the Village's long term debt activity can be found on Note 4 of the basic financial statements.

**VILLAGE OF GLENWOOD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2008  
(Unaudited)**

**ECONOMIC FACTORS**

Economic development continues in the Village of Glenwood. Carts 'n Parts LTD opened in March of 2008. The main service of Carts ' Parts is small engine repair.

A new housing development was approved at the Glenwoodie Golf Course. Anticipated start up for the project is March 2009.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

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

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STATEMENT OF NET ASSETS  
April 30, 2008

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,085,361	\$ 530,629	\$ 6,615,990
Investments	453,127	100,000	553,127
Receivables:			
Property Tax Receivable	1,939,020	307,367	2,246,387
Due from Other Governments	811,496	-	811,496
Interest Receivable	-	4,902	4,902
Accounts Receivable	27,762	301,328	329,090
Due from Fiduciary Funds	92,094	-	92,094
Other Receivables	-	3,591	3,591
Inventories	-	49,403	49,403
Prepaid Items	141,968	38,082	180,050
Internal Balances	536,454	(536,454)	-
Deferred Amount on Refunding	-	130,004	130,004
Net Pension Asset	3,375	-	3,375
Capital Assets not being Depreciated	19,762,043	4,309,187	24,071,230
Capital Assets being Depreciated, net	7,240,608	8,990,164	16,230,772
<b>Total Assets</b>	<u>37,093,308</u>	<u>14,228,203</u>	<u>51,321,511</u>
<b>LIABILITIES</b>			
Accounts Payable	244,581	217,195	461,776
Accrued Payroll	70,217	21,539	91,756
Deposits Payable	65,809	51,450	117,259
Deferred Property Tax Revenue	1,939,020	307,367	2,246,387
Deferred Revenue	153,375	-	153,375
Interest Payable	11,177	117,317	128,494
Long-Term Obligations, Due within One Year:			
Compensated Absences	206,668	58,313	264,981
Capital Leases	206,380	28,199	234,579
Alternative Revenue Bonds	365,000	130,000	495,000
Long-Term Obligations, Due in more than One Year:			
Compensated Absences	219,036	50,983	270,019
Capital Leases	20,861	39,360	60,221
Alternative Revenue Bonds	2,025,000	5,300,000	7,325,000
Net Pension Obligation	66,686	-	66,686
<b>Total Liabilities</b>	<u>5,593,810</u>	<u>6,321,723</u>	<u>11,915,533</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	24,385,410	7,801,792	32,187,202
Restricted for:			
Debt Service	934,581	-	934,581
Community Development	4,879,992	-	4,879,992
Road Projects	296,030	-	296,030
Unrestricted Net Assets	1,003,485	104,688	1,108,173
<b>Total Net Assets</b>	<u>\$ 31,499,498</u>	<u>\$ 7,906,480</u>	<u>\$ 39,405,978</u>

See accompanying notes to financial statements.

## VILLAGE OF GLENWOOD, ILLINOIS

## STATEMENT OF ACTIVITIES

Year ended April 30, 2008

Functions/Programs Governmental Activities:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Fees, Fines & Charges for Services	Operating grants and contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
General Government	\$ 2,651,402	\$ 316,586	\$ 18,757	\$ -	\$ (2,316,059)	\$	\$ (2,316,059)
Public Safety	3,909,108	103,759	1,352	-	(3,803,997)		(3,803,997)
Highway and Streets	198,583	-	249,390	-	50,807		50,807
Public Works	746,451	7,425	-	-	(739,026)		(739,026)
Buildings	218,436	137,687	-	-	(80,749)		(80,749)
Interest on Debt	124,902	-	-	-	(124,902)		(124,902)
Total Governmental Activities	<u>7,848,882</u>	<u>565,457</u>	<u>269,499</u>	-	<u>(7,013,926)</u>		<u>(7,013,926)</u>
Business-type Activities:							
Water Operations	1,785,327	1,126,829	-	-		\$ (658,498)	(658,498)
Sewer Operations	137,439	296,105	-	-		158,666	158,666
Golf Course Operations	1,519,437	955,476	-	-		(563,961)	(563,961)
Total Business-type Activities:	<u>3,442,203</u>	<u>2,378,410</u>	-	-		<u>(1,063,793)</u>	<u>(1,063,793)</u>
Total	\$ <u>11,291,085</u>	\$ <u>2,943,867</u>	\$ <u>269,499</u>	\$ -	<u>(7,013,926)</u>	<u>(1,063,793)</u>	<u>(8,077,719)</u>
General Revenues:							
Taxes:							
Property Taxes					5,900,076	423,026	6,323,102
Income Tax					974,488	-	974,488
Sales Tax					1,089,752	-	1,089,752
Utility Tax					947,053	-	947,053
Other Taxes					250,541	-	250,541
Investment Earnings					145,718	8,158	153,876
Other General Revenues					16,781	406,098	422,879
Total General Revenues					<u>9,324,409</u>	<u>837,282</u>	<u>10,161,691</u>
Change in Net Assets					2,310,483	(226,511)	2,083,972
Net Assets, Beginning of Year					29,189,015	8,132,991	37,322,006
Net Assets, End of Year					\$ <u>31,499,498</u>	\$ <u>7,906,480</u>	\$ <u>39,405,978</u>

See accompanying notes to financial statements.

## VILLAGE OF GLENWOOD, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2008

	Major Funds				Total
	General Fund	TIF Fund	Holbrook Road Tax Increment Financing District	Nonmajor Governmental Funds	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 75,816	\$ 2,681,974	\$ 1,784,460	\$ 1,543,111	\$ 6,085,361
Investments	-	-	-	453,127	453,127
Receivables:					
Property Tax Receivable	1,613,477	-	-	325,543	1,939,020
Due from Other Governments	767,893	-	-	43,603	811,496
Other receivables	27,762	-	-	-	27,762
Prepaid Expenditures	141,968	-	-	-	141,968
Due from Fiduciary Funds	92,094	-	-	-	92,094
Due from Other Funds	562,048	-	-	782,905	1,344,953
<b>TOTAL ASSETS</b>	<b>\$ 3,281,058</b>	<b>\$ 2,681,974</b>	<b>\$ 1,784,460</b>	<b>\$ 3,148,289</b>	<b>\$ 10,895,781</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 238,527	\$ -	\$ -	\$ 6,054	\$ 244,581
Accrued Payroll	70,217	-	-	-	70,217
Deposits	65,809	-	-	-	65,809
Due to Other Funds	773,753	-	-	34,746	808,499
Deferred Property Tax Revenue	1,613,477	-	-	325,543	1,939,020
Deferred Revenue	212,905	-	-	78,375	291,280
<b>Total Liabilities</b>	<b>2,974,688</b>	<b>-</b>	<b>-</b>	<b>444,718</b>	<b>3,419,406</b>
<b>FUND BALANCE</b>					
Reserved for:					
Debt Service	-	-	-	945,758	945,758
Prepays	141,968	-	-	-	141,968
Unreserved, reported in:					
General Fund	164,402	-	-	-	164,402
Special Revenue Funds	-	2,681,974	1,784,460	1,372,185	5,838,619
Capital Projects Funds	-	-	-	385,628	385,628
<b>Total Fund Balance</b>	<b>306,370</b>	<b>2,681,974</b>	<b>1,784,460</b>	<b>2,703,571</b>	<b>7,476,375</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,281,058</b>	<b>\$ 2,681,974</b>	<b>\$ 1,784,460</b>	<b>\$ 3,148,289</b>	<b>\$ 10,895,781</b>

See accompanying notes to financial statements.

## VILLAGE OF GLENWOOD, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET ASSETS

April 30, 2008

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Total fund balances - governmental funds	\$ 7,476,375
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Capital Assets	34,133,202	
Accumulated Depreciation	<u>(7,130,551)</u>	
Net Capital Assets		27,002,651

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:

Sales Taxes Receivable	137,905
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Net Pension Asset is reported in the statement of net assets but is not a current financial resource and therefore is not reported in governmental funds.

3,375

Net Pension Liability is reported in the statement of net assets but is not a current financial resource and therefore is not reported in governmental funds.

(66,686)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.

(11,177)

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

These liabilities consist of :

Compensated Absences	(425,704)	
Capital Leases	(227,241)	
Alternative Revenue Bonds	<u>(2,390,000)</u>	
Total Long-term Liabilities		<u>(3,042,945)</u>

Net assets of governmental activities

\$ 31,499,498

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## VILLAGE OF GLENWOOD, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended April 30, 2008

	Major Funds				Total
	General Fund	TIF Fund	Holbrook Road Tax Increment Financing District	Nonmajor Governmental Funds	
<b>Revenues</b>					
Property Taxes	\$ 2,385,194	\$ 833,098	\$ 1,699,169	\$ 982,615	\$ 5,900,076
Licenses and Permits	259,282	-	-	127,174	386,456
Fines	89,848	-	-	-	89,848
Other Taxes	553,260	-	-	1,132	554,392
Intergovernmental	2,555,809	-	-	249,408	2,805,217
Interest	6,154	86,487	25,845	27,232	145,718
Charges for Services	548,831	-	-	-	548,831
Miscellaneous	47,406	-	-	1,349	48,755
<b>Total Revenues</b>	<u>6,445,784</u>	<u>919,585</u>	<u>1,725,014</u>	<u>1,388,910</u>	<u>10,479,293</u>
<b>Expenditures</b>					
Current:					
Administration	1,630,302	-	-	1,756	1,632,058
Building	224,396	-	-	-	224,396
Public Works	620,787	-	-	-	620,787
Parks	38,113	-	-	-	38,113
Police	2,802,671	-	-	2,591	2,805,262
Fire	1,101,953	-	-	-	1,101,953
E.S.D.A.	13,771	-	-	-	13,771
Senior Center	9,271	-	-	-	9,271
Highways and Streets	-	-	-	124,152	124,152
Pension Contributions	-	-	-	329,454	329,454
Debt Service:					
Principal Retired	-	-	-	800,000	800,000
Interest and Charges	-	-	-	130,313	130,313
Capital Outlay	-	143,149	692,772	172,234	1,008,155
<b>Total Expenditures</b>	<u>6,441,264</u>	<u>143,149</u>	<u>692,772</u>	<u>1,560,500</u>	<u>8,837,685</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>4,520</u>	<u>776,436</u>	<u>1,032,242</u>	<u>(171,590)</u>	<u>1,641,608</u>
<b>Other Financing Sources (Uses)</b>					
Lease proceeds	62,660	-	-	-	62,660
Transfers In	-	-	-	455,659	455,659
Transfers Out	(255,659)	-	-	(200,000)	(455,659)
<b>Total Other Financing Sources (Uses)</b>	<u>(192,999)</u>	<u>-</u>	<u>-</u>	<u>255,659</u>	<u>62,660</u>
<b>Net Change in Fund Balances</b>	(188,479)	776,436	1,032,242	84,069	1,704,268
<b>Fund Balances at Beginning of Year</b>	<u>494,849</u>	<u>1,905,538</u>	<u>752,218</u>	<u>2,619,502</u>	<u>5,772,107</u>
<b>Fund Balances at End of Year</b>	<u>\$ 306,370</u>	<u>\$ 2,681,974</u>	<u>\$ 1,784,460</u>	<u>\$ 2,703,571</u>	<u>\$ 7,476,375</u>

See accompanying notes to financial statements.

