

Village of Glenwood, Illinois

Annual Financial Report
Year Ended April 30, 2014

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Glenwood, Illinois (Village), as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund, which represents 59.2 percent, 63.2 percent and 37.7 percent, respectively, of assets, fund balance/net position and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in the fiscal year ended April 30, 2014, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The implementation of GASB Statement No. 65 resulted in a restatement of opening May 1, 2013 net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 3-10), pension and postemployment related information (on pages 56-61) and budgetary comparison information (on pages 62-66) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

McGladrey LLP

Chicago, Illinois
December 2, 2014

Required Supplementary Information

Management's Discussion and Analysis (MD&A)

Village of Glenwood, Illinois

Management's Discussion and Analysis

April 30, 2014

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 Position (the Unrestricted Net Position) is designed to be similar to bottom line results for the Village and its governmental and business-type activities. Governmental Accounting Standards Board Statement No. 34 combined and consolidated the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

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

Fund Financial Statements

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

The Governmental Funds (see pages 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.

Management's Discussion and Analysis (Continued)

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

While the Business-Type Activities column on the Business-Type Fund Financial Statements (see pages 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 Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$38.5 million as of April 30, 2014.

A significant portion of the Village's assets (79.5%) reflects its investment in capital assets (i.e., land, land improvements, streets and bridges, storm sewers, water mains, buildings and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The table below presents condensed financial information taken from the Village's Statement of Net Position for the fiscal year ended April 30, 2014. Note 1 describes the restatements due to the implementation of Governmental Accounting Standards Board Statement 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65). The 2013 balances in the following chart have been reclassified for the restated amounts.

Management's Discussion and Analysis (Continued)

Table 1
Statement of Net Position
As of April 30, 2014
(in millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Current Assets	\$ 9.8	\$ 11.7	\$ 3.6	\$ 2.0	\$ 13.4	\$ 13.7
Capital Assets	<u>30.2</u>	<u>30.8</u>	<u>18.1</u>	<u>17.7</u>	<u>48.3</u>	<u>48.5</u>
Total Assets	<u>40.0</u>	<u>42.6</u>	<u>21.7</u>	<u>19.7</u>	<u>61.7</u>	<u>62.8</u>
Current Liabilities	1.5	2.9	1.3	0.7	2.8	3.6
Non Current						
Liabilities	<u>10.5</u>	<u>9.8</u>	<u>8.2</u>	<u>7.8</u>	<u>18.7</u>	<u>17.6</u>
Total Liabilities	<u>12.0</u>	<u>12.7</u>	<u>9.5</u>	<u>8.5</u>	<u>21.5</u>	<u>21.2</u>
Deferred inflows of resources	<u>2.2</u>	<u>2.5</u>	<u>0.1</u>	<u>0.1</u>	<u>2.3</u>	<u>2.6</u>
Net Position:						
Net investment in capital assets	20.0	20.9	10.0	9.7	30.0	30.6
Restricted	5.1	5.3	-	-	5.1	5.3
Unrestricted	<u>0.7</u>	<u>1.2</u>	<u>2.1</u>	<u>1.4</u>	<u>2.8</u>	<u>2.6</u>
Total Net Position	<u>\$ 25.8</u>	<u>\$ 27.4</u>	<u>\$ 12.1</u>	<u>\$ 11.1</u>	<u>\$ 37.9</u>	<u>\$ 38.5</u>

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

The Village's combined net position, which is the Village's equity, increased to \$38.5 million from \$37.9 million as a result of the increase in net position in the Governmental Activities. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations, was a surplus of \$1.2 million. The unrestricted net position of Business-Type Activities was \$1.4 million. The Village can use unrestricted net position to finance the continuing operation of its waterworks and sewerage system and golf course.

Normal Impacts

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

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

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

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

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

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

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

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

Current Year Impacts

The Village's Governmental Activities net position increased by \$1.6 million. Assets increased by \$2.6 million mainly due to increases in cash and land held for resale. Total liabilities and deferred inflows increased by \$0.7 million and \$0.3 million, respectively, due to an increase in a line of credit borrowing related to the purchase of land held for resale and deferred property taxes.

The Village's Business-Type Activities net position decreased by \$1.0 million. Assets decreased by \$2.0 million and can be mainly attributed to decreases in cash and capital asset balances. Total liabilities decreased by \$1.0 million and can be attributed to a decrease in accounts payable and notes payable.

Changes in Net Position

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

Table 2
Changes in Net Position
For the Fiscal Year Ended April 30, 2014
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
REVENUES						
Program Revenues						
Charges for Services	\$1.4	\$1.4	\$3.8	\$4.3	\$ 5.2	\$ 5.7
Grants and Contributions	0.4	0.9	0.8	0.2	1.2	1.1
General Revenues						
Property Taxes	6.2	6.9	0.2	0.2	6.4	7.1
Other Taxes	2.8	2.9	-	-	2.8	2.9
Other	0.5	0.4	-	-	0.5	0.6
Transfer	<u>0.3</u>	<u>1.3</u>	<u>(0.3)</u>	<u>(1.3)</u>	<u>-</u>	<u>-</u>
Total Revenues and Transfer	<u>11.6</u>	<u>13.8</u>	<u>4.5</u>	<u>3.4</u>	<u>16.1</u>	<u>17.2</u>
EXPENSES						
General Government	4.8	5.5	-	-	4.8	5.5
Public Safety	4.9	4.6	-	-	4.9	4.6
Public Works	0.6	0.9	-	-	0.6	0.9
Highway and Streets	0.6	0.5	-	-	0.6	0.5
Water and Sewer	-	-	3.6	2.5	3.6	2.5
Golf Course	-	-	2.0	1.9	2.0	1.9
Debt Service	<u>0.7</u>	<u>0.7</u>	<u>-</u>	<u>-</u>	<u>0.7</u>	<u>0.7</u>
Total Expenses	<u>11.6</u>	<u>12.2</u>	<u>5.6</u>	<u>4.4</u>	<u>17.2</u>	<u>16.6</u>
CHANGE IN NET POSITION	<u>\$0.0</u>	<u>\$1.6</u>	<u>\$ (1.1)</u>	<u>\$ (1.0)</u>	<u>\$ (1.1)</u>	<u>\$0.6</u>
ENDING NET POSITON	<u>\$25.8</u>	<u>\$27.4</u>	<u>\$ 12.1</u>	<u>\$ 11.1</u>	<u>\$ 37.9</u>	<u>\$ 38.5</u>

Management's Discussion and Analysis (Continued)

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

Normal Impacts

Revenues:

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

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

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

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

Expenses:

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

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

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

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

Current Year Impacts

Revenues:

The Village's governmental activities total revenues increased by \$2.2 million over the prior year to \$13.8 million. The main reason for the increase can be attributed to the \$0.7 and \$0.5 million increases in property taxes and grant revenues, respectively, as well as the \$1.0 million increase in transfer revenue.

The Village's Business-Type Activities total revenues decreased by \$1.1 million over the prior year. This decrease can be attributed to a \$0.5 million increase in charges for service offset by a \$0.6 million decrease in capital contributions and grants as well as a \$1.0 million increase in transfer expense.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

Expenses:

The Village's total expenses for governmental activities for the year ended April 30, 2014 increased by \$0.6 million to \$12.2 million. The increase is due to a \$0.7 increase in general government expenses.

The Village's total expenses for business-type activities for the year ended April 30, 2014 were \$4.4 million, a decrease of \$1.2 million from the prior year. The decrease can mainly be attributed to the payment of the Chicago Heights water liability and the completion of the IEPA loan project in the prior year, resulting in a decrease in expenses for the year ended April 30, 2014 comparatively.

Financial Analysis of the Village's Funds

Governmental Funds

At April 30, 2014, the governmental funds (as presented on the balance sheet on page 14-15) reported a combined fund balance of \$6.9 million. Revenues and other uses exceeded revenues and other sources in 2014 by \$0.2 million.

The General Fund experienced a current year operating deficit of \$0.1 million. This resulted in a year-end fund balance of \$1.5 million. This slight deficit is consistent with the prior year deficit of approximately \$0.5 million.

The TIF Fund showed effectively no change in fund balance, maintaining a fund balance deficit of \$0.5 million. This deficit can be attributed to the TIF paying expenses for a number of developers brought in during fiscal year 2012.

The TIF Main Street Fund experienced a current year operating surplus of \$0.2 million. This resulted in a year-end fund balance of \$1.8 million. This surplus is attributed to fewer expenses than budgeted for.

The Holbrook Road Tax Increment Financing District Fund showed effectively no change in fund balance, maintaining a fund balance of \$2.4 million. This surplus can be attributed to a decrease in TIF expenditures as well as a slight increase in property tax revenue in prior years.

Management's Discussion and Analysis (Continued)

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 2014. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

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

General Fund	Original Budget	Actual
Revenues		
Taxes	\$ 3.5	\$ 3.9
Intergovernmental	2.3	2.5
Licenses, permits and fees	0.5	0.6
Fines	0.2	0.2
Charges for services	0.7	0.6
Other	<u>2.1</u>	<u>0.4</u>
Total	<u>9.3</u>	<u>8.1</u>
Expenditures		
Administration	2.6	2.5
Public works	0.7	0.7
Parks	0.1	0.1
Police	3.9	3.5
Fire	1.2	1.2
Capital outlay	0.4	0.1
Other	<u>0.1</u>	<u>0.1</u>
Total	<u>9.0</u>	<u>8.2</u>
Change in Fund Balance	<u>(\$ 0.3)</u>	<u>(\$ 0.1)</u>

The General Fund anticipated a deficit of \$0.3 million, while actual results were a \$0.1 million deficit.

Village of Glenwood, Illinois

Management's Discussion and Analysis (Continued)

Capital Assets

At the end of the fiscal year 2014, the Village had a combined total of capital assets of \$48.6 million invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers and sanitary sewer lines. (See Table 4 below). This amount represents a net increase (including additions and deletions) of about \$0.3 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 4/30/13	Net Additions/Deletions	Balance 4/30/14
Land	\$ 25.8	\$ 0.0	\$ 25.8
Construction in progress	0.0	1.0	1.0
Improvements	0.8	(0.1)	0.7
Buildings	8.2	(0.2)	8.0
Machinery and Equipment	2.0	(0.3)	1.7
Infrastructure	<u>11.5</u>	<u>(0.1)</u>	<u>11.4</u>
Total Capital Assets	<u>\$ 48.3</u>	<u>0.3</u>	<u>\$ 48.6</u>

Long-Term Debt

The Village had \$19.2 million and \$18.8 million in outstanding long-term debt (including bonds payable net of unamortized bond premium, notes payable, lines of credit, and capital leases) at April 30, 2014 and 2013, respectively.

The Village paid off approximately \$0.7 million in long-term debt in the current year. This was offset by \$1.1 million of new loans.

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 2014 and is expected to continue into 2015. Grant assistance is extremely competitive and previously reliable state share revenues (especially the income tax and use tax) have been materially reduced. The Village will need to look internally and consider increasing other revenue sources and/or reduce expenditures until these larger governments get their finances in order.

