

**VILLAGE OF ELWOOD, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
APRIL 30, 2007**

Prepared by Finance Department:

Roberta Day  
Treasurer

# VILLAGE OF ELWOOD, ILLINOIS

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## **INTRODUCTORY SECTION**

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

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

# **VILLAGE OF ELWOOD, ILLINOIS**

**List of Principal Officials**  
**April 30, 2007**

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## **VILLAGE PRESIDENT**

Robert T. Blum

## **VILLAGE BOARD OF TRUSTEES**

Janice Ruban

Charles Bernhard

Walter Strawn

Mary Matichak

Jason Kucera

Jodi Kirinich

## **VILLAGE CLERK**

Patricia Buchenau

## **DEPARTMENT HEADS**

Village Administrator

Aimee Ingalls

Village Treasurer

Roberta Day

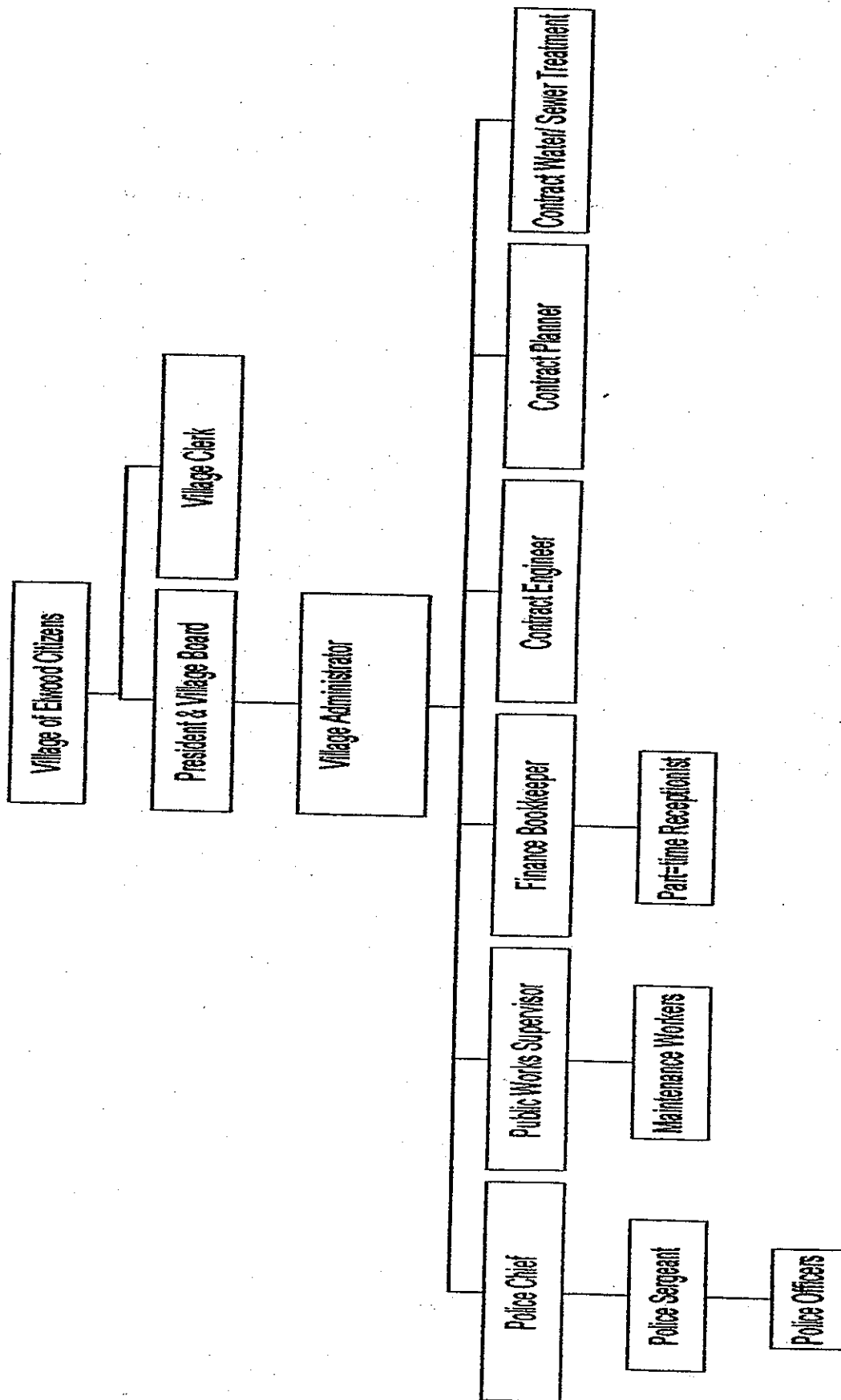
Chief of Police

David Albert

Director of Public Works

Scott Haywood

# Village of Elwood



# 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, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Ronald J. Blum".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



August 1, 2007

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, 2007. The responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the Village of Elwood's Administrative Department. To the best of our knowledge and belief, 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 the funds 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.

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. Housing construction in the past (5) five years has seen some positive changes in the Village's economic future. In addition, the largest inter-modal park in the nation is located within a tax increment financing district within the Village's western boarder.

The estimated actual value of property in the Village has increased by 10.76% in 2007. Current projections again anticipate a growth rate in 2008 of approximately 10.00% based on preliminary assessment information. When comparing this growth rate to the prior ten years, which averaged 15.00% from 1998 through 2007, it appears that the majority of the property in the Village is still to be developed; future development will occur on a sporadic basis.

In FYE 2007, utility tax revenue increased by \$ 29,380 or 9.5%. This compares to a \$57,941 increase or 22.98% during the previous fiscal year. Utility tax provided approximately 11.8% of the total General Fund operating revenue in FYE 2007 as compared with 12.90% in FYE 2006.

#### **OTHER ECONOMIC CONDITIONS EXPECTED**

Housing developments will increase consistent with the growth in the rest of western Will County. Two (2) major projects are planned for upscale developments.

Currently, employment in Will County remains relatively similar to the state and national level, with a 4.5% unemployment rate in the county as of May 2007. This compares to a statewide rate of 4.8% and a national average of 4.5%. The local unemployment rate has decreased from the rate reported last year. The Bureau of Labor Statistics supplies this information to the Village.

#### **MAJOR INITIATIVES**

The Village has accomplished many major initiatives during FYE 2007. Some of the accomplishments that the elected officials and staff are most proud of are described in the following. Planning of the new Village Hall, major construction projects on many Village thoroughfares.

#### **DEPARTMENT FOCUS**

Over the past fiscal year the Village has expanded the Public Works Department to accommodate the growth in the community. The Village added Public Works staff, part time seasonal staff, and increased maintenance activity. In addition, the department added a salt storage garage, dump truck & plow, and utility vehicle.

#### **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 and agency 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 are maintained on a full accrual basis.

The internal control structure is designed to provide reasonable, 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, certain Capital Projects Funds, Enterprise Funds and Tax Increment Financing Funds are included in the annual operational 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.

GENERAL GOVERNMENT FUNCTIONS The following schedule presents a summary of General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds revenues for the fiscal year ended April 30, 2006, for the primary government of the Village, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenues by Source</u>	<u>2006</u>	<u>2007</u>	<u>Increase (Decrease) over 2006</u>	<u>2007 Percent of Total</u>
Taxes	\$ 4,449,755	\$ 6,053,597	\$ 1,603,842	36.04%
Charges for Services	3,361,818	2,071,685	(1,290,133)	-38.38%
Licenses & Permits	481,353	78,601	(402,752)	-83.67%
Intergovernmental	547,394	1,966,061	1,418,667	259.17%
Fines and Forfeits	116,919	161,322	44,403	37.98%
Interest Income	224,495	338,629	114,134	50.84%
Miscellaneous	144,129	73,513	(70,616)	-48.99%
Total	<u>\$ 9,325,863</u>	<u>\$ 10,743,408</u>	<u>\$ 1,417,545</u>	<u>15.20%</u>

Taxes increased by \$1,603,842 or 36.04% due primarily to the property taxes in the TIF district, non governmental groups, and in utility taxes.

Licenses and permits decreased by \$402,752 or -83.67% due to building permits decreasing in the development of the TIF district and throughout the village over prior fiscal year.

Intergovernmental Revenues increased by \$1,418,667 or 259.17% over FYE 2006 due to home rule sales tax prior year reimbursements.

Interest income increased by \$114,134 or 50.84% due to substantially higher cash balances and better investment practices.

Finally, Miscellaneous Revenue decreased in FYE 2007 by \$70,616 or -48.99% due primarily to a decrease in donations in the General Fund.

Expenses	2006	2007	Increase (Decrease) over 2006	2007 Percent of Total
General Government	\$ 1,530,702	\$ 2,678,321	\$ 1,147,619	74.97%
Public Safety	1,011,725	812,160	(199,565)	-19.73%
Public Works	500,530	556,032	55,502	11.09%
Parks and Recreation	69,450	114,429	44,979	64.76%
Capital Outlay	5,489,388	7,946,124	2,456,736	44.75%
Debt Service	4,043,636	5,844,297	1,800,661	44.53%
Total	<u>\$ 12,645,431</u>	<u>\$ 17,951,363</u>	<u>\$ 5,305,932</u>	<u>41.96%</u>

There was a \$ 5,305,932 or 41.96% increase in expenditures for *General Government, Public Safety, and Highways & Streets* in FYE 2007. This was due primarily to prior year home rule sales tax reimbursements, legal fees, and engineering fees.

Expenditures for Capital Outlay increased in FYE 2007 by \$2,456,736 or 44.75%. This increase was entirely due to increased construction activity particularly with regards to construction of the new Village Hall.

**GENERAL FUND BALANCE** The fund balance in the General Fund increased in FYE 2007 by \$143,172 or 18%. This balance is 30% of expenses, Village policy calls for 25% balance.

**ENTERPRISE OPERATIONS** The Village's enterprise operations include the Waterworks and Sewerage Fund and the Garbage Fund. The Waterworks and Sewerage Fund experienced a net operating loss pending a settlement with a major developer in the TIF district.

**DEBT ADMINISTRATION** The Village issued no additional debt In FY 2007 the Village received its first bond rating of BBB+ from Standard and Poor's. Because the Village is a Home Rule community it does not have a legal debt limit.

**CASH MANAGEMENT** Cash temporarily idle during the year was invested in investment pools. The Village's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are insured by federal depository insurance. However, policy requires all investments to be collateralized. The Village's investment management is in transition with a number of changes expected in coming years and a comprehensive review of the Village's investment policy is anticipated.

**RISK MANAGEMENT** The Village entered into a contractual agreement effective January 1, 1986, joining the Illinois Municipal League Risk Management Agency (IMLRisk), which provides the Village with its insurance coverage for liability, property damage, workmen's compensation, and all other lines of coverage. IRMA is a self-insurance group consisting several municipalities, pooling their risks through a self-insurance agency. During 2007, the Village continued low claim experience through innovative loss control programs.

**INDEPENDENT AUDIT** State statute requires an annual audit by independent certified public accountants. The Village selected the accounting firm of Lauterbach and Amen, LLP. The auditor's report on the basic financial statements is included in the financial section of this report.

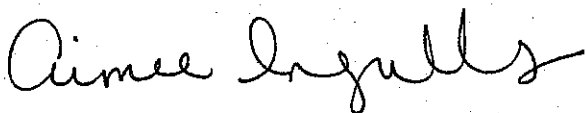
**AWARDS** The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to governmental entities for their Comprehensive Annual Financial Report (CAFR) for each fiscal year. This is third year the Village is applying for the prestigious award. 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.

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.

**ACKNOWLEDGEMENTS** 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. Particular recognition should be given to Robbie Day, Accountant/ Bookkeeper, and Pat Buchenau, Village Clerk for their hard work and dedication in completing this report.

In addition, the Village wishes to recognize the staff of the firm of Lauterbach and 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,



Aimee Ingalls  
Village Administrator

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

## **INDEPENDENT AUDITORS' REPORT**

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

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**INDEPENDENT AUDITORS' REPORT**

June 22, 2007

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

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Elwood, as of and for the year ended April 30, 2007, which collectively comprise the Village of Elwood's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Elwood, Illinois' management. Our responsibility is to express an opinion on these basic 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental and business-type activities, each major fund, and the aggregate remaining fund information of the Village of Elwood, Illinois as of April 30, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund schedules, as well as the information listed as supplemental and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Elwood, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.



The Management's Discussion and Analysis and the other required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

*Lauterbach & Amen LLP*

LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **VILLAGE OF ELWOOD, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2007**

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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, 2007. Please read it in conjunction with the transmittal letter that begins on page iii and the Village's financial statements, which begin on page 15. This is the third year that the Village is applying GASB Statement No. 34. Therefore, comparative data for the prior year is presented.

#### **FINANCIAL HIGHLIGHTS**

- The Village of Elwood's governmental net assets decreased as a result of this year's operations and capital improvements by \$10,384,773, while net assets of business-type activities decreased by \$1,179,285.
- During the year, expenses were \$10.4 million more than the \$10.7 million generated in revenues for governmental programs.
- Revenues for business-type activities were \$0.6 million while expenses were \$1.8 million, resulting in the \$1.2 million decrease to net assets.
- The General Fund reported a surplus this year of \$143,172, resulting in an ending fund balance of \$946,505.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 15 - 18) 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 19. 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 15 - 18 of this report.

The Statement of Net Assets reports information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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, 2007**

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#### **USING THIS ANNUAL REPORT - Continued**

##### **Government-Wide Financial Statements – Continued**

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 eleven 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, Deer Run TIF Fund, Phase I Improvements Fund, Brandon/Noel Road Improvements Fund, Capital Construction Bond Fund, and Village Hall Construction Fund, all of which are considered major funds.