## VILLAGE OF GLENWOOD, ILLINOIS

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
Year Ended April 30, 2008

Net change in total fund balances		\$ 1,704,268
Amounts reported for governmental activities in the Statement of Activities are different because:		
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2006 to 2007 consists of Sales Taxes received from the State of Illinois.		
		9,526
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
	Increase in long-term compensated absences	(62,857)
	Decrease in accrued interest on debt	5,411
	Total expenses of non-current resources	(57,446)
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
	Capital Outlay	201,308
	Depreciation	(488,178)
	Capital expenditures in excess of depreciation	(286,870)
Loan proceeds and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net assets. The total amount consists of:		
		(62,660)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
	General Obligation Bonds Payable	450,000
	Alternative Revenue Bonds Payable	350,000
	Capital Leases Payable	203,665
	Total payment of principal on long-term debt	1,003,665
Change in net assets of governmental activities		<u>\$ 2,310,483</u>

## VILLAGE OF GLENWOOD, ILLINOIS

STATEMENT OF NET ASSETS  
ENTERPRISE FUNDS  
April 30, 2008

	Major Funds		Other Enterprise Fund	Total
	Water and Sewer Fund	Golf Course Fund	Golf Course Housing Project Fund	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 76,226	\$ 454,403	\$ -	\$ 530,629
Investments	100,000	-	-	100,000
Receivables:				
Interest Receivable	4,902	-	-	4,902
Accounts Receivable	301,328	-	-	301,328
Property Tax Receivable	-	307,367	-	307,367
Other Receivables	-	3,591	-	3,591
Inventories	-	49,403	-	49,403
Prepaid Items	37,584	498	-	38,082
Due from Other Funds	320,538	619,230	-	939,768
Deferred Amount on Refunding	-	130,004	-	130,004
Capital Assets not being Depreciated	-	4,309,187	-	4,309,187
Capital Assets being Depreciated, net	6,602,118	1,994,583	393,463	8,990,164
<b>TOTAL ASSETS</b>	<u>7,442,696</u>	<u>7,868,266</u>	<u>393,463</u>	<u>15,704,425</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts Payable	126,493	90,702	-	217,195
Accrued Payroll	10,697	10,842	-	21,539
Deposits	19,340	32,110	-	51,450
Due to Other Funds	-	856,992	619,230	1,476,222
Interest Payable	-	117,317	-	117,317
Deferred Revenue	-	307,367	-	307,367
Long-Term Obligations, Due within One Year:				
Compensated Absences	17,008	41,305	-	58,313
Loan Payable	-	28,199	-	28,199
Alternative Revenue Bonds	-	130,000	-	130,000
Long-Term Obligations, Due in more than One Year:				
Compensated Absences	15,993	34,990	-	50,983
Loan Payable	-	39,360	-	39,360
Alternative Revenue Bonds	-	5,300,000	-	5,300,000
<b>Total Liabilities</b>	<u>189,531</u>	<u>6,989,184</u>	<u>619,230</u>	<u>7,797,945</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	6,602,118	806,211	393,463	7,801,792
Unrestricted Net Assets	651,047	72,871	(619,230)	104,688
<b>Total Net Assets</b>	<u>\$ 7,253,165</u>	<u>\$ 879,082</u>	<u>\$ (225,767)</u>	<u>\$ 7,906,480</u>

See accompanying notes to financial statements.

## VILLAGE OF GLENWOOD, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 ENTERPRISE FUNDS  
 Year Ended April 30, 2008

	Major Funds		Other Enterprise Fund	Total
	Water and Sewer Fund	Golf Course Fund	Golf Course Housing Project Fund	
Operating Revenues				
Charges for Services	\$ 1,452,116	\$ 1,272,761	\$ -	\$ 2,724,877
Miscellaneous	59,631	-	-	59,631
Total Operating Revenues	<u>1,511,747</u>	<u>1,272,761</u>	<u>-</u>	<u>2,784,508</u>
Operating Expenses				
Operations	1,723,275	999,833	-	2,723,108
Depreciation	199,491	146,029	25,870	371,390
Total Operating Expenses	<u>1,922,766</u>	<u>1,145,862</u>	<u>25,870</u>	<u>3,094,498</u>
Operating Income (Loss)	<u>(411,019)</u>	<u>126,899</u>	<u>(25,870)</u>	<u>(309,990)</u>
Nonoperating Revenues and (Expenses)				
Property Taxes	-	423,026	-	423,026
Loss on fixed asset disposal	-	(43,563)	-	(43,563)
Interest Revenue	3,893	4,265	-	8,158
Interest Expense	-	(304,142)	-	(304,142)
Total Nonoperating Revenues and (Expenses)	<u>3,893</u>	<u>79,586</u>	<u>-</u>	<u>83,479</u>
Change in Net Assets	<u>(407,126)</u>	<u>206,485</u>	<u>(25,870)</u>	<u>(226,511)</u>
Net Assets at Beginning of Year	<u>7,660,291</u>	<u>672,597</u>	<u>(199,897)</u>	<u>8,132,991</u>
Net Assets at End of Year	<u>\$ 7,253,165</u>	<u>\$ 879,082</u>	<u>\$ (225,767)</u>	<u>\$ 7,906,480</u>

See accompanying notes to financial statements.

## VILLAGE OF GLENWOOD, ILLINOIS

STATEMENT OF CASH FLOWS  
 ENTERPRISE FUNDS  
 Year Ended April 30, 2008

	Major Funds		Other Enterprise Fund	Total
	Water and Sewer Fund	Golf Course Fund	Golf Course Housing Project Fund	
<b>Cash Flows From Operating Activities:</b>				
Cash Received from Customers	\$ 1,412,642	\$ 1,277,605	\$ -	\$ 2,690,247
Cash Payments for Goods and Services	(1,223,257)	(498,309)	-	(1,721,566)
Cash Payments to Employees	(494,673)	(452,892)	-	(947,565)
Net Cash Provided by (Used in) Operating Activities	(305,288)	326,404	-	21,116
<b>Cash Flows From Noncapital Financing Activities:</b>				
Property Taxes	-	423,026	-	423,026
Interfund borrowing	-	(166,176)	-	(166,176)
Interfund Lending	157,994	-	-	157,994
Net Cash Provided by (Used in) Noncapital Financing Activities	157,994	256,850	-	414,844
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Interest & fiscal charges	-	(290,026)	-	(290,026)
Repayment of Leases	-	(77,194)	-	(77,194)
Repayment of Loans Payable	-	(29,242)	-	(29,242)
Repayment of Alternative Revenue Bonds	-	(125,000)	-	(125,000)
Proceeds from lease agreement	-	88,371	-	88,371
Purchases of capital assets	(6,866)	(88,322)	-	(95,188)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(6,866)	(521,413)	-	(528,279)
<b>Cash Flows From Investing Activities:</b>				
Sales of Investments	120,670	-	-	120,670
Interest Revenue	3,895	4,265	-	8,160
Net Cash Provided by (Used in) Investing Activities	124,565	4,265	-	128,830
Net Increase (Decrease) in Cash	(29,595)	66,106	-	36,511
Cash and Cash Equivalents, Beginning of Year	105,821	388,297	-	494,118
Cash and Cash Equivalents, End of Year	\$ 76,226	\$ 454,403	\$ -	\$ 530,629
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>				
Operating Income (Loss)	\$ (411,019)	\$ 126,899	\$ (25,870)	\$ (309,990)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:</b>				
Depreciation	199,491	146,029	25,870	371,390
Decrease (Increase) in Accounts Receivable	(99,105)	4,844	-	(94,261)
Decrease (Increase) in Prepaid Items	(6,158)	-	-	(6,158)
Decrease (Increase) in Inventory	-	(16,489)	-	(16,489)
Increase (Decrease) in Accounts Payable	22,320	28,768	-	51,088
Increase (Decrease) in Accrued Payroll	1,877	5,354	-	7,231
Increase (Decrease) in Deposits Payable	(1,311)	(370)	-	(1,681)
Increase (Decrease) in Compensated Absences	(11,383)	31,369	-	19,986
Total Adjustments	105,731	199,505	25,870	331,106
Net Cash Provided by (Used in) Operating Activities	\$ (305,288)	\$ 326,404	\$ -	\$ 21,116

See accompanying notes to financial statements.

VILLAGE OF GLENWOOD, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS  
PENSION TRUST FUNDS  
April 30, 2008

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	<u>Pension</u> <u>Trust Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 674,604
Investments	6,547,981
Interest Receivable	14,924
Due from Other Governments	122,661
Prepays	<u>500</u>
TOTAL ASSETS	<u>7,360,670</u>
LIABILITIES	
Accounts Payable	709
Due to the Village	<u>92,094</u>
TOTAL LIABILITIES	<u>92,803</u>
NET ASSETS	
Plan Net Assets Held in Trust for Pension Benefits	<u>\$ 7,267,867</u>

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See accompanying notes to financial statements.

## VILLAGE OF GLENWOOD, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PENSION TRUST FUNDS  
Year ended April 30, 2008

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	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 397,604
Plan Members	163,316
Total Contributions	<u>560,920</u>
Net Investment Income	<u>293,538</u>
 Total Additions	 <u>854,458</u>
 <b>DEDUCTIONS</b>	
Benefits & Refunds	602,976
Administrative Expenses	<u>67,440</u>
 Total Deductions	 <u>670,416</u>
 Increase (Decrease) in Net Assets	 184,042
 Plan Net Assets at Beginning of Year	 <u>7,083,825</u>
 Plan Net Assets at End of Year	 <u>\$ 7,267,867</u>

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See accompanying notes to financial statements.

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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**NOTE 1 - FINANCIAL REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

In conformity with GAAP, the Village's Police and Firefighters' Pension funds have been included as blended component units in the Village's basic financial statements. Although they are separate legal entities, these funds exist to provide pension benefits for the Village's police officers and firefighters. Thus, the financial information of these two funds has been blended within the Village's basic financial statements as fiduciary funds. Separately issued financial statements for the Firefighters' Pension fund is not available. The Police Pension Fund financial statements can be obtained by contacting the Police Department at 1 Asselborn Way, Glenwood, Illinois 60425.

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

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

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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

fees and charges for support. The Village-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-type activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

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

Measurement Focus and Basis of Accounting:

*Village-Wide Financial Statements* - The Village-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

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

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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

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

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

Eliminations have been made in the statement of net assets to remove the "grossing up" effect on assets and liabilities within the governmental and business-type activities columns for amounts reported in the individual funds as interfund receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental or proprietary funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties.

*Fund Financial Statements* - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes, and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Nonexchange transactions, in which the Village receives value without directly giving equal value in return, include taxes, grants, and donations. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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

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

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

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

The Village reports the following major governmental funds:

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

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

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

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

The Village reports the following major proprietary funds:

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

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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

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

*Fiduciary Funds* - Fiduciary Funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, other governments, or other funds. The Village's fiduciary funds are the Pension Trust Funds.

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

**Governmental Fund Types**

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

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

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

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

Investments: Investments are stated at fair value.

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

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

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

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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

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

Buildings	75-100 years
Improvements and equipment	10 years
Infrastructure - bridges	80 years
Infrastructure - roads	80 years
Infrastructure - water and sewer	75-100 years
Vehicles and equipment	15 years

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

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

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

Long-Term Debt: In the Village-wide financial statements and in the proprietary funds in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund-types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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

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

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

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

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

**NOTE 2 - DEPOSITS AND INVESTMENTS**

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

Cash: The carrying amount of cash, excluding the Pension Trust Funds, was \$6,614,795 at April 30, 2008, while the bank balances were \$6,974,253. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$100,000, or collateralized with securities of the U.S. Government or with letters of credit issued by a government agency held in the Village's name by financial institutions acting as the Village's agent.

The Village had cash on hand of \$1,195 as of April 30, 2008.

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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**NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)**

At April 30, 2008, the Police Pension Trust Fund's carrying amount of the deposits was \$344,119. The bank balances of the deposits totaled \$347,744. The FDIC insures bank balances up to \$100,000. As of April 30, 2008, \$242,929 of the bank balance was uninsured and uncollateralized.

At April 30, 2008, the Firefighters Pension Trust Fund's carrying amount of cash was \$330,485 and the bank balances were \$327,261. The FDIC insures bank balances up to \$100,000. As of April 30, 2008, 100% of the bank balance was collateralized with securities of the U.S. government held in the Pension Trust Fund's name by a financial institution acting as the Fund's agent or by FDIC.

Certificates of Deposit: Certificates of deposit, excluding the Pension Trust Funds, amounted to \$100,000 at April 30, 2008. Of this balance, 100% was collateralized with securities of the U.S. government held in the Pension Trust Funds' name by financial institution acting as the Fund's agent or by FDIC.

At April 30, 2008, the Police Pension Trust Fund's certificate of deposit balance was \$558,103. Of this amount \$456,628 was uninsured and uncollateralized.

