

Village of Glenwood, Illinois

Annual Financial Report
Year Ended April 30, 2015

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RSM US LLP

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Glenwood, Illinois (Village), as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund, which represents 53.6 percent, 58.1 percent and 27.8 percent, respectively, of assets, fund balance/net position and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Glenwood, Illinois as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the financial statements, during the fiscal year ended April 30, 2015, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 3-9), pension and postemployment related information (on pages 61-67) and budgetary comparison information (on pages 68-69) and notes to required supplementary information (on pages 70-71) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The other information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

RSM US LLP

Chicago, Illinois
December 30, 2015

Required Supplementary Information

Management's Discussion and Analysis (MD&A)

Village of Glenwood, Illinois

Management's Discussion and Analysis

April 30, 2015

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements (beginning on page 10).

Using the Financial Section of this Comprehensive Annual Report

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

Government-Wide Financial Statements

The government-wide financial statements (see pages 10-12) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the Unrestricted Net Position) is designed to be similar to bottom line results for the Village and its governmental and business-type activities. Governmental Accounting Standards Board Statement No. 34 combined and consolidated the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see page 12) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

Fund Financial Statements

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

The Governmental Funds (see pages 13 and 15) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police and Firefighters' Pension Funds and Agency Funds, see pages 22-23). While these Funds represent trust or custodial responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-Type Activities column on the Business-Type Fund Financial Statements (see pages 17-21) is the same as the Business-Type column on the Government-Wide Financial Statements, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 14 and 16). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-Wide financial statements).

Infrastructure Assets

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

Government-Wide Financial Statements

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$38.1 million as of April 30, 2015.

A significant portion of the Village's assets (80.1%) reflects its investment in capital assets (i.e., land, land improvements, streets and bridges, storm sewers, water mains, buildings and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The table below presents condensed financial information taken from the Village's Statement of Net Position for the fiscal year ended April 30, 2015.

Management's Discussion and Analysis (Continued)

Table 1
Statement of Net Position
As of April 30, 2015
(in millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
Current Assets	\$ 11.7	\$ 9.8	\$ 2.0	\$ 2.3	\$ 13.7	\$ 12.1
Capital Assets	<u>30.8</u>	<u>30.7</u>	<u>17.7</u>	<u>17.4</u>	<u>48.5</u>	<u>48.1</u>
Total Assets	<u>42.6</u>	<u>40.5</u>	<u>19.7</u>	<u>19.7</u>	<u>62.8</u>	<u>60.2</u>
Current Liabilities	2.9	1.5	0.7	0.9	3.6	2.4
Non Current Liabilities	<u>9.8</u>	<u>9.4</u>	<u>7.8</u>	<u>7.5</u>	<u>17.6</u>	<u>16.9</u>
Total Liabilities	<u>12.7</u>	<u>10.9</u>	<u>8.5</u>	<u>8.4</u>	<u>21.2</u>	<u>19.3</u>
Deferred inflows of resources	<u>2.5</u>	<u>2.7</u>	<u>0.1</u>	<u>0.1</u>	<u>2.6</u>	<u>2.8</u>
Net Position:						
Net investment in capital assets	20.9	21.0	9.7	9.6	30.6	30.6
Restricted	5.3	4.2	-	-	5.3	4.2
Unrestricted	<u>1.2</u>	<u>1.7</u>	<u>1.4</u>	<u>1.6</u>	<u>2.6</u>	<u>3.3</u>
Total Net Position	<u>\$ 27.4</u>	<u>\$ 26.9</u>	<u>\$ 11.1</u>	<u>\$ 11.2</u>	<u>\$ 38.5</u>	<u>\$ 38.1</u>

For more detailed information see the Statement of Net Position (pages 10-11).

The Village's combined net position, which is the Village's equity, decreased to \$38.1 million from \$38.5 million as a result of the decrease in net position in the Governmental Activities. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations, was a surplus of \$1.7 million. The unrestricted net position of Business-Type Activities was \$1.6 million. The Village can use unrestricted net position to finance the continuing operation of its waterworks and sewerage system and golf course.

Normal Impacts

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

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

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

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

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

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

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

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

Current Year Impacts

The Village's Governmental Activities net position decreased by \$0.5 million. Assets decreased by \$2.1 million mainly due to decreases in cash and property held for resale. Total liabilities decreased by \$1.8 million and deferred inflows increased in total by \$0.2 million, respectively, due to a decrease in a line of credit borrowing resale and an increase in deferred property taxes.

The Village's Business-Type Activities net position increased by \$0.1 million. Assets remained flat while total liabilities decreased by \$0.1 million and can be attributed to a decrease in accounts payable and notes payable.

Changes in Net Position

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

Table 2
Changes in Net Position
For the Fiscal Year Ended April 30, 2015
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
REVENUES						
Program Revenues						
Charges for Services	\$1.4	\$1.4	\$4.3	\$4.7	\$ 5.7	\$ 6.1
Grants and Contributions	0.9	0.5	0.2	0.2	1.1	0.7
General Revenues						
Property Taxes	6.9	6.5	0.2	0.2	7.1	6.7
Other Taxes	2.9	2.9	-	-	2.9	2.9
Other	0.4	0.7	-	-	0.6	0.7
Transfer	<u>1.3</u>	<u>0.0</u>	<u>(1.3)</u>	<u>0.0</u>	<u>-</u>	<u>-</u>
Total Revenues and Transfer	<u>13.8</u>	<u>12.0</u>	<u>3.4</u>	<u>5.1</u>	<u>17.2</u>	<u>17.1</u>
EXPENSES						
General Government	5.5	6.1	-	-	5.5	6.1
Public Safety	4.6	4.9	-	-	4.6	4.9
Public Works	0.9	0.4	-	-	0.9	0.4
Highway and Streets	0.5	0.4	-	-	0.5	0.4
Water and Sewer	-	-	2.5	2.9	2.5	2.9
Golf Course	-	-	1.9	2.1	1.9	2.1
Debt Service	<u>0.7</u>	<u>0.7</u>	<u>-</u>	<u>-</u>	<u>0.7</u>	<u>0.7</u>
Total Expenses	<u>12.2</u>	<u>12.5</u>	<u>4.4</u>	<u>5.0</u>	<u>16.6</u>	<u>17.5</u>
CHANGE IN NET POSITION	<u>\$1.6</u>	<u>\$(0.5)</u>	<u>\$(1.0)</u>	<u>\$ 0.1</u>	<u>\$0.6</u>	<u>\$(0.4)</u>
ENDING NET POSITION	<u>\$27.4</u>	<u>\$26.9</u>	<u>\$ 11.1</u>	<u>\$ 11.2</u>	<u>\$ 38.5</u>	<u>\$ 38.1</u>

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

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

Normal Impacts

Revenues:

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

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

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

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

Expenses:

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

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

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

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

Current Year Impacts

Revenues:

The Village's governmental activities total revenues decreased by \$1.8 million over the prior year to \$12.0 million. The main reason for the decrease can mainly be attributed to the \$0.4 and \$1.3 million decreases in property taxes and transfers revenue, respectively.

The Village's Business-Type Activities total revenues increased by \$1.7 million over the prior year. This increase can mainly be attributed to a \$0.4 million increase in charges for service as well as a \$1.3 million increase in transfers expenses.

Expenses:

The Village's total expenses for governmental activities for the year ended April 30, 2015 increased by \$0.3 million to \$12.5 million, due mainly to an increase in general government expenses offset by decreases in public works and highways and streets.

The Village's total expenses for business-type activities for the year ended April 30, 2015 were \$5.0 million, an increase of \$0.6 million from the prior year. The increase can mainly be attributed to increases in Water & Sewer expenses.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

Financial Analysis of the Village's Funds

Governmental Funds

At April 30, 2015, the governmental funds (as presented on the balance sheet on page 13-14) reported a combined fund balance of \$6.1 million. Expenses and other uses exceeded revenues and other sources in 2015 by \$0.8 million.

The General Fund experienced a current year operating surplus of \$0.1 million. This resulted in a year-end fund balance of \$1.6 million, relatively consistent with the prior year.

The Holbrook Road Tax Increment Financing District Fund experienced an operating deficit of \$0.8 million, mainly related to an increase in transfers expenses. This resulted in an ending fund balance of \$1.6 million.

General Fund Budgetary Highlights

At the first Village Council Committee meeting in May, the Mayor submits to the Village Council a proposed operating budget for the fiscal year commencing on May 1. The operating budget includes proposed expenditures and the means to finance them. The Village had no budget amendments in 2015. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Actual
Revenues		
Taxes	\$ 4.5	\$ 4.0
Intergovernmental	2.3	2.4
Licenses, permits and fees	0.6	0.5
Fines	0.1	0.2
Charges for services	0.6	0.7
Other	<u>0.4</u>	<u>0.4</u>
Total	<u>8.5</u>	<u>8.2</u>
Expenditures		
Administration	2.8	2.6
Public works	0.9	0.6
Parks	0.1	0.1
Police	4.0	3.6
Fire	1.2	1.0
Capital outlay	0.3	0.1
Other	<u>0.2</u>	<u>0.1</u>
Total	<u>9.5</u>	<u>8.1</u>
Change in Fund Balance	<u>\$(1.0)</u>	<u>\$0.1</u>

The General Fund anticipated a deficit of \$1.0 million, while actual results were a \$0.1 million surplus.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

Capital Assets

At the end of the fiscal year 2015, the Village had a combined total of capital assets of \$48.1 million invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers and sanitary sewer lines. (See Table 4 below). This amount represents a net increase (including additions and deletions) of about \$0.5 million.

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

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

	Balance 4/30/14	Net Additions/Deletions	Balance 4/30/15
Land	\$ 25.8	\$ (0.4)	\$ 25.4
Construction in progress	1.0	0.4	1.4
Improvements	0.7	(0.1)	0.6
Buildings	8.0	(0.1)	7.9
Machinery and Equipment	1.7	(0.2)	1.9
Infrastructure	<u>11.4</u>	<u>(0.5)</u>	<u>10.9</u>
Total Capital Assets	<u>\$ 48.6</u>	<u>0.3</u>	<u>\$ 48.1</u>

Long-Term Debt

The Village had \$17.5 million and \$19.2 million in outstanding long-term debt (including bonds payable net of unamortized bond premium, notes payable, lines of credit, and capital leases) at April 30, 2015 and 2014, respectively. The Village paid off approximately \$1.7 million in long-term debt in the current year.

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

Economic Factors

The financial condition of the Federal and State governments has had a dramatic effect on the Village of Glenwood during 2015 and is expected to continue into 2016. Grant assistance is extremely competitive and previously reliable state share revenues (especially the income tax and use tax) have been materially reduced. The Village will need to look internally and consider increasing other revenue sources and/or reduce expenditures until these larger governments get their finances in order.

Contacting the Village's Financial Management

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

Basic Financial Statements

Government-Wide Financial Statements

Village of Glenwood, Illinois

Statement of Net Position

April 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 5,802,492	\$ 1,727,110	\$ 7,529,602
Receivables:			
Property taxes	2,762,861	130,524	2,893,385
Accounts	-	539,097	539,097
Other	57,678	3,591	61,269
Prepays	126,367	24,707	151,074
Inventories	-	65,425	65,425
Due from other governments	668,095	-	668,095
Due from fiduciary fund	3,349	-	3,349
Property held for resale	196,000	-	196,000
Internal balances	171,867	(171,867)	-
Total current assets	<u>9,788,709</u>	<u>2,318,587</u>	<u>12,107,296</u>
Noncurrent Assets			
Net pension asset	7,932	-	7,932
Capital assets not being depreciated	22,443,636	4,323,187	26,766,823
Capital assets being depreciated, net	8,211,550	13,100,548	21,312,098
Total noncurrent assets	<u>30,663,118</u>	<u>17,423,735</u>	<u>48,086,853</u>
Total assets	<u>\$ 40,451,827</u>	<u>\$ 19,742,322</u>	<u>\$ 60,194,149</u>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Net Position (Continued)

April 30, 2015

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 310,597	\$ 367,165	\$ 677,762
Accrued payroll	156,862	48,838	205,700
Accrued interest	278,279	80,653	358,932
Deposits	85,315	48,926	134,241
Unearned revenue	122,108	-	122,108
Compensated absences	56,894	26,215	83,109
Note payable	-	128,459	128,459
Capital leases	-	113,850	113,850
General obligation bonds	475,000	85,000	560,000
Total current liabilities	1,485,055	899,106	2,384,161
Long-Term Liabilities, net of current maturities			
Compensated absences	18,965	8,737	27,702
Note payable	-	2,367,910	2,367,910
Capital leases	-	129,079	129,079
General obligation bonds, net of unamortized bond premium	9,234,689	5,012,465	14,247,154
Net pension obligation	70,645	-	70,645
OPEB obligation	93,609	-	93,609
Total noncurrent liabilities	9,417,908	7,518,191	16,936,099
Total liabilities	10,902,963	8,417,297	19,320,260
Deferred inflows of resources			
Deferred property taxes	2,640,155	123,686	2,763,841
Net Position			
Net investment in capital assets	20,945,497	9,586,972	30,532,469
Restricted for:			
Debt service	506,995	-	506,995
Capital projects	262,693	-	262,693
Road improvements	486,623	-	486,623
Tax increment financing projects	2,901,950	-	2,901,950
Retirement benefits	18,118	-	18,118
Public safety expenditures	110,020	-	110,020
Unrestricted	1,676,813	1,614,367	3,291,180
Total net position	\$ 26,908,709	\$ 11,201,339	\$ 38,110,048