# **VILLAGE OF ELWOOD, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2007**

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### **USING THIS ANNUAL REPORT - Continued**

#### **Fund Financial Statements - Continued**

##### **Governmental Funds – Continued**

Data from the other five 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, except the Brandon/Noel Road Improvements Fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 19 - 24 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 non-major fund. The basic proprietary fund financial statements can be found on pages 25 - 27 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 28 - 51 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 obligations. Required supplementary information can be found on pages 52 - 54 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 55 - 80 of this report.

## VILLAGE OF ELWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2007

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets 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 exceeded assets by \$10.5 million due in large part to the current year accretion expense on the Capital Appreciation Bonds.

	Net Assets					
	Governmental		Business-type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$ 13,405,976	18,213,985	1,568,232	1,768,680	14,974,208	19,982,665
Capital Assets	128,409,087	123,345,351	23,097,528	23,470,809	151,506,615	146,816,160
Total Assets	141,815,063	141,559,336	24,665,760	25,239,489	166,480,823	166,798,825
Long-Term Debt Outstanding	148,207,886	140,888,806	14,324,741	14,500,000	162,532,627	155,388,806
Other Liabilities	13,304,289	10,031,510	1,139,123	358,308	14,443,412	10,389,818
Total Liabilities	161,512,175	150,920,316	15,463,864	14,858,308	176,976,039	165,778,624
Net Assets						
Invested in Capital Assets,						
Net of Debt	10,793,782	11,652,801	8,777,528	8,970,809	19,571,310	20,623,610
Restricted	1,214,702	1,703,193	-	-	1,214,702	1,703,193
Unrestricted (Deficit)	(31,705,596)	(22,716,974)	424,368	1,410,372	(31,281,228)	(21,306,602)
Total Net Assets	(19,697,112)	(9,360,980)	9,201,896	10,381,181	(10,495,216)	1,020,201

By far the largest portion of the Village of Elwood's net assets reflects its investment in capital assets of \$19.6 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.

An additional portion or \$1.2 million of the Village of Elwood's net assets represents resources that are subject to external restrictions on how they may be used. The remaining net assets represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

# VILLAGE OF ELWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2007

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 2,311,608	3,960,090	509,554	853,821	2,821,162	4,813,911
Operating Grants/Contrib.	87,161	46,550	-	-	87,161	46,550
Capital Grants/Contrib.	50,000	50,000	19,500	376,169	69,500	426,169
General Revenues						
Property Taxes	5,714,095	4,139,633	-	-	5,714,095	4,139,633
Utility Taxes	339,502	310,122	-	-	339,502	310,122
Sales Taxes	1,365,439	297,821	-	-	1,365,439	297,821
Income Taxes	164,319	153,023	-	-	164,319	153,023
Other General Revenues	711,284	368,624	125,106	62,179	836,390	430,803
<b>Total Revenues</b>	<b>10,743,408</b>	<b>9,325,863</b>	<b>654,160</b>	<b>1,292,169</b>	<b>11,397,568</b>	<b>10,618,032</b>
<b>Expenses:</b>						
General Government	2,697,423	1,582,783	-	-	2,697,423	1,582,783
Public Safety	769,922	1,004,814	-	-	769,922	1,004,814
Public Works	655,478	2,938,655	-	-	655,478	2,938,655
Parks and Recreation	2,939,609	69,450	-	-	2,939,609	69,450
Interest on Long-Term Debt	14,065,749	13,134,085	-	-	14,065,749	13,134,085
Waterworks and Sewerage	-	-	1,708,927	1,715,996	1,708,927	1,715,996
Garbage	-	-	124,518	116,611	124,518	116,611
<b>Total Expenses</b>	<b>21,128,181</b>	<b>18,729,787</b>	<b>1,833,445</b>	<b>1,832,607</b>	<b>22,961,626</b>	<b>20,562,394</b>
<b>Change in Net Assets</b>	<b>(10,384,773)</b>	<b>(9,403,924)</b>	<b>(1,179,285)</b>	<b>(540,438)</b>	<b>(11,564,058)</b>	<b>(9,944,362)</b>
<b>Net Assets-Beginning as Restated</b>	<b>(9,312,339)</b>	<b>42,944</b>	<b>10,381,181</b>	<b>10,921,619</b>	<b>1,068,842</b>	<b>10,964,563</b>
<b>Net Assets-Ending</b>	<b>(19,697,112)</b>	<b>(9,360,980)</b>	<b>9,201,896</b>	<b>10,381,181</b>	<b>(10,495,216)</b>	<b>1,020,201</b>

Net assets of the Village of Elwood's governmental activities decreased substantially (negative \$19.7 million compared to negative \$9.3 million). This deficit arose primarily due to the current year accretion on the Capital Appreciation Bonds outstanding.

Net assets of business-type activities decreased (negative \$1.1 million compared to negative \$0.6 million). The Village of Elwood generally can only use these net assets to finance the continuing operations of the utility operations.

### Governmental Activities

Revenues for governmental activities were \$10.7 million for the year, with the largest portion of revenue coming from property taxes (\$5.7 million). Total expenses for the year were \$21.1 million with the largest portion coming from the interest expense on long-term debt (\$14 million).

## VILLAGE OF ELWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2007

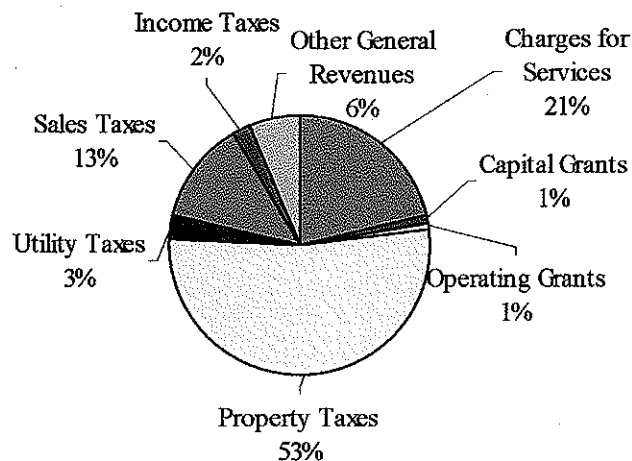
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#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

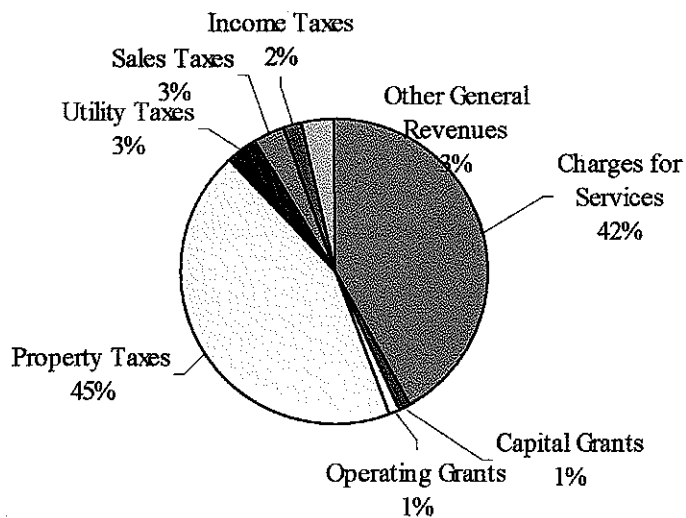
##### Governmental Activities – Continued

The main reason for the large amount of interest on long-term debt is related to the Tax Increment Financing bonds outstanding at year end of \$141 million, and the related accretion expense on the bonds.

##### Revenues by Source - Governmental Activities at April 30, 2007



##### Revenues by Source - Governmental Activities at April 30, 2006





# VILLAGE OF ELWOOD, ILLINOIS

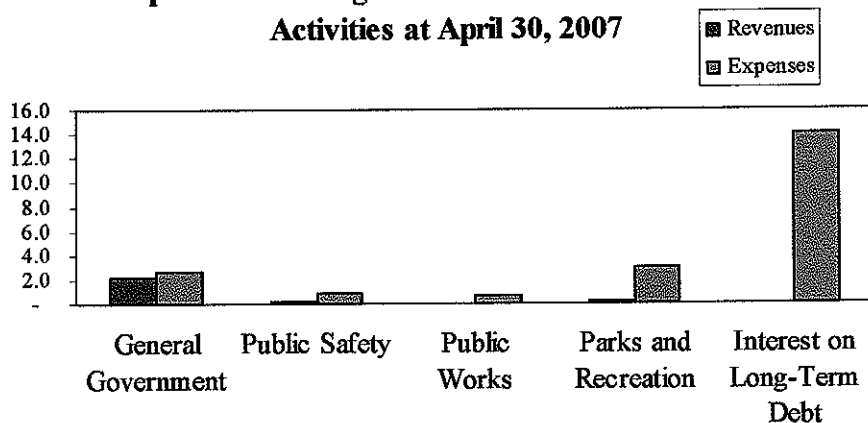
## Management's Discussion and Analysis April 30, 2007

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

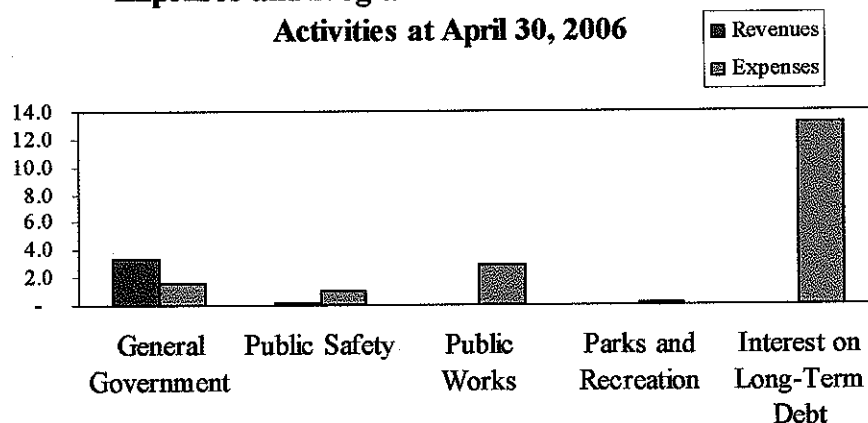
#### Governmental Activities – Continued

The 'Revenues by Source' Tables graphically depict the major revenue sources of the Village of Elwood for 2007 and 2006. It depicts very clearly the reliance of property taxes "98% from the TIF district" (53%) and charges for services (21%) to fund governmental activities. It also clearly identifies the minor percentage the Village receives from sales taxes (only 13%). 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. It is then anticipated that the Village will see significant increases in sales tax revenues.

**Expenses and Program Revenues - Governmental  
Activities at April 30, 2007**



**Expenses and Program Revenues - Governmental  
Activities at April 30, 2006**



## VILLAGE OF ELWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2007

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#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

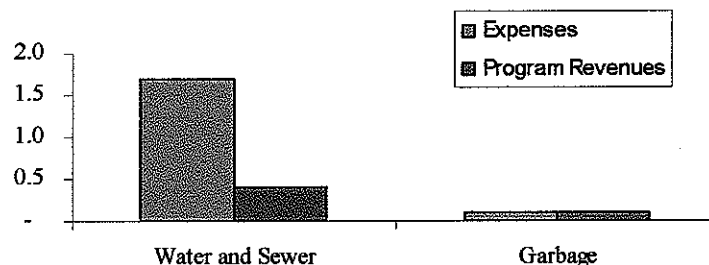
##### Governmental Activities – Continued

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.

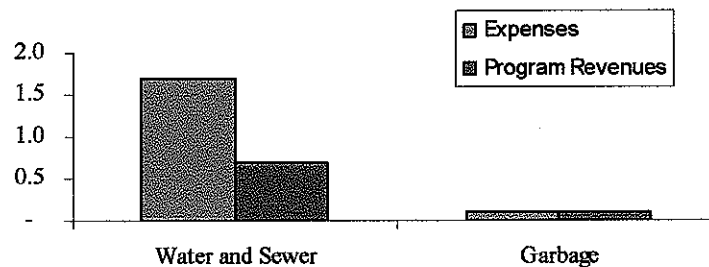
##### Business-type activities

Total revenues of the Village's business-type activities were \$0.6 million, while expenses were also \$1.8 million, resulting in a decrease in net assets at the end of the year. The table below compares program revenues and expenditures for the Water and Sewer Fund and the Garbage Fund. As part of the annexation agreement with Centerpoint Properties, The Village receives necessary funds to have the Water and Sewer Fund break-even at year-end. Although in addition to the \$0.5 millions in charges for services, the Village also received \$0.02 million in capital grants/contributions.

**Expenses and Program Revenues - Business-Type  
Activities at April 30, 2007**



**Expenses and Program Revenues - Business-Type  
Activities at April 30, 2006**



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

## **VILLAGE OF ELWOOD, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2007**

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#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

##### **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, unreserved 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 \$7,101,701, which is significantly below last year's restated governmental fund balances of \$14,309,656. Included in this year's total change in fund balance, however, is a surplus of \$143,172 in the General Fund, a surplus of \$56,607 in the Brandon/Noel Road Improvements Fund and a surplus of \$446 in the Capital Construction Bond Fund. In addition, these other changes in fund balances should be noted:

- The Village spent \$3,010,819 million this year on the Village Hall construction and \$4,935,305 for Phase I Improvements, reducing the beginning fund balances in the Village Hall Construction Fund and in the Phase I Fund. These reductions were expected because balances at the beginning of this year included the proceeds of previous distributions from the industrial park developer. Although these and other capital expenditures reduce available fund balances, they create new assets as reported in the Statement of Net Assets and as discussed in Note 1 to the financial statements.
- Motor fuel tax funds, provided by the State, can only be used to replace, maintain, or improve the Village's roads. This year \$64,017 was added to a fund balance of \$409,906 to be used for future projects in the Motor Fuel Tax Fund.

##### **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 is sold to all municipal customers at a flat rate of \$22.42 for first 2,000 gallons and \$4.14 per thousand gallons there after. 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, with a contribution from the developer of the industrial park.

