

# **Village of Glenwood, Illinois**

Annual Financial Report  
Year Ended April 30, 2012

## Village of Glenwood, Illinois

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## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Glenwood, Illinois (the Village), as of and for the year ended April 30, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Glenwood, Illinois. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund, which represents 48.5 percent, 49.4 percent and 31.7 percent, respectively, of assets, fund balance/net assets and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Glenwood, Illinois, as of April 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, as of May 1, 2011, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-10, schedules of funding progress and employer contributions on pages 57-62 and budgetary schedule on pages 63 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 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Glenwood basic financial statements. The individual fund schedule, combining schedules and other information listed in the table of contents as supplementary information are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*McGladrey LLP*

Chicago, Illinois  
November 15, 2012

## **Required Supplementary Information**

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

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

**April 30, 2012**

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

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

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

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

**Government-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

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

## Village of Glenwood, Illinois

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

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The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police and Firefighters' Pension Funds, see pages 25-26). While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-Type Activities column on the Business-Type Fund Financial Statements (see pages 20-24) is the same as the Business-Type column on the Government-Wide Financial Statements, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 16 and 19). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-Wide financial statements).

#### Infrastructure Assets

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

#### Government-Wide Financial Statements

##### Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$39.4 million as of April 30, 2012.

A significant portion of the Village's net assets (79.8%) reflects its investment in capital assets (i.e., land, land improvements, streets and bridges, storm sewers, water mains, buildings and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis (Continued)

**Table 1**  
**Statement of Net Assets**  
**As of April 30, 2012**  
**(in millions)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Current Assets	\$ 15.9	\$ 10.1	\$ 2.5	\$ 3.1	\$ 18.4	\$ 13.2
Non Current Assets	0.3	0.3	0.1	0.1	0.4	0.4
Capital Assets	<u>29.7</u>	<u>30.2</u>	<u>15.7</u>	<u>17.9</u>	<u>45.4</u>	<u>48.1</u>
Total Assets	<u>45.9</u>	<u>40.6</u>	<u>18.3</u>	<u>21.1</u>	<u>64.2</u>	<u>61.7</u>
Current Liabilities	4.5	3.5	0.5	1.2	5.0	4.7
Non Current Liabilities	<u>11.2</u>	<u>11.0</u>	<u>5.5</u>	<u>6.6</u>	<u>16.7</u>	<u>17.6</u>
Total Liabilities	<u>15.7</u>	<u>14.5</u>	<u>6.0</u>	<u>7.8</u>	<u>21.7</u>	<u>22.3</u>
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	22.9	20.0	10.4	11.4	33.3	31.4
Restricted	4.9	4.1	-	-	4.9	4.1
Unrestricted	<u>2.4</u>	<u>2.0</u>	<u>1.9</u>	<u>1.9</u>	<u>4.3</u>	<u>3.9</u>
Total Net Assets	<u>\$ 30.2</u>	<u>\$ 26.1</u>	<u>\$ 12.3</u>	<u>\$ 13.3</u>	<u>\$ 42.5</u>	<u>\$ 39.4</u>

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

The Village's combined net assets, which is the Village's equity, decreased to \$39.4 million from \$42.5 million as a result of the decrease in net assets in the Governmental Activities. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, were a surplus of \$2.0 million. The unrestricted net assets of Business-Type Activities were \$1.9 million. The Village can use unrestricted net assets to finance the continuing operation of its waterworks and sewerage system and golf course.

**Normal Impacts**

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

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

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

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

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

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

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

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

**Current Year Impacts**

The Village's Governmental Activities net assets decreased by \$4.1 million. Assets decreased by \$5.3 million and can be attributed to several factors. This can mainly be attributed to a decrease in cash and cash equivalents which were used on capital and repair and maintenance projects throughout the Village. Approximately \$1.7 million of these capital expenditures were contributed to Business-Type Activities. Total liabilities decreased by \$1.2 million and can mainly be attributed to the Village of accounts payable related to capital projects in the prior year.

The Village's Business-Type Activities net assets increased by \$1.0 million. Assets increased by \$2.8 million and can be mainly attributed to increased capital asset balances million due to the new Glenwood Golf Course clubhouse being constructed in the current year and several water and sewer projects. Total liabilities increased by \$1.8 million and can be attributed to the Village receiving a loan from the IEPA for water projects and new capital leases related to the golf course.

**Changes in Net Assets**

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

**Table 2**  
**Changes in Net Assets**  
**For the Fiscal Year Ended April 30, 2012**  
**(in millions)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
REVENUES						
Program Revenues						
Charges for Services	\$1.3	\$1.3	\$3.0	\$3.4	\$ 4.3	\$ 4.7
Grants and Contributions	0.3	0.6	3.3	1.7	3.6	2.3
General Revenues						
Property Taxes	7.0	6.0	0.3	0.2	7.3	6.2
Other Taxes	2.6	2.7	-	-	2.6	2.7
Other	0.1	0.2	-	-	-	0.2
Transfer	—	0.2	—	(0.2)	0.1	—
Total Revenues and Transfer	<u>11.3</u>	<u>11.0</u>	<u>6.6</u>	<u>5.1</u>	<u>17.9</u>	<u>16.1</u>
EXPENSES						
General Government	6.4	7.4	-	-	6.4	7.4
Public Safety	4.1	4.9	-	-	4.1	4.9
Public Works	1.2	1.1	-	-	1.2	1.1
Highway and Streets	1.3	1.0	-	-	1.3	1.0
Water and Sewer	-	-	1.3	2.2	1.3	2.2
Golf Course	-	-	2.1	1.9	2.1	1.9
Debt Service	0.6	0.7	-	-	0.6	0.7
Total Expenses	<u>13.6</u>	<u>15.1</u>	<u>3.4</u>	<u>4.1</u>	<u>17.0</u>	<u>19.2</u>
CHANGE IN NET ASSETS	<u>\$(2.3)</u>	<u>\$(4.1)</u>	<u>\$ 3.2</u>	<u>\$ 1.0</u>	<u>\$ 0.9</u>	<u>\$(3.1)</u>
ENDING NET ASSETS	<u>\$ 30.2</u>	<u>\$ 26.1</u>	<u>\$12.3</u>	<u>\$ 13.3</u>	<u>\$ 42.5</u>	<u>\$ 39.4</u>

## Village of Glenwood, Illinois

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

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

#### Normal Impacts

##### Revenues:

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

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

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

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

##### Expenses:

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

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

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

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

#### Current Year Impacts

##### Revenues:

The Village's governmental activities total revenues decreased by \$0.3 million over the prior year to \$11.0 million. The main reason for the decrease can be attributed to the TIF's receiving significantly less property tax receipts in than in the prior year. This is due to when cash payments are received from the County related to each of the TIF Districts.

The Village's Business-Type Activities total revenues decreased by \$1.5 million over the prior year. This decrease can be attributed to the Village receiving capital contributions from the governmental funds in the amount of \$1.7 million a decrease in capital contributions from the prior year of \$1.6 million. The contributions pertained to the new golf course club house and other projects at the golf course. In addition, several water and sewer projects including the water tower painting and 187<sup>th</sup> street pump house repairs were financed through capital contributions.

## Village of Glenwood, Illinois

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

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#### Expenses:

The Village's total expenses for governmental activities for the year ended April 30, 2012, were \$15.1 million, an increase of \$1.5 million over the prior year. The majority of this increase can be attributed to TIF development expenditures and annual increases in salaries and commodities due to inflation.

The Village's total expenses for Business-Type Activities for the year ended April 30, 2012, were \$4.1 million, an increase of \$0.7 million over the prior year. The increase can be attributed to preparation costs for several water and sewer projects related to capital projects that are ongoing at year-end.

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

##### **Governmental Funds**

At April 30, 2012, the governmental funds (as presented on the balance sheet on page 14-15) reported a combined fund balance of \$7.1 million. Expenditures and other uses exceeded revenues and other sources in 2012 by \$4.6 million.

The General Fund experienced a current year operating deficit of under \$0.1 million. This resulted in a year-end fund balance of \$2.1 million. This slight deficit is not consistent with the prior two years surplus of approximately \$0.6 million. The additional spending can be attributed to planning and development of several new TIF projects in the Village.

The TIF Fund's fund balance experienced a current year operating deficit of \$1.5 million decreasing fund balance to a deficit of \$0.1 million. This deficit can be attributed to the TIF bringing in additional developments in the current year.

The 2010 Bond Payment Fund was created in the prior fiscal year to finance the payment of the Series 2010A and Series 2010B General Obligation Bonds. The fund has a year-end fund balance of \$0.6 million, which will be used to fund bond principal and interest payments in future fiscal years.

The 2010 Bond Project Fund was created in the prior fiscal year to account for the expenditures of the bond proceeds related to the Series 2010A General Obligation Bonds. The Village expended approximately \$3.3 million in the current fiscal year resulting in a year-end fund balance of \$0.8 million.

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

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**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 2012. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

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

<b>General Fund</b>	<b>Original Budget</b>	<b>Actual</b>
Revenues and Other Financing Sources		
Taxes	\$ 3.2	\$ 3.5
Intergovernmental	2.3	2.3
Licenses, permits and fees	0.5	0.5
Fines	0.2	0.1
Charges for services	0.6	0.6
Other	<u>0.3</u>	<u>0.5</u>
<b>Total</b>	<b><u>7.1</u></b>	<b><u>7.5</u></b>
Expenditures and Other Financing Uses		
Administration	2.2	2.2
Public works	0.5	0.5
Police	3.4	3.4
Fire	1.1	1.0
Capital outlay	0.4	0.4
Other	<u>0.1</u>	<u>0.1</u>
<b>Total</b>	<b><u>7.7</u></b>	<b><u>7.6</u></b>
Change in Fund Balance	<b><u>(\$ 0.6)</u></b>	<b><u>(\$ 0.1)</u></b>

The General Fund anticipated a deficit of \$0.6 million, while actual results were a \$0.1 million deficit. This can mainly be attributed to revenue being \$0.4 million in excess of budget. Revenues were higher than anticipated due to property taxes being more than anticipated and the Village transferring in \$0.3 million to cover TIF related expenses.

## Village of Glenwood, Illinois

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

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#### Capital Assets

At the end of the fiscal year 2012, the Village had a combined total of capital assets of \$48.1 million invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers and sanitary sewer lines. (See Table 4 below). This amount represents a net increase (including additions and deletions) of just over \$2.7 million.

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

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

	Balance 4/30/11	Net Additions/Deletions	Balance 4/30/12
Land	\$ 25.1	\$ 0.7	\$ 25.8
Construction in progress	4.1	(2.5)	1.6
Improvements	1.0	(0.1)	0.9
Buildings	3.8	4.2	8.0
Machinery and Equipment	1.5	0.4	1.9
Infrastructure	<u>9.9</u>	<u>0.0</u>	<u>9.9</u>
Total Capital Assets	<u>\$ 45.4</u>	<u>\$ 2.7</u>	<u>\$ 48.1</u>

#### Long-Term Debt

The Village had \$16.9 million and \$18.2 million in outstanding long-term debt at April 30, 2011 and 2012, respectively.

The Village paid off approximately \$0.1 million in long-term debt in the current year. This was offset by \$1.4 million of new loans and capital leases.

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 2012 and is expected to continue into 2013. Grant assistance is extremely competitive and previously reliable state share revenues (especially the income tax and use tax) have been materially reduced. The Village will need to look internally and consider increasing other revenue sources and/or reduce expenditures until these larger governments get their finances in order.

