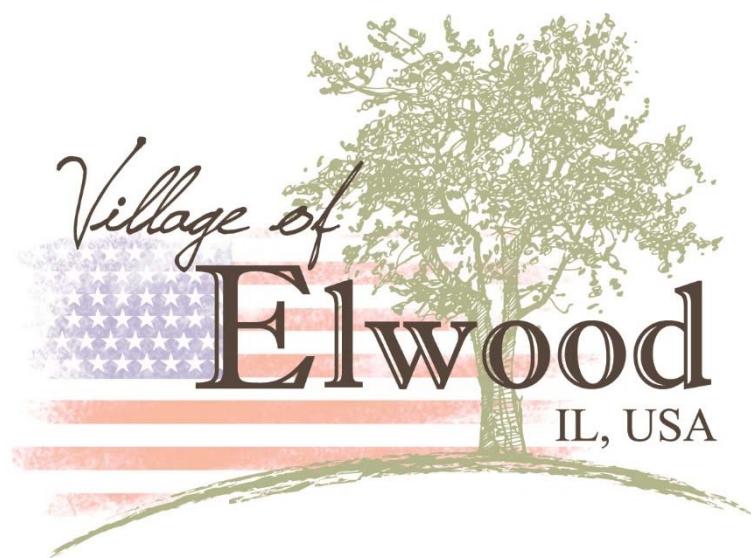


VILLAGE OF ELWOOD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2019

VILLAGE OF ELWOOD, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2019**

Prepared by Finance Department:

Roberta Day
Finance Director

VILLAGE OF ELWOOD, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>INTRODUCTORY SECTION</u>	
List of Principal Officials	1
Organization Chart	2
Letter of Transmittal	3 - 6
Certificate of Achievement for Excellence in Financial Reporting	7
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	8 - 9
MANAGEMENT'S DISCUSSION AND ANALYSIS	10 - 24
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	25 - 26
Statement of Activities	27 - 28
Fund Financial Statements	
Balance Sheet – Governmental Funds	29 - 30
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities	31
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	32 - 33
Reconciliation of the Statement of Revenues, Expenditures and Changes in in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Net Position – Proprietary Funds	35 - 36
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	37
Statement of Cash Flows – Proprietary Funds	38
Notes to Financial Statements	39 - 65
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	66
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund	67 - 68
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	69

VILLAGE OF ELWOOD, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION – Continued</u>	
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Revenues – Budget and Actual – General Fund	70 - 71
Schedule of Expenditures – Budget and Actual – General Fund	72
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Debt Service Fund	73
Deer Run TIF – Debt Service Fund	74
Capital Construction Bond – Capital Projects Fund	75
Motor Fuel Tax – Special Revenue Fund	76
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Water and Sewer – Enterprise Fund	77
Consolidated Year-End Financial Report	78
SUPPLEMENTAL SCHEDULES	
Long-Term Debt Requirements	
General Obligation Refunding Bonds of 2010A	79
General Obligation Refunding Bonds of 2010B	80
General Obligation Refunding Bonds of 2015	81
<u>STATISTICAL SECTION (Unaudited)</u>	
Net Position by Component – Last Ten Fiscal Years	82 - 83
Changes in Net Position – Last Ten Fiscal Years	84 - 85
Fund Balances of Governmental Funds – Last Ten Fiscal Years	86 - 87
General Governmental Revenues by Source – Last Ten Fiscal Years	88 - 89
General Governmental Expenditures by Function – Last Ten Fiscal Years	90 - 91
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years	92 - 93
Assessed Value and Actual Value of Taxable Property – Last Ten Tax Levy Years	94 - 95
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years	96 - 97
Principal Property Tax Payers – Current Fiscal Year and Nine Fiscal Years Ago	98
Property Tax Levies and Collections – Last Ten Fiscal Years	99
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	100 - 101
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	102
Schedule of Direct and Overlapping Bonded Debt	103
Schedule of Legal Debt Margin	104
Demographic and Economic Statistics – Last Ten Fiscal Years	105
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago	106
Full-Time Equivalent Village Government Employees by Function – Last Ten Fiscal Years	107 - 108
Operating Indicators by Function/Program – Last Ten Fiscal Years	109 - 110
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	111

INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Elwood, Illinois including:

- List of Principal Officials
- Organization Chart
- Transmittal Letter
- Certificate of Achievement for Excellence in Financial Reporting

VILLAGE OF ELWOOD, ILLINOIS

List of Principal Officials **April 30, 2019**

May 1, 2018 – April 30, 2019

VILLAGE PRESIDENT

Doug Jenco

VILLAGE BOARD OF TRUSTEES

Joe Berscheid	Tricia Maas
Jodie Bertucci	Ron Schmidt
Darryl Lab	Michael Varman

VILLAGE CLERK

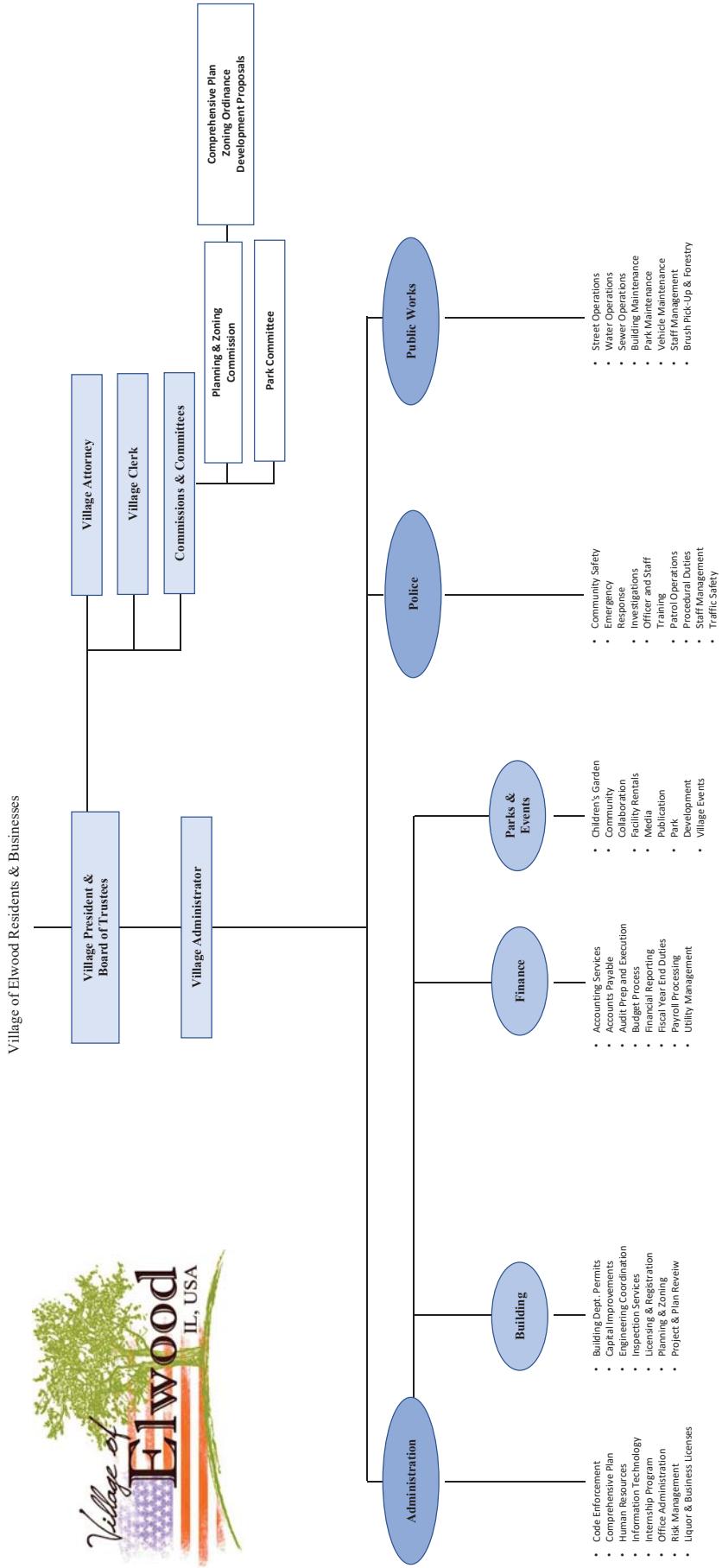
Julie Friebele

DEPARTMENT HEADS

Village Administrator	Julie Friebele
Chief of Police	Fred Hayes
Finance Director	Roberta Day
Superintendent of Public Works	Larry Lohmar

Village of Elwood Organizational Chart

Department Overview and Breakdown





October 8, 2019

To the Citizens of the Village of Elwood:

We submit to you the Comprehensive Annual Financial Report of the Village of Elwood for the fiscal year ended April 30, 2019. The responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the Village of Elwood, Administrative Department. To the best of our knowledge, the enclosed data is accurate in all material respects and gives an accurate representation of the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to understand funds and account groups of the Village are included. All disclosures necessary to enable the reader to gain the maximum understanding of the Village's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and is meant to be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

The Village provides a full range of services. These services include:

- Administration
- Legal
- Community development
- Police protection
- Construction and maintenance of roads, streets, and infrastructure
- Water distribution
- Wastewater treatment

ECONOMIC CONDITION AND OUTLOOK

The Village is located in the western portion of Will County, which is ranked as one of the top growth areas in the nation. It is located approximately thirty-five miles southwest of Chicago within minutes of I-55 and I-80. The Village is home to the largest intermodal/industrial facility in the country. Construction of an approximately 400,000 square foot facility, Midwest Warehouse, will open its doors in late summer, creating employment opportunities while contributing to the local economy. The Village would also like to welcome Jackson Generation to our community, they have begun work on a gas turbine plant. Jackson Generation will also contribute a global payment of \$300,000 annually.

LONG-TERM FINANCIAL PLANNING

The Village has a 5-year capital improvement plan, each budget cycle the Village reviews its capital improvement needs and adjusts the plan accordingly. The Village is in the process of creating a Financial Management Plan, to help us better understand our financial outlook and stability. Once complete, the Financial Management Plan will be used as a tool when refinancing the 2006 and 2010B bond issues.

MAJOR INITIATIVES

The Village completed the water main improvements on St. Louis Street to the Shady Nook subdivision. We are continuing with the upgrading of our SCADA system. As part of the improvements, approximately 3100 feet of fiber optic lines have been placed. The fiber optic lines provide enhanced communication to the Water/Wastewater Treatment Plant, Wells, and Water Tower, we hope to have all wells and lift stations connected in the future. The Village also signed an agreement with Jackson Generation to build a gas turbine plant near Elwood Energy, design of the water system improvements necessary for Jackson Generation project and began site improvements for the turbine plant.

DEPARTMENT FOCUS

A major focus to address all aspects of the management of the industrial park by the all Village departments and functions to improve safety, reduce truck traffic, and enhance business operations in Deer Run Industrial Park. The Police Department has certified all officers in truck enforcement and established procedures to monitor activity in the industrial park. The Public Works Department conducted all the activities mentioned above in the “Major Initiative” section. Also, the Administration has addressed all safety issues presented over the past fiscal year.

FINANCIAL INFORMATION

Management of the Village is responsible for establishing and maintaining an internal control structure. This structure is designed to ensure that the assets of the Village are protected from loss, theft or misuse. It is also designed to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

The Village's accounting records for governmental funds are maintained on a modified accrual basis, which means revenues are recorded when they become measurable and available and expenditures are recorded when the fund liability is incurred. Accounting records for the Village's enterprise funds are maintained on a full accrual basis.

The internal control structure is designed to provide reasonably, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

BUDGETING CONTROLS

In addition, the Village maintains budgetary controls. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Village Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds, and Tax Increment Financing Funds are included in the annual operating budget. Project length financial plans are prepared for the Capital Projects Funds and are published in a separate document. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established at the individual fund level.

As demonstrated by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility for sound financial management.

ILLINOIS MUNICIPAL RETIREMENT FUND

The Illinois Municipal Retirement Fund (IMRF) level of funding by the Village has always been 100% of the required employer rate that is adjusted yearly by IMRF. The rate for the calendar year 2019 is 6.30% of payroll for qualifying employees.

INDEPENDENT AUDIT

State statute requires an annual audit by independent certified public accountants. The Village selected the accounting firm of Lauterbach & Amen, LLP. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report.

AWARDS

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to governmental entities for their Comprehensive Annual Financial Report (CAFR) for each fiscal year. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Village received this award for the past eleven years.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire administrative staff. Each member has our sincere appreciation for the contributions made in preparation of this report.

In addition, the Village wishes to recognize the staff of the firm of Lauterbach & Amen, LLP whose professionalism and cooperation is sincerely appreciated. In closing, we would like to thank the members of the Board of Trustees for their interest and support in planning and conducting the financial operations of the Village in a responsible and progressive manner. Without their leadership and ongoing support, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Friebele".

Julie Friebele
Village Administrator



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Village of Elwood
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

October 8, 2019

The Honorable Village President
Members of the Board of Trustees
Village of Elwood, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Elwood, Illinois, as of and for the year ended April 30, 2019, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, 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 Elwood, Illinois, as of April 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Elwood, Illinois' basic financial statements. The introductory section, individual fund financial budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate 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 individual fund budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2019

Our discussion and analysis of the Village of Elwood's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2019. Please read it in conjunction with the transmittal letter that begins on page 3 and the Village's financial statements, which begin on page 25.

FINANCIAL HIGHLIGHTS

- **Excluding all TIF related activity**, the Village reported an **increase in net position of \$880,930** for the governmental activities.
 - Total liabilities/deferred inflows increased \$20,815 due primarily to an increase of overall accounts payable for the Village
 - The increase in liabilities/deferred inflows was offset by the \$901,745 increase in assets/deferred outflows, resulting in the overall \$880,930 increase to net position for the governmental activities.
- Net position for the business-type activities decreased \$1,019,015.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 25 - 28) provide information about the activities of the Village of Elwood as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 29. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Elwood's operation in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Elwood's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 25 - 28 of this report.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other non-financial factors, such as changes in the Village's property tax base and the condition of the Village's roads, is needed to assess the overall health of the Village of Elwood.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2019

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements – Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, and parks and recreation. The business-type activities of the Village include water, sewer, and garbage operations.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village of Elwood maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Deer Run TIF Fund, and the Capital Construction Bond Fund, all of which are considered major funds.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2019

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements - Continued

Governmental Funds – Continued

Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village of Elwood adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 29 - 34 of this report.

