

Village of Glenwood, Illinois

Annual Financial Report
April 30, 2018

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RSM US LLP

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Glenwood, Illinois (the Village), as of and for the year ended April 30, 2018, 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 59.7%, 68.0%, and 36.8%, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 3-11), pension and postemployment related information (on pages 73-80) and budgetary comparison information (on pages 81-84) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

RSM US LLP

Chicago, Illinois
March 19, 2019

Required Supplementary Information

Management's Discussion and Analysis (MD&A)

Village of Glenwood, Illinois
Management's Discussion and Analysis

April 30, 2018

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

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements (beginning on page 12).

Using the Financial Section of this Comprehensive Annual Report

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

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

While the Business-Type Activities column on the Business-Type Fund Financial Statements (see pages 19-23) is the same as the Business-Type column on the Government-Wide Financial Statements, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 16 and 18). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-Wide Financial Statements).

Infrastructure Assets

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

Government-Wide Financial Statements

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$26.5 million as of April 30, 2018.

A significant portion of the Village's net position (125.3%) reflects its net investment in capital assets (i.e., land, land improvements, streets and bridges, storm sewers, water mains, buildings and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

The table below presents condensed financial information taken from the Village's Statement of Net Position for the fiscal year ended April 30, 2018.

Table 1
Statement of Net Position
As of April 30, 2018
(in millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current assets	\$ 15.60	\$ 16.70	\$ 4.50	\$ 3.70	\$ 20.10	\$ 20.40
Capital assets and pension assets	31.10	30.60	18.00	18.20	49.10	48.80
Total assets	<u>46.70</u>	<u>47.30</u>	<u>22.50</u>	<u>21.90</u>	<u>69.20</u>	<u>69.20</u>
Deferred outflows of resources	<u>1.80</u>	<u>0.90</u>	<u>0.10</u>	<u>0.20</u>	<u>1.90</u>	<u>1.10</u>
Total assets and deferred outflows of resources	<u>48.50</u>	<u>48.20</u>	<u>22.60</u>	<u>22.10</u>	<u>71.10</u>	<u>70.30</u>
Current liabilities	6.50	6.10	1.50	1.30	8.00	7.40
Noncurrent liabilities	23.60	22.30	5.00	6.20	28.60	28.50
Total liabilities	<u>30.10</u>	<u>28.40</u>	<u>6.50</u>	<u>7.50</u>	<u>36.60</u>	<u>35.90</u>
Deferred inflows of resources	<u>7.10</u>	<u>7.70</u>	<u>0.80</u>	<u>0.50</u>	<u>7.90</u>	<u>8.20</u>
Total liabilities and deferred inflows of resources	37.20	36.10	7.30	8.00	44.50	44.00
Net Position:						
Net investment in capital assets	21.50	21.40	11.70	11.20	33.20	32.60
Restricted	12.00	11.60	-	-	12.00	11.60
Unrestricted	(22.20)	(20.90)	3.50	2.90	(18.70)	(18.00)
Total net position	<u>\$ 11.30</u>	<u>\$ 12.10</u>	<u>\$ 15.20</u>	<u>\$ 14.10</u>	<u>\$ 26.50</u>	<u>\$ 26.20</u>

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

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

The Village's combined net position, which is the Village's equity, increased to \$26.5 million from \$26.2 million as a result of the increase in net position in Business-Type Activities. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations, was a deficit of \$22.20 million. The unrestricted net position of Business-Type Activities was \$3.5 million. The Village can use unrestricted net position to finance the continuing operation of its waterworks and sewerage system and golf course.

Normal Impacts

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

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

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

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

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

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

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

Current Year Impacts

The Village's Governmental Activities net position decreased by \$0.8 million. Assets and deferred outflows increased by \$0.3 million mainly due to increases in deferred outflows related to pensions. Total liabilities and deferred inflows increased by \$1.1 million, due to an increase in accounts payable and net pension liabilities.

The Village's Business-Type Activities net position increased by \$1.1 million. Assets increased by \$0.6 million while total liabilities decreased by \$1.0 million and can be attributed to a decrease in General Obligation Bonds and pension liability.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

Changes in Net Position

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

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program Revenues						
Charges for Services	\$ 2.00	\$ 2.10	\$ 5.20	\$ 5.10	\$ 7.20	\$ 7.20
Grants and Contributions	0.20	0.60	0.20	2.20	0.40	2.90
General Revenues						
Property Taxes	6.20	6.60	0.80	0.90	7.00	7.50
Other Taxes	3.20	3.90	-	-	3.20	3.90
Other	0.20	-	-	-	0.20	-
Transfer	0.20	0.10	(0.20)	(0.10)	-	-
Total Revenues and Transfer	<u>12.00</u>	<u>13.30</u>	<u>6.00</u>	<u>8.20</u>	<u>18.00</u>	<u>21.50</u>
EXPENSES						
General Government	5.90	4.40	-	-	5.90	4.40
Public Safety	5.40	5.60	-	-	5.40	5.60
Public Works	0.40	0.40	-	-	0.40	0.40
Highway and Streets	0.40	0.40	-	-	0.40	0.40
Water and Sewer	-	-	3.00	4.30	3.00	4.30
Golf Course	-	-	1.90	1.90	1.90	1.90
Debt Service	0.80	0.90	-	-	0.80	0.90
Total Expenses	<u>12.90</u>	<u>11.70</u>	<u>4.90</u>	<u>6.20</u>	<u>17.80</u>	<u>17.90</u>
CHANGE IN NET POSITION	(0.90)	1.60	1.10	2.00	0.20	3.60
NET POSITION – BEGINNING	<u>12.10</u>	<u>10.50</u>	<u>14.10</u>	<u>12.10</u>	<u>26.20</u>	<u>22.60</u>
NET POSITION – ENDING	<u>\$ 11.30</u>	<u>\$ 12.10</u>	<u>\$ 15.20</u>	<u>\$ 14.10</u>	<u>\$ 26.50</u>	<u>\$ 26.20</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 \$1.3 million from the prior year due primarily to decreases in property and other taxes.

The Village's Business-Type Activities total revenues decreased by \$2.2 million from the prior year. This decrease can mainly be attributed to a \$2.0 million decrease in grants and contributions.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

Expenses:

The Village's total expenses for governmental activities for the year ended April 30, 2018, increased by \$1.2 million to \$12.9 million, due to an increase in general government expenses.

The Village's total expenses for business-type activities for the year ended April 30, 2018, were \$4.9 million, a decrease of \$1.3 million from the prior year. The decrease can be attributed to decreases in Water and Sewer expenses.

Financial Analysis of the Village's Funds

Governmental Funds

At April 30, 2018, the governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$7.1 million. Expenses and other uses exceeded revenues and other sources in 2018 by \$1.2 million.

The General Fund experienced a current year operating surplus of \$0.9 million. This resulted in a year-end fund balance of \$4.2 million.

The Holbrook Road Tax Increment Financing District Fund experienced an operating surplus of \$0.7 million. This resulted in an ending fund balance of \$3.9 million.

The TIF Halsted Fund was closed during the year and transferred its remaining fund balance to a new TIF fund, TIF Halsted South. TIF Halsted South experienced an operating deficit of \$3.0 million, mainly related to operating expenses. This resulted in an ending fund deficit of \$3.0 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 2018. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Actual
Revenues		
Taxes	\$5.00	\$4.90
Intergovernmental	2.40	2.60
Licenses, permits and fees	0.60	0.60
Fines	0.20	0.20
Charges for services	1.00	1.00
Other	-	-
Total	<u>9.20</u>	<u>9.30</u>
Expenditures		
Administration	2.70	2.20
Public works	0.80	0.60
Parks	0.10	0.10
Police	3.50	4.00
Fire	1.10	1.10
Capital outlay	0.50	0.10
Other	0.30	0.10
Total	<u>9.00</u>	<u>8.20</u>
Change in Fund Balance	<u>\$0.20</u>	<u>\$1.10</u>

The General Fund anticipated a surplus of \$0.2 million, while actual results were a \$1.1 million surplus.

Capital Assets

At the end of the fiscal year 2018, the Village had a combined total of capital assets of \$48.4 million invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers and sanitary sewer lines. (See Table 4 below.) This amount represents a net decrease (including additions and deletions) of about \$0.4 million.

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

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

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

	Balance 4/30/17	Net	Balance 4/30/18
		Additions/Deletions	
Land	\$26.10	\$0.00	\$26.10
Improvements	1.80	-	1.80
Buildings	7.40	(0.20)	7.20
Machinery and Equipment	2.00	(0.20)	1.80
Infrastructure	<u>11.50</u>	<u>-</u>	<u>11.50</u>
Total Capital Assets	<u><u>\$48.80</u></u>	<u><u>(\$0.40)</u></u>	<u><u>\$48.40</u></u>

Long-Term Debt

The Village had \$20.1 million and \$21.2 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, 2018 and 2017, respectively. The Village paid off approximately \$0.9 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 2018 and is expected to continue into 2019. 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, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 6,538,098	\$ 3,723,585	\$ 10,261,683
Receivables:			
Property taxes	2,334,614	411,143	2,745,757
Accounts	-	591,490	591,490
Other	90,714	3,591	94,305
Prepays	182,906	15,676	198,582
Inventories	-	59,328	59,328
Due from other governments	581,594	-	581,594
Property held for resale	5,570,665	-	5,570,665
Internal balances	313,893	(313,893)	-
Total current assets	15,612,484	4,490,920	20,103,404
Noncurrent assets:			
Capital assets not being depreciated	21,822,166	4,323,187	26,145,353
Capital assets being depreciated, net	8,911,278	13,373,318	22,284,596
Net pension asset - IMRF	381,623	293,141	674,764
Total noncurrent assets	31,115,067	17,989,646	49,104,713
Total assets	46,727,551	22,480,566	69,208,117
Deferred outflows of resources:			
Deferred outflows due to pensions	1,724,065	117,438	1,841,503
Total deferred outflows of resources	1,724,065	117,438	1,841,503
Total assets and deferred outflows of resources	\$ 48,451,616	\$ 22,598,004	\$ 71,049,620

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Net Position (Continued)
April 30, 2018

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 944,937	\$ 338,976	\$ 1,283,913
Accrued payroll	32,704	8,541	41,245
Line of credit	4,874,256	-	4,874,256
Accrued interest	270,362	59,837	330,199
Deposits	140,025	72,988	213,013
Unearned revenue	81,771	-	81,771
Compensated absences	166,292	53,716	220,008
Note payable	-	133,353	133,353
Capital leases	-	70,249	70,249
General obligation bonds	-	775,000	775,000
Total current liabilities	6,510,347	1,512,660	8,023,007
Long-term liabilities, net of current maturities:			
Compensated absences	55,433	17,905	73,338
Note payable	-	1,972,786	1,972,786
Capital leases	-	175,686	175,686
General obligation bonds, net of unamortized bond premium	9,230,000	2,864,881	12,094,881
Net pension liability - Police & Fire	14,119,547	-	14,119,547
OPEB obligation	181,700	-	181,700
Total noncurrent liabilities	23,586,680	5,031,258	28,617,938
Total liabilities	30,097,027	6,543,918	36,640,945
Deferred inflows of resources:			
Deferred inflows due to pensions	4,836,692	398,288	5,234,980
Deferred property taxes	2,231,571	447,816	2,679,387
Total deferred inflows of resources	7,068,263	846,104	7,914,367
Total liabilities and deferred inflows of resources	37,165,290	7,390,022	44,555,312
Net position:			
Net investment in capital assets	21,503,444	11,704,550	33,207,994
Restricted for:			
Debt service	462,270	-	462,270
Capital projects	436,169	-	436,169
Road improvements	800,112	-	800,112
Tax increment financing projects	10,048,243	-	10,048,243
Retirement benefits	98,786	-	98,786
Public safety expenditures	105,249	-	105,249
Unrestricted (deficit)	(22,167,947)	3,503,432	(18,664,515)
Total net position	\$ 11,286,326	\$ 15,207,982	\$ 26,494,308

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Activities
Year Ended April 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 5,872,830	\$ 1,416,641	\$ 19,757	\$ -	\$ (4,436,432)	\$ -	\$ (4,436,432)
Public safety	5,406,164	376,963	9,221	-	(5,019,980)	-	(5,019,980)
Public works	364,658	6,622	-	-	(358,036)	-	(358,036)
Highway and streets	398,308	158,694	229,006	-	(10,608)	-	(10,608)
Interest and fees	841,343	-	-	-	(841,343)	-	(841,343)
Total governmental activities	12,883,303	1,958,920	257,984	-	(10,666,399)	-	(10,666,399)
Business-type activities:							
Water and sewer	3,022,627	3,683,519	-	130,445	-	791,337	791,337
Golf course operations	1,841,399	1,524,575	-	14,028	-	(302,796)	(302,796)
Total business-type activities	4,864,026	5,208,094	-	144,473	-	488,541	488,541
Total	\$ 17,747,329	\$ 7,167,014	\$ 257,984	\$ 144,473	(10,666,399)	488,541	(10,177,858)
General revenues							
Taxes:							
Property					6,187,513	793,463	6,980,976
Sales					940,125	-	940,125
Income					920,964	-	920,964
Utility					542,080	-	542,080
Other					849,716	-	849,716
Interest					239,460	13,119	252,579
Miscellaneous					(63,024)	-	(63,024)
Transfers					177,089	(177,089)	-
Total general revenues and transfers					9,793,923	629,493	10,423,416
Change in net position					(872,476)	1,118,034	245,558
Net position:							
May 1, 2017					12,158,802	14,089,948	26,248,750
April 30, 2018					\$ 11,286,326	\$ 15,207,982	\$ 26,494,308

See notes to financial statements.