At April 30, 2008, the Firefighters' Pension Trust Fund's certificate of deposit balance was \$50,430. 100% of this balance was collateralized by FDIC.

Investments (excluding Pension Trust Funds): The investments that the Village may purchase are limited to the following: (1) U.S. government obligations, U.S. government agency obligation, U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value; (2) Certificates of deposit and other evidences of deposit at local financial institutions; and (3) all other investments as authorized by the state of Illinois. The investments authorized by Illinois law are the following: (1) securities which are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations, which are insured by a federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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**NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)**

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Village's investments at April 30, 2008:

Investment Type	Fair Value	Investment Maturities	
		Less than One Year	One to Five Years
U.S. Treasuries	\$ 453,127	-	\$ 453,127
Total Fixed Income Securities	\$ 453,127	-	\$ 453,127

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

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village helps to limit its exposure to credit risk by primarily investing in securities issued by the U.S. government and/or its agencies that are implicitly guaranteed by the U.S. government. The investments in the securities of the U.S. government agencies were all rated Triple A by Standard & Poor's and by Moody's Investor Services. The Village's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy states that 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. As of April 30, 2008, 100% of the balance was collateralized, insured either by the FDIC for \$100,000, or collateralized with securities of the U.S. government or with letters of credit issued by a government agency, held in the Village's name by financial institutions acting as the Village's agent.

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

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Police Pension Trust Fund's Investments: The deposits and investments of the Police Pension Trust Fund are held separately from those of other Village funds. Statutes authorize the Police Pension Trust Fund to make deposits and invest in the following: interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loans associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies of instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Public Treasurer or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds management by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; and general accounts of life insurance companies and separate accounts of life insurance. If the Police Pension Trust Fund has net assets greater than 2.5 million, up to forty-five percent of plan net assets may be invested in separate accounts of life insurance companies and mutual funds. In addition, if the Police Pension Trust Fund's net assets are of at least 5 million and have an investment advisor, the plan's net assets may be invested up to forty-five percent through the investment advisor in common and preferred stock that meet specific restrictions.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Trust Fund's investments at April 30, 2008:

Investment Type	Fair Value	Investment Maturities			
		Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
Government National Mortgage Assn.	\$ 1,200,618	\$ 392	\$ -	\$ -	\$ 1,200,226
Total Fixed Income Securities	1,200,618	\$ 392	\$ -	\$ -	\$ 1,200,226
Insurance Contracts	717,114				
Equity Mutual Funds	2,584,958				
Money Market Mutual Funds	15,929				
Total	\$ 4,518,619				

The Police Pension Trust Fund assumes any callable securities will not be called.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Police Pension Trust Fund's investment policy, the Fund 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".

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Trust Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Fund also prescribes to 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 objectives of safety as well as the secondary objective of the attainment of market rates of return".

The Investments in the securities of the United States Government Agencies were all rated triple A by Standard & Poor's or by Moody's Investors Services.

*Custodial Credit Risk.* With respect to investments, custodial risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that re in the possession of an outside party. Money market mutual funds, equity mutual funds, and insurance contracts are not subject to custodial credit risk. While it is not required by the Pension Fund's investment policy, the Pension fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities and collateral.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. At April 30, 2008, the Pension Fund has over 5% of net plan assets invested in various agency securities as indicated in the table below. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by the Treasury lines of credit and increasingly stringent federal regulation. The Fund's investment policy specifies "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".

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 April 30, 2008

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NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

The Fund's investment policy has a stated target that 53 percent of its portfolio be in fixed income securities, 45 percent target in equities with the remaining 2 percent cash and equivalents. The Pension Board has diversified its insurance contract and equity mutual fund holdings as follows:

<u>Description of Investment</u>	<u>April 30, 2008</u>
Insurance Contracts:	
Lincoln Benefit Life Insurance Contract	\$ 443,034
Zurich Life Insurance Contract	128,787
Allianz Life Insurance Contract	74,062
F&G Life Insurance Contract	71,231
Total Insurance Contracts	<u>717,114</u>
Mutual Funds:	
American Funds Growth Mutual Fund	646,065
Columbia Value & Restructuring Mutual Fund	573,130
Fundamental Investors Mutual Fund	567,031
Aim Real Estate Mutual Fund	177,395
Janus Investment Mutual Fund	129,799
Columbia Small Cap Value Mutual Fund	129,174
Europacific Growth Mutual Fund	121,599
Dodge & Cox Funds International Mutual Fund	121,432
Columbia Select Small Cap Mutual Fund	119,333
Total Mutual Funds:	<u>2,584,958</u>
Total Insurance Contracts and Mutual Funds	<u>\$ 3,302,072</u>

Firefighters' Pension Trust Fund's Investments: The Firefighters' Pension Trust Fund is authorized to invest in (1) interest-bearing direct obligations of the United States of America; (2) interest-bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America; (3) interest-bearing notes, bonds, debentures, or other similar obligations of agencies of the United States of America; (4) interest-bearing savings accounts or certificates of deposits; (5) investment in credit unions; (6) interest-bearing bonds of the state of Illinois; (6) pooled interest bearing accounts managed by the Illinois Funds; (7) interest-bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the state of Illinois; (8) direct obligations of the State of Israel; (9) money market mutual funds managed by investment companies that are registered under the Federal Investment Act of 1940; and (10) general accounts of life insurance companies authorized to transact business in Illinois.

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

**NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)**

The Pension Trust Fund's investment objective is to maximize total return while preserving the market value of the portfolio. The foremost objective is safety – each investment transaction shall seek to first insure that capital losses are avoided whether they are from securities defaults or erosion of market value. The portfolio shall remain sufficiently liquid to enable the Firefighters' Pension Trust Fund to meet all operating requirements, along with benefit payments, which may be reasonably anticipated. The portfolio shall be designed to secure the targeted rate of return while maintaining safety of principal.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Firefighters' Pension Trust Fund's investments at April 30, 2008:

Investment Type	Fair Value	Investment Maturities			
		Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
U.S. Treasury Strips	\$ 115,323	\$ -	\$ -	\$ -	\$ 115,323
Federal Home Loan Bank	167,405	41,016	-	-	126,389
Federal National Mortgage	98,249	-	-	-	98,249
GNMA - Mortgage-backed	739,989	23	13	2,136	737,817
Total fixed income securities	1,120,966	\$ 41,039	\$ 13	\$ 2,136	\$1,077,778
Equities	150,752				
Insurance Contract	149,111				
Total	\$ 1,420,829				

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

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The investments in the securities of the U.S. government agencies were all rated Triple A by Standard & Poor's and Aaa by Moody's Investor Services. The annuities are unrated. The Pension Fund's policy follows the prudent person rule. Investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion and intelligence exercised 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.

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Firefighters' Pension Trust Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investment policy requires collateral for funds in excess of FDIC or FSLIC limits. As of April 30, 2008, \$557,172 of the total investments was subject to collateralization. Of this balance, \$197,737 was either insured by the FDIC for \$100,000, or collateralized with securities of the U.S. government or with letters of credit issued by a government agency held in the Pension Fund's name by financial institutions acting as the Pension Fund's agent, leaving \$359,435 un-collateralized as of April 30, 2008. Equity mutual funds and insurance contracts are not subject to collateralization.

One of the U.S. Treasury Department's objectives for conversatorships is to protect bondholders. As such, declines in fair value below cost for investments in Freddie Mac and Fannie Mae bonds (that is, debt securities) may be treated as temporary. At year end the Pension Fund's intent is to hold the bonds until they recover.

*Concentration of Credit Risk.* A risk of loss is attributed to the magnitude of the Fund's investment in a single issuer. The following are the investments that exceed 5% of total deposits and investments for the Firefighters' Pension Trust Fund as of April 30, 2008:

Description	Balance April 30, 2008
Fixed Income Securities:	
Federal Home Loan Bank	\$ 123,095
Federal National Mortgage	98,249
U.S. Treasury Strip	93,848
GNMA	218,556
GNMA	198,023
GNMA	297,281
Annuities:	
Ing USA Annuity & Life Insurance Co	149,111

The Firefighters' Pension Trust Fund's policy provides target percentages that have been determined for each asset class. These allocations are to serve as guidelines. Market conditions or an investment transition may require an interim investment strategy and therefore, a temporary imbalance in asset mix. The target percentages by asset class are: fixed income 88%, equities 10%, and cash 2%. As of April 30, 2008, 18% was invested in cash and cash equivalents, 3% was invested in certificates of deposits, 62% was invested in fixed income securities, 8% was invested in equities, and 8% was invested in annuities.

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation of footnote to financial statements:

Per footnote:	
Cash:	
Village	\$ 6,614,795
Village - cash on hand	1,195
Police Pension Trust Fund	344,119
Firefighters' Pension Trust Fund	330,485
Certificates of Deposit:	
Village	100,000
Police Pension Trust Fund	558,103
Firefighters' Pension Trust Fund	50,430
Investments:	
Village	453,127
Police Pension Trust Fund	4,518,619
Firefighters' Pension Trust Fund	1,420,829
Total	<u>\$ 14,391,702</u>
Per financial statements:	
Statement of Net Assets:	
Cash and cash equivalents	\$ 6,615,990
Investments	553,127
Statement of Fiduciary Net Assets:	
Cash and cash equivalents	674,604
Investments	6,547,981
	<u>\$ 14,391,702</u>

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in governmental capital assets follows:

	<u>Balance at May 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at April 30, 2008</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 19,762,043	\$ -	\$ -	\$ 19,762,043
Capital assets not Being Depreciated:				
Improvements	1,254,980	-	-	1,254,980
Buildings	4,600,010	43,702	-	4,643,712
Machinery and equipment	3,340,595	126,068	-	3,466,663
Infrastructure	4,974,266	31,538	-	5,005,804
Subtotal	<u>14,169,851</u>	<u>201,308</u>	<u>-</u>	<u>14,371,159</u>
Accumulated Depreciation				
Improvements	(960,704)	(61,987)	-	(1,022,691)
Buildings	(1,277,767)	(92,878)	-	(1,370,645)
Machinery and equipment	(1,647,384)	(261,605)	-	(1,908,989)
Infrastructure	(2,756,518)	(71,708)	-	(2,828,226)
Subtotal	<u>(6,642,373)</u>	<u>(488,178)</u>	<u>-</u>	<u>(7,130,551)</u>
Total Capital Assets Being Depreciated, net	<u>7,527,478</u>	<u>(286,870)</u>	<u>-</u>	<u>7,240,608</u>
Governmental Activities Capital Assets, net	<u>\$ 27,289,521</u>	<u>\$ (286,870)</u>	<u>\$ -</u>	<u>\$ 27,002,651</u>

Depreciation expense of \$488,178 was charged to the governmental activities functional expense categories as follows:

<u>Governmental Activities:</u>	<u>Depreciation</u>
General Government	\$ 54,013
Public Safety	184,614
Highway and Streets	76,795
Public Works	169,443
Buildings	<u>3,313</u>
Total	<u>\$ 488,178</u>

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

**NOTE 3 - CAPITAL ASSETS (Continued)**

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

	Balance at May 1, 2007	Additions	Deletions	Balance at April 30, 2008
<b>Business-Type Activities:</b>				
Capital Assets not being depreciated:				
Land	\$ 4,309,187	\$ -	\$ -	\$ 4,309,187
Total capital assets not being depreciated:	4,309,187	-	-	4,309,187
Capital assets being depreciated:				
Improvements	1,648,024	-	-	1,648,024
Buildings	1,709,005	-	43,702	1,665,303
Machinery and equipment	577,782	95,188	62,174	610,796
Infrastructure	14,075,362	-	-	14,075,362
Subtotal	18,010,173	95,188	105,876	17,999,485
Accumulated Depreciation				
Improvements	(686,131)	(90,519)	-	(776,650)
Buildings	(351,041)	(37,872)	(22,801)	(366,112)
Machinery and equipment	(324,065)	(52,971)	(39,512)	(337,524)
Infrastructure	(7,339,007)	(190,028)	-	(7,529,035)
Subtotal	(8,700,244)	(371,390)	(62,313)	(9,009,321)
Total capital assets being depreciated, net	9,309,929	(276,202)	43,563	8,990,164
Business-Type Activities Capital Assets, net	\$ 13,619,116	\$ (276,202)	\$ 43,563	\$ 13,299,351