## VILLAGE OF ELWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2007

#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

##### GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments made to the General Fund budget during the year. The General Fund expenditures were \$1,948,721 above the budgeted amount of \$1,437,710. The major factors for the increases include the general government expenditures of capital contractual services and reimbursable sales tax.

The General Fund revenues were \$2,058,708 above the budgeted amount of \$1,300,895. The most significant increases include sales tax, home rule sales tax, overweight truck fees and reimbursable expenses due to increases in past sales tax reimbursement receipts.

##### 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, 2007 was \$151.5 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 increase in the Village's investment in capital assets for the current fiscal year was \$4.7 million, or 3.19 percent over the prior year.

	Capital Assets - Net of Accumulated Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 50,000	50,000	1,909,500	1,909,500	1,959,500	1,959,500
Construction in Progress	3,010,819	-	-	-	3,010,819	-
Buildings and Improvements	-	-	11,009,320	11,329,017	11,009,320	11,329,017
Machinery & Equipment	390,739	442,213	100,442	78,243	491,181	520,456
Infrastructure	124,957,529	122,853,138	10,078,266	10,154,049	135,035,795	133,007,187
Total	128,409,087	123,345,351	23,097,528	23,470,809	151,506,615	146,816,160

This year's major additions included:

Chicago Ave. reconstruction project	\$ 290,994
Mississippi St.	2,690,638
Other Projects	423,174
St Louis reconstruction project	91,653
Jackson/Matteson Streets	679,281
Downtown Redevelopment	172,215
Elwood Town Ctr./Lincolnway Drive	365,411
Diagonal Road Extension	221,939
	<u>4,935,305</u>

## VILLAGE OF ELWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2007

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#### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

##### Capital Assets – Continued

The fiscal year 2008 capital budget includes \$8,552,385 for capital projects, principally for the construction of the new Village Hall, the completion of the Mississippi Avenue reconstruction project, Downtown park and the initial year of Gardner Street, with engineering for Diagonal and Mississippi turn lane.

Additional information on the Village's capital assets can be found in note 3 on pages 41 - 42 of this report.

##### Debt Administration

At year-end, the Village had total outstanding bonded debt of \$169.5 million as compared to \$161.4 million the previous year, resulting in a 4.95 percent increase from the prior year. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Installment Contracts	\$ 103,333	127,232	-	-	103,333	127,232
General Obligation Bonds	6,715,000	6,715,000	-	-	6,715,000	6,715,000
General Obligation Capital						
Appreciation Bonds	6,188,552	6,188,552	-	-	6,188,552	6,188,552
Accretion - General Obligation						
Capital Appreciation Bonds	414,096	57,986	-	-	414,096	57,986
TIF Notes Payable	104,798,695	108,682,798	-	-	104,798,695	108,682,798
Accretion - TIF Notes Payable	36,845,534	25,120,831	-	-	36,845,534	25,120,831
Loans Payable	-	-	14,500,000	14,500,000	14,500,000	14,500,000
Total	155,065,210	146,892,399	14,500,000	14,500,000	169,565,210	161,392,399

The Village of Elwood has been rated by Standard & Poor's for alternate revenue bonds at (BBB+) 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 43 – 49 of this report.

## **VILLAGE OF ELWOOD, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2007**

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#### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued**

##### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2008 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 for April 30, 2007 for the Village of Elwood (Will County) is 4.5 percent, which is over the state unemployment rate of 4.8 percent and the national unemployment rate of 4.5 percent.

Inflation increases in the metropolitan area continue to be somewhat higher than the national Consumer Price Index (CPI) increases. The metropolitan CPI increase was 2.9 percent for fiscal year 2007 compared with the national rate of 2.6 percent.

These indicators were taken into account when adopting the General Fund budget for 2008. Amounts available for appropriation in the General Fund budget are \$2,085,373, a decrease of 41% over the final 2007 budget of \$3,419,848, basically due to sales tax reimbursements. The sales tax base of the Village of Elwood continues to remain stable, allowing the Village of Elwood to budget consistently for fiscal year 2007. Property taxes increased slightly and utility taxes are expected to lead further increases. Budgeted expenditures are expected to decrease nearly 44% percent, due to sales tax reimbursements. Increased cost-of-living adjustments of 3.5%, along with market adjustments in key positions, represent the largest increments. The Village has added some major new programs and initiatives to the 2008 budget, including tree replacement, leak detection, sanitary sewer televising, and valve testing.

##### **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, P.O. Box 435, 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 Assets**

**April 30, 2007**

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**See Following Page**



**VILLAGE OF ELWOOD, ILLINOIS**

**Statement of Net Assets  
April 30, 2007**

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 8,553,964	1,359,262	9,913,226
Receivables - Net	4,797,305	199,581	4,996,886
Due from Other Governments	33,849	-	33,849
Prepays	20,858	9,389	30,247
	13,405,976	1,568,232	14,974,208
Capital Assets			
Nondepreciable	3,060,819	1,909,500	4,970,319
Depreciable	131,338,247	23,480,464	154,818,711
Accumulated Depreciation	(5,989,979)	(2,292,436)	(8,282,415)
	128,409,087	23,097,528	151,506,615
Total Assets	141,815,063	24,665,760	166,480,823

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

	Governmental Activities	Business- Type Activities	Total
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	1,053,664	129,800	1,183,464
Retainage Payable	791,311		791,311
Accrued Interest Payable	48,641	828,138	876,779
Arbitrage Payable	314,085	-	314,085
Unearned Revenues	4,145,215	-	4,145,215
Current Portion of Long-Term debt	6,951,373	181,185	7,132,558
	13,304,289	1,139,123	14,443,412
Noncurrent Liabilities			
Compensated Absences Payable	75,239	4,741	79,980
Installment Contracts Payable	78,049	-	78,049
General Obligation Bonds Payable	6,715,000	-	6,715,000
General Obligation Capital Appreciation Bonds Payable	6,188,552	-	6,188,552
Accretion - General Obligation Capital Appreciation Bonds Payable	414,096	-	414,096
Loans Payable	-	14,320,000	14,320,000
TIF Notes Payable	97,891,416	-	97,891,416
Accretion - TIF Notes Payable	36,845,534	-	36,845,534
	148,207,886	14,324,741	162,532,627
Total Liabilities	161,512,175	15,463,864	176,976,039
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	10,793,782	8,777,528	19,571,310
Restricted - Special Revenues	986,305	-	986,305
Restricted - Debt Service	228,397	-	228,397
Unrestricted	(31,705,596)	424,368	(31,281,228)
Total Net Assets	(19,697,112)	9,201,896	(10,495,216)

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

# VILLAGE OF ELWOOD, ILLINOIS

## Statement of Activities Year Ended April 30, 2007

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Primary Government				
Governmental Activities				
General Government	\$ 2,697,423	2,107,835	-	-
Public Safety	769,922	161,322	-	-
Public Works	655,478	-	47,161	50,000
Parks and Recreation	2,939,609	42,451	40,000	-
Interest on Long-Term Debt	14,065,749	-	-	-
Total Governmental Activities	21,128,181	2,311,608	87,161	50,000
Business-Type Activities				
Water and Sewer	1,708,927	384,692	-	19,500
Garbage	124,518	124,862	-	-
Total Business-Type Activities	1,833,445	509,554	-	19,500
	22,961,626	2,821,162	87,161	69,500

General Revenues  
Taxes  
    Property Taxes  
    Utility Taxes  
Intergovernmental - Unrestricted  
    Sales Taxes  
    Income Taxes  
Reimbursements  
Interest Income  
Miscellaneous

Change in Net Assets

Net Assets - Beginning as Restated

Net Assets - Ending

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

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
(589,588)	-	(589,588)
(608,600)	-	(608,600)
(558,317)	-	(558,317)
(2,857,158)	-	(2,857,158)
(14,065,749)	-	(14,065,749)
(18,679,412)	-	(18,679,412)
-	(1,304,735)	(1,304,735)
-	344	344
-	(1,304,391)	(1,304,391)
(18,679,412)	(1,304,391)	(19,983,803)
5,714,095	-	5,714,095
339,502	-	339,502
1,365,439	-	1,365,439
164,319	-	164,319
299,142	-	299,142
338,629	125,106	463,735
73,513	-	73,513
8,294,639	125,106	8,419,745
(10,384,773)	(1,179,285)	(11,564,058)
(9,312,339)	10,381,181	1,068,842
(19,697,112)	9,201,896	(10,495,216)

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

**VILLAGE OF ELWOOD, ILLINOIS****Balance Sheet - Governmental Funds  
April 30, 2007**

	General	Deer Run TIF	Phase I Improvements
<b>ASSETS</b>			
Cash and Investments	\$ 402,212	277,038	1,682,591
Receivables - Net of Allowances			
Property Taxes	152,485	3,992,730	-
Other Taxes	652,090	-	-
Due from Other Governments	-	-	-
Prepays	13,085	-	-
Total Assets	1,219,872	4,269,768	1,682,591
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	120,882	-	165,240
Retainage Payable	-	-	554,032
Arbitrage Payable	-	-	-
Unearned/Deferred Revenues	152,485	3,992,730	-
Total Liabilities	273,367	3,992,730	719,272
<b>Fund Balances</b>			
Reserved - Prepaid Items	13,085	-	-
Reserved - Debt Service	-	277,038	-
Reserved - Road Improvements	-	-	-
Reserved - Road Reconstruction	-	-	-
Unreserved - Designated - Capital Improvements			
General	93,943	-	-
Unreserved - Undesignated			
General	839,477	-	-
Special Revenue	-	-	-
Capital Projects	-	-	963,319
Total Fund Balances	946,505	277,038	963,319
Total Liabilities and Fund Balances	1,219,872	4,269,768	1,682,591

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

Brandon/Noel Road Improvements	Capital Construction Bond	Village Hall Construction	Nonmajor Governmental Funds	Total Governmental Funds
209,939	14,479	5,009,201	958,504	8,553,964
-	-	-	-	4,145,215
-	-	-	-	652,090
-	-	-	33,849	33,849
-	-	-	7,773	20,858
209,939	14,479	5,009,201	1,000,126	13,405,976
-	-	753,721	13,821	1,053,664
-	-	237,279	-	791,311
-	-	314,085	-	314,085
-	-	-	-	4,145,215
-	-	1,305,085	13,821	6,304,275
-	-	-	7,773	20,858
-	-	-	-	277,038
-	-	-	55,776	55,776
-	-	-	129,052	129,052
-	-	-	-	93,943
-	-	-	-	839,477
-	-	-	793,704	793,704
209,939	14,479	3,704,116	-	4,891,853
209,939	14,479	3,704,116	986,305	7,101,701
209,939	14,479	5,009,201	1,000,126	13,405,976

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 Assets of Governmental Activities**

**April 30, 2007**

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<b>Total Governmental Fund Balances</b>	<b>\$ 7,101,701</b>
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Amounts reported for governmental Activities in the Statement of Net Assets  
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	128,409,087
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Long-term liabilities are not due and payable in the current  
period and therefore are not reported in the funds.

Compensated Absences Payable	(94,049)
Installment Contracts Payable	(103,333)
General Obligation Bonds Payable	(6,715,000)
General Obligation Capital Appreciation Bonds Payable	(6,188,552)
Accretion - General Obligation Capital Appreciation Bonds Payable	(414,096)
TIF Notes Payable	(104,798,695)
Accretion - TIF Notes Payable	(36,845,534)
Accrued Interest Payable	(48,641)

<b>Net Assets of Governmental Activities</b>	<b><u>(19,697,112)</u></b>
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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  
Year Ended April 30, 2007**

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**See Following Page**



# VILLAGE OF ELWOOD, ILLINOIS

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds Year Ended April 30, 2007

	General	Deer Run TIF	Phase I Improvements
<b>Revenues</b>			
Taxes	\$ 492,501	4,893,856	-
Intergovernmental	1,529,758	-	299,142
Charges for Services	1,029,234	-	1,000,000
Licenses and Permits	78,601	-	-
Fines and Forfeits	161,322	-	-
Interest Income	8,976	55,387	249,705
Miscellaneous	59,211	-	-
Total Revenues	3,359,603	4,949,243	1,548,847
<b>Expenditures</b>			
Current			
General Government	2,555,979	122,342	-
Public Safety	436,899	-	-
Public Works	393,553	-	-
Parks and Recreation	-	-	-
Capital Outlay	-	-	4,935,305
Debt Service			
Principal Retirement	-	5,520,951	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	3,386,431	5,643,293	4,935,305
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,828)	(694,050)	(3,386,458)
<b>Other Financing Sources (Uses)</b>			
Transfers In	170,000	-	-
Transfers Out	-	-	(522,412)
	170,000	-	(522,412)
Net Change in Fund Balances	143,172	(694,050)	(3,908,870)
Fund Balances - Beginning	803,333	971,088	4,872,189
Fund Balances - Ending	946,505	277,038	963,319

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

Brandon/Noel Road Improvements	Capital Construction Bond	Village Hall Construction	Nonmajor Governmental Funds	Total Governmental Funds
-	-	-	667,240	6,053,597
50,000	-	-	87,161	1,966,061
-	-	-	42,451	2,071,685
-	-	-	-	78,601
-	-	-	-	161,322
6,607	446	-	17,508	338,629
-	-	-	14,302	73,513
56,607	446	-	828,662	10,743,408
-	-	-	-	2,678,321
-	-	-	375,261	812,160
-	-	-	162,479	556,032
-	-	-	114,429	114,429
-	-	3,010,819	-	7,946,124
-	-	-	23,899	5,544,850
-	-	-	299,447	299,447
-	-	3,010,819	975,515	17,951,363
56,607	446	(3,010,819)	(146,853)	(7,207,955)
-	-	-	357,942	527,942
-	-	-	(5,530)	(527,942)
-	-	-	352,412	-
56,607	446	(3,010,819)	205,559	(7,207,955)
153,332	14,033	6,714,935	780,746	14,309,656
209,939	14,479	3,704,116	986,305	7,101,701

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

Year Ended April 30, 2007

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (7,207,955)</b>
---	-----------------------

Amounts reported for governmental Activities in the Statement of Net Assets  
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	7,938,005
Depreciation Expense	(2,874,269)

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.