Fund Financial Statements

Village of Glenwood, Illinois

Balance Sheet - Governmental Funds
April 30, 2018

	Major Funds					
	General Fund	Holbrook Road Tax Increment Financing District Fund	TIF Halsted South Fund	TIF Halsted Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 3,291,100	\$ 155,868	\$ 228,921	\$ -	\$ 2,862,209	\$ 6,538,098
Receivables:						
Property taxes	2,069,808	-	-	-	264,806	2,334,614
Other receivables	90,714	-	-	-	-	90,714
Prepays	182,906	-	-	-	-	182,906
Due from other governments	561,062	-	-	-	20,532	581,594
Due from other funds	584,986	3,723,013	-	-	562,146	4,870,145
Property held for resale	56,000	-	5,283,301	-	231,364	5,570,665
Total assets	\$ 6,836,576	\$ 3,878,881	\$ 5,512,222	\$ -	\$ 3,941,057	\$ 20,168,736
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 188,102	\$ -	\$ 709,208	\$ -	\$ 47,627	\$ 944,937
Accrued payroll	32,704	-	-	-	-	32,704
Line of credit	-	-	4,874,256	-	-	4,874,256
Deposits	140,025	-	-	-	-	140,025
Unearned revenue	81,771	-	-	-	-	81,771
Due to other funds	-	-	2,958,513	-	1,597,739	4,556,252
Total liabilities	442,602	-	8,541,977	-	1,645,366	10,629,945
Deferred Inflows of Resources:						
Deferred property taxes	2,025,626	-	-	-	271,722	2,297,348
Deferred intergovernmental revenue	184,536	-	-	-	-	184,536
Total deferred inflows	2,210,162	-	-	-	271,722	2,481,884
Fund Balances:						
Nonspendable for prepaids	182,906	-	-	-	-	182,906
Nonspendable for property held for resale	56,000	-	-	-	-	56,000
Restricted for:						
Road improvements	-	-	-	-	800,112	800,112
Tax increment financing projects	-	3,878,881	5,283,301	-	886,061	10,048,243
Retirement benefits	-	-	-	-	98,786	98,786
Public safety expenditures	-	-	-	-	105,249	105,249
Debt service	-	-	-	-	732,632	732,632
Capital projects	-	-	-	-	436,169	436,169
Unassigned	3,944,906	-	(8,313,056)	-	(1,035,040)	(5,403,190)
Total fund balances	4,183,812	3,878,881	(3,029,755)	-	2,023,969	7,056,907
Total liabilities, deferred inflows of resources and fund balances	\$ 6,836,576	\$ 3,878,881	\$ 5,512,222	\$ -	\$ 3,941,057	\$ 20,168,736

See notes to financial statements.

Village of Glenwood, Illinois

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
April 30, 2018

Total fund balances - governmental funds \$ 7,056,907

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

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

Property taxes	65,777
Intergovernmental	184,536

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. 30,733,444

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

Deferred outflows	1,724,065
Deferred inflows	(4,836,692)

Some assets and liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as assets or liabilities in governmental funds. These assets and liabilities consist of:

General obligation bonds	(9,230,000)
Accrued interest	(270,362)
OPEB obligations	(181,700)
Net pension asset - IMRF	381,623
Net pension liability - Police & Fire	(14,119,547)
Compensated absences	(221,725)

Net position of governmental activities \$ 11,286,326

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended April 30, 2018

	Major Funds					
	General Fund	Holbrook Road Tax Increment Financing District Fund	TIF Halsted South Fund	TIF Halsted Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 4,325,916	\$ 713,487	\$ -	\$ -	\$ 1,117,136	\$ 6,156,539
Other taxes	590,458	-	-	-	-	590,458
Intergovernmental	2,582,190	-	-	-	407,037	2,989,227
Licenses, permits and fees	561,828	-	-	-	-	561,828
Fines	217,525	-	-	-	-	217,525
Interest	20,388	-	-	-	219,072	239,460
Charges for services	1,028,181	-	151,386	-	-	1,179,567
Miscellaneous	12,998	-	-	-	11,527	24,525
Total revenues	9,339,484	713,487	151,386	-	1,754,772	11,959,129
Expenditures:						
Current:						
Administration	2,175,322	6,094	3,099,304	-	311,067	5,591,787
Public works	644,548	-	-	-	-	644,548
Parks	105,579	-	-	-	-	105,579
Police	3,983,552	-	-	-	6,532	3,990,084
Fire	1,163,699	-	-	-	-	1,163,699
ESDA	3,139	-	-	-	-	3,139
Senior center	64,562	-	-	-	-	64,562
Highway and streets	31,695	-	-	-	148,455	180,150
Pension contributions	-	-	-	-	439,461	439,461
Miscellaneous	-	-	-	-	6,854	6,854
Debt service:						
Interest and fees	-	-	191,323	-	650,020	841,343
Capital outlay	69,831	-	20,524	-	171,102	261,457
Total expenditures	8,241,927	6,094	3,311,151	-	1,733,491	13,292,663
Excess (deficiency) of revenues over (under) expenditures	1,097,557	707,393	(3,159,765)	-	21,281	(1,333,534)
Other financing sources (uses):						
Gain (loss) on sale of capital assets	4,440	-	(80,970)	-	-	(76,530)
Transfers in	1,315	-	210,980	-	568,469	780,764
Transfers (out)	(168,469)	-	-	(210,980)	(224,226)	(603,675)
Total other financing sources (uses)	(162,714)	-	130,010	(210,980)	344,243	100,559
Change in fund balance	934,843	707,393	(3,029,755)	(210,980)	365,524	(1,232,975)
Fund balances (deficit):						
May 1, 2017	3,248,969	3,171,488	-	210,980	1,658,445	8,289,882
April 30, 2018	\$ 4,183,812	\$ 3,878,881	\$ (3,029,755)	\$ -	\$ 2,023,969	\$ 7,056,907

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, 2018**

Net change in fund balances - total governmental funds \$ (1,232,975)

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

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

Prior year deferred balance:

Property taxes (34,803)
Intergovernmental (222,521)

Current year deferred balance:

Property taxes 65,777
Intergovernmental 184,536

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

Capital outlays 508,279
Depreciation expense (418,376)

Items related to pension expense and revenue are reported as deferred inflows and deferred outflows on the government-wide financial statements, but not on the fund financial statements:

Deferred outflows of resources related to pension expense 869,698
Deferred inflows of resources related to pension expense 350,251

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 compensated absences 2,199
(Increase) in OPEB obligation (19,641)
Change in net pension (asset) 488,524
Change in net pension liability (1,413,424)

Change in net position of governmental activities \$ (872,476)

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Net Position - Enterprise Funds
April 30, 2018

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,396,777	\$ 326,808	\$ 3,723,585
Receivables:			
Property taxes	-	411,143	411,143
Accounts	551,691	39,799	591,490
Other	-	3,591	3,591
Prepays	9,078	6,598	15,676
Inventories	-	59,328	59,328
Due from other funds	-	11,687	11,687
Total current assets	3,957,546	858,954	4,816,500
Noncurrent assets:			
Capital assets not being depreciated	-	4,323,187	4,323,187
Capital assets being depreciated, net	9,755,674	3,617,644	13,373,318
Net pension asset - IMRF	165,006	128,135	293,141
Total noncurrent assets	9,920,680	8,068,966	17,989,646
Total assets	13,878,226	8,927,920	22,806,146
Deferred outflows of resources:			
Deferred outflows due to pensions	62,662	54,776	117,438
Total assets and deferred outflows of resources	\$ 13,940,888	\$ 8,982,696	\$ 22,923,584

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Net Position - Enterprise Funds (Continued)
 April 30, 2018

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 207,145	\$ 131,831	\$ 338,976
Accrued payroll	1,059	7,482	8,541
Accrued interest	1,535	58,302	59,837
Deposits	72,988	-	72,988
Due to other funds	99,430	226,150	325,580
Compensated absences	18,782	34,934	53,716
Note payable	133,353	-	133,353
Capital leases	-	70,249	70,249
General obligation bonds	-	775,000	775,000
Total current liabilities	534,292	1,303,948	1,838,240
Long-term liabilities, net of current maturities:			
Compensated absences	6,260	11,645	17,905
Note payable	1,972,786	-	1,972,786
Capital leases	-	175,686	175,686
General obligation bonds, net of unamortized bond premium	-	2,864,881	2,864,881
Total noncurrent liabilities	1,979,046	3,052,212	5,031,258
Total liabilities	2,513,338	4,356,160	6,869,498
Deferred inflows of resources:			
Deferred inflows due to pensions	217,512	180,776	398,288
Deferred property taxes	-	447,816	447,816
Total deferred inflows of resources	217,512	628,592	846,104
Total liabilities and deferred inflows of resources	2,730,850	4,984,752	7,715,602
Net position:			
Net investment in capital assets	7,649,535	4,055,015	11,704,550
Unrestricted	3,560,503	(57,071)	3,503,432
Total net position	\$ 11,210,038	\$ 3,997,944	\$ 15,207,982

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended April 30, 2018

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Operating revenues:			
Charges for service	\$ 3,683,519	\$ 1,524,575	\$ 5,208,094
Operating expenses:			
Operations	2,635,386	1,507,176	4,142,562
Depreciation	361,501	186,611	548,112
Amortization	-	(12,528)	(12,528)
Total operating expenses	2,996,887	1,681,259	4,678,146
Operating (loss) income	686,632	(156,684)	529,948
Nonoperating income (expense):			
Property taxes	-	793,463	793,463
Interest income	13,119	-	13,119
Interest expense	(25,740)	(160,140)	(185,880)
Grants	-	-	-
Total nonoperating income (expense)	(12,621)	633,323	620,702
Income before contributions and transfers	674,011	476,639	1,150,650
Capital contributions	130,445	14,028	144,473
Transfers in	124,226	-	124,226
Transfers out	(200,000)	(101,315)	(301,315)
Change in net position	728,682	389,352	1,118,034
Net position:			
May 1, 2017	10,481,356	3,608,592	14,089,948
April 30, 2018	\$ 11,210,038	\$ 3,997,944	\$ 15,207,982

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds
Year Ended April 30, 2018

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Cash flows from operating activities:			
Cash received for services	\$ 3,688,586	\$ 1,511,031	\$ 5,199,617
Payments to employees	(447,960)	(547,764)	(995,724)
Payments to suppliers	(2,121,228)	(954,887)	(3,076,115)
Net cash provided by operating activities	1,119,398	8,380	1,127,778
Cash flows from noncapital financing activities:			
Property taxes	-	881,287	881,287
Decrease in due from other funds	-	(11,687)	(11,687)
Increase in due to other funds	(128,294)	-	(128,294)
Operating grants received	-	-	-
Transfer in	124,226	-	124,226
Transfer out	(200,000)	(101,315)	(301,315)
Net cash (used in) provided by noncapital financing activities	(204,068)	768,285	564,217
Cash flows from capital and related financing activities:			
Additions to capital assets	-	-	-
Principal payments, capital leases, net	-	(46,858)	(46,858)
Principal payments, general obligation bonds	-	(705,000)	(705,000)
Principal payments, note payable	(131,700)	-	(131,700)
Interest paid	(27,564)	(170,421)	(197,985)
Net cash used in capital and related financing activities	(159,264)	(922,279)	(1,081,543)
Cash flows from investing activities:			
Cash receipts from interest income	13,119	-	13,119
Net cash provided by investing activities	13,119	-	13,119
Net increase (decrease) in cash and cash equivalents	769,185	(145,614)	623,571
Cash and cash equivalents:			
May 1, 2017	2,627,592	472,422	3,100,014
April 30, 2018	<u>\$ 3,396,777</u>	<u>\$ 326,808</u>	<u>\$ 3,723,585</u>

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds (Continued)
Year Ended April 30, 2018

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 686,632	\$ (156,684)	\$ 529,948
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	361,501	186,611	548,112
Amortization	-	(12,528)	(12,528)
Changes in assets and liabilities:			
Accounts receivable	5,395	(6,946)	(1,551)
Prepays	(9,078)	(6,598)	(15,676)
Accounts payable	81,005	1,519	82,524
Accrued payroll	506	1,174	1,680
Deposits	8,750	-	8,750
Compensated absences	(117)	6,857	6,740
Deferred outflow of resources - Pension actuarial adjustments	21,736	15,704	37,440
Deferred inflow of resources - Pension actuarial adjustments	175,990	148,484	324,474
Net pension asset - IMRF	(212,922)	(169,213)	(382,135)
Total adjustments	432,766	165,064	597,830
Net cash provided by operating activities	\$ 1,119,398	\$ 8,380	\$ 1,127,778
Supplemental schedule of non-cash capital and related finance activities:			
Capital assets contributed from government	\$ 130,445	\$ 14,028	\$ 144,473

See notes to financial statements.