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Activities
Year Ended April 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 6,082,996	\$ 845,875	\$ 296,280	\$ -	\$ (4,940,841)	\$ -	\$ (4,940,841)
Public safety	4,920,556	391,400	-	-	(4,529,156)	-	(4,529,156)
Public works	416,487	11,340	-	-	(405,147)	-	(405,147)
Highway and streets	357,376	181,352	211,849	-	35,825	-	35,825
Interest and fees	674,102	-	-	-	(674,102)	-	(674,102)
Total governmental activities	<u>12,451,517</u>	<u>1,429,967</u>	<u>508,129</u>	<u>-</u>	<u>(10,513,421)</u>	<u>-</u>	<u>(10,513,421)</u>
Business-type activities:							
Water and sewer	2,891,672	2,838,114	-	96,487	-	42,929	42,929
Golf course operations	2,169,712	1,834,612	-	90,631	-	(244,469)	(244,469)
Total business-type activities	<u>5,061,384</u>	<u>4,672,726</u>	<u>-</u>	<u>187,118</u>	<u>-</u>	<u>(201,540)</u>	<u>(201,540)</u>
Total	<u>\$ 17,512,901</u>	<u>\$ 6,102,693</u>	<u>\$ 508,129</u>	<u>\$ 187,118</u>	<u>(10,513,421)</u>	<u>(201,540)</u>	<u>(10,714,961)</u>
General revenues							
Taxes:							
Property					6,522,849	221,965	6,744,814
Sales					995,983	-	995,983
Income					903,588	-	903,588
Utility					620,576	-	620,576
Other					330,023	-	330,023
Interest					1,401	2,715	4,116
Miscellaneous					659,376	-	659,376
Transfers					(2,853)	2,853	-
Total general revenues and transfers					<u>10,030,943</u>	<u>227,533</u>	<u>10,258,476</u>
Change in net position					(482,478)	25,993	(456,485)
Net position:							
May 1, 2014					<u>27,391,187</u>	<u>11,175,346</u>	<u>38,566,533</u>
April 30, 2015					<u>\$ 26,908,709</u>	<u>\$ 11,201,339</u>	<u>\$ 38,110,048</u>

See Notes to Financial Statements.

Fund Financial Statements

Village of Glenwood, Illinois

Balance Sheet - Governmental Funds
April 30, 2015

	Major Funds			
	General Fund	Holbrook Road Tax Increment Financing District Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,427,686	\$ 1,207,748	\$ 3,167,058	\$ 5,802,492
Receivables:				
Property taxes	2,098,396	-	664,465	2,762,861
Other receivables	57,678	-	-	57,678
Prepays	126,367	-	-	126,367
Due from other governments	648,509	-	19,586	668,095
Due from other funds	259,499	297,909	-	557,408
Property held for resale	56,000	140,000	-	196,000
Total assets	\$ 4,674,135	\$ 1,645,657	\$ 3,851,109	\$ 10,170,901
Liabilities				
Accounts payable	\$ 227,331	\$ 6,286	\$ 76,980	\$ 310,597
Accrued payroll	156,862	-	-	156,862
Deposits	85,315	-	-	85,315
Unearned revenue	122,108	-	-	122,108
Due to other funds	127,192	-	255,000	382,192
Total liabilities	718,808	6,286	331,980	1,057,074
Deferred Inflows of Resources				
Deferred property taxes	2,064,373	-	651,050	2,715,423
Deferred intergovernmental revenue	254,981	-	-	254,981
Total deferred inflows	2,319,354	-	651,050	2,970,404
Fund Balances				
Nonspendable	126,367	-	-	126,367
Restricted for:				
Road improvements	-	-	486,623	486,623
Tax increment financing projects	-	1,639,371	1,262,579	2,901,950
Retirement benefits	-	-	18,118	18,118
Public safety expenditures	-	-	110,020	110,020
Debt service	-	-	785,274	785,274
Capital projects	-	-	262,693	262,693
Unassigned	1,509,606	-	(57,228)	1,452,378
Total fund balances	1,635,973	1,639,371	2,868,079	6,143,423
Total liabilities, deferred inflows of resources and fund balances	\$ 4,674,135	\$ 1,645,657	\$ 3,851,109	\$ 10,170,901

See Notes to Financial Statements.

Village of Glenwood, Illinois

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
April 30, 2015**

Total fund balances-governmental funds	\$ 6,143,423
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	30,655,186
Premium on bonds that are other financing source in the fund financial statements are a liability that is amortized over the life of the bonds in the government-wide financial statements.	(4,689)
Revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements.	330,249
Some assets and liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as assets or liabilities in governmental funds. These assets and liabilities consist of:	
General obligation bonds	(9,705,000)
Accrued interest	(278,279)
Net pension asset	7,932
Net pension obligation	(70,645)
OPEB obligations	(93,609)
Compensated absences	(75,859)
	<hr/>
Net position of governmental activities	<u>\$ 26,908,709</u>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended April 30, 2015

	Major Funds			
	General Fund	Holbrook Road Tax Increment Financing District Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 3,472,533	\$ 1,320,295	\$ 1,664,133	\$ 6,456,961
Other taxes	490,130	-	-	490,130
Intergovernmental	2,440,163	-	296,762	2,736,925
Licenses, permits and fees	533,744	-	-	533,744
Fines	237,672	-	-	237,672
Interest	770	-	211,270	212,040
Charges for services	638,059	-	-	638,059
Miscellaneous	437,661	-	157,127	594,788
Total revenues	8,250,732	1,320,295	2,329,292	11,900,319
Expenditures:				
Current:				
Administration	2,651,587	29,383	2,166,682	4,847,652
Public works	616,535	-	-	616,535
Parks	63,762	-	-	63,762
Police	3,598,615	-	12,138	3,610,753
Fire	980,067	-	-	980,067
ESDA	6,814	-	-	6,814
Senior center	61,922	-	-	61,922
Highway and streets	74,450	-	160,522	234,972
Pension contributions	-	-	404,007	404,007
Debt service:				
Principal	-	-	465,000	465,000
Interest and fees	5,596	-	683,419	689,015
Capital outlay	53,088	-	868,433	921,521
Total expenditures	8,112,436	29,383	4,760,201	12,902,020
Excess (deficiency) of revenues over (under) expenditures	138,296	1,290,912	(2,430,909)	(1,001,701)
Other financing sources (uses):				
Gain (loss) on sale of property held for resale	11,029	(188,155)	396,962	219,836
Transfers in	7,667	-	2,593,367	2,601,034
Transfers (out)	(70,618)	(1,902,558)	(630,711)	(2,603,887)
Total other financing sources (uses)	(51,922)	(2,090,713)	2,359,618	216,983
Change in fund balance	86,374	(799,801)	(71,291)	(784,718)
Fund balances (deficit):				
May 1, 2014	1,549,599	2,439,172	2,939,370	6,928,141
April 30, 2015	\$ 1,635,973	\$ 1,639,371	\$ 2,868,079	\$ 6,143,423

See Notes to Financial Statements.

Village of Glenwood, Illinois

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended April 30, 2015**

Net change in fund balances-total governmental funds \$ (784,718)

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

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

Prior year deferred balance	(265,589)
Current year deferred balance	330,249

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

Capital outlays	686,592
Depreciation expense	(415,966)

Governmental funds do not report capital asset transactions while governmental activities report gain or loss on the sale of fixed assets.

Loss on disposal	(415,223)
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Premium on bonds is recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the statement of net position and is amortized over the life of the bonds. This is the amount in the current period.

Amortization premium on bonds	6,348
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Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

	465,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Decrease in accrued interest	6,965
Decrease in compensated absences	12,473
Decrease in net pension asset	(38,354)
Increase in net pension obligation	(33,656)
Increase in OPEB obligation	(36,599)

Change in net position of governmental activities	<u>\$ (482,478)</u>
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See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Net Position - Enterprise Funds
 April 30, 2015

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,497,198	\$ 229,912	\$ 1,727,110
Receivables:			
Property taxes	-	130,524	130,524
Accounts	469,441	69,656	539,097
Other	-	3,591	3,591
Prepays	15,234	9,473	24,707
Inventories	-	65,425	65,425
Due from other funds	54,283	-	54,283
Total current assets	2,036,156	508,581	2,544,737
Noncurrent Assets			
Capital assets not being depreciated	-	4,323,187	4,323,187
Capital assets being depreciated, net	8,947,650	4,152,898	13,100,548
Total noncurrent assets	8,947,650	8,476,085	17,423,735
Total assets	\$ 10,983,806	\$ 8,984,666	\$ 19,968,472

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Net Position - Enterprise Funds (Continued)
 April 30, 2015

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 334,044	\$ 33,121	\$ 367,165
Accrued payroll	15,612	33,226	48,838
Accrued interest	1,820	78,833	80,653
Deposits	48,926	-	48,926
Due to other funds	-	226,150	226,150
Compensated absences	4,799	21,416	26,215
Note payable	128,459	-	128,459
Capital leases	-	113,850	113,850
General obligation bonds	-	85,000	85,000
Total current liabilities	533,660	591,596	1,125,256
Long-Term Liabilities, net of current maturities			
Compensated absences	1,599	7,138	8,737
Note payable	2,367,910	-	2,367,910
Capital leases	-	129,079	129,079
General obligation bonds, net of unamortized bond premium	-	5,012,465	5,012,465
Total noncurrent liabilities	2,369,509	5,148,682	7,518,191
Total liabilities	2,903,169	5,740,278	8,643,447
Deferred inflows of resources			
Deferred property taxes	-	123,686	123,686
Net Position			
Net investment in capital assets	6,451,281	3,135,691	9,586,972
Unrestricted	1,629,356	(14,989)	1,614,367
Total net position	\$ 8,080,637	\$ 3,120,702	\$ 11,201,339

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Revenues, Expenses, and Changes in Net Position
 Enterprise Funds
 Year Ended April 30, 2015

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Operating revenues:			
Charges for service	\$ 2,838,114	\$ 1,834,612	\$ 4,672,726
Operating expenses:			
Operations	2,510,683	1,627,768	4,138,451
Depreciation	348,687	353,799	702,486
Amortization	-	(12,528)	(12,528)
Total operating expenses	2,859,370	1,969,039	4,828,409
Operating loss	(21,256)	(134,427)	(155,683)
Nonoperating income (expense):			
Property taxes	-	221,965	221,965
Interest income	2,713	2	2,715
Interest expense	(32,302)	(200,673)	(232,975)
Total nonoperating income (expense)	(29,589)	21,294	(8,295)
Loss before contributions and transfers	(50,845)	(113,133)	(163,978)
Capital contributions	96,487	90,631	187,118
Transfers in	250,764	2,089	252,853
Transfers out	(150,000)	(100,000)	(250,000)
Change in net position	146,406	(120,413)	25,993
Net Position:			
May 1, 2014	7,934,231	3,241,115	11,175,346
April 30, 2015	\$ 8,080,637	\$ 3,120,702	\$ 11,201,339

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds
Year Ended April 30, 2015

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Cash flows from operating activities			
Cash received for services	\$ 2,764,915	\$ 1,826,387	\$ 4,591,302
Payments to employees	(459,232)	(656,847)	(1,116,079)
Payments to suppliers	(1,914,036)	(950,670)	(2,864,706)
Net cash provided by operating activities	391,647	218,870	610,517
Cash flows from noncapital financing activities			
Property taxes	-	220,100	220,100
(Increase) decrease in due from other funds	(18,868)	93,372	74,504
(Decrease) in due to other funds	(71,258)	(14,000)	(85,258)
Transfer in	250,764	2,089	252,853
Transfer out	(150,000)	(100,000)	(250,000)
Net cash provided by noncapital financing activities	10,638	201,561	212,199
Cash flows from capital and related financing activities			
Additions to capital assets	(53,730)	(109,993)	(163,723)
Principal payments, capital leases, net	-	(36,356)	(36,356)
Principal payments, general obligation bonds	-	(30,000)	(30,000)
Principal payments, note payable	(126,869)	-	(126,869)
Interest paid	(32,395)	(201,048)	(233,443)
Net cash (used in) capital and related financing activities	(212,994)	(377,397)	(590,391)
Cash flows from investing activities			
Sale of investments	1,029,347	-	1,029,347
Cash receipts from interest income	2,713	2	2,715
Net cash flows provided by investing activities	1,032,060	2	1,032,062
Net increase in cash and cash equivalents	1,221,351	43,036	1,264,387
Cash and cash equivalents:			
May 1, 2014	275,847	186,876	462,723
April 30, 2015	\$ 1,497,198	\$ 229,912	\$ 1,727,110

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds (Continued)
Year Ended April 30, 2015

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	\$ (21,256)	\$ (134,427)	\$ (155,683)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	348,687	353,799	702,486
Amortization	-	(12,528)	(12,528)
Changes in assets and liabilities			
Accounts receivable	(69,442)	(5,992)	(75,434)
Prepays	(8,396)	(2,233)	(10,629)
Inventory	-	1,719	1,719
Accounts payable	137,760	12,192	149,952
Accrued payroll	(892)	5,755	4,863
Deposits	4,639	-	4,639
Due to other governments	-	-	-
Compensated absences	547	585	1,132
Total adjustments	412,903	353,297	766,200
Net cash provided by operating activities	\$ 391,647	\$ 218,870	\$ 610,517
Supplemental Schedule of Non-Cash Capital and Related Finance Activities			
Capital assets contributed from government	\$ 96,487	\$ 90,631	\$ 187,118

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2015

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 15,000	\$ 84,857
Investments:		
Certificates of deposit	871,609	-
U.S. government and agency obligations	3,280,996	-
Corporate bonds	1,380,704	-
Insurance contracts	352,471	-
Equity mutual funds	3,542,882	-
Money market mutual funds	307,544	-
Illinois Funds	63,302	-
Accrued interest	31,500	-
Prepaid items	3,845	-
	<hr/>	<hr/>
Total assets	9,849,853	84,857
Liabilities		
Accounts payable	3,433	-
Due to other funds	3,349	84,857
	<hr/>	<hr/>
Total liabilities	6,782	84,857
Net Position		
Held in trust for pension benefits	<u>\$ 9,843,071</u>	<u>\$ -</u>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2015

Additions	
Contributions:	
Employer	\$ 648,747
Employee	186,213
Total contributions	<u>834,960</u>
Investment income:	
Net increase in fair value of investments	195,466
Interest and dividend earnings	331,275
Less: investment expenses	(21,653)
Net investment income	<u>505,088</u>
Total additions	<u>1,340,048</u>
Deductions	
Benefits and refunds	932,959
Administrative expenses	67,370
Total deductions	<u>1,000,329</u>
Net increase	339,719
Net position held in trust for employees' pension benefits:	
May 1, 2014	<u>9,503,352</u>
April 30, 2015	<u>\$ 9,843,071</u>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Activities

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

Financial Reporting Entity

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

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

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

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

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

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

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

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The Village has the following governmental fund types – General, Special Revenue, Debt Service, and Capital Projects. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major enterprise funds – Water and Sewer Fund and Golf Course Fund.