Additions to Accretion - General Obligation Capital Appreciation Bonds	(356,110)
Additions to Accretion - TIF Notes Payable	(13,361,551)
Retirement of Debt	5,544,850
Additions to Compensated Absences Payable	(19,102)

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.

(48,641)
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**Changes in Net Assets of Governmental Activities**

<u><u>(10,384,773)</u></u>
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# VILLAGE OF ELWOOD, ILLINOIS

## Statement of Net Assets - Proprietary Funds

April 30, 2007

	Business-Type Activities - Enterprise		
	Water and Sewer	Nonmajor Garbage	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 1,352,404	6,858	1,359,262
Receivables - Net of Allowances			
Accounts	171,381	28,200	199,581
Prepays	9,389	-	9,389
	<u>1,533,174</u>	<u>35,058</u>	<u>1,568,232</u>
Capital Assets			
Nondepreciable Capital Assets	1,909,500	-	1,909,500
Depreciable Capital Assets	23,480,464	-	23,480,464
Accumulated Depreciation	(2,292,436)	-	(2,292,436)
	<u>23,097,528</u>	<u>-</u>	<u>23,097,528</u>
Total Assets	<u>24,630,702</u>	<u>35,058</u>	<u>24,665,760</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	111,768	18,032	129,800
Accrued Interest Payable	828,138	-	828,138
Compensated Absences Payable	1,185	-	1,185
Loans Payable	180,000	-	180,000
	<u>1,121,091</u>	<u>18,032</u>	<u>1,139,123</u>
Long-Term Liabilities			
Compensated Absences Payable	4,741	-	4,741
Loans Payable	14,320,000	-	14,320,000
	<u>14,324,741</u>	<u>-</u>	<u>14,324,741</u>
Total Liabilities	<u>15,445,832</u>	<u>18,032</u>	<u>15,463,864</u>
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	8,777,528	-	8,777,528
Unrestricted	407,342	17,026	424,368
Total Net Assets	<u>9,184,870</u>	<u>17,026</u>	<u>9,201,896</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 Assets - Proprietary Funds Year Ended April 30, 2007

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor Garbage	Totals
Operating Revenues			
Charges for Services	\$ 384,692	124,862	509,554
Operating Expenses			
Water Operations	336,360	-	336,360
Sewer Operations	320,225	-	320,225
Garbage Operations	-	124,518	124,518
Depreciation	548,692	-	548,692
Total Operating Expenses	1,205,277	124,518	1,329,795
Operating Income (Loss)	(820,585)	344	(820,241)
Nonoperating Revenues (Expenses)			
Interest Income	125,028	78	125,106
Interest and Fiscal Charges	(503,650)	-	(503,650)
	(378,622)	78	(378,544)
Income (Loss) Before Contributions	(1,199,207)	422	(1,198,785)
Contributions	19,500	-	19,500
Change in Net Assets	(1,179,707)	422	(1,179,285)
Net Assets - Beginning	10,364,577	16,604	10,381,181
Net Assets - Ending	9,184,870	17,026	9,201,896

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

# VILLAGE OF ELWOOD, ILLINOIS

## Statement of Cash Flows - Proprietary Funds Year Ended April 30, 2007

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor Garbage	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 464,111	130,653	594,764
Payments to Employees	(53,688)	-	(53,688)
Payments to Suppliers	(501,636)	(123,873)	(625,509)
	(91,213)	6,780	(84,433)
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(175,411)	-	(175,411)
Capital Contribution	19,500	-	19,500
	(155,911)	-	(155,911)
Cash Flows from Investing Activities			
Interest Received	125,028	78	125,106
Net Change in Cash and Cash Equivalents	(122,096)	6,858	(115,238)
Cash and Cash Equivalents - Beginning	1,474,500	-	1,474,500
Cash and Cash Equivalents - Ending	1,352,404	6,858	1,359,262
Reconciliation of Operating Income to Net Cash			
Provided (Used) by Operating Activities			
Operating Income (Loss)	(820,585)	344	(820,241)
Adjustments to Reconcile Operating Income to Net Income to Net Cash			
Provided by (Used in) Operating Activities:			
Depreciation Expense	548,692	-	548,692
(Increase) Decrease in Current Assets	79,419	5,791	85,210
Increase (Decrease) in Current Liabilities	101,261	645	101,906
	729,372	6,436	735,808
Net Cash Provided by (Used in) Operating Activities	(91,213)	6,780	(84,433)

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

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2007

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# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2007

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## **VILLAGE OF ELWOOD, ILLINOIS**

### **Notes to the Financial Statements**

**April 30, 2007**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Elwood, 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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. 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. 14, "The Financial Reporting Entity," and includes all component units that have a significant operational or financial relationship with the Village.

#### **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 and garbage services are classified as business-type activities.

# **VILLAGE OF ELWOOD, ILLINOIS**

## **Notes to the Financial Statements**

**April 30, 2007**

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **BASIS OF PRESENTATION**

##### **Government-Wide Statements – Continued**

In the government-wide Statement of Net Assets, 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 and receivables as well as long-term debt and obligations. The Village's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. 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, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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 assets 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, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. 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, 2007

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, 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, liabilities, 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, liabilities, 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.

**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 one major debt service fund, the Deer Run TIF Fund, which accounts for revenues received from incremental property taxes and expenditures for debt service payments related to tax increment financing bonds.

## VILLAGE OF ELWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2007

---

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Governmental Funds – Continued

**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 four major capital projects funds, the Phase I Improvements Fund, Brandon/Noel Road Improvements Fund, Capital Construction Bond Fund, and the Village Hall Construction Fund. The CenterPoint Phase I Fund accounts for revenues received from development fees and expenditures for capital construction projects, including road construction and a new village hall facility. The Road Improvements Fund accounts for revenues and expenditures relative to the construction of road improvements. The Capital Construction Bond Fund accounts for revenues received from general obligation bond proceeds and expenditures for road improvements and reconstruction. The Village Hall Construction Fund accounts for revenues and expenditures relative to the construction of a new Village Hall.

##### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, 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 major enterprise fund, the Water and Sewer Fund, which accounts 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, 2007**

---

### **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 Assets and the Statement of Activities, both governmental and business-like 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 and liabilities 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 assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

##### **Basis of Accounting**

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like 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 is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities 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, 2007**

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### **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, LIABILITIES, AND NET ASSETS OR EQUITY**

##### **Cash and Investments**

Cash and cash equivalents on the Statement of Net Assets 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 reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### **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, 2007**

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued**

##### **Prepays**

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaids.

##### **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 \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market 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 estimated fair market 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, 2007**

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **ASSETS, LIABILITIES, AND NET ASSETS 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 assets. Bond premiums and discounts, as well as issuance costs, 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 deferred charges and amortized over the term of the related debt.

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.

##### **Unearned/Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.



## **VILLAGE OF ELWOOD, ILLINOIS**

### **Notes to the Financial Statements April 30, 2007**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued**

###### **Fund Equity**

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

Invested in capital assets, net of related debt—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 net assets—Consists of net assets 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 net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### **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 Clerk 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 as 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 several supplementary appropriations were necessary.

## VILLAGE OF ELWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2007

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#### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

##### EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget for the fiscal year.

<u>Fund</u>	<u>Excess</u>
General	\$ 1,948,721
Deer Run Tax Increment Financing	5,643,293
Phase I Improvements	1,593,944
Park	15,657

#### 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. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. 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, 2007

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#### 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 \$1,990,518 and the bank balances totaled \$2,011,944. Also at year-end, the Village has \$7,922,708 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.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not mitigate 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, 2007, the entire amount of the bank balance of deposits was 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's investment policy does not mitigate custodial credit risk for investments. At April 30, 2007, the Village's investment in the Illinois Funds is noncategorizable.

*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 April 30, 2007, the Village's investment in the Illinois Funds is over 5 percent of the total cash and investment portfolio.

##### PROPERTY TAXES

Property taxes for 2006 attach as an enforceable lien on January 1, 2006, 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, 2007 and September 1, 2007. The County collects such taxes and remits them periodically.

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2007

### 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
Capital Assets- Not Being Depreciated				
Land	\$ 50,000	-	-	50,000
Construction in Progress	-	3,010,819	-	3,010,819
	50,000	3,010,819	-	3,060,819
Other Capital Assets				
Buildings and Improvements	273,441	-	-	273,441
Machinery and Equipment	736,624	55,361	-	791,985
Infrastructure	125,400,996	4,871,825	-	130,272,821
	126,411,061	4,927,186	-	131,338,247
Less Accumulated Depreciation				
Buildings and Improvements	273,441	-	-	273,441
Machinery and Equipment	294,411	106,835	-	401,246
Infrastructure	2,547,858	2,767,434	-	5,315,292
	3,115,710	2,874,269	-	5,989,979
Total Other Capital Assets	123,295,351	2,052,917	-	125,348,268
Total Capital Assets	123,345,351	5,063,736	-	128,409,087

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 13,123
Public Safety	35,966
Public Works	2,825,207
	<u>2,874,296</u>

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2007

### 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
Capital Assets - Not Being Depreciated				
Land	\$ 1,909,500	-	-	1,909,500
Other Capital Assets				
Buildings and Improvements	12,651,715	-	-	12,651,715
Machinery and Equipment	129,650	40,720	-	170,370
Infrastructure	10,523,688	134,691	-	10,658,379
	23,305,053	175,411	-	23,480,464
Less Accumulated Depreciation				
Buildings and Improvements	1,322,698	319,697	-	1,642,395
Machinery and Equipment	51,407	18,521	-	69,928
Infrastructure	369,639	210,474	-	580,113
	1,743,744	548,692	-	2,292,436
Total Other Capital Assets	21,561,309	(373,281)	-	21,188,028
Total Capital Assets	23,470,809	(373,281)	-	23,097,528

Depreciation expense was charged to business-type as follows:

Water and Sewer	<u>\$ 548,692</u>
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# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2007

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Phase I Improvements	\$ 170,000
Nonmajor Governmental	Phase I Improvements	60,564
Nonmajor Governmental	Phase I Improvements	291,848
Nonmajor Governmental	Nonmajor Governmental	<u>5,530</u>
		<u>527,942</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

#### LONG-TERM DEBT

##### TIF Notes Payable

Tax increment financing notes currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Financing Notes of 2003	\$ 108,682,798	-	3,884,103	<u>104,798,695</u>

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2007

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

##### Installment Contracts

Installment Contracts are utilized to acquire capital equipment. Installment Contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Tractor Installment Contract of 2006 due in yearly installments of \$6,968, including interest at 7.70% through March 27, 2010.	\$ 23,232	-	5,179	18,053
Truck Installment Contract of 2006 due in annual installments of \$24,201, including interest at 5.27% through January 13, 2011.	104,000	-	18,720	85,280
	127,232	-	23,899	103,333

##### 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 Bonds, Series 2005, due in annual installments of \$115,000 to \$165,000, plus interest at 4.20% to 4.50% through March 1, 2023.	\$ 6,715,000	-	-	6,715,000

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2007

### 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:

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

##### Loans Payable

Loans payable currently outstanding are as follows:

<u>Issue</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
Department of Commerce and Economic Opportunity loans due in annual installments of \$90,000 to \$1,740,000 plus interest at 0% to 5.17% through September 1, 2022	\$ 14,500,000	-	-	14,500,000



**VILLAGE OF ELWOOD, ILLINOIS****Notes to the Financial Statements  
April 30, 2007****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
<b>Governmental Activities</b>					
Compensated Absences	\$ 74,947	38,204	19,102	94,049	18,810
Installment Contracts	127,232	-	23,899	103,333	25,284
General Obligation Bonds	6,715,000	-	-	6,715,000	-
General Obligation Capital Appreciation Bonds	6,188,552	-	-	6,188,552	-
Accretion - General Obligation Capital Appreciation Bonds	57,986	356,110	-	414,096	-
TIF Notes Payable	108,682,798	-	3,884,103	104,798,695	6,907,279
Accretion - TIF Notes Payable	25,120,831	13,361,551	1,636,848	36,845,534	-
	<u>146,967,346</u>	<u>13,755,865</u>	<u>5,563,952</u>	<u>155,159,259</u>	<u>6,951,373</u>
<b>Business-Type Activities</b>					
Compensated Absences	-	11,852	5,926	5,926	1,185
Loans Payable	14,500,000	-	-	14,500,000	180,000
	<u>14,500,000</u>	<u>11,852</u>	<u>5,926</u>	<u>14,505,926</u>	<u>181,185</u>

Payments on the general obligation bonds and general obligation capital appreciation bonds are made by Debt Service Fund. The Deer Run TIF Fund makes payments on TIF Notes Payable. The Water and Sewer Fund makes payments on the loans payable. For the governmental activities, compensated absences are generally liquidated by the general fund.