Village of Glenwood, Illinois

Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2018

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 494,853	\$ 85,029
Investments:		
Certificates of deposit	193,198	-
U.S. government and agency obligations	4,033,304	-
Corporate bonds	2,297,956	-
Insurance contracts	382,830	-
Equity mutual funds	4,350,872	-
Accrued interest	52,624	-
Prepaid items	3,979	-
	<hr/>	<hr/>
Total assets	11,809,616	85,029
Liabilities		
Accounts payable	7,662	-
Deposits payable	-	85,029
Total liabilities	7,662	85,029
Net position:		
Restricted for pensions	<u>\$ 11,801,954</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, 2018

Additions:	
Contributions:	
Employer	\$ 1,046,382
Employee	209,955
Total contributions	<u>1,256,337</u>
Investment income:	
Net increase in fair value of investments	106,737
Interest and dividend earnings	354,539
Less: investment expenses	<u>(26,285)</u>
Net investment income	<u>434,991</u>
Total additions	<u>1,691,328</u>
Deductions:	
Benefits and refunds	819,300
Administrative expenses	<u>73,913</u>
Total deductions	<u>893,213</u>
Net increase	798,115
Restricted for pensions:	
May 1, 2017	<u>11,003,839</u>
April 30, 2018	<u>\$ 11,801,954</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 administers the following major governmental funds:

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

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

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

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

The Village administers the following major proprietary funds:

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

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

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

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

Inventories

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

Prepaid Items

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

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

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

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

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

Capital Assets

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

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

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

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Property Held for Resale

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

Deferred Inflows or Deferred Outflows of Resources and Unearned Revenue

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

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

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

Compensated Absences

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Long-Term Obligations

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

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

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

Net Position

The Village's net position is classified as follows:

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

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

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

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

Fund Balances

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

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. As of April 30, 2018, the Village has nonspendable fund balance in the amount of \$238,906.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board of Trustees. The Village passes formal resolutions to commit their fund balances. As of April 30, 2018, the Village has no committed fund balance amounts.

Assigned – includes amounts that are constrained by the Village's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's Board of Trustees itself; or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's Board of Trustees has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. Within these same funds, a residual deficit, if any, is reported as unassigned. As of April 30, 2018, 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, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures 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 July 1, and are payable in two installments which become delinquent on or about March 1 and August 1. Property taxes are billed, collected and remitted periodically by the County Treasurer of Cook County, Illinois. For all funds, the Village recognizes no more than one-half of the levy in the current fiscal year as revenue with the second half to be recognized in the following fiscal year. Accordingly, the second half amount is reflected as deferred inflows of resources in the current 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 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'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. The Village, Police Pension and Firefighters' Pension do not have a policy for custodial credit risk. As of April 30, 2018, the carrying amount of the Village's deposits was \$7,511,994. The Village did not have any deposits subject to custodial credit risk as of year-end.

Investments

As of April 30, 2018, the Police Pension Fund had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
US Agencies	\$ 3,014,305	\$ 236,337	\$ 1,391,990	\$ 910,603	\$ 475,375
Corporate bonds	1,480,648	194,512	584,770	651,985	49,381
Total	\$ 4,494,953	\$ 430,849	\$ 1,976,760	\$ 1,562,588	\$ 524,756

Village of Glenwood, Illinois

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

As of April 30, 2018, the Fire Pension Fund had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			More Than 10
		Less Than 1	1-5	6-10	
US Agencies	\$ 1,018,999	\$ 175,119	\$ 400,488	\$ 372,508	\$ 70,884
Corporate bonds	817,308	69,953	675,285	72,070	-
Total	\$ 1,836,307	\$ 245,072	\$ 1,075,773	\$ 444,578	\$ 70,884

The Village also has \$3,329,571 in Illinois Funds. The Police Pension Fund has insurance contracts in the amount of \$382,830, certificates of deposit in the amount of \$96,599 and equity mutual fund holdings in the amount of \$4,111,772. The Fire Pension Fund has certificates of deposit in the amount of \$96,599 and equity mutual fund holdings in the amount of \$239,100.

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.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

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, 2018, investments in Illinois Funds and the investment securities of U.S. Government Agencies (\$7,362,875) were rated AAA by Moody's Investors Service. Corporate Bonds were rated as follows by Moody's Investors Service: A1 (\$40,593); A2 (\$308,093); A3 (\$296,624); BAA1 (\$136,931); and BAA2 (\$35,067).

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

The Police Pension Funds investment policy states that the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. At April 30, 2018, the Police Pension Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5% or more of net position or of the portfolio available for benefits. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

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%. At April 30, 2018, the Police Pension Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5% or more of net position or of the portfolio available for benefits. More than 5% of the Fund's investments are in FFCB, FHLB, and FNMA bonds. These investments represent 14%, 25%, and 5%, respectively, of the Fund's total investments. These investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

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.

None of the Village's investments are subject to custodial credit risk.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

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

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

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation on the inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs including quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; or using other inputs such as interest rates and yield curves at commonly quoted intervals, implied volatilities and credit spreads or market-corroborated inputs; Level 3 inputs are significant unobservable inputs. The Village Pension Funds have the following as of April 30, 2018:

	Fair Value	Level 1	Level 2	Level 3
Debt Securities				
Corporate Bonds	\$ 2,297,956	\$ -	\$ 2,297,956	\$ -
U.S. Government and Agency Obligations	4,033,304	-	4,033,304	-
Equity Securities				
Equity Mutual Funds	4,350,872	4,350,872	-	-
	<u>\$ 10,682,132</u>	<u>\$ 4,350,872</u>	<u>\$ 6,331,260</u>	<u>\$ -</u>

The Village Pension Funds also invest in CDs and insurance contracts. CDs are reported at amortized cost, and insurance contracts at contract value, both of which approximate fair value but are not subject to the leveling above.

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

	Governmental Activities	Business-Type Activities	Pension Funds	Agency Funds	Total
Cash and cash equivalents	\$ 6,538,098	\$ 3,723,585	\$ 494,853	\$ 85,029	\$ 10,841,565
Investments	-	-	11,258,160	-	11,258,160
	<u>\$ 6,538,098</u>	<u>\$ 3,723,585</u>	<u>\$ 11,753,013</u>	<u>\$ 85,029</u>	<u>\$ 22,099,725</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, 2018, is as follows:

	Balance May 1, 2017	Additions	Deletions and Transfers	Balance April 30, 2018
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 21,801,642	\$ 20,524	\$ -	\$ 21,822,166
Capital assets being depreciated:				
Improvements	2,245,150	81,480	-	2,326,630
Buildings	6,273,256	-	-	6,273,256
Machinery and equipment	3,524,713	27,289	84,747	3,467,255
Infrastructure	6,412,800	378,986	-	6,791,786
Total capital assets being depreciated	18,455,919	487,755	84,747	18,858,927
Less accumulated depreciation for:				
Improvements	855,922	14,732	-	870,654
Buildings	2,332,242	123,844	-	2,456,086
Machinery and equipment	2,587,146	156,092	84,747	2,658,491
Infrastructure	3,838,710	123,708	-	3,962,418
Total accumulated depreciation	9,614,020	418,376	84,747	9,947,649
Total capital assets being depreciated, net	8,841,899	69,379	-	8,911,278
Governmental activities capital assets, net	\$ 30,643,541	\$ 89,903	\$ -	\$ 30,733,444

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, 2018, is as follows:

	Balance May 1, 2017	Additions	Deletions and Transfers	Balance April 30, 2018
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 4,323,187	\$ -	\$ -	\$ 4,323,187
Capital assets being depreciated:				
Improvements	1,911,156	-	-	1,911,156
Buildings	4,205,420	10,494	-	4,215,914
Machinery and equipment	2,610,813	133,978	76,808	2,667,983
Infrastructure	18,744,174	-	-	18,744,174
Total capital assets being depreciated	27,471,563	144,472	76,808	27,539,227
Less accumulated depreciation for:				
Improvements	1,546,810	57,521	-	1,604,330
Buildings	713,522	83,188	-	796,710
Machinery and equipment	1,553,451	114,848	-	1,668,299
Infrastructure	9,804,015	292,555	-	10,096,570
Total accumulated depreciation	13,617,798	548,112	-	14,165,909
Total capital assets being depreciated, net	13,853,765	(403,640)	76,808	13,373,318
Business-type activities capital assets, net	\$ 18,176,952	\$ (403,640)	\$ 76,808	\$ 17,696,505

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 55,283
Public safety	156,928
Public works	91,947
Highway and streets	114,218
Total depreciation expense - governmental activities	\$ 418,376
Business-type activities:	
Water and sewer	\$ 361,501
Golf course operations	186,611
Total depreciation expense - business-type activities	\$ 548,112

Village of Glenwood, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations

The following is a summary of debt transactions of the Village's governmental activities for the year ended April 30, 2018:

	Outstanding Debt as of May 1, 2017	Additions	Reductions	Outstanding Debt as of April 30, 2018	Due within one year
General obligation bonds	\$ 9,230,000	\$ -	\$ -	\$ 9,230,000	\$ -
Line of credit	5,000,000	-	125,744	4,874,256	4,874,256
Compensated absences *	223,924	199,212	201,411	221,725	166,292
	<u>\$ 14,453,924</u>	<u>\$ 199,212</u>	<u>\$ 327,155</u>	<u>\$ 14,325,981</u>	<u>\$ 5,040,548</u>

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

The following is a summary of debt transactions of the Village's business-type activities for the year ended April 30, 2018:

	Outstanding Debt as of May 1, 2017	Additions	Reductions	Outstanding Debt as of April 30, 2018	Due within one year
General obligation bonds	\$ 4,300,000	\$ -	\$ 705,000	\$ 3,595,000	\$ 775,000
Unamortized bond premium	57,409	-	12,528	44,881	-
Note payable	2,237,839	-	131,700	2,106,139	133,353
Capital leases	369,601	-	123,666	245,935	70,249
Compensated absences	64,881	59,357	52,617	71,621	53,716
	<u>\$ 7,029,730</u>	<u>\$ 59,357</u>	<u>\$ 1,025,511</u>	<u>\$ 6,063,576</u>	<u>\$ 1,032,318</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Outstanding debt as of April 30, 2018, consists of the following:

General obligation bonds:

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

\$ 9,230,000

General Obligation Bonds, Series 2010C, dated September 29, 2010, provide for the retirement of principal of \$775,000 in 2019, \$855,000 in 2020, \$940,000 in 2021 and \$1,025,000 in 2022. Interest is payable on December 1 and June 1 of each year at varying rates between 3.50% and 4.00%.

3,595,000

Total general obligation bonds

12,825,000

Unamortized bond premiums

44,881

Capital leases

245,935

Line of credit

4,874,256

Note payable

2,106,139

Compensated absences

293,346

Total long-term obligations

\$ 20,389,557

Due within one year

\$ 6,072,866

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, 2018, the total outstanding principal and interest is \$2,106,139 and \$203,188, respectively.

The Village has a revolving line of credit with a bank which allows for borrowings up to \$7,000,000 with an interest rate of prime plus 1%, or 5.00% - 5.75% during the year ended April 30, 2018. The Village paid down \$125,744 of principal during the fiscal year, and the outstanding balance as of April 30, 2018 was \$4,874,256. The Village paid interest of \$210,040 on the line during the fiscal year.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

The future debt service requirements to amortize the outstanding debt other than unamortized bond premiums, line of credit, compensated absences, net pension liability, OPEB obligation, and capital leases as of April 30, 2018, 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		
2019	\$ -	\$ 648,869	\$ 775,000	\$ 139,925	\$ 133,353	\$ 25,911	\$ 1,723,058	
2020	-	648,869	855,000	112,800	135,025	24,239	1,775,933	
2021	-	648,869	940,000	78,600	136,718	22,546	1,826,733	
2022	-	648,869	1,025,000	41,000	138,432	20,832	1,874,133	
2023-2027	6,595,000	2,405,668	-	-	718,637	77,682	9,796,987	
2028-2032	2,635,000	252,025	-	-	764,836	31,483	3,683,344	
2033	-	-	-	-	79,138	495	79,633	
	<u>\$ 9,230,000</u>	<u>\$ 5,253,169</u>	<u>\$ 3,595,000</u>	<u>\$ 372,325</u>	<u>\$ 2,106,139</u>	<u>\$ 203,188</u>	<u>\$ 20,759,821</u>	

Note 6. Capital Lease Obligations

The Village leases equipment under capital leases, which expire between May 2018 and November 2021. Monthly lease payments, including interest between 0.2% and 5.8%, are between \$410 and \$14,027. The cost of the capital assets acquired under the capital leases included in business-type activities machinery and equipment is \$815,330 and accumulated depreciation is \$724,096.

Minimum future lease payments under the capital leases together with the present value of the net minimum lease payments as of April 30, 2018, are as follows:

Year ending April 30:	
2019	\$ 77,121
2020	62,237
2021	60,557
2022	60,516
Total minimum lease payments	<u>260,431</u>
Less amount representing interest	14,496
Present value of future minimum lease payments	<u>245,935</u>
Less current portion	<u>70,249</u>
Long-term portion	<u>\$ 175,686</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 7. Deferred Compensation

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

Note 8. Pension and Retirement Plan Commitments

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

Illinois Municipal Retirement Fund – Regular Plan

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

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

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

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund – Regular Plan (Continued)

Employees Covered by Benefit Terms. As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	32
Inactive plan members entitled to but not yet receiving benefits	30
Active plan members	30
Total members	92

Contributions. As set by statute, the Village’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar years 2018 and 2017 were 7.69% and 7.71%, respectively, of annual covered payroll. For the fiscal year ended April 30, 2018, the Village contributed \$120,124 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute. The contributions as of April 30, 2018, are reported in the financial statements as follows:

Governmental Activities - general government expense	\$ 68,367
Business-Type Activities:	
Waterworks and Sewerage Fund	29,133
Golf Course Fund	22,624
	\$ 120,124

Net Pension Liability. The Village’s net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For **Non-Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund – Regular Plan (Continued)

- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-term expected rate of return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	16%	6.75%
Fixed Income	29%	3.00%
Real Estate	8%	5.75%
Alternative Investments	8%	2.65 - 7.35%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

The assumptions were changed from the prior year as follows:

- Inflation rate was changed from 2.75% to 2.50%
- Salary increases were changed from 3.75%-14.50% to 3.39%-14.25%.
- The mortality assumption was updated from the MP-2014 table to include mortality improvements based on the MP-2017 table.
- The experience-based table of rates used for the projected retirement ages was updated from the 2014 valuation according to an experience study from years 2011-2013 to a valuation pursuant to an experience study from years 2014-2016.