Contacting the Village's Financial Management

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

Basic Financial Statements

Government-Wide Financial Statements

Village of Glenwood, Illinois

Statement of Net Position
April 30, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 6,595,242	\$ 462,723	\$ 7,057,965
Investments	-	1,029,347	1,029,347
Receivables:			
Property taxes	2,565,448	131,305	2,696,753
Accounts	-	463,663	463,663
Other	67,884	3,591	71,475
Prepays	52,633	14,078	66,711
Inventories	-	67,144	67,144
Due from other governments	658,341	-	658,341
Due from fiduciary fund	3,349	-	3,349
Property held for resale	1,599,883	-	1,599,883
Internal balances	182,621	(182,621)	-
Total current assets	11,725,401	1,989,230	13,714,631
Noncurrent Assets			
Net pension asset	46,286	-	46,286
Capital assets not being depreciated	22,461,178	4,323,187	26,784,365
Capital assets being depreciated, net	8,338,605	13,452,193	21,790,798
Total noncurrent assets	30,846,069	17,775,380	48,621,449
Total assets	42,571,470	19,764,610	62,336,080

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Net Position (Continued)
April 30, 2014

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 742,654	\$ 217,213	\$ 959,867
Accrued payroll	137,017	43,975	180,992
Line of credit	927,452	-	927,452
Accrued interest	285,244	81,121	366,365
Deposits	119,515	44,287	163,802
Unearned revenue	121,995	-	121,995
Compensated absences	66,249	25,365	91,614
Note payable	-	126,869	126,869
Capital leases	-	97,527	97,527
General obligation bonds	465,000	30,000	495,000
Total current liabilities	2,865,126	666,357	3,531,483
Long-Term Liabilities, net of current maturities			
Compensated absences	22,083	8,455	30,538
Note payable	-	2,496,369	2,496,369
Capital leases	-	181,758	181,758
General obligation bonds, net of unamortized bond premium	9,716,037	5,109,993	14,826,030
Net pension obligation	36,989	-	36,989
OPEB obligation	57,010	-	57,010
Total noncurrent liabilities	9,832,119	7,796,575	17,628,694
Total liabilities	12,697,245	8,462,932	21,160,177
Deferred inflows of resources			
Deferred property taxes	2,483,038	126,332	2,609,370
Net Position			
Net investment in capital assets	20,923,297	9,732,864	30,656,161
Restricted for:			
Debt service	440,561	-	440,561
Road improvements	457,075	-	457,075
Tax increment financing projects	4,253,687	-	4,253,687
Retirement benefits	54,181	-	54,181
Public safety expenditures	101,358	-	101,358
Unrestricted	1,161,028	1,442,482	2,603,510
Total net position	\$ 27,391,187	\$ 11,175,346	\$ 38,566,533

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Activities
Year Ended April 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 5,490,642	\$ 854,815	\$ 453,198	\$ -	\$ (4,182,629)	\$ -	\$ (4,182,629)
Public safety	4,602,957	329,802	219,696	-	(4,053,459)	-	(4,053,459)
Public works	876,305	9,900	-	-	(866,405)	-	(866,405)
Highway and streets	557,817	196,330	260,629	-	(100,858)	-	(100,858)
Interest and fees	692,135	-	-	-	(692,135)	-	(692,135)
Total governmental activities	<u>12,219,856</u>	<u>1,390,847</u>	<u>933,523</u>	<u>-</u>	<u>(9,895,486)</u>	<u>-</u>	<u>(9,895,486)</u>
Business-type activities:							
Water and sewer	2,523,448	2,532,974	7,132	146,298	-	162,956	162,956
Golf course operations	1,859,830	1,816,817	-	-	-	(43,013)	(43,013)
Total business-type activities	<u>4,383,278</u>	<u>4,349,791</u>	<u>7,132</u>	<u>146,298</u>	<u>-</u>	<u>119,943</u>	<u>119,943</u>
Total	<u>\$ 16,603,134</u>	<u>\$ 5,740,638</u>	<u>\$ 940,655</u>	<u>\$ 146,298</u>	<u>(9,895,486)</u>	<u>119,943</u>	<u>(9,775,543)</u>
General revenues							
Taxes:							
Property					6,888,382	236,186	7,124,568
Sales					970,186	-	970,186
Income					856,527	-	856,527
Utility					727,812	-	727,812
Other					283,892	-	283,892
Interest					(4,808)	4,201	(607)
Miscellaneous					420,318	-	420,318
Transfers					1,310,989	(1,310,989)	-
Total general revenues and transfers					<u>11,453,298</u>	<u>(1,070,602)</u>	<u>10,382,696</u>
Change in net position					1,557,812	(950,659)	607,153
Net position:							
May 1, 2013, as restated (Note 1)					<u>25,833,375</u>	<u>12,126,005</u>	<u>37,959,380</u>
April 30, 2014					<u>\$ 27,391,187</u>	<u>\$ 11,175,346</u>	<u>\$ 38,566,533</u>

See Notes to Financial Statements.

Fund Financial Statements

Village of Glenwood, Illinois

Balance Sheet - Governmental Funds
April 30, 2014

	Major Funds			
	General Fund	TIF Fund	TIF Main Street Fund	Holbrook Road Tax Increment Financing District Fund
Assets				
Cash and cash equivalents	\$ 1,403,878	\$ 120,492	\$ 1,793,982	\$ 1,696,008
Receivables:				
Property taxes	2,028,739	-	-	-
Other receivables	67,884	-	-	-
Prepays	52,633	-	-	-
Due from other governments	635,125	-	-	-
Due from other funds	311,140	-	-	200,000
Property held for resale	1,054,452	-	-	545,431
Total assets	\$ 5,553,851	\$ 120,492	\$ 1,793,982	\$ 2,441,439
Liabilities				
Accounts payable	\$ 305,791	\$ 425,694	\$ -	\$ 2,267
Accrued payroll	137,017	-	-	-
Line of credit	927,452	-	-	-
Deposits	119,515	-	-	-
Unearned revenue	121,995	-	-	-
Due to other funds	162,681	200,000	-	-
Total liabilities	1,774,451	625,694	-	2,267
Deferred Inflows of Resources				
Deferred property taxes	1,973,592	-	-	-
Deferred intergovernmental revenue	256,209	-	-	-
Total deferred inflows	2,229,801	-	-	-
Fund Balances				
Nonspendable	52,633	-	-	-
Restricted for:				
Road improvements	-	-	-	-
Tax increment financing projects	-	-	1,793,982	2,439,172
Retirement benefits	-	-	-	-
Public safety expenditures	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unassigned	1,496,966	(505,202)	-	-
Total fund balances	1,549,599	(505,202)	1,793,982	2,439,172
Total liabilities, deferred inflows of resources and fund balances	\$ 5,553,851	\$ 120,492	\$ 1,793,982	\$ 2,441,439

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,580,882	\$ 6,595,242
536,709	2,565,448
-	67,884
-	52,633
23,216	658,341
260,044	771,184
-	1,599,883
<hr/>	
\$ 2,400,851	\$ 12,310,615
<hr/>	
\$ 8,902	\$ 742,654
-	137,017
-	927,452
-	119,515
-	121,995
222,533	585,214
231,435	2,633,847
<hr/>	
518,826	2,492,418
-	256,209
518,826	2,748,627
<hr/>	
-	52,633
457,075	457,075
20,533	4,253,687
53,618	53,618
101,358	101,358
724,492	724,492
293,514	293,514
-	991,764
1,650,590	6,928,141
<hr/>	
\$ 2,400,851	\$ 12,310,615
<hr/>	

Village of Glenwood, Illinois

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
April 30, 2014

Total fund balances-governmental funds	\$ 6,928,141
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	30,799,783
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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.	(11,037)
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Revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements.	265,589
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Some assets and liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as assets or liabilities in governmental funds. These assets and liabilities consist of:

General obligation bonds	(10,170,000)
Accrued interest	(285,244)
Net pension asset	46,286
Net pension obligation	(36,989)
OPEB obligations	(57,010)
Compensated absences	(88,332)

Net position of governmental activities	<u>\$ 27,391,187</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, 2014

	Major Funds			
	General Fund	TIF Fund	TIF Main Street Fund	Holbrook Road Tax Increment Financing District Fund
Revenues:				
Property taxes	\$ 3,341,927	\$ 1,010,587	\$ 256,395	\$ 1,329,111
Other taxes	508,372	-	-	-
Intergovernmental	2,527,739	-	-	-
Licenses, permits and fees	570,678	-	-	-
Fines	179,994	-	-	-
Interest	147	-	-	-
Charges for services	606,213	-	-	-
Miscellaneous	366,420	-	-	-
Total revenues	8,101,490	1,010,587	256,395	1,329,111
Expenditures:				
Current:				
Administration	2,492,907	1,423,095	78,184	818,296
Public works	648,793	-	-	-
Parks	56,433	-	-	-
Police	3,534,182	-	-	-
Fire	1,144,256	-	-	-
ESDA	1,504	-	-	-
Senior center	65,785	-	-	-
Highway and streets	73,569	-	-	-
Pension contributions	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fees	8,510	-	-	-
Capital outlay	94,188	-	-	-
Total expenditures	8,120,127	1,423,095	78,184	818,296
Excess (deficiency) of revenues over (under) expenditures	(18,637)	(412,508)	178,211	510,815
Other financing sources (uses):				
Loss on market value of land	-	-	-	(85,000)
Transfers in	-	450,000	-	-
Transfers (out)	(110,695)	-	-	(450,000)
Total other financing sources (uses)	(110,695)	450,000	-	(535,000)
Change in fund balance	(129,332)	37,492	178,211	(24,185)
Fund balances (deficit):				
May 1, 2013	1,678,931	(542,694)	1,615,771	2,463,357
April 30, 2014	\$ 1,549,599	\$ (505,202)	\$ 1,793,982	\$ 2,439,172

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 958,382	\$ 6,896,402
-	508,372
538,223	3,065,962
-	570,678
-	179,994
209,133	209,280
-	606,213
93,071	459,491
<u>1,798,809</u>	<u>12,496,392</u>
325,478	5,137,960
-	648,793
-	56,433
50,135	3,584,317
-	1,144,256
-	1,504
-	65,785
295,457	369,026
199,452	199,452
400,000	400,000
695,118	703,628
1,148,845	1,243,033
<u>3,114,485</u>	<u>13,554,187</u>
<u>(1,315,676)</u>	<u>(1,057,795)</u>
-	(85,000)
1,521,684	1,971,684
(100,000)	(660,695)
<u>1,421,684</u>	<u>1,225,989</u>
106,008	168,194
<u>1,544,582</u>	<u>6,759,947</u>
<u>\$ 1,650,590</u>	<u>\$ 6,928,141</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, 2014**

Net change in fund balances-total governmental funds	\$ 168,194
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Amounts reported for governmental activities in the statement of activities are different because:

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

Prior year deferred balance	(285,052)
Current year deferred balance	265,589

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

Capital outlays	1,067,087
Loss on disposal	(30,488)
Depreciation expense	(446,590)

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

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

400,000

Some revenues and 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	3,847
Decrease in compensated absences	478,524
Decrease in net pension asset	(8,622)
Increase in net pension obligation	(42,439)
Increase in OPEB obligation	(18,586)

Change in net position of governmental activities	<u><u>\$ 1,557,812</u></u>
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See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Net Position - Enterprise Funds
April 30, 2014