Proprietary Funds

The Village maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water and sewer, and garbage operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Garbage Fund. The Water and Sewer Fund is considered to be a major proprietary fund of the Village, while the Garbage Fund is considered to be a nonmajor fund. The basic proprietary fund financial statements can be found on pages 35 - 38 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39 - 65 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. employee pension obligation and other postemployment benefit obligation, as well as the budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 66 - 69 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on the pension. Combining and individual fund statements and schedules can be found on pages 70 - 78 of this report.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Government-Wide Activities Excluding TIF Activity

The repayment of the TIF related long-term liabilities are secured solely by the incremental taxes received within the Tax Increment Financing District of the Village. As such, it is important to remove the TIF related activity from the Village's entity-wide statements to reflect true Village operations. The following table provides the breakdown of net position for the Village excluding all TIF related activities:

	Net Position - Excluding TIF Related Activity					
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 12,621,166	10,746,358	(3,823,278)	(3,258,303)	8,797,888	7,488,055
Capital Assets	30,534,757	31,676,116	16,887,902	17,426,674	47,422,659	49,102,790
Total Assets	43,155,923	42,422,474	13,064,624	14,168,371	56,220,547	56,590,845
Deferred Outflows	310,753	142,457	37,883	16,665	348,636	159,122
Total Assets/Deferred Outflows	43,466,676	42,564,931	13,102,507	14,185,036	56,569,183	56,749,967
Long-Term Debt Outstanding	15,116,215	15,846,554	8,611,487	8,970,525	23,727,702	24,817,079
Other Liabilities	2,073,541	1,178,875	2,092,505	1,778,843	4,166,046	2,957,718
Total Liabilities	17,189,756	17,025,429	10,703,992	10,749,368	27,893,748	27,774,797
Deferred Inflows	554,348	697,860	21,730	39,868	576,078	737,728
Total Liabilities/Deferred Inflows	17,744,104	17,723,289	10,725,722	10,789,236	28,469,826	28,512,525
Net Position						
Net Investment in Capital Assets	14,076,850	15,110,884	9,687,958	10,039,043	23,764,808	25,149,927
Restricted	2,152,162	2,163,827	-	-	2,152,162	2,163,827
Unrestricted (Deficit)	9,493,560	7,566,931	(7,311,173)	(6,643,243)	2,182,387	923,688
Total Net Position	25,722,572	24,841,642	2,376,785	3,395,800	28,099,357	28,237,442

By far the largest portion of the Village of Elwood's net position reflects its investment in capital assets of \$23.8 million (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Elwood uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Elwood'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 Village's net investment in capital assets decreased \$1.4 million primarily as a result of various capital improvements being less than the depreciation expense for the year.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Excluding TIF Activity – Continued

An additional portion or \$2.2 million of the Village of Elwood's net position represents resources that are subject to external restrictions on how they may be used, including restrictions for the use of motor fuel tax allotments and special service area taxes.

The following table provides the breakdown of changes in net position for the Village excluding all TIF related activities:

Changes in Net Position - Excluding TIF Related Activity						
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$ 4,820,112	1,278,848	1,073,747	1,298,177	5,893,859	2,577,025
Operating Grants/Contrib.	87,549	66,933	-	-	87,549	66,933
Capital Grants/Contrib.	174,175	-	-	-	174,175	-
General Revenues						
Property Taxes	1,397,134	1,333,319	-	-	1,397,134	1,333,319
Utility Taxes	415,854	355,757	-	-	415,854	355,757
Sales Taxes	102,162	94,621	-	-	102,162	94,621
Income Taxes	199,120	231,751	-	-	199,120	231,751
Other General Revenues	215,627	3,542,532	6,505	5,595	222,132	3,548,127
Total Revenues	7,411,733	6,903,761	1,080,252	1,303,772	8,491,985	8,207,533
Expenses						
General Government	3,984,313	3,747,630	-	-	3,984,313	3,747,630
Public Safety	1,620,641	1,383,656	-	-	1,620,641	1,383,656
Public Works	746,377	610,417	-	-	746,377	610,417
Parks and Recreation	-	4,927	-	-	-	4,927
Interest on Long-Term Debt	179,472	245,473	-	-	179,472	245,473
Water and Sewer	-	-	2,099,267	1,777,168	2,099,267	1,777,168
Garbage	-	-	-	201,433	-	201,433
Total Expenses	6,530,803	5,992,103	2,099,267	1,978,601	8,630,070	7,970,704
Change in Net Position						
Before Transfers	880,930	911,658	(1,019,015)	(674,829)	(138,085)	236,829
Transfers	-	(304,625)	-	304,625	-	-
Change in Net Position	880,930	607,033	(1,019,015)	(370,204)	(138,085)	236,829
Net Position-Beginning	24,841,642	24,234,609	3,395,800	3,766,004	28,237,442	28,000,613
Net Position-Ending	25,722,572	24,841,642	2,376,785	3,395,800	28,099,357	28,237,442

VILLAGE OF ELWOOD, ILLINOIS

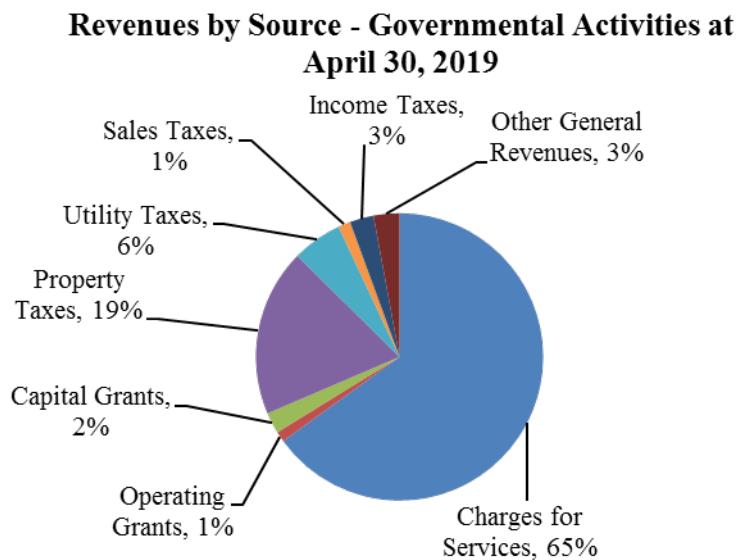
Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Excluding TIF Activity – Continued

In removing all TIF related activity from the entity-wide statements, including capital assets, long-term debt, TIF incremental property taxes, etc. the Village is able to analyze true operational net position and changes in net position. **Excluding the TIF activity, the Village reported an increase to governmental activities net position of \$889,930** primarily as the result of a decrease in interest expense. Furthermore, as reflected on page MD&A 4, **the Village was able to report positive balances for all categories of net position for the governmental activities for the years ended April 30, 2019 and April 30, 2018.**

Revenues for governmental and business-type activities were \$8.4 million for the year, with the largest portion of revenue coming from charges for services (\$4.8 million). Revenues for the year increased \$284,452, which includes an increase of \$507,972 for governmental activities and a decrease of \$223,520 for the business-type activities. In 2019 the business-type activities reported a decrease in the net position of \$1,019,015 due to increased depreciation and interest costs. Total business-type activities expenses for the year were \$2.0 million, reflecting a 6.2 percent decrease from the prior year. The Village Board and management worked diligently during the year to maintain costs in light of the still recovering economy. The Village reported a \$138,085 decrease to total net position for the year. This is in comparison to an increase of \$236,829 in the prior year. The following chart shows the diversification of the Village's revenue sources for the year ended April 30, 2019:



VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Elwood, liabilities/deferred inflows exceeded assets/deferred outflows by \$100.3 million due in large part to the current year accretion expense of \$11,075,941 on the capital appreciation bonds and total outstanding accretion of \$56,659,967. The following table represents the activity of the Village including all TIF related activity:

	Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 27,455,708	25,585,454	(3,823,278)	(3,258,303)	23,632,430	22,327,151
Capital Assets	111,484,553	114,874,517	16,887,902	17,426,674	128,372,455	132,301,191
Total Assets	138,940,261	140,459,971	13,064,624	14,168,371	152,004,885	154,628,342
Deferred Outflows	310,753	142,457	37,883	16,665	348,636	159,122
Total Assets/Deferred Outflows	139,251,014	140,602,428	13,102,507	14,185,036	152,353,521	154,787,464
Long-Term Debt Outstanding	91,325,051	108,271,027	8,611,487	8,970,525	99,936,538	117,241,552
Other Liabilities	139,925,920	122,113,955	2,092,505	1,778,843	142,018,425	123,892,798
Total Liabilities	231,250,971	230,384,982	10,703,992	10,749,368	241,954,963	241,134,350
Deferred Inflows	10,713,152	10,986,867	21,730	39,868	10,734,882	11,026,735
Total Liabilities/Deferred Inflows	241,964,123	241,371,849	10,725,722	10,789,236	252,689,845	252,161,085
Net Position						
Net Investment in Capital Assets	48,878,874	36,544,352	9,687,958	10,039,043	58,566,832	46,583,395
Restricted	2,152,162	2,163,827	-	-	2,152,162	2,163,827
Unrestricted (Deficit)	(153,744,145)	(139,477,600)	(7,311,173)	(6,643,243)	(161,055,318)	(146,120,843)
Total Net Position	(102,713,109)	(100,769,421)	2,376,785	3,395,800	(100,336,324)	(97,373,621)

By far the largest portion of the Village of Elwood's net position reflects its investment in capital assets of \$58.6 million (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Elwood uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Elwood'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 Village's net investment in capital assets increased \$12,334,522 as a result of debt retirements of \$15,724,486 on long-term debt, offset by \$636,331 in additions to capital assets and depreciation expense of \$4,565,067. Unrestricted net position decreased \$14,266,545 due primarily to accretion expense, particularly on the TIF related debt.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

An additional portion or \$2.2 million of the Village of Elwood's net position represents resources that are subject to external restrictions on how they may be used, including restrictions for the use of motor fuel tax allotments. The following table represents the activity of the Village including all TIF related activity:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$ 4,820,112	1,278,848	1,073,747	1,298,177	5,893,859	2,577,025
Operating Grants/Contrib.	87,549	66,933	-	-	87,549	66,933
Capital Grants/Contrib.	174,175	-	-	-	174,175	-
General Revenues						
Property Taxes	11,260,050	11,322,646	-	-	11,260,050	11,322,646
Utility Taxes	415,854	355,757	-	-	415,854	355,757
Sales Taxes	102,162	94,621	-	-	102,162	94,621
Income Taxes	306,280	278,723	-	-	306,280	278,723
Other General Revenues	215,627	3,542,532	6,505	5,595	222,132	3,548,127
Total Revenues	<u>17,381,809</u>	<u>16,940,060</u>	<u>1,080,252</u>	<u>1,303,772</u>	<u>18,462,061</u>	<u>18,243,832</u>
Expenses:						
General Government	5,753,887	5,879,660	-	-	5,753,887	5,879,660
Public Safety	1,620,641	1,383,656	-	-	1,620,641	1,383,656
Public Works	746,377	610,417	-	-	746,377	610,417
Parks and Recreation	-	4,927	-	-	11,204,592	4,927
Interest on Long-Term Debt	11,204,592	12,592,386	-	-	-	12,592,386
Water and Sewer	-	-	2,099,267	1,777,168	2,099,267	1,777,168
Garbage	-	-	-	201,433	-	201,433
Total Expenses	<u>19,325,497</u>	<u>20,471,046</u>	<u>2,099,267</u>	<u>1,978,601</u>	<u>21,424,764</u>	<u>22,449,647</u>
Change in Net Position Before Transfers	(1,943,688)	(3,530,986)	(1,019,015)	(674,829)	(2,962,703)	(4,205,815)
Transfers	-	(304,625)	-	304,625	-	-
Change in Net Position	(1,943,688)	(3,835,611)	(1,019,015)	(370,204)	(2,962,703)	(4,205,815)
Net Position-Beginning	(100,769,421)	(96,933,810)	3,395,800	3,766,004	(97,373,621)	(93,167,806)
Net Position-Ending	<u>(102,713,109)</u>	<u>(100,769,421)</u>	<u>2,376,785</u>	<u>3,395,800</u>	<u>(100,336,324)</u>	<u>(97,373,621)</u>

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

Net position of the Village of Elwood's governmental activities decreased by \$1,943,688 (negative \$102.7 million compared to negative \$100.8 million). This deficit arose primarily due to the current year accretion on the Capital Appreciation Bonds outstanding amounting to \$11,075,941 and depreciation expense of \$3,977,845, which was offset by long-term debt retirements of \$26,741,874.

Net position of business-type activities decreased by \$1.0 million (\$2.4 million compared to \$3.4 million) due to depreciation of \$587,222 and interest costs. The Village of Elwood generally can only use this net position to finance the continuing operations of the utility operations.

Governmental Activities

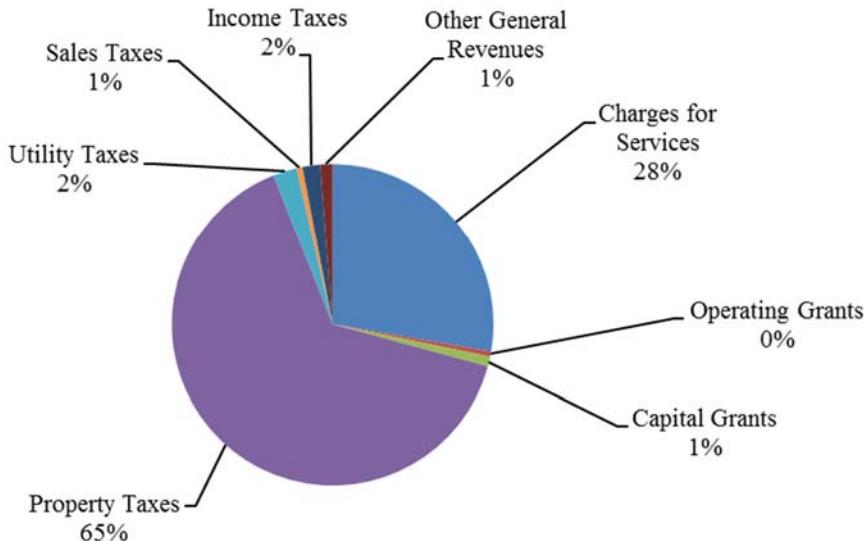
Revenues for governmental activities were \$17.4 million for the year, with the largest portion of revenue coming from property taxes (\$11.3 million), 94.18% of which is collected for the retirement of the TIF bonds. Total expenses for the year were \$19.3 million with the largest portion coming from the interest expense on long-term (TIF) debt (\$11.2 million).

Revenues for governmental activities increased \$441,749, or 2.65%. Major highlights of the changes in revenues include:

- Grants totaled \$261,742 at April 30, 2019, an increase of \$261,724.
- State shared taxes increased \$95,195.