The Village administers the following major governmental funds:

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

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

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

The Village administers the following major proprietary funds:

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

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

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

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Fiduciary fund statements do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

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

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

Inventories

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

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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

Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

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

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

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

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

Capital Assets

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

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

Land Held for Resale

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

Unearned/Deferred Revenue

The Village reports both deferred inflows of resources and unearned revenues (liabilities) on its financial statements. Deferred inflows of resources arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period for the governmental funds. Additionally, deferred inflows of resources arise when revenues associated with imposed nonexchange revenue transactions (property taxes) are received or reported as a receivable before the period for which they are levied. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the fulfillment of eligibility requirements. In subsequent periods, when revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

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

Compensated Absences

Accumulated unpaid compensated absences represent vacation time and are accrued as a liability in the proprietary funds using the accrual basis of accounting. For governmental funds using the modified accrual basis of accounting, such amounts, which are expected to be paid from current available resources, are accrued as liabilities in the funds and those amounts, which are not expected to be paid from current available resources, are accounted for in the statement of net position. The General Fund is typically used to liquidate the governmental fund liability.

Long-Term Obligations

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

Net Position

The Village's net position is classified as follows:

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

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

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

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

Fund Balances

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

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. As of April 30, 2015, the Village has nonspendable fund balance in the amount of \$126,367.

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board of Trustees. The Village passes formal resolutions to commit their fund balances. As of April 30, 2015, the Village has no committed fund balance amounts.

Assigned – includes amounts that are constrained by the Village's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's Board of Trustees itself; or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's Board of Trustees has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. As of April 30, 2015, the Village has no assigned fund balance amounts.

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

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

Elimination and Reclassification

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

Use of Estimates

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 2. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by the County and issued on or about February 1 and September 1, and are payable in two installments which become delinquent on or about March 1 and October 1. Property taxes are billed, collected and remitted periodically by the County Treasurer of Cook County, Illinois. For all funds, the Village recognizes no more than one-half of the levy in the current fiscal year as revenue with the second half to be recognized in the following fiscal year. Accordingly, the second half amount is reflected as deferred inflows of resources this year. This methodology conforms to the measurable and available criteria for revenue recognition. An allowance for the estimated uncollectible taxes has been provided based on prior year collection experiences. Property tax collection through 60 days were not sufficient to meet the availability criteria, therefore, the Village was not able to recognize one-half of the levy as revenue in the current fiscal year on the fund financial statements. The shortfall was recognized as revenue in the government-wide financial statements.

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

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

Note 3. Cash and Investments

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village, Police Pension or Firefighters' Pension deposits may not be returned. The Village, Police Pension and Firefighters' Pension do not have a policy for custodial credit risk. As of April 30, 2015, the carrying amount of the Village's deposits was \$6,144,369 with bank balances totaling \$6,420,105. The Village did not have custodial credit risk as of year-end.

Investments

As of April 30, 2015, the Village, the Police Pension Fund, and the Firefighter's Pension Fund had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Strips	\$ 427,993	\$ 119,906	\$ 154,832	\$ 153,255	\$ -
U.S. agencies - FFCB	1,020,283	-	137,660	706,233	176,390
U.S. agencies - FHLB	1,306,382	-	395,996	731,866	178,520
U.S. agencies - FHLM	99,132	-	99,132	-	-
U.S. agencies - FNMA	201,175	-	201,175	-	-
U.S. agencies - GNMA	226,030	-	185,947	14,805	25,278
Corporate bonds	1,380,704	-	1,045,587	293,154	41,962
Money Market Funds *	307,544	307,544	-	-	-
Total	\$ 4,969,244	\$ 427,450	\$ 2,220,329	\$ 1,899,313	\$ 422,151

* Weighted average maturity is less than one year.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

The Village also has \$1,548,391 in Illinois Funds. The Police Pension Fund has insurance contracts in the amount of \$352,471, certificates of deposits in the amount of \$495,408, and equity mutual fund holdings in the amount of \$3,298,311. The Fire Pension Fund certificates of deposits in the amount of \$376,201 of certificates of deposit, and equity mutual fund holdings in the amount of \$244,571.

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

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

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

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

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

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

The Police Pension Fund’s investment policy is to also apply the prudent person rule, which states investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rate of return.

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

As of April 30, 2015, investments in Illinois Funds were rated AAA by Standard and Poor’s. The FFCB, FHLB, and FNMA were rated Aaa by Moody’s Investors Services and AA+ by Standard and Poor’s. The Money Market Funds are not rated.

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

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

The Police Pension Funds investment policy states that the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. More than 5% of the Fund's investments are in FFCB, FHLB, corporate bonds, and equities. These investments represent 12.0%, 10.8%, 16.2%, and 50.6% respectively, of the Fund's total investments.

The Firefighters' Pension Fund policy provides target percentages that have been determined for each asset class. These allocations are to serve as a guideline. Market conditions or investment transitions may require interim investment strategy and therefore temporary imbalance in asset mix. The target percentages by asset class are as follows: fixed income 88%, equities 10%, and cash 2%. More than 5% of the Fund's investments are in U.S. Treasury strips, FFCB, FHLB, FNMA, corporate bonds, and equities. These investments represent 21.4%, 12.1%, 30.0%, 5.1%, 16.3%, and 12.2%, respectively, of the Fund's total investments.

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

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

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

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

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

	Governmental Activities	Business-Type Activities	Pension Funds	Agency Funds	Total
Cash and cash equivalents	\$ 5,802,492	\$ 1,727,110	\$ 15,000	\$ 84,857	\$ 7,629,459
Investments	-	-	9,799,508	-	9,799,508
	<u>\$ 5,802,492</u>	<u>\$ 1,727,110</u>	<u>\$ 9,814,508</u>	<u>\$ 84,857</u>	<u>\$ 17,428,967</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 4. Capital Assets

A summary of the changes in capital assets for governmental activities of the Village for the year ended April 30, 2015, is as follows:

	Balance May 1, 2014	Additions	Deletions	Balance April 30, 2015
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 21,466,878	\$ -	\$ 375,511	\$ 21,091,367
Construction in progress	994,300	357,969	-	1,352,269
Total capital assets not being depreciated	<u>22,461,178</u>	<u>357,969</u>	<u>375,511</u>	<u>22,443,636</u>
Capital assets being depreciated:				
Improvements	1,345,031	-	427,150	917,881
Buildings	6,189,787	83,469	-	6,273,256
Machinery and equipment	3,412,434	232,344	169,123	3,475,655
Infrastructure	6,385,182	12,810	10,192	6,387,800
Total capital assets being depreciated	<u>17,332,434</u>	<u>328,623</u>	<u>606,465</u>	<u>17,054,592</u>
Less accumulated depreciation for:				
Improvements	1,240,256	19,270	427,150	832,376
Buildings	1,963,323	120,191	-	2,083,514
Machinery and equipment	2,314,590	157,149	138,329	2,333,410
Infrastructure	3,475,660	119,356	1,274	3,593,742
Total accumulated depreciation	<u>8,993,829</u>	<u>415,966</u>	<u>566,753</u>	<u>8,843,042</u>
Total capital assets being depreciated, net	<u>8,338,605</u>	<u>(87,343)</u>	<u>39,712</u>	<u>8,211,550</u>
Governmental activities capital assets, net	<u>\$ 30,799,783</u>	<u>\$ 270,626</u>	<u>\$ 415,223</u>	<u>\$ 30,655,186</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 4. Capital Assets (continued)

A summary of changes in capital assets for business-type activities of the Village for the year ended April 30, 2015, is as follows:

	Balance May 1, 2014	Additions	Deletions	Balance April 30, 2015
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 4,323,187	\$ -	\$ -	\$ 4,323,187
Capital assets being depreciated:				
Improvements	1,898,157	12,999	-	1,911,156
Buildings	4,205,420	-	-	4,205,420
Machinery and equipment	1,504,504	337,842	-	1,842,346
Infrastructure	17,417,172	-	-	17,417,172
Total capital assets being depreciated	25,025,253	350,841	-	25,376,094
Less accumulated depreciation for:				
Improvements	1,315,248	96,565	-	1,411,813
Buildings	464,447	83,745	-	548,192
Machinery and equipment	873,947	220,757	-	1,094,704
Infrastructure	8,919,418	301,419	-	9,220,837
Total accumulated depreciation	11,573,060	702,486	-	12,275,546
Total capital assets being depreciated, net	13,452,193	(351,645)	-	13,100,548
Business-type activities capital assets, net	\$ 17,775,380	\$ (351,645)	\$ -	\$ 17,423,735

Village of Glenwood, Illinois

Notes to Financial Statements

Note 4. Capital Assets (continued)

Depreciation was charged to functions/programs as follows:

Governmental activities:			
General government		\$	53,785
Public safety			155,285
Public works			92,056
Highway and streets			114,840
Total depreciation expense - governmental activities		\$	415,966
Business-type activities:			
Water and sewer		\$	348,687
Golf course operations			353,799
Total depreciation expense - business-type activities		\$	702,486

Note 5. Long-Term Obligations

The following is a summary of debt transactions of the Village's governmental activities for the year ended April 30, 2015:

	Outstanding Debt as of May 1, 2014	Additions	Reductions	Outstanding Debt as of April 30, 2015	Due within one year
General obligation bonds	\$ 10,170,000	\$ -	\$ 465,000	\$ 9,705,000	\$ 475,000
Unamortized bond premium	11,037	-	6,348	4,689	-
Line of credit	927,452	-	927,452	-	-
Compensated absences *	88,332	281,312	293,785	75,859	56,894
Net pension obligation	36,989	595,824	562,168	70,645	-
Net OPEB obligation *	57,010	73,577	36,978	93,609	-
	\$ 11,290,820	\$ 950,713	\$ 2,291,731	\$ 9,949,802	\$ 531,894

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

The following is a summary of debt transactions of the Village's business-type activities for the year ended April 30, 2015:

	Outstanding Debt as of May 1, 2014	Additions	Reductions	Outstanding Debt as of April 30, 2015	Due within one year
General obligation bonds	\$ 5,045,000	\$ -	\$ 30,000	\$ 5,015,000	\$ 85,000
Unamortized bond premium	94,993	-	12,528	82,465	-
Note payable	2,623,238	-	126,869	2,496,369	128,459
Capital leases	279,285	75,994	112,350	242,929	113,850
Compensated absences	33,820	68,632	67,500	34,952	26,215
	\$ 8,076,336	\$ 144,626	\$ 349,247	\$ 7,871,715	\$ 353,524

Village of Glenwood, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (continued)

Outstanding debt as of April 30, 2015, consists of the following:

General obligation bonds:

General Obligation Bonds, Series 2010A, dated July 22, 2010, provide for the retirement of principal of \$1,035,000 in 2023, \$1,230,000 in 2024, \$1,330,000 in 2025, \$1,440,000 in 2026, \$1,560,000 in 2027, \$1,685,000 in 2028 and \$950,000 in 2029. Interest is payable on December 1 and June 1 of each year at a rate of 7.030%. \$ 9,230,000

General Obligation Bonds, Series 2010B, dated July 22, 2010, provide for the retirement of principal of \$475,000 in 2016. Interest is payable on December 1 and June 1 at a rate of 4.00%. 475,000

General Obligation Bonds, Series 2010C, dated September 29, 2010, provide for the retirement of principal of \$85,000 in 2016, \$630,000 in 2017, \$705,000 in 2018, \$775,000 in 2019, \$855,000 in 2020, \$940,000 in 2021 and \$1,025,000 in 2022. Interest is payable on December 1 and June 1 of each year at varying rates between 3.00% and 4.00%. 5,015,000

Total general obligation bonds 14,720,000

Unamortized bond premiums 87,154

Capital leases 242,929

Note payable 2,496,369

Compensated absences 110,811

Net pension obligation 70,645

Net OPEB obligation 93,609

Total long-term obligations \$ 17,821,517

Due within one year \$ 885,418

An Illinois Environmental Protection Agency Clean Water State Revolving Funds loan agreement was approved November 11, 2011 and provides for a repayment period of 20 years which commenced October 9, 2013 with principal and interest payments due in October and April of each fiscal year. In addition, the loan accrues interest of 1.25% that is calculated monthly. As of April 30, 2015, the total outstanding principal and interest is \$2,496,369 and \$290,749, respectively.