#### Contacting the Village's Financial Management

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

## **Basic Financial Statements**

**Government-Wide Financial Statements**

Village of Glenwood, Illinois

Statement of Net Assets  
April 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 7,131,422	\$ 2,089,385	\$ 9,220,807
Investments	-	522,895	522,895
Receivables:			
Property taxes	2,056,914	122,749	2,179,663
Accounts	-	330,607	330,607
Interest	-	4,902	4,902
Other	52,168	3,591	55,759
Inventories	-	41,251	41,251
Prepaid items	63,316	-	63,316
Due from other governments	796,365	-	796,365
Due from fiduciary fund	3,349	-	3,349
Internal balances	53,196	(53,196)	-
<b>Total current assets</b>	<b>10,156,730</b>	<b>3,062,184</b>	<b>13,218,914</b>
Noncurrent Assets			
Unamortized bond issuance cost	232,561	93,634	326,195
Net pension asset	36,260	-	36,260
Capital assets not being depreciated	21,466,878	5,867,737	27,334,615
Capital assets being depreciated, net	8,748,066	12,058,408	20,806,474
<b>Total noncurrent assets</b>	<b>30,483,765</b>	<b>18,019,779</b>	<b>48,503,544</b>
<b>Total assets</b>	<b>40,640,495</b>	<b>21,081,963</b>	<b>61,722,458</b>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Net Assets (Continued)  
April 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	\$ 374,907	\$ 642,019	\$ 1,016,926
Accrued payroll	109,841	24,116	133,957
Accrued interest	292,581	80,083	372,664
Deposits	72,334	66,070	138,404
Unearned revenue	2,131,259	118,711	2,249,970
Compensated absences	231,801	65,129	296,930
Note payable	-	22,199	22,199
Capital leases	-	84,847	84,847
General obligation bonds	335,000	35,000	370,000
<b>Total current liabilities</b>	<b>3,547,723</b>	<b>1,138,174</b>	<b>4,685,897</b>
Long-Term Liabilities, net of current maturities			
Unamortized premium on bonds	22,734	120,049	142,783
Compensated absences	298,382	94,313	392,695
Note payable	-	983,080	983,080
Capital leases	-	368,513	368,513
General obligation bonds	10,570,000	5,080,000	15,650,000
Net pension obligation	70,420	-	70,420
OPEB obligation	20,142	-	20,142
<b>Total noncurrent liabilities</b>	<b>10,981,678</b>	<b>6,645,955</b>	<b>17,627,633</b>
<b>Total liabilities</b>	<b>14,529,401</b>	<b>7,784,129</b>	<b>22,313,530</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	20,076,466	11,352,506	31,428,972
Restricted for:			
Debt service	305,628	-	305,628
Road improvements	615,279	-	615,279
Tax increment financing projects	3,023,857	-	3,023,857
Retirement benefits	86,539	-	86,539
Public safety expenditures	35,485	-	35,485
Unrestricted	1,967,840	1,945,328	3,913,168
<b>Total net assets</b>	<b>\$ 26,111,094</b>	<b>\$ 13,297,834</b>	<b>\$ 39,408,928</b>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Activities  
Year Ended April 30, 2012

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	\$ 7,414,603	\$ 850,740	\$ -	\$ -	\$ (6,563,863)	\$ -	\$ (6,563,863)
Public safety	4,870,038	274,988	27,451	-	(4,567,599)	-	(4,567,599)
Public works	1,088,979	534	-	-	(1,088,445)	-	(1,088,445)
Highway and streets	1,044,998	224,364	262,613	-	(558,021)	-	(558,021)
Interest and fees	719,073	-	308,482	-	(410,591)	-	(410,591)
Total governmental activities	<u>15,137,691</u>	<u>1,350,626</u>	<u>598,546</u>	<u>-</u>	<u>(13,188,519)</u>	<u>-</u>	<u>(13,188,519)</u>
Business-type activities:							
Water and sewer	2,173,099	2,047,135	25,000	985,165	-	884,201	884,201
Golf course operations	1,892,813	1,318,490	-	678,122	-	103,799	103,799
Total business-type activities	<u>4,065,912</u>	<u>3,365,625</u>	<u>25,000</u>	<u>1,663,287</u>	<u>-</u>	<u>988,000</u>	<u>988,000</u>
Total	<u>\$ 19,203,603</u>	<u>\$ 4,716,251</u>	<u>\$ 623,546</u>	<u>\$ 1,663,287</u>	<u>(13,188,519)</u>	<u>988,000</u>	<u>(12,200,519)</u>
General revenues							
Taxes:							
Property					6,032,401	160,037	6,192,438
Sales					951,320	-	951,320
Income					759,908	-	759,908
Utility					742,093	-	742,093
Other					256,360	-	256,360
Interest					10,208	3,302	13,510
Miscellaneous					182,609	-	182,609
Transfers					200,000	(200,000)	-
Total general revenues and transfers					<u>9,134,899</u>	<u>(36,661)</u>	<u>9,098,238</u>
Change in net assets					(4,053,620)	951,339	(3,102,281)
Net assets:							
May 1, 2011					<u>30,164,714</u>	<u>12,346,495</u>	<u>42,511,209</u>
April 30, 2012					<u>\$ 26,111,094</u>	<u>\$ 13,297,834</u>	<u>\$ 39,408,928</u>

See Notes to Financial Statements.

## **Fund Financial Statements**

Village of Glenwood, Illinois

Balance Sheet - Governmental Funds  
April 30, 2012

	General Fund	TIF Fund	2010 Bond Payment Fund
<b>Assets</b>			
Cash and cash equivalents	\$ 1,793,797	\$ 423,344	\$ 991,271
Receivables:			
Property taxes	1,638,619	-	255,439
Other	52,168	-	-
Due from other governments	776,969	-	-
Prepaid items	63,316	-	-
Due from other funds	417,303	-	159,126
<b>Total assets</b>	<b>\$ 4,742,172</b>	<b>\$ 423,344</b>	<b>\$ 1,405,836</b>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts payable	\$ 220,423	\$ 71,594	\$ -
Accrued payroll	109,841	-	-
Deposits	72,334	-	-
Deferred revenue	2,077,218	-	250,723
Due to other funds	113,552	500,000	560,591
<b>Total liabilities</b>	<b>2,593,368</b>	<b>571,594</b>	<b>811,314</b>
Fund balances			
Nonspendable:			
Prepaid items	63,316	-	-
Restricted for:			
Debt service	-	-	594,522
Capital projects	-	-	-
Road improvements	-	-	-
Tax increment financing projects	-	-	-
Retirement benefits	-	-	-
Public safety expenditures	-	-	-
Assigned for road improvements	-	-	-
Unassigned	2,085,488	(148,250)	-
<b>Total Fund Balances</b>	<b>2,148,804</b>	<b>(148,250)</b>	<b>594,522</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,742,172</b>	<b>\$ 423,344</b>	<b>\$ 1,405,836</b>

See Notes to Financial Statements.

2010 Bond Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 812,495	\$ 3,110,515	\$ 7,131,422
-	162,856	2,056,914
-	-	52,168
-	19,396	796,365
-	-	63,316
6,700	698,654	1,281,783
<u>\$ 819,195</u>	<u>\$ 3,991,421</u>	<u>\$ 11,381,968</u>
\$ 52,673	\$ 30,217	\$ 374,907
-	-	109,841
-	-	72,334
-	143,054	2,470,995
-	51,095	1,225,238
52,673	224,366	4,253,315
-	-	63,316
-	-	594,522
766,522	-	766,522
-	615,279	615,279
-	3,023,857	3,023,857
-	84,435	84,435
-	35,485	35,485
-	7,999	7,999
-	-	1,937,238
766,522	3,767,055	7,128,653
<u>\$ 819,195</u>	<u>\$ 3,991,421</u>	<u>\$ 11,381,968</u>

Village of Glenwood, Illinois

Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
April 30, 2012

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Total fund balances-governmental funds	\$ 7,128,653
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	30,214,944
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Bond issuance costs that are an expenditure in the fund financial statements are an asset that is amortized over the life of the bonds in the government-wide financial statements.	232,561
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Premium on bonds that are other financing source in the fund financial statements are a liability that is amortized over the life of the bonds in the government-wide financial statements.	(22,734)
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Revenue that is deferred in the fund financial statements because it is not available but is recognized as revenue in the government-wide financial statements.	339,736
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Some assets and liabilities reported in the statement of net assets do not require the use of current financial resources and, therefore, are not reported as assets or liabilities in governmental funds. These assets and liabilities consist of:

General obligation bonds	(10,905,000)
Accrued interest	(292,581)
Net pension obligation	(70,420)
Net pension asset	36,260
OPEB obligations	(20,142)
Compensated absences	(530,183)

Net assets of governmental activities	<u>\$ 26,111,094</u>
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See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended April 30, 2012

	General Fund	TIF Fund	2010 Bond Payment Fund
<b>Revenues:</b>			
Property taxes	\$ 3,060,252	\$ 898,886	\$ 541,556
Other taxes	485,871	-	-
Intergovernmental	2,249,372	-	308,482
Licenses, permits and fees	523,374	-	-
Fines	133,040	-	-
Interest	1,312	744	-
Charges for services	626,450	-	-
Miscellaneous	206,961	-	-
<b>Total revenues</b>	<b>7,286,632</b>	<b>899,630</b>	<b>850,038</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Administration	2,190,364	2,300,470	-
Public works	468,187	-	-
Parks	79,276	-	-
Police	3,353,367	-	-
Fire	1,044,819	-	-
ESDA	375	-	-
Senior center	16,553	-	-
Highway and streets	-	-	-
Pension contributions	-	-	-
<b>Debt service:</b>			
Principal	-	-	60,000
Interest and fees	-	-	957,151
Capital outlay	416,581	-	-
<b>Total expenditures</b>	<b>7,569,522</b>	<b>2,300,470</b>	<b>1,017,151</b>
Excess (deficiency) of revenues over (under) expenditures	(282,890)	(1,400,840)	(167,113)
<b>Other financing sources (uses):</b>			
Transfers in	255,521	-	300,000
Transfers (out)	-	(77,256)	-
<b>Total other financing sources (uses)</b>	<b>255,521</b>	<b>(77,256)</b>	<b>300,000</b>
<b>Change in fund balance</b>	<b>(27,369)</b>	<b>(1,478,096)</b>	<b>132,887</b>
<b>Fund balances (deficit):</b>			
May 1, 2011	2,176,173	1,329,846	461,635
April 30, 2012	\$ 2,148,804	\$ (148,250)	\$ 594,522

See Notes to Financial Statements.

2010 Bond Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,629,709	\$ 6,130,403
-	-	485,871
-	263,444	2,821,298
-	7,999	531,373
-	-	133,040
7,100	1,052	10,208
-	-	626,450
-	35,411	242,372
<u>7,100</u>	<u>1,937,615</u>	<u>10,981,015</u>
454	830,931	5,322,219
-	-	468,187
-	-	79,276
-	13,366	3,366,733
-	-	1,044,819
-	-	375
-	-	16,553
-	282,751	282,751
-	443,851	443,851
-	-	60,000
-	-	957,151
3,333,113	16,284	3,765,978
<u>3,333,567</u>	<u>1,587,183</u>	<u>15,807,893</u>
<u>(3,326,467)</u>	<u>350,432</u>	<u>(4,826,878)</u>
-	-	555,521
-	(278,265)	(355,521)
-	(278,265)	200,000
<u>(3,326,467)</u>	<u>72,167</u>	<u>(4,626,878)</u>
<u>4,092,989</u>	<u>3,694,888</u>	<u>11,755,531</u>
<u>\$ 766,522</u>	<u>\$ 3,767,055</u>	<u>\$ 7,128,653</u>

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, 2012**

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Net change in fund balances-total governmental funds \$ (4,626,878)

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

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

Prior year deferred balance	(436,680)
Current year deferred balance	339,736

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

Capital outlays	993,226
Loss on disposal	(12,455)
Depreciation expense	(486,661)

Premium on bonds is recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the statement of net assets and is amortized over the life of the bonds. This is the amount in the current period.