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

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund – Regular Plan (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability.

The following table shows the components of the Village's annual pension liability and related plan fiduciary net position for the year ended December 31, 2017:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 6,513,596	\$ 6,331,857	\$ 181,739
Changes for the year:			
Service cost	171,351	-	171,351
Interest on the total pension liability	484,964	-	484,964
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(223,477)	-	(223,477)
Changes of assumptions	(212,990)	-	(212,990)
Contributions - employer	-	117,527	(117,527)
Contributions - employees	-	68,595	(68,595)
Net investment income	-	1,097,948	(1,097,948)
Benefit payments, including refunds of employee contributions	(266,160)	(266,160)	-
Other (net transfer)	-	(202,113)	202,113
Net changes	(46,312)	815,797	(862,109)
Balances at December 31, 2017	\$ 6,467,284	\$ 7,147,654	\$ (680,370)

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability/(asset)	\$ 157,751	\$ (680,370)	\$ (1,372,279)

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund – Regular Plan (Continued)

The net pension asset of \$680,370 as of April 30, 2018, is reported on the financial statements as follows:

Governmental Activities	\$ (387,229)
Business-Type Activities	
Waterworks and Sewerage Fund	(165,006)
Golf Course Fund	<u>(128,135)</u>
	<u>\$ (680,370)</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2018, the Village recognized pension expense of (\$28,510). Pension expense as of April 30, 2018, is reported in the financial statements as follows:

Governmental Activities	\$ (17,464)
Business-Type Activities	<u>(11,046)</u>
	<u>\$ (28,510)</u>

At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<hr/>		
Deferred Amounts to be Recognized in Pensions		
Expense in Future Periods:		
Differences between expected and actual experience	\$ 4,825	\$ 240,491
Changes of assumptions	-	157,447
Changes in allocation proportion	10,500	10,500
Net difference between projected and actual earnings on pension plan investments	<u>187,499</u>	<u>506,911</u>
Total deferred amounts to be recognized in pension expense in future periods	202,824	915,349
Employer contributions subsequent to measurement date	43,161	-
Total Deferred Amounts Related to Pensions	<u>\$ 245,985</u>	<u>\$ 915,349</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund – Regular Plan (Continued)

The deferred outflows and inflows of resources as of April 30, 2018, are reported on the financial statements as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities	\$ 191,209	\$ 734,573
Business-Type Activities		
Waterworks and Sewerage Fund	62,662	217,512
Golf Course Fund	54,776	180,776
	<u>\$ 308,647</u>	<u>\$ 1,132,861</u>

Pension contributions of \$43,161 subsequent to the measurement date will be recognized in fiscal year 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

	Net Deferred Outflows (Inflows) of Resources
Year ending April 30:	
2019	\$ (222,211)
2020	(147,681)
2021	(215,906)
2022	(126,727)
Total	<u>\$ (712,525)</u>

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

Illinois Municipal Retirement Fund - SLEP

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund – SLEP (Continued)

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

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

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

Employees Covered by Benefit Terms. As of December 31, 2017, the following employees were covered by the benefit terms:

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

Contributions. As set by statute, the Village’s Regular Plan Members are required to contribute 7.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar years 2018 and 2017 were 14.10% and 13.67%, respectively, of annual covered payroll. For the fiscal year ended April 30, 2018, the Village contributed \$17,619 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute. The contributions as of April 30, 2018, are reported in the financial statements as follows:

Governmental Activities - general government expense	\$ 17,619
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Net Pension Liability. The Village’s net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund – SLEP (Continued)

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.739% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For **Non-Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-term expected rate of return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	16%	6.75%
Fixed Income	29%	3.00%
Real Estate	8%	5.75%
Alternative Investments	8%	2.65 - 7.35%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

The assumptions were changed from the prior year as follows:

- Inflation rate was changed from 2.75% to 2.50%
- Salary increases were changed from 3.75%-14.50% to 3.39%-14.25%.
- The mortality assumption was updated from the MP-2014 table to include mortality improvements based on the MP-2017 table.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund – SLEP (Continued)

- The experience-based table of rates used for the projected retirement ages was updated from the 2014 valuation according to an experience study from years 2011-2013 to a valuation pursuant to an experience study from years 2014-2016.

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability.

The following table shows the components of the Village's annual pension liability and related plan fiduciary net position for the year ended December 31, 2017:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 170,071	\$ 155,915	\$ 14,156
Changes for the year:			
Service cost	21,590	-	21,590
Interest on the total pension liability	13,565	-	13,565
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	4,205	-	4,205
Changes of assumptions	128	-	128
Contributions - employer	-	17,311	(17,311)
Contributions - employees	-	9,498	(9,498)
Net investment income	-	24,277	(24,277)
Benefit payments, including refunds of employee contributions	-	-	-
Other (net transfer)	-	(3,048)	3,048
Net changes	39,488	48,038	(8,550)
Balances at December 31, 2017	\$ 209,559	\$ 203,953	\$ 5,606

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund – SLEP (Continued)

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability/(asset)	\$ 29,502	\$ 5,606	\$ (14,604)

The net pension liability of \$5,606 as of April 30, 2018, is reported on the financial statements as follows:

Governmental Activities	<u>\$ 5,606</u>
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Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2018, the Village recognized pension expense of \$17,619. Pension expense as of April 30, 2018, is reported in the financial statements as follows:

Governmental Activities - general government expense	<u>\$ 17,619</u>
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At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pensions		
Expense in Future Periods:		
Differences between expected and actual experience	\$ 12,044	\$ 689
Changes of assumptions	106	-
Net difference between projected and actual earnings on pension plan investments	4,101	9,354
Total deferred amounts to be recognized in pension expense in future periods	16,251	10,043
Employer contributions subsequent to measurement date	6,183	-
Total Deferred Amounts Related to Pensions	<u>\$ 22,434</u>	<u>\$ 10,043</u>

The deferred outflows and inflows of resources as of April 30, 2018, is reported on the financial statements as follows:

Governmental Activities	<u>\$ 22,434</u>	<u>\$ 10,043</u>
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Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Illinois Municipal Retirement Fund – SLEP (Continued)

Pension contributions of \$6,183 subsequent to the measurement date will be recognized in fiscal year 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

	<u>Net Deferred Outflows (Inflows) of Resources</u>
Year ending April 30:	
2019	\$ 2,084
2020	2,082
2021	439
2022	197
Thereafter	1,406
Total	<u>\$ 6,208</u>

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

Police Pension Fund

Summary of Significant Accounting Policies

Basis of Accounting:

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

Plan Description

Plan Administration:

Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The Village presents the plan as a pension trust fund. An actuarial valuation was performed as of April 30, 2017, and, accordingly, the most recent available information has been presented.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Plan Membership:

At April 30, 2018, the Police Pension Plan membership consisted of:

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

Benefits Provided:

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

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

Contributions:

Covered employees are required to contribute 9.91% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the actuarial liabilities of the pension fund by April 30, 2040. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2018, the statutory minimum which the Village was required to contribute was \$860,013, or 47.10% 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 (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 preserves capital and minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes as allowed under Illinois Statutes (40 ILCS 5/1-113.2 to 113.4a). The Police Pension's investment policy encourages maintaining adequate liquidity to meet the pension fund's obligations. The investment policy implies that funds not needed to meet liquidity requirements should be invested with diversity between asset classes and types of investments. Fiduciary objectives toward maintenance of Public Trust and Prudence dictate that dramatic shifts in asset class allocations over short time spans are discouraged and should be avoided where possible.

The following represents the Board's current asset allocation goals as of April 30, 2018:

Asset Class	Target Asset Allocation
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 established by the Board in accordance with the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the long-term expected arithmetic real rates of return by asset class as of April 30, 2018:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Cash and cash equivalents	2.25%	2.25%	0.00%
Fixed income	3.00% - 5.25%	2.25%	0.75% - 3.00%
Equities, domestic	5.50% - 5.75%	2.25%	3.25% - 3.50%
Equities, international	6.25% - 8.00%	2.25%	4.00% - 5.75%
Real estate	6.25%	2.25%	4.00%

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.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.78%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Village

The total pension liability was determined by an actuarial valuation as of April 30, 2018, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	April 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Straight Line
Discount Rates used for the Total Pension Liability	6.19%
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)	3.97%
Projected Individual Salary Increases	4.00 - 23.87%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Actuarial assumptions:	
Mortality Table	Lauterbach & Amen (L&A) 2016 Illinois Police
Retirement Rates	L&A 2016 Illinois Police 100% Capped at age 65
Disability Rates	L&A 2016 Illinois Police 100%
Termination Rates	L&A 2016 Illinois Police 100%
Percent Married	80%

The actuarial assumptions used in the April 30, 2018, valuation were based on the results of an actuarial assumption study for the period including various municipal fiscal years ending December 2009-June 2015. The study was performed by Lauterbach & Amen LLP (L&A), which provides a variety of actuarial and other services to Police and Firefighter Pension Funds across the State of Illinois.

The assumptions were changed from the prior year. The assumed rate on the High Quality 20-year tax-exempt G.O. bond was changed from 3.82% to 3.97%. The discount rate used in determination of the Total Pension Liability was changed from 6.50% to 6.19%.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Discount Rate:

The discount rate used to measure the total pension liability is 6.19%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current employees. Therefore, the long-term expected rate of return on pension plan assets was applied for all remaining years.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at May 1, 2017	\$ 18,269,422	\$ 8,590,249	\$ 9,679,173
Changes for the year:			
Service cost	546,907	-	546,907
Interest on the total pension liability	1,167,365	-	1,167,365
Actuarial experience	1,023	-	1,023
Changes of assumptions	962,388	-	962,388
Contributions - employer	-	874,658	(874,658)
Contributions - employees	-	183,436	(183,436)
Contributions - other	-	2,155	(2,155)
Net investment income	-	418,221	(418,221)
Benefit payments, including refunds of employee contributions	(619,918)	(619,918)	-
Administrative expense			
Other (net transfer)	-	(49,690)	49,690
Net changes	2,057,765	808,862	1,248,903
Balances at April 30, 2018	\$ 20,327,187	\$ 9,399,111	\$ 10,928,076

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

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

The following presents the net pension liability of the Village, calculated using the discount rate of 6.19%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.19%) or 1-percentage-point higher (7.19%) than the current rate.

	1% Decrease 5.19%	Current Discount Rate 6.19%	1% Increase 7.19%
Village's net pension liability	\$ 14,551,775	\$ 10,928,076	\$ 8,052,116

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

For the year ended April 30, 2018, the Village's governmental activities recognized pension expense of \$589,162. At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ 206,210	\$ 546,566
Changes of assumptions	849,696	3,378,598
Net difference between projected and actual earnings on pension plan investments	307,141	26,680
Total Deferred Amounts Related to Pensions	<u>\$ 1,363,047</u>	<u>\$ 3,951,844</u>

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

	Net Deferred Outflows (Inflows) of Resources
Year ending April 30:	
2019	\$ (418,149)
2020	(418,152)
2021	(510,583)
2022	(501,695)
2023	(532,260)
Thereafter	(207,958)
Total	<u>\$ (2,588,797)</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

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

Fire Pension Fund

Summary of Significant Accounting Policies

Basis of Accounting:

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

Plan Description

Plan Administration:

Firefighters' sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The Village presents the plan as a pension trust fund. An actuarial valuation was performed as of April 30, 2018, and, accordingly, the most recent available information has been presented.

Plan Membership:

At April 30, 2018, 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>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund (Continued)

Benefits Provided:

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

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

Contributions:

Covered employees are required to contribute 9.455% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 4) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the actuarial liabilities of the pension fund by April 30, 2040. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2018, the statutory minimum which the Village was required to contribute was \$162,323, or 70.07% of member payroll, to the Police Pension Fund.

Investments

Investment Policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Fire Pension Board by a majority vote of its members. It is the policy of the Fire Pension Board to pursue an investment strategy that preserves capital and minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes as allowed under Illinois Statutes (40 ILCS 5/1-113.2 to 113.4a). The Fire Pension's investment policy encourages maintaining adequate liquidity to meet the pension fund's obligations. The investment policy implies that funds not needed to meet liquidity requirements should be invested with diversity between asset classes and types of investments. Fiduciary objectives toward maintenance of Public Trust and Prudence dictate that dramatic shifts in asset class allocations over short time spans are discouraged and should be avoided where possible. The following represents the Board's current asset allocation goals as of April 30, 2018:

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as established by the Board in accordance with the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the long-term expected arithmetic real rates of return by asset class as of April 30, 2018:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Fixed Income	5.00%	2.00%	3.00%
Large Cap Domestic Equity	7.20%	2.00%	5.20%
Small Cap Domestic Equity	11.50%	2.00%	9.50%
International Equity	5.70%	2.00%	3.70%
Real Estate	9.10%	2.00%	7.10%
Cash	1.21%	2.00%	-0.79%

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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.19%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund (Continued)

Net Pension Liability of the Village

The total pension liability was determined by an actuarial valuation as of April 30, 2018, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	April 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Straight Line
Discount Rates used for the Total Pension Liability	4.83%
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)	3.97%
Projected Individual Salary Increases	3.75-23.37%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Actuarial assumptions:	
Mortality Table	Lauterbach & Amen (L&A) 2016 Illinois Firefighters
Retirement Rates	L&A 2016 Illinois Firefighters' 100%, capped at age 65
Disability Rates	L&A 2016 Illinois Firefighters 100%
Termination Rates	L&A 2012 Illinois Firefighters 100%
Percent Married	80%

The actuarial assumptions used in the April 30, 2018, valuation were based on the results of an actuarial assumption study for the period including various municipal fiscal years ending December 2009-June 2015. The study was performed by Lauterbach & Amen LLP (L&A), which provides a variety of actuarial and other services to Police and Firefighter Pension Funds across the State of Illinois.