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 275,847	\$ 186,876	\$ 462,723
Investments	1,029,347	-	1,029,347
Receivables:			
Property taxes	-	131,305	131,305
Accounts	399,999	63,664	463,663
Other	-	3,591	3,591
Prepays	6,838	7,240	14,078
Inventories	-	67,144	67,144
Due from other funds	35,415	93,372	128,787
Total current assets	1,747,446	553,192	2,300,638
Noncurrent Assets			
Capital assets not being depreciated	-	4,323,187	4,323,187
Capital assets being depreciated, net	9,146,120	4,306,073	13,452,193
Total noncurrent assets	9,146,120	8,629,260	17,775,380
Total assets	10,893,566	9,182,452	20,076,018

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Net Position - Enterprise Funds (Continued)

April 30, 2014

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 196,284	\$ 20,929	\$ 217,213
Accrued payroll	16,504	27,471	43,975
Accrued interest	1,913	79,208	81,121
Deposits	44,287	-	44,287
Due to other funds	71,258	240,150	311,408
Compensated absences	4,388	20,977	25,365
Note payable	126,869	-	126,869
Capital leases	-	97,527	97,527
General obligation bonds	-	30,000	30,000
Total current liabilities	461,503	516,262	977,765
Long-Term Liabilities, net of current maturities			
Compensated absences	1,463	6,992	8,455
Note payable	2,496,369	-	2,496,369
Capital leases	-	181,758	181,758
General obligation bonds, net of unamortized bond premium	-	5,109,993	5,109,993
Total noncurrent liabilities	2,497,832	5,298,743	7,796,575
Total liabilities	2,959,335	5,815,005	8,774,340
Deferred inflows of resources			
Deferred property taxes	-	126,332	126,332
Net Position			
Net investment in capital assets	6,522,882	3,209,982	9,732,864
Unrestricted	1,411,349	31,133	1,442,482
Total net position	\$ 7,934,231	\$ 3,241,115	\$ 11,175,346

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Revenues, Expenses, and Changes in Net Position
Enterprise Funds
Year Ended April 30, 2014

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Operating revenues:			
Charges for service	\$ 2,532,974	\$ 1,816,817	\$ 4,349,791
Operating expenses:			
Operations	2,116,781	1,356,131	3,472,912
Depreciation	344,854	310,476	655,330
Amortization	-	(12,528)	(12,528)
Total operating expenses	2,461,635	1,654,079	4,115,714
Operating income	71,339	162,738	234,077
Nonoperating income (expense):			
Property taxes	-	236,186	236,186
Intergovernmental, grant reimbursement	7,132	-	7,132
Interest income	4,175	26	4,201
Interest expense	(61,813)	(205,751)	(267,564)
Total nonoperating income (expense)	(50,506)	30,461	(20,045)
Loss before contributions and transfers	20,833	193,199	214,032
Capital contributions	146,298	-	146,298
Transfers in	10,000	-	10,000
Transfers out	(1,220,989)	(100,000)	(1,320,989)
Change in net position	(1,043,858)	93,199	(950,659)
Net Position:			
May 1, 2013, as restated (Note 1)	8,978,089	3,147,916	12,126,005
April 30, 2014	\$ 7,934,231	\$ 3,241,115	\$ 11,175,346

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds
Year Ended April 30, 2014

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Cash flows from operating activities			
Cash received for services	\$ 2,482,523	\$ 1,797,834	\$ 4,280,357
Payments to employees	(421,368)	(650,103)	(1,071,471)
Payments to suppliers	(2,314,440)	(937,071)	(3,251,511)
Net cash (used in) provided by operating activities	(253,285)	210,660	(42,625)
Cash flows from noncapital financing activities			
Property taxes	-	234,161	234,161
Grant reimbursement	7,132	-	7,132
Increase in due from other funds	(25,415)	(234,161)	(259,576)
Decrease in due to other funds	(42,823)	227,977	185,154
Transfer in	10,000	-	10,000
Transfer out	(1,220,989)	(100,000)	(1,320,989)
Net cash (used in) provided by noncapital financing activities	(1,272,095)	127,977	(1,144,118)
Cash flows from capital and related financing activities			
Additions to capital assets	(90,166)	(27,739)	(117,905)
Principal payments, capital leases	-	(88,980)	(88,980)
Principal payments, general obligation bonds	-	(35,000)	(35,000)
Principal payments, note payable	(79,990)	-	(79,990)
Interest paid	(59,900)	(206,188)	(266,088)
Net cash (used in) capital and related financing activities	(230,056)	(357,907)	(587,963)
Cash flows from investing activities			
Sale of investments	96,075	-	96,075
Cash receipts from interest income	9,077	26	9,103
Net cash flows provided by investing activities	105,152	26	105,178
Net decrease in cash and cash equivalents	(1,650,284)	(19,244)	(1,669,528)
Cash and cash equivalents:			
May 1, 2013	1,926,131	206,120	2,132,251
April 30, 2014	\$ 275,847	\$ 186,876	\$ 462,723

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Cash Flows – Enterprise Funds (Continued)
Year Ended April 30, 2014

	Business-Type Activities		
	Water and Sewer Fund	Golf Course Fund	Total
Reconciliation of operating income to net cash (used in) provided by operating activities			
Operating income	\$ 71,339	\$ 162,738	\$ 234,077
Adjustments to reconcile operating income to net cash (used in) provided by operating activities			
Depreciation	344,854	310,476	655,330
Amortization	-	(12,528)	(12,528)
Changes in assets and liabilities			
Accounts receivable	(51,118)	(29,691)	(80,809)
Prepays	(6,838)	(7,240)	(14,078)
Inventory	-	(25,893)	(25,893)
Accounts payable	7,583	(133,980)	(126,397)
Accrued payroll	1,664	1,131	2,795
Deposits	7,505	17,948	25,453
Due to other governments	(563,000)	-	(563,000)
Compensated absences	(65,274)	(72,301)	(137,575)
Total adjustments	(324,624)	47,922	(276,702)
Net cash (used in) provided by operating activities	\$ (253,285)	\$ 210,660	\$ (42,625)
Supplemental Schedule of Non-Cash Capital and Related Finance Activities			
Capital assets contributed from government	\$ 146,298	\$ -	\$ 146,298

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2014

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 8,311	\$ 62,747
Investments:		
Certificates of deposit	1,902,925	-
U.S. government and agency obligations	2,835,413	-
Corporate bonds	662,587	-
Insurance contracts	340,319	-
Equity mutual funds	3,460,027	-
Money market mutual funds	249,237	-
Illinois Funds	20,628	-
Accrued interest	27,626	-
Prepaid items	3,497	-
Total assets	9,510,570	62,747
Liabilities		
Accounts payable	3,869	-
Due to other funds	3,349	62,747
Total liabilities	7,218	62,747
Net Position		
Held in trust for pension benefits	\$ 9,503,352	\$ -

See Notes to Financial Statements.

Village of Glenwood, Illinois

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2014

Additions	
Contributions:	
Employer	\$ 531,648
Employee	201,429
Total contributions	<u>733,077</u>
Investment income:	
Net increase in fair value of investments	324,082
Interest and dividend earnings	261,559
Less: investment expenses	<u>(20,548)</u>
Net investment income	<u>565,093</u>
Total additions	<u>1,298,170</u>
Deductions	
Benefits and refunds	875,404
Administrative expenses	<u>64,513</u>
Total deductions	<u>939,917</u>
Net increase	358,253
Net position held in trust for employees' pension benefits:	
May 1, 2013	<u>9,145,099</u>
April 30, 2014	<u>\$ 9,503,352</u>

See Notes to Financial Statements.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Activities

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

The 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 GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

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

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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

The Village administers the following major governmental funds:

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

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

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

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

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

The Village administers the following major proprietary funds:

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

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

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

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

Note 1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

Inventories

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

Prepaid items

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

Note 1. Summary of Significant Accounting Policies (continued)

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

Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

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

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

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

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

Capital Assets

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

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

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

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

Land Held for Resale

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

Unearned/Deferred Revenue

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

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

Compensated Absences

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

Long-Term Obligations

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

Net Position

The Village's net position is classified as follows:

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

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

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

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

Fund Balances

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

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. As of April 30, 2014, the Village has nonspendable fund balance in the amount of \$52,633.

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

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board of Trustees. The Village passes formal resolutions to commit their fund balances. As of April 30, 2014, the Village has no committed fund balance amounts.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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

Assigned – includes amounts that are constrained by the Village’s intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village’s Board of Trustees itself; or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village’s Board of Trustees has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. As of April 30, 2014, the Village has no assigned fund balance amounts.

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

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

Elimination and Reclassification

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

Restatement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65), which was adopted by the Village for the year ended April 30, 2014. GASB 65 now 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. In accordance with GASB 65, the Village now reports both deferred inflows of resources and deferred outflows of resources on its financial statements. The impact of implementing this statement resulted in a restatement of the beginning Net Position for Governmental Activities, Business-Type Activities, and the Golf Course Fund to expense previously capitalized unamortized bond issuance costs.

The Village’s net position at April 30, 2013 has been restated as follows:

	Governmental Activities	Business-Type Activities	Golf Course Fund
Net position, April 30, 2013	\$ 26,045,884	\$ 12,209,870	\$ 3,231,781
Previously capitalized unamortized bond issuance costs	(212,509)	(83,865)	(83,865)
Net position as restated, April 30, 2013	<u>\$ 25,833,375</u>	<u>\$ 12,126,005</u>	<u>\$ 3,147,916</u>

Note 1. Summary of Significant Accounting Policies (continued)

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 inflows of resources this year. This methodology conforms to the measurable and available criteria for revenue recognition. An allowance for the estimated uncollectible taxes has been provided based on prior year collection experiences. Property tax collection through 60 days were not sufficient to meet the availability criteria, therefore, the Village was not able to recognize one-half of the levy as revenue in the current fiscal year on the fund financial statements. The shortfall was recognized as revenue in the government-wide financial statements.

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

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

Note 3. Cash and Investments

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village, Police Pension or Firefighters' Pension deposits may not be returned. The Village, Police Pension and Firefighters' Pension do not have a policy for custodial credit risk. As of April 30, 2014, the carrying amount of the Village's deposits was \$5,970,045 with bank balances totaling \$6,133,333. The Village did not have custodial credit risk as of year-end.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 3. Cash and Investments (continued)

Investments

As of April 30, 2014, the Village, the Police Pension Fund, and the Firefighter's Pension Fund had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Strips	\$ 415,382	\$ 119,522	\$ 295,860	\$ -	\$ -
U.S. agencies - FFCB	538,063	-	111,600	225,892	200,571
U.S. agencies - FHLB	941,686	100,807	297,497	399,433	143,949
U.S. agencies - FHLM	96,648	-	-	96,648	-
U.S. agencies - FNMA	307,684	109,952	197,732	-	-
U.S. agencies - GNMA	535,950	-	256,948	22,099	256,903
Corporate bonds	662,587	51,151	503,796	107,640	-
Illinois Metropolitan Investment Fund *	1,128,763	1,128,763	-	-	-
Money Market Funds *	249,237	249,237	-	-	-
Total	\$ 4,876,000	\$ 1,759,432	\$ 1,663,433	\$ 851,712	\$ 601,423

* Weighted average maturity is less than one year.