Amortization premium on bonds	5,349
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Bond issuance costs are recorded as an expenditure in the fund financial statements, but the cost is recorded as an asset in the statement of net assets and is amortized over the life of the bonds. This is the amount in the current period.

Amortization bond issuance costs	(20,052)
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Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

	60,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Decrease in accrued interest	252,781
Increase in compensated absences	(52,356)
Increase in net pension asset	28,268
Increase in net pension obligation	(92,558)
Increase in OPEB obligation	(5,340)

Change in net assets of governmental activities	<u>\$ (4,053,620)</u>
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See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Net Assets - Enterprise Funds  
April 30, 2012

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 1,923,445	\$ 165,940	\$ 2,089,385
Investments	522,895	-	522,895
Receivables:			
Property taxes	-	122,749	122,749
Accounts	301,214	29,393	330,607
Interest	4,902	-	4,902
Other	-	3,591	3,591
Inventories	-	41,251	41,251
Due from other funds	65,000	25,856	90,856
<b>Total current assets</b>	<b>2,817,456</b>	<b>388,780</b>	<b>3,206,236</b>
Noncurrent Assets			
Unamortized bond issuance cost	-	93,634	93,634
Capital assets not being depreciated	1,558,550	4,309,187	5,867,737
Capital assets being depreciated, net	7,163,850	4,894,558	12,058,408
<b>Total noncurrent assets</b>	<b>8,722,400</b>	<b>9,297,379</b>	<b>18,019,779</b>
<b>Total assets</b>	<b>11,539,856</b>	<b>9,686,159</b>	<b>21,226,015</b>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Net Assets - Enterprise Funds (Continued)  
 April 30, 2012

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	\$ 551,435	\$ 90,584	\$ 642,019
Accrued payroll	9,406	14,710	24,116
Accrued interest	-	80,083	80,083
Deposits	31,074	34,996	66,070
Unearned revenue	-	118,711	118,711
Due to other funds	3,263	140,789	144,052
Compensated absences	24,643	40,486	65,129
Note payable	22,199	-	22,199
Capital leases	-	84,847	84,847
General obligation bonds	-	35,000	35,000
<b>Total current liabilities</b>	<b>642,020</b>	<b>640,206</b>	<b>1,282,226</b>
Long-Term Liabilities, net of current maturities			
Unamortized bond premium	-	120,049	120,049
Compensated absences	39,975	54,338	94,313
Note payable	983,080	-	983,080
Capital leases	-	368,513	368,513
General obligation bonds	-	5,080,000	5,080,000
<b>Total noncurrent liabilities</b>	<b>1,023,055</b>	<b>5,622,900</b>	<b>6,645,955</b>
<b>Total liabilities</b>	<b>1,665,075</b>	<b>6,263,106</b>	<b>7,928,181</b>
<b>Net assets</b>			
Invested in capital assets, net of related debt	7,717,121	3,635,385	11,352,506
Unrestricted	2,157,660	(212,332)	1,945,328
<b>Total net assets</b>	<b>\$ 9,874,781</b>	<b>\$ 3,423,053</b>	<b>\$ 13,297,834</b>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Revenues, Expenses, and Changes in Net Assets  
 Enterprise Funds  
 Year Ended April 30, 2012

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Operating revenues:			
Charges for service	\$ 2,047,135	\$ 1,318,490	\$ 3,365,625
Operating expenses:			
Operations	1,913,495	1,407,383	3,320,878
Depreciation	259,604	275,795	535,399
Amortization	-	(2,760)	(2,760)
<b>Total operating expenses</b>	<b>2,173,099</b>	<b>1,680,418</b>	<b>3,853,517</b>
<b>Operating Loss</b>	<b>(125,964)</b>	<b>(361,928)</b>	<b>(487,892)</b>
Nonoperating income (expense):			
Property taxes	-	160,037	160,037
Intergovernmental, grant reimbursement	25,000	-	25,000
Interest income	2,942	360	3,302
Interest expense	-	(212,395)	(212,395)
<b>Total nonoperating income (expense)</b>	<b>27,942</b>	<b>(51,998)</b>	<b>(24,056)</b>
<b>Loss before contributions and transfers</b>	<b>(98,022)</b>	<b>(413,926)</b>	<b>(511,948)</b>
Capital contributions	985,165	678,122	1,663,287
Transfers out	(100,000)	(100,000)	(200,000)
<b>Change in net assets</b>	<b>787,143</b>	<b>164,196</b>	<b>951,339</b>
Net assets:			
May 1, 2011	9,087,638	3,258,857	12,346,495
April 30, 2012	\$ 9,874,781	\$ 3,423,053	\$ 13,297,834

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds  
Year Ended April 30, 2012

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Cash flows from operating activities			
Cash received for services	\$ 2,080,746	\$ 1,326,481	\$ 3,407,227
Payments to employees	(401,059)	(564,845)	(965,904)
Payments to suppliers	(1,065,037)	(831,758)	(1,896,795)
<b>Net cash provided by (used in) operating activities</b>	<b>614,650</b>	<b>(70,122)</b>	<b>544,528</b>
Cash flows from noncapital financing activities			
Property taxes	-	161,893	161,893
Grant reimbursement	25,000	-	25,000
(Increase) decrease in due from other funds	-	61,656	61,656
Increase in due to other funds	-	140,789	140,789
Transfer out	(100,000)	(100,000)	(200,000)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(75,000)</b>	<b>264,338</b>	<b>189,338</b>
Cash flows from capital and related financing activities			
Additions to capital assets	(713,232)	-	(713,232)
Principal payments, capital leases	-	(87,834)	(87,834)
Proceeds from note payable	1,005,279	-	1,005,279
Interest paid	-	(245,496)	(245,496)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>292,047</b>	<b>(333,330)</b>	<b>(41,283)</b>
Cash flows from investing activities			
Purchase of investments	(624)	-	(624)
Cash receipts from interest income	2,942	360	3,302
<b>Net cash flows provided by investing activities</b>	<b>2,318</b>	<b>360</b>	<b>2,678</b>
<b>Net increase (decrease ) in cash and cash equivalents</b>	<b>834,015</b>	<b>(138,754)</b>	<b>695,261</b>
Cash and cash equivalents:			
May 1, 2011	1,089,430	304,694	1,394,124
April 30, 2012	<u>\$ 1,923,445</u>	<u>\$ 165,940</u>	<u>\$ 2,089,385</u>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds (Continued)  
Year Ended April 30, 2012

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Reconciliation of operating loss to net cash provided by (used in) operating activities			
Operating loss	\$ (125,964)	\$ (361,928)	\$ (487,892)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Depreciation	259,604	275,795	535,399
Amortization	-	(2,760)	(2,760)
Changes in assets and liabilities			
Accounts receivable	29,507	3,049	32,556
Accounts payable	439,112	10,623	449,735
Accrued payroll	(2,413)	3,185	772
Deposits	4,104	4,942	9,046
Compensated absences	10,700	(3,028)	7,672
Total adjustments	740,614	291,806	1,032,420
Net cash provided by (used in) operating activities	\$ 614,650	\$ (70,122)	\$ 544,528
Supplemental Schedule of Non-Cash Capital and Related Finance Activities			
Capital assets contributed from government	\$ 985,165	\$ 678,122	\$ 1,663,287
Capital assets financed through capital lease	-	392,213	392,213

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2012

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<b>Assets</b>	
Cash and cash equivalents	\$ 310,613
Investments:	
Certificates of deposit	924,744
U.S. government and agency obligations	2,920,523
Insurance contracts	885,831
Equity mutual funds	2,966,083
Money market mutual funds	450,067
Illinois Funds	33,181
Accrued interest	17,796
Prepaid items	4,832
	<hr/>
<b>Total assets</b>	<b>8,513,670</b>
	<hr/>
<b>Liabilities</b>	
Accounts payable	4,803
Due to other funds	3,349
	<hr/>
<b>Total liabilities</b>	<b>8,152</b>
	<hr/>
<b>Net Assets</b>	
Held in trust for pension benefits	<u><u>\$ 8,505,518</u></u>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2012

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Additions	
Contributions:	
Employer	\$ 727,007
Employee	248,748
<b>Total contributions</b>	<u>975,755</u>
Investment income:	
Net increase in fair value of investments	223,516
Interest and dividend earnings	181,296
Less: investment expenses	<u>(19,965)</u>
<b>Net investment income</b>	<u>384,847</u>
<b>Total additions</b>	<u>1,360,602</u>
Deductions	
Benefits and refunds	772,718
Administrative expenses	<u>59,004</u>
<b>Total deductions</b>	<u>831,722</u>
<b>Net increase</b>	528,880
Net assets held in trust for employees' pension benefits:	
May 1, 2011	<u>7,976,638</u>
April 30, 2012	<u>\$ 8,505,518</u>

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

**Financial Reporting Entity**

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

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

Fiscal dependency on the primary government.

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

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

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

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

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

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

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

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

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

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

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

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

The Village administers the following major governmental funds:

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

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

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

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

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

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

The Village administers the following major proprietary funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***Cash and Cash Equivalents***

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

***Investments***

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

***Inventories***

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

**Prepaid items**

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

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

The Village has the following types of transactions between funds:

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

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

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

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

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

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

***Capital Assets***

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

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

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

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

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

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

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

***Unearned/Deferred Revenue***

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

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

***Compensated Absences***

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

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

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

***Long-Term Obligations***

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

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

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

***Fund Balances***

Effective May 1, 2011, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB 54 modified certain fund type definitions and provided guidance for classification of stabilization amounts on the face of the balance sheet.

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.

***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.

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

***Fund Balances (continued)***

**Assigned** – includes amounts that are constrained by the District's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the District's Board of Education itself; or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's Board of Education 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.

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

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

***Elimination and Reclassification***

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

***Use of Estimates***

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

**Note 2. Property Taxes**

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

## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### Note 2. Property Taxes (continued)

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

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

#### Note 3. Cash and Investments

##### *Deposits*

##### *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of bank failure, the Village, Police Pension or Firefighters' Pension deposits may not be returned. The Village, Police Pension and Firefighters' Pension do not have a policy for custodial credit risk. As of April 30, 2012, none of the Village, Police Pension or Firefighters' Pension deposits were exposed to custodial credit risk due to being uninsured and uncollateralized.

##### *Investments*

As of April 30, 2012, the Village had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Strips	\$ 410,526	\$ -	\$ 236,747	\$ 173,779	\$ -
U.S. agencies - FFCB	454,276	-	-	243,206	211,070
U.S. agencies - FHLB	1,080,338	201,056	272,636	264,667	341,979
U.S. agencies - GNMA	975,383	-	461	455,587	519,335
Illinois Metropolitan Investment Fund *	883,133	883,133	-	-	-
Money Market Funds *	450,067	450,067	-	-	-
Total	\$ 4,253,723	\$ 1,534,256	\$ 509,844	\$ 1,137,239	\$ 1,072,384

\* Weighted average maturity is less than one year.

*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.