The Village has a revolving line of credit with a bank which allows for borrowings up to \$7,000,000 with an interest rate of 1.95%. The Village repaid the outstanding balance of \$927,452 within the fiscal year. The Village paid interest of \$5,596 on the line during the fiscal year.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (continued)

The future debt service requirements to amortize the outstanding debt other than unamortized bond premiums, line of credit, compensated absences, net pension obligation, OPEB obligation, and capital leases as of April 30, 2015 are as follows:

Year Ending April 30,	Governmental		Business-Type				Total
	General Obligation Bonds		General Obligation Bonds		Note Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$ 475,000	\$ 667,869	\$ 85,000	\$ 189,200	\$ 128,459	\$ 30,804	\$ 1,576,332
2017	-	648,869	630,000	186,650	130,070	29,194	1,624,783
2018	-	648,869	705,000	164,600	131,701	27,563	1,677,733
2019	-	648,869	775,000	139,925	133,353	25,911	1,723,058
2020	-	648,869	855,000	112,800	135,025	24,239	1,775,933
2021-2025	3,595,000	3,012,356	1,965,000	119,600	700,948	95,371	9,488,275
2026-2030	5,635,000	943,075	-	-	746,011	50,309	7,374,395
2031-2033	-	-	-	-	390,802	7,358	398,160
	<u>\$ 9,705,000</u>	<u>\$ 7,218,776</u>	<u>\$ 5,015,000</u>	<u>\$ 912,775</u>	<u>\$ 2,496,369</u>	<u>\$ 290,749</u>	<u>\$ 25,638,669</u>

Note 6. Capital Lease Obligations

The Village leases equipment under capital leases, which expire between October 2014 and June 2017. Monthly lease payments, including interest between 4.4% and 4.9%, are between \$410 and \$7,368, respectively. The cost of the capital assets acquired under the capital leases included in business-type activities machinery and equipment is \$570,733 and accumulated depreciation is \$421,884.

Minimum future lease payments under the capital leases together with the present value of the net minimum lease payments as of April 30, 2015 are as follows:

Year ending April 30:	
2016	\$ 122,483
2017	85,642
2018	31,938
2019	16,493
2020	1,643
Total minimum lease payments	<u>258,199</u>
Less amount representing interest	<u>15,270</u>
Present value of future minimum lease payments	<u>242,929</u>
Less current portion	<u>113,850</u>
Long-term portion	<u>\$ 129,079</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 7. Deferred Compensation

The Village offers its employees deferred compensation plans created in accordance with Internal Revenue Code 457. The plans, available to certain Village employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination/retirement, death, or unforeseeable emergency. There were no employer contributions for the current year.

Note 8. Pension and Retirement Plan Commitments

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

Illinois Municipal Retirement Fund

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village 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.

Information related to the employer's contributions and three-year trend information is on a fiscal year basis. The actuarial information and schedule of funding progress are on a calendar year basis as that is the year used by IMRF.

Funding Policy. As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required and actual contribution rates for calendar years ended December 31, 2015 and 2014 were 8.36 percent and 8.72 percent, respectively. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

The required contributions for 2015 and 2014 were determined as part of the December 31, 2013 and 2012, actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2013 and 2012, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2013 and 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

Annual Pension Cost. The annual pension cost for the fiscal year ended April 30, 2015 was \$150,041 and was equal to the Village's required and actual contributions.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
April 30, 2015	\$ 150,041	100 %	\$ -
April 30, 2014	150,855	100	-
April 30, 2013	136,558	100	-

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 92.86 percent funded. The actuarial accrued liability for benefits was \$3,913,461 and the actuarial value of assets was \$3,634,066, resulting in an unfunded actuarial accrued liability (UAAL) of \$279,395. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$1,720,657 and the ratio of the UAAL to the covered payroll was 16 percent.

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

Police Pension Plan

Police Pension Fund – GASB Statement No. 67 Disclosures

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements for the Police Pension Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings.

Plan Description

Plan administration:

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

The Village is required to report the implementation requirements related to GASB Statement No. 67, *Financial Reporting for Pension Plans*, for the year ending April 30, 2015 as reported in the separate financial statements.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Plan Membership:

At April 30, 2015, the Police Pension Plan membership consisted of:

	<u>Membership</u>
Inactive Plan members or beneficiaries currently receiving benefits	15
Inactive Plan members entitled to but not yet receiving benefits	-
Active Plan members	<u>21</u>
Total membership	<u><u>36</u></u>

Benefits provided:

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

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

Contributions:

Covered employees are required to contribute 9.91% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the actuarial liabilities of the pension fund by April 30, 2015. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2015, the statutory minimum which the Village was required to contribute was \$548,558 or 27.25% of member payroll, to the Police Pension Fund.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Investments

Investment policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board by a majority vote of its members. It is the policy of the Police Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. See Note 3 for more details on the Police Pension's investment policy. The following is the Board's adopted asset allocation policy as of April 30, 2015:

<u>Asset Class</u>	<u>Target Asset Allocation</u>
Cash and Cash Equivalents	2%
Fixed Income	53%
Equities, domestic	37%
Equities, international	5%
Real estate	3%

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the expected long-term expected arithmetic real rates of return by asset class as of April 30, 2015:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectations</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	2.00%	2.00%	0.00%
Corporate Bonds	4.20%	2.50%	1.70%
Fixed Income:			
US Government Fixed Income	3.20%	2.50%	0.70%
Equities:			
US Large-Cap Equities	8.30%	2.50%	5.80%
US Mid-Cap Equities	9.30%	2.50%	6.80%
US Small-Cap Equities	9.30%	2.50%	6.80%
International Equities	8.40%	2.50%	5.90%
Emerging Markets Equity, Unhedged	10.50%	2.50%	8.00%
Global Real Estate - REITS	8.30%	2.50%	5.80%
Commodities - Long Only	4.90%	2.50%	2.40%

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Method used to value investments:

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

Significant Investments

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

Rate of return:

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.82 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Village

The components of the net pension liability of the Village at April 30, 2015, are as follows:

Total pension liability	\$ 21,584,116
Plan fiduciary net position	<u>7,387,981</u>
Village's net pension liability	<u><u>\$ 14,196,135</u></u>
Plan fiduciary net position as a percentage of the total pension liability	34%

The total pension liability was determined by an actuarial valuation as of May 1, 2015, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	May 1, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Straight Line
Discount Rate used for the Total Pension Liability	4.70%
Long-Term Expected Rate of Return on Plan Assets	6.50%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	3.62%
Projected Individual Salary Increases	4.00 - 11.00%
Projected Increase in Total Payroll	3.50%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Actuarial assumptions:

Mortality Table	Lauterbach & Amen (L&A) 2012 Illinois Police
Retirement Rates	L&A 2012 Illinois Police 100% Capped at age 65
Disability Rates	L&A 2012 Illinois Police 100%
Termination Rates	L&A 2012 Illinois Police 100%
Percent Married	80%

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Net Pension Liability of the Village (Continued)

The actuarial assumptions used in the May 1, 2015 valuation were based on the results of an actuarial assumption study for the period including various municipal fiscal years ending 2005 – 2010. The study was performed by Lauterbach and Amen LLP (“L&A”), which provides a variety of actuarial and other services to Police and Firefighter Pension Funds across the State of Illinois.

Discount rate:

The discount rate used to measure the total pension liability is 4.70 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan’s future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan’s projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan’s projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan’s projected net position is expected to cover future benefit payments in full for the current members through 2043. Therefore, the long-term expected rate of return on pension plan assets was applied only to those years and for the remaining years the municipal bond rate was used.

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Village, calculated using the discount rate of 4.24 percent, as well as what the Village’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.70 percent) or 1-percentage-point higher (5.70 percent) than the current rate.

	1% Decrease	Current	1% Increase
	3.70%	Discount Rate	5.70%
		4.70%	
Village's net pension liability	\$ 18,082,675	\$ 14,196,135	\$ 11,092,531

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

Police Pension Fund – GASB Statement No. 27 Disclosures

The following discussions are specific to the Village’s current year financial statements and differ, in certain respects, from those presented on previous pages, which were included as part of the implementation of GASB 67 at the Pension Plan level. Effective for fiscal years ending on or after April 30, 2016, the following disclosures will no longer apply to the Village’s financial statements, due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as discussed in Note 15.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Police Pension Fund – GASB Statement No. 27 Disclosures (Continued)

Annual Pension Cost and Net Pension Benefit

The Village's most recent actuarial valuation done in accordance with GASB Statement No. 27 was performed as of April 30, 2014 for fiscal year ending April 30, 2015. The Village's annual pension cost and net pension obligation were as follows:

Annual required contribution	\$ 594,823
Interest on net pension obligation	2,589
Adjustment to annual requirement contribution	(1,588)
Annual pension cost	<u>595,824</u>
Contributions made	<u>562,168</u>
Increase in net pension obligation	33,656
Net pension obligation, May 1, 2014	<u>36,989</u>
 Net pension obligation, April 30, 2015	 <u><u>\$ 70,645</u></u>

Trend Information

Three-Year Trend Information – Police Pension Trust Fund

Fiscal Year Ended	Annual Pension Costs (APC)	Percentage of APC Contributed	Annual Pension Contributions	Net Pension Obligation (Asset)
04/30/15	\$ 595,824	94.4 %	\$ 562,168	\$ 70,645
04/30/14	500,092	91.5	457,653	36,989
04/30/13	542,086	114.0	617,956	(5,450)

Funding Status and Funding Progress

Valuation date	April 30, 2014
Percent funded	49.69%
Actuarial accrued liability for benefits	\$14,078,394
Actuarial value of assets	\$6,995,238
Unfunded actuarial accrued liability (UAAL)	\$7,083,156
Covered payroll (annual payroll of active employees covered by the Plan)	\$1,572,774
Ratio of UAAL covered payroll	450.36%

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Police Pension Fund – GASB Statement No. 27 Disclosures (Continued)

Methods and Assumptions

Valuation date	April 30, 2014
Actuarial cost method	Entry Age Normal (Level % Pay)
Actuarial value of assets	5 Year Smoothed Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining amortization period	28 Years
Actuarial assumptions:	
Investment rate of return	7.00% per year
Projected salary increases	5.5% per year
Inflation rate	2.5% per year
Cost of living increases	3.0% per year
Assumed mortality	Lauterbach & Amen (L&A) 2012 Illinois Police.

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements for the Firefighters' Pension Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Costs of administering the plan are financed through employee and employer contributions.

No stand-alone statements are issued for the defined benefit pension plan. Due to the fact that the Firefighters' Pension Plan does not issue stand-alone statements, the Village is required to report the implementation requirements related to GASB Statement No. 67, *Financial Reporting for Pension Plans*, for the year ending April 30, 2015.

Plan Description

Plan administration:

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Plan Membership:

At April 30, 2015, the Firefighters' Pension Plan membership consisted of:

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

Benefits provided:

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

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

Contributions:

Covered firefighter employees are required to contribute 9.455% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 4) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund or 7.5% of the salaries and wages to be paid to firefighters for the year involved, whichever is greater, plus (2) an annual amount sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by April 30, 2015. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2015, the statutory minimum which the Village was required to contribute was \$113,255, or 37.70% of member payroll, to the Firefighters' Pension Fund.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Investments

Investment policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board by a majority vote of its members. It is the policy of the Fire Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. See Note 3 for more details on the Fire Pension's investment policy. The following is the Board's adopted asset allocation policy as of April 30, 2015:

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

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the expected long-term expected arithmetic real rates of return by asset class as of April 30, 2015:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	2.00%	2.00%	0.00%
Fixed Income:			
US Treasuries	4.30%	2.50%	1.80%
US Agencies	4.50%	2.50%	2.00%
Taxable Municipal Securities	4.50%	2.50%	2.00%
Corporate Bonds	5.00%	2.50%	2.50%
High-Yield Fixed Income	6.00%	2.50%	3.50%
Emerging Market Fixed Income	6.50%	2.50%	4.00%
Equities:			
US Large-Cap Equities	7.50%	2.50%	5.00%
US Mid-Cap Equities	7.80%	2.50%	5.30%
US Small-Cap Equities	7.50%	2.50%	5.00%
International Equities	7.80%	2.50%	5.30%
Real Estate	6.80%	2.50%	4.30%
Global Infrastructure	7.30%	2.50%	4.80%

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Method used to value investments:

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

Significant Investments:

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

Rate of return:

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.33 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Village

The components of the net pension liability of the Village at April 30, 2015, are as follows:

Total pension liability	\$ 5,706,219
Plan fiduciary net position	<u>2,455,090</u>
Village's net pension liability	<u><u>\$ 3,251,129</u></u>
Plan fiduciary net position as a percentage of the total pension liability	43%

The total pension liability was determined by an actuarial valuation as of May 1, 2015, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	May 1, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Straight Line
Discount Rate used for the Total Pension Liability	4.01%
Long-Term Expected Rate of Return on Plan Assets	6.00%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	3.62%
Projected Individual Salary Increases	5.00%
Projected Increase in Total Payroll	4.50%
Consumer Price Index (Utilities)	3.00%
Inflation Rate Included	3.00%
Actuarial assumptions:	
Mortality Table	Lauterbach & Amen (L&A) 2012 Illinois Firefighters
Retirement Rates	&A 2012 Illinois Firefighters' 100%, capped at age 65
Disability Rates	L&A 2012 Illinois Firefighters 100%
Termination Rates	L&A 2012 Illinois Firefighters 100%
Percent Married	80%

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

The actuarial assumptions used in the May 1, 2015 valuation were based on the results of an actuarial assumption study for the period including various municipal fiscal years ending 2005 – 2010.