The assumptions were changed from the prior year. The assumed rate on the High Quality 20-year tax-exempt G.O. bond was changed from 3.82% to 3.97%. The discount rate used in determination of the Total Pension Liability was changed from 4.84% to 4.83%.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund (Continued)

Discount Rate:

The discount rate used to measure the total pension liability is 4.83%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current members for the next 29 years. Therefore, the long-term expected rate of return on pension plan assets was applied only to those years and for the remaining years the municipal bond rate was used.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at May 1, 2017	\$ 5,440,538	\$ 2,413,588	\$ 3,026,950
Changes for the year:			
Service cost	95,411	-	95,411
Interest on the total pension liability	258,497	-	258,497
Actuarial experience	(8,933)	-	(8,933)
Changes of assumptions	8,183	-	8,183
Contributions - employer	-	171,724	(171,724)
Contributions - employees	-	24,366	(24,366)
Contributions - other	-	-	-
Net investment income	-	16,770	(16,770)
Benefit payments, including refunds of employee contributions	(199,382)	(199,382)	-
Administrative expense	-	(24,224)	24,224
Other (net transfer)	-	-	-
Net changes	153,776	(10,746)	164,522
Balances at April 30, 2018	\$ 5,594,314	\$ 2,402,842	\$ 3,191,472

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund (Continued)

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 4.83%, 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 (3.83%) or 1-percentage-point higher (5.83%) than the current rate.

	1% Decrease 3.83%	Current Discount Rate 4.83%	1% Increase 5.83%
Village's net pension liability	\$ 4,114,321	\$ 3,191,472	\$ 2,458,211

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

For the year ended April 30, 2018, the Village's governmental activities recognized pension expense of \$168,976. At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ -	\$ 77,179
Changes of assumptions	6,724	280,565
Net difference between projected and actual earnings on pension plan investments	203,314	-
Total Deferred Amounts Related to Pensions	<u>\$ 210,038</u>	<u>\$ 357,744</u>

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

	Net Deferred Outflows (Inflows) of Resources
Year ending April 30:	
2019	\$ (40,799)
2020	(40,803)
2021	(49,669)
2022	(16,355)
2023	(80)
Total	<u>\$ (147,706)</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Fire Pension Fund (Continued)

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

**Combining Statement of Fiduciary Net Position
Pension Trust Funds
April 30, 2018**

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 281,674	\$ 213,179	\$ 494,853
Investments:			
Certificates of deposit	96,599	96,599	193,198
U.S. government and agency obligations	3,014,305	1,018,999	4,033,304
Corporate bonds	1,480,648	817,308	2,297,956
Insurance contracts	382,830	-	382,830
Equity mutual funds	4,111,772	239,100	4,350,872
Accrued interest	33,353	19,271	52,624
Prepaid items	1,201	2,778	3,979
Total assets	9,402,382	2,407,234	11,809,616
Liabilities			
Accounts payable	3,273	4,389	7,662
Total liabilities	3,273	4,389	7,662
Net position:			
Restricted for pension benefits	\$ 9,399,109	\$ 2,402,845	\$ 11,801,954

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, 2018**

	Police Pension	Firefighters' Pension	Total
Additions:			
Contributions:			
Employer	\$ 874,658	\$ 171,724	\$ 1,046,382
Employee	185,589	24,366	209,955
Total contributions	1,060,247	196,090	1,256,337
Investment income:			
Net increase (decrease) in fair value of investments	169,209	(62,472)	106,737
Interest and dividend earnings	275,297	79,242	354,539
Less: investment expenses	(26,285)	-	(26,285)
Net investment income	418,221	16,770	434,991
Total additions	1,478,468	212,860	1,691,328
Deductions:			
Benefits and refunds	619,918	199,382	819,300
Administrative expenses	49,690	24,223	73,913
Total deductions	669,608	223,605	893,213
Net increase (decrease)	808,860	(10,745)	798,115
Restricted for pensions:			
May 1, 2017	8,590,249	2,413,590	11,003,839
April 30, 2018	<u>\$ 9,399,109</u>	<u>\$ 2,402,845</u>	<u>\$ 11,801,954</u>

Note 9. Risk Management

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 9. Risk Management (Continued)

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

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

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

Note 10. Other Fund Disclosures (FFS Level Only)

Interfund transfers for the year ended April 30, 2018, are as follows:

Non-major governmental funds	General fund	\$	168,469
Non-major governmental funds	Water and sewer fund		75,774
Non-major governmental funds	Golf course fund		100,000
TIF Halsted South	TIF Halsted		210,980
General fund	Golf course fund		1,315

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

Individual fund interfund receivable and payable balances as of April 30, 2018, are as follows:

Receivable fund	Payable fund	Amount
General fund	Water and sewer fund	\$ 99,430
General fund	Golf course fund	75,774
General fund	Non-major governmental funds	8,906
General fund	TIF Halsted South fund	250,500
TIF Holbrook Road	Non-major governmental funds	1,415,000
TIF Holbrook Road	TIF Halsted South fund	2,308,013
Non-major governmental funds	TIF Halsted South fund	400,000
Golf course fund	Non-major governmental funds	11,687

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

Village of Glenwood, Illinois

Notes to Financial Statements

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

Deficit fund balances for the year ended April 30, 2018, are as follows:

	<u>Deficit Amount</u>
Special Revenue Funds:	
TIF Main Street	\$ (254,972)
TIF Industrial North	(773,160)
TIF Halsted South	(3,029,755)

These deficit balances are expected to be funded by future operating revenues and transfers from other funds.

Note 11. Contingencies

From time to time in the normal course of business, the Village is a defendant in various lawsuits. Although the outcome of these proceedings is not presently determinable, in the opinion of the Village's management through consultation with legal counsel, the resolution of these matters does not impose a material commitment of the Village's net position at April 30, 2018.

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 2018, the Village was not required to make any explicit contributions to the Plan. Members receiving benefits contributed 100% of the total premiums, through their required contribution.

Annual OPEB Cost and Net OPEB Obligation

The Village's annual other post employment health care benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 12. Post Employment Healthcare Plan (Continued)

Annual required contribution	\$ 41,174
Interest on net OPEB obligation	6,482
Adjustment to annual requirement contribution	<u>(6,031)</u>
Annual OPEB cost (expense)	41,625
Contributions made	<u>21,984</u>
Increase in net OPEB obligation	19,641
Net OPEB obligation, beginning of year	<u>162,059</u>
Net OPEB obligation, end of year	<u><u>\$ 181,700</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2018 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
04/30/18	\$ 41,625	52.8	%	\$ 21,984	\$ 181,700
04/30/17	78,367	58.8		46,045	162,059
04/30/16	75,908	52.4		39,780	129,737

Funded Status and Funding Progress

As of May 1, 2017, the most recent actuarial valuation date, the Plan was 100% unfunded. The actuarial accrued liability for benefits was \$611,357, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$611,357. The covered payroll (annual payroll of active employees covered by the Plan) was \$3,513,709 and the ratio of UAAL to the covered payroll was 17.4%.

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.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 12. Post Employment Healthcare Plan (Continued)

In the May 1, 2017, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% discount rate (includes inflation at 3.0%), annual healthcare cost trend rate of 7.7% for PPO plans and 7.8% for HAS plans initially, reduced by decrements to an ultimate rate of 5.0%, and anticipated participation of 20.0% of active employees assumed to elect the benefit. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a 30-year open basis.

Note 13. Commitments

Economic Development Agreements and Tax Abatements

The Village entered into an agreement with Patton Properties for economic assistance from the Village. If not for the economic assistance to be provided by the Village, the Project would not be economically viable to the developer. The Redevelopment Project Costs have been initially deemed to qualify under the Act for Village payment through tax increment allocation financing. The Village agreed to pay to the developer an amount equal to fifty percent (50%) of the municipal sales tax revenues received by the Village as a result of the operations of such retail store at the Subject Property. The municipal sales tax revenue sharing shall continue for a term of 10 years from the date the Village's obligation to share municipal sales tax revenue arises for each retail store located within the project. Payments are due on or before the 30th of June following the date of the Village's obligation to share municipal sales tax revenue and on each June 30th thereafter. The agreement expired on December 31, 2016, with final payment due on June 30, 2017. As of April 30, 2018, the Village has remitted \$27,992 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, 2018, 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, 2018, 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 All Star Management, Inc. to reimburse the developer for eligible real estate costs for the lesser of 25% of the cost of \$150,000. As of April 30, 2018, the Village has remitted \$147,847 related to this agreement.

The Village entered into an agreement with Duff Real Estate, LLC to reimburse the developer for the lesser of \$10,000,000 or the total sum of eligible redevelopment costs with reimbursement costs to pay only from property taxes received from the developer. As of April 30, 2018, the Village has remitted \$0 related to this agreement.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 13. Commitments (Continued)

The Village entered into an agreement with Mack Industries to complete the renovation and remodel the building on the Redevelopment Property. The Village agreed to pay the developer's costs for eligible costs up to \$200,000. As of April 30, 2018, the Village has remitted \$200,000 related to this agreement. During fiscal year 2015, the Village sold this parcel of property in the amount of \$162,000 to Morrison Container. The amount is scheduled to be paid in seven annual installments. The agreement further stipulates that on each annual date Mack Industries is required to make a payment, the Village will waive its right to receive the amount due provided that West Side continues to operate on the premises and pay all property tax bills that are associated with this property and due. As of April 30, 2018, the receivable is fully reserved for in the Holbrook Road Tax Increment Financing District Fund as the collectability of this amount is not known.

In October 2017, the Village entered into an agreement with Glensted Animal Hospital to reimburse the developer for 100% of certified eligible redevelopment project costs up to \$100,000. As of April 30, 2018, the Village has remitted \$0 related to this agreement.

In March 2018, the Village entered into an agreement with Among Friends Daycare to reimburse the developer for 100% of certified eligible redevelopment project costs up to 60% of the total costs, with a maximum of \$465,480. As of April 30, 2018, the Village has remitted \$0 related to this agreement.

In April 2018, the Village entered into an agreement with TJ Meat Packing to reimburse the developer for 100% of certified eligible redevelopment project costs up to 65% of the total costs, with a maximum of \$1,200,000. As of April 30, 2018, the Village has remitted \$0 related to this agreement.

In April 2018, the Village entered into an agreement with Ralph Edgar and J. Wynsma Properties LLC to provide economic assistance for the developer to acquire and redevelop the project site along a portion of the Halsted Street Redevelopment Project Area (TIF Halsted South). Under the terms of the agreement, the Village agrees to transfer the project land to the Developer for \$1.

Cook County Economic Development Incentive

The Cook County Assessor's Office, in conjunction with municipalities located within Cook County, encourage certain industrial and commercial development by offering real estate tax incentive programs (such as Class 6a, 6b, 7, 8, and 9) for the development of new industrial facilities, the rehabilitation of existing industrial structures and industrial utilization of abandoned buildings or areas experiencing severe stagnation. These programs offer qualified properties a reduced equalized assessed valuation for up to 12 years. The Village estimates its portion of annual abatement of property taxes to various local companies under this development incentive approximates \$80,250.

Note 14. Subsequent Event

The Village has evaluated subsequent events for potential recognition and/or disclosure through March 19, 2019, the date the financial statements were available to be issued.

Note 15. Pronouncements Issued But Not Yet Adopted

The GASB recently issued the following statements:

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

Village of Glenwood, Illinois

Notes to Financial Statements

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

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

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

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

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

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

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

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, will be effective for the Village beginning with its year ending April 30, 2020. Among other things, this statement clarifies which liabilities should be included in note disclosures related to debt. It also requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt and expands the required disclosures over essential debt-related information for all debt.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of Construction Period*, will be effective for the Village beginning with its year ending April 30, 2021. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

Village of Glenwood, Illinois

Notes to Financial Statements

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

GASB Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, will be effective for the Village beginning with its year ending April 30, 2020. This Statement improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously were reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit.

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

Required Supplementary Information

Village of Glenwood, Illinois

Post Employment Healthcare Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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]
4/30/18	\$ -	\$ 611,357	\$ 611,357	0.00 %	\$ 3,513,709	17.40 %
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

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

Village of Glenwood, Illinois

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

Measurement date ended December 31,	2017	2016	2015	2014
Fiscal year ended April 30,	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 171,351	\$ 160,554	\$ 192,215	\$ 187,434
Interest on the total pension liability	484,964	457,367	455,982	405,205
Differences between expected and actual experience	(223,477)	10,413	(336,265)	143,503
Changes in assumptions	(212,990)	-	-	205,492
Benefit payments	(266,160)	(265,371)	(289,914)	(244,074)
Net change in total pension liability	(46,312)	362,963	22,018	697,560
Total pension liability—beginning	6,513,596	6,150,633	6,128,615	5,431,055
Total pension liability—ending (a)	\$ 6,467,284	\$ 6,513,596	\$ 6,150,633	\$ 6,128,615
Plan fiduciary net position				
Contributions - Employer	\$ 117,527	\$ 131,768	\$ 136,654	\$ 139,908
Contributions - Member	68,595	70,591	73,558	77,702
Pension plan net investment income	1,097,948	416,353	30,933	355,400
Benefit payments	(266,160)	(265,371)	(289,914)	(244,074)
Pension plan administrative expense	(202,113)	14,483	(213,683)	58,090
Net change in plan fiduciary net position	815,797	367,824	(262,452)	387,026
Plan fiduciary net position—beginning	6,331,857	5,964,033	6,226,485	5,839,459
Plan fiduciary net position—ending (b)	\$ 7,147,654	\$ 6,331,857	\$ 5,964,033	\$ 6,226,485
Net pension liability (asset) - ending (a) - (b)	\$ (680,370)	\$ 181,739	\$ 186,600	\$ (97,870)
Plan fiduciary net position as a percentage of the total pension liability	110.52%	97.21%	96.97%	101.60%
Covered-Employee Payroll	\$ 1,524,340	\$ 1,568,668	\$ 1,634,622	\$ 1,721,563
Employer net pension liability as a percentage of covered-employee payroll	-44.63%	11.59%	11.42%	-5.68%

Note to Schedule:

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

Village of Glenwood, Illinois

**Illinois Municipal Retirement Fund - Regular
Schedule of Employer Contributions
Calendar Year Ended December 31, 2017**

Calendar Year Ended December	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2017	\$ 117,527	\$ 136,654	\$ -	\$ 1,524,340	8.96%
2016	131,768	131,768	-	1,568,668	8.40%
2015	136,654	136,654	-	1,634,622	8.36%
2014	139,477	139,908	(431)	1,724,563	8.13%

Note to Schedule:

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

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2017 Contribution Rates:

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level Percentage of Payroll, Closed

Remaining Amortization Period: 26-year closed period

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

Wage Growth: 3.50%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.75% to 14.50%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: For non-disabled retirees, the RP-2014 Blue Collar Health Annuitant Mortality Table with fully generational projection scale MP-2014 (base year 2012) was used. For disabled lives, the RP-2014 Disabled Retirees Mortality Table with fully generational projection scale MP-2014 (base year 2012) was used.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2015, actuarial valuation.