Depreciation expense of \$371,390 was charged to the business-type activities functional expense categories as follows:

<u>Business-Type Activities:</u>	<u>Depreciation</u>
Water Operations	\$ 105,188
Sewer Operations	94,303
Golf Course Operations	171,899
Total	\$ 371,390

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

**NOTE 4 - LONG-TERM DEBT**

The following is a summary of the changes in the long-term debt of the Village for the year ended April 30, 2008:

	<b>Governmental Activities</b>			Ending Balance	Due Within One Year
	Beginning Balance	Additions	Retirements		
<b>Governmental Activities</b>					
General Obligation Bonds:					
G.O. Refunding Bonds, Series 2002	\$ 450,000	\$ -	\$ 450,000	\$ -	\$ -
Alternative Revenue Bonds:					
Series 1998A Motor Fuel Tax Bonds	400,000	-	195,000	205,000	205,000
Series 1998B Village Hall Const. Bonds	2,340,000	-	155,000	2,185,000	160,000
<b>Total Alternative Revenue Bonds</b>	<u>2,740,000</u>	<u>-</u>	<u>350,000</u>	<u>2,390,000</u>	<u>365,000</u>
Capital Leases	368,246	62,660	203,665	227,241	206,380
Compensated Absences	362,847	224,596	161,739	425,704	206,668
Net Pension Obligation	66,686	-	-	66,686	-
<b>Total Governmental Activities</b>	<u>\$ 3,987,779</u>	<u>\$ 287,256</u>	<u>\$ 1,165,404</u>	<u>\$ 3,109,631</u>	<u>\$ 778,048</u>
<b>Business-Type Activities</b>					
General Obligation Bonds:					
Golf Course Bonds, Series 2001	\$ 5,555,000	\$ -	\$ 125,000	\$ 5,430,000	\$ 130,000
Installment Contracts:					
Equipment Installment Note	-	88,371	20,812	67,559	28,199
Golf Carts, 2003	56,381	-	56,381	-	-
<b>Total Installment Contracts</b>	<u>56,381</u>	<u>88,371</u>	<u>77,193</u>	<u>67,559</u>	<u>28,199</u>
Compensated Absences	89,310	66,807	46,821	109,296	58,313
Loan Payable	29,242	-	29,242	-	-
<b>Total Business-type Activities</b>	<u>\$ 5,729,933</u>	<u>\$ 155,178</u>	<u>\$ 278,256</u>	<u>\$ 5,606,855</u>	<u>\$ 216,512</u>

Details of the governmental activities long-term debt as of April 30, 2008 are as follows:

General Obligation Bonds

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

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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NOTE 4 - LONG-TERM DEBT (Continued)

Alternative Revenue Bonds

Alternative Revenue Bonds, series 1998A Motor Fuel Tax Bonds, due in annual installments of \$165,000 to \$205,000 through October 1, 2008; interest at 3.75% to 4.10%. The debt is paid from the 1998 MFT Bond Fund from motor fuel tax revenues.

Alternative Revenue Bonds, series 1998B Village Hall Construction Bonds due in annual installments of \$125,000 to \$250,000 through October 1, 2018; interest at 3.75% to 4.65%. The debt is paid from the 1998B Bond Fund from utility tax revenues.

Capital lease for fire trucks, due in annual installments of \$164,711 through fiscal year 2009; interest at 3.00%. The trucks were recorded at a cost of \$780,000 and accumulated depreciation as of April 30, 2008 is \$409,071. The debt is paid by the General Fund.

Capital lease for dump truck, due in annual installments of \$29,175 through fiscal year 2009; interest at 5.55%. The dump truck was recorded at a cost of \$76,998 and accumulated depreciation as of April 30, 2008 is \$9,839. The debt is paid by the General Fund.

Capital lease for automobiles, due in annual installments of \$22,165 through fiscal year 2010; interest at 6.25%. The cars were recorded at a cost of \$62,660 and accumulated depreciation as of April 30, 2008 is \$3,916. The debt is paid by the General Fund.

Details of the business-type activities long-term debt as of April 30, 2008 are as follows:

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

Installment contract for the purchase of lawn mowers, due in monthly installments through fiscal year 2011; interest at 5.62%. The debt is paid from the Golf Course Fund.

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

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

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 April 30, 2008

**NOTE 4 - LONG-TERM DEBT (Continued)**

The annual payments to retire interest-bearing debt as of April 30, 2008 are as follows:

Due in Fiscal Year	Governmental Activities											
	Alternative Revenue Bond Series 1998A		Alternative Revenue Bonds Series 1998B		Capital Lease 2004		Capital Lease 2007		Capital Lease 2008		Total Governmental	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Debt Service
2009	\$ 205,000	\$ 8,405	\$ 160,000	\$ 97,520	\$ 159,681	\$ 5,030	\$ 27,065	\$ 2,110	\$ 19,634	\$ 2,531	\$ 686,976	
2010	-	-	165,000	90,960	-	-	-	-	20,861	1,304	278,125	
2011	-	-	170,000	84,113	-	-	-	-	-	-	254,113	
2012	-	-	180,000	76,888	-	-	-	-	-	-	256,888	
2013	-	-	185,000	69,148	-	-	-	-	-	-	254,148	
2014-2018	-	-	1,075,000	211,713	-	-	-	-	-	-	1,286,713	
2019	-	-	250,000	11,625	-	-	-	-	-	-	261,625	
Totals	\$ 205,000	\$ 8,405	\$ 2,185,000	\$ 641,967	\$ 159,681	\$ 5,030	\$ 27,065	\$ 2,110	\$ 40,495	\$ 3,835	\$ 3,278,588	

Business-Type Activities

Due in Fiscal Year	General Obligation Bonds				Equipment Installment Note				Total	
	Series 2001		Proprietary		Principal		Debt Service		Proprietary	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Debt Service	Principal	Debt Service
2009	\$ 130,000	\$ 281,563	\$ 28,199	\$ 3,054	\$ 442,816				\$ 442,816	
2010	140,000	276,103	30,828	1,408	448,339				448,339	
2011	145,000	270,083	8,532	34	423,649				423,649	
2012	150,000	263,705	-	-	413,705				413,705	
2013	155,000	256,953	-	-	411,953				411,953	
2014-2018	905,000	1,165,523	-	-	2,070,523				2,070,523	
2019-2023	1,170,000	896,975	-	-	2,066,975				2,066,975	
2024-2028	1,520,000	560,625	-	-	2,080,625				2,080,625	
2029-2031	1,115,000	122,281	-	-	1,237,281				1,237,281	
Totals	\$ 5,430,000	\$ 4,093,811	\$ 67,559	\$ 4,496	\$ 9,595,866				\$ 9,595,866	

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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**NOTE 4 - LONG-TERM DEBT (Continued)**

Legal Debt Margin: A computation of the legal debt margin of the Village as of April 30, 2008, is as follows:

Assessed valuation - 2007 tax year		\$ 131,770,298
Legal debt limit - 8.625% of assessed valuation		11,365,188
General obligation bonds	<u>5,430,000</u>	
Total debt subject to debt limit		<u>5,430,000</u>
Legal debt margin		<u>\$ 5,935,188</u>

**NOTE 5 - PENSION AND RETIREMENT PLAN COMMITMENTS**

Illinois Municipal Retirement Fund: 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 employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

Funding Policy: As set by statute, the employer regular plan members are required to contribute 4.50% 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 employer contribution rate for calendar year 2007 was 9.45% of annual covered payroll. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost: For December 31, 2007, the employer's annual pension cost of \$111,690 for the Regular plan was equal to the employer's required and actual contributions.

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 April 30, 2008

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NOTE 5 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)

Three-Year Trend Information for the Regular Plan:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 111,690	100%	\$ 0
12/31/06	\$ 116,486	100%	\$ 0
12/31/05	\$ 102,151	100%	\$ 0

The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4% a year, attributable to inflation; (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3% annually. The actuarial value of the employer plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The employer Regular plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 25 years.

Funded Status and Funding Progress: As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 127.65% funded. The actuarial accrued liability for benefits was \$2,028,853 and the actuarial value of assets was \$2,589,764, resulting in an overfunded actuarial accrued liability (UAAL) of \$560,911. The covered payroll (annual payroll of active employees covered by the plan) was \$1,181,908 and since the plan was overfunded, there is no ratio of the UAAL to the covered payroll.

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

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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**NOTE 5 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)**

Plan Description: The Police Pension Plan is single-employer defined benefit plan that covers all sworn police personnel. The Police Pension Plan provides retirement, disability, and death benefits, as well automatic cost of living adjustments, to plan members and beneficiaries. Plan members are required to contribute 9.91% of their annual covered payroll. The Village is required to contribute at an actuarially determined rate. Although this is a single-employer pension plan, the defined benefits and contribution requirements of the plan members and the Village are governed by Illinois State Statutes and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings. At April 30, 2006, the date of the latest actuarial valuation, the Police Pension Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	17
Active plan members	
Vested and nonvested	<u>15</u>
<b>TOTAL</b>	<u><u>32</u></u>

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

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

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

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting: The accrual basis of accounting is utilized by the Police Pension Trust Fund. Under this method, additions to net plan assets are recorded when earned and deductions from the net plan assets are recorded when the time related liabilities are incurred. Plan member contributions are recognized in the period in which the contributions are due.

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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**NOTE 5 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)**

Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: Police Pension Trust Fund investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market, if any, are reported at estimated fair value.

Short-term Interfund Receivables/Payables: During the course of operations, numerous transactions occur between individual funds of the Village for goods provided or services rendered. These receivables and payables, which relate to the Police Pension Fund are classified as "Due from the Village" or "Due to the Village" on the statement of plan assets.

Contributions: Covered employees are required to contribute 9.91% of their base salary to the Police Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

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

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

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

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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NOTE 5 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)

Firefighters' Pension

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

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	1
Current employees Vested and nonvested	<u>5</u>
TOTAL	<u>6</u>

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

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

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

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 April 30, 2008

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**NOTE 5 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)**

Summary of Significant Accounting Policies and Plan Asset Matters:

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

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

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

Current Year's Annual Pension Cost and Net Pension Obligation: The net pension obligation at April 30, 2007 was comprised of the following:

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

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

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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NOTE 5 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)

Employer contributions have been determined as follows:

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

Significant actuarial assumptions:

a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.50% Compounded Annually	5.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40 - 10%	Not Available	Not Available

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

**NOTE 5 - PENSION AND RETIREMENT PLAN COMMITMENTS (Continued)**

		Illinois				
	Fiscal Year	Municipal Retirement	Fiscal Year	Police Pension	Fiscal Year	Firefighters' Pension
Annual pension cost (APC)	2003	\$ 78,558	2002	\$ 136,021	2002	\$ 54,273
	2004	108,780	2003	166,209	2003	54,273
	2005	102,151	2004	N/A	2004	N/A
	2006	116,486	2005	N/A	2005	N/A
	2007	111,690	2006	201,008	2006	71,014
Actual Contribution	2003	\$ 78,558	2002	\$ 133,294	2002	\$ 54,273
	2004	108,780	2003	142,983	2003	58,335
	2005	102,151	2004	N/A	2004	N/A
	2006	116,486	2005	N/A	2005	N/A
	2007	111,690	2006	159,845	2006	71,014
Percentage of APC Contributed	2003	100.00%	2002	98.00%	2002	100.00%
	2004	100.00%	2003	86.03%	2003	107.48%
	2005	100.00%	2004	N/A	2004	N/A
	2006	100.00%	2005	N/A	2005	N/A
	2007	100.00%	2006	79.52%	2006	100.00%
NPO (Asset)	2003	\$ -	2002	\$ 2,297	2002	\$ -
	2004	-	2003	25,523	2003	(4,062)
	2005	-	2004	N/A	2004	N/A
	2006	-	2005	N/A	2005	N/A
	2007	-	2006	66,686	2006	(3,375)

**NOTE 6 - DEFERRED COMPENSATION PLAN**

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

(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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**NOTE 7 - COMMITMENTS**

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

**NOTE 8 - WATER PURCHASE RIGHTS**

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

**NOTE 9 - RISK MANAGEMENT**

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

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

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

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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**NOTE 10 - PROPERTY TAXES**

Property Taxes: The property taxes receivable represents the uncollected portion of the 2007 tax levy that attached as an enforceable lien on January 1, 2007. The tax levy ordinance was approved on December 18, 2007. Tax bills are prepared by the county and issued on or about February 1, 2008 and September 1, 2008 and are payable in two installments, on or about March 1, 2008 and October 1, 2008. The county collects such taxes and periodically remits them to the Village. The property tax revenue in the current year's financial statements reflects the collections of half of the 2006 levies and half of the 2007 levies. A reduction for collection losses, based on historical collections, has been applied to reduce property taxes receivable to the estimated amount to be collected.