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

Discount rate:

The discount rate used to measure the total pension liability is 4.01 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current members through 2032. Therefore, the long-term expected rate of return on pension plan assets was applied only to those years and for the remaining years the municipal bond rate was used.

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Village, calculated using the discount rate of 4.40 percent, as well as what the Villages net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.01 percent) or 1-percentage-point higher (5.01 percent) than the current rate.

	1% Decrease	Current	1% Increase
	3.01%	Discount Rate	5.01%
		4.01%	
Village's net pension liability	\$ 4,159,382	\$ 3,251,129	\$ 2,519,707

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

Firefighters' Pension Fund – GASB Statement No. 27 Disclosures

The following discussions are specific to the Village's current year financial statements and differ, in certain respects, from those presented on previous pages, which were included as part of the implementation of GASB 67 at the Firefighters' Pension Plan level. Effective for fiscal years ending on or after April 30, 2016, the following disclosures will no longer apply to the Village's financial statements, due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as discussed in Note 15.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Firefighters' Pension Fund – GASB Statement No. 27 Disclosures (Continued)

Annual Pension Cost and Net Pension Benefit

The Village's most recent actuarial valuation in accordance with GASB Statement No. 27 was performed as of April 30, 2014 for the fiscal year ending April 30, 2015. The Village's annual pension cost and net pension obligation were as follows:

Annual required contribution	\$ 125,534
Interest on net pension obligation	(2,777)
Adjustment to annual requirement contribution	2,176
Annual pension cost	<u>124,933</u>
Contributions made	<u>86,579</u>
Increase in net pension obligation	38,354
Net pension (asset), May 1, 2014	<u>(46,286)</u>
Net pension (asset), April 30, 2015	<u><u>\$ (7,932)</u></u>

Trend Information

Three-Year Trend Information - Firefighters' Pension Trust Fund

Fiscal Year Ended	Annual Pension Costs (APC)	Percentage of APC Contributed	Annual Pension Contributions	Net Pension Asset
04/30/15	\$ 124,933	69.3 %	\$ 86,579	\$ (7,932)
04/30/14	82,617	89.6	73,995	(46,286)
04/30/13	81,168	123.0	99,816	(54,908)

Funding Status and Funding Progress

Valuation date	April 30, 2014
Percent funded	62.20%
Actuarial accrued liability for benefits	\$4,223,866
Actuarial value of assets	\$2,627,077
Unfunded actuarial accrued liability (UAAL)	\$1,596,789
Covered payroll (annual payroll of active employees covered by the Plan)	\$210,697
Ratio of UAAL Covered Payroll	757.86%

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Firefighters' Pension Fund – GASB Statement No. 27 Disclosures (Continued)

Methods and Assumptions

Valuation date	April 30, 2013
Actuarial cost method	Entry Age Normal (Level % Pay)
Actuarial value of assets	5 Year Smoothed Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining amortization period	27 Years
Actuarial assumptions:	
Investment rate of return	6.00% per year
Projected salary increases (seniority and merit)	5.00% per year
Inflation rate	3.00% per year
Cost of living increases	3.00% per year
Assumed mortality	Lauterbach & Amen (L&A) 2012 Illinois Firefighters'

Combining Statement of Fiduciary Net Position

Pension Trust Funds

April 30, 2015

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 10,000	\$ 5,000	\$ 15,000
Investments:			
Certificates of deposit	495,408	376,201	871,609
U.S. government and agency obligations	1,869,603	1,411,393	3,280,996
Corporate bonds	1,054,415	326,289	1,380,704
Insurance contracts	352,471	-	352,471
Equity mutual funds	3,298,311	244,571	3,542,882
Money market mutual funds	290,884	16,660	307,544
Illinois Funds	-	63,302	63,302
Accrued interest	17,824	13,676	31,500
Prepaid items	1,480	2,365	3,845
Total assets	7,390,396	2,459,457	9,849,853
Liabilities			
Accounts payable	2,415	1,018	3,433
Due to other funds	-	3,349	3,349
Total liabilities	2,415	4,367	6,782
Net Position			
Held in trust for pension benefits	\$ 7,387,981	\$ 2,455,090	\$ 9,843,071

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

**Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2015**

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 562,168	\$ 86,579	\$ 648,747
Employee	166,018	20,195	186,213
Total contributions	728,186	106,774	834,960
Investment income:			
Net increase (decrease) in fair value of investments	197,566	(2,100)	195,466
Interest and dividend earnings	224,328	106,947	331,275
Less: investment expenses	(21,653)	-	(21,653)
Net investment income	400,241	104,847	505,088
Total additions	1,128,427	211,621	1,340,048
Deductions			
Benefits and refunds	751,714	181,245	932,959
Administrative expenses	37,738	29,632	67,370
Total deductions	789,452	210,877	1,000,329
Net increase	338,975	744	339,719
Net position held in trust for employees' pension benefits:			
May 1, 2014	7,049,006	2,454,346	9,503,352
April 30, 2015	\$ 7,387,981	\$ 2,455,090	\$ 9,843,071

Note 9. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village pays annual premiums to the Illinois Counties Risk Management Trust (ICRMT) which is an organization of public entities, which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool their risk management needs. The Village pays annual premiums to the ICRMT for its workers' compensation.

The member agreement provides that ICRMT will be self-sustaining through member premiums and provide coverage of \$2,500,000 with an additional \$9,000,000 of insurance provided by an umbrella policy. The Village along with ICRMT's members has a contractual obligation to fund any deficit of ICRMT attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 9. Risk Management (continued)

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

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

Note 10. Other Fund Disclosures (FFS Level Only)

Interfund transfers for the year ended April 30, 2015 are as follows:

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
Major Governmental Funds:		
General Fund:		
Non-Major Governmental Fund	\$ 70,618	\$ 7,667
TIF Holbrook Rd Fund:		
Non-Major Governmental Fund	1,902,558	-
Non-Major Governmental Funds:		
General Fund	7,667	70,618
TIF Holbrook Rd Fund	-	1,902,558
Water and Sewer Fund	250,764	150,000
Golf Course Fund	2,089	100,000
Non-Major Governmental Fund	370,191	370,191
	<u>630,711</u>	<u>2,593,367</u>
Major Enterprise Funds:		
Water and Sewer Fund:		
Non-Major Governmental Funds	150,000	250,764
Golf Course Fund:		
Non-Major Governmental Fund	100,000	2,089
	<u>100,000</u>	<u>2,089</u>
Total	<u>\$ 2,853,887</u>	<u>\$ 2,853,887</u>

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

Village of Glenwood, Illinois

Notes to Financial Statements

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

Individual fund interfund receivable and payable balances as of April 30, 2015, are as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
Major Governmental Funds:		
General Fund:		
Non-Major Governmental Fund	\$ 256,150	\$ -
Water and Sewer Fund	-	54,283
TIF Holbrook Rd Fund	-	72,909
Fiduciary Fund	3,349	-
	<u>259,499</u>	<u>127,192</u>
Holbrook Road Tax Increment Financing District:		
General Fund	72,909	-
Nonmajor Governmental Funds	225,000	-
	<u>297,909</u>	<u>-</u>
Major Enterprise Fund:		
Water and Sewer Fund:		
General Fund	54,283	-
	<u>54,283</u>	<u>-</u>
Golf Course Fund:		
General Fund	-	226,150
	<u>-</u>	<u>226,150</u>
Non-Major Governmental Funds:		
General Fund	-	30,000
TIF Holbrook Rd Fund	-	-
Water and Sewer Fund	-	225,000
	<u>-</u>	<u>255,000</u>
Fiduciary Fund:		
General Fund	-	3,349
	<u>-</u>	<u>3,349</u>
Total	<u>\$ 611,691</u>	<u>\$ 611,691</u>

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

Note 11. Contingencies

The Village is a defendant in various lawsuits. Although the outcome of these proceedings is not presently determinable, in the opinion of the Village's management through consultation with legal counsel, the resolution of these matters does not impose a material commitment of the Village's net position at April 30, 2015.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 12. Post Employment Healthcare Plan

Plan Description

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

Funding Policy

The contribution requirements of plan members and the Village are established and may be amended by the Village Board and are detailed in the "Plan Document." The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2015, the Village was not required to make any explicit contributions to the plan. Members receiving benefits contributed 100 percent of the total premiums, through their required contribution.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 74,594
Interest on net OPEB obligation	2,280
Adjustment to annual requirement contribution	(3,297)
Annual OPEB cost (expense)	<u>73,577</u>
Contributions made	<u>36,978</u>
Increase in net OPEB obligation	36,599
Net OPEB obligation, beginning of year	<u>57,010</u>
Net OPEB obligation, end of year	<u><u>\$ 93,609</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage Annual OPEB Costs Contributed	Annual Pension Contributions	Net OPEB Obligation
04/30/15	\$ 73,577	50.3 %	\$ 36,978	\$ 93,609
04/30/14	27,415	32.2	8,829	57,010
04/30/13	27,111	32.6	8,829	38,424

Funded Status and Funding Progress

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 12. Post Employment Healthcare Plan (continued)

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

Actuarial Methods and Assumptions

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

In the May 1, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent discount rate (includes inflation at 3.0 percent), annual healthcare cost trend rate of 7.9 percent initially, reduced by decrements to an ultimate rate of 5.0 percent, and anticipated participation of 15.0 percent of active employees assumed to elect the benefit. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a 30-year open basis.

Note 13. Commitments

The Village entered into an agreement with Nalco Crossbow, LLC (Nalco) to renovate, reconstruct, repair, and remodel the building on the Redevelopment Property in a maximum amount of \$2,000,000. The Village agreed to reimburse Nalco a maximum of \$2,000,000 of eligible costs. The Village has also agreed to reimburse Nalco's cost for the acquisition of fee simple ownership for the Redevelopment Property for a maximum amount of \$1,000,000 or 50% of the acquisition costs, whichever is less. As of April 30, 2015, the Village has remitted \$2,000,000 related to this agreement.

The Village entered into an agreement with Landauer to reimburse the developer for 100% of certified eligible redevelopment project costs up to \$500,000. As of April 30, 2015, the Village has remitted \$493,470 related to this agreement. During fiscal year 2015, the Village entered a new agreement with Landauer to reimburse the developer for eligible employee training costs up to a maximum of \$185,726. As of April 30, 2015, the Village has remitted \$185,726 related to this agreement.

The Village entered into an agreement with S.E.T. Environmental to purchase building and land at 420 W. 194th St. to be utilized as the company's administrative and dispatch offices. The maximum reimbursement for eligible redevelopment project costs under this agreement shall be \$120,000. This amount shall be payable in annual installments of \$15,000 as long as the Developer maintains at least 20 employees during the calendar year. The payment is approved each year at the January Village Board Meeting. As of April 30, 2015, the Village has remitted \$105,000 related to this agreement with no new expense during the fiscal year as S.E.T. did not meet the requirements of the agreement.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 13. Commitments (continued)

The Village entered into an agreement with Patton Properties for economic assistance from the Village. If for not the economic assistance to be given by the Village, the Project would not be economically viable to the Developer. The Redevelopment Project Costs have been initially deemed to qualify under the Act for Village payment through tax increment allocation financing. The Village agreed to pay to the Developer an amount equal to fifty percent (50%) of the municipal sales tax revenues received by the Village as a result of the operations of such retail store at the Subject Property. The municipal sales tax revenue sharing shall continue for a term of 10 years from the date the Village's obligation to share municipal sales tax revenue arises for each retail store located within the project. Payments are due on or before the 30th of June following the date of the Village's obligation to share municipal sales tax revenue and on each June 30th thereafter. The agreement expires on December 31, 2016 with final payment due on June 30, 2017. As of April 30, 2015, the Village has remitted \$15,639 related to this agreement.

The Village entered into an agreement with West Side Property to purchase a building to construct and operate a new permanent truck maintenance facility. The Village agreed to reimburse West Side a maximum of \$400,000 or 50% of eligible costs, whichever is less. As of April 30, 2015, the Village has remitted \$47,403 related to this agreement. In May 2013, the Village sold this parcel of property in the amount of \$200,000 to West Side Property. The amount is scheduled to be paid in seven annual installments at a rate of 4%. The agreement further stipulates that on each annual date West Side Property is required to make a payment, the Village will waive its right to receive the amount due provided that West Side continues to operate on the premises and pay all property tax bills that are associated with this property and due. As of April 30, 2015, the receivable is fully reserved for in the Holbrook Road Tax Increment Financing District Fund as the collectability of this amount is not known.

The Village entered into an agreement with Morrison Container to complete the renovation and remodel the building on the Redevelopment Property. The Village agreed to pay 50% of the Developer's costs for eligible costs up to \$300,000. As of April 30, 2015, the Village has remitted \$201,054 related to this agreement. In July 2013, the Village sold this parcel of property in the amount of \$295,000 to Morrison Container. The amount is scheduled to be paid in seven annual installments at a rate of 4%. The agreement further stipulates that on each annual date Morrison Container is required to make a payment, the Village will waive its right to receive the amount due provided that West Side continues to operate on the premises and pay all property tax bills that are associated with this property and due. As of April 30, 2015, the receivable is fully reserved for in the Holbrook Road Tax Increment Financing District Fund as the collectability of this amount is not known.

The Village entered into an agreement with Torres Allcorn Co. Inc. for the purchase of the subject property not to exceed \$75,000. The Village also agreed to pay 65% of the Developer's costs or a maximum of \$81,250 for eligible reimbursement costs. As of April 30, 2015, the Village has remitted \$75,000 related to this agreement.