Village of Glenwood, Illinois

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

Measurement date ended December 31,	2017	2016	2015	2014
Fiscal year ended April 30,	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 21,590	\$ 19,341	\$ 19,062	\$ 18,293
Interest on the total pension liability	13,565	10,324	8,349	7,277
Differences between expected and actual experience	4,205	12,429	(1,229)	(6,655)
Changes in assumptions	128	-	-	3,487
Benefit payments	-	-	-	(16,979)
Net change in total pension liability	39,488	42,094	26,182	5,423
Total pension liability—beginning	170,071	101,795	101,795	96,372
Total pension liability—ending (a)	\$ 209,559	\$ 143,889	\$ 127,977	\$ 101,795
Plan fiduciary net position				
Contributions - Employer	\$ 17,311	\$ 15,810	\$ 13,995	\$ 5,083
Contributions - Member	9,498	8,929	7,957	7,797
Pension plan net investment income	24,277	8,824	613	6,976
Benefit payments	-	-	-	(16,979)
Pension plan administrative expense	(3,048)	(2,092)	(9,773)	(7,641)
Net change in plan fiduciary net position	48,038	31,471	12,792	(4,764)
Plan fiduciary net position—beginning	155,915	111,652	111,652	116,416
Plan fiduciary net position—ending (b)	\$ 203,953	\$ 143,123	\$ 124,444	\$ 111,652
Net pension liability (asset)—ending (a) - (b)	\$ 5,606	\$ 766	\$ 3,533	(9,857)
Plan fiduciary net position as a percentage of the total pension liability	97.32%	99.47%	97.24%	109.68%
Covered-Employee Payroll	\$ 126,635	\$ 119,053	\$ 106,096	103,957
Employer net pension liability as a percentage of covered-employee payroll	4.43%	0.64%	3.33%	(9.48)%

Note to Schedule:

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

Village of Glenwood, Illinois

**Illinois Municipal Retirement Fund - SLEP
Schedule of Employer Contributions
Calendar Year Ended December 31, 2017**

Calendar Year Ended December	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2017	\$ 17,311	\$ 17,311	\$ -	\$ 126,635	13.67%
2016	15,810	15,810	-	119,053	13.28%
2015	13,994	13,995	(1)	106,096	13.91%
2014	11,986	5,083	6,903	103,957	4.89%

Note to Schedule:

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

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate*

Valuation Date:

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

Actuarial Cost Method: Aggregate Entry Age Normal

Amortization Method: Level Percentage of Payroll, Closed

Remaining Amortization Period: 26-year closed period

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

Wage Growth: 3.50%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.75% to 14.50%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: For non-disabled retirees, the RP-2014 Blue Collar Health Annuitant Mortality Table with fully generational projection scale MP-2014 (base year 2012) was used. For disabled lives, the RP-2014 Disabled Retirees Mortality Table with fully generational projection scale MP-2014 (base year 2012) was used.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2015, actuarial valuation.

Village of Glenwood, Illinois

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

Fiscal year ended April 30,	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 546,907	\$ 513,528	\$ 436,295	\$ 700,590
Interest on the total pension liability	1,167,365	1,152,594	1,341,032	954,337
Change in assumptions	962,388	(1,094,955)	(3,893,580)	-
Differences between expected and actual experience	1,023	268,095	(837,809)	-
Benefit payments	(619,918)	(604,107)	(595,787)	(751,714)
Net change in total pension liability	2,057,765	235,155	(3,549,849)	903,213
Total pension liability—beginning	18,269,422	18,034,267	21,584,116	20,680,903
Total pension liability—ending (a)	\$ 20,327,187	\$ 18,269,422	\$ 18,034,267	\$ 21,584,116
Plan fiduciary net position				
Contributions - Employer	\$ 874,658	\$ 903,512	\$ 634,894	\$ 562,168
Contributions - Member	183,436	184,392	167,505	166,018
Contributions - Other	2,155	-	-	-
Pension plan net investment income	418,221	552,270	23,729	400,241
Benefit payments	(619,918)	(604,107)	(595,787)	(751,714)
Pension plan administrative expense	(49,690)	(32,503)	(31,637)	(37,738)
Net change in plan fiduciary net position	808,862	1,003,564	198,704	338,975
Plan fiduciary net position—beginning	8,590,249	7,586,685	7,387,981	7,049,006
Plan fiduciary net position—ending (b)	\$ 9,399,111	\$ 8,590,249	\$ 7,586,685	\$ 7,387,981
Net pension liability—ending (a) - (b)	\$ 10,928,076	\$ 9,679,173	\$ 10,447,582	\$ 14,196,135
Plan fiduciary net position as a percentage of the total pension liability	46%	47%	42%	34%
Covered-Employee Payroll	\$ 1,857,043	\$ 1,811,015	\$ 1,631,556	\$ 2,013,041
Employer net pension liability as a percentage of covered-employee payroll	588%	534%	640%	705%
Annual money-weighted rate of return, net of investment expense	4.78%	7.11%	3.20%	5.82%

Note to Schedule:

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

Village of Glenwood, Illinois

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

Fiscal year ended April 30,	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 95,411	\$ 91,006	\$ 97,158	\$ 121,332
Interest on the total pension liability	258,497	269,040	252,640	218,814
Change in assumptions	8,183	(97,922)	(14,363)	-
Differences between expected and actual experience	(8,933)	(285,278)	(203,971)	-
Benefit payments	(199,382)	(189,975)	(184,016)	(181,245)
	153,776	(213,129)	(52,552)	158,901
Net change in total pension liability				
Total pension liability—beginning	5,440,538	5,653,667	5,706,219	5,547,318
Total pension liability—ending (a)	\$ 5,594,314	\$ 5,440,538	\$ 5,653,667	\$ 5,706,219
Plan fiduciary net position				
Contributions - Employer	\$ 171,724	\$ 168,468	\$ 76,342	\$ 86,579
Contributions - Member	24,366	24,378	24,009	20,195
Pension plan net investment income	16,770	39,060	46,272	98,571
Benefit payments	(199,382)	(189,975)	(184,016)	(181,245)
Pension plan administrative expense	(24,224)	(22,952)	(23,088)	(23,355)
	(10,746)	18,979	(60,481)	745
Net change in plan fiduciary net position				
Plan fiduciary net position—beginning	2,413,588	2,394,609	2,455,090	2,454,345
Plan fiduciary net position—ending (b)	\$ 2,402,842	\$ 2,413,588	\$ 2,394,609	\$ 2,455,090
Net pension liability—ending (a) - (b)	\$ 3,191,472	\$ 3,026,950	\$ 3,259,058	\$ 3,251,129
Plan fiduciary net position as a percentage of the total pension liability	43%	44%	42%	43%
Covered-Employee Payroll	\$ 241,022	\$ 241,022	\$ 234,399	\$ 226,148
Employer net pension liability as a percentage of covered-employee payroll	1324%	1256%	1390%	1438%
Annual money-weighted rate of return, net of investment expense	5.19%	5.48%	6.40%	4.33%

Note to Schedule:

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

Village of Glenwood, Illinois

**Required Supplementary Information
Schedule of Contributions**

Police Pension Plan	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 860,013	\$ 818,116	\$ 614,208	\$ 594,823
Contributions in Relation to the Actuarial Determined Contribution	874,658	903,512	634,894	562,168
Contribution Deficiency (excess)	\$ (14,645)	\$ (85,396)	\$ (20,686)	\$ 32,655
Covered-Employee Payroll	\$ 1,857,043	\$ 1,811,015	\$ 1,631,556	\$ 2,013,041
Contributions as a Percentage of Covered-Employee Payroll	47.10%	49.89%	38.91%	27.93%
Firefighters' Pension Plan	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 162,323	\$ 141,262	\$ 133,054	\$ 125,534
Contributions in Relation to the Actuarial Determined Contribution	171,724	168,468	76,342	86,579
Contribution Deficiency (excess)	\$ (9,401)	\$ (27,206)	\$ 56,712	\$ 38,955
Covered-Employee Payroll	\$ 245,078	\$ 241,022	\$ 234,399	\$ 226,148
Contributions as a Percentage of Covered-Employee Payroll	70.07%	69.90%	32.57%	38.28%

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

Village of Glenwood, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended April 30, 2018**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 4,477,266	\$ 4,325,916	\$ (151,350)
Other taxes	473,100	590,458	117,358
Intergovernmental	2,366,000	2,582,190	216,190
Licenses, permits and fees	568,400	561,828	(6,572)
Fines	265,000	217,525	(47,475)
Interest	4,500	20,388	15,888
Charges for services	1,066,538	1,028,181	(38,357)
Miscellaneous	11,000	12,998	1,998
Total revenues	<u>9,231,804</u>	<u>9,339,484</u>	<u>107,680</u>
Expenditures:			
Current:			
Administration	2,662,797	2,175,322	487,475
Public works	810,271	644,548	165,723
Parks	98,550	105,579	(7,029)
Police	3,495,000	3,983,552	(488,552)
Fire	1,148,917	1,163,699	(14,782)
ESDA	13,500	3,139	10,361
Senior center	78,564	64,562	14,002
Highways and streets	45,000	31,695	13,305
Debt service,			
Interest expense	168,469	-	168,469
Capital outlay	467,500	69,831	397,669
Total expenditures	<u>8,988,568</u>	<u>8,241,927</u>	<u>746,641</u>
Excess of revenues over expenditures	243,236	1,097,557	854,321
Other financing uses:			
Gain on sale of property	-	4,440	4,440
Transfers in	-	1,315	1,315
Transfers (out)	-	(168,469)	(168,469)
Change in fund balance	<u>\$ 243,236</u>	934,843	<u>\$ 685,852</u>
Fund balance:			
May 1, 2017		<u>3,248,969</u>	
April 30, 2018		<u>\$ 4,183,812</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, 2018**

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,000,000	\$ 713,487	\$ (286,513)
Miscellaneous	-	-	-
Total revenues	<u>1,000,000</u>	<u>713,487</u>	<u>(286,513)</u>
Expenditures:			
Current:			
Administration	<u>205,000</u>	<u>6,094</u>	<u>198,906</u>
Change in fund balance	<u>\$ 795,000</u>	<u>707,393</u>	<u>\$ (87,607)</u>
Fund balance:			
May 1, 2017		<u>3,171,488</u>	
April 30, 2018		<u>\$ 3,878,881</u>	

See notes to required supplementary information.

Village of Glenwood, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Halsted Street South Tax Increment Financing District Fund
Year Ended April 30, 2018**

	Budget	Actual	Variance
Revenues:			
Charges for services	\$ -	\$ 151,386	\$ 151,386
Total revenues	<u>-</u>	<u>151,386</u>	<u>151,386</u>
Expenditures:			
Current:			
Administration	3,700,000	3,099,304	600,696
Debt service:			
Interest and fees	350,000	191,323	158,677
Capital outlay	-	20,524	(20,524)
Total expenditures	<u>4,050,000</u>	<u>3,311,151</u>	<u>738,849</u>
Excess of revenues over expenditures	(4,050,000)	(3,159,765)	890,235
Other financing sources (uses):			
Loss on sale of capital assets	-	(80,970)	(80,970)
Transfers in	-	210,980	210,980
Total other financing uses	<u>-</u>	<u>130,010</u>	<u>130,010</u>
Change in fund balance	<u>\$ (4,050,000)</u>	<u>(3,029,755)</u>	<u>\$ 1,020,245</u>
Fund balance:			
May 1, 2017		<u>-</u>	
April 30, 2018		<u>\$ (3,029,755)</u>	

See notes to required supplementary information.

Village of Glenwood, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Halsted Tax Increment Financing District Fund
Year Ended April 30, 2018**

	Budget	Actual	Variance
Revenues:			
Charges for services	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Administration	3,700,000	-	3,700,000
Debt service:			
Interest and fees	350,000	-	350,000
Capital outlay	-	-	-
Total expenditures	<u>4,050,000</u>	<u>-</u>	<u>4,050,000</u>
Excess of revenues over expenditures	(4,050,000)	-	4,050,000
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	(210,980)	(210,980)
Total other financing uses	<u>-</u>	<u>(210,980)</u>	<u>(210,980)</u>
 Change in fund balance	 <u><u>\$ (4,050,000)</u></u>	 <u>(210,980)</u>	 <u><u>\$ 3,839,020</u></u>
Fund balance:			
May 1, 2017		<u>210,980</u>	
April 30, 2018		<u><u>\$ -</u></u>	

See notes to required supplementary information.