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2007

### 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 Ending April 30	Governmental Activities					
	General Obligation		General Obligation	Tax Increment	Installment	
	Bonds		Capital Appreciation	Notes	Contracts	
	Principal	Interest	Principal/Accretion	Principal/Accretion	Principal	Interest
2008	\$ -	291,848	(376,412)	(7,167,751)	25,284	5,884
2009	-	291,848	(397,870)	(5,833,003)	26,752	4,417
2010	-	291,848	(420,553)	(4,282,285)	28,308	2,860
2011	-	291,848	(444,528)	(2,935,366)	22,989	1,212
2012	115,000	291,848	(469,870)	(1,333,372)	-	-
2013	120,000	286,960	(496,657)	976,189	-	-
2014	125,000	281,860	(524,971)	3,702,950	-	-
2015	130,000	276,548	(554,899)	6,266,556	-	-
2016	540,000	271,022	(586,534)	8,951,042	-	-
2017	610,000	248,342	(619,972)	11,507,249	-	-
2018	685,000	222,722	(655,316)	13,437,941	-	-
2019	765,000	193,610	(692,675)	15,546,339	-	-
2020	850,000	160,715	(732,164)	17,852,221	-	-
2021	885,000	123,528	(773,904)	20,465,946	-	-
2022	925,000	84,588	(818,023)	23,403,500	-	-
2023	965,000	43,425	(864,658)	26,600,961	-	-
2024	-	-	1,925,584	14,485,112	-	-
2025	-	-	2,037,571	-	-	-
2026	-	-	2,153,732	-	-	-
2027	-	-	2,276,514	-	-	-
2028	-	-	2,406,296	-	-	-
2029	-	-	2,543,477	-	-	-
2030	-	-	2,688,479	-	-	-
	6,715,000	3,652,560	6,602,648	141,644,229	103,333	14,373

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2007

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

#### Debt Service Requirements to Maturity – Continued

Fiscal Year Ending April 30	Business-Type Activities	
	Loans Payable	
	Principal	Interest
2008	\$ 180,000	828,138
2009	470,000	740,344
2010	470,000	716,045
2011	870,000	691,746
2012	870,000	646,767
2013	870,000	601,788
2014	870,000	556,809
2015	870,000	511,830
2016	870,000	466,851
2017	870,000	421,872
2018	870,000	376,893
2019	1,140,000	331,914
2020	1,140,000	272,976
2021	1,740,000	214,038
2022	1,200,000	124,080
2023	1,200,000	62,040
Total	14,500,000	7,564,131

#### Defeased Debt

In prior years the government defeased general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Since the requirements which normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Defeased bonds of \$305,000 remain outstanding as of the date of this report.

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2007

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

##### 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.

#### FUND BALANCE/NET ASSETS – RESERVED FOR SPECIAL REVENUES

The following is a schedule of fund balance reservations for special or restricted revenues as of the date of this report:

	<u>Amount</u>
Reserved for Special Revenues	
Motor Fuel Tax	\$ 473,923
Parks	83,732
Special Service Area	<u>428,650</u>
	<u>986,305</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, 2007**

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#### **NOTE 4 – OTHER INFORMATION - Continued**

##### **POST-EMPLOYMENT BENEFITS**

The Village provides COBRA health benefits to all prior employees as required by federal law. The prior employee pays 100 percent of the premium.

##### **CONTINGENT LIABILITIES**

###### **Litigation**

The Village is a defendant in 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.

###### **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.

##### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS**

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 by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements

April 30, 2007

### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 9.78 percent.

#### Funding Policy and Annual Pension Cost

For December 31, 2006, the Village's annual pension cost of \$58,398 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 0.4% to 11.6% per year, and (c) 3.0% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4.0%. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006 was 31 years.

#### Trend Information

Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

Annual Pension Cost (APC)	2004	42,765
	2005	53,312
	2006	58,398
Actual Contributions	2004	42,765
	2005	53,312
	2006	58,398
Percentage of APC Contributed	2004	100.00%
	2005	100.00%
	2006	100.00%
Net Pension Obligation	2004	N/A
	2005	N/A
	2006	N/A

## **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 Funding Progress
  - Illinois Municipal Retirement Fund (IMRF)
- Employer Contributions
  - Illinois Municipal Retirement Fund (IMRF)
- Budgetary Comparison Schedules – 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 Funding Progress**

**April 30, 2007**

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2001	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A
2003	35,295	68,596	51.45%	33,301	263,316	12.65%
2004	98,499	194,429	50.66%	95,930	476,228	20.14%
2005	174,044	224,245	77.61%	50,201	557,917	9.00%
2006	246,068	333,840	73.71%	87,772	597,115	14.70%

N/A - Prior to the December 31, 2003 actuarial valuation date, the Village was not a member of the Illinois Municipal Retirement Fund.



# **VILLAGE OF ELWOOD, ILLINOIS**

## **Illinois Municipal Retirement Fund**

### **Required Supplementary Information**

#### **Employer Contributions**

**April 30, 2007**

Calendar Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2001	\$ N/A	\$ N/A	N/A
2002	N/A	N/A	N/A
2003	23,646	23,646	100.00%
2004	42,765	42,765	100.00%
2005	53,312	53,312	100.00%
2006	58,398	58,398	100.00%

N/A - Prior to calendar year 2003, the Village was not a member of the Illinois Municipal Retirement Fund.

**VILLAGE OF ELWOOD, ILLINOIS****General Fund****Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 441,098	441,098	492,501
Intergovernmental	372,200	372,200	1,529,758
Charges for Services	186,764	186,764	1,029,234
Licenses and Permits	156,750	156,750	78,601
Fines and Forfeits	100,000	100,000	161,322
Interest Income	20,923	20,923	8,976
Miscellaneous	23,160	23,160	59,211
Total Revenues	<u>1,300,895</u>	<u>1,300,895</u>	<u>3,359,603</u>
Expenditures			
General Government	450,999	450,999	2,555,979
Public Safety	489,539	489,539	436,899
Public Works	497,172	497,172	393,553
Total Expenditures	<u>1,437,710</u>	<u>1,437,710</u>	<u>3,386,431</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(136,815)	(136,815)	(26,828)
Other Financing Sources			
Transfers In	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>
Net Change in Fund Balance	<u>33,185</u>	<u>33,185</u>	143,172
Fund Balance - Beginning			<u>803,333</u>
Fund Balance - Ending			<u>946,505</u>

## **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 statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental
- Budgetary Comparison Schedules – Nonmajor Governmental
- Budgetary Comparison Schedules – Enterprise Funds

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **GENERAL FUND**

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

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## **SPECIAL REVENUE FUNDS**

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.

### **Park Fund**

The Park Fund is used to account for revenues received from impact fees and the expenditures for park operations and improvements.

### **Special Service Area Fund**

The Special Service Area Fund is used to account for revenues received from special service area property taxes and expenditures for maintenance within the special service area.

### **Children's Garden Fund**

The Children's Garden Fund is used to account for revenues received from donations and expenditures for maintenance and improvements at the Children's Garden.

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## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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### **DEBT SERVICE FUNDS**

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

#### **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.

#### **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 2005 general obligation bonds.

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### **CAPITAL PROJECTS FUNDS**

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.

#### **Phase I Improvements Fund**

The Phase I Improvements Fund is used to account for revenues received from development fees and expenditures for capital construction projects, including road construction and a new village hall facility.

#### **Brandon/Noel Road Improvements Fund**

The Brandon/Noel Road Improvements Fund is used to account for revenues and expenditures relative to the construction of road improvements.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **CAPITAL PROJECTS FUNDS – Continued**

### **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.

### **Village Hall Construction Fund**

The Village Hall Construction Fund is used to account for revenues and expenditures relative to the construction of the new Village Hall.

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## **PROPRIETARY FUNDS**

### **ENTERPRISE FUNDS**

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.

### **Garbage Fund**

The Garbage Fund is used to account for revenues and expenses relative to the disposal of residential solid waste.

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# VILLAGE OF ELWOOD, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes	\$ 95,000	95,000	94,661
Personal Property Replacement Tax	809	809	917
Road and Bridge Tax	53,560	53,560	57,421
Utility Tax	291,729	291,729	339,502
	<u>441,098</u>	<u>441,098</u>	<u>492,501</u>
<b>Intergovernmental</b>			
Sales Tax	72,100	72,100	694,656
Home Rule Sales Tax	154,500	154,500	670,783
Income Tax	126,720	126,720	139,726
Local Use Tax	18,880	18,880	24,593
	<u>372,200</u>	<u>372,200</u>	<u>1,529,758</u>
<b>Charges for Services</b>			
CenterPoint Administrative Fees	112,616	112,616	112,616
Professional Fees & Development	-	-	18,000
Overweight Truck Fee	-	-	189,289
Inspection Fees	37,500	37,500	22,672
Cable Franchise Fees	6,648	6,648	7,971
Impact Fees	30,000	30,000	24,725
Reimbursable Expenses	-	-	653,961
	<u>186,764</u>	<u>186,764</u>	<u>1,029,234</u>
<b>Licenses and Permits</b>			
Building Permits	139,150	139,150	62,651
Liquor Licenses	2,550	2,550	2,550
Business Licenses	1,050	1,050	1,350
Contractor Registration	14,000	14,000	12,050
	<u>156,750</u>	<u>156,750</u>	<u>78,601</u>
<b>Fines and Forfeits</b>			
Police Fines	100,000	100,000	161,322

**VILLAGE OF ELWOOD, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued**  
**Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Interest Income	\$ 20,923	20,923	8,976
Miscellaneous			
Donations	-	-	1,884
Lease Agreement	20,160	20,160	20,050
Miscellaneous	3,000	3,000	37,277
	23,160	23,160	59,211
Total Revenues	1,300,895	1,300,895	3,359,603



# VILLAGE OF ELWOOD, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual Year Ended April 30, 2007

	Budget		
	Original	Final	Actual
General Government			
Administration			
Salaries	\$ 94,012	94,012	95,991
Administration Benefits	10,812	10,812	10,475
Employee Group Insurance	24,648	24,648	24,650
Financial Consultants	24,720	24,720	27,697
Audit	14,775	14,775	14,634
Engineering Services	10,000	10,000	580,173
Legal Services	100,000	100,000	386,168
Telephone	6,917	6,917	6,173
Inspectors - Reinspections	500	500	1,050
Electric/Heating	773	773	457
Custodial Services	3,600	3,600	2,529
Insurance - Liability/Workers Compensation	6,235	6,235	6,235
Printing/Binding	7,500	7,500	6,536
Dues and Subscriptions	4,500	4,500	7,405
Office Equipment Maintenance	3,700	3,700	1,355
Office Supplies	10,000	10,000	26,766
Other Supplies	1,000	1,000	3,533
Postage	2,500	2,500	2,577
Bank Charges	2,850	2,850	2,521
Donations	5,000	5,000	2,900
Miscellaneous	5,000	5,000	100,759
Equipment	5,640	5,640	454
Data Processing Equipment	4,500	4,500	5,639
Reimbursable Sales Tax	-	-	1,093,097
Nextel Lease Agreement	-	-	9,782
Total Administration	349,182	349,182	2,419,556
Building			
Salaries	63,000	63,000	125,538
Administration Benefits	11,095	11,095	9,603
Employee Group Insurance	16,517	16,517	-
Professional Services	250	250	-

# VILLAGE OF ELWOOD, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
General Government - Continued			
Building - Continued			
Data Processing	\$ 1,590	1,590	-
Insurance	865	865	865
Uniforms	750	750	-
Travel and Meetings	500	500	-
Telephone	1,000	1,000	-
Dues and Subscriptions	500	500	-
Maps and Plats	250	250	208
Vehicle Maintenance	500	500	-
Office Supplies	500	500	195
Gas and Oil	1,500	1,500	-
Photo Supplies	1,000	1,000	14
Miscellaneous	500	500	-
Data Processing Equipment	1,500	1,500	-
Total Building	101,817	101,817	136,423
Total General Government	450,999	450,999	2,555,979
Public Safety			
Police			
Salaries	290,020	290,020	261,957
Administration Benefits	52,522	52,522	39,511
Employee Group Insurance	76,038	76,038	13,350
Legal Services	11,833	11,833	42,518
Data Processing	281	281	716
Insurance - Liability/Workers Compensation	1,479	1,479	1,479
Printing/Binding	538	538	896
Dues and Subscriptions	374	374	308
Telephone	5,073	5,073	3,835
Office Equipment Maintenance	196	196	272
Radio Maintenance	1,012	1,012	397
Vehicle Maintenance	7,773	7,773	4,716
Training	1,372	1,372	3,319
Travel and Meetings	250	250	-

# VILLAGE OF ELWOOD, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police - Continued			
Custodial Services	\$ 1,950	1,950	1,798
Medical Expenses	375	375	348
Animal Control	375	375	137
Rental	818	818	2,827
Office Supplies	865	865	2,917
Gas and Oil	9,706	9,706	13,372
Uniforms	1,340	1,340	9,995
Photo Supplies	150	150	-
Postage	383	383	59
Ammunition	250	250	728
Other Supplies	600	600	5,361
Agreements	12,500	12,500	10,599
Miscellaneous	250	250	4,269
Equipment	4,500	4,500	9,776
Data Processing Equipment	6,716	6,716	1,439
Total Public Safety	489,539	489,539	436,899
Public Works			
Streets			
Salaries	122,116	122,116	95,597
Administration Benefits	22,115	22,115	17,571
Employee Group Insurance	32,016	32,016	21,569
Professional Services	500	500	690
Data Processing	2,000	2,000	349
Insurance	11,048	11,048	9,566
Uniforms	3,500	3,500	3,485
Street Cleaning	12,000	12,000	5,184
Landfill	7,500	7,500	6,133
Travel and Meetings	2,000	2,000	1,600
Tree Removal	35,000	35,000	23,394
Truck Inspections	200	200	714
Electric	38,000	38,000	33,161
Telephone	4,589	4,589	3,425

# VILLAGE OF ELWOOD, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Public Works - Continued			
Streets - Continued			
Heating	\$ 8,000	8,000	8,019
Equipment Rentals	2,000	2,000	1,290
Communication Repairs	600	600	50
Building Maintenance	5,500	5,500	8,917
Street Light Maintenance	3,000	3,000	4,039
Vehicle Maintenance	3,750	3,750	4,154
Mosquito Abatement	15,000	15,000	22,013
Office Supplies	2,000	2,000	1,337
Vehicle Supplies	3,938	3,938	2,973
Gas and Oil	4,500	4,500	8,350
Gravel	3,000	3,000	1,796
Asphalt and Sealer	1,500	1,500	1,670
Operating Supplies	9,000	9,000	8,364
Restoration Materials	1,500	1,500	485
Drainage Materials	2,000	2,000	-
Traffic Signs and Safety Materials	6,000	6,000	3,795
Small Tools and Equipment	5,000	5,000	5,107
Miscellaneous	4,000	4,000	2,750
Equipment	42,800	42,800	37,821
Village Building Improvements	8,000	8,000	8,385
Road Maintenance	64,500	64,500	31,355
Data Processing Equipment	9,000	9,000	8,445
Total Public Works	497,172	497,172	393,553
Total Expenditures	1,437,710	1,437,710	3,386,431