The Village entered into an agreement with Star Design Hair Studio to complete the renovation and remodel the building on the Redevelopment Property. The Village agreed to pay 100% of the Developer's costs for eligible costs up to \$35,000. As of April 30, 2015, the Village has remitted \$35,000 related to this agreement.

The Village entered into an agreement with R&N Management to complete the renovation and remodel the building on the Redevelopment Property. The Village agreed to pay the lessor of 75% of the Developer's costs or \$39,745. As of April 30, 2015, the Village has remitted \$13,831 related to this agreement.

The Village entered into an agreement with All Star Management, Inc. to reimburse the developer for eligible real estate costs for the lessor of 25% of the cost of \$150,000. As of April 30, 2015, the Village has remitted \$146,191 related to this agreement.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 13. Commitments (continued)

The Village entered into an agreement with Porkchop Glenwood, LLC to complete the renovation and remodel the building on the Redevelopment Property. The Village agreed to reimburse the developer for permanent improvements to a maximum of \$250,000. As of April 30, 2015, the Village has remitted \$0 related to this agreement.

The Village entered into an agreement with Duff Real Estate, LLC to reimburse the developer for the lesser of \$10,000,000 or the total sum of eligible redevelopment costs with reimbursement costs to paid only from property taxes received from the developer. As of April 30, 2015, the Village has remitted \$0 related to this agreement.

The Village entered into an agreement with Mack Industries to complete the renovation and remodel the building on the Redevelopment Property. The Village agreed to pay the Developer's costs for eligible costs up to \$200,000. As of April 30, 2015, the Village has remitted \$0 related to this agreement. During fiscal year 2015, the Village sold this parcel of property in the amount of \$162,000 to Morrison Container. The amount is scheduled to be paid in seven annual installments. The agreement further stipulates that on each annual date Mack Industries is required to make a payment, the Village will waive its right to receive the amount due provided that West Side continues to operate on the premises and pay all property tax bills that are associated with this property and due. As of April 30, 2015, the receivable is fully reserved for in the Holbrook Road Tax Increment Financing District Fund as the collectability of this amount is not known.

The Village entered into an agreement with the owner and developer of Glenwood Oaks restaurant. The developer shall pay the first \$50,000 of redevelopment costs. After this, the Village shall pay the next \$250,000 of redevelopment costs. Should the project exceed the planned \$300,000 cost, but the cost remain under \$345,000, the Village will provide an additional incentive equal to approximately 83% by which the total cost of the project exceeds \$300,000. As of April 30, 2015, the Village has remitted \$319,720 related to this agreement. During fiscal year 2015, the Village entered another redevelopment agreement with the owner and developer, agreeing to reimburse the developer for 65% of eligible costs or \$74,750. As of April 30, 2015, the Village has remitted \$19,477 related to this agreement.

Note 14. Subsequent Event

The Village has evaluated subsequent events for potential recognition and/or disclosure through December 30, 2015, the date of the financial statements.

Note 15. Pronouncements Issued But Not Yet Adopted

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment to GASB Statement No. 68*, will be effective for the Village beginning with its year ended April 30, 2016. This statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual basis of financial statements of employers and nonemployer contributing entities.

GASB Statement No. 72, *Fair Value Measurement and Application*, will be effective for the Village beginning with its year ended April 30, 2016. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Village of Glenwood, Illinois

Notes to Financial Statements

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

GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*, will be effective for the Village beginning with its year ended December 31, 2016, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the Village beginning with its year ended April 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

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

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

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective for the Village beginning with its year ending April 30, 2017. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category of authoritative GAAP consists of GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by GASB. The Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the Village beginning with its year ending April 30, 2017. This Statement requires state and local governments, for the first time to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these standards on its financial statements, however, the impact of GASB No. 68 and No. 75 will likely be material to the statement footnotes and required supplementary information of the Village.

Required Supplementary Information

Village of Glenwood, Illinois

Required Supplementary Information - GASB Statement No. 27

Illinois Municipal Retirement Fund

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/14	\$ 3,634,066	\$ 3,913,461	\$ 279,395	92.86 %	\$ 1,720,657	16.24 %
12/31/13	3,663,173	3,782,618	119,445	96.84	1,565,953	7.60
12/31/12	3,115,276	3,336,740	221,464	93.36	1,469,961	15.07

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$4,201,144.

On a market basis, the funded ratio would be 107.35%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Village of Glenwood, Illinois

Required Supplementary Information - GASB Statement No. 27
Police Pension Fund

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/14	\$ 6,995,238	\$ 14,078,394	\$ 7,083,156	49.69 %	\$ 1,572,774	450.36 %
4/30/13	6,682,827	13,326,719	6,643,892	50.15	1,589,466	418.00
4/30/12	6,214,600	12,356,200	6,141,600	50.30	1,556,811	394.50
4/30/11	5,694,444	11,472,449	5,778,005	49.64	1,334,284	433.04
4/30/10	5,336,052	10,780,959	5,444,907	49.50	1,325,675	410.73
4/30/09	4,544,635	10,343,630	5,798,995	43.94	1,301,838	445.45
4/30/06	5,133,758	9,279,320	4,145,562	55.32	873,228	474.74

Schedule of Employer Contributions

Actuarial Valuation Date	Fiscal Year	Annual Required Contribution	Percentage Contributed
	2015	\$ 594,823	94.51 %
	2014	548,813	83.39
	2013	491,670	125.69
	2012	536,432	116.90
	2011	541,007	63.60
	2010	359,340	121.02
	2009	359,340	108.78

Village of Glenwood, Illinois

Required Supplementary Information - GASB Statement No. 27
Firefighters' Pension Fund

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/14	\$ 2,627,077	\$ 4,223,866	\$ 1,596,789	62.20 %	\$ 210,697	757.86 %
4/30/13	2,502,783	3,382,306	879,523	74.00	219,752	400.23
4/30/12	2,437,292	3,021,081	583,789	80.68	301,853	193.40
4/30/11	2,282,158	2,914,902	632,744	78.29	250,029	253.07
4/30/10	2,135,416	2,719,652	584,236	78.52	271,819	214.94
4/30/09	1,937,824	2,536,888	599,064	76.39	336,392	178.09
4/30/06	1,465,330	2,009,186	543,856	72.93	294,931	184.40

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
Fiscal Year		
2015	\$ 125,534	68.97 %
2014	86,549	85.49
2013	79,970	124.82
2012	81,891	122.02
2011	81,891	101.36
2010	91,589	113.64
2009	89,186	100.54

Village of Glenwood, Illinois

**Required Supplementary Information - GASB Statement No. 45
Post Employment Healthcare Plan**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
4/30/15	\$ -	\$ 596,505	\$ 596,505	0.00 %	\$ 3,486,485	17.11 %
4/30/12	-	218,541	218,541	0.00	3,272,388	6.68
4/30/09	-	96,044	96,044	0.00	2,475,522	3.88

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

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
04/30/15	\$ 74,594	49.57 %
04/30/14	26,775	32.97
04/30/13	26,775	32.97

Village of Glenwood, Illinois

**Required Supplementary Information - Police Pension Plan - GASB Statement No. 67
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related
Ratios and Investment Returns**

Fiscal year ended April 30,	2015
Total pension liability	
Service cost	\$ 700,590
Interest on the total pension liability	954,337
Benefit payments	<u>(751,714)</u>
Net change in total pension liability	903,213
Total pension liability—beginning	<u>20,680,903</u>
Total pension liability—ending (a)	<u><u>\$ 21,584,116</u></u>
Plan fiduciary net position	
Contributions - Employer	\$ 562,168
Contributions - Member	166,018
Pension plan net investment income	400,241
Benefit payments	(751,714)
Pension plan administrative expense	<u>(37,738)</u>
Net change in plan fiduciary net position	338,975
Plan fiduciary net position—beginning	<u>7,049,006</u>
Plan fiduciary net position—ending (b)	<u><u>\$ 7,387,981</u></u>
Net pension liability - ending (a) - (b)	\$ 14,196,135
Plan fiduciary net position as a percentage of the total pension liability	34%
Covered-Employee Payroll	\$ 2,013,041
Employer net pension liability as a percentage of covered-employee payroll	705%
Annual money-weighted rate of return, net of investment expense	5.82%

The Village implemented GASB 67 in FY 2015.

Village of Glenwood, Illinois

**Required Supplementary Information - Firefighters' Pension Plan - GASB Statement No. 67
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related
Ratios and Investment Returns**

Fiscal year ended April 30,	2015
Total pension liability	
Service cost	\$ 121,332
Interest on the total pension liability	218,814
Benefit payments	<u>(181,245)</u>
Net change in total pension liability	158,901
Total pension liability—beginning	<u>5,547,318</u>
Total pension liability—ending (a)	<u><u>\$ 5,706,219</u></u>
Plan fiduciary net position	
Contributions - Employer	\$ 86,579
Contributions - Member	20,195
Pension plan net investment income	98,571
Benefit payments	(181,245)
Pension plan administrative expense	<u>(23,355)</u>
Net change in plan fiduciary net position	745
Plan fiduciary net position—beginning	<u>2,454,345</u>
Plan fiduciary net position—ending (b)	<u><u>\$ 2,455,090</u></u>
Net pension liability - ending (a) - (b)	\$ 3,251,129
Plan fiduciary net position as a percentage of the total pension liability	43%
Covered-Employee Payroll	\$ 300,408
Employer net pension liability as a percentage of covered-employee payroll	1082%
Annual money-weighted rate of return, net of investment expense	4.33%

The Village implemented GASB 67 in FY 2015.

Village of Glenwood, Illinois

**Required Supplementary Information - GASB Statement No. 67
Schedule of Contributions**

Police Pension Plan	2015
Actuarially Determined Contribution	\$ 594,823
Contributions in Relation to the Actuarial Determined Contribution	<u>562,168</u>
Contribution Deficiency (excess)	<u><u>\$ 32,655</u></u>
Covered-Employee Payroll	\$ 2,013,041
Contributions as a Percentage of Covered-Employee Payroll	27.93%

Firefighters' Pension Plan	2015
Actuarially Determined Contribution	\$ 125,534
Contributions in Relation to the Actuarial Determined Contribution	<u>86,579</u>
Contribution Deficiency (excess)	<u><u>\$ 38,955</u></u>
Covered-Employee Payroll	\$ 300,408
Contributions as a Percentage of Covered-Employee Payroll	28.82%

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

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 General Fund
 Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 3,837,250	\$ 3,472,533	\$ (364,717)
Other taxes	621,500	490,130	(131,370)
Intergovernmental	2,315,000	2,440,163	125,163
Licenses, permits and fees	589,870	533,744	(56,126)
Fines	75,000	237,672	162,672
Interest	500	770	270
Charges for services	630,970	638,059	7,089
Miscellaneous	350,274	437,661	87,387
Total revenues	<u>8,420,364</u>	<u>8,250,732</u>	<u>(169,632)</u>
Expenditures:			
Current:			
Administration	2,778,045	2,651,587	126,458
Public works	898,092	616,535	281,557
Parks	49,100	63,762	(14,662)
Police	4,034,275	3,598,615	435,660
Fire	1,164,922	980,067	184,855
ESDA	9,830	6,814	3,016
Senior center	87,285	61,922	25,363
Highways and streets	93,500	74,450	19,050
Debt service,			
Interest expense	25,000	5,596	19,404
Capital outlay	291,900	53,088	238,812
Total expenditures	<u>9,431,949</u>	<u>8,112,436</u>	<u>1,319,513</u>
Excess (deficiency) of revenues over (under) expenditures	(1,011,585)	138,296	1,149,881
Other financing uses:			
Gain on sale of property	-	11,029	11,029
Transfers in	-	7,667	7,667
Transfers (out)	-	(70,618)	(70,618)
Change in fund balance	<u>\$ (1,011,585)</u>	86,374	<u>\$ 1,079,263</u>
Fund balance:			
May 1, 2014		<u>1,549,599</u>	
April 30, 2015		<u>\$ 1,635,973</u>	

See Notes to Required Supplementary Information.

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Holbrook Road Tax Increment Financing District Fund
 Year Ended April 30, 2015

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,300,000	\$ 1,320,295	\$ 20,295
Expenditures:			
Current:			
Administration	580,000	29,383	550,617
Excess of revenues over expenditures	720,000	1,290,912	570,912
Other financing uses:			
Loss on sale of property	-	(188,155)	(188,155)
Transfers out	-	(1,902,558)	(1,902,558)
Total other financing uses	-	(2,090,713)	(2,090,713)
Change in fund balance	\$ 720,000	(799,801)	\$ (1,519,801)
Fund balance:			
May 1, 2014		2,439,172	
April 30, 2015		\$ 1,639,371	

See Notes to Required Supplementary Information.