Expenses for governmental activities decreased from the prior year. Total expenses in FY2018 were \$20.4 million, while expenses for FY2019 were \$19.3 million, reflecting a \$1,145,549 decrease.

Revenues by Source - Governmental Activities at April 30, 2019



VILLAGE OF ELWOOD, ILLINOIS

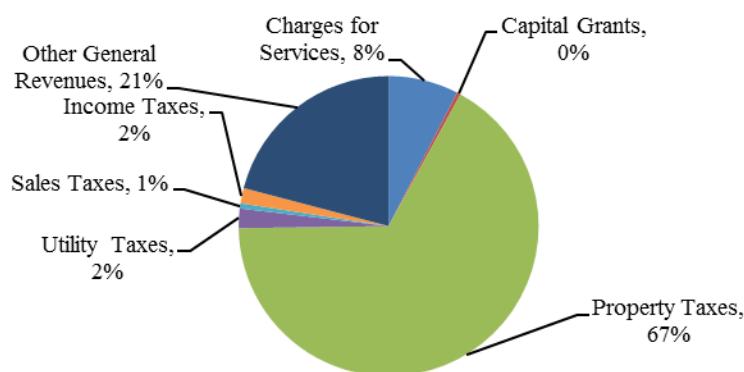
Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

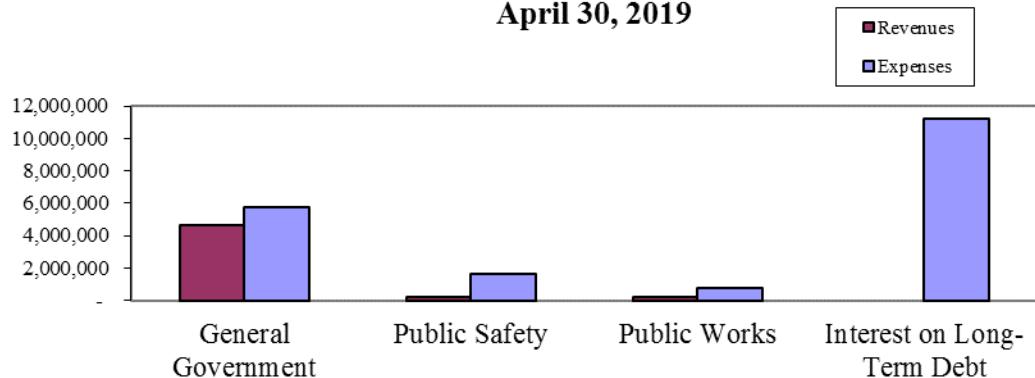
Governmental Activities – Continued

**Revenues by Source - Governmental Activities at
April 30, 2018**



The 'Revenues by Source' Tables graphically depict the major revenue sources of the Village of Elwood for 2019 and 2018. It depicts very clearly the reliance of property taxes "93.4% from the TIF district" to fund governmental activities. It also clearly identifies the minor percentage the Village receives from sales taxes (1%). Under the Board's leadership and the cooperation of the industrial park, there continues to be an effort to develop and expand the TIF District and develop capital infrastructure improvements to assist in that effort.

**Expenses and Program Revenues - Governmental Activities at
April 30, 2019**



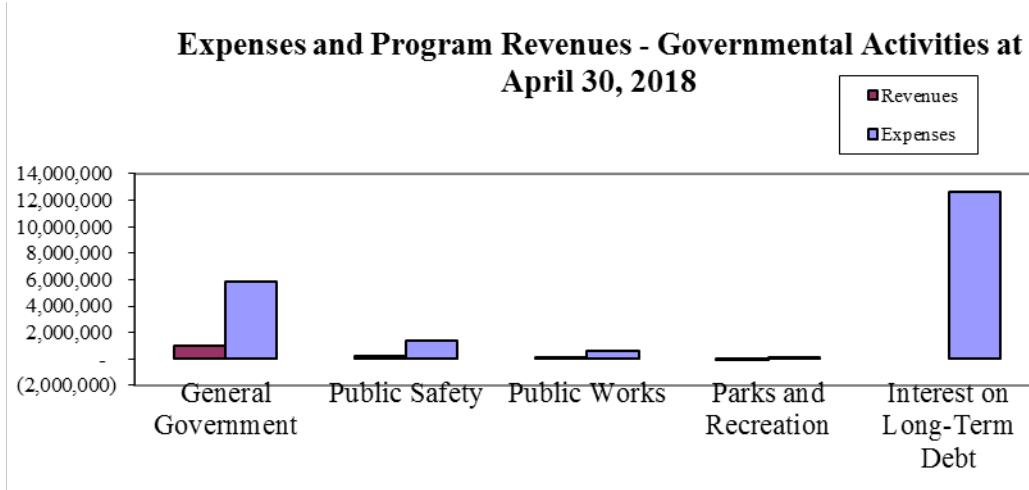
VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

Governmental Activities – Continued

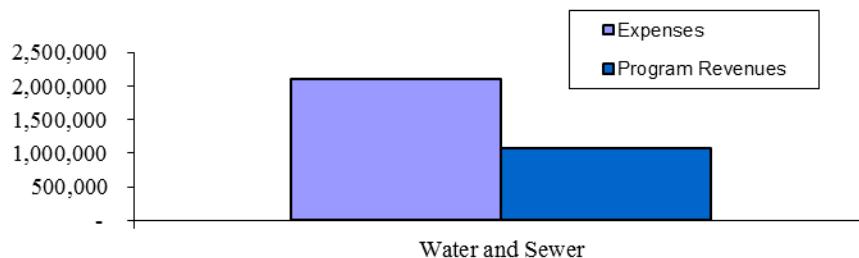


The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues. From the table, it can be noted that the general government function has enough revenues to meet program expenses.

Business-Type Activities

Total revenues of the Village's business-type activities were \$1.0 million, while expenses were \$2.1 million, resulting in a decrease in net position at the end of the year. The table below compares program revenues and expenses for the Water and Sewer Fund.

Expenses and Program Revenues - Business-Type Activities at April 30, 2019



VILLAGE OF ELWOOD, ILLINOIS

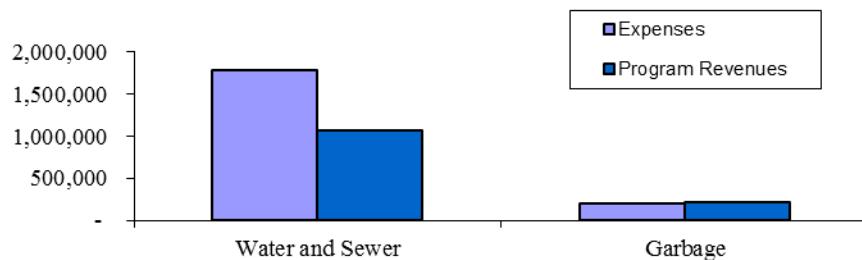
Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

Business-Type Activities – Continued

Expenses and Program Revenues - Business-Type Activities at April 30, 2018



The above graphs compare program revenues to expenses for water and sewer operations, and garbage operations. From the tables it can be noted that the Garbage function is charging the appropriate service charge to cover the garbage expenses.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village of Elwood uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of a deficit of \$94,765,180, which is \$14,193,588 less than the prior year governmental fund balances deficit of \$80,571,592. **Excluding the Deer Run TIF Fund, the governmental funds would have reported a \$1,928,765 increase to fund balances.** A deficit of \$16,122,353 in the Deer Run TIF Fund due to TIF debt retirements exceeding the incremental property taxes collected during the year contributed to the total decrease in fund balance.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

The Village spent \$907,939 in the Capital Construction Bond Fund. Although these and other capital expenditures reduce available fund balances, they create new assets as reported in the Statement of Net Position and as discussed in Note 3 to the financial statements.

Proprietary Funds

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

The Village reports the Water and Sewer Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water and sewer system. Water and Sewer fees are charged to all municipal customers at a combined flat rate of \$46.90 for the first 2,000 gallons and \$8.18 per 1,000 gallons thereafter. The spread between purchase and sale rates is intended to finance the operations of the waterworks and sewerage system, including labor costs, supplies, and infrastructure maintenance.

The Village intends to run the fund at a breakeven rate. For the FY2019 the Water and Sewer Fund reported a deficit of \$1,019,015, which includes \$587,222 in non-cash depreciation expense and \$316,527 in interest expense on outstanding Water and Sewer Fund debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were amendments made to the General Fund budget during the year. The General Fund expenditures were \$312,566 lower than the budgeted amount of \$3,897,548, due to the general government, public safety, and public works functions coming in under budget.

The General Fund revenues were \$104,901 higher the budgeted amount of \$3,452,746, due primarily to revenues for licenses and permits coming in over budget.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village of Elwood's investment in capital assets for its governmental and business-type activities as of April 30, 2019 was \$128.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, park facilities, roads, sidewalks, and bridges. The total decrease in the Village's investment in capital assets for the current fiscal year was \$3,928,736, which was the result of \$636,331 in additions to capital assets offset by \$4,565,067 reported for depreciation expense.

	Capital Assets - Net of Accumulated Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 3,458,233	3,458,233	1,939,500	1,939,500	5,397,733	5,397,733
Construction in Progress	217,719	-	-	-	217,719	-
Buildings and Improvements	4,411,770	4,632,110	7,219,031	7,543,547	11,630,801	12,175,657
Machinery & Equipment	925,889	792,290	98,213	107,763	1,024,102	900,053
Infrastructure	102,470,942	105,991,884	7,631,158	7,835,864	110,102,100	113,827,748
 Totals	 111,484,553	 114,874,517	 16,887,902	 17,426,674	 128,372,455	 132,301,191

This year's major additions included:

Construction in Progress	\$ 217,719
Buildings and Improvements	27,770
Machinery and Equipment	320,110
Infrastructure	<u>70,732</u>
	 <u>636,331</u>

Additional information on the Village's capital assets can be found in note 3 on pages 50 - 51 of this report.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village had total outstanding bonded debt of \$126.5 million as compared to \$142.3 million the previous year, resulting in a \$15.8 million decrease from the prior year. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Village Supported Debt						
General Obligation Bonds	\$ 3,615,000	4,415,000	7,225,000	7,415,000	10,840,000	11,830,000
General Obligation Capital Appreciation Bonds	6,188,552	6,188,552	-	-	6,188,552	6,188,552
Accretion - General Obligation Capital Appreciation Bonds	6,654,355	5,961,680	-	-	6,654,355	5,961,680
Total Village Supported Debt	16,457,907	16,565,232	7,225,000	7,415,000	23,682,907	23,980,232
TIF Supported Debt						
TIF Notes Payable	52,802,127	67,726,613	-	-	52,802,127	67,726,613
Accretion - TIF Notes Payable	50,005,612	50,627,466	-	-	50,005,612	50,627,466
Total TIF Supported Debt	102,807,739	118,354,079	-	-	102,807,739	118,354,079
Totals	119,265,646	134,919,311	7,225,000	7,415,000	126,490,646	142,334,311

The Village of Elwood went through the rating process with Standard & Poor's in July 2019 and received an A+ Stable for general obligation debt. As a home-rule unit, no legal limit exists on the amount of debt that can be outstanding.

Additional information on the Village's long-term debt can be found in Note 3 on pages 53 - 56 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2020 appropriation, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Unemployment rates remain high and it is likely that revenues will remain stagnant into the coming year. These indicators were taken into account when adopting the General Fund budget for 2020.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Elwood's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Finance Office, Village of Elwood, 401 E. Mississippi Avenue, Elwood, Illinois, 60421.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

 Governmental Funds

 Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF ELWOOD, ILLINOIS

Statement of Net Position

April 30, 2019

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Statement of Net Position

April 30, 2019

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 12,591,400	-	12,591,400
Receivables - Net of Allowances	10,692,752	139,835	10,832,587
Due from Other Governments	179,219	-	179,219
Internal Balances	3,967,888	(3,967,888)	-
Prepays	24,449	4,775	29,224
 Total Current Assets	 27,455,708	 (3,823,278)	 23,632,430
Noncurrent Assets			
Capital Assets			
Nondepreciable	3,675,952	1,939,500	5,615,452
Depreciable	157,285,294	24,034,365	181,319,659
Accumulated Depreciation	(49,476,693)	(9,085,963)	(58,562,656)
 Total Noncurrent Assets	 111,484,553	 16,887,902	 128,372,455
 Total Assets	 138,940,261	 13,064,624	 152,004,885
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	310,753	37,883	348,636
 Total Assets and Deferred Outflows of Resources	 139,251,014	 13,102,507	 152,353,521

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 111,604,676	139,025	111,743,701
Accrued Payroll	81,311	8,274	89,585
Deposits Payable	-	65,939	65,939
Accrued Interest Payable	14,761	1,678,030	1,692,791
Current Portion of Long-Term Debt	28,225,172	201,237	28,426,409
Total Current Liabilities	<u>139,925,920</u>	<u>2,092,505</u>	<u>142,018,425</u>
Noncurrent Liabilities			
Unearned Tap-On Revenues	-	1,583,546	1,583,546
Compensated Absences Payable	76,414	4,950	81,364
Net Pension Liability - IMRF	189,059	23,047	212,106
General Obligation Bonds Payable - Net	2,740,000	6,999,944	9,739,944
General Obligation Capital Appreciation Bonds Payable	6,188,552	-	6,188,552
Accretion - General Obligation Capital Appreciation Bonds Payable	5,922,191	-	5,922,191
TIF Notes Payable	35,663,995	-	35,663,995
Accretion - TIF Notes Payable	40,544,840	-	40,544,840
Total Noncurrent Liabilities	<u>91,325,051</u>	<u>8,611,487</u>	<u>99,936,538</u>
Total Liabilities	<u>231,250,971</u>	<u>10,703,992</u>	<u>241,954,963</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	10,534,901	-	10,534,901
Deferred Items - IMRF	178,251	21,730	199,981
Total Deferred Inflows of Resources	<u>10,713,152</u>	<u>21,730</u>	<u>10,734,882</u>
Total Liabilities and Deferred Inflows of Resources	<u>241,964,123</u>	<u>10,725,722</u>	<u>252,689,845</u>
NET POSITION			
Net Investment in Capital Assets	48,878,874	9,687,958	58,566,832
Restricted - Highways and Streets	2,120,040	-	2,120,040
Restricted - Debt Service	32,122	-	32,122
Unrestricted (Deficit)	(153,744,145)	(7,311,173)	(161,055,318)
Total Net Position	<u>(102,713,109)</u>	<u>2,376,785</u>	<u>(100,336,324)</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ELWOOD, ILLINOIS