# VILLAGE OF ELWOOD, ILLINOIS

## Deer Run Tax Increment Financing - Debt Service Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	4,893,856
Interest Income	-	-	55,387
Total Revenues	-	-	4,949,243
Expenditures			
General Government			
Management Fees	-	-	122,342
Debt Service			
Principal Retirement	-	-	5,520,951
	-	-	5,643,293
Net Change in Fund Balance	-	-	(694,050)
Fund Balance - Beginning			971,088
Fund Balance - Ending			277,038

**VILLAGE OF ELWOOD, ILLINOIS****Phase I Improvements - Capital Projects Fund****Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Development Fees	\$ 1,000,000	1,000,000	1,000,000
Intergovernmental			
Reimbursements	-	-	299,142
Interest Income	65,000	65,000	249,705
Total Revenues	1,065,000	1,065,000	1,548,847
Expenditures			
Capital Outlay			
Chicago Street	-	-	290,994
Mississippi Street	2,300,000	2,300,000	2,690,638
Other Projects	320,000	320,000	423,174
St. Louis Street	50,000	50,000	91,653
Jackson/Matteson Streets	551,361	551,361	679,281
Meadowbrook Detention	70,000	70,000	172,215
Downtown Redevelopment	50,000	50,000	-
Elwood Town Ctr./Lincoln Way Dr.	-	-	365,411
Diagonal Road Extension	-	-	221,939
Total Expenditures	3,341,361	3,341,361	4,935,305
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,276,361)	(2,276,361)	(3,386,458)
Other Financing (Uses)			
Transfers Out	(886,848)	(886,848)	(522,412)
Net Change in Fund Balance	(3,163,209)	(3,163,209)	(3,908,870)
Fund Balance - Beginning			4,872,189
Fund Balance - Ending			963,319

# VILLAGE OF ELWOOD, ILLINOIS

## Brandon/Noel Road Improvements - Capital Projects Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 50,000	50,000	50,000
Interest Income	2,500	2,500	6,607
Total Revenues	52,500	52,500	56,607
Expenditures			
Capital Outlay	-	-	-
Net Change in Fund Balance	52,500	52,500	56,607
Fund Balance - Beginning			153,332
Fund Balance - Ending			209,939

**VILLAGE OF ELWOOD, ILLINOIS**

**Capital Construction Bond - Capital Projects Fund**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	446
Expenditures			
Capital Outlay	-	-	-
Net Change in Fund Balance	-	-	446
Fund Balance - Beginning			14,033
Fund Balance - Ending			14,479



**VILLAGE OF ELWOOD, ILLINOIS**

**Village Hall Construction - Capital Projects Fund**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 100,000	100,000	-
Expenditures			
Capital Outlay			
Village Hall Construction	6,714,935	6,714,935	3,010,819
Net Change in Fund Balance	<u>(6,614,935)</u>	<u>(6,614,935)</u>	(3,010,819)
Fund Balance - Beginning			<u>6,714,935</u>
Fund Balance - Ending			<u>3,704,116</u>

**VILLAGE OF ELWOOD, ILLINOIS****Combining Balance Sheet****Nonmajor Governmental Funds****April 30, 2007**

	Special Revenue Funds					Total
	Motor Fuel Tax	Park	Special Service Area	Children's Garden	Debt Service	Nonmajor Governmental Funds
<b>ASSETS</b>						
Cash and Investments	\$ 470,074	59,792	428,638	-	-	958,504
Due from Other Governments	3,849	30,000	-	-	-	33,849
Prepays	-	-	7,773	-	-	7,773
Total Assets	473,923	89,792	436,411	-	-	1,000,126
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts Payable	-	6,060	7,761	-	-	13,821
Fund Balances						
Reserved - Prepays	-	-	7,773	-	-	7,773
Reserved - Road Improvements	-	-	55,776	-	-	55,776
Reserved - Road Reconstruction	-	-	129,052	-	-	129,052
Unreserved	473,923	83,732	236,049	-	-	793,704
Total Fund Balances	473,923	83,732	428,650	-	-	986,305
Total Liabilities and Fund Balances						
	473,923	89,792	436,411	-	-	1,000,126

# VILLAGE OF ELWOOD, ILLINOIS

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds

Year Ended April 30, 2007

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Motor Fuel Tax	Park	Special Service Area	Children's Garden	Debt Service	
Revenues						
Taxes	\$ -	-	667,240	-	-	667,240
Intergovernmental	47,161	40,000	-	-	-	87,161
Charges for Services	-	42,451	-	-	-	42,451
Interest Income	16,856	652	-	-	-	17,508
Miscellaneous	-	1,600	12,702	-	-	14,302
Total Revenues	64,017	84,703	679,942	-	-	828,662
Expenditures						
Public Safety	-	-	375,261	-	-	375,261
Public Works	-	-	162,479	-	-	162,479
Parks and Recreation	-	114,429	-	-	-	114,429
Debt Service						
Principal Retirement	-	-	23,899	-	-	23,899
Interest and Fiscal Charges	-	-	7,599	-	291,848	299,447
Total Expenditures	-	114,429	569,238	-	291,848	975,515
Excess (Deficiency) of Revenues Over (Under) Expenditures	64,017	(29,726)	110,704	-	(291,848)	(146,853)
Other Financing Sources (Uses)						
Transfer In	-	66,094	-	-	291,848	357,942
Transfer Out				(5,530)	-	(5,530)
	-	66,094	-	(5,530)	291,848	352,412
Net Change in Fund Balances	64,017	36,368	110,704	(5,530)	-	205,559
Fund Balances - Beginning	409,906	47,364	317,946	5,530	-	780,746
Fund Balances - Ending	473,923	83,732	428,650	-	-	986,305

# VILLAGE OF ELWOOD, ILLINOIS

## Motor Fuel Tax - Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	46,170	46,170	47,161
Interest Income	10,214	10,214	16,856
Total Revenues	56,384	56,384	64,017
Expenditures			
Public Works	-	-	-
Net Change in Fund Balance	56,384	56,384	64,017
Fund Balance - Beginning			409,906
Fund Balance - Ending			473,923

# VILLAGE OF ELWOOD, ILLINOIS

## Park - Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Event Fees	\$ 5,300	5,300	6,359
Impact Fees	25,000	25,000	22,957
Rental Fees	500	500	1,875
Registration Fees	8,000	8,000	11,260
Intergovernmental			
Grants	-	-	40,000
Interest Income	-	-	652
Miscellaneous			
Donations	1,000	1,000	1,600
Total Revenues	39,800	39,800	84,703
Expenditures			
Parks and Recreation	98,772	98,772	114,429
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,972)	(58,972)	(29,726)
Other Financing Sources			
Transfers In	60,564	60,564	66,094
Net Change in Fund Balance	1,592	1,592	36,368
Fund Balance - Beginning			47,364
Fund Balance - Ending			83,732

# VILLAGE OF ELWOOD, ILLINOIS

## Park - Special Revenue Fund

### Schedule of Expenditures - Budget and Actual Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Parks and Recreation			
Salaries	\$ 28,568	28,568	33,780
Administration Benefits	3,707	3,707	3,324
Employee Group Insurance	3,557	3,557	2,017
Repairs and Maintenance	2,000	2,000	-
Cleaning	1,000	1,000	1,738
Referees	1,600	1,600	850
Instructors	2,500	2,500	3,412
Legal	1,000	1,000	7,364
Consultant Study	10,000	10,000	7,775
Postage	1,000	1,000	-
Advertising	1,000	1,000	-
Trailer Rental	10,200	10,200	9,294
Telephone	540	540	-
Printing	2,000	2,000	-
General Supplies	1,300	1,300	5,916
Materials	5,000	5,000	8,371
Development Supplies	2,500	2,500	1,291
Miscellaneous	1,000	1,000	10,609
Training	3,300	3,300	-
Children's Garden	17,000	17,000	18,688
Total Expenditures	98,772	98,772	114,429

# VILLAGE OF ELWOOD, ILLINOIS

## Special Service Area - Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 667,240	667,240	667,240
Miscellaneous	-	-	12,702
Total Revenues	667,240	667,240	679,942
Expenditures			
Public Safety	433,208	433,208	375,261
Public Works	193,532	193,532	162,479
Debt Service			
Principal Retirement	32,500	32,500	23,899
Interest and Fiscal Charges	8,000	8,000	7,599
Total Expenditures	667,240	667,240	569,238
Net Change in Fund Balance	-	-	110,704
Fund Balance - Beginning			317,946
Fund Balance - Ending			428,650

**VILLAGE OF ELWOOD, ILLINOIS****Special Service Area - Special Revenue Fund****Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Public Safety			
Salaries	\$ 186,039	186,039	212,159
Benefits	96,991	96,991	67,563
Training	1,372	1,372	3,319
Uniforms	1,340	1,340	2,026
Insurance	11,660	11,660	3,887
Automotive	10,837	10,837	18,438
Supplies and Materials	29,945	29,945	19,401
Contingencies	1,000	1,000	-
Agreements	12,500	12,500	8,341
Miscellaneous Expense	6,500	6,500	10,080
Purchase Equipment	8,700	8,700	7,738
Road Maintenance Reserve	27,888	27,888	-
Purchase Vehicle	20,000	20,000	20,516
Data Processing Equipment	-	-	1,793
Road Construction Reserve	18,436	18,436	-
Total Public Safety	433,208	433,208	375,261
Public Works			
Salaries	50,000	50,000	48,040
Benefits	16,000	16,000	15,909
Uniforms	1,600	1,600	907
Snow Removal	12,000	12,000	13,860
Vehicle Maintenance	4,750	4,750	3,737
Equipment Maintenance	1,000	1,000	407
Administrative/Legal	52,182	52,182	41,552
Retention Pond Maintenance	40,000	40,000	20,777
Roadway Maintenance	16,000	16,000	17,290
Total Public Works	193,532	193,532	162,479
Debt Service			
Principal Retirement	32,500	32,500	23,899
Interest and Fiscal Charges	8,000	8,000	7,599
Total Debt Service	40,500	40,500	31,498
Total Expenditures	667,240	667,240	569,238



**VILLAGE OF ELWOOD, ILLINOIS**

**Children's Garden - Special Revenue Fund**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ -	-	-
Expenditures			
Parks and Recreation	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing (Uses)			
Transfers Out	-	-	(5,530)
Net Change in Fund Balance	-	-	(5,530)
Fund Balance - Beginning			5,530
Fund Balance - Ending			-

# VILLAGE OF ELWOOD, ILLINOIS

## Debt Service Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	-
Expenditures			
Debt Service			
Principal Retirement	90,000	90,000	-
Interest and Fiscal Charges	626,848	626,848	291,848
Total Expenditures	716,848	716,848	291,848
Excess (Deficiency) of Revenues Over (Under) Expenditures	(716,848)	(716,848)	(291,848)
Other Financing Sources			
Transfers In	716,848	716,848	291,848
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

**VILLAGE OF ELWOOD, ILLINOIS****Water and Sewer - Enterprise Fund****Schedule of Revenues, Expenses and Changes in  
Net Assets - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 609,614	609,614	384,692
Operating Expenses			
Water Operations	384,755	384,755	336,360
Sewer Operations	335,045	335,045	320,225
Depreciation	-	-	548,692
Total Operating Expenses	719,800	719,800	1,205,277
Operating Income (Loss)	(110,186)	(110,186)	(820,585)
Nonoperating Revenues (Expenses)			
Interest Income	125	125	125,028
Interest and Fiscal Charges	(425,000)	(425,000)	(503,650)
	(424,875)	(424,875)	(378,622)
Income (Loss) Before Contributions	(535,061)	(535,061)	(1,199,207)
Contributions	-	-	19,500
Change in Net Assets	(535,061)	(535,061)	(1,179,707)
Net Assets - Beginning			10,364,577
Net Assets - Ending			9,184,870

**VILLAGE OF ELWOOD, ILLINOIS**

**Water and Sewer - Enterprise Fund**

**Schedule of Operating Revenues - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Charges for Services			
Water Charges	\$ 168,912	168,912	182,371
Sewer Charges	170,952	170,952	153,423
Water Tap on Fees	113,750	113,750	24,353
Sewer Tap on Fees	140,000	140,000	14,280
Meter Sales	15,000	15,000	9,101
Miscellaneous	1,000	1,000	1,164
Total Operating Revenues	609,614	609,614	384,692

**VILLAGE OF ELWOOD, ILLINOIS****Water and Sewer - Enterprise Fund****Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Water Operations			
Salaries	\$ 19,934	19,934	29,807
Administration Benefits	3,611	3,611	4,091
Employee Group Insurance	5,226	5,226	2,084
Insurance - Liability/Workers Compensation	9,429	9,429	11,834
Audit	2,463	2,463	2,533
Engineering Services	-	-	21,868
Data Processing	500	500	-
Legal Services	-	-	1,262
Plant Operator Fee	150,000	150,000	150,829
Telephone	2,312	2,312	3,994
Electric	93,590	93,590	52,646
Heating	650	650	1,074
Printing/Binding	300	300	-
Dues and Subscriptions	215	215	269
Equipment Rental	5,000	5,000	3,636
Building Maintenance	7,000	7,000	2,369
Equipment Maintenance	10,700	10,700	2,526
System Maintenance	23,875	23,875	9,336
Vehicle Maintenance	750	750	606
Operational Supplies	5,150	5,150	2,429
Gas and Oil	1,000	1,000	450
Small Tools/Equipment	1,000	1,000	855
Postage	2,550	2,550	805
Water Supplies	8,000	8,000	3,462
Maintenance Supplies	2,000	2,000	934
Vehicle Supplies	500	500	281
Chemicals	500	500	-
Miscellaneous	9,000	9,000	1,016
Purchase Equipment	2,500	2,500	2,500
Water Meters	15,000	15,000	22,864
Data Processing Equipment	2,000	2,000	-
Total Water Operations	384,755	384,755	336,360