Village of Glenwood, Illinois

Notes to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

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

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

Village of Glenwood, Illinois

Notes to Required Supplementary Information

Note 2. Pension Contributions

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

Police Pension Plan

Methods and Assumptions

Valuation date	May 1, 2015
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Smoothed Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	26 Years
Investment rate of return	6.50%
Projected Individual Salary Increases	4.0% - 11.00%
Projected Increase in Total Payroll	3.50%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Mortality Table	Lauterbach & Amen (L&A) 2012 Illinois Police

Firefighters' Pension Plan

Methods and Assumptions

Valuation date	May 1, 2015
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Smoothed Market Value
Amortization method	Straight line
Remaining Amortization Period	26 Years
Investment rate of return	6.00%
Projected Individual Salary Increases	5.00%
Projected Increase in Total Payroll	4.50%
Consumer Price Index (Utilities)	3.00%
Inflation Rate Included	3.00%
Mortality Table	Lauterbach & Amen (L&A) 2012 Illinois Firefighters

Supplementary Information

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual
Year Ended April 30, 2015

	Budget	Actual
Property taxes	\$ 3,837,250	\$ 3,472,533
Other taxes:		
Utility taxes	460,000	407,814
Auto rental tax	11,500	15,274
Real estate transfer tax	150,000	67,042
Total other taxes	621,500	490,130
Intergovernmental:		
Sales tax	850,000	1,003,971
Income tax	877,000	878,375
Local use tax	160,000	181,214
Video gaming tax	15,000	23,755
Personal property replacement tax	38,000	38,964
Telecommunication maintenance fee	325,000	234,988
Grants	50,000	78,896
Total intergovernmental	2,315,000	2,440,163
Licenses, permits and fees:		
Vehicle stickers	200,000	181,352
Zoning board/hearing application fee	520	250
Building and electrical permit	85,000	128,815
Alarm permits	2,000	1,175
Cable TV revenue	130,000	129,177
Landlord crime fee	12,000	9,300
Business licenses	37,000	33,515
Animal licenses	1,100	1,370
Health inspection fees	5,000	-
Towed vehicle administration fee	100,000	32,000
Fire protection fees	7,250	6,000
Yard waste stickers	10,000	10,790
Total licenses, permits and fees	589,870	533,744
Fines:		
Police - DUI-related revenues	25,000	124,477
Police fines	50,000	111,966
Building code fines	-	1,229
Total fines	75,000	237,672
Interest	500	770

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual (continued)
 Year Ended April 30, 2015

	Budget	Actual
Charges for services:		
Project reimbursement - police	\$ 1,800	\$ 1,580
Bad check charge	150	80
SBA towers	97,970	111,312
Park program fees	4,500	3,046
Senior center program fees	850	1,300
Grass cutting fees	700	550
Refuse fees	525,000	517,575
Taxi voucher program fees	-	2,616
Total charges for services	<u>630,970</u>	<u>638,059</u>
Miscellaneous:		
Facility rent	7,650	13,680
Newsletter advertising	10,000	6,025
Leased property	327,624	371,226
Miscellaneous	5,000	46,730
Total miscellaneous	<u>350,274</u>	<u>437,661</u>
Total revenues	<u>\$ 8,420,364</u>	<u>\$ 8,250,732</u>

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2015

	Budget	Actual
Current:		
Administration:		
Mayor	\$ 23,500	\$ 25,999
Treasurer	3,000	3,058
Trustees	36,000	37,058
Village clerk	10,000	10,000
Village collector	100	100
Village administrator	77,478	109,979
Department supervisor	80,567	80,194
Full time employees	130,000	134,386
Part time employees	60,000	56,486
Contract services	50,000	30,145
Consulting services	2,000	36,696
Salary - liquor commissioner	1,500	1,500
Employer FICA	31,800	9,366
Employer IMRF	24,700	8,572
Unemployment insurance	1,000	-
Office supplies	12,500	11,638
Data processing	35,000	21,812
Copier supplies and maintenance	13,000	12,517
Postage	11,000	11,821
Cleaning supplies	-	2,037
Employee appreciation	1,000	2,000
Telephone	6,500	4,196
Legal notices	2,100	948
Newsletter	35,000	25,216
Code of ordinances expense	10,000	1,889
Dues, subscription, and memberships	15,000	11,467
Legal services	350,000	359,409
Auditing	65,000	106,571
E-Comm annual expense	300,000	255,449
Group insurance and hospital	55,000	35,076
Workmen's compensation insurance	4,000	21,694
Liability insurance	600,000	410,750
Expenses village	-	320
Utility consulting	4,500	-
Board member training	10,000	-
Utilities	1,500	4,400
Personnel training	10,000	1,851
Travel, lodging, and meals	11,000	6,493
Donations/memorials	4,000	13,387
Police and fire commission	10,300	3,444
Glenwoodie villas expense	25,000	68,338
Website expense	1,500	750
Vehicle stickers	9,000	7,601
Economic incentive agreements	4,000	2,786
Computer - programs and equipment	65,000	80,925
Capital acquisition expense	-	34,119
Railroad property rental	2,500	2,460

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2015

	Budget	Actual
Current:		
Administration: (continued)		
OSLAD Grant	\$ -	\$ 184
Engineer services	30,000	30,613
Bank charges	-	11,099
Village trash disposal	535,000	537,041
Villas of Glenwood expense	-	27
Miscellaneous	8,000	7,720
Total administration	2,778,045	2,651,587
Public works:		
Department supervisor	31,000	31,281
Full time employees	187,000	162,229
Part time employees	30,000	686
Over-time wages	20,000	14,722
Lawn care services	45,000	34,025
Employer FICA	20,550	4,073
Employer IMRF	22,800	5,456
Unemployment insurance	-	1,403
Printing and advertising	1,600	169
Postage	550	-
Cleaning supplies	6,200	2,218
Telephone	3,200	3,744
Group insurance and hospital	100,000	68,551
Workmen's compensation insurance	25,462	25,462
Personnel training	3,000	1,250
Travel, lodging, and meals	1,500	848
Physicals	1,500	275
Gas and oil	31,000	19,725
Repair and maintenance - communications	-	140
Repair and maintenance - vehicle	42,000	58,429
Repair and maintenance - storm sewers	20,000	3,853
Repair and maintenance - traffic signals	28,000	18,664
Repair and maintenance - general tools/equipment	9,000	296
Repair and maintenance - municipal buildings	77,500	49,515
Maintenance - municipal grounds	32,000	22,643
Street lighting	29,000	20,374
Flags	515	1,680
Tree contractors	25,000	18,020
HVAC maintenance	90,000	33,158
Christmas decorations	10,000	4,497
Computer - programs and equipment	-	-
Engineering services	-	6,871
Miscellaneous	4,715	2,278
Total public works	898,092	616,535
Parks:		
Part time employees	6,400	4,631
Employer FICA & IMRF	450	98

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2015

	Budget	Actual
Current:		
Parks: (continued)		
Utilities	\$ 5,000	\$ 6,929
IMRF	500	-
Park program expenses	4,200	1,329
Easter program	600	451
July 4th expenses	200	310
Kids day out/summer bash	1,800	2,085
Halloween/hayride expenses	950	461
Christmas in the park expenses	750	1,004
Repair and maintenance - municipal buildings	8,500	6,139
Maintenance - municipal grounds	6,500	27,970
Fireworks	11,750	11,750
Hickory Glen Park expense	-	371
Miscellaneous	1,500	234
Total parks	49,100	63,762
Police:		
Part time police officers	55,000	32,123
Department supervisor	104,647	105,053
Full time employees	1,705,000	1,833,065
Part time employees	100,000	61,511
Over-time wages	150,000	200,682
Holiday pay	90,000	60,009
Retro pay	57,000	-
Employer FICA	171,200	46,726
Employer IMRF	6,300	5,501
Pension contributions	594,823	562,168
Unemployment insurance	5,305	-
Office supplies	11,000	7,617
Postage	8,000	2,070
Telephone	15,000	8,933
Dues, subscription, and membership	12,000	7,571
Legal services	50,000	48,777
Municipal systems	13,000	12,713
Group insurance and hospital	270,000	246,120
Workmen's compensation insurance	100,000	61,074
Liability insurance	-	2,054
Utilities	3,000	4,725
Personnel training	25,000	14,277
Travel, lodging, and meals	10,000	5,992
Public education programs	-	962
Physicals	1,200	75
Uniforms	31,000	33,501
Gas and oil	91,000	65,585
Food for prisoners	1,200	507
Repair and maintenance - communications	25,000	22,621
Repair and maintenance - copy machine	4,000	5,163

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2015

	Budget	Actual
Current:		
Police: (continued)		
Repair and maintenance - vehicle	\$ 55,000	\$ 70,723
Repair and maintenance - general tools/equipment	11,000	3,406
Repair and maintenance - municipal buildings	11,000	6,845
Radar equipment	12,500	2,813
In-Car L3 cameras	81,000	3,724
Evidence management system	15,000	-
Portable truck weight	11,000	-
3M opticom lighting	3,000	-
Municipal security cameras	10,000	3,946
Spillman touch 4 / ipads	13,500	443
Range usage/ammunition	16,000	3,267
Tow fee expense	5,000	1,770
License plate reader	30,000	-
Police crime prevention	3,000	1,308
Computer - programs and equipment	40,000	39,183
Board expense	2,600	749
Miscellaneous	5,000	3,263
Total police	4,034,275	3,598,615
Fire:		
Department supervisor	98,588	99,972
Full time employees	210,000	209,873
Part time employees	21,000	12,884
Secretarial services	69,100	27,871
Over-time wages	100	2,520
Paid on call fire personnel	98,900	107,138
Sleep-in-pay	99,800	102,516
Duty shift assignment	51,000	51,093
Contract services	60,000	47,455
Employer FICA	48,600	12,991
Employer IMRF	8,000	3,144
Pension contributions	86,884	86,579
Building code hearings	7,000	16,471
Planning and zoning	1,200	100
Printing and advertising	1,000	1,546
Office supplies	2,500	3,323
Postage	1,500	2,232
Food service inspections	900	-
Telephone	4,500	5,204
Dues, subscription, and membership	1,000	1,808
Legal services	8,000	2,709
Legal fees zoning	500	-
Group insurance and hospital	70,000	43,091
Workmen's compensation insurance	97,650	-
Utilities	2,500	1,418
Personnel training	12,000	8,313
Travel, lodging, meals	-	1,084
Public education programs	1,500	-
Physicals	1,800	2,010
Uniforms	7,500	5,218
Gas and oil	28,000	21,222
Station supplies	1,800	214
Repair and maintenance - vehicle	25,000	37,851
Repair and maintenance - hazardous material trailer	4,000	3,229
Repair and maintenance - general tools/equipment	10,000	19,009

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2015

	Budget	Actual
Current:		
Fire: (continued)		
Maintenance - station #1	\$ 4,000	\$ 8,602
Maintenance - station #2	4,000	7,240
Copy machine	600	874
Grass cutting vacant homes	7,500	8,159
Computer - programs and equipment	5,000	13,479
Miscellaneous	2,000	1,625
Total fire	1,164,922	980,067
ESDA:		
Department supervisor	1,030	2,424
Part time employees	4,000	397
Employer FICA & IMRF	300	118
Uniforms	500	-
Communications	4,000	3,875
Total ESDA	9,830	6,814
Senior center:		
Department supervisor	36,435	36,077
Part time employees	8,000	8,590
Employer FICA	3,400	1,035
Employer IMRF	3,100	855
Office supplies	700	579
Telephone/internet	750	525
Due subscription memberships	-	50
Group insurance and hospital	5,400	5,887
Utilities	3,700	2,807
Special events	3,000	1,625
Taxi voucher program	22,000	3,694
Miscellaneous	800	198
Total senior center	87,285	61,922
Highways and streets:		
Traffic control signs	15,000	14,260
Street lighting maintenance	25,000	21,439
Streets, sidewalks, and roadways	53,500	38,751
Total highways and streets	93,500	74,450
Interest expense	25,000	5,596
Capital outlay	291,900	53,088
Total expenditures	\$ 9,431,949	\$ 8,112,436

Nonmajor Governmental Funds

Village of Glenwood, Illinois

Combining Balance Sheet
 Nonmajor Governmental Funds
 April 30, 2015

	Special Revenue Funds	Capital Project Funds	Debt Service Fund 2010 Bond Payment Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,126,612	\$ 262,693	\$ 777,753	\$ 3,167,058
Receivables:				
Property taxes	290,921	-	373,544	664,465
Due from other governments	19,586	-	-	19,586
Total assets	\$ 2,437,119	\$ 262,693	\$ 1,151,297	\$ 3,851,109
Liabilities				
Accounts payable	\$ 76,980	\$ -	\$ -	\$ 76,980
Due to other funds	255,000	-	-	255,000
	331,980	-	-	331,980
Deferred Inflows of Resources				
Deferred property taxes	285,027	-	366,023	651,050
Fund Balances				
Restricted for:				
Road improvements	486,623	-	-	486,623
Tax increment financing projects	1,262,579	-	-	1,262,579
Retirement benefits	18,118	-	-	18,118
Public safety expenditures	110,020	-	-	110,020
Debt service	-	-	785,274	785,274
Capital projects	-	262,693	-	262,693
Unassigned	(57,228)	-	-	(57,228)
Total fund balances	1,820,112	262,693	785,274	2,868,079
Total liabilities, deferred inflows of resources and fund balances	\$ 2,437,119	\$ 262,693	\$ 1,151,297	\$ 3,851,109

Village of Glenwood, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended April 30, 2015

	Special Revenue Funds	Capital Project Funds	Debt Service Fund 2010 Bond Payment Fund	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 1,019,380	\$ -	\$ 644,753	\$ 1,664,133
Intergovernmental	296,762	-	-	296,762
Interest	631	-	210,639	211,270
Miscellaneous	157,127	-	-	157,127
Total revenues	1,473,900	-	855,392	2,329,292
Expenditures:				
Current:				
Administration	2,166,682	-	-	2,166,682
Police	12,138	-	-	12,138
Highway and streets	160,522	-	-	160,522
Pension contributions	404,007	-	-	404,007
Debt service:				
Principal	-	-	465,000	465,000
Interest and fees	-	-	683,419	683,419
Capital outlay	68,506	799,927	-	868,433
Total expenditures	2,811,855	799,927	1,148,419	4,760,201
(Deficiency) of revenues (under) expenditures	(1,337,955)	(799,927)	(293,027)	(2,430,909)
Other financing sources (uses):				
Transfers in	1,865,711	372,144	355,512	2,593,367
Transfers (out)	(629,008)	-	(1,703)	(630,711)
Sale of property	-	396,962	-	396,962
Total other financing sources (uses)	1,236,703	769,106	353,809	2,359,618
Change in fund balances	(101,252)	(30,821)	60,782	(71,291)
Fund balances:				
May 1, 2014	1,921,364	293,514	724,492	2,939,370
April 30, 2015	\$ 1,820,112	\$ 262,693	\$ 785,274	\$ 2,868,079