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

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

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

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

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

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

As of April 30, 2012, investments in Illinois Funds and Illinois Metropolitan Investment Fund were rated AAA by Standard and Poor's. The FFCB and FHLB were rated Aaa by Moody's Investors Services and AA+ by Standard and Poor's. The Money Market Funds are not rated.

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

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

The Police Pension Funds investment policy states that the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. More than 5% of the Fund's investments are in FFCB and insurance contracts. These investments represent 6.9% and 17.1%, respectively, of the Fund's total investments.

The Firefighters' Pension Fund policy provides target percentages that have been determined for each asset class. These allocations are to serve as a guideline. Market conditions or investment transitions may require interim investment strategy and therefore temporary imbalance in asset mix. The target percentages by asset class are as follows: fixed income 88%, equities 10%, and cash 2%. More than 5% of the Fund's investments are in FHLB's. These investments represent 43.4% of the Fund's total investments.

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

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

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

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

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

Village of Glenwood, Illinois

Notes to Financial Statements

**Note 4. Capital Assets**

A summary of the changes in capital assets for governmental activities of the Village for the year ended April 30, 2012, is as follows:

	Balance May 1, 2011	Additions	Deletions	Balance April 30, 2012
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 20,819,368	\$ 647,510	\$ -	\$ 21,466,878
Construction in progress	1,395,264	39,616	1,434,880	-
Total capital assets not being depreciated	<u>22,214,632</u>	<u>687,126</u>	<u>1,434,880</u>	<u>21,466,878</u>
Capital assets being depreciated:				
Improvements	1,330,531	14,500	-	1,345,031
Buildings	4,750,837	1,434,880	-	6,185,717
Machinery and equipment	3,197,892	281,408	184,336	3,294,964
Infrastructure	6,356,865	10,192	-	6,367,057
Total capital assets being depreciated	<u>15,636,125</u>	<u>1,740,980</u>	<u>184,336</u>	<u>17,192,769</u>
Less accumulated depreciation for:				
Improvements	1,158,946	27,532	-	1,186,478
Buildings	1,628,004	102,422	-	1,730,426
Machinery and equipment	2,224,142	238,316	171,881	2,290,577
Infrastructure	3,118,831	118,391	-	3,237,222
Total accumulated depreciation	<u>8,129,923</u>	<u>486,661</u>	<u>171,881</u>	<u>8,444,703</u>
Total capital assets being depreciated, net	<u>7,506,202</u>	<u>1,254,319</u>	<u>12,455</u>	<u>8,748,066</u>
Governmental activities capital assets, net	<u>\$ 29,720,834</u>	<u>\$ 1,941,445</u>	<u>\$ 1,447,335</u>	<u>\$ 30,214,944</u>

Village of Glenwood, Illinois

Notes to Financial Statements

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

A summary of changes in capital assets for business-type activities of the Village for the year ended April 30, 2012, is as follows:

	Balance May 1, 2011	Additions	Deletions	Balance April 30, 2012
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 4,309,187	\$ -	\$ -	\$ 4,309,187
Construction in Progress	2,705,090	2,183,298	3,329,838	1,558,550
Total capital assets not being depreciated	7,014,277	2,183,298	3,329,838	5,867,737
Capital assets being depreciated:				
Improvements	1,845,207	52,950	-	1,898,157
Buildings	903,986	2,921,605	-	3,825,591
Machinery and equipment	958,041	532,484	-	1,490,525
Infrastructure	14,751,875	408,233	-	15,160,108
Total capital assets being depreciated	18,459,109	3,915,272	-	22,374,381
Less accumulated depreciation for:				
Improvements	1,026,436	95,682	-	1,122,118
Buildings	227,593	71,001	-	298,594
Machinery and equipment	406,959	142,938	-	549,897
Infrastructure	8,119,586	225,778	-	8,345,364
Total accumulated depreciation	9,780,574	535,399	-	10,315,973
Total capital assets being depreciated, net	8,678,535	3,379,873	-	12,058,408
Business-type activities capital assets, net	\$ 15,692,812	\$ 5,563,171	\$ 3,329,838	\$ 17,926,145

Village of Glenwood, Illinois

Notes to Financial Statements

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

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 62,976
Public safety	229,060
Public works	73,000
Highway and streets	121,625
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 486,661</u></b>
Business-type activities:	
Water and sewer	\$ 259,604
Golf course operations	275,795
<b>Total depreciation expense - business-type activities</b>	<b><u>\$ 535,399</u></b>

**Note 5. Long-Term Obligations**

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2012:

	Outstanding Debt as of May 1, 2011	Additions	Reductions	Outstanding Debt as of April 30, 2012	Due within one year
General obligation bonds	\$ 10,965,000	\$ -	\$ 60,000	\$ 10,905,000	\$ 335,000
Unamortized bond premium	28,083	-	5,349	22,734	-
Compensated absences *	477,827	459,465	407,109	530,183	231,801
Net pension obligation *	(22,138)	719,641	627,083	70,420	-
Net OPEB obligation *	14,802	10,767	5,427	20,142	-
	<u>\$ 11,463,574</u>	<u>\$ 1,189,873</u>	<u>\$ 1,104,968</u>	<u>\$ 11,548,479</u>	<u>\$ 566,801</u>

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

The following is a summary of long-term obligation activity for the Village with business-type activities for the year ended April 30, 2012:

	Outstanding Debt as of May 1, 2011	Additions	Reductions	Outstanding Debt as of April 30, 2012	Due within one year
General obligation bonds	\$ 5,115,000	\$ -	\$ -	\$ 5,115,000	\$ 35,000
Unamortized bond premium	132,577	-	12,528	120,049	-
Note payable	-	1,005,279	-	1,005,279	22,199
Capital leases	148,981	392,213	87,834	453,360	84,847
Compensated absences	151,770	133,997	126,325	159,442	65,129
	<u>\$ 5,548,328</u>	<u>\$ 1,531,489</u>	<u>\$ 226,687</u>	<u>\$ 6,853,130</u>	<u>\$ 207,175</u>

Village of Glenwood, Illinois

Notes to Financial Statements

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

Outstanding debt as of April 30, 2012, consists of the following:

General obligation bonds:

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

General Obligation Bonds, Series 2010B, dated July 22, 2010, provide for the retirement of principal of \$335,000 in 2013, \$400,000 in 2014, \$465,000 in 2015 and \$475,000 in 2016. Interest is payable on December 1 and June 1 of each year at varying rates between 2.50% and 4.00%. 1,675,000

General Obligation Bonds, Series 2010C, dated September 29, 2010, provide for the retirement of principal of \$35,000 in 2013, \$35,000 in 2014, \$30,000 in 2015, \$85,000 in 2016, \$630,000 in 2017, \$705,000 in 2018, \$775,000 in 2019, \$855,000 in 2020, \$940,000 in 2021 and \$1,025,000 in 2022. Interest is payable on December 1 and June 1 of each year at varying rates between 3.00% and 4.00%. 5,115,000

**Total general obligation bonds** 16,020,000

Unamortized bond premiums 142,783

Capital leases 453,360

Note payable 1,005,279

Compensated absences 689,625

Net pension obligation 70,420

Net OPEB obligation 20,142

**Total long-term debt** \$ 18,401,609

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 commencing November 13, 2012. The outstanding balance is reported as long-term in the Statement of Net Assets – Enterprise Funds and the debt maturity schedule has been excluded since the payment terms have not been established. The agreement allows for a maximum loan drawdown of \$3,084,041 at an interest rate of 1.25%. In addition, the loan accrues interest of 1.25% that is calculated monthly. As of April 30, 2012, the total outstanding principal and interest is \$1,005,279 and \$1,997 respectively.

Village of Glenwood, Illinois

Notes to Financial Statements

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

The future debt service requirements to amortize the outstanding debt other than unamortized bond premiums, compensated absences, net pension asset and OPEB obligation as of April 30, 2012 are as follows:

Year Ending April 30,	Governmental		Business-Type		Total
	General		General		
	Obligation Bonds		Obligation Bonds		
	Principal	Interest	Principal	Interest	
2013	\$ 335,000	\$ 702,194	\$ 35,000	\$ 192,200	\$ 1,264,394
2014	400,000	693,819	35,000	191,150	1,319,969
2015	465,000	681,819	30,000	190,100	1,366,919
2016	475,000	667,869	85,000	189,200	1,417,069
2017	-	648,869	630,000	186,650	1,465,519
2017-2021	-	3,244,345	4,300,000	536,925	8,081,270
2022-2026	6,595,000	2,405,668	-	-	9,000,668
2027-2029	2,635,000	252,025	-	-	2,887,025
	<u>\$ 10,905,000</u>	<u>\$ 9,296,608</u>	<u>\$ 5,115,000</u>	<u>\$ 1,486,225</u>	<u>\$ 26,802,833</u>

**Note 6. Capital Lease Obligations**

The Village leases equipment under capital leases, which expire between June 2013 and June 2017. Monthly lease payments, including interest between 4.4% and 7.8%, are between \$249 and \$7,368, respectively. The cost of the capital assets acquired under the capital leases was \$570,733, which is included in business-type activities machinery and equipment.

Minimum future lease payments under the capital leases together with the present value of the net minimum lease payments as of April 30, 2012 are as follows:

Year ending April 30:	
2013	\$ 103,413
2014	108,698
2015	108,449
2016	105,990
2017	69,149
2018 and after	10,297
Total minimum lease payments	505,996
Less amount representing interest	52,636
Present value of future minimum lease payments	453,360
Less current portion	84,847
Long-term portion	<u>\$ 368,513</u>

**Note 7. Deferred Compensation**

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

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

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

**Illinois Municipal Retirement Fund**

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

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

*Funding Policy.* As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required and actual contribution rates for calendar years ended December 31, 2012 and 2011 were 9.08 percent and 9.04 percent, respectively. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

The required contributions for 2012 and 2011 were determined as part of the December 31, 2010 and 2009, actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 and 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at the December 31, 2010 and 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Annual Pension Cost.* The annual required contribution for the fiscal year ended April 30, 2012 was \$120,688 and was equal to the actual contributions.

## Village of Glenwood, Illinois

### Notes to Financial Statements

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

##### Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
April 30, 2012	\$ 120,688	100 %	\$ -
April 30, 2011	96,693	100	-
April 30, 2010	89,194	100	-

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 90.08 percent funded. The actuarial accrued liability for benefits was \$2,997,680 and the actuarial value of assets was \$2,700,392, resulting in an underfunded actuarial accrued liability (UAAL) of \$297,288. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$1,246,006 and the ratio of the UAAL to the covered payroll was 23.86 percent.

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

#### Police Pension Plan

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

The Police Pension Plan's most recent actuarial valuation was completed as of the year ended April 30, 2011.

Covered employees are currently required to contribute 9.91 percent of their base salary to the Police Pension Plan. The member rate is determined by State statute. The Village is required to contribute at an actuarially determined amount. The employer rate for fiscal year ended April 30, 2011, was 25.79 percent of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

**Village of Glenwood, Illinois**

**Notes to Financial Statements**

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

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2012 were as follows:

Annual required contribution	\$ 541,007
Interest on net pension obligation	(2,672)
Adjustment to annual requirement contribution	181,306
Annual pension cost (expense)	<u>719,641</u>
Contributions made	<u>627,083</u>
Increase in net pension obligation	92,558
Net pension asset, beginning of year	<u>(22,138)</u>
 Net pension obligation, end of year	 <u><u>\$ 70,420</u></u>

The annual required contribution for the year ended April 30, 2012, was determined as part of the April 30, 2011, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0 percent investment rate of return, (b) projected salary increases of 5.5 percent, (c) 3.0 percent per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2011, was 22 years.