Village of Glenwood, Illinois

Notes to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

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

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

Village of Glenwood, Illinois

Notes to Required Supplementary Information

Note 2. Pension Contributions

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

Police Pension Plan

Methods and Assumptions

Valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Smoothed Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	23 Years
Investment rate of return	6.50%
Projected Individual Salary Increases	4.0% - 23.87%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Mortality Table	Lauterbach & Amen (L&A) 2016 Illinois Police

Firefighters' Pension Plan

Methods and Assumptions

Valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Smoothed Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	22 Years
Investment rate of return	6.00%
Projected Individual Salary Increases	3.75% - 23.37%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Mortality Table	Lauterbach & Amen (L&A) 2016 Illinois Firefighters

Supplementary Information

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual
Year Ended April 30, 2018

	Budget	Actual
Property taxes	\$ 4,477,266	\$ 4,325,916
Other taxes:		
Utility taxes	375,000	372,710
Auto rental tax	18,000	16,236
Real estate transfer tax	75,000	192,104
Tax exempt TFS fee	5,100	9,408
Total other taxes	473,100	590,458
Intergovernmental:		
Sales tax	575,000	550,020
Home rule sales tax	380,000	409,076
Income tax	870,000	921,999
Local use tax	215,000	237,044
Video gaming tax	36,000	102,106
Personal property replacement tax	25,000	33,339
Telecommunication maintenance fee	225,000	188,477
Grants	-	61,907
Revenue sharing receipts	40,000	78,222
Total intergovernmental	2,366,000	2,582,190
Licenses, permits and fees:		
Vehicle stickers	185,000	158,694
Zoning board/hearing application fee	100	-
Building and electrical permit	120,000	152,268
Vacant property registration	-	10,200
Cable TV revenue	160,000	146,907
Landlord crime fee	10,500	10,445
Business licenses	36,000	40,118
Animal licenses	1,500	1,374
Health inspection fees	3,500	1,800
Towed vehicle administration fee	36,000	28,000
Fire protection fees	5,800	5,550
Yard waste stickers	10,000	6,472
Total licenses, permits and fees	568,400	561,828
Fines:		
Police - DUI-related revenues	60,000	43,572
Police fines	185,000	173,953
Overweight truck fines	20,000	-
Total fines	265,000	217,525
Interest	4,500	20,388

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual (Continued)
Year Ended April 30, 2018

	Budget	Actual
Charges for services:		
Project reimbursement - police	\$ 1,500	\$ 1,620
Bad check charge	150	80
SBA towers	112,000	106,664
Park program fees	2,500	-
Senior center program fees	1,500	1,717
Grass cutting fees	600	150
Refuse fees	581,000	568,616
Taxi voucher program fees	2,000	408
Rental income	365,288	348,926
Total charges for services	<u>1,066,538</u>	<u>1,028,181</u>
Miscellaneous	<u>11,000</u>	<u>12,998</u>
Total revenues	<u>\$ 9,231,804</u>	<u>\$ 9,339,484</u>

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2018

	Budget	Actual
Current:		
Administration:		
Mayor	\$ 23,500	\$ 23,500
Treasurer	5,000	5,000
Trustees	54,000	41,166
Village clerk	10,000	10,167
Village collector	100	100
Village administrator	100,000	15,385
Department supervisor	87,497	84,273
Full time employees	169,000	141,639
Part time employees	45,000	38,691
Contract services	10,000	7,440
Consulting services	20,000	-
HSA employer contributions	1,500	537
Salary - liquor commissioner	1,500	1,500
Employer FICA	30,000	2,583
Employer IMRF	30,000	1,770
Office supplies	9,000	8,248
Data processing	15,000	14,992
Copier supplies and maintenance	20,000	8,827
Postage	6,000	4,562
Employee appreciation	4,500	7,720
Telephone	3,500	3,787
Legal notices	2,000	2,515
Newsletter	10,000	-
Code of ordinances expense	8,000	2,880
Dues, subscription, and memberships	15,000	13,320
Legal services	200,000	127,691
Auditing	125,000	59,584
E-Comm annual expense	200,000	153,789
Group insurance and hospital	60,000	47,476
Workmen's compensation insurance	5,000	840
Liability insurance	620,000	536,252
Utility consulting	3,000	-
Board member training	2,000	1,860
Utilities	4,000	3,834
Personnel training	2,500	1,420
Travel, lodging, and meals	10,000	12,792
Donations/memorials	3,000	2,549
Police and fire commission	10,500	10,155
Vehicle stickers	8,500	8,107
Economic incentive agreements	5,000	3,049
Computer - programs and equipment	110,000	118,990
Railroad property rental	3,200	3,183

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2018

	Budget	Actual
Current:		
Administration: (Continued)		
OSLAD and other grants	\$ 5,000	\$ 41,850
Engineer services	10,000	1,424
Bank charges	10,000	3,063
Property taxes paid	-	1,703
Village trash disposal	581,000	591,624
Miscellaneous	5,000	3,485
Total administration	2,662,797	2,175,322
Public works:		
Department supervisor	36,971	38,030
Full time employees	180,000	176,086
Over-time wages	25,000	22,603
Contract services	60,000	52,319
Lawn care services	45,000	48,814
HAS employer contributions	500	-
Employer FICA	15,000	1,463
Employer IMRF	15,000	1,547
Unemployment insurance	-	966
Printing and advertising	1,000	-
Cleaning supplies	10,000	7,124
Telephone	11,000	8,368
Group insurance and hospital	55,000	45,940
Workmen's compensation insurance	35,000	23,000
Utilities	1,500	1,995
Personnel training	3,500	2,377
Travel, lodging, and meals	2,000	445
Physicals	500	494
Uniforms	2,000	-
Gas and oil	30,000	13,061
Repair and maintenance - vehicle	-	60,701
Repair and maintenance - traffic signals	30,000	15,851
Repair and maintenance - general tools/equipment	2,500	1,202
Repair and maintenance - municipal buildings	45,000	44,362
Maintenance - municipal grounds	40,000	32,455
Street lighting	25,000	22,460
Flags	1,500	-
Tree contractors	10,000	600
HVAC maintenance	20,000	13,735
Christmas decorations	5,000	3,464
Computer - programs and equipment	2,000	2,654
Engineering services	24,000	950
Miscellaneous	1,300	1,482
Total public works	810,271	644,548
Parks:		
Departments supervisor	17,000	16,877
HAS employer contributions	250	-
Employer FICA & IMRF	1,050	111

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2018

	Budget	Actual
Current:		
Parks: (Continued)		
Utilities	\$ 8,000	\$ 7,292
Park program expenses	15,000	4,746
Repair and maintenance - municipal buildings	20,000	14,629
Maintenance - municipal grounds	25,000	50,174
Fireworks	11,750	11,750
Miscellaneous	500	-
Total parks	98,550	105,579
Police:		
Part time police officers	30,000	28,065
Department supervisor	127,500	127,500
Full time employees	1,941,500	1,896,447
Part time employees	80,000	49,695
Over-time wages	175,000	170,685
Holiday pay	60,000	59,274
HSA employer contribution	1,000	1,890
Employer FICA	165,000	13,920
Employer IMRF	27,000	2,338
Pension contributions	-	874,658
Office supplies	7,500	7,263
Postage	2,500	2,033
Telephone	10,000	10,729
Dues, subscription, and membership	35,000	26,345
Legal services	50,000	23,693
Municipal systems	13,000	15,862
Group insurance and hospital	325,000	314,171
Workmen's compensation insurance	75,000	63,421
Utilities	3,500	3,634
Personnel training	25,000	15,967
Travel, lodging, and meals	10,000	11,543
Public education programs	2,500	2,895
Physicals	1,000	375
Uniforms	38,000	37,598
Gas and oil	65,000	46,487
Food for prisoners	1,000	553
Repair and maintenance - communications	25,000	19,187
Repair and maintenance - copy machine	5,000	3,433

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2018

	Budget	Actual
Current:		
Police: (Continued)		
Repair and maintenance - vehicle	\$ 50,000	\$ 52,715
Repair and maintenance - general tools/equipment	5,000	9,207
Repair and maintenance - municipal buildings	30,000	2,765
Radar equipment	1,500	-
In-Car L3 cameras	10,000	-
Evidence management system	5,000	-
Portable truck weight	11,000	-
3M opticom lighting	500	-
Municipal security cameras	12,000	-
Range usage/ammunition	18,000	17,841
Tow fee expense	2,500	885
License plate reader	3,000	-
Police crime prevention	2,000	358
Vest program	2,000	-
Computer - programs and equipment	35,000	65,992
Board expense	1,000	1,835
Bank charges	500	-
Miscellaneous	2,500	2,293
Total police	3,495,000	3,983,552
Fire:		
Department supervisor	104,622	105,623
Full time employees	255,000	198,893
Part time employees	20,000	25,407
Secretarial services	58,355	34,687
Over-time wages	2,000	2,461
Paid on call fire personnel	103,060	96,730
Sleep-in-pay	104,800	96,774
Duty shift assignment	69,780	77,169
Contract services	72,000	55,745
HSA employer contributions	3,500	(8)
Employer FICA	35,000	4,278
Employer IMRF	15,000	838
Pension contributions	-	171,724
Building code hearings	12,000	16,224
Planning and zoning	1,000	-
Printing and advertising	1,500	4,063
Office supplies	4,500	5,069
Postage	2,000	1,350
Food service inspections	900	-
Telephone	4,000	5,470
Dues, subscription, and membership	1,000	375
Legal services	4,000	5,941
Legal fees zoning	5,000	634
Group insurance and hospital	55,000	49,205
Workmen's compensation insurance	80,000	48,246
Utilities	1,500	663
Personnel training	15,000	16,790
Travel, lodging, meals	1,500	1,690
Public education programs	1,500	-
Physicals	5,000	1,781
Uniforms	7,500	6,182
Gas and oil	22,000	22,181
Station supplies	1,800	1,246
Repair and maintenance - vehicle	24,000	33,142
Repair and maintenance - hazardous material trailer	4,000	6,935
Repair and maintenance - general tools/equipment	8,500	9,167

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2018

	Budget	Actual
Current:		
Fire: (Continued)		
Maintenance - station #1	\$ 5,000	\$ 9,737
Maintenance - station #2	5,000	5,977
Copy machine	600	667
Grass cutting vacant homes	15,000	12,359
Computer - programs and equipment	15,000	26,590
Miscellaneous	2,000	1,694
Total fire	1,148,917	1,163,699
ESDA:		
Department supervisor	1,000	-
Part time employees	6,500	-
Employer FICA & IMRF	1,500	-
Uniforms	500	-
Communications	4,000	2,623
Miscellaneous	-	516
Total ESDA	13,500	3,139
Senior center:		
Department supervisor	38,664	38,519
Part time employees	9,200	9,024
Employer FICA	3,800	307
Employer IMRF	3,200	256
Office supplies	700	260
Group insurance and hospital	7,500	6,891
Utilities	3,500	3,183
Repair/Maint buildings	2,500	-
Special events	3,500	1,443
Taxi voucher program	5,000	889
Miscellaneous	1,000	3,790
Total senior center	78,564	64,562
Highways and streets:		
Traffic control signs	20,000	16,300
Street lighting maintenance	25,000	9,900
Streets, sidewalks, and roadways	-	5,495
Total highways and streets	45,000	31,695
Interest expense	168,469	-
Capital outlay	467,500	69,831
Total expenditures	\$ 8,988,568	\$ 8,241,927

Nonmajor Governmental Funds

Village of Glenwood, Illinois

Combining Balance Sheet
 Nonmajor Governmental Funds
 April 30, 2018

	Special Revenue Funds	Capital Project Funds Illinois Capital Acquisition Fund	Debt Service Fund 2010 Bond Payment Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,668,750	\$ 436,169	\$ 757,290	\$ 2,862,209
Receivables:				
Property taxes	226,793	-	38,013	264,806
Due from other governments	20,532	-	-	20,532
Due from other funds	562,146	-	-	562,146
Property held for resale	231,364	-	-	231,364
Total assets	\$ 2,709,585	\$ 436,169	\$ 795,303	\$ 3,941,057
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 47,627	\$ -	\$ -	\$ 47,627
Due to other funds	1,571,908	-	25,831	1,597,739
	1,619,535	-	25,831	1,645,366
Deferred inflows of resources:				
Deferred property taxes	234,882	-	36,840	271,722
Fund balances:				
Restricted for:				
Road improvements	800,112	-	-	800,112
Tax increment financing projects	886,061	-	-	886,061
Retirement benefits	98,786	-	-	98,786
Public safety expenditures	105,249	-	-	105,249
Debt service	-	-	732,632	732,632
Capital projects	-	436,169	-	436,169
Unassigned	(1,035,040)	-	-	(1,035,040)
Total fund balances	855,168	436,169	732,632	2,023,969
Total liabilities, deferred inflows of resources and fund balances	\$ 2,709,585	\$ 436,169	\$ 795,303	\$ 3,941,057

Village of Glenwood, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended April 30, 2018**