The Village also has \$980,190 in Illinois Funds and \$100,000 of certificates of deposit. The Police Pension Fund has insurance contracts in the amount of \$340,319, certificates of deposits in the amount of \$1,452,123 of certificates of deposit, and equity mutual fund holdings in the amount of \$3,201,015. The Fire Pension Fund certificates of deposits in the amount of \$450,802 of certificates of deposit, and equity mutual fund holdings in the amount of \$259,012.

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.

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.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 3. Cash and Investments (continued)

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

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

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

As of April 30, 2014, 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, GNMA, corporate bonds, and equities. These investments represent 6.4%, 7.1%, 12.6%, and 61.1% 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 U.S. Treasury strips, FFCB, FHLB, FNMA, GNMA, equities, and money markets. These investments represent 17.3%, 8.4%, 29.1%, 8.8%, 6.8%, 10.8%, and 18.8%, respectively, of the Fund's total investments.

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

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

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

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

Village of Glenwood, Illinois

Notes to Financial Statements

Note 3. Cash and Investments (continued)

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

	Governmental Activities	Business-Type Activities	Pension Funds	Agency Funds	Total
Cash and cash equivalents	\$ 6,595,242	\$ 462,723	\$ 8,311	\$ 62,747	\$ 7,129,023
Investments	-	1,029,347	9,471,136	-	10,500,483
	<u>\$ 6,595,242</u>	<u>\$ 1,492,070</u>	<u>\$ 9,479,447</u>	<u>\$ 62,747</u>	<u>\$ 17,629,506</u>

Note 4. Capital Assets

A summary of the changes in capital assets for governmental activities of the Village for the year ended April 30, 2014, is as follows:

	Balance May 1, 2013	Additions	Deletions	Balance April 30, 2014
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 21,466,878	\$ -	\$ -	\$ 21,466,878
Construction in progress	-	994,300	-	994,300
Total capital assets not being depreciated	<u>21,466,878</u>	<u>994,300</u>	<u>-</u>	<u>22,461,178</u>
Capital assets being depreciated:				
Improvements	1,345,031	-	-	1,345,031
Buildings	6,189,787	-	-	6,189,787
Machinery and equipment	3,469,420	59,462	116,448	3,412,434
Infrastructure	6,371,857	13,325	-	6,385,182
Total capital assets being depreciated	<u>17,376,095</u>	<u>72,787</u>	<u>116,448</u>	<u>17,332,434</u>
Less accumulated depreciation for:				
Improvements	1,212,763	26,284	-	1,239,047
Buildings	1,847,438	117,094	-	1,964,532
Machinery and equipment	2,216,650	183,900	85,960	2,314,590
Infrastructure	3,356,348	119,312	-	3,475,660
Total accumulated depreciation	<u>8,633,199</u>	<u>446,590</u>	<u>85,960</u>	<u>8,993,829</u>
Total capital assets being depreciated, net	<u>8,742,896</u>	<u>(373,803)</u>	<u>30,488</u>	<u>8,338,605</u>
Governmental activities capital assets, net	<u>\$ 30,209,774</u>	<u>\$ 620,497</u>	<u>\$ 30,488</u>	<u>\$ 30,799,783</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, 2014, is as follows:

	Balance May 1, 2013	Additions	Deletions	Balance April 30, 2014
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 4,309,187	\$ 14,000	\$ -	\$ 4,323,187
Capital assets being depreciated:				
Improvements	1,898,157	-	-	1,898,157
Buildings	4,205,420	-	-	4,205,420
Machinery and equipment	1,490,765	13,739	-	1,504,504
Infrastructure	17,180,708	236,464	-	17,417,172
Total capital assets being depreciated	24,775,050	250,203	-	25,025,253
Less accumulated depreciation for:				
Improvements	1,218,683	96,565	-	1,315,248
Buildings	379,622	84,825	-	464,447
Machinery and equipment	698,997	174,950	-	873,947
Infrastructure	8,620,428	298,990	-	8,919,418
Total accumulated depreciation	10,917,730	655,330	-	11,573,060
Total capital assets being depreciated, net	13,857,320	(405,127)	-	13,452,193
Business-type activities capital assets, net	\$ 18,166,507	\$ (391,127)	\$ -	\$ 17,775,380

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		\$ 57,352
Public safety		162,347
Public works		105,012
Highway and streets		121,879
Total depreciation expense - governmental activities		<u><u>\$ 446,590</u></u>
Business-type activities:		
Water and sewer		\$ 344,854
Golf course operations		310,476
Total depreciation expense - business-type activities		<u><u>\$ 655,330</u></u>

Note 5. Long-Term Obligations

The following is a summary of debt transactions of the Village's governmental activities for the year ended April 30, 2014:

	Outstanding Debt as of May 1, 2013	Additions	Reductions	Outstanding Debt as of April 30, 2014	Due within one year
General obligation bonds	\$ 10,570,000	\$ -	\$ 400,000	\$ 10,170,000	\$ 465,000
Unamortized bond premium	17,385	-	6,348	11,037	-
Line of credit	-	1,000,000	72,548	927,452	927,452
Compensated absences *	566,856	281,312	759,836	88,332	66,249
Net pension obligation	-	494,642	457,653	36,989	-
Net OPEB obligation *	38,424	27,415	8,829	57,010	-
	<u><u>\$ 11,192,665</u></u>	<u><u>\$ 1,803,369</u></u>	<u><u>\$ 1,705,214</u></u>	<u><u>\$ 11,290,820</u></u>	<u><u>\$ 1,458,701</u></u>

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

The following is a summary of debt transactions of the Village's business-type activities for the year ended April 30, 2014:

	Outstanding Debt as of May 1, 2013	Additions	Reductions	Outstanding Debt as of April 30, 2014	Due within one year
General obligation bonds	\$ 5,080,000	\$ -	\$ 35,000	\$ 5,045,000	\$ 30,000
Unamortized bond premium	107,521	-	12,528	94,993	-
Note payable	2,703,228	-	79,990	2,623,238	126,869
Capital leases	368,265	-	88,980	279,285	97,527
Compensated absences	171,395	68,632	206,207	33,820	25,365
	<u><u>\$ 8,430,409</u></u>	<u><u>\$ 68,632</u></u>	<u><u>\$ 422,705</u></u>	<u><u>\$ 8,076,336</u></u>	<u><u>\$ 279,761</u></u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (continued)

Outstanding debt as of April 30, 2014, 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 \$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%. 940,000

General Obligation Bonds, Series 2010C, dated September 29, 2010, provide for the retirement of principal of \$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%. 5,045,000

Total general obligation bonds 15,215,000

Unamortized bond premiums 106,030

Capital leases 279,285

Line of credit 927,452

Note payable 2,623,238

Compensated absences 122,152

Net pension obligation 36,989

Net OPEB obligation 57,010

Total long-term obligations \$ 19,367,156

Due within one year \$ 1,738,462

An Illinois Environmental Protection Agency Clean Water State Revolving Funds loan agreement was approved November 11, 2011 and provides for a repayment period of 20 years which commenced October 9, 2013 with principal and interest payments due in October and April of each fiscal year. In addition, the loan accrues interest of 1.25% that is calculated monthly. As of April 30, 2014, the total outstanding principal and interest is \$2,623,238 and \$323,144, respectively.

The Village has a revolving line of credit with a bank which allows for borrowings up to \$7,000,000 with an interest rate of 1.95%. The Village drew \$1,000,000 on the line of credit and repaid \$72,548 of the amount within the fiscal year. The remaining balance is due in less than a year. The Village paid interest of \$8,510 on the line during the fiscal year.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (continued)

The future debt service requirements to amortize the outstanding debt other than unamortized bond premiums, line of credit, compensated absences, net pension obligation, OPEB obligation, and capital leases as of April 30, 2014 are as follows:

Year Ending April 30,	Governmental		Business-Type				Total
	General Obligation Bonds		General Obligation Bonds		Note Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	
2015	\$ 465,000	\$ 681,819	\$ 30,000	\$ 190,100	\$ 126,869	\$ 32,395	\$ 1,366,919
2016	475,000	667,869	85,000	189,200	128,459	30,805	1,417,069
2017	-	648,869	630,000	186,650	130,070	29,194	1,465,519
2018	-	648,869	705,000	164,600	131,701	27,563	1,518,469
2019	-	648,869	775,000	139,925	133,353	25,911	1,563,794
2020-2024	2,265,000	3,171,585	2,820,000	232,400	692,268	104,051	8,488,985
2025-2029	6,965,000	1,432,715	-	-	736,772	59,547	8,397,715
2030-2032	-	-	-	-	543,746	13,678	557,424
	<u>\$ 10,170,000</u>	<u>\$ 7,900,595</u>	<u>\$ 5,045,000</u>	<u>\$ 1,102,875</u>	<u>\$ 2,623,238</u>	<u>\$ 323,144</u>	<u>\$ 24,775,894</u>

Note 6. Capital Lease Obligations

The Village leases equipment under capital leases, which expire between October 2014 and June 2017. Monthly lease payments, including interest between 4.4% and 4.9%, are between \$410 and \$7,368, respectively. The cost of the capital assets acquired under the capital leases included in business-type activities machinery and equipment is \$570,733 and accumulated depreciation is \$318,566.

Minimum future lease payments under the capital leases together with the present value of the net minimum lease payments as of April 30, 2014 are as follows:

Year ending April 30:	
2015	\$ 108,449
2016	105,990
2017	69,149
2018	15,445
Total minimum lease payments	<u>299,033</u>
Less amount representing interest	<u>19,748</u>
Present value of future minimum lease payments	<u>279,285</u>
Less current portion	<u>97,527</u>
Long-term portion	<u>\$ 181,758</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 employer contributions for the current year.

Note 8. Pension and Retirement Plan Commitments

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

Illinois Municipal Retirement Fund

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

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

Funding Policy. As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required and actual contribution rates for calendar years ended December 31, 2014 and 2013 were 8.72 percent and 9.46 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 2014 and 2013 were determined as part of the December 31, 2012 and 2011, actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 and 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2012 and 2011 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, 2014 was \$150,855 and was equal to the actual contributions.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
April 30, 2014	\$ 150,855	100 %	\$ -
April 30, 2013	136,558	100	-
April 30, 2012	120,688	100	-

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 96.84 percent funded. The actuarial accrued liability for benefits was \$3,782,618 and the actuarial value of assets was \$3,663,173, resulting in an unfunded actuarial accrued liability (UAAL) of \$119,445. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,565,953 and the ratio of the UAAL to the covered payroll was 7.63 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, 2013.

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, 2013, was 38.88 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, 2014 were as follows:

Annual required contribution	\$ 548,813
Interest on net pension obligation	(3,693)
Adjustment to annual requirement contribution	<u>(45,028)</u>
Annual pension cost (expense)	500,092
Contributions made	<u>457,653</u>
Change in net pension obligation (asset)	42,439
Net pension asset, beginning of year	<u>(5,450)</u>
 Net pension obligation, end of year	 <u><u>\$ 36,989</u></u>

The annual required contribution for the year ended April 30, 2014, was determined as part of the April 30, 2013, 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, 2014, was 27 years.