Statement of Activities
For the Fiscal Year Ended April 30, 2019

	Program Revenues		
	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Expenses			
Primary Government			
Governmental Activities			
General Government	\$ 5,753,887	4,613,560	-
Public Safety	1,620,641	206,552	29,698
Public Works	746,377	-	57,851
Interest on Long-Term Debt	11,204,592	-	-
Total Governmental Activities	19,325,497	4,820,112	87,549
Business-Type Activities			
Water and Sewer	2,099,267	1,073,747	-
Total Primary Government	21,424,764	5,893,859	174,175
General Revenues			
Taxes			
Property Taxes			
Utility Taxes			
Home-Rule Sales Taxes			
Intergovernmental - Unrestricted			
Sales Taxes			
Income Taxes			
Interest Income			
Miscellaneous			
Change in Net Position			
Net Position - Beginning			
Net Position - Ending			

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Governmental Activities	Business-Type Activities	Totals
(1,140,327)	-	(1,140,327)
(1,384,391)	-	(1,384,391)
(514,351)	-	(514,351)
<u>(11,204,592)</u>	<u>-</u>	<u>(11,204,592)</u>
<u>(14,243,661)</u>	<u>-</u>	<u>(14,243,661)</u>
<u>-</u>	<u>(1,025,520)</u>	<u>(1,025,520)</u>
<u>(14,243,661)</u>	<u>(1,025,520)</u>	<u>(15,269,181)</u>
11,260,050	-	11,260,050
415,854	-	415,854
35,930	-	35,930
66,232	-	66,232
306,280	-	306,280
177,942	6,505	184,447
37,685	-	37,685
<u>12,299,973</u>	<u>6,505</u>	<u>12,306,478</u>
(1,943,688)	(1,019,015)	(2,962,703)
<u>(100,769,421)</u>	<u>3,395,800</u>	<u>(97,373,621)</u>
<u>(102,713,109)</u>	<u>2,376,785</u>	<u>(100,336,324)</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ELWOOD, ILLINOIS**Balance Sheet - Governmental Funds****April 30, 2019**General**ASSETS**

Cash and Investments	\$ 2,504,967
Receivables - Net of Allowances	
Property Taxes	376,097
Accounts	157,851
Due from Other Governments	-
Due from Other Funds	-
Prepays	<u>24,392</u>
 Total Assets	 <u>3,063,307</u>

LIABILITIES

Accounts Payable	303,514
Accrued Payroll	76,966
Total Liabilities	<u>380,480</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	376,097
Total Liabilities and Deferred Inflows of Resources	<u>756,577</u>

FUND BALANCES

Nonspendable	24,392
Restricted	-
Assigned	-
Unassigned	<u>2,282,338</u>
Total Fund Balances	<u>2,306,730</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>3,063,307</u>

The notes to the financial statements are an integral part of this statement.

Debt Service		Capital Projects	Nonmajor	
Debt Service	Deer Run TIF	Capital Construction Bond	Motor Fuel Tax	Totals
46,883	4,675,738	3,248,816	2,114,996	12,591,400
-	10,158,804	-	-	10,534,901
-	-	-	-	157,851
-	-	174,175	5,044	179,219
-	-	3,967,888	-	3,967,888
-	-	57	-	24,449
46,883	14,834,542	7,390,936	2,120,040	27,455,708
-	111,253,476	47,686	-	111,604,676
-	-	4,345	-	81,311
-	111,253,476	52,031	-	111,685,987
-	10,158,804	-	-	10,534,901
-	121,412,280	52,031	-	122,220,888
-	-	57	-	24,449
46,883	-	-	2,120,040	2,166,923
-	-	7,338,848	-	7,338,848
-	(106,577,738)	-	-	(104,295,400)
46,883	(106,577,738)	7,338,905	2,120,040	(94,765,180)
46,883	14,834,542	7,390,936	2,120,040	27,455,708

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ELWOOD, ILLINOIS

Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities

April 30, 2019

Total Governmental Fund Balances	\$ (94,765,180)
---	-----------------

Amounts reported for governmental Activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	111,484,553
---	-------------

Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	132,502
--	---------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(95,518)
Net Pension Liability - IMRF	(189,059)
General Obligation Bonds Payable	(3,615,000)
General Obligation Capital Appreciation Bonds Payable	(6,188,552)
Accretion - General Obligation Capital Appreciation Bonds Payable	(6,654,355)
TIF Notes Payable	(52,802,127)
Accretion - TIF Notes Payable	(50,005,612)
Accrued Interest Payable	<u>(14,761)</u>

Net Position of Governmental Activities	<u>(102,713,109)</u>
--	----------------------

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ELWOOD, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2019

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2019

	<u>General</u>
Revenues	
Taxes	\$ 1,848,918
Intergovernmental	402,210
Charges for Services	916,332
Licenses and Permits	130,504
Fines and Forfeits	206,552
Interest Income	15,446
Miscellaneous	37,685
Total Revenues	<u>3,557,647</u>
Expenditures	
Current	
General Government	1,365,228
Public Safety	1,541,084
Public Works	678,670
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>3,584,982</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>(27,335)</u>
Other Financing Sources (Uses)	
Transfers In	1,020,578
Transfers Out	<u>(579,526)</u>
	<u>441,052</u>
Net Change in Fund Balances	413,717
Fund Balances - Beginning	<u>1,893,013</u>
Fund Balances - Ending	<u>2,306,730</u>

The notes to the financial statements are an integral part of this statement.

Debt Service		Capital Projects	Nonmajor	
Debt Service	Deer Run TIF	Capital Construction Bond	Motor Fuel Tax	Totals
-	9,862,916	-	-	11,711,834
-	-	174,175	57,851	634,236
-	-	-	-	916,332
-	-	3,566,724	-	3,697,228
-	-	-	-	206,552
2,566	107,160	40,190	12,580	177,942
-	-	-	-	37,685
2,566	9,970,076	3,781,089	70,431	17,381,809
<hr/>				
-	142,823	86,417	-	1,594,468
-	-	-	-	1,541,084
-	-	-	27,929	706,599
-	-	821,522	50,200	871,722
800,000	14,924,486	-	-	15,724,486
111,918	11,025,120	-	-	11,137,038
911,918	26,092,429	907,939	78,129	31,575,397
<hr/>				
(909,352)	(16,122,353)	2,873,150	(7,698)	(14,193,588)
<hr/>				
902,118	-	-	-	1,922,696
-	-	(1,343,170)	-	(1,922,696)
902,118	-	(1,343,170)	-	-
<hr/>				
(7,234)	(16,122,353)	1,529,980	(7,698)	(14,193,588)
<hr/>				
54,117	(90,455,385)	5,808,925	2,127,738	(80,571,592)
<hr/>				
46,883	(106,577,738)	7,338,905	2,120,040	(94,765,180)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ELWOOD, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended April 30, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (14,193,588)

Amounts reported for governmental Activities in the Statement of Net Position are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	587,881
Depreciation Expense	(3,977,845)
Disposals - Cost	(11,275)
Disposals - Accumulated Depreciation	11,275

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	330,857
---------------------------------	---------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Decrease to Compensated Absences Payable	6,134
(Increase) to Net Pension Liability/(Asset) - IMRF	(354,059)
Retirement of Debt	15,724,486
(Increase) to Accretion - General Obligation Capital Appreciation Bonds	(692,675)
(Increase) to Accretion - TIF Notes Payable	(10,383,266)
Retirement of Accretion - TIF Notes Payable	11,005,120

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

3,267

Changes in Net Position of Governmental Activities

(1,943,688)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ELWOOD, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2019

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2019

Business-Type Activities
Water and Sewer

ASSETS

Current Assets

Cash and Investments	\$ -
Receivables - Net of Allowances	
Accounts	139,835
Prepays	<u>4,775</u>
Total Current Assets	<u>144,610</u>

Noncurrent Assets

Capital Assets	
Nondepreciable	1,939,500
Depreciable	24,034,365
Accumulated Depreciation	<u>(9,085,963)</u>
Total Noncurrent Assets	<u>16,887,902</u>
Total Assets	17,032,512

DEFERRED OUTFLOWS OF RESOURCES

Deferred Items - IMRF	<u>37,883</u>
Total Assets and Deferred Outflows of Resources	<u>17,070,395</u>

The notes to the financial statements are an integral part of this statement.

Business-Type Activities
Water and Sewer

LIABILITIES

Current Liabilities

Accounts Payable	\$ 139,025
Accrued Payroll	8,274
Deposits Payable	65,939
Due to Other Funds	3,967,888
Accrued Interest Payable	1,678,030
Compensated Absences Payable	1,237
General Obligation Bonds Payable	200,000
Total Current Liabilities	<u>6,060,393</u>

Noncurrent Liabilities

Unearned Tap-On Revenues	1,583,546
Compensated Absences Payable	4,950
Net Pension Liability - IMRF	23,047
General Obligation Bonds Payable - Net	6,999,944
Total Noncurrent Liabilities	<u>8,611,487</u>
Total Liabilities	<u>14,671,880</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	<u>21,730</u>
Total Liabilities and Deferred Inflows of Resources	<u>14,693,610</u>

NET POSITION

Net Investment in Capital Assets	9,687,958
Unrestricted (Deficit)	<u>(7,311,173)</u>
Total Net Position	<u>2,376,785</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ELWOOD, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2019

	Business-Type Activities
	Water and Sewer
Operating Revenues	
Charges for Services	\$ 1,073,747
Operating Expenses	
Water Operations	810,372
Sewer Operations	385,146
Depreciation and Amortization	587,222
Total Operating Expenses	<u>1,782,740</u>
Operating Income (Loss)	<u>(708,993)</u>
Nonoperating Revenues (Expenses)	
Interest Income	6,505
Interest and Fiscal Charges	<u>(316,527)</u>
	<u>(310,022)</u>
Change in Net Position	(1,019,015)
Net Position - Beginning	<u>3,395,800</u>
Net Position - Ending	<u>2,376,785</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ELWOOD, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2019

	Business-Type Activities
	Water and Sewer
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 1,072,401
Payments to Employees	(154,818)
Payments to Suppliers	<u>(919,082)</u>
	<u>(1,499)</u>
Cash Flows from Noncapital Financing Activities	
Interfunds	<u>547,658</u>
Cash Flows from Capital and Related Financing Activities	
Activities	
Purchase of Capital Assets	(48,450)
Principal Paid	(187,687)
Interest Paid	<u>(316,527)</u>
	<u>(552,664)</u>
Cash Flows from Investing Activities	
Interest Received	<u>6,505</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning	-
Cash and Cash Equivalents - Ending	-
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>(708,993)</u>
Adjustments to Reconcile Operating Income to	
Net Income to Net Cash	
Provided by (Used in) Operating Activities:	
Depreciation Expense	587,222
(Increase) Decrease in Current Assets	(1,346)
Increase (Decrease) in Current Liabilities	<u>121,618</u>
	<u>707,494</u>
Net Cash Provided by (Used in) Operating Activities	<u>(1,499)</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Elwood (Village), Illinois, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, water, sewer and garbage services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Elwood
---------------------	-------------------

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water, sewer services are classified as business-type activities.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.).

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one nonmajor special revenue fund.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Village maintains two debt service funds. The Debt Service Fund, a major fund, is used to account for the accumulation of resources for, and the payment of, the principal and interest on the 2015 general obligation refunding bonds. The Deer Run TIF Fund, also a major fund, is used to account for revenues received from incremental property taxes and expenditures for debt service payments related to tax increment financing bonds.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one capital projects funds. The Capital Construction Bond Fund, a major fund, is used to account for revenues received from general obligation bond proceeds and expenditures for road improvements and reconstruction.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the Village:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one enterprise fund. The Water and Sewer Fund, a major fund, is used to account for revenues and expenses relative to the operation of the water and sewer utilities.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Village's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	10 - 40 Years
Machinery and Equipment	3 - 10 Years
Infrastructure	25 - 50 Years

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Prior to April 30, the Village Clerk submits to the Village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to July 31, the budget is legally enacted through passage of an ordinance.

The Village’s management is authorized to transfer budgeted amounts between departments within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund. Formal budgetary integration is employed at a management control device during the year for the General Fund. Budgeted amounts are as originally adopted by the Board of Trustees. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year there was one supplementary appropriation.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
Debt Service	\$ 750
Deer Run TIF	15,092,429

DEFICIT FUND BALANCE

The following fund had a deficit fund balance for the fiscal year:

Fund	Deficit
Deer Run TIF	\$ 106,577,738

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds.

Illinois Funds is an investment pool managed by the Illinois public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits and Investments. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$8,935,763 and the bank balances totaled \$8,751,006. Also, at year-end, the Village has \$3,655,637 invested in the Illinois Funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy limits interest rate risk by attempting to obtain the highest interest rate available while ensuring the maximum safety of principal and maintaining a portfolio that is sufficiently liquid to meet all operating costs which may be reasonably anticipated. The Village's investment in the Illinois Funds has an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village does not have a formal written policy with regards to credit risk. At year-end, the Village's investment in the Illinois Funds is rated AAAm by Standard and Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy states that at all times funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third party institution in the name of the municipality. At April 30, 2019, the entire amount of the bank balance of deposits were covered by federal depository or equivalent insurance.