		Capital Project Funds	Debt Service Fund	
	Special Revenue Funds	Illinois Capital Acquisition Fund	2010 Bond Payment Fund	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 1,006,384	\$ -	\$ 110,752	\$ 1,117,136
Intergovernmental	407,037	-	-	407,037
Interest	7,297	-	211,775	219,072
Miscellaneous	11,527	-	-	11,527
Total revenues	1,432,245	-	322,527	1,754,772
Expenditures:				
Current:				
Administration	293,506	17,561	-	311,067
Police	6,532	-	-	6,532
Highway and streets	148,455	-	-	148,455
Pension contributions	439,461	-	-	439,461
Miscellaneous	6,854	-	-	6,854
Debt service:				
Interest and fees	-	-	650,020	650,020
Capital outlay	-	171,102	-	171,102
Total expenditures	894,808	188,663	650,020	1,733,491
Excess (deficiency) of revenues over (under) expenditures	537,437	(188,663)	(327,493)	21,281
Other financing sources (uses):				
Transfers in	-	-	568,469	568,469
Transfers (out)	(224,226)	-	-	(224,226)
Total other financing sources (uses)	(224,226)	-	568,469	344,243
Change in fund balances	313,211	(188,663)	240,976	365,524
Fund balances:				
May 1, 2017	541,957	624,832	491,656	1,658,445
April 30, 2018	\$ 855,168	\$ 436,169	\$ 732,632	\$ 2,023,969

Village of Glenwood, Illinois

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 April 30, 2018

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Police Department Forfeiture Fund	Foreign Fire Insurance Fund
Assets				
Cash and cash equivalents	\$ 781,580	\$ 101,637	\$ 52,430	\$ 52,819
Property taxes receivable	-	226,793	-	-
Land held for resale	-	-	-	-
Due from other governments	20,532	-	-	-
Due from other funds	-	5,238	-	-
Total assets	\$ 802,112	\$ 333,668	\$ 52,430	\$ 52,819
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,000	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
	2,000	-	-	-
Deferred inflows of resources:				
Deferred property taxes	-	234,882	-	-
Fund balances:				
Restricted for:				
Road improvements	800,112	-	-	-
Tax increment financing projects	-	-	-	-
Retirement benefits	-	98,786	-	-
Public safety expenditures	-	-	52,430	52,819
Unassigned	-	-	-	-
Total fund balances	800,112	98,786	52,430	52,819
Total liabilities, deferred inflows of resources and fund balances	\$ 802,112	\$ 333,668	\$ 52,430	\$ 52,819

EDA Fund	TIF Fund	TIF Industrial North Fund	TIF Main Street Fund	TIF State Street Fund	Total
\$ -	\$ 321,161	\$ 195,030	\$ 106,637	\$ 57,456	\$ 1,668,750
-	-	-	-	-	226,793
-	192,000	-	39,364	-	231,364
-	-	-	-	-	20,532
-	550,000	6,908	-	-	562,146
\$ -	\$ 1,063,161	\$ 201,938	\$ 146,001	\$ 57,456	\$ 2,709,585

\$ -	\$ 41,755	\$ 98	\$ 973	\$ 2,801	\$ 47,627
6,908	190,000	975,000	400,000	-	1,571,908
6,908	231,755	975,098	400,973	2,801	1,619,535

-	-	-	-	-	234,882
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-	-	-	-	-	800,112
-	831,406	-	-	54,655	886,061
-	-	-	-	-	98,786
-	-	-	-	-	105,249
(6,908)	-	(773,160)	(254,972)	-	(1,035,040)
(6,908)	831,406	(773,160)	(254,972)	54,655	855,168

\$ -	\$ 1,063,161	\$ 201,938	\$ 146,001	\$ 57,456	\$ 2,709,585
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Village of Glenwood, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended April 30, 2018**

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	Police Department Forfeiture Fund
Revenues:			
Property taxes	\$ -	\$ 484,994	\$ -
Intergovernmental	229,006	-	8,921
Interest	7,297	-	-
Miscellaneous	-	-	-
Total revenues	236,303	484,994	8,921
Expenditures:			
Current:			
Administration	-	-	-
Police	-	-	6,532
Miscellaneous	-	-	-
Highways and streets	148,455	-	-
Pension contributions	-	439,461	-
Total expenditures	148,455	439,461	6,532
Excess (deficiency) of revenues over (under) expenditures	87,848	45,533	2,389
Other financing sources (uses):			
Transfers in	-	-	-
Transfers (out)	(100,000)	-	-
Total other financing sources (uses)	(100,000)	-	-
Change in fund balances	(12,152)	45,533	2,389
Fund balances (deficit):			
May 1, 2017	812,264	53,253	50,041
April 30, 2018	\$ 800,112	\$ 98,786	\$ 52,430

Foreign Fire Insurance Fund	EDA Fund	TIF Fund	TIF Industrial North Fund	TIF Main Street Fund	TIF State Street Fund	Total
\$ -	\$ -	\$ 163,844	\$ 105,488	\$ 188,864	\$ 63,194	\$ 1,006,384
-	169,110	-	-	-	-	407,037
-	-	-	-	-	-	7,297
11,019	-	508	-	-	-	11,527
11,019	169,110	164,352	105,488	188,864	63,194	1,432,245
-	201,710	55,587	17,630	10,040	8,539	293,506
-	-	-	-	-	-	6,532
6,854	-	-	-	-	-	6,854
-	-	-	-	-	-	148,455
-	-	-	-	-	-	439,461
6,854	201,710	55,587	17,630	10,040	8,539	894,808
4,165	(32,600)	108,765	87,858	178,824	54,655	537,437
-	-	-	-	-	-	-
-	-	-	-	(124,226)	-	(224,226)
-	-	-	-	(124,226)	-	(224,226)
4,165	(32,600)	108,765	87,858	54,598	54,655	313,211
48,654	25,692	722,641	(861,018)	(309,570)	-	541,957
\$ 52,819	\$ (6,908)	\$ 831,406	\$ (773,160)	\$ (254,972)	\$ 54,655	\$ 855,168

Village of Glenwood, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Motor Fuel Tax Fund
Year Ended April 30, 2018**

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 230,000	\$ 229,006	\$ (994)
Interest	15,000	7,297	(7,703)
Total revenues	<u>245,000</u>	<u>236,303</u>	<u>(8,697)</u>
Expenditures:			
Current:			
Highways and streets	<u>425,000</u>	<u>148,455</u>	<u>276,545</u>
Excess (deficiency) of revenues over (under) expenditures	(180,000)	87,848	267,848
Other financing uses:			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Change in fund balance	<u><u>\$ (280,000)</u></u>	<u>(12,152)</u>	<u><u>\$ 267,848</u></u>
Fund balance:			
May 1, 2017		<u>812,264</u>	
April 30, 2018		<u><u>\$ 800,112</u></u>	

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Illinois Municipal Retirement Fund
Year Ended April 30, 2018

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 489,000	\$ 484,994	\$ (4,006)
Expenditures:			
Current:			
Pension contributions	<u>489,000</u>	<u>439,461</u>	<u>49,539</u>
Change in fund balance	<u>\$ -</u>	<u>45,533</u>	<u>\$ 45,533</u>
Fund balance:			
May 1, 2017		<u>53,253</u>	
April 30, 2018		<u>\$ 98,786</u>	

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
TIF Fund
Year Ended April 30, 2018

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 300,000	\$ 163,844	\$ (136,156)
Miscellaneous	-	508	508
Total revenues	<u>300,000</u>	<u>164,352</u>	<u>(135,648)</u>
Expenditures:			
Current:			
Administration	<u>1,465,000</u>	<u>55,587</u>	<u>1,409,413</u>
Change in fund balance	<u>\$ (1,165,000)</u>	<u>108,765</u>	<u>\$ 1,273,765</u>
Fund balance:			
May 1, 2017		<u>722,641</u>	
April 30, 2018		<u>\$ 831,406</u>	

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 TIF Industrial North Fund
 Year Ended April 30, 2018

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 80,000	\$ 105,488	\$ 25,488
Expenditures:			
Current:			
Administration	175,000	17,630	157,370
Change in fund balance	<u>\$ (95,000)</u>	87,858	<u>\$ 182,858</u>
Fund balance (deficit):			
May 1, 2017		<u>(861,018)</u>	
April 30, 2018		<u>\$ (773,160)</u>	

Village of Glenwood, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
TIF Main Street Fund
Year Ended April 30, 2018**

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 20,000	\$ 188,864	\$ 168,864
Expenditures:			
Current:			
Administration	440,000	10,040	429,960
Excess (deficiency) of revenues over (under) expenditures	(420,000)	178,824	598,824
Other financing sources (uses):			
Transfers (out)	-	(124,226)	(124,226)
	-	(124,226)	(124,226)
Change in fund balance	<u>\$ (420,000)</u>	54,598	<u>\$ 474,598</u>
Fund balance (deficit):			
May 1, 2017		<u>(309,570)</u>	
April 30, 2018		<u>\$ (254,972)</u>	

Enterprise Fund

Village of Glenwood, Illinois

**Schedule of Operations Expenses - Budget and Actual
Water and Sewer Fund
Year Ended April 30, 2018**

	Budget	Actual
Department supervisor	\$ 68,660	\$ 64,960
Full time employees	380,000	325,569
Over-time wages	32,000	42,624
Pension expense	-	(15,206)
Contract services	25,000	46,701
Lawn care services	15,000	11,418
Employers' contribution	4,500	3,490
Employers' FICA	33,200	3,579
IMRF	33,200	-
Unemployment insurance	2,000	-
Printing and advertising	3,500	4,484
Office supplies	2,000	1,169
Copier supplies and maintenance	2,000	-
Postage	12,000	8,598
Telephone	15,000	3,166
Dues, subscription, and membership	2,500	1,146
Legal services	25,000	1,463
Group insurance and hospital	102,000	103,198
Workmen's compensation insurance	55,000	42,838
Utilities	10,000	10,657
Personnel training	2,500	1,846
Travel, lodging, and meals	2,000	650
Public education programs	3,500	-
Physicals	500	335
Gas and oil	25,000	16,484
Energy for pumping water	80,000	46,206
Chemicals for water treatment	25,000	15,717
Repair and maintenance - water system	200,000	147,263
Repair and maintenance - vehicle	50,000	40,508
Repair and maintenance - general tools/equipment	2,500	715
Repair and maintenance - municipal buildings	100,000	8,313
Repair and maintenance - storm sewers	-	13,006
Maintenance - municipal grounds	75,000	32,030
Nevada Residents Repairs	-	161,317
Repair and maintenance - sewer system	291,500	88,557
Purchase - general tools and equipment	5,000	16,028
Purchase - personnel equipment	6,500	4,034
Water purchase - Chicago Heights	1,600,000	1,216,964
Computer - programs and equipment	50,000	34,023
Water meter program	100,000	116,633
Purchase of vehicles	-	298
Engineering services	75,000	14,197
Miscellaneous	3,500	408
Total operating expenses	\$ 3,520,060	\$ 2,635,386

Village of Glenwood, Illinois

Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended April 30, 2018

	Balance May 1, 2017	Additions	Deletions	Balance April 30, 2018
Cable Escrow Fund:				
Assets:				
Cash and cash equivalents	\$ 85,024	\$ 5	\$ -	\$ 85,029
Liabilities:				
Due to other funds	\$ 85,024	\$ 5	\$ -	\$ 85,029

Other Information (Unaudited)

Village of Glenwood, Illinois

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

	2017	2016	2015	2014	2013
Tax rates (per \$100 of assessed valuation):					
Corporate	3.146	3.465	3.272	3.125	2.903
Police Pension	0.997	0.919	0.896	0.661	0.563
Fire Pension	0.197	0.173	0.155	0.086	0.089
Bond and Interest	0.987	1.035	1.005	0.933	0.889
IMRF	0.498	0.516	0.578	0.538	0.282
Totals	5.825	6.108	5.906	5.343	4.727
Tax extensions:					
Corporate	\$ 3,180,154	\$ 3,340,673	\$ 3,078,504	\$ 2,990,754	\$ 2,913,039
Police Pension	1,007,867	885,813	842,659	632,634	565,277
Fire Pension	199,272	167,193	145,500	82,615	89,145
Bond and Interest	997,500	997,500	945,000	892,500	892,500
IMRF	503,670	497,284	543,987	515,103	283,250
Totals	\$ 5,888,463	\$ 5,888,463	\$ 5,555,650	\$ 5,113,606	\$ 4,743,211
Collections	\$ 2,895,905	\$ 5,535,248	\$ 5,358,614	\$ 4,845,924	\$ 4,545,051
	49.18%	94.00%	96.45%	94.77%	95.82%

Village of Glenwood, Illinois

Schedule of Debt Service Requirements
April 30, 2018

	Year Ending April 30,	Principal	Interest	Total
General Obligation Bonds				
Series 2010A	2019	\$ -	\$ 648,869	\$ 648,869
Dated July 22, 2010	2020	-	648,869	648,869
Interest due on June 1	2021	-	648,869	648,869
and December 1 at a	2022	-	648,869	648,869
rate of 7.030%	2023	1,035,000	648,869	1,683,869
	2024	1,230,000	576,109	1,806,109
	2025	1,330,000	489,640	1,819,640
	2026	1,440,000	396,141	1,836,141
	2027	1,560,000	294,909	1,854,909
	2028	1,685,000	185,240	1,870,240
	2029	950,000	66,785	1,016,785
		<u>\$ 9,230,000</u>	<u>\$ 5,253,169</u>	<u>\$ 14,483,169</u>
General Obligation Bonds				
Series 2010C	2019	\$ 775,000	\$ 139,925	\$ 914,925
Dated September 29, 2010	2020	855,000	112,800	967,800
Interest due on June 1	2021	940,000	78,600	1,018,600
and December 1 at rates	2022	1,025,000	41,000	1,066,000
ranging from 3.00% to 4.00%		<u>\$ 3,595,000</u>	<u>\$ 372,325</u>	<u>\$ 3,967,325</u>