As of April 30, 2011, the most recent actuarial valuation date, the regular plan was 49.64 percent funded. The actuarial accrued liability for benefits was \$11,472,449 and the actuarial value of assets was \$5,694,444, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,778,005. The covered payroll (annual payroll of active employees covered by the plan) was \$1,334,284 and the ratio of the UAAL to the covered payroll was 433.04 percent.

**Three-Year Trend Information**

Fiscal Year Ended	Annual Pension Costs (APC)	Percentage of APC Contributed	Annual Pension Contributions	Net Pension Obligation (Asset)
4/30/12	\$ 719,641	87.1 %	627,083	70,420
4/30/11	539,866	63.7	344,055	157,637
4/30/10	360,091	120.8	434,872	(38,174)

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

## Village of Glenwood, Illinois

### Notes to Financial Statements

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

At April 30, 2011, the Police Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	16
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	10
Active nonvested plan members	10
	<hr/>
<b>Total members</b>	<b>36</b>
	<hr/> <hr/>

#### Firefighters' Pension Plan

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

Costs of administering the plan are financed through employee and employer contributions. Covered employees are required to contribute 9.46 percent of their base salary to the Fire Pension Plan. The member rate is determined by State statute. The Village is required to contribute at an actuarially determined rate. The Village's most recent actuarial determination was as of April 30, 2011. The employer rate for fiscal year 2011 was 33.20 percent of covered payroll.

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2012 were as follows:

Annual required contribution	\$ 81,891
Interest on net pension obligation	(1,155)
Adjustment to annual requirement contribution	(9,080)
Annual pension cost (expense)	<hr/> 71,656
Contributions made	99,924
Increase in net pension asset	<hr/> (28,268)
Net pension asset, beginning of year	<hr/> (7,992)
	<hr/>
Net pension asset, end of year	<hr/> <hr/> \$ (36,260)

The annual required contribution for the year ended April 30, 2012 was determined as part of the April 30, 2011 actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.00 percent investment rate of return, (b) projected salary increases of 5.5 percent, (c) 3.0 percent per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of Fire Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Fire Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2011, was 22 years.

As of April 30, 2011, the plan was 78.29 percent funded. The actuarial accrued liability for benefits was \$2,914,902 and the actuarial value of assets was \$2,282,158, resulting in an unfunded actuarial accrued liability of \$632,744. The covered payroll (annual payroll of active employees covered by the plan) was \$250,029 and the ratio of UAAL to covered pay was 253.07 percent.

Village of Glenwood, Illinois

Notes to Financial Statements

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

**Three-Year Trend Information**

Fiscal Year Ended	Annual Pension Costs (APC)	Percentage of APC Contributed	Annual Pension Contributions	Net Pension Asset
4/30/12	\$ 71,656	139.4 %	\$ 99,924	\$ (36,260)
4/30/11	81,582	101.7	83,002	(17,918)
4/30/10	91,508	113.7	104,078	(16,498)

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

At April 30, 2011, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	4
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	2
Active nonvested plan members	2
	<hr/>
<b>Total members</b>	<b>8</b>
	<hr/> <hr/>

Village of Glenwood, Illinois

Notes to Financial Statements

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

**Combining Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2012**

	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 199,803	\$ 110,810	\$ 310,613
Investments:			
Certificates of deposit	681,478	243,266	924,744
U.S. government and agency obligations	1,195,800	1,724,723	2,920,523
Insurance contracts	885,831	-	885,831
Equity mutual funds	2,729,568	236,515	2,966,083
Money market mutual funds	371,306	78,761	450,067
Illinois Funds	-	33,181	33,181
Accrued interest	4,448	13,348	17,796
Prepaid items	1,890	2,942	4,832
<b>Total assets</b>	<b>6,070,124</b>	<b>2,443,546</b>	<b>8,513,670</b>
<b>Liabilities</b>			
Accounts payable	1,898	2,905	4,803
Due to other funds	-	3,349	3,349
<b>Total liabilities</b>	<b>1,898</b>	<b>6,254</b>	<b>8,152</b>
<b>Net Assets</b>			
Held in trust for pension benefits	<b>\$ 6,068,226</b>	<b>\$ 2,437,292</b>	<b>\$ 8,505,518</b>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Combining Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2012

	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 627,083	\$ 99,924	\$ 727,007
Employee	218,296	30,452	248,748
<b>Total contributions</b>	<b>845,379</b>	<b>130,376</b>	<b>975,755</b>
Investment income:			
Net increase in fair value of investments	110,795	112,721	223,516
Interest and dividend earnings	110,766	70,530	181,296
Less: investment expenses	(19,965)	-	(19,965)
<b>Net investment income</b>	<b>201,596</b>	<b>183,251</b>	<b>384,847</b>
<b>Total additions</b>	<b>1,046,975</b>	<b>313,627</b>	<b>1,360,602</b>
<b>Deductions</b>			
Benefits and refunds	641,461	131,257	772,718
Administrative expenses	31,768	27,236	59,004
<b>Total deductions</b>	<b>673,229</b>	<b>158,493</b>	<b>831,722</b>
<b>Net increase</b>	<b>373,746</b>	<b>155,134</b>	<b>528,880</b>
Net assets held in trust for employees' pension benefits:			
May 1, 2011	5,694,480	2,282,158	7,976,638
April 30, 2012	\$ 6,068,226	\$ 2,437,292	\$ 8,505,518

**Village of Glenwood, Illinois**

**Notes to Financial Statements**

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**Note 9. Risk Management**

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

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

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

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

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

As of April 30, 2012, the following fund over expended its budget:

<u>Fund</u>	<u>Amount</u>
Illinois Municipal Retirement Fund	\$ 1,036

As of April 30, 2012, the TIF Fund has a deficit fund balance of \$148,250. This deficit will be funded by property tax revenues received in the next fiscal year.

**Village of Glenwood, Illinois**

**Notes to Financial Statements**

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

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

<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
Major Governmental Funds:		
General Fund:		
TIF Fund	\$ 77,256	-
Non-Major Governmental Funds	178,265	-
	<u>255,521</u>	<u>-</u>
TIF Fund:		
General Fund	-	77,256
	<u>-</u>	<u>77,256</u>
2010 Bond Payment Fund:		
Water and Sewer Fund	100,000	-
Golf Course Fund	100,000	-
Non-Major Governmental Funds	100,000	-
	<u>300,000</u>	<u>-</u>
Major Enterprise Fund:		
Water and Sewer Fund:		
2010 Bond Payment Fund	-	100,000
	<u>-</u>	<u>100,000</u>
Golf Course Fund:		
2010 Bond Payment Fund	-	100,000
	<u>-</u>	<u>100,000</u>
Non-Major Governmental Funds:		
General Fund	-	178,265
2010 Bond Payment Fund	-	100,000
	<u>-</u>	<u>278,265</u>
 Total	 <u>\$ 555,521</u>	 <u>\$ 555,521</u>

Interfund transfers relate to the following items:

- Transfer TIF fund to the general fund to pay for TIF eligible expenditures incurred.
- To fund the portion of the debt service payments that are not covered by property taxes.

**Village of Glenwood, Illinois**

**Notes to Financial Statements**

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

Individual fund interfund receivable and payable balances as of April 30, 2012, are as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
Major Governmental Funds:		
General Fund:		
Non-Major Governmental Fund	\$ 3,769	\$ -
Water and Sewer Fund	3,263	-
Fiduciary Fund	3,349	-
2010 Bond Payment Fund	266,133	113,552
Golf Course Fund	140,789	-
	<u>417,303</u>	<u>113,552</u>
TIF Fund:		
Non-Major Governmental Fund	-	500,000
2010 Bond Payment Fund:		
General Fund	113,552	266,133
Non-Major Governmental Fund	45,574	198,654
Water and Sewer Fund	-	65,000
2010 Bond Project Fund	-	6,700
Golf Course Fund	-	24,104
	<u>159,126</u>	<u>560,591</u>
2010 Bond Project Fund		
2010 Bond Payment Fund	6,700	-
	<u>6,700</u>	<u>-</u>
Major Enterprise Fund:		
Water and Sewer Fund:		
2010 Bond Payment Fund	65,000	-
General Fund	-	3,263
	<u>65,000</u>	<u>3,263</u>
Golf Course Fund:		
2010 Bond Payment Fund	24,104	-
Non-Major Governmental Fund	1,752	-
General Fund	-	140,789
	<u>25,856</u>	<u>140,789</u>
Non-Major Governmental Funds:		
2010 Bond Payment Fund	198,654	45,574
General Fund	-	3,769
TIF Main Street	500,000	-
Golf Course Fund	-	1,752
	<u>698,654</u>	<u>51,095</u>
Fiduciary Fund:		
General Fund	-	3,349
	<u>-</u>	<u>3,349</u>
Total	<u>\$ 1,372,639</u>	<u>\$ 1,372,639</u>

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

## Village of Glenwood, Illinois

### Notes to Financial Statements

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#### Note 11. Contingencies

The Village is a defendant in various lawsuits. Although the outcome of these proceedings is not presently determinable, in the opinion of the Village's management through consultation with legal counsel, the resolution of these matters does not impose a material commitment of the Village's net assets at April 30, 2012.

#### 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 2012, the Village was not required to make any explicit contributions to the plan. Members receiving benefits contributed \$12,064, or 100 percent of the total premiums, through their required contribution.

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

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

Annual required contribution	\$	10,520
Interest on net OPEB obligation		740
Adjustment to annual requirement contribution		(493)
Annual OPEB cost (expense)		<u>10,767</u>
Contributions made		<u>5,427</u>
Increase in net OPEB obligation		5,340
Net OPEB obligation, beginning of year		<u>14,802</u>
Net OPEB obligation, end of year	\$	<u><u>20,142</u></u>

## Village of Glenwood, Illinois

### Notes to Financial Statements

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

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Year Ended	Annual OPEB Costs	Percentage Annual OPEB Costs Contributed	Annual Pension Contributions	Net OPEB Obligation
04/30/12	\$ 10,767	50.4 %	\$ 5,427	\$ 20,142
04/30/11	10,361	52.4	5,427	14,802
04/30/10	10,361	52.4	5,427	9,868

#### Funded Status and Funding Progress

As of April 30, 2012, the most recent actuarial valuation date, the plan was 100 percent unfunded. The actuarial accrued liability for benefits was \$218,541, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$218,541. The covered payroll (annual payroll of active employees covered by the plan) was \$3,272,388 and the ratio of UAAL to the covered payroll was 6.68 percent.

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

#### Actuarial Methods and Assumptions

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

In the April 30, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent discount rate (includes inflation at 3.0 percent), annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 6.0 percent, and anticipated participation of 30.0 percent of active employees assumed to elect the benefit. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a 30-year open basis.

#### Note 13. Commitments

The Village entered into an agreement with H.N. Properties LLC to purchase and renovate a 5,000 square foot building at 113 East Main Street. The Village agreed to pay to H.N. Properties a pro rata rate not to exceed 25% of project costs up to a maximum of \$75,000. As of April 30, 2012, the Village has remitted \$75,000 related to this agreement.

**Notes to Financial Statements**

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**Note 13. Commitments (continued)**

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

The Village entered into an agreement with Sherwood Forest LLC to renovate various properties held by the developer. The Village agreed to reimburse Sherwood Forest a maximum amount of \$2,000,000 or 50% of the Developer's total project costs, whichever is less. As of April 30, 2012, the Village has remitted \$1,877,987 related to this agreement.