# VILLAGE OF ELWOOD, ILLINOIS

## Water and Sewer - Enterprise Fund

### Schedule of Operating Expenses - Budget and Actual - Continued Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Sewer Operations			
Salaries	\$ 19,934	19,934	23,881
Administration Benefits	3,611	3,611	4,091
Employee Group Insurance	5,226	5,226	2,084
Insurance - Liability/Workers Compensation	9,429	9,429	7,042
Audit	2,463	2,463	2,533
Engineering Services	-	-	17,732
Data Processing	1,000	1,000	-
Legal Services	1,000	1,000	1,498
Plant Operator Fee	150,000	150,000	150,829
Telephone	1,000	1,000	1,053
Electric	47,476	47,476	51,499
Heating	1,240	1,240	2,305
Printing/Binding	350	350	-
Dues and Subscriptions	500	500	1,000
Equipment Rental	5,000	5,000	-
Building Maintenance	2,500	2,500	1,063
Equipment Maintenance	2,500	2,500	4,488
System Maintenance	30,000	30,000	19,369
Vehicle Maintenance	500	500	268
Operational Supplies	2,000	2,000	938
Gas and Oil	5,000	5,000	3,603
Small Tools and Equipment	3,000	3,000	1,233
Postage	816	816	804
Sewer Supplies	5,000	5,000	54
Maintenance Supplies	5,000	5,000	4,077
Vehicle Supplies	1,000	1,000	310
Chemicals	12,000	12,000	8,384
Miscellaneous	12,000	12,000	10,087
Purchase Equipment	3,000	3,000	-
Data Processing Equipment	2,500	2,500	-
Total Sewer Operations	335,045	335,045	320,225

**VILLAGE OF ELWOOD, ILLINOIS**

**Garbage - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in  
Net Assets - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 135,660	135,660	124,862
Operating Expenses			
Garbage Operations	135,628	135,628	124,518
Operating Income	32	32	344
Nonoperating Revenue			
Interest Income	100	159	78
Change in Net Assets	132	191	422
Net Assets - Beginning			16,604
Net Assets - Ending			17,026

**VILLAGE OF ELWOOD, ILLINOIS**

**Garbage - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Garbage Operations			
Garbage Collection	\$ 134,028	134,028	123,424
Printing/Binding	300	300	-
Miscellaneous	500	500	290
Postage	800	800	804
Total Garbage Operations	135,628	135,628	124,518



## **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 Assets by Component - Last Three Fiscal Years April 30, 2007 (Unaudited)**

	2005	2006	2007
<b>Governmental Activities</b>			
Invested in Capital Assets, Net of Related Debt	\$ (4,643,933)	11,652,801	10,793,782
Restricted	1,933,592	1,703,193	1,214,702
Unrestricted	2,753,285	(22,716,974)	(31,705,596)
<b>Total Governmental Activities Net Assets</b>	<b>42,944</b>	<b>(9,360,980)</b>	<b>(19,697,112)</b>
<b>Business-Type Activities</b>			
Invested in Capital Assets, Net of Related Debt	23,252,237	8,970,809	8,777,528
Unrestricted	(12,330,618)	1,410,372	424,368
<b>Total Business-Type Activities Net Assets</b>	<b>10,921,619</b>	<b>10,381,181</b>	<b>9,201,896</b>
<b>Primary Government</b>			
Invested in Capital Assets, Net of Related Debt	18,608,304	20,623,610	19,571,310
Restricted	1,933,592	1,703,193	1,214,702
Unrestricted	(9,577,333)	(21,306,602)	(31,281,228)
<b>Total Primary Government Net Assets</b>	<b>10,964,563</b>	<b>1,020,201</b>	<b>(10,495,216)</b>

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2005.

# **VILLAGE OF ELWOOD, ILLINOIS**

## **Changes in Net Assets - Last Three Fiscal Years April 30, 2007 (Unaudited)**

	2005	2006	2007
<b>Expenses</b>			
<b>Governmental Activities</b>			
General Government	\$ 917,834	1,582,783	2,697,423
Public Safety	667,761	1,004,814	769,922
Public Works	416,868	2,938,655	655,478
Parks and Recreation	74,198	69,450	2,939,609
Interest on Long-Term Debt	11,703,839	13,134,085	14,065,749
Total Governmental Activities Expenses	13,780,500	18,729,787	21,128,181
<b>Business-Type Activities</b>			
Water and Sewer	1,453,781	1,715,996	1,708,927
Garbage	110,181	116,611	124,518
Total Business-Type Activities Net Assets	1,563,962	1,832,607	1,833,445
<b>Total Primary Government Expenses</b>	15,344,462	20,562,394	22,961,626
<b>Program Revenues</b>			
<b>Governmental Activities</b>			
Charges for Services			
General Government	2,876,547	3,826,513	2,107,835
Public Safety	93,812	116,919	161,322
Parks and Recreation	33,884	16,658	42,451
Operating Grants/Contributions	50,837	46,550	87,161
Capital Grants/Contributions	167,369	50,000	50,000
Total Governmental Activities Program Revenues	3,222,449	4,056,640	2,448,769
<b>Business-Type Activities</b>			
Charges for Services			
Water and Sewer	528,246	726,974	384,692
Garbage	100,197	126,847	124,862
Operating Grants/Contributions	80,718	-	-
Capital Grants/Contributions	836,661	376,169	19,500
Total Business-Type Activities Program Revenues	1,545,822	1,229,990	529,054
<b>Total Primary Government Program Revenues</b>	4,768,271	5,286,630	2,977,823

	2005	2006	2007
Net (Expense) Revenue			
Governmental Activities	\$ (10,558,051)	(14,673,147)	(18,679,412)
Business-Type Activities	(18,140)	(602,617)	(1,304,391)
Total Primary Government Net Revenue (Expense)	<u>(10,576,191)</u>	<u>(15,275,764)</u>	<u>(19,983,803)</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Taxes			
Property Taxes	3,285,888	4,139,633	5,714,095
Utility Taxes	252,181	310,122	339,502
Intergovernmental - Unrestricted			
Sales Taxes	196,516	297,821	1,365,439
Income Taxes	121,922	153,023	164,319
Reimbursements	-	-	299,142
Interest Income	125,688	224,495	338,629
Miscellaneous	51,434	144,129	73,513
Total Governmental Activities	<u>4,033,629</u>	<u>5,269,223</u>	<u>8,294,639</u>
Business-Type Activities			
Investment Income	8,274	62,179	125,106
Miscellaneous	-	-	-
Total Business-Type Activities	<u>8,274</u>	<u>62,179</u>	<u>125,106</u>
Total Primary Government	<u>4,041,903</u>	<u>5,331,402</u>	<u>8,419,745</u>
Changes in Net Assets			
Governmental Activities	(6,524,422)	(9,403,924)	(10,384,773)
Business-Type Activities	(9,866)	(540,438)	(1,179,285)
Total Primary Government	<u>(6,534,288)</u>	<u>(9,944,362)</u>	<u>(11,564,058)</u>

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2005.

## VILLAGE OF ELWOOD, ILLINOIS

### Fund Balances of Governmental Funds - Last Ten Fiscal Years April 30, 2007 (Unaudited)

	1998	1999	2000	2001
General Fund				
Reserved	\$ -	-	-	-
Unreserved	57,794	183,672	141,305	208,923
Total General Fund	57,794	183,672	141,305	208,923
All Other Governmental Funds				
Reserved	-	-	-	-
Unreserved, Reported in:				
Special Revenues Funds	222,440	461,814	300,533	248,809
Capital Projects Funds	-	-	-	-
Total All Other Governmental Funds	222,440	461,814	300,533	248,809

Data Source: Village Records

2002	2003	2004	2005	2006	2007
-	33,195	29,138	48,861	11,603	13,085
(328,392)	(296,434)	(874,035)	390,273	791,730	933,420
(328,392)	(263,239)	(844,897)	439,134	803,333	946,505
-	1,707,226	486,202	1,567,930	1,109,592	469,639
2,348,846	3,845,336	9,902,825	453,528	642,242	793,704
39,113	593	2,720,973	2,265,998	11,754,489	4,891,853
2,387,959	5,553,155	13,110,000	4,287,456	13,506,323	6,155,196

## VILLAGE OF ELWOOD, ILLINOIS

### General Governmental Revenues By Source - Last Ten Fiscal Years April 30, 2007 (Unaudited)

Source	1998	1999	2000	2001
Taxes	\$ 320,636	273,140	288,093	309,526
Intergovernmental	-	-	-	27,583
Charges for Services	-	-	-	110,972
Licenses and Permits	45,951	218,594	518,516	153,807
Fines and Forfeits	4,114	10,271	5,479	225
Interest Income	6,263	9,384	11,979	10,015
Miscellaneous	136,475	623,172	66,632	670,739
Total	513,439	1,134,561	890,699	1,282,867

Includes General, Special Revenue, Debt Service and Capital Projects Funds.

The Village implemented GASB 34 in Fiscal Year 2005. Includes all Governmental Funds.

Data Source: Village Records

2002	2003	2004	2005	2006	2007
589,143	1,654,037	2,109,670	3,538,069	4,449,755	6,053,597
1,309,612	2,665,589	2,039,146	536,664	547,394	1,966,061
22,641	38,251	63,483	2,737,438	2,802,384	2,071,685
117,037	102,777	250,798	172,993	481,353	78,601
18,212	13,417	48,055	93,812	116,919	161,322
82,848	98,553	73,116	125,668	281,891	338,629
3,439,290	3,308,269	11,498,555	51,434	646,167	73,513
5,578,783	7,880,893	16,082,823	7,256,078	9,325,863	10,743,408



## VILLAGE OF ELWOOD, ILLINOIS

### General Governmental Expenditures By Function - Last Ten Fiscal Years April 30, 2007 (Unaudited)

Function	1998	1999	2000	2001
General Government	\$ 309,226	473,730	653,617	759,724
Public Safety	74,632	111,320	112,238	90,811
Public Works	39,252	59,718	287,386	354,464
Parks and Recreation	N/A	N/A	N/A	N/A
Capital Outlay	-	82,735	-	61,973
Debt Service				
Principal	50,000	15,000	15,000	20,000
Interest and Fiscal Charges	29,068	26,804	26,107	25,188
Total	502,178	769,307	1,094,348	1,312,160

Includes General, Special Revenue, Debt Service and Capital Projects Funds.

The Village implemented GASB 34 in Fiscal Year 2005. Includes all Governmental Funds.

Data Source: Village Records

2002	2003	2004	2005	2006	2007
519,459	1,552,103	1,356,413	930,079	1,530,702	2,678,321
170,348	304,055	487,526	689,769	1,011,725	812,160
1,360,805	742,679	710,042	424,632	500,530	556,032
N/A	N/A	N/A	74,198	69,450	114,429
12,334,196	17,605,306	18,173,413	7,481,335	5,489,388	7,946,124
20,000	436,412	-	2,282,662	3,732,507	5,544,850
23,806	5,757	-	-	311,129	299,447
14,428,614	20,646,312	20,727,394	11,882,675	12,645,431	17,951,363

# **VILLAGE OF ELWOOD, ILLINOIS**

## **Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years April 30, 2007 (Unaudited)**

	1998	1999	2000	2001
<b>Revenues</b>				
Taxes	\$ 320,636	273,140	288,093	309,526
Licenses and Permits	45,951	218,594	518,516	153,807
Intergovernmental	-	-	-	27,583
Charges for Services and Fees	-	-	-	110,972
Fines and Forfeits	4,114	10,271	5,479	225
Investment Income	6,263	9,384	11,979	10,015
Miscellaneous	136,475	623,172	66,632	670,739
<b>Total Revenues</b>	<b>513,439</b>	<b>1,134,561</b>	<b>890,699</b>	<b>1,282,867</b>
<b>Expenditures</b>				
General Government	309,226	473,730	653,617	759,724
Public Safety	74,632	111,320	112,238	90,811
Public Works	39,252	59,718	287,386	354,464
Parks and Recreation	N/A	N/A	N/A	N/A
Capital Outlay	-	82,735	-	61,973
Debt Service				
Principal	50,000	15,000	15,000	20,000
Interest and Fiscal Charges	29,068	26,804	26,107	25,188
<b>Total Expenditures</b>	<b>502,178</b>	<b>769,307</b>	<b>1,094,348</b>	<b>1,312,160</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>11,261</b>	<b>365,254</b>	<b>(203,649)</b>	<b>(29,293)</b>
<b>Other Financing Sources (Uses)</b>				
Debt Issuance	-	-	-	-
Discount on Debt Issuance	-	-	-	-
Transfers In	42,505	41,804	-	-
Transfers Out	(10,000)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>32,505</b>	<b>41,804</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>43,766</b>	<b>407,058</b>	<b>(203,649)</b>	<b>(29,293)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>15.75%</b>	<b>6.09%</b>	<b>3.76%</b>	<b>3.61%</b>

Data Source: Village Records

2002	2003	2004	2005	2006	2007
589,143	1,654,037	2,109,670	3,538,069	4,449,755	6,053,597
117,037	102,777	250,798	172,993	481,353	78,601
1,309,612	2,665,589	2,039,146	536,664	547,394	1,966,061
22,641	38,251	63,483	2,737,438	2,802,384	2,071,685
18,212	13,417	48,055	93,812	116,919	161,322
82,848	98,553	73,116	125,668	281,891	338,629
3,439,290	3,308,269	11,498,555	51,434	646,167	73,513
5,578,783	7,880,893	16,082,823	7,256,078	9,325,863	10,743,408
519,459	1,552,103	1,356,413	930,079	1,530,702	2,678,321
170,348	304,055	487,526	689,769	1,011,725	812,160
1,360,805	742,679	710,042	424,632	500,530	556,032
N/A	N/A	N/A	74,198	69,450	114,429
12,334,196	17,605,306	18,173,413	7,481,335	5,489,388	7,946,124
20,000	436,412	-	2,282,662	3,732,507	5,544,850
23,806	5,757	-	-	311,129	299,447
14,428,614	20,646,312	20,727,394	11,882,675	12,645,431	17,951,363
(8,849,831)	(12,765,419)	(4,644,571)	(4,626,597)	(3,319,568)	(7,207,955)
10,948,409	11,122,347	-	-	13,037,752	-
-	-	-	-	(135,118)	-
-	80,000	-	350,000	10,066,009	527,942
(25,483)	(80,000)	-	(350,000)	(10,066,009)	(527,942)
10,922,926	11,122,347	-	-	12,902,634	-
2,073,095	(1,643,072)	(4,644,571)	(4,626,597)	9,583,066	(7,207,955)
2.09%	14.54%	0.00%	51.86%	56.51%	58.41%