For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral. The Village does not have a formal written policy with regards to custodial credit risk for investments. At April 30, 2019, the Village's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village does not have a formal written policy with regards to concentration credit risk for investments. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

PROPERTY TAXES

Property taxes for 2018 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Will County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 3,458,233	-	-	3,458,233
Construction in Progress	-	217,719	-	217,719
	<u>3,458,233</u>	<u>217,719</u>	-	<u>3,675,952</u>
Depreciable Capital Assets				
Buildings and Improvements	6,873,957	27,770	-	6,901,727
Machinery and Equipment	1,934,291	288,257	11,275	2,211,273
Infrastructure	148,118,159	54,135	-	148,172,294
	<u>156,926,407</u>	<u>370,162</u>	<u>11,275</u>	<u>157,285,294</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,241,847	248,110	-	2,489,957
Machinery and Equipment	1,142,001	154,658	11,275	1,285,384
Infrastructure	42,126,275	3,575,077	-	45,701,352
	<u>45,510,123</u>	<u>3,977,845</u>	<u>11,275</u>	<u>49,476,693</u>
Total Net Depreciable Capital Assets	<u>111,416,284</u>	<u>(3,607,683)</u>	-	<u>107,808,601</u>
Total Net Capital Assets	<u>114,874,517</u>	<u>(3,389,964)</u>	-	<u>111,484,553</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 3,858,510
Public Safety	79,557
Public Works	39,778
<u>3,977,845</u>	

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,939,500	-	-	1,939,500
Depreciable Capital Assets				
Buildings and Improvements	12,705,492	-	-	12,705,492
Machinery and Equipment	458,793	31,853	-	490,646
Infrastructure	10,821,630	16,597	-	10,838,227
	<u>23,985,915</u>	<u>48,450</u>	<u>-</u>	<u>24,034,365</u>
Less Accumulated Depreciation				
Buildings and Improvements	5,161,945	324,516	-	5,486,461
Machinery and Equipment	351,030	41,403	-	392,433
Infrastructure	2,985,766	221,303	-	3,207,069
	<u>8,498,741</u>	<u>587,222</u>	<u>-</u>	<u>9,085,963</u>
Total Net Depreciable Capital Assets	<u>15,487,174</u>	<u>(538,772)</u>	<u>-</u>	<u>14,948,402</u>
Total Net Capital Assets	<u>17,426,674</u>	<u>(538,772)</u>	<u>-</u>	<u>16,887,902</u>

Depreciation expense was charged to business-type as follows:

Water and Sewer \$ 587,222

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND BALANCES

Interfund balances at year-end consisted of the following:

Receivable Fund	Payable Fund	Amount
Capital Construction Bond	Water and Sewer	<u>\$ 3,967,888</u>

Interfund balances are advances in anticipation of receipts.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Capital Construction Bond	\$ 1,020,578 (2)
Debt Service	Capital Construction Bond	322,592 (1)
Debt Service	General	<u>579,526 (1)</u>
		<u>1,922,696</u>

Transfers are used to (1) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (2) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds Payable

Governments issue general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bonds of 2010A, due in annual installments of \$165,000 to \$310,000, plus interest at 2.00% to 5.10% through March 1, 2030.	\$ 2,915,000	-	190,000	2,725,000
General Obligation Refunding Bonds of 2010B, due in one payment of \$4,500,000, plus interest at 3.99% on September 8, 2020.	4,500,000	-	-	4,500,000
General Obligation Refunding Bonds of 2015, due in annual installments of \$655,000 to \$935,000, plus interest at 2.45% through March 1, 2023.	4,415,000	-	800,000	3,615,000
	<hr/>			<hr/>
	11,830,000	-	990,000	10,840,000

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Capital Appreciation Bonds Payable

Governments issue general obligation capital appreciation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation capital appreciation bonds are direct obligations and pledge the full faith and credit of the government. General obligation capital appreciation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Capital Appreciation Bonds of 2006, due in annual installments of \$729,226 to \$1,052,838 through March 1, 2030.	\$ 6,188,552	-	-	6,188,552

TIF Notes Payable

Tax increment financing notes currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Financing Note of 2003.	\$ 67,726,613	-	14,924,486	52,802,127

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides that the General Assembly may limit the amount and require referenda for approval of debt payable from ad valorem property taxes in excess of one percent of assessed valuation. However, no such statute has been enacted as of this date. Therefore, as a home rule municipality, the Village of Elwood, Illinois has no debt limit.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 101,652	6,134	12,268	95,518	19,104
Net Pension Liability/(Asset) - IMRF	(165,000)	354,059	-	189,059	-
General Obligation Bonds	4,415,000	-	800,000	3,615,000	875,000
General Obligation Capital Appreciation Bonds	6,188,552	-	-	6,188,552	-
Accretion - General Obligation Capital Appreciation Bonds	5,961,680	692,675	-	6,654,355	732,164
TIF Notes Payable	67,726,613	-	14,924,486	52,802,127	17,138,132
Accretion - TIF Notes Payable	50,627,466	10,383,266	11,005,120	50,005,612	9,460,772
	<u>134,855,963</u>	<u>11,436,134</u>	<u>26,741,874</u>	<u>119,550,223</u>	<u>28,225,172</u>
Business-Type Activities					
Compensated Absences	6,341	154	308	6,187	1,237
Net Pension Liability/(Asset) - IMRF	(19,302)	42,349	-	23,047	-
General Obligation Bonds	7,415,000	-	190,000	7,225,000	200,000
Unamortized Bond Discount	(27,369)	-	(2,313)	(25,056)	-
	<u>7,374,670</u>	<u>42,503</u>	<u>187,995</u>	<u>7,229,178</u>	<u>201,237</u>

For the governmental activities, the compensated absences and the net pension liability/(asset) are liquidated by the General Fund. Payments on the general obligation bonds and the general obligation capital appreciation bonds are made by Debt Service Fund. The Deer Run TIF Fund makes payments on the TIF notes payable.

For business-type activities, payments on the compensated absences, the net pension liability/(asset) and the general obligation bonds are made by the Water and Sewer Fund.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities						Business-Type Activities			
	General Obligation Bonds		General Obligation Capital Appreciation Bonds		Tax Increment Notes					
	Principal	Interest	Principal/Accretion		Principal/Accretion	Principal				
2020	\$ 875,000	88,568	(732,164)		17,852,221	200,000	130,034			
2021	890,000	67,130	(773,904)		20,465,946	4,705,000	2,276,981			
2022	915,000	45,326	(818,023)		23,403,500	215,000	114,085			
2023	935,000	22,908	(864,658)		26,600,961	220,000	105,484			
2024	-	-	1,925,584		14,485,111	230,000	96,134			
2025	-	-	2,037,571		-	245,000	84,404			
2026	-	-	2,153,732		-	255,000	71,910			
2027	-	-	2,276,514		-	270,000	58,905			
2028	-	-	2,406,296		-	280,000	45,136			
2029	-	-	2,543,479		-	295,000	30,856			
2030	-	-	2,688,480		-	310,000	15,810			
Totals	3,615,000	223,932	12,842,907		102,807,739	7,225,000	3,029,739			

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Restricted Fund Balance. Consists of resources 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 Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the 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 highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village's policy manual states that the General Fund should maintain a minimum fund balance equal to 25% of budgeted operating expenditures.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service		Capital Projects		Nonmajor		Totals
		Debt Service	Deer Run	Capital Construction	Motor Fuel			
		Service	TIF	Bond	Tax			
Fund Balances								
Nonspendable								
Prepays	\$ 24,392	-	-	57	-			24,449
Restricted								
Debt Service	-	46,883	-	-	-			46,883
Highways and Streets	-	-	-	-	2,120,040			2,120,040
	-	46,883	-	-	2,120,040			2,166,923
Assigned								
Capital Projects	-	-	-	7,338,848	-			7,338,848
Unassigned	2,282,338	-	(106,577,738)	-	-			(104,295,400)
Total Fund Balances	2,306,730	46,883	(106,577,738)	7,338,905	2,120,040			(94,765,180)

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2019:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 111,484,553
Less Capital Related Debt:	
General Obligation Bonds of 2015	(3,615,000)
General Obligation Capital Appreciation Bonds of 2006	(6,188,552)
Tax Increment Financing Note Payable of 2003	<u>(52,802,127)</u>
Net Investment in Capital Assets	<u>48,878,874</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	16,887,902
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2010A	(2,725,000)
General Obligation Refunding Bonds of 2010B	(4,500,000)
Unamortized Bond Discount	<u>25,056</u>
Net Investment in Capital Assets	<u>9,687,958</u>

NOTE 4 – OTHER INFORMATION

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; natural disasters; and injuries to the Village's employees. These risks are provided for through insurance from private insurance companies. The Village currently reports all its risk management activities in the General Fund and Water and Sewer Fund. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2019**

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Litigation

The Village is a defendant in other various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The Village contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

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

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	6
Inactive Plan Members Entitled to but not yet Receiving Benefits	7
Active Plan Members	<u>23</u>
Total	<u>36</u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2019, the Village's contribution was 7.65% of covered payroll.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.39% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.75%
Domestic Equities	37.00%	7.15%
International Equities	18.00%	7.25%
Real Estate	9.00%	6.25%
Blended	7.00%	3.20% - 8.50%
Cash and Cash Equivalents	1.00%	2.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.25% and the prior valuation used 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Current		
	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 733,011	212,106	(208,329)

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2017	\$ 2,841,339	3,025,641	(184,302)
Changes for the Year:			
Service Cost	143,628	-	143,628
Interest on the Total Pension Liability	214,404	-	214,404
Difference Between Expected and Actual Experience of the Total Pension Liability	(54,263)	-	(54,263)
Changes of Assumptions	113,296	-	113,296
Contributions - Employer	-	120,699	(120,699)
Contributions - Employees	-	65,995	(65,995)
Net Investment Income	-	(133,608)	133,608
Benefit Payments, including Refunds of Employee Contributions	(108,865)	(108,865)	-
Other (Net Transfer)	-	(32,429)	32,429
Net Changes	308,200	(88,208)	396,408
Balances at December 31, 2018	<u>3,149,539</u>	<u>2,937,433</u>	<u>212,106</u>

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

For the fiscal year ended April 30, 2019, the Village recognized pension expense of \$142,089. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 34,970	(129,346)	(94,376)
Change in Assumptions	94,334	(70,635)	23,699
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	189,404	-	189,404
Total Pension Expense to be Recognized in Future Periods	318,708	(199,981)	118,727
Pension Contributions Made Subsequent to the Measurement Date	29,928	-	29,928
Total Deferred Amounts Related to IMRF	348,636	(199,981)	148,655

\$29,928 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ 45,806
2021	15,181
2022	(2,392)
2023	53,979
2024	6,153
Thereafter	-
Total	118,727

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, there is minimal participation. As the Village provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Therefore, the Village has not recorded a liability as of April 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF ELWOOD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2019

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution		Covered Payroll	Contributions as a Percentage of Covered Payroll
			Excess/ (Deficiency)	Covered Payroll		
2016	\$ 124,894	\$ 124,894	\$ -	\$ 1,409,634		8.86%
2017	119,112	119,072	(40)	1,423,079		8.37%
2018	114,496	114,496	-	1,355,136		8.45%
2019	115,894	115,894	-	1,514,217		7.65%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMFR specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF ELWOOD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2019

12/31/15

Total Pension Liability	
Service Cost	\$ 151,367
Interest	163,745
Differences Between Expected and Actual Experience	100,106
Change of Assumptions	3,819
Benefit Payments, Including Refunds of Member Contributions	<u>(46,984)</u>
Net Change in Total Pension Liability	372,053
Total Pension Liability - Beginning	<u>2,131,079</u>
Total Pension Liability - Ending	<u>2,503,132</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 124,894
Contributions - Members	71,451
Net Investment Income	11,228
Benefit Payments, Including Refunds of Member Contributions	<u>(46,984)</u>
Other (Net Transfer)	<u>(108,673)</u>
Net Change in Plan Fiduciary Net Position	51,916
Plan Net Position - Beginning	<u>2,171,012</u>
Plan Net Position - Ending	<u>2,222,928</u>
Employer's Net Pension Liability/(Asset)	<u>\$ 280,204</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.81%
Covered Payroll	\$ 1,409,634
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	19.88%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/16	12/31/17	12/31/18
162,781	157,261	143,628
191,572	206,298	214,404
(92,413)	(55,780)	(54,263)
(4,025)	(103,041)	113,296
<u>(53,627)</u>	<u>(70,819)</u>	<u>(108,865)</u>
204,288	133,919	308,200
<u>2,503,132</u>	<u>2,707,420</u>	<u>2,841,339</u>
<u>2,707,420</u>	<u>2,841,339</u>	<u>3,149,539</u>
119,072	116,695	120,699
64,018	61,418	65,995
155,775	420,644	(133,608)
<u>(53,627)</u>	<u>(70,819)</u>	<u>(108,865)</u>
<u>379</u>	<u>(10,842)</u>	<u>(32,429)</u>
285,617	517,096	(88,208)
<u>2,222,928</u>	<u>2,508,545</u>	<u>3,025,641</u>
<u>2,508,545</u>	<u>3,025,641</u>	<u>2,937,433</u>
<u>198,875</u>	<u>(184,302)</u>	<u>212,106</u>
92.65%	106.49%	93.27%
1,423,079	1,364,842	1,466,568
13.97%	(13.50%)	14.46%

VILLAGE OF ELWOOD, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		
	Original	Final	Actual
Revenues			
Taxes	\$ 1,883,706	1,883,706	1,848,918
Intergovernmental	362,585	362,585	402,210
Charges for Services	947,205	947,205	916,332
Licenses and Permits	19,550	19,550	130,504
Fines and Forfeits	221,000	221,000	206,552
Interest Income	3,700	3,700	15,446
Miscellaneous	15,000	15,000	37,685
Total Revenues	3,452,746	3,452,746	3,557,647
Expenditures			
General Government	1,447,825	1,447,825	1,365,228
Public Safety	1,665,548	1,665,548	1,541,084
Public Works	784,175	784,175	678,670
Total Expenditures	3,897,548	3,897,548	3,584,982
Excess (Deficiency) of Revenues Over (Under) Expenditures	(444,802)	(444,802)	(27,335)
Other Financing Sources (Uses)			
Transfers In	1,020,578	1,020,578	1,020,578
Transfers Out	(575,776)	(575,776)	(579,526)
	444,802	444,802	441,052
Net Change in Fund Balance	-	-	413,717
Fund Balance - Beginning			1,893,013
Fund Balance - Ending			2,306,730

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Budgetary Comparison Schedule – Nonmajor Governmental Fund
- Budgetary Comparison Schedule – Enterprise Fund
- Consolidated Year-End Financial Report

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the revenues received from the Village's allocation of state gasoline taxes and the expenditures for street construction and maintenance, which must be authorized by the Illinois Department of Transportation.

DEBT SERVICE FUNDS

The Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, the principal and interest on the 2015 general obligation bonds.

Deer Run Tax Increment Financing (TIF) Fund

The Deer Run Tax Increment Financing Fund is used to account for revenues received from incremental property taxes and expenditures for debt service payments related to tax increment financing bonds.

CAPITAL PROJECTS FUND

The Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Capital Construction Bond Fund

The Capital Construction Bond Fund is used to account for revenues received from general obligation bond proceeds and expenditures for road improvements and reconstruction.

INDIVIDUAL FUND SCHEDULES

PROPRIETARY FUND

ENTERPRISE FUND

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water and Sewer Fund

The Water and Sewer Fund is used to account for revenues and expenses relative to the operation of the water and sewer utilities.