The Village entered into an agreement with a Nalco Crossbow, LLC to renovate, reconstruct, repair, and remodel the building on the Redevelopment Property in a maximum amount of \$2,000,000. The Village agreed to reimburse Nalco a maximum of \$2,000,000 of eligible costs. The Village has also agreed to reimburse Nalco's cost for the acquisition of fee simple ownership of the Redevelopment Property in a maximum amount of \$1,000,000 or 50% of the acquisition costs, whichever is less. As of April 30, 2012, the Village has remitted \$1,129,569 related to this agreement.

The Village entered into an agreement with S.E.T. Environmental to purchase building and land at 420 W. 194th St. to be utilized as the company's administrative and dispatch offices. The maximum reimbursement for eligible redevelopment project costs under this agreement shall be \$120,000. This amount shall be payable in annual installments of \$15,000 as long as the Developer maintains at least 20 Employees during the calendar year. The payment is approved each year at the January Village Board Meeting. As of April 30, 2012, the Village has remitted \$90,000 related to this agreement.

The Village entered into an agreement with a developer for economic assistance from the Village. If for not the economic assistance to be given by the Village, the Project would not be economically viable to the Developer. The Redevelopment Project Costs have been initially deemed to qualify under the Act for Village payment through tax increment allocation financing. The Village agreed to pay to the Developer an amount equal to fifty percent (50%) of the municipal sales tax revenues received by the Village as a result of the operations of such retail store at the Subject Property. The municipal sales tax revenue sharing shall continue for a term of 10 years from the date the Village's obligation to share municipal sales tax revenue arises for each retail store located within the project. Payments are due on or before the 30th of June following the date of the Village's obligation to share municipal sales tax revenue and on each June 30th thereafter. The agreement expires on December 31, 2016 with final payment due on June 30, 2017. As of April 30, 2012, the Village has remitted \$10,142 related to this agreement.

The Village entered into an agreement with a West Side Property to purchase a building to construct and operate a new permanent truck maintenance facility. The maximum reimbursement for eligible redevelopment project costs under this agreement shall be \$400,000 or 50% of the Developer's certified eligible property acquisition costs, whichever is less. This amount shall be payable as long as the Developer has a tenant in the said property by December 1, 2011. As of April 30, 2012, the Village has remitted \$15,000 related to this agreement.

As of April 30, 2012, the Village is committed under construction contracts and purchase commitments of approximately \$2,100,000.

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

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

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

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

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

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the Village beginning with its year ending April 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, will be effective for the Village beginning with its year ending April 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

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

GASB Statement No. 67, *Financial Reporting for Pension Plans*, will be effective for the Village beginning with its year ending April 30, 2015. This Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This Statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the Village beginning with its year ending April 30, 2016. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

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

## **Required Supplementary Information**

**Village of Glenwood, Illinois**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$ 2,700,392	\$ 2,997,680	\$ 297,288	90.08 %	\$ 1,246,006	23.86
12/31/10	2,529,861	2,637,717	107,856	95.91	1,080,211	9.98
12/31/09	2,397,367	2,437,665	40,298	98.35	1,144,446	3.52

On the market value basis, the actuarial value of assets as of December 31, 2011 is \$2,582,281. On a market value basis, the funded ratio would be 86.14%.

Village of Glenwood, Illinois

Schedule of Funding Progress  
Police Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/11	\$ 5,694,444	\$ 11,472,449	\$ 5,778,005	49.64 %	\$ 1,334,284	433.04 %
4/30/10	5,336,052	10,780,959	5,444,907	49.50	1,325,675	410.73
4/30/09	4,544,635	10,343,630	5,798,995	43.94	1,301,838	445.45
4/30/06	5,133,758	9,279,320	4,145,562	55.32	873,228	474.74

Village of Glenwood, Illinois

Schedule of Funding Progress  
Firefighters' Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/11	\$ 2,282,158	\$ 2,914,902	\$ 632,744	78.29 %	\$ 250,029	253.07 %
4/30/10	2,135,416	2,719,652	584,236	78.52	271,819	214.94
4/30/09	1,937,824	2,536,888	599,064	76.39	336,392	178.09
4/30/06	1,465,330	2,009,186	543,856	72.93	294,931	184.40

**Village of Glenwood, Illinois**

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

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

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

**Village of Glenwood, Illinois**

**Schedule of Employer Contributions  
Police Pension Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
Fiscal Year		
2011	\$ 541,007	63.60 %
2010	359,340	121.02
2009	359,340	108.78
2008	N/A	N/A
2007	N/A	N/A
2006	203,332	79.77

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

**Village of Glenwood, Illinois**

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

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
Fiscal Year		
2011	\$ 81,891	101.36 %
2010	91,589	113.64
2009	89,186	100.54
2008	N/A	N/A
2007	N/A	N/A
2006	71,808	98.89

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

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 General Fund  
 Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 2,787,080	\$ 3,060,252	\$ 273,172
Other taxes	443,000	485,871	42,871
Intergovernmental	2,270,000	2,249,372	(20,628)
Licenses, permits and fees	516,700	523,374	6,674
Fines	192,500	133,040	(59,460)
Interest	500	1,312	812
Charges for services	648,500	626,450	(22,050)
Miscellaneous	286,500	206,961	(79,539)
<b>Total revenues</b>	<u>7,144,780</u>	<u>7,286,632</u>	<u>141,852</u>
Expenditures:			
Current:			
Administration	2,217,682	2,190,364	27,318
Public works	493,000	468,187	24,813
Parks	97,050	79,276	17,774
Police	3,331,160	3,353,367	(22,207)
Fire	1,138,014	1,044,819	93,195
ESDA	13,000	375	12,625
Senior center	24,900	16,553	8,347
Capital outlay	393,350	416,581	(23,231)
<b>Total expenditures</b>	<u>7,708,156</u>	<u>7,569,522</u>	<u>138,634</u>
Excess (deficiency) of revenues over (under) expenditures	(563,376)	(282,890)	280,486
Other financing sources:			
Transfers in	-	255,521	255,521
<b>Change in fund balance</b>	<u>\$ (563,376)</u>	<u>(27,369)</u>	<u>\$ 536,007</u>
Fund balance:			
May 1, 2011		<u>2,176,173</u>	
April 30, 2012		<u>\$ 2,148,804</u>	

See Note to Required Supplementary Information.

**Note to Required Supplementary Information**

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**Note 1. Budgetary Basis of Accounting**

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

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

## **Supplemental Data**

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual  
Year Ended April 30, 2012

	Budget	Actual
Property taxes	\$ 2,787,080	\$ 3,060,252
Other taxes:		
Utility taxes	385,000	394,784
Auto rental tax	13,000	12,256
Real estate transfer tax	45,000	78,831
<b>Total other taxes</b>	<b>443,000</b>	<b>485,871</b>
Intergovernmental:		
Sales tax	945,000	948,174
Income tax	718,000	756,947
Local use tax	110,000	130,904
Personal property replacement tax	25,000	33,591
Telecommunication maintenance fee	412,000	352,305
Grants	60,000	27,451
<b>Total intergovernmental</b>	<b>2,270,000</b>	<b>2,249,372</b>
Licenses, permits and fees:		
Vehicle stickers	185,000	216,365
Zoning board/hearing application fee	500	-
Building and electrical permit	80,000	89,270
Alarm permits	4,500	3,645
Cable TV revenue	94,000	104,354
Business licenses	50,000	37,260
Animal licenses	900	1,346
Grass cutting fees	5,000	534
Health inspection fees	7,300	3,900
Towed vehicle administration fee	82,000	59,500
Fire protection fees	7,500	7,200
<b>Total licenses, permits and fees</b>	<b>516,700</b>	<b>523,374</b>
Fines:		
Police - DUI-related revenues	2,500	180
Police fines	170,000	95,986
Building code fines	20,000	36,874
<b>Total fines</b>	<b>192,500</b>	<b>133,040</b>
Interest	500	1,312

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual (continued)  
 Year Ended April 30, 2012

	Budget	Actual
Charges for services:		
Project Reimbursement - police	\$ 2,000	\$ 1,765
Bad check charge	-	160
SBA towers	143,000	117,417
Park program fees	3,500	20,758
Refuse fees	500,000	486,350
<b>Total charges for services</b>	<b>648,500</b>	<b>626,450</b>
Miscellaneous:		
Foreign fire insurance	8,000	8,302
Newsletter advertising	6,000	5,975
Facility rent	3,500	8,670
Police insurance/miscellaneous reimbursement	2,000	-
Yard waste stickers	7,500	10,666
Nalco Crossbow lease	242,000	152,614
Miscellaneous	17,500	20,694
Miscellaneous fire	-	40
<b>Total miscellaneous</b>	<b>286,500</b>	<b>206,961</b>
<b>Total revenues</b>	<b>\$ 7,144,780</b>	<b>\$ 7,286,632</b>

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2012

	Budget	Actual
Current:		
Administration:		
Mayor	\$ 13,500	\$ 13,500
Treasurer	3,000	2,792
Trustees	36,000	32,955
Village clerk	2,000	2,500
Village collector	100	-
Village administrator	102,000	103,218
Department supervisor	75,182	75,572
Full time employees	115,000	100,715
Part time employees	47,000	57,981
Contract services	80,000	76,880
Salary - liquor commissioner	1,500	1,500
Unemployment insurance	1,500	-
Office supplies	12,000	16,240
Data processing	35,000	17,406
Copier supplies and maintenance	2,000	2,605
Postage	10,000	4,217
Pittman family fund	-	9,857
Employee Appreciation	4,000	2,467
Telephone	3,000	5,587
Legal notices	2,500	1,412
Newsletter	16,000	25,515
Code of ordinances expense	5,000	7,723
Dues, subscription, and memberships	12,000	13,730
Legal services	95,000	124,928
Auditing	47,000	46,500
E-Comm annual expense	287,000	222,235
Group insurance and hospital	35,000	28,644
Workmen's compensation insurance	3,400	49,111
Liability insurance	350,000	309,973
Expenses village	1,500	113
Utility consulting	-	1,425
Board member training	1,500	310
Utilities	3,000	25,106
Personnel training	2,500	14,277
Travel, lodging, and meals	7,000	10,745
Donations/memorials	5,000	6,500
Police and fire commission	25,000	13,152
Web site expense	3,000	300
Vehicle stickers	5,000	8,928
Economic incentive agreements	5,000	2,235
Computer - programs and equipment	50,000	46,879
Glenwood Plaza project expenses	50,000	101,382
Industrial North project expenses	75,000	62,947
New TIF expenses	-	165
Railroad property rental	2,500	2,251

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2012

	Budget	Actual
Current:		
Administration: (continued)		
Town Center project expenses	\$ 75,000	\$ 9,111
Engineer services	10,000	25,393
Homewood disposal	500,000	500,686
Miscellaneous	1,000	2,696
<b>Total administration</b>	<b>2,217,682</b>	<b>2,190,364</b>
Public works:		
Department supervisor	26,700	27,705
Full time employees	138,000	131,698
Over-time wages	32,000	13,632
Holiday pay	3,000	-
Lawn care services	30,000	33,056
Unemployment insurance	5,000	5,740
Printing and advertising	1,500	130
Office supplies	1,500	-
Postage	700	328
Cleaning supplies	5,000	175
Mechanical supplies	5,000	-
Telephone	3,000	2,473
Legal services	2,000	270
Group insurance and hospital	40,500	39,417
Workmen's compensation insurance	23,500	23,500
Personnel training	3,000	40
Travel, lodging, and meals	1,000	381
Physicals	2,000	945
Gas and oil	25,000	22,367
Repair and maintenance - communications	2,000	128
Repair and maintenance - vehicle	25,000	7,234
Repair and maintenance - general tools/equipment	10,000	5,049
Repair and maintenance - municipal buildings	30,000	114,070
Maintenance - municipal grounds	25,000	29,780
Flags	500	1,231
Tree contractors	25,000	-
HVAC maintenance	12,600	195
Christmas decorations	10,000	2,605
Computer - programs and equipment	3,000	2,202
Lawn equipment	500	-
Miscellaneous	1,000	3,836
<b>Total public works</b>	<b>493,000</b>	<b>468,187</b>
Parks:		
Department supervisor	12,000	3,924
Part time employees	2,500	23,262
Overtime	25,000	-
Volunteer appreciation	500	-