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

**NOTE 11 - OTHER INDIVIDUAL FUND DISCLOSURES**

Transfers: The following transfers were made during the fiscal year:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
General Fund	\$ -	\$ 255,659
Nonmajor Governmental Funds	455,659	200,000
Total Transfers	<u>\$ 455,659</u>	<u>\$ 455,659</u>

- \$255,659 transferred from General Fund to Series 1998B Village Hall Construction Bond Fund to cover debt service payment.
- \$200,000 transferred from Motor Fuel Tax Fund to Series 1998A MFT Bond Fund to cover debt service payment.

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 April 30, 2008

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**NOTE 11 - OTHER INDIVIDUAL FUND DISCLOSURES (Continued)**

Interfund Receivables and Payables: The following individual interfund receivable and payable balances as of April 30, 2008 were as follows:

Fund	Due From	Due To
General	\$ 558,168	\$ 755,000
Non-major Governmental	375,376	20,376
Water and Sewer	715,000	-
Golf Course	-	873,168
Golf Course Housing Project	-	-
Total	<u>\$ 1,648,544</u>	<u>\$ 1,648,544</u>

- The interfunds as of April 30, 2008 are expected to be repaid within the next fiscal year.
- The Golf Course Fund borrowed \$558,168 from the general fund and \$315,000 from the water fund to cover golf course expenses.
- The General Fund borrowed \$355,000 from the Road and Bridge Fund to help cover corporate expenses.
- The General Fund borrowed \$400,000 from the Sewer Bond Fund to help cover corporate expenses.

Deficit Equity Balances: The following funds had deficit equity balances:

	Amount
Community Development Block Grant Fund	\$ 7,665
Golf Course Housing Project Fund	225,767

**NOTE 12 - PLEDGED REVENUES**

1998A Motor Fuel Tax Bonds: The Village has pledged Motor Fuel Tax receipts to repay the \$1.7 million in Motor Fuel Tax bonds issued in April 1999. Proceeds from the bonds provided financing for the construction of a new street and parking lot facility for the New Village Hall. The bonds are abated annually and paid from the Motor Fuel Tax receipts. The total principal and interest remaining on the bonds is \$209,202. The balance will be paid off in October 2008.

1998B New Village Hall Bonds: The Village has pledged Utility Tax revenues to repay the \$3.4 million in Village Hall Construction bonds. In the event the Utility Tax revenues are not available for payment of the bonds, property taxes will be levied. It has been the practice of the Village to abate the bonds in the past. The bonds were issued in April 1999 and will be paid off in October 2018. The total principal and interest remaining to be paid on the bonds is \$2,778,205. For the current year, principal and interest paid was \$255,659.

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(Continued)

VILLAGE OF GLENWOOD, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2008

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**NOTE 13 - NEW ACCOUNTING PRONOUNCEMENTS**

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. This statement addresses how employers should account for and report costs and obligations for post-employment health care and other nonpension post-employment benefits. It is effective for the Village's fiscal year ending April 30, 2009. The Village is currently evaluating the impact of adopting Statement No. 45.

In September 2006, the GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*. It is effective for the Village's fiscal year ending April 30, 2009 and addresses how governments determine whether proceeds for a given transaction should be reported as revenue or a liability. The Village is currently evaluating the impact of adopting Statement No. 48.

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligation*. This Statement provides guidance on accounting for pollution remediation for the effects of existing pollution. Statement 49 is effective for the Village's fiscal year ending April 30, 2009. The Village is currently evaluating the impact of adopting Statement No. 49.

In May 2007, the GASB issued Statement No. 50, *Pension Disclosures*. The Statement more closely aligns financial reporting requirements for pensions with those for other post-employment benefits (OPEB) and provides enhanced information in the notes to financial statements and required supplementary information (RSI) for users of government financial statements. Statement 50 is effective for the Village's fiscal year ending April 30, 2009. The Village is currently evaluating the impact of adopting Statement No. 50.

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. It defines an intangible asset's required characteristics, and generally requires that they be treated as capital assets. Statement 51 is effective for the Village's fiscal year ending April 30, 2010. The Village is currently evaluating the impact of adopting Statement No. 51.

In November 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement establishes consistent standards for the reporting of land and other real estate held as investments. It requires endowments to report their land and other real estate investments at fair value. Statement 52 is effective for the Village's fiscal year ending April 30, 2009. The Village is currently evaluating the impact of adopting Statement No. 52.

In November 2007, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Statement 53 is effective for the Village's fiscal year ending April 30, 2010. The Village is currently evaluating the impact of adopting Statement No. 53.

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VILLAGE OF GLENWOOD, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ANALYSIS OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 APRIL 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payoroll ((b-a)/c)
12/31/07	\$ 2,589,764	\$ 2,028,853	\$ (560,911)	127.65%	\$ 1,181,908	-47.46%
12/31/06	2,333,898	1,940,899	(392,999)	120.25%	1,125,466	-34.92%
12/31/05	2,191,225	1,987,863	(203,362)	110.23%	1,403,171	-14.49%
12/31/04	2,065,847	2,106,774	40,927	98.06%	1,334,730	3.07%
12/31/03	2,067,548	1,990,695	(76,853)	103.86%	1,279,445	-6.01%
12/31/02	1,861,530	1,722,836	(138,694)	108.05%	1,174,066	-11.81%
12/31/01	1,748,653	1,437,891	(310,762)	121.61%	1,038,798	-29.92%
12/31/00	1,756,899	1,372,898	(384,001)	127.97%	904,770	-42.44%
12/31/99	1,615,161	1,352,496	(262,665)	119.42%	848,456	-30.96%
12/31/98	1,237,186	1,346,318	109,132	91.89%	851,757	12.81%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$2,769,492. On a market basis, the funded ratio would be 136.51%.

\* Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 experience study.

The principal changes were:

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

VILLAGE OF GLENWOOD, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ANALYSIS OF FUNDING PROGRESS  
 PENSION TRUST FUNDS  
 APRIL 30, 2008

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

N/A - Information has not been prepared.

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

VILLAGE OF GLENWOOD, ILLINOIS  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION TRUST FUNDS  
 YEAR ENDED APRIL 30, 2008

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

N/A - Information has not been prepared.

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

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

## VILLAGE OF GLENWOOD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND  
 Year Ended April 30, 2008

	General Fund		
	Original & Final Budget	Actual	Variance from Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 2,720,816	\$ 2,385,194	\$ (335,622)
Licenses and Permits	292,450	259,282	(33,168)
Fines	110,000	89,848	(20,152)
Other Taxes	680,100	553,260	(126,840)
Intergovernmental	2,780,500	2,555,809	(224,691)
Interest	2,000	6,154	4,154
Charges for Services	80,500	548,831	468,331
Miscellaneous	35,300	47,406	12,106
<b>Total Revenues</b>	<u>6,701,666</u>	<u>6,445,784</u>	<u>(255,882)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Administration	1,683,300	1,630,302	52,998
Building	374,800	224,396	150,404
Public Works	737,756	620,787	116,969
Parks	403,148	38,113	365,035
Police	3,238,609	2,802,671	435,938
Fire	1,289,427	1,101,953	187,474
E.S.D.A.	39,200	13,771	25,429
Senior Center	19,300	9,271	10,029
Capital Outlay	-	-	-
<b>Total Expenditures</b>	<u>7,785,540</u>	<u>6,441,264</u>	<u>1,344,276</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,083,874)</u>	<u>4,520</u>	<u>1,088,394</u>
<b>Other Financing Sources (Uses)</b>			
Lease Proceeds	-	62,660	62,660
Transfers Out	(255,659)	(255,659)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(255,659)</u>	<u>(192,999)</u>	<u>62,660</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,339,533)</u>	<u>(188,479)</u>	<u>\$ 1,151,054</u>
<b>Fund Balances at Beginning of Year</b>		<u>494,849</u>	
<b>Fund Balances at End of Year</b>		<u>\$ 306,370</u>	

See accompanying notes to schedule.

VILLAGE OF GLENWOOD  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
April 30, 2008

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**NOTE 1 - LEGAL COMPLIANCE AND ACCOUNTABILITY**

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

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

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(Continued)

VILLAGE OF GLENWOOD  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
April 30, 2008

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NOTE 1 - LEGAL COMPLIANCE AND ACCOUNTABILITY (Continued)

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

Fund	Amount in Excess of Budget
Main Street Tax Increment Financing District	\$ 143,059
Tax Increment Financing	143,149
Holbrook Road Tax Increment Financing	692,772
Series 1992 Bond Fund	466,550

## VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND  
 Year Ended April 30, 2008

	Final Budget	Actual
<b>Revenues</b>		
Property Taxes	\$ 2,720,816	\$ 2,385,194
<b>Other Taxes</b>		
Utility Taxes	475,000	446,652
Muni Auto Rental Tax	10,100	10,587
Real Estate Transfer Tax	195,000	96,021
Total Other Taxes	680,100	553,260
<b>Intergovernmental</b>		
Sales Tax	1,300,000	1,082,860
Income Tax	910,000	847,947
Local Use Tax	-	126,541
Personal Property Replacement Tax	-	42,392
Telecommunications Maint Fee	450,000	437,312
Grants	120,500	18,757
Total Intergovernmental	2,780,500	2,555,809
<b>Licenses and Permits</b>		
Zoning Board/Hearing App. Fee	1,500	1,460
Building & Electrical Permit	125,000	116,259
Alarm Permits	-	50
Cable TV Revenue	115,000	95,480
Business Licenses	50,000	45,133
Animal Licenses	950	900
Total Licenses and Permits	292,450	259,282
<b>Fines</b>		
Police-DUI Related Revenues	-	5,101
Police Fines	90,000	67,344
Building Code Fines	20,000	17,403
Total Fines	110,000	89,848
Interest	2,000	6,154
<b>Charges for Services</b>		
TIF Volume Cap	-	2,415
Project Reimburse - Admin.	5,000	28,912
Project Reimburse-Police	5,000	2,937
Project Reimburse-Fire	-	10,441
Bad Check Charge	-	120
SBA Towers	70,000	60,455
Park Program Fees	500	1,175
Refuse Fees	-	442,376
Total Charges for Services	80,500	548,831
<b>Miscellaneous</b>		
Grass Cutting Fees	8,000	6,250
Towed Vehicle Admin Fee	3,000	1,495
Foreign Fire Insurance	4,800	4,911
Fire Protection Fees	11,000	8,259
Facility Rent	2,000	2,565

(Continued)

## VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND  
 Year Ended April 30, 2008

	Final <u>Budget</u>	<u>Actual</u>
Police Ins/Misc Reimbursement	\$ 4,000	\$ 4,451
Cops And Bobbers Program	-	3
Employee Benefit Revenue	-	3,952
Miscellaneous	2,000	10,294
Miscellaneous-Fire	500	5,226
Total Miscellaneous	<u>35,300</u>	<u>47,406</u>
Total Revenues	<u>6,701,666</u>	<u>6,445,784</u>
Expenditures		
Current:		
Administration		
Mayor	13,500	12,502
Treasurer	1,500	1,125
Trustees	26,500	23,725
Village Clerk	2,000	2,000
Village Collector	100	100
Village Administrator	10,000	-
Asst Village Administrator	85,000	65,585
Department Supervisor	62,000	65,068
Full Time Employees	90,000	101,714
Part Time Employees	50,000	8,467
Contract Services	75,000	36,988
Salary - Liquor Commissioner	1,500	1,500
Employer FICA & IMRF	47,000	36,010
Unemployment Insurance	-	1,835
Office Supplies	12,000	10,242
Data Processing	23,000	20,953
Copier Supplies And Maint.	4,000	2,280
Postage	8,000	7,600
Employee Appreciation	4,000	2,860
Telephone	25,000	10,945
Hrc Expense & Legal Services	2,000	971
Legal Notices	3,000	2,873
News Letter	10,000	3,247
Code Of Ordinances Expense	4,000	2,195
Dues Subscript. Memberships	20,000	9,357
Legal Services	25,000	130,313
Auditing	52,200	45,100
E-Comm annual expenditure	155,000	175,639
Legal Service - Board of Trustees	150,000	56,995
Group Insurance And Hospital	50,000	32,690
Insurance	17,500	115,124
Board Member Training	2,000	110
Utilities	7,500	6,927
Personnel Training	1,500	-
Travel Lodging Meals - Misc.	4,000	6,552

(Continued)

## VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND  
 Year Ended April 30, 2008

	Final <u>Budget</u>	<u>Actual</u>
Awards And Memorials	\$ 10,000	\$ 6,698
Police And Fire Commission	25,000	14,793
Senior Center Expense	-	8,528
Web Site Expense	1,000	300
Fireworks	12,000	-
Economic Incentive Agreeemnts	10,000	5,688
Computer-Programs & Equip	35,000	27,778
Railroad Property Rental	2,000	-
Engineer Services	85,000	119,526
Homewood Disposal	450,000	446,508
Miscellaneous	9,500	891
<b>Total Administration</b>	<u>1,683,300</u>	<u>1,630,302</u>
<b>Building</b>		
Dept Supervisor/Building	61,800	32,670
Full Time Employees	90,000	86,872
Part Time Employees	50,000	22,184
Over-Time Wages	2,000	-
Contract Services	6,000	5,014
Employer FICA & IMRF	33,000	21,448
Building Code Hearings	3,000	313
Planning And Zoning	5,500	1,432
Printing And Advertising	4,000	2,271
Office Supplies	4,000	2,854
Copier Supplies And Maint.	2,000	849
Postage	2,000	771
Telephone	5,000	4,974
Dues Subscript. Memberships	2,000	1,182
Legal Services	9,500	5,985
Legal Fees Zoning	6,500	902
Group Insurance And Hospital	20,000	8,627
Insurance	17,500	16,205
Personnel Training	2,500	175
Travel, Lodging And Meals	1,500	180
Gas And Oil	7,500	6,771
Repair & Maintenance-Vehicle	7,000	2,066
Computer-Programs & Equip	6,000	168
Purchase of Vehicles	24,000	-
Miscellaneous	2,500	483
<b>Total Building</b>	<u>374,800</u>	<u>224,396</u>
<b>Public Works</b>		
Dept Supervisor/Public Works	21,000	3,938
Full Time Employees	185,000	140,222
Part Time Employees	20,000	12,406
Over-Time Wages	55,000	57,539
Holiday Pay	15,000	-
Lawn Care Services	28,000	19,606

(Continued)

## VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND  
 Year Ended April 30, 2008

	Final Budget	Actual
Employer FICA & IMRF	\$ 41,856	\$ 34,692
Unemployment Insurance	3,000	3,267
Office Supplies	4,000	5,233
Postage	1,000	258
Telephone	15,000	11,845
Legal Services	1,500	1,309
Group Insurance And Hospital Insurance	65,000	102,962
Personnel Training	78,900	73,541
Travel Lodging Meals - Misc.	1,500	777
Physicals	500	90
Gas And Oil	2,000	840
Repair/Maint Communications	28,000	24,570
Repair & Maintenance-Vehicle	500	751
Repair/Maint-Gen Tools/Equip	40,000	25,007
Repair/Maint Municipal Blds.	10,000	10,858
Maint - Municipal Grounds	35,000	49,006
Purchase-General Tools/Equip	7,500	25,199
Purchases-Personnel Equip	6,000	3,272
Flags	10,000	8,473
Christmas Decorations	2,000	1,053
July 4th Expenditures	8,000	2,737
Computer-Programs & Equip	10,000	-
Lawn Equipment	3,000	762
Purchase Of Vehicles	5,500	-
Communications Equipment	30,000	-
Miscellaneous	1,000	-
	<u>3,000</u>	<u>574</u>
Total Public Works	<u>737,756</u>	<u>620,787</u>
Parks		
Department Supervisor	15,000	4,154
Employer FICA & IMRF	1,148	388
Telephone	500	-
Utilities	7,500	10,776
Park Program Expenses	12,000	8,358
Repair/Maint-Gen Tools/Equip	2,500	1,197
Repair/Maint Municipal Bldgs.	10,000	1,404
Maint - Municipal Grounds	5,000	11,508
Playground Equipment	6,500	-
Hickory Glen Park Expense	343,000	-
Miscellaneous	-	328
	<u>-</u>	<u>328</u>
Total Parks	<u>403,148</u>	<u>38,113</u>
Police		
Dept Supervisor/Police	72,100	82,823
Full Time Employees	1,500,000	1,221,605
Part Time Employees	170,000	95,985
Crossing Guards	26,000	22,318

(Continued)

## VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND  
 Year Ended April 30, 2008

	Final <u>Budget</u>	<u>Actual</u>
Over-Time Wages	\$ 50,000	\$ 149,078
Holiday Pay	50,000	51,140
Contract Services	5,000	556
Employer FICA & IMRF	145,000	118,327
Pension Contributions	341,009	315,930
Unemployment Insurance	10,000	-
Office Supplies	13,000	6,788
Postage	3,000	2,564
Telephone	17,000	15,095
Dues Subscript. Memberships	2,500	4,152
Legal Services	75,000	25,356
Municipal Systems	5,000	2,823
Group Insurance And Hospital Insurance	220,000	205,804
Utilities	202,000	187,168
Personnel Training	9,000	9,545
Travel Lodging Meals - Misc.	25,000	8,400
Public Education Programs	2,500	2,324
Physicals	5,500	-
Uniforms	2,000	-
Gas And Oil	25,000	19,262
Grant expense	60,000	60,157
Repair/Maint Communications	2,500	10,000
Repair & Maint. Copy Machine	35,000	11,051
Repair & Maintenance-Vehicle	2,500	2,536
Repair/Maint-Gen Tools/Equip	40,000	35,812
Repair/Maint-Gen Tools/Bldgs.	9,000	151
Purchase-General Tools/Equip	1,500	1,662
Purchases/Police Bld Equip	6,500	16,352
Purchases of Camera	3,000	-
Purchases-Personnel Equip	10,000	-
Police - Alcohol Prevention	3,000	553
D.A.R.E. Program	-	190
Canine Progam	3,000	1,381
Computer-Programs & Equip	6,000	1,730
Purchase Of Vehicles	15,000	1,609
Communications Equipment	60,000	106,990
Miscellaneous	4,000	3,033
	2,000	2,421
Total Police	<u>3,238,609</u>	<u>2,802,671</u>
Fire		
Dept Supervisor/Fire	77,670	80,673
Full Time Employees	223,000	228,070
Part Time Employees	27,000	12,624
Over-Time Wages	2,000	936
Paid On Call Fire Personnel	78,000	63,510
Sleep-In-Pay	87,600	84,780

(Continued)

## VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND  
 Year Ended April 30, 2008

	Final <u>Budget</u>	<u>Actual</u>
Duty Shift Assignment	\$ 48,000	\$ 47,368
Contract Services	41,400	46,073
Employer FICA & IMRF	41,000	38,830
Pension Contributions	82,046	90,876
Office Supplies	5,000	2,372
Food Service Inspections	2,000	247
Telephone	6,000	5,959
Dues Subscript. Memberships	2,500	1,862
Legal Services	1,000	928
Group Insurance And Hospital	65,000	42,915
Insurance	105,000	87,265
Utilities	3,500	2,540
Personnel Training	9,000	7,400
Travel Lodging Meals - Misc	3,000	1,562
Public Education Programs	1,800	1,219
Physicals	2,500	1,360
Uniforms	5,500	2,865
Gas And Oil	22,000	21,732
Station Supplies	3,000	771
Fire Dept. Grant Exp.	3,000	1,069
Repair/Maint Communications	2,500	912
Repair & Maintenance-Vehicle	23,000	12,929
Maint Hazrd Material Trailer	3,500	3,610
Repair/Maint-Gen Tools/Equip	2,500	6,533
Repair/Maint Medical Equip	2,500	878
Maintenance-Station #1	44,500	3,645
Maintenance-Station #2	33,500	593
Purchase-General Tools/Equip	11,500	2,164
Purchase Medical Tools/Equip	27,000	23,289
Purchases-Personnel Equip	4,000	26
Copy Machine	2,400	248
Rescue Equipment/Scuba	5,000	1,492
Computer-Programs & Equip	9,000	1,871
Purchase Of Vehicles	164,711	164,711
Communications Equipment	4,800	1,077
Miscellaneous	1,500	2,169
<b>Total Fire</b>	<u>1,289,427</u>	<u>1,101,953</u>
<b>E.S.D.A.</b>		
Dept Supervisor	1,000	1,000
Part Time Employees	28,000	7,486
Employer FICA & IMRF	2,200	666
Uniforms	2,500	-
Communications	4,500	4,619
Miscellaneous	1,000	-
<b>Total E.S.D.A.</b>	<u>39,200</u>	<u>13,771</u>
Senior Center		

(Continued)

## VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND  
 Year Ended April 30, 2008

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	Final <u>Budget</u>	<u>Actual</u>
Part Time Employees	\$ 9,000	\$ 8,184
Employer FICA & IMRF	800	652
Telephone	2,000	-
Dues Subscript. Memberships	500	-
Utilities	4,500	300
Special Events	2,000	100
Miscellaneous	500	35
Total Senior Center	<u>19,300</u>	<u>9,271</u>
Total Expenditures	<u>\$ 7,785,540</u>	<u>\$ 6,441,264</u>

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## VILLAGE OF GLENWOOD, ILLINOIS

## NONMAJOR GOVERNMENTAL FUNDS

## COMBINING BALANCE SHEET

April 30, 2007

	<u>Special Revenue Funds</u>			
	<u>Road and Bridge Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Illinois Municipal Retirement Fund</u>	<u>Emergency 911 Fund</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 109,597	\$ 252,427	\$ 238,763	\$ 13,912
Investments	-	-	-	-
Receivables:				
Property Tax Receivable	-	-	325,543	-
Due from Other Governments	-	43,603	-	-
Due from Other Funds	<u>355,000</u>	<u>-</u>	<u>16,947</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 464,597</u>	<u>\$ 296,030</u>	<u>\$ 581,253</u>	<u>\$ 13,912</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 6,054	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Deferred Property Tax Revenue	-	-	325,543	-
Deferred Revenue	<u>74,590</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>80,644</u>	<u>-</u>	<u>325,543</u>	<u>-</u>
<b>FUND BALANCE</b>				
Reserved for Debt Service	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds	383,953	296,030	255,710	13,912
Capital Projects Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balance</b>	<u>383,953</u>	<u>296,030</u>	<u>255,710</u>	<u>13,912</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 464,597</u>	<u>\$ 296,030</u>	<u>\$ 581,253</u>	<u>\$ 13,912</u>

(Continued)

Police Department Foreiture <u>Fund</u>	Community Development Block Grant <u>Fund</u>	Main Street Tax Increment Financing <u>District Fund</u>	Glenwood-Dyer Road Tax Tax Increment Financing <u>District Fund</u>	Total Nonmajor Special <u>Revenue Funds</u>
\$ 16,687	\$ -	\$ 405,848	\$ 7,710	\$ 1,044,944
-	-	-	-	-
-	-	-	-	325,543
-	-	-	-	43,603
<u>10,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>382,905</u>
<u>\$ 27,645</u>	<u>\$ -</u>	<u>\$ 405,848</u>	<u>\$ 7,710</u>	<u>\$ 1,796,995</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,054
10,958	3,880	-	-	14,838
-	-	-	-	325,543
-	3,785	-	-	78,375
<u>10,958</u>	<u>7,665</u>	<u>-</u>	<u>-</u>	<u>424,810</u>
-	-	-	-	-
16,687	(7,665)	405,848	7,710	1,372,185
-	-	-	-	-
<u>16,687</u>	<u>(7,665)</u>	<u>405,848</u>	<u>7,710</u>	<u>1,372,185</u>
<u>\$ 27,645</u>	<u>\$ -</u>	<u>\$ 405,848</u>	<u>\$ 7,710</u>	<u>\$ 1,796,995</u>