As of April 30, 2013, the most recent actuarial valuation date, the regular plan was 50.15 percent funded. The actuarial accrued liability for benefits was \$13,326,719 and the actuarial value of assets was \$6,682,827, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,643,892. The covered payroll (annual payroll of active employees covered by the plan) was \$1,589,466 and the ratio of the UAAL to the covered payroll was 418.00 percent.

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Costs (APC)	Percentage of APC Contributed	Annual Pension Contributions	Net Pension Obligation (Asset)
04/30/14	\$ 500,092	91.5 %	\$ 457,653	\$ 36,989
04/30/13	542,086	114.0	617,956	(5,450)
04/30/12	719,641	87.1	627,083	71,530

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

Note 8. Pension and Retirement Plan Commitments (continued)

At April 30, 2013, 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	11
Active nonvested plan members	<u>12</u>
Total members	<u><u>39</u></u>

Firefighters' Pension Plan

Firefighters' sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The 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 Firefighters' 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, 2013. The employer rate for fiscal year 2013 was 45.42 percent of covered payroll.

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2014 were as follows:

Annual required contribution	\$ 86,549
Interest on net pension obligation	(4,013)
Adjustment to annual requirement contribution	<u>81</u>
Annual pension cost (expense)	<u>82,617</u>
Contributions made	<u>73,995</u>
Change in net pension asset	8,622
Net pension asset, beginning of year	<u>(54,908)</u>
Net pension asset, end of year	<u><u>\$ (46,286)</u></u>

The annual required contribution for the year ended April 30, 2014 was determined as part of the April 30, 2013 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 Firefighters' 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 Firefighters' 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, 2014, was 27 years.

As of April 30, 2013, the plan was 74.0 percent funded. The actuarial accrued liability for benefits was \$3,382,306 and the actuarial value of assets was \$2,502,783, resulting in an unfunded actuarial accrued liability of \$879,523. The covered payroll (annual payroll of active employees covered by the plan) was \$219,752 and the ratio of UAAL to covered pay was 400.2 percent.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Costs (APC)	Percentage of APC Contributed		Annual Pension Contributions	Net Pension Asset
04/30/14	\$ 82,617	89.6	%	\$ 73,995	\$ (46,286)
04/30/13	81,168	123.0		99,816	(54,908)
04/30/12	71,656	139.4		99,924	(36,467)

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, 2013, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	4
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	1
Active nonvested plan members	2
	<hr/>
Total members	8
	<hr/> <hr/>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

**Combining Statement of Fiduciary Net Position
Pension Trust Funds
April 30, 2014**

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 4,341	\$ 3,970	\$ 8,311
Investments:			
Certificates of deposit	1,452,123	450,802	1,902,925
U.S. government and agency obligations	1,150,443	1,684,970	2,835,413
Corporate bonds	662,587	-	662,587
Insurance contracts	340,319	-	340,319
Equity mutual funds	3,201,015	259,012	3,460,027
Money market mutual funds	225,136	24,101	249,237
Illinois Funds	-	20,628	20,628
Accrued interest	15,377	12,249	27,626
Prepaid items	517	2,980	3,497
Total assets	7,051,858	2,458,712	9,510,570
Liabilities			
Accounts payable	2,852	1,017	3,869
Due to other funds	-	3,349	3,349
Total liabilities	2,852	4,366	7,218
Net Position			
Held in trust for pension benefits	\$ 7,049,006	\$ 2,454,346	\$ 9,503,352

Village of Glenwood, Illinois

Notes to Financial Statements

Note 8. Pension and Retirement Plan Commitments (continued)

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2014

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 457,653	\$ 73,995	\$ 531,648
Employee	176,780	24,649	201,429
Total contributions	634,433	98,644	733,077
Investment income:			
Net increase (decrease) in fair value of investments	356,590	(32,508)	324,082
Interest and dividend earnings	196,986	64,573	261,559
Less: investment expenses	(20,548)	-	(20,548)
Net investment income	533,028	32,065	565,093
Total additions	1,167,461	130,709	1,298,170
Deductions			
Benefits and refunds	724,904	150,500	875,404
Administrative expenses	35,865	28,648	64,513
Total deductions	760,769	179,148	939,917
Net increase	406,692	(48,439)	358,253
Net position held in trust for employees' pension benefits:			
May 1, 2013	6,642,314	2,502,785	9,145,099
April 30, 2014	\$ 7,049,006	\$ 2,454,346	\$ 9,503,352

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.

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

Note 10. Other Fund Disclosures (FFS Level Only)

As of April 30, 2014, the Motor Fuel Tax Fund, a Non-Major Governmental Fund, over expended its budget by \$97,457.

As of April 30, 2014, the TIF Fund has a deficit fund balance of \$505,202. This deficit will be funded by property tax revenues received in the next fiscal year.

Village of Glenwood, Illinois

Notes to Financial Statements

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

Interfund transfers for the year ended April 30, 2014 are as follows:

<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
Major Governmental Funds:		
General Fund:		
Water and Sewer Fund	\$ -	\$ 10,000
Non-Major Governmental Fund	-	100,695
	<u>-</u>	<u>110,695</u>
Tax Increment Finance Fund:		
TIF Holbrook Rd Fund	450,000	-
	<u>450,000</u>	<u>-</u>
TIF Holbrook Rd Fund:		
Tax Increment Finance Fund	-	450,000
	<u>-</u>	<u>450,000</u>
Non-Major Governmental Funds:		
General Fund	100,695	-
Water and Sewer Fund	1,220,989	-
Golf Course Fund	100,000	-
Non-Major Governmental Fund	100,000	100,000
	<u>1,521,684</u>	<u>100,000</u>
Major Enterprise Funds:		
Water and Sewer Fund:		
General	10,000	-
Non-Major Governmental Funds	-	1,220,989
	<u>10,000</u>	<u>1,220,989</u>
Golf Course Fund:		
Non-Major Governmental Fund	-	100,000
	<u>-</u>	<u>100,000</u>
Total	<u>\$ 1,981,684</u>	<u>\$ 1,981,684</u>

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

Village of Glenwood, Illinois

Notes to Financial Statements

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

Individual fund interfund receivable and payable balances as of April 30, 2014, are as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
Major Governmental Funds:		
General Fund:		
Non-Major Governmental Fund	\$ 222,533	\$ 33,894
Water and Sewer Fund	71,258	35,415
Golf Course Fund	14,000	93,372
Fiduciary Fund	3,349	-
	<u>311,140</u>	<u>162,681</u>
TIF Fund:		
Holbrook Road Tax Increment Financing District:	-	200,000
	<u>-</u>	<u>200,000</u>
Holbrook Road Tax Increment Financing District:		
TIF Fund	200,000	-
	<u>200,000</u>	<u>-</u>
Major Enterprise Fund:		
Water and Sewer Fund:		
General Fund	35,415	71,258
	<u>35,415</u>	<u>71,258</u>
Golf Course Fund:		
General Fund	93,372	14,000
Nonmajor Governmental Funds	-	226,150
	<u>93,372</u>	<u>240,150</u>
Non-Major Governmental Funds:		
General Fund	33,894	-
TIF Fund	226,150	-
Non-Major Governmental Funds	-	222,533
	<u>260,044</u>	<u>222,533</u>
Fiduciary Fund:		
General Fund	-	3,349
	<u>-</u>	<u>3,349</u>
Total	<u>\$ 899,971</u>	<u>\$ 899,971</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

Note 11. Contingencies

The Village is a defendant in various lawsuits. Although the outcome of these proceedings is not presently determinable, in the opinion of the Village's management through consultation with legal counsel, the resolution of these matters does not impose a material commitment of the Village's net position at April 30, 2014.

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 2014, the Village was not required to make any explicit contributions to the plan. Members receiving benefits contributed 100 percent of the total premiums, through their required contribution.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 26,775
Interest on net OPEB obligation	1,921
Adjustment to annual requirement contribution	(1,281)
Annual OPEB cost (expense)	<u>27,415</u>
Contributions made	<u>8,829</u>
Increase in net OPEB obligation	18,586
Net OPEB obligation, beginning of year	<u>38,424</u>
Net OPEB obligation, end of year	<u>\$ 57,010</u>

Village of Glenwood, Illinois

Notes to Financial Statements

Note 12. Post Employment Healthcare Plan (continued)

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage Annual OPEB Costs Contributed	Annual Pension Contributions	Net OPEB Obligation
04/30/14	\$ 27,415	32.2 %	\$ 8,829	\$ 57,010
04/30/13	27,111	32.6	8,829	38,424
04/30/12	10,767	50.4	5,427	20,142

Funded Status and Funding Progress

As of April 30, 2013, 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, 2013 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 Nalco Crossbow, LLC (Nalco) to renovate, reconstruct, repair, and remodel the building on the Redevelopment Property in a maximum amount of \$2,000,000. The Village agreed to reimburse Nalco a maximum of \$2,000,000 of eligible costs. The Village has also agreed to reimburse Nalco's cost for the acquisition of fee simple ownership for the Redevelopment

Note 13. Commitments (continued)

Property for a maximum amount of \$1,000,000 or 50% of the acquisition costs, whichever is less. As of April 30, 2014, the Village has remitted \$2,000,000 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, 2014, the Village has remitted \$105,000 related to this agreement with no new expense during the fiscal year as S.E.T. did not meet the requirements of the agreement.

The Village entered into an agreement with Patton Properties for economic assistance from the Village. If for not the economic assistance to be given by the Village, the Project would not be economically viable to the Developer. The Redevelopment Project Costs have been initially deemed to qualify under the Act for Village payment through tax increment allocation financing. The Village agreed to pay to the Developer an amount equal to fifty percent (50%) of the municipal sales tax revenues received by the Village as a result of the operations of such retail store at the Subject Property. The municipal sales tax revenue sharing shall continue for a term of 10 years from the date the Village's obligation to share municipal sales tax revenue arises for each retail store located within the project. Payments are due on or before the 30th of June following the date of the Village's obligation to share municipal sales tax revenue and on each June 30th thereafter. The agreement expires on December 31, 2016 with final payment due on June 30, 2017. As of April 30, 2014, the Village has remitted \$15,639 related to this agreement.

The Village entered into an agreement with West Side Property to purchase a building to construct and operate a new permanent truck maintenance facility. The Village agreed to reimburse West Side a maximum of \$400,000 or 50% of eligible costs, whichever is less. As of April 30, 2014, the Village has remitted \$47,403 related to this agreement. In May 2013, the Village sold this parcel of property in the amount of \$200,000 to West Side Property. The amount is scheduled to be paid in seven annual installments at a rate of 4%. The agreement further stipulates that on each annual date West Side Property is required to make a payment, the Village will waive its right to receive the amount due provided that West Side continues to operate on the premises and pay all property tax bills that are associated with this property and due. As of April 30, 2014, the \$200,000 receivable is fully reserved for in the Holbrook Road Tax Increment Financing District Fund as the collectability of this amount is not known.