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2012

	Budget	Actual
Current:		
Parks: (continued)		
Utilities	\$ 5,000	\$ 5,882
Summer/winter activities	600	1,417
Park program expenses	2,000	3,447
Easter program	850	(694)
July 4th expenses	15,000	11,741
Kids day out/summer bash	4,100	2,825
Halloween/hayride expenses	500	590
Christmas in the park expenses	2,500	290
Tents for events	5,500	-
Park programs	2,000	-
Repair and maintenance - general tools/equipment	2,500	-
Repair and maintenance - municipal buildings	2,000	6,132
Maintenance - municipal grounds	3,000	7,766
Fireworks	10,000	12,645
Miscellaneous	1,500	49
<b>Total parks</b>	<b>97,050</b>	<b>79,276</b>
Police:		
Police department compensation time payout	10,000	934
Part time police officers	50,000	46,468
Department supervisor	92,000	92,354
Full time employees	1,580,000	1,541,602
Part time employees	105,000	98,038
Crossing guards	25,000	25,423
Over-time wages	100,000	145,245
Holiday pay	100,000	57,279
Pension contributions	600,000	627,083
Unemployment insurance	-	6,308
Office supplies	9,000	13,439
Postage	10,000	3,965
Telephone	11,000	10,169
Dues, subscription, and membership	10,000	14,035
Legal services	40,000	22,975
Municipal systems	12,000	12,686
Group insurance and hospital	241,160	253,476
Workmen's compensation insurance	105,000	105,000
Utilities	3,000	3,385
Personnel training	20,000	30,088
Travel, lodging, and meals	10,000	5,311
Public education	-	908
Physicals	5,000	1,435
Uniforms	27,000	13,535
Gas and oil	75,000	80,750
Repair and maintenance - communications	15,000	10,440
Repair and maintenance - copy machine	3,000	428

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2012

	Budget	Actual
Current:		
Police: (continued)		
Repair and maintenance - vehicle	\$ 30,000	\$ 44,447
Repair and maintenance - general tools/equipment	5,000	9,441
Repair and maintenance - municipal buildings	4,000	1,702
Range usage/ammunition	5,000	3,012
Vest program	-	23,078
Computer - programs and equipment	27,000	39,769
Board expense	-	2,294
Miscellaneous	2,000	6,865
<b>Total police</b>	<b>3,331,160</b>	<b>3,353,367</b>
Fire:		
Department supervisor	102,000	103,354
Full time employees	259,000	202,359
Part time employees	7,500	17,780
Secretarial services	58,000	39,699
Over-time wages	1,000	-
Paid on call fire personnel	76,000	76,867
Sleep-in-pay	96,800	94,826
Duty shift assignment	48,000	46,318
Contract services	65,714	60,008
Employer FICA and IMRF	-	2,806
Pension contributions	100,000	99,924
Building code hearings	2,100	5,797
Planning and zoning	2,000	206
Printing and advertising	2,500	1,199
Office supplies	3,000	2,951
Postage	1,500	1,328
Food service inspections	1,500	442
Telephone	8,300	12,092
Dues, subscription, and membership	4,500	1,205
Legal services	3,500	5,258
Legal fees zoning	2,000	634
Group insurance and hospital	63,000	53,643
Workmen's compensation insurance	103,000	103,000
Utilities	3,000	1,154
Personnel training	10,500	10,794
Travel, lodging, meals	-	747
Public education programs	2,000	2,894
Physicals	1,500	4,100
Uniforms	8,000	3,642
Gas and oil	25,000	28,590
Station supplies	2,000	845
Repair and maintenance - vehicle	25,000	33,529
MABAS expense	4,400	3,663
Repair and maintenance - general tools/equipment	10,000	6,585

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
 Year Ended April 30, 2012

	Budget	Actual
Current:		
Fire: (continued)		
Maintenance - station #1	\$ 7,000	\$ 2,191
Maintenance - station #2	6,000	4,523
Copy machine	1,000	599
Grass cutting vacant homes	4,000	2,800
Computer - programs and equipment	15,700	4,114
Miscellaneous	2,000	2,353
<b>Total fire</b>	<b>1,138,014</b>	<b>1,044,819</b>
ESDA:		
Department supervisor	1,000	-
Part time employees	4,000	-
Uniforms	3,500	375
Communications	4,500	-
<b>Total ESDA</b>	<b>13,000</b>	<b>375</b>
Senior center:		
Part time employees	20,000	7,389
Employer FICA and IMRF	-	549
Office supplies	100	796
Telephone/internet	800	3,929
Utilities	1,500	1,469
Special events	2,000	811
Miscellaneous	500	1,610
<b>Total senior center</b>	<b>24,900</b>	<b>16,553</b>
Capital outlay	393,350	416,581
<b>Total expenditures</b>	<b>\$ 7,708,156</b>	<b>\$ 7,569,522</b>

**Nonmajor Governmental Funds – Combining Statements**

Village of Glenwood, Illinois

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 April 30, 2012

	Special Revenue	Capital Projects <u>Road Improvement</u> Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 3,110,515	\$ -	\$ 3,110,515
Receivables:			
Property taxes	162,856	-	162,856
Due from other governments	19,396	-	19,396
Due from other funds	698,654	-	698,654
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 3,991,421</b>	<b>\$ -</b>	<b>\$ 3,991,421</b>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts payable	\$ 30,217	\$ -	\$ 30,217
Deferred revenue	143,054	-	143,054
Due to other funds	51,095	-	51,095
	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b>224,366</b>	<b>-</b>	<b>224,366</b>
Fund balances			
Restricted for:			
Road improvements	615,279	-	615,279
Tax increment financing projects	3,023,857	-	3,023,857
Retirement benefits	84,435	-	84,435
Public safety expenditures	35,485	-	35,485
Assigned for road improvements	7,999	-	7,999
	<hr/>	<hr/>	<hr/>
<b>Total fund balances</b>	<b>3,767,055</b>	<b>-</b>	<b>3,767,055</b>
	<hr/>	<hr/>	<hr/>
<b>Total liabilities and fund balances</b>	<b>\$ 3,991,421</b>	<b>\$ -</b>	<b>\$ 3,991,421</b>

Village of Glenwood, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended April 30, 2012

	Special Revenue	Capital Projects <u>Road Improvement</u> Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 1,629,709	\$ -	\$ 1,629,709
Intergovernmental	263,444	-	263,444
Licenses, permits and fees	7,999	-	7,999
Interest	1,052	-	1,052
Miscellaneous	35,411	-	35,411
<b>Total revenues</b>	<u>1,937,615</u>	<u>-</u>	<u>1,937,615</u>
Expenditures:			
Current:			
Administration	830,931	-	830,931
Police	13,366	-	13,366
Highway and streets	282,751	-	282,751
Pension contributions	443,851	-	443,851
Capital outlay	16,284	-	16,284
<b>Total expenditures</b>	<u>1,587,183</u>	<u>-</u>	<u>1,587,183</u>
Excess (deficiency) of revenues over (under) expenditures	<u>350,432</u>	<u>-</u>	<u>350,432</u>
Other financing sources (uses):			
Transfers in	116,540	-	116,540
Transfers out	(278,265)	(116,540)	(394,805)
<b>Total other financing sources (uses)</b>	<u>(161,725)</u>	<u>(116,540)</u>	<u>(278,265)</u>
<b>Change in fund balances</b>	188,707	(116,540)	72,167
Fund balances:			
May 1, 2011	<u>3,578,348</u>	116,540	<u>3,694,888</u>
April 30, 2012	<u>\$ 3,767,055</u>	<u>\$ -</u>	<u>\$ 3,767,055</u>

Village of Glenwood, Illinois

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 April 30, 2012

	Road and Bridge Fund	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund
<b>Assets</b>			
Cash and cash equivalents	\$ 29,588	\$ 384,182	\$ 127,319
Receivables:			
Property taxes	-	-	145,744
Due from other governments	-	19,396	-
Due from other funds	-	198,654	-
<b>Total assets</b>	<b>\$ 29,588</b>	<b>\$ 602,232</b>	<b>\$ 273,063</b>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts payable	\$ 4,773	\$ -	\$ -
Deferred revenues	-	-	143,054
Due to other funds	-	3,769	45,574
<b>Total liabilities</b>	<b>4,773</b>	<b>3,769</b>	<b>188,628</b>
Fund balances			
Restricted for:			
Road improvements	16,816	598,463	-
Tax increment financing projects	-	-	-
Retirement benefits	-	-	84,435
Public safety expenditures	-	-	-
Assigned for road improvements	7,999	-	-
<b>Total fund balances</b>	<b>24,815</b>	<b>598,463</b>	<b>84,435</b>
<b>Total liabilities and fund balances</b>	<b>\$ 29,588</b>	<b>\$ 602,232</b>	<b>\$ 273,063</b>

Police Department Forfeiture Fund	TIF Main Street Fund	Holbrook Road Tax Increment Financing District Fund	TIF Glenwoodie Golf Course Fund	Total
\$ 35,485	\$ 1,105,336	\$ 1,164,339	\$ 264,266	\$ 3,110,515
-	17,112	-	-	162,856
-	-	-	-	19,396
-	400,000	100,000	-	698,654
<u>\$ 35,485</u>	<u>\$ 1,522,448</u>	<u>\$ 1,264,339</u>	<u>\$ 264,266</u>	<u>\$ 3,991,421</u>
\$ -	\$ 1,073	\$ 24,371	\$ -	\$ 30,217
-	-	-	-	143,054
-	-	-	1,752	51,095
-	1,073	24,371	1,752	224,366
-	-	-	-	615,279
-	1,521,375	1,239,968	262,514	3,023,857
-	-	-	-	84,435
35,485	-	-	-	35,485
-	-	-	-	7,999
<u>35,485</u>	<u>1,521,375</u>	<u>1,239,968</u>	<u>262,514</u>	<u>3,767,055</u>
<u>\$ 35,485</u>	<u>\$ 1,522,448</u>	<u>\$ 1,264,339</u>	<u>\$ 264,266</u>	<u>\$ 3,991,421</u>

Village of Glenwood, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 Year Ended April 30, 2012

	Road and Bridge Fund	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund
<b>Revenues:</b>			
Property taxes	\$ 26,474	\$ -	\$ 250,218
Intergovernmental	831	262,613	-
Licenses, permits and fees	7,999	-	-
Interest	-	256	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>35,304</b>	<b>262,869</b>	<b>250,218</b>
<b>Expenditures:</b>			
Current:			
Administration	-	-	-
Police	-	-	-
Highways and streets	134,417	148,334	-
Pension contributions	-	-	443,851
Capital outlay	16,284	-	-
<b>Total expenditures</b>	<b>150,701</b>	<b>148,334</b>	<b>443,851</b>
Excess (deficiency) of revenues over (under) expenditures	(115,397)	114,535	(193,633)
<b>Other financing sources (uses):</b>			
Transfers in	116,540	-	-
Transfers out	-	(100,000)	-
<b>Total other financing sources (uses)</b>	<b>116,540</b>	<b>(100,000)</b>	<b>-</b>
<b>Change in fund balances</b>	<b>1,143</b>	<b>14,535</b>	<b>(193,633)</b>
<b>Fund balances:</b>			
May 1, 2011	23,672	583,928	278,068
April 30, 2012	\$ 24,815	\$ 598,463	\$ 84,435