(Continued)

## VILLAGE OF GLENWOOD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 April 30, 2008

Debt Service Funds				
	Series 1992 <u>Bond Fund</u>	Series 1998A MFT Bond <u>Fund</u>	Series 1998B Village Hall Construction <u>Bond Fund</u>	Total Nonmajor Debt Service <u>Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,723	\$ 10,845	\$ 96,971	\$ 112,539
Investments	-	184,793	268,334	453,127
Receivables:				
Property Tax Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	400,000	-	-	400,000
<b>TOTAL ASSETS</b>	<u>\$ 404,723</u>	<u>\$ 195,638</u>	<u>\$ 365,305</u>	<u>\$ 965,666</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	19,908	-	-	19,908
Deferred Property Tax Revenue	-	-	-	-
Deferred Revenue	-	-	-	-
<b>Total Liabilities</b>	<u>19,908</u>	<u>-</u>	<u>-</u>	<u>19,908</u>
<b>FUND BALANCE</b>				
Reserved for Debt Service	384,815	195,638	365,305	945,758
Unreserved, reported in:				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
<b>Total Fund Balance</b>	<u>384,815</u>	<u>195,638</u>	<u>365,305</u>	<u>945,758</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 404,723</u>	<u>\$ 195,638</u>	<u>\$ 365,305</u>	<u>\$ 965,666</u>

(Continued)

<u>Capital Projects Funds</u>		
<u>Road Improvement Project Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 385,628	\$ 385,628	\$ 1,543,111
-	-	453,127
-	-	325,543
-	-	43,603
-	-	782,905
<u>\$ 385,628</u>	<u>\$ 385,628</u>	<u>\$ 3,148,289</u>
\$ -	\$ -	\$ 6,054
-	-	34,746
-	-	325,543
-	-	78,375
-	-	444,718
-	-	945,758
-	-	1,372,185
<u>385,628</u>	<u>385,628</u>	<u>385,628</u>
<u>385,628</u>	<u>385,628</u>	<u>2,703,571</u>
<u>\$ 385,628</u>	<u>\$ 385,628</u>	<u>\$ 3,148,289</u>

## VILLAGE OF GLENWOOD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 Year Ended April 30, 2008

	Special Revenue Funds			
	Road and Bridge Fund	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Emergency 911 Fund
<b>Revenues</b>				
Property Taxes	\$ 23,999	\$ -	\$ 431,663	\$ -
Other Taxes	-	-	-	1,132
Licenses and Permits	127,174	-	-	-
Intergovernmental	18	249,390	-	-
Interest	149	518	207	51
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>151,340</u>	<u>249,908</u>	<u>431,870</u>	<u>1,183</u>
<b>Expenditures</b>				
<b>Current:</b>				
Administration	-	-	-	1,132
Police	-	-	-	-
Highways and Streets	77,659	46,493	-	-
Pension Contributions	-	-	329,454	-
<b>Debt Service:</b>				
Principal Retired	-	-	-	-
Interest and Charges	-	-	-	-
Capital Outlay	29,175	-	-	-
<b>Total Expenditures</b>	<u>106,834</u>	<u>46,493</u>	<u>329,454</u>	<u>1,132</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>44,506</u>	<u>203,415</u>	<u>102,416</u>	<u>51</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	-	(200,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	44,506	3,415	102,416	51
<b>Fund Balances at Beginning of Year</b>	<u>339,447</u>	<u>292,615</u>	<u>153,294</u>	<u>13,861</u>
<b>Fund Balances at End of Year</b>	<u>\$ 383,953</u>	<u>\$ 296,030</u>	<u>\$ 255,710</u>	<u>\$ 13,912</u>

(Continued)

Police Department Foreiture Fund	Community Development Block Grant Fund	Main Street Tax Increment Financing District Fund	Glenwood-Dyer		Total Nonmajor Special Revenue Funds
			Road Tax Tax Increment Financing District Fund		
\$ -	\$ -	\$ 203,618	\$ 3,243	\$	662,523
-	-	-	-	-	1,132
-	-	-	-	-	127,174
-	-	-	-	-	249,408
53	-	926	13	-	1,917
1,349	-	-	-	-	1,349
<u>1,402</u>	<u>-</u>	<u>204,544</u>	<u>3,256</u>	<u>-</u>	<u>1,043,503</u>
-	-	-	624	-	1,756
2,591	-	-	-	-	2,591
-	-	-	-	-	124,152
-	-	-	-	-	329,454
-	-	-	-	-	-
-	-	-	-	-	-
-	-	143,059	-	-	172,234
2,591	-	143,059	624	-	630,187
<u>(1,189)</u>	<u>-</u>	<u>61,485</u>	<u>2,632</u>	<u>-</u>	<u>413,316</u>
-	-	-	-	-	-
-	-	-	-	-	(200,000)
-	-	-	-	-	(200,000)
(1,189)	-	61,485	2,632	-	213,316
17,876	(7,665)	344,363	5,078	-	1,158,869
<u>\$ 16,687</u>	<u>\$ (7,665)</u>	<u>\$ 405,848</u>	<u>\$ 7,710</u>	<u>\$</u>	<u>1,372,185</u>

(Continued)

## VILLAGE OF GLENWOOD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 For the Year Ended April 30, 2008

	<u>Debt Service Funds</u>			
	<u>Series 1992 Bond Fund</u>	<u>Series 1998A MFT Bond Fund</u>	<u>Series 1998B Village Hall Construction Bond Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
Revenues				
Property Taxes	\$ 320,092	\$ -	\$ -	\$ 320,092
Other Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Interest	440	10,699	13,289	24,428
Miscellaneous	-	-	-	-
Total Revenues	<u>320,532</u>	<u>10,699</u>	<u>13,289</u>	<u>344,520</u>
Expenditures				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Highways and Streets	-	-	-	-
Pension Contributions	-	-	-	-
Debt Service:				
Principal Retired	450,000	195,000	155,000	800,000
Interest and Charges	16,550	12,729	101,034	130,313
Capital Outlay	-	-	-	-
Total Expenditures	<u>466,550</u>	<u>207,729</u>	<u>256,034</u>	<u>930,313</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(146,018)</u>	<u>(197,030)</u>	<u>(242,745)</u>	<u>(585,793)</u>
Other Financing Sources (Uses)				
Transfers In	-	200,000	255,659	455,659
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>200,000</u>	<u>255,659</u>	<u>455,659</u>
Net Change in Fund Balances	(146,018)	2,970	12,914	(130,134)
Fund Balances at Beginning of Year	<u>530,833</u>	<u>192,668</u>	<u>352,391</u>	<u>1,075,892</u>
Fund Balances at End of Year	<u>\$ 384,815</u>	<u>\$ 195,638</u>	<u>\$ 365,305</u>	<u>\$ 945,758</u>

(Continued)

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Capital Projects Funds

<u>Road Improvement Project Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 982,615
-	-	1,132
-	-	127,174
-	-	249,408
887	887	27,232
-	-	1,349
<u>887</u>	<u>887</u>	<u>1,388,910</u>
-	-	1,756
-	-	2,591
-	-	124,152
-	-	329,454
-	-	800,000
-	-	130,313
-	-	172,234
-	-	<u>1,560,500</u>
<u>887</u>	<u>887</u>	<u>(171,590)</u>
-	-	455,659
-	-	<u>(200,000)</u>
-	-	<u>255,659</u>
887	887	84,069
<u>384,741</u>	<u>384,741</u>	<u>2,619,502</u>
<u>\$ 385,628</u>	<u>\$ 385,628</u>	<u>\$ 2,703,571</u>

VILLAGE OF GLENWOOD, ILLINOIS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended April 30, 2008

Special Revenue Funds						
	Road and Bridge Fund		Motor Fuel Tax Fund		Illinois Municipal Retirement Fund	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>Revenues</b>						
Property Taxes	\$ 25,000	\$ 23,999	\$ -	\$ -	\$ 402,566	\$ 431,663
Licenses and Permits	130,000	127,174	-	-	-	-
Intergovernmental	44,500	18	270,000	249,390	-	-
Interest	100	149	700	518	300	207
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	<u>199,600</u>	<u>151,340</u>	<u>270,700</u>	<u>249,908</u>	<u>402,866</u>	<u>431,870</u>
<b>Expenditures</b>						
<b>Current:</b>						
Highways and Streets	179,000	77,659	116,000	46,493	-	-
Pension Contributions	-	-	-	-	444,500	329,454
<b>Debt Service:</b>						
Principal Retired	-	-	-	-	-	-
Interest and Charges	-	-	-	-	-	-
Capital Outlay	35,000	29,175	-	-	-	-
<b>Total Expenditures</b>	<u>214,000</u>	<u>106,834</u>	<u>116,000</u>	<u>46,493</u>	<u>444,500</u>	<u>329,454</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>						
	<u>(14,400)</u>	<u>44,506</u>	<u>154,700</u>	<u>203,415</u>	<u>(41,634)</u>	<u>102,416</u>
<b>Other Financing Sources (Uses)</b>						
Lease proceeds	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	(213,405)	(200,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(213,405)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (14,400)</u>	<u>44,506</u>	<u>\$ (58,705)</u>	<u>3,415</u>	<u>\$ (41,634)</u>	<u>102,416</u>
<b>Fund Balances at Beginning of Year</b>		<u>339,447</u>		<u>292,615</u>		<u>153,294</u>
<b>Fund Balances at End of Year</b>		<u>\$ 383,953</u>		<u>\$ 296,030</u>		<u>\$ 255,710</u>

(Continued)

## Debt Service Funds

Series 1992 Bond Fund		Series 1998A MFI Bond Fund		Series 1998B Village Hall Construction Bond Fund	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 466,830	\$ 320,092	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
700	440	-	10,699	-	13,289
-	-	-	-	-	-
<u>467,530</u>	<u>320,532</u>	<u>-</u>	<u>10,699</u>	<u>-</u>	<u>13,289</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	450,000	213,405	195,000	155,000	155,000
-	16,550	10,670	12,729	115,397	101,034
-	-	-	-	-	-
<u>-</u>	<u>466,550</u>	<u>224,075</u>	<u>207,729</u>	<u>270,397</u>	<u>256,034</u>
<u>467,530</u>	<u>(146,018)</u>	<u>(224,075)</u>	<u>(197,030)</u>	<u>(270,397)</u>	<u>(242,745)</u>
-	-	-	-	-	-
-	-	-	200,000	-	255,659
-	-	-	-	-	-
-	-	-	200,000	-	255,659
<u>\$ 467,530</u>	<u>(146,018)</u>	<u>\$ (224,075)</u>	<u>2,970</u>	<u>\$ (270,397)</u>	<u>12,914</u>
	<u>530,833</u>		<u>192,668</u>		<u>352,391</u>
	<u>\$ 384,815</u>		<u>\$ 195,638</u>		<u>\$ 365,305</u>

## VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF OPERATING EXPENSES  
 BUDGET AND ACTUAL  
 WATER AND SEWER FUND  
 For the Year Ended April 30, 2008