The Village entered into an agreement with Morrison Container to complete the renovation and remodel the building on the Redevelopment Property. The Village agreed to pay 50% of the Developer's costs for eligible costs up to \$300,000. As of April 30, 2014, the Village has remitted \$201,054 related to this agreement. In July 2013, the Village sold this parcel of property in the amount of \$295,000 to Morrison Container. The amount is scheduled to be paid in seven annual installments at a rate of 4%. The agreement further stipulates that on each annual date Morrison Container is required to make a payment, the Village will waive its right to receive the amount due provided that West Side continues to operate on the premises and pay all property tax bills that are associated with this property and due. As of April 30, 2014, the \$295,000 receivable is fully reserved for in the Holbrook Road Tax Increment Financing District Fund as the collectability of this amount is not known.

The Village entered into an agreement with the owner and developer of Glenwood Oaks restaurant. The developer shall pay the first \$50,000 of redevelopment costs. After this, the Village shall pay the next \$250,000 of redevelopment costs. Should the project exceed the planned \$300,000 cost, but the cost remain under \$345,000, the Village will provide an additional incentive equal to approximately 83% by which the total cost of the project exceeds \$300,000.

As of April 30, 2014, the Village is committed under construction contracts and purchase commitments of approximately \$48,967 related to the Hickory Glen Park Project.

Village of Glenwood, Illinois

Notes to Financial Statements

Note 14. Subsequent Event

In May 2015, the Village sold a parcel of property located in the Holbrook Road Tax Increment Financing District in the amount of \$750,000.

On September 29, 2014, the Illinois Metropolitan Investment Trust (IMET) was informed of defaults on certain loans believed to be guaranteed in its Convenience Fund in the amount of \$50,442,143 caused by fraud on the part of First Farmer's Financial (FFF), a USDA approved lender. As of April 30, 2014, the amount of fraudulent FFF loans in the Convenience Fund was \$37,472,649, or 2.67%. This resulted in a decrease in the value of the Village's IMET investment in the TIF Fund in the amount of \$5,745 as of April 30, 2014.

Note 15. Pronouncements Issued But Not Yet Adopted

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).

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, will be effective for the Village beginning with its year ending April 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, will be effective for the Village beginning with its year ending April 30, 2015. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

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

Management has not yet completed its evaluation of the impact, if any, of the provisions of these standards on its financial statements, however, the impact of GASB No. 68 will likely be material to the statement footnotes and required supplementary information 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)
12/31/13	\$ 3,663,173	\$ 3,782,618	\$ 119,445	96.84 %	\$ 1,565,953	7.63 %
12/31/12	3,115,276	3,336,740	221,464	93.36	1,469,961	15.07
12/31/11	2,700,392	2,997,680	297,288	90.08	1,246,006	23.86

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$4,223,829.

On a market basis, the funded ratio would be 111.66%.

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

Village of Glenwood, Illinois

**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)
4/30/13	\$ 6,682,827	\$ 13,326,719	\$ 6,643,892	50.15 %	\$ 1,589,466	418.00 %
4/30/12	6,214,600	12,356,200	6,141,600	50.30	1,556,811	394.50
4/30/11	5,694,444	11,472,449	5,778,005	49.64	1,334,284	433.04
4/30/10	5,336,052	10,780,959	5,444,907	49.50	1,325,675	410.73
4/30/09	4,544,635	10,343,630	5,798,995	43.94	1,301,838	445.45
4/30/06	5,133,758	9,279,320	4,145,562	55.32	873,228	474.74

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)
4/30/13	\$ 2,502,783	\$ 3,382,306	\$ 879,523	74.00 %	\$ 219,752	400.23 %
4/30/12	2,437,292	3,021,081	583,789	80.68	301,853	193.40
4/30/11	2,282,158	2,914,902	632,744	78.29	250,029	253.07
4/30/10	2,135,416	2,719,652	584,236	78.52	271,819	214.94
4/30/09	1,937,824	2,536,888	599,064	76.39	336,392	178.09
4/30/06	1,465,330	2,009,186	543,856	72.93	294,931	184.40

Village of Glenwood, Illinois

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

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

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

Village of Glenwood, Illinois

**Schedule of Employer Contributions
Police Pension Fund**

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

Village of Glenwood, Illinois

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

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

Village of Glenwood, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund
Year Ended April 30, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 3,091,575	\$ 3,341,927	\$ 250,352
Other taxes	458,260	508,372	50,112
Intergovernmental	2,336,500	2,527,739	191,239
Licenses, permits and fees	517,610	570,678	53,068
Fines	153,500	179,994	26,494
Interest	510	147	(363)
Charges for services	685,774	606,213	(79,561)
Miscellaneous	2,101,100	366,420	(1,734,680)
Total revenues	<u>9,344,829</u>	<u>8,101,490</u>	<u>(1,243,339)</u>
Expenditures:			
Current:			
Administration	2,568,940	2,492,907	76,033
Public works	700,925	648,793	52,132
Parks	76,778	56,433	20,345
Police	3,924,039	3,534,182	389,857
Fire	1,181,922	1,144,256	37,666
ESDA	10,871	1,504	9,367
Senior center	67,691	65,785	1,906
Highways and streets	93,500	73,569	19,931
Debt service,			
Interest expense	-	8,510	(8,510)
Capital outlay	363,100	94,188	268,912
Total expenditures	<u>8,987,766</u>	<u>8,120,127</u>	<u>867,639</u>
Excess (deficiency) of revenues over (under) expenditures	357,063	(18,637)	(375,700)
Other financing uses:			
Transfers out	-	(110,695)	(110,695)
Change in fund balance	<u>\$ 357,063</u>	<u>(129,332)</u>	<u>\$ (486,395)</u>
Fund balance:			
May 1, 2013		<u>1,678,931</u>	
April 30, 2014		<u>\$ 1,549,599</u>	

See Note to Required Supplementary Information.

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 TIF Fund
 Year Ended April 30, 2014

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 830,000	\$ 1,010,587	\$ 180,587
Interest	-	(5,040)	(5,040)
Total revenues	<u>830,000</u>	<u>1,005,547</u>	<u>175,547</u>
Expenditures:			
Current:			
Administration	<u>1,965,000</u>	<u>1,418,055</u>	<u>546,945</u>
Excess (deficiency) of revenues over (under) expenditures	(1,135,000)	(412,508)	722,492
Other financing sources:			
Transfers in	<u>-</u>	<u>450,000</u>	<u>450,000</u>
Change in fund balance	<u>\$ (1,135,000)</u>	<u>37,492</u>	<u>\$ 1,172,492</u>
Fund balance:			
May 1, 2013		<u>(542,694)</u>	
April 30, 2014		<u>\$ (505,202)</u>	

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 TIF Main Street Fund
 Year Ended April 30, 2014

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 290,000	\$ 256,395	\$ (33,605)
Expenditures:			
Current:			
Administration	190,000	78,184	111,816
Change in fund balance	<u>\$ 100,000</u>	178,211	<u>\$ 78,211</u>
Fund balance:			
May 1, 2013		<u>1,615,771</u>	
April 30, 2014		<u>\$ 1,793,982</u>	

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Holbrook Road Tax Increment Financing District Fund
 Year Ended April 30, 2014

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,300,000	\$ 1,329,111	\$ 29,111
Expenditures:			
Current:			
Administration	580,000	818,296	(238,296)
Excess of revenues over expenditures	720,000	510,815	(209,185)
Other financing uses:			
Loss on market value of land	-	(85,000)	(85,000)
Transfers out	-	(450,000)	(450,000)
Total other financing uses	-	(535,000)	(535,000)
Change in fund balance	\$ 720,000	(24,185)	\$ (744,185)
Fund balance:			
May 1, 2013		2,463,357	
April 30, 2014		\$ 2,439,172	

Village of Glenwood, Illinois

Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

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

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

Supplementary Information

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual
Year Ended April 30, 2014

	Budget	Actual
Property taxes	\$ 3,091,575	\$ 3,341,927
Other taxes:		
Utility taxes	370,000	438,315
Auto rental tax	13,260	11,809
Real estate transfer tax	75,000	58,248
Total other taxes	458,260	508,372
Intergovernmental:		
Sales tax	975,000	969,882
Income tax	808,000	873,995
Local use tax	140,000	156,597
Video gaming tax	12,000	22,502
Personal property replacement tax	25,500	37,239
Telecommunication maintenance fee	325,000	281,273
Grants	51,000	186,251
Total intergovernmental	2,336,500	2,527,739
Licenses, permits and fees:		
Vehicle stickers	142,800	196,330
Zoning board/hearing application fee	510	-
Building and electrical permit	81,600	115,425
Alarm permits	2,000	1,225
Cable TV revenue	115,000	120,451
Landlord crime fee	14,000	12,875
Business licenses	45,900	33,962
Animal licenses	1,000	1,460
Health inspection fees	5,000	4,500
Towed vehicle administration fee	95,000	68,000
Fire protection fees	7,300	6,550
Yard waste stickers	7,500	9,900
Total licenses, permits and fees	517,610	570,678
Fines:		
Police - DUI-related revenues	127,500	121,343
Police fines	25,500	58,441
Building code fines	500	210
Total fines	153,500	179,994
Interest	510	147

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Revenues - Budget and Actual (continued)
 Year Ended April 30, 2014

	Budget	Actual
Charges for services:		
Project reimbursement - police	\$ 1,800	\$ 1,696
Bad check charge	150	80
SBA towers	148,000	122,424
Park program fees	9,600	1,675
Senior center program fees	510	830
Grass cutting fees	714	-
Refuse fees	525,000	479,508
Total charges for services	685,774	606,213
Miscellaneous:		
Foreign fire insurance	9,500	-
Facility rent	7,500	9,410
Newsletter advertising	25,000	7,825
Leased property	2,054,000	338,624
Miscellaneous	5,100	10,561
Total miscellaneous	2,101,100	366,420
Total revenues	\$ 9,344,829	\$ 8,101,490

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2014

	Budget	Actual
Current:		
Administration:		
Mayor	\$ 23,500	\$ 23,173
Treasurer	3,000	3,000
Trustees	36,000	35,500
Village clerk	10,000	10,000
Village collector	100	-
Village administrator	101,278	102,145
Department supervisor	78,987	79,976
Full time employees	125,000	124,310
Part time employees	45,000	46,201
Contract services	25,000	8,011
Consulting services	-	4,000
Salary - liquor commissioner	1,500	-
Employer FICA	57,000	22,460
Employer IMRF	-	26,300
Unemployment insurance	1,000	-
Office supplies	16,000	9,764
Data processing	35,000	22,728
Copier supplies and maintenance	6,500	10,721
Postage	10,000	10,249
Employee appreciation	4,000	-
Telephone	5,000	6,448
Legal notices	2,000	1,299
Newsletter	35,000	26,591
Code of ordinances expense	30,000	3,261
Dues, subscription, and memberships	15,750	11,619
Legal services	150,000	381,566
Auditing	60,000	47,553
E-Comm annual expense	288,750	217,112
Group insurance and hospital	40,000	31,391
Workmen's compensation insurance	4,200	17,820
Liability insurance	300,000	419,890
Expenses village	-	102
Utility consulting	17,000	22,868
Board member training	1,500	-
Utilities	1,500	-
Personnel training	10,000	2,386
Travel, lodging, and meals	16,500	8,503
Donations/memorials	7,500	4,238
Police and fire commission	10,300	11,572
IKE Buyout grant	-	3,000
Glenwoodie villas expense	-	70,121
Website expense	1,500	855
Wi-Fi connection expense	100,000	25,000
Repair & maintenance - vehicles	-	269
Vehicle stickers	10,000	7,907
Economic incentive agreements	5,000	2,627
Hickory Glen Park expense	200,000	-
Computer - programs and equipment	65,000	77,142
Glenwood Plaza project expenses	25,000	-
Railroad property rental	2,575	2,388