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Taxes			
Property Taxes	\$ 272,484	272,484	272,913
Road and Bridge Tax	75,000	75,000	84,683
Utility Tax	450,000	450,000	415,854
Personal Property Replacement Tax	1,000	1,000	971
Video Gaming Tax	8,000	8,000	5,985
Special Service Area Taxes	1,038,222	1,038,222	1,032,582
Home Rule Sales Tax	39,000	39,000	35,930
	1,883,706	1,883,706	1,848,918
Intergovernmental			
Local Use Tax	68,159	68,159	70,506
Income Tax	226,761	226,761	235,774
Sales Tax	60,000	60,000	66,232
Police/Safety Grants	7,665	7,665	29,698
	362,585	362,585	402,210
Charges for Services			
Center Point Administrative Fees	142,823	142,823	142,823
Center Point Special Fees	-	-	175,960
Engineering Fees	186,011	186,011	1,481
Nicor Franchise Fees	4,000	4,000	3,245
Cable Franchise Fees	8,755	8,755	7,993
Facility Rental Fee	500	500	2,315
Activity Registration Fee	3,500	3,500	2,460
Elwood Days Revenue	31,000	31,000	21,017
Elwood Days Carnival Ticket Sales	10,000	10,000	12,060
Fire Department Impact Fee	-	-	692
Container Stacking Fee	30,000	30,000	-
School District Impact Fee	-	-	4,882
Park Impact Fee	-	-	2,856
Village Impact Fee	-	-	1,669
Overweight Truck Fee	275,000	275,000	300,912
Police Reports	250	250	1,011
Children's Garden Fees	10,150	10,150	12,827
Garbage User Fee	220,016	220,016	222,129
Lease Agreements	25,200	25,200	-
	947,205	947,205	916,332

VILLAGE OF ELWOOD, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2019**

	Budget		
	Original	Final	Actual
Licenses and Permits			
Building Permits	\$ 5,000	5,000	111,903
Liquor Licenses	3,550	3,550	4,400
Business Licenses	2,000	2,000	2,401
Contractor Registration	9,000	9,000	11,800
	<hr/> 19,550	<hr/> 19,550	<hr/> 130,504
Fines and Forfeits			
Police Fines	220,000	220,000	204,898
Code Enforcement Fines	1,000	1,000	1,654
	<hr/> 221,000	<hr/> 221,000	<hr/> 206,552
Interest Income	3,700	3,700	15,446
Miscellaneous	15,000	15,000	37,685
Total Revenues	3,452,746	3,452,746	3,557,647

VILLAGE OF ELWOOD, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		
	Original	Final	Actual
General Government			
Administration			
Personnel Services	\$ 416,080	416,080	431,917
Contractual Services	881,495	881,495	797,110
Commodities	33,250	33,250	10,363
Other	117,000	117,000	125,838
Total General Government	1,447,825	1,447,825	1,365,228
Public Safety			
Police			
Personnel Services	1,293,355	1,298,635	1,180,411
Contractual Services	320,043	314,763	315,851
Commodities	52,150	52,150	44,822
Total Public Safety	1,665,548	1,665,548	1,541,084
Public Works			
Streets			
Personnel Services	451,200	451,200	400,419
Contractual Services	257,575	257,575	211,987
Commodities	75,400	75,400	66,264
Total Public Works	784,175	784,175	678,670
Total Expenditures	3,897,548	3,897,548	3,584,982

VILLAGE OF ELWOOD, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		
	Original	Final	Actual
Revenues			
Interest Income	\$ -	-	2,566
Expenditures			
Debt Service			
Principal Retirement	800,000	800,000	800,000
Interest and Fiscal Charges	111,168	111,168	111,918
Total Expenditures	<u>911,168</u>	<u>911,168</u>	<u>911,918</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(911,168)	(911,168)	(909,352)
Other Financing Sources			
Transfers In	<u>911,168</u>	<u>911,168</u>	<u>902,118</u>
Net Change in Fund Balance	<u> -</u>	<u> -</u>	<u>(7,234)</u>
Fund Balance - Beginning			<u>54,117</u>
Fund Balance - Ending			<u>46,883</u>

VILLAGE OF ELWOOD, ILLINOIS

Deer Run TIF - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	\$ 11,000,000	11,000,000	9,862,916
Interest	-	-	107,160
Total Revenues	<u>11,000,000</u>	<u>11,000,000</u>	<u>9,970,076</u>
Expenditures			
General Government	-	-	142,823
Debt Service			
Principal Retirement	-	-	14,924,486
Interest and Fiscal Charges	<u>11,000,000</u>	<u>11,000,000</u>	<u>11,025,120</u>
Total Expenditures	<u>11,000,000</u>	<u>11,000,000</u>	<u>26,092,429</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(16,122,353)</u>
Fund Balance - Beginning			<u>(90,455,385)</u>
Fund Balance - Ending			<u>(106,577,738)</u>

VILLAGE OF ELWOOD, ILLINOIS

Capital Construction Bond - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		
	Original	Final	Actual
Revenues			
Licenses and Permits	3,520,000	3,520,000	3,566,724
Interest Income	\$ 4,000	4,000	40,190
Intergovernmental			
Grants	-	-	174,175
Miscellaneous	94,000	94,000	-
Total Revenues	3,618,000	3,618,000	3,781,089
Expenditures			
General Government			
Personnel Services	-	-	3,921
Other	67,000	67,000	82,496
Capital Outlay	1,347,295	1,347,295	821,522
Total Expenditures	1,414,295	1,414,295	907,939
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	2,203,705	2,203,705	2,873,150
Other Financing (Uses)			
Transfers Out	(1,682,892)	(1,682,892)	(1,343,170)
Net Change in Fund Balance	520,813	520,813	1,529,980
Fund Balance - Beginning			5,808,925
Fund Balance - Ending			7,338,905

VILLAGE OF ELWOOD, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 58,684	58,684	57,851
Interest Income	2,600	2,600	12,580
Total Revenues	<u>61,284</u>	<u>61,284</u>	<u>70,431</u>
Expenditures			
Public Works			
Contractual Services	30,000	30,000	27,929
Capital Outlay	105,200	105,200	50,200
Total Expenditures	<u>135,200</u>	<u>135,200</u>	<u>78,129</u>
Net Change in Fund Balance	<u>(73,916)</u>	<u>(73,916)</u>	<u>(7,698)</u>
Fund Balance - Beginning			<u>2,127,738</u>
Fund Balance - Ending			<u>2,120,040</u>

VILLAGE OF ELWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water Charges	\$ 496,266	496,266	462,609
Sewer Charges	390,000	390,000	373,527
Water Penalties	2,500	2,500	6,155
Sewer Penalties	2,500	2,500	5,060
Tap On Fee	200,000	200,000	190,418
Meter Sales	2,000	2,000	4,409
Miscellaneous	19,200	19,200	31,569
Total Operating Revenues	1,112,466	1,112,466	1,073,747
Operating Expenses			
Water Operations			
Personnel Services	153,977	153,977	134,841
Contractual Services	431,489	431,489	277,754
Commodities	51,284	51,284	85,590
Other	315,000	315,000	312,187
Sewer Operations			
Personnel Services	153,978	153,978	131,846
Contractual Services	316,539	316,539	242,738
Commodities	21,034	21,034	10,562
Depreciation and Amortization	-	-	587,222
Total Operating Expenses	1,443,301	1,443,301	1,782,740
Operating Income (Loss)	(330,835)	(330,835)	(708,993)
Nonoperating Revenues (Expenses)			
Interest Income	1,000	1,000	6,505
Interest and Fiscal Charges	(326,922)	(326,922)	(316,527)
	(325,922)	(325,922)	(310,022)
Income (Loss) Before Transfers	(656,757)	(656,757)	(1,019,015)
Transfers In	326,922	326,922	-
Change in Net Position	(329,835)	(329,835)	(1,019,015)
Net Position - Beginning			3,395,800
Net Position - Ending			2,376,785

VILLAGE OF ELWOOD, ILLINOIS

Consolidated Year-End Financial Report

April 30, 2019

CSFA #	Program Name	State	Federal	Other	Totals
494-00-1488	Motor Fuel Tax Program	\$ 78,129	-	-	78,129
494-10-0343	State and Community Highway Safety/National Priority Safety Program	-	24,029	-	24,029
494-42-0495	Local Surface Transportation Program Other Grant Programs and Activities	-	174,175	-	174,175
	All Other Costs Not Allocated	-	-	5,670	5,670
				21,142,761	21,142,761
	Totals	<u>78,129</u>	<u>198,204</u>	<u>21,148,431</u>	<u>21,424,764</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010A

April 30, 2019

Date of Issue	August 4, 2010
Date of Maturity	March 1, 2030
Authorized Issue	\$3,805,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 5.10%
Interest Dates	September 1 and March 1
Principal Maturity Date	March 1
Payable at	Bond Trust Services Corp, Roseville, MN

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Sep. 1	Amount	Mar. 1	Amount
2020	\$ 200,000	130,034	330,034	2019	65,017	2020	65,017
2021	205,000	122,284	327,284	2020	61,142	2021	61,142
2022	215,000	114,085	329,085	2021	57,042	2022	57,043
2023	220,000	105,484	325,484	2022	52,742	2023	52,742
2024	230,000	96,134	326,134	2023	48,067	2024	48,067
2025	245,000	84,404	329,404	2024	42,202	2025	42,202
2026	255,000	71,910	326,910	2025	35,955	2026	35,955
2027	270,000	58,905	328,905	2026	29,452	2027	29,453
2028	280,000	45,136	325,136	2027	22,568	2028	22,568
2029	295,000	30,856	325,856	2028	15,428	2029	15,428
2030	310,000	15,810	325,810	2029	7,905	2030	7,905
	<u>2,725,000</u>	<u>875,042</u>	<u>3,600,042</u>		<u>437,520</u>		<u>437,522</u>

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010B April 30, 2019

Date of Issue	July 21, 2010
Date of Maturity	September 8, 2020
Authorized Issue	\$4,500,000
Denomination of Bonds	\$5,000
Interest Rate	3.99%
Interest Date	September 8
Principal Maturity Date	September 8
Payable at	Centerpoint Properties Trust

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	\$ -	-	-
2021	4,500,000	2,154,697	6,654,697
	4,500,000	2,154,697	6,654,697

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2015 April 30, 2019

Date of Issue	June 19, 2015
Date of Maturity	March 1, 2023
Authorized Issue	\$6,470,000
Denomination of Bonds	\$5,000
Interest Rate	2.45%
Interest Dates	September 1 and March 1
Principal Maturity Date	March 1
Payable at	Bank of New York Mellon, NY

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Sep. 1	Amount	Mar. 1	Amount
2020	\$ 875,000	88,568	963,568	2019	44,284	2020	44,284
2021	890,000	67,130	957,130	2020	33,565	2021	33,565
2022	915,000	45,326	960,326	2021	22,663	2022	22,663
2023	935,000	22,908	957,908	2022	11,454	2023	11,454
	<u>3,615,000</u>	<u>223,932</u>	<u>3,838,932</u>		<u>111,966</u>		<u>111,966</u>

STATISTICAL SECTION (Unaudited)

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

VILLAGE OF ELWOOD, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

	2010	2011	2012	2013
Governmental Activities				
Net Investment in Capital Assets	\$ 45,118,195	55,923,197	69,703,356	3,913,127
Restricted	284,408	186,235	228,407	1,934,012
Unrestricted	(85,744,242)	(104,473,877)	(127,256,105)	(73,276,070)
Total Governmental Activities Net Position	(40,341,639)	(48,364,445)	(57,324,342)	(67,428,931)
Business-Type Activities				
Net Investment in Capital Assets	7,135,001	12,646,565	12,179,521	11,748,272
Unrestricted	(379,412)	(3,299,779)	(3,652,969)	(4,124,143)
Total Business-Type Activities Net Position	6,755,589	9,346,786	8,526,552	7,624,129
Primary Government				
Net Investment in Capital Assets	52,253,196	68,569,762	81,882,877	15,661,399
Restricted	284,408	186,235	228,407	1,934,012
Unrestricted	(86,123,654)	(107,773,656)	(130,909,074)	(77,400,213)
Total Primary Government Net Position	(33,586,050)	(39,017,659)	(48,797,790)	(59,804,802)

Data Source: Village Records

2014	2015	2016	2017	2018	2019
5,827,985	9,784,755	18,324,386	26,476,702	36,544,352	48,878,874
1,969,900	1,996,603	2,047,412	2,102,206	2,163,827	2,152,162
(84,399,079)	(97,725,202)	(113,769,701)	(125,512,718)	(139,477,600)	(153,744,145)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(76,601,194)	(85,943,844)	(93,397,903)	(96,933,810)	(100,769,421)	(102,713,109)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
11,475,448	11,208,917	10,855,695	10,460,228	10,039,043	9,687,958
(5,141,641)	(5,789,966)	(6,315,287)	(6,694,224)	(6,643,243)	(7,311,173)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
6,333,807	5,418,951	4,540,408	3,766,004	3,395,800	2,376,785
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
17,303,433	20,993,672	29,180,081	36,936,930	46,583,395	58,566,832
1,969,900	1,996,603	2,047,412	2,102,206	2,163,827	2,152,162
(89,540,720)	(103,515,168)	(120,084,988)	(132,206,942)	(146,120,843)	(161,055,318)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(70,267,387)	(80,524,893)	(88,857,495)	(93,167,806)	(97,373,621)	(100,336,324)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

VILLAGE OF ELWOOD, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
General Government	\$ 886,566	1,353,265	1,724,469	1,232,453	1,128,996	2,194,352	5,306,224	5,052,898	5,879,660	5,753,887
Public Safety	1,187,539	1,319,476	1,486,332	1,319,274	1,621,037	1,618,937	1,650,714	1,659,873	1,383,656	1,620,641
Public Works	4,259,360	4,089,740	4,384,492	4,329,154	4,300,726	4,557,730	740,654	636,749	610,417	746,377
Parks and Recreation	111,906	119,869	153,868	177,647	144,163	138,880	184,749	134,796	4,927	-
Interest on Long-Term Debt	15,857,579	16,205,986	16,653,441	16,415,928	16,176,010	15,670,296	14,999,722	13,797,864	12,592,386	11,204,592
Total Governmental Activities Expenses	22,302,950	23,088,336	24,402,602	23,474,456	23,370,932	24,180,195	22,882,063	21,282,180	20,471,046	19,325,497
Business-Type Activities										
Water and Sewer	1,631,487	1,369,765	1,679,573	1,665,068	1,809,632	1,696,473	1,704,404	1,664,995	1,777,168	2,099,267
Garbage	148,973	157,912	163,045	173,592	176,382	183,494	187,187	223,258	201,433	-
Total Business-Type Activities Net Position	1,780,460	1,527,677	1,842,618	1,838,660	1,986,014	1,879,967	1,891,591	1,888,253	1,978,601	2,099,267
Total Primary Government Expenses	24,083,410	24,616,013	26,245,220	25,313,116	25,356,946	26,060,162	24,773,654	23,170,433	22,449,647	21,424,764
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	226,094	232,310	372,036	720,534	309,675	292,152	407,961	639,376	1,033,012	4,613,560
Public Safety	189,060	232,735	376,178	297,009	146,709	224,971	280,546	183,395	247,386	206,552
Parks and Recreation	20,043	15,989	15,946	17,522	18,375	17,215	9,911	17,143	(1,550)	-
Operating Grants/Contributions	39,638	48,018	60,760	61,304	70,334	62,887	66,664	65,949	66,933	87,549
Capital Grants/Contributions	50,000	2,148,100	125,829	51,118	79,824	-	-	-	-	174,175
Total Governmental Activities	525,435	2,677,152	950,749	1,147,487	624,917	597,225	765,082	905,863	1,345,781	5,081,836
Program Revenues										
Business-Type Activities										
Charges for Services										
Water and Sewer	663,993	728,649	748,583	855,098	770,900	768,299	786,140	862,299	1,075,415	1,073,747
Garbage	149,035	156,119	164,742	173,141	174,659	181,314	190,177	204,644	222,762	-
Operating Grants/Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants/Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	813,028	884,768	913,325	1,028,239	945,559	949,613	976,317	1,096,943	1,298,177	1,073,747
Total Primary Government										
Program Revenues	1,338,463	3,561,920	1,864,074	2,175,726	1,570,476	1,546,838	1,741,399	2,002,806	2,643,958	6,155,583