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	<u>Budget</u>	<u>Actual</u>
Operating Expenses		
Dept Supervisor	\$ 42,250	\$ 20,185
Full Time Employees	310,000	316,151
Part Time Employees	30,000	30,618
Over-Time Wages	55,000	57,911
Holiday Pay	5,000	802
Contract Services	4,000	3,655
Lawn Care Services	25,000	5,510
Employers FICA & IMRF	71,460	65,504
Printing And Advertising	5,000	1,215
Office Supplies	4,000	4,394
Data Processing	15,000	-
Postage	6,000	6,365
Telephone	15,000	23,617
Water/Sewer System Alarms	-	1,580
Dues, Subscriptions, Memberships	2,500	337
Legal Services	7,000	14,961
Insurance	150,000	132,252
Utilities	12,000	24,745
Personnel Training	5,000	572
Travel Lodging Meals - Misc	1,500	70
Public Education Programs	1,000	242
Physicals	2,000	240
Gas And Oil	35,000	26,219
Energy For Pumping	70,000	73,633
Chemicals	9,000	7,219
Repair/Maint Communications	1,000	2,182
Repair/Maint - Water System	150,000	118,425
Repair & Maintenance-Vehicle	25,000	9,756
Repair/Maint-Gen Tools/Equip	9,000	20,789
Repair/Maint Municipal Blds.	30,000	8,632
Maint - Municipal Grounds	12,000	12,509

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(Continued)

## VILLAGE OF GLENWOOD, ILLINOIS

## SCHEDULE OF OPERATING EXPENSES

## BUDGET AND ACTUAL

## WATER AND SEWER FUND

For the Year Ended April 30, 2008

	<u>Budget</u>	<u>Actual</u>
Repair/Maint - Sewer System	\$ 150,000	\$ 43,136
Repair/Maint - Elevated Tank	564,000	253,600
Purchase-General Tools/Equip	8,000	663
Purchase-Personnel Equip	12,000	6,002
Water Purchases/Chicago Heights	250,000	237,116
Water System Improvement	400,000	705
Generator	10,000	(89)
Computer-Programs & Equip	20,000	5,000
Removal Of Fuel Tanks	1,000,000	-
O & M - Chicago Heights	35,000	32,811
Purchase Of Vehicles	50,000	-
Engineering Services	30,000	12,369
Communications Equipment	2,500	-
Debt Service/Chicago Heights	150,000	135,376
Homewood Disposal	5,500	4,863
Miscellaneous	1,000	1,433
Total	<u>3,797,710</u>	<u>1,723,275</u>
Depreciation Expense	<u>-</u>	<u>199,491</u>
Total Operating Expenses	<u>\$ 3,797,710</u>	<u>\$ 1,922,766</u>

## VILLAGE OF GLENWOOD, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 PENSION TRUST FUNDS  
 April 30, 2008

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 344,119	\$ 330,485	\$ 674,604
Investments	5,076,722	1,471,259	6,547,981
Interest Receivable	9,416	5,508	14,924
Due from Other Governments	122,661	-	122,661
Prepays	500	-	500
<b>TOTAL ASSETS</b>	<u>5,553,418</u>	<u>1,807,252</u>	<u>7,360,670</u>
<b>LIABILITIES</b>			
Accounts payable	709	-	709
Due to the Village	92,094	-	92,094
<b>TOTAL LIABILITIES</b>	<u>92,803</u>	<u>-</u>	<u>92,803</u>
<b>NET ASSETS</b>			
Plan Net Assets Held in Trust for Pension Benefits	<u>\$ 5,460,615</u>	<u>\$ 1,807,252</u>	<u>\$ 7,267,867</u>

VILLAGE OF GLENWOOD, ILLINOIS  
 COMBINING STATEMENT OF CHANGES  
 IN FIDUCIARY NET ASSETS  
 PENSION TRUST FUNDS  
 Year ended April 30, 2008

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	Police Pension <u>Trust Fund</u>	Firefighters' Pension <u>Trust Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 306,728	\$ 90,876	\$ 397,604
Plan Members	<u>134,025</u>	<u>29,291</u>	<u>163,316</u>
Total Contributions	<u>440,753</u>	<u>120,167</u>	<u>560,920</u>
Net Investment Income	<u>183,416</u>	<u>110,122</u>	<u>293,538</u>
 Total Additions	 <u>624,169</u>	 <u>230,289</u>	 <u>854,458</u>
<b>DEDUCTIONS</b>			
Benefits & Refunds	566,563	36,413	602,976
Administrative Expenses	<u>30,811</u>	<u>36,629</u>	<u>67,440</u>
 Total Deductions	 <u>597,374</u>	 <u>73,042</u>	 <u>670,416</u>
 Increase (Decrease) in plan net assets	 26,795	 157,247	 184,042
 Plan Net assets at Beginning of Year	 <u>5,433,820</u>	 <u>1,650,005</u>	 <u>7,083,825</u>
 Plan Net assets at End of Year	 <u>\$ 5,460,615</u>	 <u>\$ 1,807,252</u>	 <u>\$ 7,267,867</u>

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VILLAGE OF GLENWOOD, ILLINOIS  
SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES  
YEAR ENDED APRIL 30, 2008

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Workers' Compensation	\$ 390,130
Auto/General Liability	239,114
Unemployment	<u>5,102</u>
Total Tort Immunity Purposes Expenditures	<u><u>\$ 634,346</u></u>

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

The Village's tax extension for liability insurance purposes for tax year 2007 as levied by Cook County was \$223,510. Any shortfall to cover expenditures in excess of taxes collected is derived from other general fund revenues of the Village. Any excess of revenues over expenditures is carried forward to subsequent fiscal years subject to a statutory formula.

## VILLAGE OF GLENWOOD, ILLINOIS

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

	2007	2006	2005	2004	2003
Tax Rates (per \$100 of assessed valuation):					
Corporate	0.0939	0.0775	0.1570	0.1368	0.2459
Auditing	0.0408	0.0403	0.0428	0.0416	0.0341
Liability Insurance	0.1696	0.2568	0.2596	0.2883	0.2755
Workers' compensation	0.2814	0.1441	0.1405	0.1552	0.1484
Unemployment compensation	0.0117	0.0201	0.0214	0.0139	0.0224
Police Protection	0.5391	0.5636	0.5825	0.5746	0.5664
Crossing Guards	0.0203	0.0209	0.0206	0.0216	0.0218
Fire Protection	0.2350	0.2456	0.2613	0.2353	0.2065
Civil Defense	0.0117	0.0121	0.0154	0.0167	0.0175
Police Pension	0.2666	0.2281	0.1804	0.1854	0.1805
Fire Pension	0.0641	0.0687	0.0646	0.0665	0.0561
I.M.R.F.	0.3474	0.3462	0.3033	0.3748	0.2953
Debt Service	0.3280	0.7208	0.7675	0.4459	0.4650
Totals	2.4096	2.7448	2.8169	2.5566	2.5354
Tax extensions:					
Corporate	\$ 123,703	\$ 99,086	\$ 188,767	\$ 152,287	\$ 260,992
Auditing	53,766	51,500	51,500	46,350	36,050
Liability Insurance	223,510	328,570	312,090	320,891	291,226
Workers' compensation	370,800	184,370	168,920	172,788	156,814
Unemployment compensation	15,450	25,750	25,750	15,450	23,690
Police Protection	710,385	720,989	700,400	639,587	598,718
Crossing Guards	26,780	26,780	24,715	23,995	23,072
Fire Protection	309,690	314,150	314,150	261,908	218,239
Civil Defense	15,450	15,450	18,540	18,540	18,540
Police Pension	351,239	291,840	216,813	206,342	190,780
Fire Pension	84,507	87,951	77,660	73,962	59,296
I.M.R.F.	457,835	442,900	364,620	417,150	312,090
Debt Service	432,272	922,155	922,583	496,322	491,466
Totals	\$ 3,175,387	\$ 3,511,491	\$ 3,386,508	\$ 2,845,572	\$ 2,680,973
Collections	\$ 928,934	\$ 3,422,524	\$ 3,396,307	\$ 2,854,703	\$ 2,541,793
Percent Collected	29.25%	97.47%	100.29%	100.32%	94.81%

VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF DEBT SERVICE REQUIREMENTS  
 APRIL 30, 2008

	Year Ending April 30,	Principal	Interest	Total
Series 1998A	2009	\$ 205,000	\$ 8,405	\$ 213,405
Dated: September 15, 1998		<u>\$ 205,000</u>	<u>\$ 8,405</u>	<u>\$ 213,405</u>
Interest payable: April 1 and October 1 of each year				
Interest rates: 3.75% to 4.65%				
Series 1998B	2009	\$ 160,000	\$ 97,520	\$ 257,520
Dated: September 15, 1998	2010	165,000	90,960	255,960
Interest payable: April 1 and October 1 of each year	2011	170,000	84,113	254,113
Interest rates: 3.75% to 4.65%	2012	180,000	76,888	256,888
	2013	185,000	69,148	254,148
	2014	195,000	61,008	256,008
	2015	205,000	52,233	257,233
	2016	215,000	42,905	257,905
	2017	225,000	33,015	258,015
	2018	235,000	22,553	257,553
	2019	250,000	11,625	261,625
		<u>\$ 2,185,000</u>	<u>\$ 641,968</u>	<u>\$ 2,826,968</u>

## VILLAGE OF GLENWOOD, ILLINOIS

## SCHEDULE OF DEBT SERVICE REQUIREMENTS

APRIL 30, 2008

	Year Ending April 30,	Principal	Interest	Total
Capital Lease 2004	2009	\$ 159,681	\$ 5,030	\$ 164,711
Dated: August 1, 2003		<u>\$ 159,681</u>	<u>\$ 5,030</u>	<u>\$ 164,711</u>
Principal and Interest payable annually March 1 Interest rate: 3%				
Capital Lease 2007	2009	\$ 27,065	\$ 2,110	\$ 29,175
Dated: September 7, 2006		<u>\$ 27,065</u>	<u>\$ 2,110</u>	<u>\$ 29,175</u>
Principal and Interest Payable annually September 1 Interest rate: 5.55%				
Bonds Series 2001	2009	\$ 130,000	\$ 281,563	\$ 411,563
Dated: May 1, 2001	2010	140,000	276,103	416,103
Interest payable:	2011	145,000	270,083	415,083
June 1 and December 1	2012	150,000	263,703	413,703
Interest rates: 3.0% to 5.38%	2013	155,000	256,953	411,953
	2014	165,000	249,823	414,823
	2015	170,000	242,068	412,068
	2016	180,000	233,908	413,908
	2017	190,000	225,088	415,088
	2018	200,000	214,638	414,638
	2019	210,000	203,638	413,638
	2020	220,000	192,088	412,088
	2021	235,000	179,988	414,988
	2022	245,000	167,063	412,063
	2023	260,000	154,200	414,200
	2024	275,000	140,550	415,550
	2025	290,000	126,113	416,113
	2026	300,000	110,888	410,888
	2027	320,000	95,138	415,138
	2028	335,000	77,938	412,938
	2029	350,000	59,931	409,931
	2030	370,000	41,119	411,119
	2031	395,000	21,231	416,231
		<u>\$ 5,430,000</u>	<u>\$ 4,083,815</u>	<u>\$ 9,513,815</u>

(Continued)

## VILLAGE OF GLENWOOD, ILLINOIS

SCHEDULE OF DEBT SERVICE REQUIREMENTS  
APRIL 30, 2008

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	Year Ending April 30,	Principal	Interest	Total
Installment Contract	2009	\$ 28,199	\$ 3,054	31,253
Dated: July 3, 2007	2010	30,828	1,408	32,236
Principal and Interest payable	2011	<u>8,532</u>	<u>34</u>	<u>8,566</u>
monthly at an interest rate of 5.62%		<u>\$ 67,559</u>	<u>\$ 4,496</u>	<u>\$ 72,055</u>
Capital Lease	2009	\$ 19,634	\$ 2,530	\$ 22,164
Dated: April 17, 2008	2010	<u>20,861</u>	<u>1,303</u>	<u>22,164</u>
Principal and Interest payable		<u>\$ 40,495</u>	<u>\$ 3,833</u>	<u>\$ 44,328</u>
Annually April 17				
Interest rate: 6.25%				

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Crowe Horwath LLP  
Member Horwath International

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE

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

We have examined the Village of Glenwood, Illinois' (the Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act for the Industrial Park Tax Increment Financing District, Holbrook Road Tax Increment Financing District, and the Main Street Tax Increment Financing District for the year ended April 30, 2008. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

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

In our opinion, the Village complied in all material respects with the aforementioned requirements for the year ended April 30, 2008.

*Crowe Horwath LLP*  
Crowe Horwath LLP

Oak Brook, Illinois  
December 19, 2008