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2014

	Budget	Actual
Current:		
Administration: (continued)		
OSLAD Grant	\$ 25,000	\$ 2,454
Engineer services	30,000	26,627
Village trash disposal	525,000	515,113
Miscellaneous	6,000	6,647
Total administration	2,568,940	2,492,907
Public works:		
Department supervisor	30,800	31,008
Full time employees	170,000	156,278
Part time employees	-	29,941
Over-time wages	18,000	29,585
Holiday pay	2,000	-
Lawn care services	40,000	36,014
Employer FICA	35,000	15,907
Employer IMRF	-	17,140
Printing and advertising	1,500	-
Postage	515	523
Cleaning supplies	6,000	6,389
Mechanical supplies	2,500	-
Telephone	3,000	2,768
Legal services	2,000	-
Group insurance and hospital	60,000	38,369
Workmen's compensation insurance	24,720	24,720
Personnel training	3,090	1,720
Travel, lodging, and meals	1,000	1,344
Physicals	1,500	2,325
Gas and oil	30,000	26,951
Repair and maintenance - communications	1,000	-
Repair and maintenance - vehicle	40,000	66,438
Repair and maintenance - storm sewers	10,300	1,168
Repair and maintenance - traffic signals	26,000	11,627
Repair and maintenance - general tools/equipment	10,000	1,565
Repair and maintenance - municipal buildings	75,000	69,184
Maintenance - municipal grounds	30,000	12,432
Street lighting	28,000	20,530
Flags	500	1,235
Tree contractors	25,000	21,387
HVAC maintenance	15,000	17,698
Christmas decorations	2,000	3,147
Computer - programs and equipment	2,000	293
Miscellaneous	4,500	1,107
Total public works	700,925	648,793
Parks:		
Department supervisor	18,396	-
Part time employees	6,242	15,836
Overtime	5,000	-
Employer FICA & IMRF	1,900	1,033

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2014

	Budget	Actual
Current:		
Parks: (continued)		
Volunteer appreciation	\$ 500	\$ -
Utilities	4,000	4,550
Park program expenses	5,000	3,760
Easter program	850	546
July 4th expenses	-	96
Kids day out/summer bash	3,000	1,605
Halloween/hayride expenses	800	854
Christmas in the park expenses	1,200	573
Repair and maintenance - general tools/equipment	2,500	-
Repair and maintenance - municipal buildings	8,000	8,700
Maintenance - municipal grounds	5,000	6,003
Fireworks	13,390	11,750
Hickory Glen Park expense	-	1,127
Miscellaneous	1,000	-
Total parks	76,778	56,433
Police:		
Part time police officers	65,245	48,748
Department supervisor	102,714	102,990
Full time employees	1,800,000	1,664,604
Part time employees	125,000	61,894
Crossing guards	5,000	15,936
Over-time wages	145,000	214,470
Holiday pay	105,000	74,259
Employer FICA	198,000	135,074
Employer IMRF	-	20,538
Pension contributions	506,420	457,652
Unemployment insurance	5,150	204
Office supplies	11,000	6,894
Postage	5,000	3,341
Telephone	8,000	12,614
Dues, subscription, and membership	12,000	9,901
Legal services	48,000	84,403
Municipal systems	13,000	11,605
Group insurance and hospital	237,000	214,631
Workmen's compensation insurance	99,910	99,910
Liability insurance	-	4,757
Utilities	3,100	1,218
Personnel training	25,000	21,738
Travel, lodging, and meals	11,000	8,255
Physicals	1,200	189
Uniforms	31,000	27,817
Gas and oil	85,000	87,426
Food for prisoners	2,600	634
Repair and maintenance - communications	25,000	16,142
Repair and maintenance - copy machine	5,150	4,575

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2014

	Budget	Actual
Current:		
Police: (continued)		
Repair and maintenance - vehicle	\$ 35,000	\$ 50,278
Repair and maintenance - general tools/equipment	6,000	5,094
Repair and maintenance - municipal buildings	6,000	2,703
Radar equipment	12,500	-
In-Car L3 cameras	81,000	-
Evidence management system	13,300	-
Portable truck weight	11,000	-
3M opticom lighting	3,000	90
Municipal security cameras	10,000	2,221
Spillman touch 4 / ipads	13,500	-
Range usage/ammunition	16,000	13,349
Tow fee expense	1,500	1,145
Police crime prevention	5,000	1,039
Vest program	2,000	-
Computer - programs and equipment	20,000	42,339
Board expense	2,600	1,350
Miscellaneous	5,150	2,155
Total police	3,924,039	3,534,182
Fire:		
Department supervisor	96,600	97,027
Full time employees	215,000	173,430
Part time employees	30,853	15,217
Secretarial services	59,740	42,965
Over-time wages	1,000	2,999
Paid on call fire personnel	96,000	146,981
Sleep-in-pay	96,800	95,956
Duty shift assignment	49,000	51,916
Contract services	60,000	62,433
Employer FICA	70,200	38,220
Employer IMRF	-	8,865
Pension contributions	82,369	73,995
Unemployment insurance	-	1,900
Building code hearings	7,000	11,450
Planning and zoning	1,200	533
Printing and advertising	960	2,629
Office supplies	3,400	3,527
Postage	1,500	1,481
Food service inspections	500	-
Telephone	8,000	4,326
Dues, subscription, and membership	1,200	690
Legal services	20,500	4,418
Legal fees zoning	-	239
Group insurance and hospital	66,150	58,366
Workmen's compensation insurance	97,650	97,650
Utilities	2,000	2,535
Personnel training	12,000	23,087
Travel, lodging, meals	-	1,458
Public education programs	1,800	1,070
Physicals	1,800	4,140
Uniforms	5,000	9,851
Gas and oil	23,100	30,111
Station supplies	1,800	1,355
Repair and maintenance - vehicle	30,000	22,145
Repair and maintenance - hazardous material trailer	4,000	3,968
Repair and maintenance - general tools/equipment	10,000	10,218

(continued)

Village of Glenwood, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)
 Year Ended April 30, 2014

	Budget	Actual
Current:		
Fire: (continued)		
Maintenance - station #1	\$ 3,000	\$ 10,274
Maintenance - station #2	3,500	5,597
Copy machine	1,000	761
Grass cutting vacant homes	3,000	7,100
Computer - programs and equipment	12,000	12,162
Miscellaneous	2,300	1,211
Total fire	1,181,922	1,144,256
ESDA:		
Department supervisor	1,030	-
Part time employees	4,120	-
Employer FICA & IMRF	721	-
Uniforms	500	500
Communications	4,500	1,004
Total ESDA	10,871	1,504
Senior center:		
Department supervisor	35,720	36,801
Part time employees	10,821	7,821
Employer FICA	7,000	2,799
Employer IMRF	-	2,811
Office supplies	800	777
Postage	-	-
Telephone/internet	500	825
Group insurance and hospital	5,200	4,442
Utilities	3,500	6,532
Special events	3,150	2,438
Miscellaneous	1,000	539
Total senior center	67,691	65,785
Highways and streets:		
Traffic control signs	26,000	7,690
Street lighting maintenance	16,000	10,969
Streets, sidewalks, and roadways	51,500	54,910
Total highways and streets	93,500	73,569
Interest expense	-	8,510
Capital outlay	363,100	94,188
Total expenditures	\$ 8,987,766	\$ 8,120,127

Nonmajor Governmental Funds

Village of Glenwood, Illinois

Combining Balance Sheet
 Nonmajor Governmental Funds
 April 30, 2014

	Special Revenue Funds	Capital Project Fund 2010 Bond Project Fund	Debt Service Fund 2010 Bond Payment Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 579,014	\$ 293,514	\$ 708,354	\$ 1,580,882
Receivables:				
Property taxes	160,931	-	375,778	536,709
Due from other governments	23,216	-	-	23,216
Due from other funds	33,894	-	226,150	260,044
Total assets	\$ 797,055	\$ 293,514	\$ 1,310,282	\$ 2,400,851
Liabilities				
Accounts payable	\$ 8,902	\$ -	\$ -	\$ 8,902
Due to other funds	-	-	222,533	222,533
	8,902	-	222,533	231,435
Deferred Inflows of Resources				
Deferred property taxes	155,569	-	363,257	518,826
Fund Balances				
Restricted for:				
Road improvements	457,075	-	-	457,075
Tax increment financing projects	20,533	-	-	20,533
Retirement benefits	53,618	-	-	53,618
Public safety expenditures	101,358	-	-	101,358
Debt service	-	-	724,492	724,492
Capital projects	-	293,514	-	293,514
Total fund balances	632,584	293,514	724,492	1,650,590
Total liabilities, deferred inflows of resources and fund balances	\$ 797,055	\$ 293,514	\$ 1,310,282	\$ 2,400,851

Village of Glenwood, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended April 30, 2014

	Special Revenue Funds	Capital Project Fund 2010 Bond Project Fund	Debt Service Fund 2010 Bond Payment Fund	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 326,789	\$ -	\$ 631,593	\$ 958,382
Intergovernmental	538,223	-	-	538,223
Interest	84	-	209,049	209,133
Miscellaneous	93,071	-	-	93,071
Total revenues	958,167	-	840,642	1,798,809
Expenditures:				
Current:				
Administration	323,987	1,491	-	325,478
Police	50,135	-	-	50,135
Highway and streets	295,457	-	-	295,457
Pension contributions	199,452	-	-	199,452
Debt service:				
Principal	-	-	400,000	400,000
Interest and fees	-	-	695,118	695,118
Capital outlay	-	1,148,845	-	1,148,845
Total expenditures	869,031	1,150,336	1,095,118	3,114,485
Excess (deficiency) of revenues over (under) expenditures	89,136	(1,150,336)	(254,476)	(1,315,676)
Other financing sources (uses):				
Transfers in	110,695	1,060,989	350,000	1,521,684
Transfers (out)	(100,000)	-	-	(100,000)
Total other financing sources (uses)	10,695	1,060,989	350,000	1,421,684
Change in fund balances	99,831	(89,347)	95,524	106,008
Fund balances:				
May 1, 2013	532,753	382,861	628,968	1,544,582
April 30, 2014	\$ 632,584	\$ 293,514	\$ 724,492	\$ 1,650,590

Village of Glenwood, Illinois

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 April 30, 2014

	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	IKE Disaster Recovery Grant Fund
Assets			
Cash and cash equivalents	\$ 437,942	\$ 48,048	\$ 14
Receivables:			
Property taxes	-	160,931	-
Other receivables	-	-	-
Due from other governments	23,216	-	-
Due from other funds	-	208	-
Total assets	\$ 461,158	\$ 209,187	\$ 14
Liabilities			
Accounts payable	\$ 4,083	\$ -	\$ -
Deferred Inflows of Resources			
Deferred property taxes	-	155,569	-
Fund Balances			
Restricted for:			
Road improvements	457,075	-	-
Tax increment financing projects	-	-	-
Retirement benefits	-	53,618	-
Public safety expenditures	-	-	14
Total fund balances	457,075	53,618	14
Total liabilities, deferred inflows of resources and fund balances	\$ 461,158	\$ 209,187	\$ 14