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expenses) Revenues										
Governmental Activities	\$ (21,777,515)	(20,411,184)	(23,451,853)	(22,326,969)	(22,746,015)	(23,582,970)	(22,116,981)	(20,376,317)	(19,125,265)	(14,243,661)
Business-Type Activities	(967,432)	(642,909)	(929,293)	(810,421)	(1,040,455)	(930,354)	(915,274)	(791,310)	(680,424)	(1,025,520)
Total Primary Government	<u>(22,744,947)</u>	<u>(21,054,093)</u>	<u>(24,381,146)</u>	<u>(23,137,390)</u>	<u>(23,786,470)</u>	<u>(24,513,324)</u>	<u>(23,032,255)</u>	<u>(21,167,627)</u>	<u>(19,805,689)</u>	<u>(15,269,181)</u>
Net Revenues (Expenses)										
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes	8,653,494	8,951,766	9,018,234	8,952,040	9,939,894	10,926,895	10,656,245	11,899,162	11,322,646	11,260,050
Property Taxes	413,237	351,564	340,097	566,718	597,230	608,208	600,516	479,043	355,757	415,854
Utility Taxes	-	-	-	-	-	-	-	-	-	35,930
Home-Rule Sales Tax	-	-	-	-	-	-	-	-	-	-
Intergovernmental - Unrestricted	369,746	361,917	1,348,180	232,728	206,567	148,733	266,404	98,271	94,621	66,232
Sales Taxes	156,146	162,538	260,205	265,223	266,484	295,594	296,548	280,531	278,723	306,280
Income Taxes	203,596	298,808	1,035,179	12,500	-	-	-	-	-	-
Reimbursements	63,691	38,357	31,975	24,058	16,040	14,147	19,346	22,349	69,616	177,942
Interest Income	1,635,376	2,223,428	2,509,604	1,947,315	2,281,607	2,246,743	2,679,568	4,061,054	3,472,916	37,685
Miscellaneous	-	-	(51,518)	-	265,930	-	-	-	(304,625)	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	11,495,286	12,388,378	14,491,956	12,000,582	13,573,752	14,240,320	14,518,627	16,840,410	15,289,654	12,299,973
Business-Type Activities										
Investment Income	21,724	11,599	4,834	4,598	16,063	15,498	16,199	16,906	5,595	6,515
Miscellaneous	-	3,222,507	52,707	-	-	-	-	-	-	-
Transfers	-	-	51,518	-	(265,930)	-	-	-	304,625	-
Total Business-Type Activities	21,724	3,234,106	109,059	4,598	(249,867)	15,498	16,199	16,906	310,220	6,515
Total Primary Government	<u>11,517,010</u>	<u>15,622,484</u>	<u>14,601,015</u>	<u>12,005,180</u>	<u>13,323,885</u>	<u>14,255,818</u>	<u>14,534,826</u>	<u>16,857,316</u>	<u>15,599,874</u>	<u>12,306,488</u>
Changes in Net Position										
Governmental Activities	(10,282,229)	(8,022,806)	(8,959,897)	(10,326,387)	(9,172,263)	(9,342,650)	(7,598,354)	(3,535,907)	(3,835,611)	(1,943,688)
Business-Type Activities	(945,708)	2,591,197	(820,234)	(805,823)	(1,290,322)	(914,856)	(899,075)	(774,404)	(370,204)	(1,019,005)
Total Primary Government	<u>(11,227,937)</u>	<u>(5,431,609)</u>	<u>(9,780,131)</u>	<u>(11,132,210)</u>	<u>(10,462,585)</u>	<u>(10,257,506)</u>	<u>(8,497,429)</u>	<u>(4,310,311)</u>	<u>(4,205,815)</u>	<u>(2,962,693)</u>

Data Source: Village Records

VILLAGE OF ELWOOD, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

	2010	2011	2012	2013
General Fund				
Reserved	\$ 29,250	41,997	-	-
Unreserved	668,833	654,298	-	-
Nonspendable	-	-	28,389	28,389
Unassigned	-	-	988,986	1,151,306
Total General Fund	<u>698,083</u>	<u>696,295</u>	<u>1,017,375</u>	<u>1,179,695</u>
All Other Governmental Funds				
Reserved	16,087	23,098	-	-
Unreserved, Reported in:				
Special Revenues Funds	268,321	160,980	-	-
Debt Service Funds	(4,766,321)	(9,585,412)	-	-
Capital Projects Funds	6,316,540	8,212,844	-	-
Nonspendable	-	-	15,614	15,614
Restricted	-	-	228,407	1,934,012
Assigned	-	-	8,081,237	6,223,169
Unassigned	-	-	(16,204,676)	(25,177,776)
Total All Other Governmental Funds	<u>1,834,627</u>	<u>(1,188,490)</u>	<u>(7,879,418)</u>	<u>(17,004,981)</u>
Total Governmental Funds	<u>2,532,710</u>	<u>(492,195)</u>	<u>(6,862,043)</u>	<u>(15,825,286)</u>

Data Source: Village Records

The Village implemented GASB 54 in Fiscal Year 2012.

2014	2015	2016	2017	2018	2019
-	-	-	-	-	-
-	-	-	-	-	-
11,078	12,581	15,333	13,157	19,016	24,392
1,226,766	1,226,692	1,398,987	1,728,956	1,873,997	2,282,338
<u>1,237,844</u>	<u>1,239,273</u>	<u>1,414,320</u>	<u>1,742,113</u>	<u>1,893,013</u>	<u>2,306,730</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,854	5,523	5,691	5,915	57	57
1,969,900	1,996,603	2,047,412	2,102,206	2,181,855	2,166,923
5,962,828	4,758,997	2,543,516	4,688,663	5,808,868	7,338,848
(35,701,543)	(47,504,451)	(61,287,193)	(75,300,946)	(90,455,385)	(106,577,738)
(27,760,961)	(40,743,328)	(56,690,574)	(68,504,162)	(82,464,605)	(97,071,910)
<u>(26,523,117)</u>	<u>(39,504,055)</u>	<u>(55,276,254)</u>	<u>(66,762,049)</u>	<u>(80,571,592)</u>	<u>(94,765,180)</u>

VILLAGE OF ELWOOD, ILLINOIS**General Governmental Revenues by Source - Last Ten Fiscal Years**
April 30, 2019 (Unaudited)

Source	2010	2011	2012	2013
Taxes	\$ 9,066,731	9,303,330	9,358,331	9,518,758
Intergovernmental	819,126	3,019,381	2,830,153	1,022,873
Charges for Services	216,820	221,043	234,758	288,647
Licenses and Permits	29,917	27,256	153,224	49,409
Fines and Forfeits	189,060	232,735	376,178	297,009
Interest Income	63,691	38,357	31,975	24,058
Miscellaneous	<u>1,635,376</u>	<u>2,223,428</u>	<u>2,509,604</u>	<u>1,947,315</u>
Totals	<u>12,020,721</u>	<u>15,065,530</u>	<u>15,494,223</u>	<u>13,148,069</u>

Data Source: Village Records

2014	2015	2016	2017	2018	2019
10,537,124	11,535,103	11,256,761	12,378,205	11,678,403	11,711,834
623,209	507,214	629,616	444,751	440,277	634,236
269,344	271,566	340,471	434,232	915,859	916,332
58,706	37,801	77,401	222,287	115,603	3,697,228
146,709	224,971	280,546	183,395	247,386	206,552
16,040	14,147	19,346	22,349	69,616	177,942
<u>2,281,607</u>	<u>2,246,743</u>	<u>2,679,568</u>	<u>4,061,054</u>	<u>3,472,916</u>	<u>37,685</u>
<u>13,932,739</u>	<u>14,837,545</u>	<u>15,283,709</u>	<u>17,746,273</u>	<u>16,940,060</u>	<u>17,381,809</u>

VILLAGE OF ELWOOD, ILLINOIS

General Governmental Expenditures by Function - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Function	2010	2011	2012	2013
General Government	\$ 856,697	3,147,483	4,471,932	2,667,008
Public Safety	1,150,403	1,235,494	1,528,422	1,290,514
Public Works	1,035,170	778,573	849,852	950,051
Parks and Recreation	111,906	119,869	153,868	177,647
Capital Outlay	153,300	23,695	-	9,782
Debt Service				
Principal	10,893,200	12,601,421	14,510,577	16,729,349
Interest and Fiscal Charges	295,085	298,294	297,902	286,960
Totals	14,495,761	18,204,829	21,812,553	22,111,311

Data Source: Village Records

2014	2015	2016	2017	2018	2019
2,368,069	3,341,821	4,636,317	1,565,951	2,451,028	1,594,468
1,550,804	1,556,089	1,589,039	1,596,855	1,304,949	1,541,084
857,973	850,116	850,149	587,109	571,063	706,599
144,163	138,880	184,749	134,796	4,927	-
495,616	418,703	-	-	-	871,722
19,198,015	6,145,894	9,248,001	11,711,959	13,635,423	15,724,486
281,860	15,366,980	14,688,008	13,640,898	12,477,588	11,137,038
<u>24,896,500</u>	<u>27,818,483</u>	<u>31,196,263</u>	<u>29,237,568</u>	<u>30,444,978</u>	<u>31,575,397</u>

VILLAGE OF ELWOOD, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

	2010	2011	2012	2013
Revenues				
Taxes	\$ 9,303,330	9,358,331	9,518,758	10,537,124
Licenses and Permits	27,256	153,224	49,409	58,706
Intergovernmental	3,019,381	2,830,153	1,022,873	623,209
Charges for Services and Fees	221,043	234,758	288,647	269,344
Fines and Forfeits	232,735	376,178	297,009	146,709
Investment Income	38,357	31,975	24,058	16,040
Miscellaneous	2,223,428	2,509,604	1,947,315	2,281,607
Total Revenues	15,065,530	15,494,223	13,148,069	13,932,739
Expenditures				
General Government	3,147,483	4,471,932	2,667,008	2,368,069
Public Safety	1,235,494	1,528,422	1,290,514	1,550,804
Public Works	778,573	849,852	950,051	857,973
Parks and Recreation	119,869	153,868	177,647	144,163
Capital Outlay	23,695	-	9,782	495,616
Debt Service				
Principal	12,601,421	14,510,577	16,729,349	19,198,015
Interest and Fiscal Charges	298,294	297,902	286,960	281,860
Total Expenditures	18,204,829	21,812,553	22,111,311	24,896,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,139,299)	(6,318,330)	(8,963,242)	(10,963,761)
Other Financing Sources (Uses)				
Debt Issuance	23,275	114,394	-	-
Sale of Capital Asset	-	-	-	-
Payment to Escrow Agent	-	-	-	-
Transfers In	716,723	331,472	845,393	582,819
Transfers Out	(716,723)	(331,472)	(896,911)	(582,819)
	23,275	114,394	(51,518)	-
Net Change in Fund Balances	(3,116,024)	(6,203,936)	(9,014,760)	(10,963,761)
Debt Service as a Percentage of Noncapital Expenditures	72.35%	74.11%	88.59%	84.23%

Data Source: Village Records

2014	2015	2016	2017	2018	2019
11,535,103	11,256,761	12,378,205	12,378,205	11,678,403	11,711,834
37,801	77,401	222,287	222,287	115,603	3,697,228
507,214	629,616	444,751	444,751	440,277	634,236
271,566	340,471	434,232	434,232	915,859	916,332
224,971	280,546	183,395	183,395	247,386	206,552
14,147	19,346	22,349	22,349	69,616	177,942
<u>2,246,743</u>	<u>2,679,568</u>	<u>4,061,054</u>	<u>4,061,054</u>	<u>3,472,916</u>	<u>37,685</u>
<u>14,837,545</u>	<u>15,283,709</u>	<u>17,746,273</u>	<u>17,746,273</u>	<u>16,940,060</u>	<u>17,381,809</u>
3,341,821	4,636,317	1,565,951	1,565,951	2,451,028	1,594,468
1,556,089	1,589,039	1,596,855	1,596,855	1,304,949	1,541,084
850,116	850,149	587,109	587,109	571,063	706,599
138,880	184,749	134,796	134,796	4,927	-
418,703	-	-	-	-	871,722
6,145,894	9,248,001	11,711,959	11,711,959	13,635,423	15,724,486
15,366,980	14,688,008	13,640,898	13,640,898	12,477,588	11,137,038
<u>27,818,483</u>	<u>31,196,263</u>	<u>29,237,568</u>	<u>29,237,568</u>	<u>30,444,978</u>	<u>31,575,397</u>
<u>(12,980,938)</u>	<u>(15,912,554)</u>	<u>(11,491,295)</u>	<u>(11,491,295)</u>	<u>(13,504,918)</u>	<u>(14,193,588)</u>
-	-	6,470,000	-	-	-
-	-	-	5,500	-	-
-	-	(6,329,645)	-	-	-
565,015	544,348	942,061	927,969	1,433,483	1,433,483
(299,085)	(544,348)	(942,061)	(927,969)	(1,738,108)	(1,738,108)
<u>265,930</u>	<u>-</u>	<u>140,355</u>	<u>5,500</u>	<u>(304,625)</u>	<u>(304,625)</u>
<u>(12,715,008)</u>	<u>(15,912,554)</u>	<u>(11,350,940)</u>	<u>(11,485,795)</u>	<u>(13,809,543)</u>	<u>(14,498,213)</u>
83.23%	80.92%	97.87%	87.85%	86.98%	86.68%

VILLAGE OF ELWOOD, ILLINOIS**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years**
April 30, 2019 (Unaudited)

Tax Levy Year	Residential Property	Farm
2009	\$ 52,489,876	\$ 2,473,024
2010	51,797,707	2,475,304
2011	44,751,700	2,525,300
2012	40,262,651	2,400,666
2013	36,542,364	2,431,639
2014	36,760,701	2,445,737
2015	36,651,997	2,583,264
2016	38,623,085	2,687,788
2017	39,285,319	2,890,446
2018	43,068,065	3,044,041