Village of Glenwood, Illinois

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 April 30, 2015

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Police Department Forfeiture Fund	Foreign Fire Insurance Fund
Assets				
Cash and cash equivalents	\$ 489,667	\$ 12,224	\$ 66,766	\$ 43,254
Property taxes receivable	-	290,921	-	-
Due from other governments	19,586	-	-	-
Total assets	\$ 509,253	\$ 303,145	\$ 66,766	\$ 43,254
Liabilities				
Accounts payable	\$ 22,630	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
	22,630	-	-	-
Deferred Inflows of Resources				
Deferred property taxes	-	285,027	-	-
Fund Balances				
Restricted for:				
Road improvements	486,623	-	-	-
Tax increment financing projects	-	-	-	-
Retirement benefits	-	18,118	-	-
Public safety expenditures	-	-	66,766	43,254
Unassigned	-	-	-	-
Total fund balances	486,623	18,118	66,766	43,254
Total liabilities, deferred inflows of resources and fund balances	\$ 509,253	\$ 303,145	\$ 66,766	\$ 43,254

EDA Fund	TIF Industrial North Fund	TIF Fund	TIF Main Street Fund	Total
\$ 14,928	\$ 24,453	\$ 478,321	\$ 996,999	\$ 2,126,612
-	-	-	-	290,921
-	-	-	-	19,586
<u>\$ 14,928</u>	<u>\$ 24,453</u>	<u>\$ 478,321</u>	<u>\$ 996,999</u>	<u>\$ 2,437,119</u>
\$ 41,219	\$ 390	\$ 11,327	\$ 1,414	\$ 76,980
30,000	25,000	200,000	-	255,000
<u>71,219</u>	<u>25,390</u>	<u>211,327</u>	<u>1,414</u>	<u>331,980</u>
-	-	-	-	285,027
-	-	-	-	-
-	-	-	-	486,623
-	-	266,994	995,585	1,262,579
-	-	-	-	18,118
-	-	-	-	110,020
(56,291)	(937)	-	-	(57,228)
<u>(56,291)</u>	<u>(937)</u>	<u>266,994</u>	<u>995,585</u>	<u>1,820,112</u>
<u>\$ 14,928</u>	<u>\$ 24,453</u>	<u>\$ 478,321</u>	<u>\$ 996,999</u>	<u>\$ 2,437,119</u>

Village of Glenwood, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended April 30, 2015**

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	IKE Disaster Recovery Grant Fund	Police Department Forfeiture Fund
Revenues:				
Property taxes	\$ -	\$ 368,507	\$ -	\$ -
Intergovernmental	290,017	-	6,745	-
Interest	53	-	1	-
Miscellaneous	-	-	-	86,387
Total revenues	290,070	368,507	6,746	86,387
Expenditures:				
Current:				
Administration	-	-	6,760	-
Police	-	-	-	12,138
Highways and streets	160,522	-	-	-
Pension contributions	-	404,007	-	-
Capital outlay	-	-	-	68,506
Total expenditures	160,522	404,007	6,760	80,644
Excess (deficiency) of revenues over (under) expenditures	129,548	(35,500)	(14)	5,743
Other financing sources (uses):				
Transfers in	-	-	-	(9,409)
Transfers (out)	(100,000)	-	-	2,774
Total other financing sources (uses)	(100,000)	-	-	(6,635)
Change in fund balances	29,548	(35,500)	(14)	(892)
Fund balances:				
May 1, 2014	457,075	53,618	14	67,658
April 30, 2015	\$ 486,623	\$ 18,118	\$ -	\$ 66,766

Foreign Fire Insurance Fund	EDA Fund	TIF Glenwoodie Golf Course Fund	TIF Industrial North Fund	TIF Fund	TIF Main Street Fund	TIF Halsted Fund	Total
\$ -	\$ -	\$ -	\$ 52,160	\$ 459,126	\$ 139,587	\$ -	\$ 1,019,380
-	-	-	-	-	-	-	296,762
-	-	-	-	577	-	-	631
9,568	-	-	-	11,172	50,000	-	157,127
9,568	-	-	52,160	470,875	189,587	-	1,473,900
-	-	-	-	-	-	-	-
-	56,291	-	71,541	1,148,679	737,220	146,191	2,166,682
-	-	-	-	-	-	-	12,138
-	-	-	-	-	-	-	160,522
-	-	-	-	-	-	-	404,007
-	-	-	-	-	-	-	68,506
-	56,291	-	71,541	1,148,679	737,220	146,191	2,811,855
9,568	(56,291)	-	(19,381)	(677,804)	(547,633)	(146,191)	(1,337,955)
-	-	-	-	1,450,000	278,929	146,191	1,865,711
-	-	(2,089)	-	-	(529,693)	-	(629,008)
-	-	(2,089)	-	1,450,000	(250,764)	146,191	1,236,703
9,568	(56,291)	(2,089)	(19,381)	772,196	(798,397)	-	(101,252)
33,686	-	2,089	18,444	(505,202)	1,793,982	-	1,921,364
\$ 43,254	\$ (56,291)	\$ -	\$ (937)	\$ 266,994	\$ 995,585	\$ -	\$ 1,820,112

Village of Glenwood, Illinois

Combining Balance Sheet
Nonmajor Capital Projects Funds
April 30, 2015

	Illinois Capital Acquisition Fund
<hr/>	
Assets	
Cash and cash equivalents	<u>\$ 262,693</u>
Liabilities	
Accounts payable	\$ -
Due to other funds	<u>-</u>
Fund Balances	
Restricted for:	
Capital projects	<u>262,693</u>
Total fund balances	<u>\$ 262,693</u>

Village of Glenwood, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 Year Ended April 30, 2015

	2010 Bond Project Fund	Capital Acquisition Fund	Total
Expenditures:			
Current:			
Capital outlay	\$ 359,291	\$ 440,636	\$ 799,927
Total expenditures	<u>359,291</u>	<u>440,636</u>	<u>799,927</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(359,291)</u>	<u>(440,636)</u>	<u>(799,927)</u>
Other financing sources (uses):			
Transfers in	65,777	306,367	372,144
Transfers (out)	-	-	-
Proceeds on sale of property	-	396,962	396,962
Total other financing sources (uses)	<u>65,777</u>	<u>703,329</u>	<u>769,106</u>
Change in fund balances	(293,514)	262,693	(30,821)
Fund balances:			
May 1, 2014	<u>293,514</u>	-	<u>293,514</u>
April 30, 2015	<u>\$ -</u>	<u>\$ 262,693</u>	<u>\$ 262,693</u>

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Motor Fuel Tax Fund
 Year Ended April 30, 2015

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 215,000	\$ 290,017	\$ 75,017
Interest	70	53	(17)
Total revenues	<u>215,070</u>	<u>290,070</u>	<u>75,000</u>
Expenditures:			
Current:			
Highways and streets	<u>437,000</u>	<u>160,522</u>	<u>276,478</u>
Excess (deficiency) of revenues over (under) expenditures	(221,930)	129,548	351,478
Other financing uses:			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Change in fund balance	<u><u>\$ (321,930)</u></u>	<u>29,548</u>	<u><u>\$ 351,478</u></u>
Fund balance:			
May 1, 2014		<u>457,075</u>	
April 30, 2015		<u><u>\$ 486,623</u></u>	

Enterprise Fund

Village of Glenwood, Illinois

**Schedule of Operations Expenses - Budget and Actual
Water and Sewer Fund
Year Ended April 30, 2015**

	Budget	Actual
Department supervisor	\$ 57,349	\$ 59,666
Full time employees	370,000	371,124
Over-time wages	40,000	28,097
Contract services	28,000	16,957
Lawn care services	10,250	8,512
Employers FICA	35,000	(1,208)
IMRF	39,900	-
Unemployment insurance	4,100	-
Printing and advertising	11,100	3,297
Office supplies	2,300	835
Copier supplies and maintenance	1,200	1,666
Postage	13,230	11,946
Telephone	55,000	69,177
Water/Sewer System Alarm	1,700	618
Dues, subscription, and membership	1,200	2,721
Legal services	5,000	2,625
Group insurance and hospital	50,000	68,936
Workmen's compensation insurance	79,380	-
Utilities	11,000	9,923
Personnel training	2,800	397
Travel, lodging, and meals	1,575	475
Public education programs	2,500	2,973
Physicals	1,000	-
Gas and oil	34,000	23,905
Energy for pumping water	58,000	42,514
Chemicals for water treatment	26,000	35,243
Concrete bins	35,000	-
Repair and maintenance - communications	2,100	618
Repair and maintenance - water system	250,000	255,713
Repair and maintenance - vehicle	28,000	33,773
Repair and maintenance - general tools/equipment	10,500	57
Repair and maintenance - municipal buildings	16,600	6,069
Maintenance - municipal grounds	15,800	67,121
Repair and maintenance - sewer system	250,000	194,353
Purchase - general tools and equipment	11,100	4,644
Purchase - personnel equipment	5,600	7,694
Water purchase - Chicago Heights	1,032,000	992,312
SCADA system upgrade	250,000	-
Public infrastructure projects/water main looping	5,000,000	-
Computer - programs and equipment	50,000	44,310
Water meter program	63,000	78,935
New roof for pump station 1	25,000	-
Engineering services	65,000	62,641
Communications equipment	3,400	-
Homewood disposal	10,500	527
Miscellaneous	300	1,517
Total operating expenses	\$ 8,065,484	\$ 2,510,683

Village of Glenwood, Illinois

Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended April 30, 2015

	Balance May 1, 2014	Additions	Deletions	Balance April 30, 2015
CABLE ESCROW FUND				
Assets,				
Cash and cash equivalents	\$ 50,106	\$ 34,751	\$ -	\$ 84,857
Liabilities,				
Due to other funds	\$ 50,106	\$ 34,751	\$ -	\$ 84,857

Other Information

Village of Glenwood, Illinois

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

	2014	2013	2012	2011	2010
Tax Rates (per \$100 of assessed valuation):					
Corporate	3.125	2.903	2.495	2.020	1.670
Police Pension	0.661	0.563	0.476	0.520	0.378
Fire Pension	0.086	0.089	0.078	0.087	0.066
Bond and Interest	0.933	0.889	0.789	0.619	0.499
IMRF	0.538	0.282	0.199	0.238	0.161
Totals	5.343	4.727	4.037	3.483	2.774
Tax extensions:					
Corporate	\$ 2,990,754	\$ 2,913,039	\$ 2,655,204	\$ 2,399,885	\$ 2,462,526
Police Pension	632,634	565,277	506,420	618,000	557,340
Fire Pension	82,615	89,145	82,369	103,000	97,698
Bond and Interest	892,500	892,500	840,000	735,000	735,000
IMRF	515,103	283,250	212,180	283,250	236,900
Totals	\$ 5,113,606	\$ 4,743,211	\$ 4,296,173	\$ 4,139,135	\$ 4,089,464
Collections	\$ 2,275,103	\$ 4,545,051	\$ 4,196,139	\$ 3,971,130	\$ 3,884,659
Percent Collected	44.49%	95.82%	97.67%	95.94%	94.99%

Village of Glenwood, Illinois

Schedule of Debt Service Requirements
April 30, 2015

	Year Ending April 30,	Principal	Interest	Total
General Obligation Bonds				
Series 2010A	2016	\$ -	\$ 648,869	\$ 648,869
Dated July 22, 2010	2017	-	648,869	648,869
Interest due on June 1	2018	-	648,869	648,869
and December 1 at a	2019	-	648,869	648,869
rate of 7.030%	2020	-	648,869	648,869
	2021	-	648,869	648,869
	2022	-	648,869	648,869
	2023	1,035,000	648,869	1,683,869
	2024	1,230,000	576,109	1,806,109
	2025	1,330,000	489,640	1,819,640
	2026	1,440,000	396,141	1,836,141
	2027	1,560,000	294,909	1,854,909
	2028	1,685,000	185,240	1,870,240
	2029	950,000	66,785	1,016,785
		<u>\$ 9,230,000</u>	<u>\$ 7,199,776</u>	<u>\$ 16,429,776</u>
General Obligation Bonds				
Series 2010B	2016	\$ 475,000	\$ 19,000	\$ 494,000
Dated July 22, 2010				
Interest due on June 1				
and December 1 at 4.00%				

(continued)

Village of Glenwood, Illinois

**Schedule of Debt Service Requirements (continued)
April 30, 2015**

	Year Ending April 30,	Principal	Interest	Total
General Obligation Bonds				
Series 2010C	2016	\$ 85,000	\$ 189,200	\$ 274,200
Dated September 29, 2010	2017	630,000	186,650	816,650
Interest due on June 1	2018	705,000	164,600	869,600
and December 1 at rates	2019	775,000	139,925	914,925
ranging from 3.00% to 4.00%	2020	855,000	112,800	967,800
	2021	940,000	78,600	1,018,600
	2022	1,025,000	41,000	1,066,000
		<u>\$ 5,015,000</u>	<u>\$ 912,775</u>	<u>\$ 5,927,775</u>