Police Department Forfeiture Fund	Foreign Fire Insurance Fund	TIF Glenwoodie Golf Course Fund	TIF Industrial North Fund	Total
\$ 69,683	\$ -	\$ 2,089	\$ 21,238	\$ 579,014
-	-	-	-	160,931
-	-	-	-	-
-	-	-	-	23,216
-	33,686	-	-	33,894
<u>\$ 69,683</u>	<u>\$ 33,686</u>	<u>\$ 2,089</u>	<u>\$ 21,238</u>	<u>\$ 797,055</u>
\$ 2,025	\$ -	\$ -	\$ 2,794	\$ 8,902
-	-	-	-	155,569
-	-	-	-	457,075
-	-	2,089	18,444	20,533
-	-	-	-	53,618
67,658	33,686	-	-	101,358
<u>67,658</u>	<u>33,686</u>	<u>2,089</u>	<u>18,444</u>	<u>632,584</u>
<u>\$ 69,683</u>	<u>\$ 33,686</u>	<u>\$ 2,089</u>	<u>\$ 21,238</u>	<u>\$ 797,055</u>

Village of Glenwood, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended April 30, 2014

	Road and Bridge Fund	Motor Fuel Tax Fund	Illinois Municipal Retirement Fund	IKE Disaster Recovery Grant Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ 245,104	\$ -
Intergovernmental	-	294,074	-	244,149
Interest	-	70	-	14
Miscellaneous	3,912	-	-	-
Total revenues	3,912	294,144	245,104	244,163
Expenditures:				
Current:				
Administration	-	-	-	244,149
Police	-	-	-	-
Miscellaneous	-	-	-	-
Highways and streets	-	295,457	-	-
Pension contributions	-	-	199,452	-
Total expenditures	-	295,457	199,452	244,149
Excess (deficiency) of revenues over (under) expenditures	3,912	(1,313)	45,652	14
Other financing sources (uses):				
Transfers in	85,539	-	-	-
Transfers (out)	-	(100,000)	-	-
Total other financing sources (uses)	85,539	(100,000)	-	-
Change in fund balances	89,451	(101,313)	45,652	14
Fund balances:				
May 1, 2013	(89,451)	558,388	7,966	-
April 30, 2014	\$ -	\$ 457,075	\$ 53,618	\$ 14

Police Department Forfeiture Fund	Foreign Fire Insurance Fund	TIF Glenwoodie Golf Course Fund	TIF Industrial North Fund	Total
\$ -	\$ -	\$ -	\$ 81,685	\$ 326,789
-	-	-	-	538,223
-	-	-	-	84
80,629	8,530	-	-	93,071
80,629	8,530	-	81,685	958,167
-	-	-	79,838	323,987
50,135	-	-	-	50,135
-	-	-	-	-
-	-	-	-	295,457
-	-	-	-	199,452
50,135	-	-	79,838	869,031
30,494	8,530	-	1,847	89,136
-	25,156	-	-	110,695
-	-	-	-	(100,000)
-	25,156	-	-	10,695
30,494	33,686	-	1,847	99,831
37,164	-	2,089	16,597	532,753
\$ 67,658	\$ 33,686	\$ 2,089	\$ 18,444	\$ 632,584

Village of Glenwood, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Motor Fuel Tax Fund
 Year Ended April 30, 2014

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 220,000	\$ 294,074	\$ 74,074
Interest	334	70	(264)
Total revenues	<u>220,334</u>	<u>294,144</u>	<u>73,810</u>
Expenditures:			
Current:			
Highways and streets	<u>198,000</u>	<u>295,457</u>	<u>(97,457)</u>
Excess (deficiency) of revenues over (under) expenditures	22,334	(1,313)	(23,647)
Other financing uses:			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Change in fund balance	<u><u>\$ (77,666)</u></u>	<u><u>(101,313)</u></u>	<u><u>\$ (23,647)</u></u>
Fund balance:			
May 1, 2013		<u>558,388</u>	
April 30, 2014		<u><u>\$ 457,075</u></u>	

Enterprise Fund

Village of Glenwood, Illinois

**Schedule of Operations Expenses - Budget and Actual
Water and Sewer Fund
Year Ended April 30, 2014**

	Budget	Actual
Department supervisor	\$ 57,200	\$ 57,137
Full time employees	343,000	268,866
Part time employees	38,000	10,350
Over-time wages	40,000	21,405
Contract services	15,000	26,647
Lawn care services	10,250	9,003
Employers FICA	72,775	601
Unemployment insurance	4,000	-
Printing and advertising	10,500	2,196
Office supplies	2,100	2,312
Copier supplies and maintenance	1,050	-
Postage	12,600	9,987
Telephone	30,000	46,861
Water/Sewer System Alarm	1,575	844
Dues, subscription, and membership	1,050	661
Legal services	3,500	11,615
Group insurance and hospital	47,250	62,449
Workmen's compensation insurance	75,600	75,600
Utilities	7,400	10,920
Personnel training	2,625	-
Travel, lodging, and meals	1,500	1,132
Public education programs	3,150	-
Physicals	1,000	-
Gas and oil	31,500	45,198
Energy for pumping water	55,000	41,444
Chemicals for water treatment	21,000	24,050
EDA Grant	-	7,529
Concrete bins	10,500	-
Repair and maintenance - communications	2,000	625
Repair and maintenance - water system	250,000	114,095
Repair and maintenance - vehicle	26,250	33,904
Repair and maintenance - general tools/equipment	10,000	2,801
Repair and maintenance - municipal buildings	15,750	9,857
Maintenance - municipal grounds	15,000	94,555
Repair and maintenance - sewer system	250,000	508
Purchase - general tools and equipment	10,500	1,501
Purchase - personnel equipment	5,250	4,168
Water purchase - Chicago Heights	420,000	962,658
Public infrastructure projects/water main looping	5,000,000	-
Halsted water connection	-	6,157
Computer - programs and equipment	36,750	52,165
Water meter program	60,000	25,668
New roof for pump station 1	10,000	-
Operations and maintenance - Chicago Heights	36,750	9,938
Purchase of vehicles	75,000	-
Engineering services	46,250	44,163
Communications equipment	3,150	-
Bond expense	150,000	-
Homewood disposal	10,500	13,360
Miscellaneous	2,625	3,851
Sewer force main repairs	3,225,000	-
Total operating expenses	\$ 10,559,900	\$ 2,116,781

Village of Glenwood, Illinois

Statement of Changes in Assets and Liabilities
 Agency Funds
 Year Ended April 30, 2014

	Balance May 1, 2013	Additions	Deletions	Balance April 30, 2014
TOTAL				
Assets,				
Cash and cash equivalents	\$ 50,085	\$ 12,662	\$ -	\$ 62,747
Liabilities,				
Due to other funds	\$ 50,085	\$ 12,662	\$ -	\$ 62,747
CABLE ESCROW FUND				
Assets,				
Cash and cash equivalents	\$ 50,085	\$ 21	\$ -	\$ 50,106
Liabilities,				
Due to other funds	\$ 50,085	\$ 21	\$ -	\$ 50,106
GLENWOODIE HOMEOWNERS' ASSOCIATION FUND				
Assets,				
Cash and cash equivalents	\$ -	\$ 7,310	\$ -	\$ 7,310
Liabilities,				
Due to other funds	\$ -	\$ 7,310	\$ -	\$ 7,310
YOUTH SPORTS FUND				
Assets,				
Cash and cash equivalents	\$ -	\$ 5,331	\$ -	\$ 5,331
Liabilities,				
Due to other funds	\$ -	\$ 5,331	\$ -	\$ 5,331

Other Information

Village of Glenwood, Illinois

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

	2013	2012	2011	2010	2009
Tax Rates (per \$100 of assessed valuation):					
Corporate	2.903	2.495	2.020	1.670	0.108
Audit	-	-	-	-	0.028
Liability Insurance	-	-	-	-	0.217
Workmen's Compensation	-	-	-	-	0.402
Unemployment Insurance	-	-	-	-	0.004
Police Protection	-	-	-	-	0.629
Crossing Guards	-	-	-	-	0.018
Fire Protection	-	-	-	-	0.223
Police Pension	0.563	0.476	0.520	0.378	0.252
Fire Pension	0.089	0.078	0.087	0.066	0.060
Bond and Interest	0.889	0.789	0.619	0.499	0.479
IMRF	0.282	0.199	0.238	0.161	0.238
Totals	4.727	4.037	3.483	2.774	2.655
Tax extensions:					
Corporate	\$ 2,913,039	\$ 2,655,204	\$ 2,399,885	\$ 2,462,526	\$ 159,238
Audit	-	-	-	-	41,200
Liability Insurance	-	-	-	-	319,300
Workmen's Compensation	-	-	-	-	592,250
Unemployment Insurance	-	-	-	-	5,150
Police Protection	-	-	-	-	927,000
Crossing Guards	-	-	-	-	25,750
Fire Protection	-	-	-	-	328,649
Police Pension	565,277	506,420	618,000	557,340	370,800
Fire Pension	89,145	82,369	103,000	97,698	89,095
Bond and Interest	892,500	840,000	735,000	735,000	705,666
IMRF	283,250	212,180	283,250	236,900	350,200
Totals	\$ 4,743,211	\$ 4,296,173	\$ 4,139,135	\$ 4,089,464	\$ 3,914,298
Collections	\$ 2,125,167	\$ 4,196,139	\$ 3,971,130	\$ 3,884,659	\$ 3,741,820
Percent Collected	44.80%	97.67%	95.94%	94.99%	95.59%

Village of Glenwood, Illinois

Schedule of Debt Service Requirements
April 30, 2014

	Year Ending April 30,	Principal	Interest	Total
General Obligation Bonds				
Series 2010A	2015	\$ -	\$ 648,869	\$ 648,869
Dated July 22, 2010	2016	-	648,869	648,869
Interest due on June 1	2017	-	648,869	648,869
and December 1 at a	2018	-	648,869	648,869
rate of 7.030%	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>\$ 7,848,645</u>	<u>\$ 17,078,645</u>

General Obligation Bonds				
Series 2010B	2015	\$ 465,000	\$ 32,950	\$ 497,950
Dated July 22, 2010	2016	475,000	19,000	494,000
Interest due on June 1		<u>\$ 940,000</u>	<u>\$ 51,950</u>	<u>\$ 991,950</u>
and December 1 at rates				
ranging from 2.50% to 4.00%				

(continued)

Village of Glenwood, Illinois

Schedule of Debt Service Requirements (continued)
 April 30, 2014

	Year Ending April 30,	Principal	Interest	Total
General Obligation Bonds				
Series 2010C	2015	\$ 30,000	\$ 190,100	\$ 220,100
Dated September 29, 2010	2016	85,000	189,200	274,200
Interest due on June 1	2017	630,000	186,650	816,650
and December 1 at rates	2018	705,000	164,600	869,600
ranging from 3.00% to 4.00%	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>\$ 5,045,000</u>	<u>\$ 1,102,875</u>	<u>\$ 6,147,875</u>