Data Source: Will County Tax Extension Office

Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$ 1,364,724	\$ 7,211,230	\$ 63,538,854	\$ 61,305	\$ 63,600,159	0.255
1,466,163	7,211,230	62,950,404	76,688	63,027,092	0.266
2,642,962	6,477,723	56,397,685	81,499	56,479,184	0.312
2,640,159	6,396,455	51,699,931	92,216	51,792,147	0.357
2,624,559	6,331,261	47,929,823	113,956	48,043,779	0.404
2,207,158	6,381,261	47,794,857	118,833	47,913,690	0.425
2,235,433	6,325,081	47,795,775	142,716	47,938,491	0.444
2,194,934	6,325,081	49,830,888	145,215	49,976,103	0.448
2,822,299	13,166,364	58,164,428	148,159	58,312,587	0.467
2,906,440	13,172,544	62,191,090	159,211	62,350,301	0.459

VILLAGE OF ELWOOD, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2019 (Unaudited)

	2009	2010	2011	2012
Village of Elwood				
Corporate	0.255	0.266	0.312	0.357
Will County	0.483	0.508	0.535	0.570
Will County Forest Preserve District	0.152	0.157	0.169	0.186
Will County Public Building Commission	0.019	0.020	0.020	0.021
Jackson Township	0.203	0.219	0.222	0.244
Jackson Township Road & Bridge	0.000	0.000	0.115	0.127
Village of Elwood Road and Bridge	0.105	0.114	0.115	0.127
Manhattan-Elwood Public Library	0.156	0.164	0.178	0.196
Elwood Fire Protection District	0.494	0.515	0.502	0.588
School District 203	2.234	2.311	2.536	2.832
High School District 204	1.897	2.056	2.228	2.486
Community College District 525	0.214	0.227	0.246	0.277
 Total Tax Rate Per \$100 EAV	 6.213	 6.555	 7.178	 8.009
 Village's Share of Total Tax Rate	 4.10%	 4.06%	 4.41%	 4.53%

Data Source: Office of the Will County Clerk

2013	2014	2015	2016	2017	2018
0.404	0.425	0.444	0.448	0.467	0.459
0.599	0.643	0.614	0.612	0.599	0.593
0.197	0.198	0.194	0.194	0.190	0.150
0.022	0.022	0.022	0.003	0.000	0.000
0.264	0.107	0.102	0.102	0.101	0.101
0.137	0.146	0.148	0.184	0.180	0.179
0.137	0.329	0.148	0.148	0.145	0.144
0.210	0.219	0.220	0.214	0.212	0.210
0.624	0.649	0.658	0.669	0.685	0.701
3.078	3.166	2.781	2.742	2.804	2.701
2.703	2.875	2.868	2.803	2.651	2.602
0.296	0.309	0.307	0.310	0.299	0.292
8.670	9.087	8.503	8.428	8.333	8.133
4.73%	4.75%	5.22%	5.31%	5.61%	5.64%

VILLAGE OF ELWOOD, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Ten Fiscal Years Ago
April 30, 2019 (Unaudited)

Taxpayer	2019			2009		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Wal-Mart Stores	\$ 18,559,075	1	12.38%	\$ 22,766,449	1	23.40%
Wal-Mart Stores	16,775,157	2	11.19%	20,234,674	2	8.62%
Centerpoint Intermodal LLC	12,774,624	3	8.52%			
Liberty Property LP	10,017,534	4	6.68%			
Georgia-Pacific LLC	10,006,999	5	6.67%	12,680,763	4	5.30%
Centerpoint Properties Trust	6,867,350	6	4.58%			
Centerpoint Properties Trust	6,698,080	7	4.47%			
Bissell Midwest DC Leasing LI	6,322,568	8	4.22%			
Elwood Energy LLC	4,020,797	9	2.68%			
Centerpoint Intermodal LLC	3,366,477	10	2.25%			
CJFI, LLC				12,951,055	3	6.69%
Benderson Company, Inc.				8,119,599	5	4.81%
RB-3 Associates Et Al				7,799,220	6	0.82%
Elwood Energy				4,020,797	7	0.76%
Centerpoint Elwood LLC				2,927,677	8	0.52%
CJFI, LLC				2,839,676	9	0.43%
Elwood Energy				2,242,067	10	0.38%
	<u>95,408,661</u>		<u>63.64%</u>	<u>96,581,977</u>		<u>51.73%</u>

Data Source: Office of the County Clerk of Will County

VILLAGE OF ELWOOD, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2010*	2008	\$ 7,857,670	\$ 7,856,706	99.99%	N/A	\$ 7,856,706	99.99%
2011*	2009	8,084,038	8,083,206	99.99%	N/A	8,083,206	99.99%
2012*	2010	8,084,588	8,083,594	99.99%	N/A	8,083,594	99.99%
2013*	2011	8,023,307	8,017,406	99.93%	N/A	8,017,406	99.93%
2014*	2012	8,911,304	8,911,368	100.00%	N/A	8,911,368	100.00%
2015*	2013	9,898,660	9,898,395	100.00%	N/A	9,898,395	100.00%
2016*	2014	9,562,100	9,561,421	99.99%	N/A	9,561,421	99.99%
2017*	2015	10,785,227	10,784,956	100.00%	N/A	10,784,956	100.00%
2018*	2016	10,509,393	10,212,628	97.18%	N/A	10,212,628	97.18%
2019*	2017	10,219,964	10,220,013	100.00%	N/A	10,220,013	100.00%

N/A - Not Available

Data Source: Office of the County Clerk of Will County

* Includes incremental taxes for the Deer Run TIF Fund.

VILLAGE OF ELWOOD, ILLINOIS

Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Fiscal Year	Governmental Activities		
	General Obligation Bonds	General Obligation Capital Appreciation	Capital Leases Payable
2010	\$ 6,715,000	\$ 7,797,483	\$ 41,028
2011	6,715,000	8,242,011	77,925
2012	6,600,000	8,711,881	-
2013	6,480,000	9,208,539	-
2014	6,355,000	9,733,510	-
2015	6,225,000	10,288,409	-
2016	5,815,000	10,874,944	-
2017	5,150,000	11,494,917	-
2018	4,415,000	12,150,232	-
2019	3,615,000	12,842,907	-

Data Source: Village's Records

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

		Business-Type Activities					
Tax Increment Notes Payable	General Obligation Bonds	Loans Payable		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)	
158,927,266	\$ -	\$ 14,320,000		\$ 187,800,777	516.56%	\$ 115,926.41	
161,862,632	8,290,000	-		185,187,568	509.37%	81,258.26	
163,196,005	8,248,754	-		186,756,640	857.75%	81,946.75	
162,219,816	8,251,066	-		186,159,421	855.01%	81,684.70	
158,516,866	8,088,379	-		182,693,755	390.63%	80,164.00	
137,412,340	7,920,692	-		161,846,441	346.05%	71,016.43	
143,299,268	7,748,005	-		167,737,217	326.81%	73,601.24	
131,792,018	7,570,318	-		156,007,253	289.50%	68,454.26	
118,354,079	7,387,631	-		142,306,942	219.34%	62,442.71	
102,807,739	7,199,944	-		126,465,590	173.94%	55,491.70	

VILLAGE OF ELWOOD, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years

April 30, 2019 (Unaudited)

Fiscal Year	Gross General Obligation Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2010	\$ 14,512,483	\$ -	\$ 14,512,483	22.82%	\$ 8,958.32
2011	23,247,011	-	23,247,011	36.88%	10,200.53
2012	23,560,635	-	23,560,635	41.72%	10,338.15
2013	23,939,605	-	23,939,605	46.22%	10,504.43
2014	24,176,889	-	24,176,889	50.32%	10,608.55
2015	24,434,101	-	24,434,101	51.00%	10,721.41
2016	24,437,949	-	24,437,949	50.98%	10,723.10
2017	24,215,235	-	24,215,235	48.45%	10,625.38
2018	23,952,863	36,089	23,916,774	41.01%	10,494.42
2019	23,657,851	32,122	23,625,729	37.89%	10,366.71

Data Source: Village Records

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Ratios of Outstanding Debt by Type Schedule for Equalized Assessed Value data (Actual Taxable Value of Property).

(2) See the Demographic and Economic Statistics Schedule for the Per Capita Income data.

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt
April 30, 2019 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Elwood	\$ 119,265,646	100.00%	\$ 119,265,646
Will County	316,457,488	0.48%	1,518,996
Will County Forest Preserve District	97,975,000	0.15%	146,963
High School District 204	169,785,000	0.26%	441,441
Community College District 525	<u>69,785,000</u>	0.11%	<u>76,764</u>
Subtotal	<u>654,002,488</u>		<u>2,184,163</u>
Totals	<u>773,268,134</u>		<u>121,449,809</u>

(1) Determined by the ratio of assessed value of property in the Village of Elwood subject to taxation by the Governmental Unit to the total assessed value of property of the Governmental Unit.

Data Source: Will County Clerk's Office

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Legal Debt Margin

April 30, 2019 (Unaudited)

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides that the General Assembly may limit the amount and require referenda for approval of debt payable from ad valorem property taxes in excess of one percent of assessed valuation. However, no such statute has been enacted as of this date. Therefore, as a home rule municipality, the Village of Elwood, Illinois has no debt limit.

VILLAGE OF ELWOOD, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2019 (Unaudited)

Fiscal Year	(1) Population	Personal Income (in Thousands)	(1) Per Capita Personal Income	(1) Median Age	(2) School Enrollment	(3) Unemployment Rate
2010	1,620	\$ 36,356	\$ 22,442	35	423	7.0
2011	2,279	36,356	22,442	35	423	7.0
2012	2,279	21,773	13,440	40	395	6.5
2013	2,279	21,773	13,440	40	379	5.7
2014	2,279	46,769	28,870	40	409	9.4
2015	2,279	46,769	28,870	40	380	7.5
2016	2,279	51,325	31,682	42	380	6.2
2017	2,279	53,889	28,374	41	342	6.3
2018	2,279	64,881	30,223	43	367	4.5
2019	2,279	72,708	30,223	43	350	4.2

Data Sources:

- (1) U.S. Census Bureau
- (2) Annual School Census
- (3) Illinois Department of Employment Security

VILLAGE OF ELWOOD, ILLINOIS

Principal Employers - Prior Fiscal Year and Ten Fiscal Years Ago April 30, 2019 (Unaudited)

Employer	2018			2009		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Wal-Mart	1,700	1	N/A	2,000	1	N/A
BNSF	800	2	N/A	855	2	N/A
DCS Logistics	275	3	N/A	265	3	N/A
Clearwater Paper	175	4	N/A			
Georgia Pacific	400	5	N/A	100	5	N/A
Elwood School District	46	6	N/A	40	6	N/A
Village of Elwood	35	7	N/A	26	7	N/A
Yale Enforcement Services	28	8	N/A			
Potlach				220	4	N/A
Bridge Terminal Transport				25	8	N/A
	<u><u>3,459</u></u>		<u><u>N/A</u></u>	<u><u>3,531</u></u>		<u><u>N/A</u></u>

N/A - Not Available

Data Sources: Village Community Development Department Records and U.S. Census Bureau.

VILLAGE OF ELWOOD, ILLINOIS**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2019 (Unaudited)**

Function	2010	2011	2012	2013
General Government				
Administration	2	2	2	2
Public Works	5	5	4	4
Police	11	11	11	9
Water and Sewer	1	1	2	2
Totals	19	19	19	17

Data Source: Village Records

2014	2015	2016	2017	2018	2019
2	2	3	3	3	3
4	4	4	4	4	5
11	11	13	11	11	11
2	2	3	2	1	1
19	19	23	20	19	20

VILLAGE OF ELWOOD, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years April 30, 2019 (Unaudited)

Function/Program	2010	2011	2012
Public Works			
Forestry			
Number of Parkway Trees Planted	30	11	84
Number of Parkway Trees Trimmed	50	100	150
Brush Pickup Program (Cubic Yds. Collected)	70	82	82
Fleet Services			
Number of Vehicles Maintained	20	20	20
Preventative Maintenance Services	80	16	112
Public Safety			
Police			
Criminal	314	137	112
Quasi Criminal	591	116	116
Calls for Service	905	3,359	5,537
State Tickets Issued	1,105	1,130	1,095
Community Development			
Number of Building Permits Issued	-	65	-
Number of Building Inspections	-	56	-
Highways and Streets			
Sidewalk Replaced (Sq. Ft.)	120	210	150
Water and Sewer			
Water Main Breaks	-	-	1
Hydrants Flushed	549	700	700
Water Meters Read	900	905	905
Water Meter Service Requests	25	8	22
Water Meters Replaced	2	4	1
Total Distribution Pumpage (1,000 Gallons)	90,468	87,677	81,030
Average Daily Pumpage (1,000 Gallons)	249	234	222
Sanitary Sewer Televising (Feet)	-	-	12,913
Sanitary Sewer Repairs	-	1	1

N/A - Not Available

Data Source: Village Records

2013	2014	2015	2016	2017	2018	2019
37	N/A	N/A	8	20	8	7
150	N/A	N/A	175	60	135	96
82	N/A	N/A	98	140	56	135
22	N/A	N/A	21	24	26	24
118	N/A	N/A	98	72	121	24
41	22	29	N/A	28	27	16
77	166	103	N/A	N/A	160	155
5,921	7,125	6,766	N/A	5,041	6,036	5,794
2,274	2,626	4,250	N/A	2,516	4,152	3,494
58	N/A	N/A	N/A	N/A	64	95
83	N/A	N/A	N/A	N/A	284	207
14,544	N/A	N/A	998	175	-	365
2	N/A	N/A	2	3	3	4
700	N/A	N/A	460	557	557	700
905	N/A	N/A	955	N/A	959	1,030
1	N/A	N/A	125	N/A	20	7
4	N/A	N/A	13	15	21	2
72,437	N/A	N/A	75,228	74,360	120,300	89,054
199	N/A	N/A	203	204	275	279
-	N/A	N/A	-	-	-	-
1	N/A	N/A	1	2	1	2

VILLAGE OF ELWOOD, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	10	13	9	10	10	10	10	10	10	10
Fire Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (Miles)	50.70	50.70	50.70	50.70	50.70	50.70	50.70	52.00	52.00	52.00
Sidewalks (Miles)	15.00	15.00	15.00	16.00	16.00	16.00	16.00	19.50	19.50	19.50
Streetlights	165	165	165	165	165	165	165	168	167	209
Water and Sewer										
Water Mains (Miles)	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
Fire Hydrants	549	549	549	557	557	557	557	557	559	561
Sanitary Sewers (Miles)	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Manholes	391	391	391	391	391	391	391	391	396	401

Data Source: Village Records