Police Department Forfeiture Fund	TIF Main Street Fund	Holbrook Road Tax Increment Financing District Fund	TIF Glenwoodie Golf Course Fund	Total
\$ -	\$ 360,854	\$ 988,221	\$ 3,942	\$ 1,629,709
-	-	-	-	263,444
-	-	-	-	7,999
-	-	-	796	1,052
35,411	-	-	-	35,411
<u>35,411</u>	<u>360,854</u>	<u>988,221</u>	<u>4,738</u>	<u>1,937,615</u>
-	(3,910)	691,263	143,578	830,931
13,366	-	-	-	13,366
-	-	-	-	282,751
-	-	-	-	443,851
-	-	-	-	16,284
<u>13,366</u>	<u>(3,910)</u>	<u>691,263</u>	<u>143,578</u>	<u>1,587,183</u>
<u>22,045</u>	<u>364,764</u>	<u>296,958</u>	<u>(138,840)</u>	<u>350,432</u>
-	-	-	-	116,540
-	-	(178,265)	-	(278,265)
-	-	(178,265)	-	(161,725)
22,045	364,764	118,693	(138,840)	188,707
13,440	1,156,611	1,121,275	401,354	3,578,348
<u>\$ 35,485</u>	<u>\$ 1,521,375</u>	<u>\$ 1,239,968</u>	<u>\$ 262,514</u>	<u>\$ 3,767,055</u>

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Road and Bridge Fund  
 Year Ended April 30, 2012

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 20,000	\$ 26,474	\$ 6,474
Intergovernmental	-	831	831
Licenses, permits and fees	-	7,999	7,999
<b>Total revenues</b>	<u>20,000</u>	<u>35,304</u>	<u>15,304</u>
Expenditures:			
Current:			
Highway and streets	188,000	134,417	53,583
Capital outlay	100,000	16,284	83,716
<b>Total expenditures</b>	<u>288,000</u>	<u>150,701</u>	<u>137,299</u>
Excess (deficiency) of revenues over (under) expenditures	(268,000)	(115,397)	152,603
Other financing sources:			
Transfers in	-	116,540	116,540
<b>Change in fund balance</b>	<u>\$ (268,000)</u>	<u>1,143</u>	<u>\$ 269,143</u>
Fund balance:			
May 1, 2011		<u>23,672</u>	
April 30, 2012		<u>\$ 24,815</u>	

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Motor Fuel Tax Fund  
 Year Ended April 30, 2012

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 230,000	\$ 262,613	\$ 32,613
Interest	300	256	(44)
<b>Total revenues</b>	<u>230,300</u>	<u>262,869</u>	<u>32,569</u>
Expenditures:			
Current:			
Highways and streets	<u>1,152,877</u>	<u>148,334</u>	<u>1,004,543</u>
Excess (deficiency) of revenues over (under) expenditures	(922,577)	114,535	1,037,112
Other financing uses:			
Transfers out	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
<b>Change in fund balance</b>	<u><u>\$ (922,577)</u></u>	<u>14,535</u>	<u><u>\$ 937,112</u></u>
Fund balance:			
May 1, 2011		<u>583,928</u>	
April 30, 2012		<u><u>\$ 598,463</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, 2012

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 433,384	\$ 250,218	\$ (183,166)
Expenditures:			
Current:			
Pension contributions	442,815	443,851	(1,036)
<b>Change in fund balance</b>	<u>\$ (9,431)</u>	(193,633)	<u>\$ (184,202)</u>
Fund balance:			
May 1, 2011		<u>278,068</u>	
April 30, 2012		<u>\$ 84,435</u>	

**Enterprise Fund**

Village of Glenwood, Illinois

**Schedule of Operations Expenses - Budget and Actual  
Water and Sewer Fund  
Year Ended April 30, 2012**

	Budget	Actual
Department supervisor	\$ 49,543	\$ 55,374
Full time employees	295,000	299,045
Part time employees	-	6,734
Over-time wages	58,500	48,193
Contract services	10,000	5,647
Lawn care services	10,000	8,264
Unemployment insurance	5,000	-
Printing and advertising	10,000	7,850
Office supplies	2,500	1,296
Copier supplies and maintenance	1,000	-
Postage	11,000	11,919
Telephone	25,000	34,969
Dues, subscription, and membership	1,500	470
Legal services	2,500	7,994
Group insurance and hospital	80,500	75,930
Workmen's compensation insurance	50,000	50,000
Utilities	10,000	6,600
Personnel training	1,500	2,761
Travel, lodging, and meals	500	2,084
Public education programs	3,000	-
Physicals	1,500	390
Gas and oil	35,000	22,063
Energy for pumping	60,000	45,774
Chemicals	25,000	19,348
Storage building	125,000	5,373
IEPA loan project	-	60,926
EDA Grant	-	25,133
Concrete bins	10,000	-
Repair and maintenance - communications	1,500	950
Repair and maintenance - water system	150,000	105,985
Repair and maintenance - vehicle	25,000	19,365
Repair and maintenance - general tools/equipment	15,000	20,789
Repair and maintenance - municipal buildings	25,000	8,916
Maintenance - municipal grounds	10,000	19,078
Repair and maintenance - sewer system	200,000	104,880
Purchase - general tools and equipment	15,000	12,075
Purchase - personnel equipment	5,000	5,143
Water purchase - Chicago Heights	250,000	209,858
Public infrastructure projects/water main looping	5,000,000	-
Computer - programs and equipment	35,000	10,288
Water meter program	75,000	86,812
New roof for pump station 1	10,000	-
Operations and maintenance - Chicago Heights	35,000	30,878
Purchase of vehicles	100,000	(9,117)
Engineering services	40,000	13,546
Communications equipment	3,000	1,082
Loss on wire fraud	-	14,262
Bond expense	150,000	-
Homewood disposal	10,000	13,356
Miscellaneous	2,000	4,430
Sewer force main repairs	2,500,000	436,782
<b>Total operations expenses</b>	<b>\$ 9,540,043</b>	<b>\$ 1,913,495</b>

## **Other Schedules**

Village of Glenwood, Illinois

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

	2011	2010	2009	2008	2007
Tax Rates (per \$100 of assessed valuation):					
Corporate	2.020	1.670	0.108	0.080	0.094
Audit	-	-	0.028	0.036	0.041
Liability Insurance	-	-	0.217	0.180	0.170
Workmen's Compensation	-	-	0.402	0.356	0.281
Unemployment Insurance	-	-	0.004	0.010	0.012
Police Protection	-	-	0.629	0.504	0.539
Crossing Guards	-	-	0.018	0.017	0.020
Fire Protection	-	-	0.223	0.230	0.235
Civil Defense	-	-	-	-	0.012
Police Pension	0.520	0.378	0.252	0.252	0.267
Fire Pension	0.087	0.066	0.060	0.060	0.064
Bond and Interest	0.619	0.499	0.479	0.479	0.347
IMRF	0.238	0.161	0.238	0.286	0.328
<b>Totals</b>	<b>3.483</b>	<b>2.774</b>	<b>2.655</b>	<b>2.491</b>	<b>2.410</b>
Tax extensions:					
Corporate	\$ 2,399,885	\$ 2,462,526	\$ 159,238	\$ 118,553	\$ 123,703
Audit	-	-	41,200	52,530	53,766
Liability Insurance	-	-	319,300	264,710	223,510
Workmen's Compensation	-	-	592,250	525,300	370,800
Unemployment Insurance	-	-	5,150	15,450	15,450
Police Protection	-	-	927,000	743,040	710,385
Crossing Guards	-	-	25,750	25,750	26,780
Fire Protection	-	-	328,649	339,591	309,690
Civil Defense	-	-	-	-	15,450
Police Pension	618,000	557,340	370,800	370,800	351,239
Fire Pension	103,000	97,698	89,095	89,095	84,507
Bond and Interest	735,000	735,000	705,666	705,666	457,835
IMRF	283,250	236,900	350,200	422,300	432,272
<b>Totals</b>	<b>\$ 4,139,135</b>	<b>\$ 4,089,464</b>	<b>\$ 3,914,298</b>	<b>\$ 3,672,785</b>	<b>\$ 3,175,387</b>
<b>Collections</b>	<b>\$ 2,010,823</b>	<b>\$ 3,808,551</b>	<b>\$ 3,741,820</b>	<b>\$ 3,643,065</b>	<b>\$ 3,017,440</b>
<b>Percent Collected</b>	<b>48.58%</b>	<b>93.13%</b>	<b>95.59%</b>	<b>99.19%</b>	<b>95.03%</b>

Village of Glenwood, Illinois

Schedule of Debt Service Requirements  
April 30, 2012

	Year Ending April 30,	Principal	Interest	Total
General Obligation Bonds				
Series 2010A	2013	\$ -	\$ 648,869	\$ 648,869
Dated July 22, 2010	2014	-	648,869	648,869
Interest due on June 1	2015	-	648,869	648,869
and December 1 at a	2016	-	648,869	648,869
rate of 7.030%	2017	-	648,869	648,869
	2018	-	648,869	648,869
	2019	-	648,869	648,869
	2020	-	648,869	648,869
	2021	-	648,869	648,869
	2022	-	648,869	648,869
	2023	1,035,000	648,869	1,683,869
	2024	1,230,000	576,109	1,806,109
	2025	1,330,000	489,640	1,819,640
	2026	1,440,000	396,141	1,836,141
	2027	1,560,000	294,909	1,854,909
	2028	1,685,000	185,240	1,870,240
	2029	950,000	66,785	1,016,785
		<u>\$ 9,230,000</u>	<u>\$ 9,146,383</u>	<u>\$ 18,376,383</u>
General Obligation Bonds				
Series 2010B	2013	\$ 335,000	\$ 53,325	\$ 388,325
Dated July 22, 2010	2014	400,000	44,950	444,950
Interest due on June 1	2015	465,000	32,950	497,950
and December 1 at rates	2016	475,000	19,000	494,000
ranging from 2.50% to 4.00%		<u>\$ 1,675,000</u>	<u>\$ 150,225</u>	<u>\$ 1,825,225</u>

(continued)

Village of Glenwood, Illinois

Schedule of Debt Service Requirements (continued)  
April 30, 2012

	Year Ending April 30,	Principal	Interest	Total
General Obligation Bonds				
Series 2010C	2013	\$ 35,000	\$ 192,200	\$ 227,200
Dated September 29, 2010	2014	35,000	191,150	226,150
Interest due on June 1	2015	30,000	190,100	220,100
and December 1 at rates	2016	85,000	189,200	274,200
ranging from 3.00% to 4.00%	2017	630,000	186,650	816,650
	2018	705,000	164,600	869,600
	2019	775,000	139,925	914,925
	2020	855,000	112,800	967,800
	2021	940,000	78,600	1,018,600
	2022	1,025,000	41,000	1,066,000
		<u>\$ 5,115,000</u>	<u>\$ 1,486,225</u>	<u>\$ 6,601,225</u>