# VILLAGE OF ELWOOD, ILLINOIS

## Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years April 30, 2007 (Unaudited)

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
1997	\$ 13,459,317	73,971	672,062	76,700	14,282,050	31,701	14,313,751	0.130
1998	15,450,972	216,590	650,449	1,189,512	17,507,523	29,195	17,536,718	0.106
1999	17,391,609	228,551	675,680	3,091,700	21,387,540	28,451	21,415,991	0.091
2000	19,985,936	710,910	759,750	5,324,294	26,780,890	29,683	26,810,573	0.077
2001	22,132,218	2,404,703	761,718	5,324,294	30,622,933	31,044	30,653,977	0.070
2002	24,533,782	2,366,461	757,949	5,399,900	33,058,092	36,951	33,095,043	0.130
2003	28,800,884	301,971	794,834	7,749,771	37,647,460	39,999	37,687,459	0.120
2004	31,578,434	290,977	965,549	7,994,121	40,829,081	45,108	40,874,189	0.116
2005	36,627,762	302,243	988,941	7,309,053	45,227,999	42,489	45,270,488	0.209
2006	40,384,258	201,714	1,046,857	7,345,882	48,978,711	42,357	49,021,068	0.202

Data Source: Will County Tax Extension Office

**VILLAGE OF ELWOOD, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years  
April 30, 2007 (Unaudited)**

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**See Following Page**

# **VILLAGE OF ELWOOD, ILLINOIS**

## **Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years April 30, 2007 (Unaudited)**

	1997	1998	1999	2000
Village of Elwood	0.130	0.106	0.091	0.077
Village of Elwood Road and Bridge	0.140	0.137	0.136	0.130
Forest Preserve	0.135	0.129	0.139	0.137
Will County Bldg Comm	0.063	0.060	0.058	0.055
Jackson Township Town Funds	0.101	0.099	0.097	0.089
Jackson Township Road Funds	0.175	0.170	0.167	0.160
Elwood Fire Protection District	0.415	0.439	0.441	0.444
School District 203	2.504	2.482	2.454	2.777
High School District 204	2.156	1.992	1.950	1.920
Community College District 525	0.215	0.220	0.219	0.222
Manhattan Public Library	0.000	0.000	0.000	0.572
Will County	0.573	0.566	0.572	0.572
<b>Total Tax Rate Per \$100 EAV</b>	<b>6.606</b>	<b>6.398</b>	<b>6.324</b>	<b>7.154</b>
<b>Village's Share of Total Tax Rate</b>	<b>2.08%</b>	<b>2.01%</b>	<b>2.20%</b>	<b>1.91%</b>

Data Source: Office of the Will County Clerk

2001	2002	2003	2004	2005	2006
0.070	0.130	0.120	0.116	0.209	0.2019
0.134	0.135	0.131	0.129	0.127	0.1245
0.135	0.132	0.127	0.124	0.148	0.1369
0.052	0.048	0.045	0.042	0.012	0.0127
0.092	0.093	0.090	0.089	0.088	0.0859
0.165	0.167	0.161	0.159	0.157	0.1538
0.457	0.463	0.465	0.507	0.561	0.6176
2.795	2.813	2.707	2.699	2.616	2.5405
2.031	2.272	2.172	2.151	2.089	2.0244
0.224	0.221	0.211	0.214	0.209	0.1936
0.163	0.162	0.155	0.170	0.178	0.1697
0.571	0.558	0.537	0.529	0.526	0.5027
6.889	7.193	6.919	6.928	6.920	6.7642
1.96%	1.83%	1.83%	1.67%	3.02%	2.98%



# VILLAGE OF ELWOOD, ILLINOIS

Principal Property Tax Payers - Current Year and Nine Years Ago  
April 30, 2007 (Unaudited)

	2007				1998			
	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
	Centerpoint Intermodal, LLC	\$ 10,592,291	1	23.40%	Peoples Gas Light Co	478,613	1	2.73%
	Elwood Energy, LLC	3,903,686	2	8.62%	Peoples Gas Light Co	371,170	2	2.12%
	Centerpoint Elwood, LLC	3,028,002	3	6.69%	K and R Oil	157,331	3	0.90%
	CJF1, LLC	2,397,198	4	5.30%	Peoples Gas Light Co	157,268	4	0.90%
	Elwood Energy, LLC	2,177,015	5	4.81%	Muriel Weidman	94,176	5	0.54%
	Commonwealth Edison Co.	371,127	6	0.82%	James Winans	89,505	6	0.51%
	Perc Holdings, LLC	344,680	7	0.76%	Peoples Gas Light Co	87,147	7	0.50%
	Perc Holdings, LLC	236,004	8	0.52%	Pro Investment Inc.	74,634	8	0.43%
	Command Construction, Inc.	195,930	9	0.43%	First Midwest Trust Co.	73,475	9	0.42%
	Centerpoint Intermodal, LLC	174,113	10	0.38%	Marilyn Tyler	71,539	10	0.41%
		<u>23,420,046</u>		<u>51.73%</u>		<u>1,654,858</u>		<u>9.44%</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, 2007 (Unaudited)**

Fiscal Year Ended April 30	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
1998	1997	\$ 18,608	\$ 18,608	100.00%	N/A	\$ 18,608	100.00%
1999	1998	18,642	18,642	100.00%	N/A	18,642	100.00%
2000	1999	19,574	19,574	100.00%	N/A	19,574	100.00%
2001	2000	20,563	20,563	100.00%	N/A	20,563	100.00%
2002	2001	21,580	21,580	100.00%	N/A	21,580	100.00%
2003	2002	43,024	43,024	100.00%	N/A	43,024	100.00%
2004	2003	45,112	45,131	100.04%	N/A	45,131	100.04%
2005	2004	47,332	47,341	100.02%	N/A	47,341	100.02%
2006	2005	94,706	94,808	100.11%	N/A	94,808	100.11%
2007	2006	98,925	94,661	95.69%	N/A	94,661	95.69%

Data Source: Office of the County Clerk of Will County

# VILLAGE OF ELWOOD, ILLINOIS

## Ratios of Outstanding Debt By Type - Last Ten Fiscal Years April 30, 2007 (Unaudited)

Fiscal Year Ended April 30	Governmental Activities				Business-Type Activities		Total Primary Government	Total Equalized Assessed Value (EAV)	Percentage of EAV	Per Capita (1)
	General Obligation Bonds	General Obligation Capital Appreciation	Capital Leases Payable	Tax Increment Notes Payable	Loans Payable					
1998	\$ 460,000	\$ -	\$ -	\$ -	\$ -	\$ -	460,000	\$ 14,313,751	3.21%	\$ 484.21
1999	445,000	-	-	-	-	-	445,000	17,536,718	2.54%	468.42
2000	430,000	-	-	-	-	-	430,000	21,415,991	2.01%	452.63
2001	410,000	-	-	-	-	-	410,000	26,810,573	1.53%	253.09
2002	390,000	-	-	-	2,940,567	3,330,567	3,330,567	30,653,977	10.87%	2,055.91
2003	-	-	-	-	14,500,000	14,500,000	14,500,000	33,095,043	43.81%	8,950.62
2004	-	-	-	-	14,500,000	14,500,000	14,500,000	37,687,459	38.47%	8,950.62
2005	-	-	-	124,947,957	14,500,000	139,447,957	139,447,957	40,874,189	341.16%	86,078.99
2006	6,715,000	6,246,538	127,232	133,803,629	14,500,000	161,392,399	161,392,399	45,270,488	356.51%	99,624.94
2007	6,715,000	6,422,136	103,333	141,934,229	14,500,000	169,674,698	169,674,698	49,021,068	346.13%	104,737.47

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.

# **VILLAGE OF ELWOOD, ILLINOIS**

## **Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years April 30, 2007 (Unaudited)**

Fiscal Year Ended April 30	Gross General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
1998	\$ 460,000	\$ -	\$ 460,000	2.23%	\$ 484.21
1999	445,000	-	445,000	2.00%	468.42
2000	430,000	-	430,000	1.70%	265.43
2001	410,000	-	410,000	1.47%	253.09
2002	390,000	-	390,000	1.28%	240.74
2003	-	-	-	1.70%	0.00
2004	-	-	-	1.48%	0.00
2005	-	-	-	1.28%	0.00
2006	6,715,000	-	6,715,000	2.12%	4145.06
2007	6,715,000	-	6,715,000	1.83%	4145.06

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, 2007 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Elwood	\$ 12,961,538	100.00 %	\$ 12,961,538
Will County	42,280,000	7.60	3,213,280
Forest Preserve	150,343,688	2.14	3,217,355
School District 203	1,723,450	37.80	651,464
High School District 204	26,168,020	30.19	7,900,125
Community College District 525	3,825,000	3.02	115,515
Subtotal	29,993,020		15,097,739
Totals	42,954,558		28,059,277

\* 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, 2007 (Unaudited)**

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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

### Pledged-Revenue Coverage - Last Ten Fiscal Years April 30, 2007 (Unaudited)

Fiscal Year Ended April 30	Property Tax Revenues	Principal	Interest	Coverage
1997	\$ -	\$ -	\$ -	-
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	62,423	-

Data Source: Village Records

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

# **VILLAGE OF ELWOOD, ILLINOIS**

## **Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2007 (Unaudited)**

Fiscal Year Ended April 30	(1) Population	Personal Income (in Thousands)	(1) Per Capita Personal Income	(1) Median Age	(2) School Enrollment	(3) Unemployment Rate
1997	950	\$ N/A	N/A	35	299	N/A
1998	950	N/A	N/A	35	303	N/A
1999	950	N/A	N/A	35	308	1.8
2000	1,620	36,356	22,442	35	322	1.8
2001	1,620	36,356	22,442	35	347	1.8
2002	1,620	36,356	22,442	35	362	1.8
2003	1,620	36,356	22,442	35	396	1.8
2004	1,620	36,356	22,442	35	421	1.8
2005	1,620	36,356	22,442	35	426	N/A
2006	1,620	36,356	22,442	35	433	N/A

N/A - Currently Not Available

### Data Sources:

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



# **VILLAGE OF ELWOOD, ILLINOIS**

## **Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2007 (Unaudited)**

Employer	2007			1998		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Wal-Mart	2,000	1	N/A	N/A	N/A	N/A
Stephan Chemcial Co.	425	2	N/A	N/A	N/A	N/A
Potlach	170	3	N/A	N/A	N/A	N/A
Elwood School District	45	4	N/A	N/A	N/A	N/A
Village of Elwood	32	5	N/A	N/A	N/A	N/A
Sanyo Logistics	20	6	N/A	N/A	N/A	N/A
Masterblend International, LLC	12	7	N/A	N/A	N/A	N/A
Sign-Sational Signs	1	8	N/A	N/A	N/A	N/A
	<u>280</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

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, 2007 (Unaudited)**

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**See Following Page**

## VILLAGE OF ELWOOD, ILLINOIS

### Full-time Equivalent Village Government Employees by Function - Last Ten Fiscal Years April 30, 2007 (Unaudited)

Function	1998	1999	2000	2001
General Government				
Administration	1	1	1	2
Finance	-	-	1	2
Public Works	1	1	1	1
Police	2	2	3	3
Water and Sewer	1	1	1	1
Total	5	5	7	9

Data Source: Village Records

2002	2003	2004	2005	2006	2007
2	2	3	2	2	3
2	2	2	2	2	2
1	2	3	3	4	5
4	5	5	5	6	7
1	1	1	1	1	1
10	12	14	13	15	18

## VILLAGE OF ELWOOD, ILLINOIS

### Operating Indicators by Function/Program - Last Ten Fiscal Years April 30, 2007 (Unaudited)

Function/Program	1998	1999	2000	2001
<b>Public Works</b>				
Forestry				
Number of Parkway Trees Planted	N/A	N/A	N/A	N/A
Number of Parkway Trees Trimmed	N/A	N/A	N/A	N/A
Brush Pickup Program (Cubic Yds collect)	N/A	N/A	N/A	N/A
Fleet Services				
Number of Vehicles Maintained	N/A	N/A	N/A	4
Preventative Maintenance Services	N/A	N/A	N/A	4
<b>Public Safety</b>				
Police				
Criminal	N/A	N/A	N/A	N/A
Quasi Criminal	N/A	N/A	N/A	N/A
Calls for Service	N/A	N/A	N/A	N/A
State Tickets Issued	N/A	N/A	N/A	N/A
<b>Community Development</b>				
Number of Building Permits Issued	N/A	N/A	N/A	56
Number of Building Inspections	N/A	N/A	N/A	168
Number of Food Service Inspections	N/A	N/A	N/A	N/A
<b>Highways and Streets</b>				
Sidewalk Replaced (sq. ft.)	-	-	-	-
<b>Water and Sewer</b>				
Water Main Breaks	N/A	N/A	N/A	N/A
Hydrants Flushed	N/A	N/A	N/A	N/A
Water Meters Read	N/A	N/A	N/A	N/A
Water Meter Service Requests	N/A	N/A	N/A	N/A
Water Meters Replaced	N/A	N/A	N/A	5
Total Distribution Pumpage (1,000 gallons)	N/A	N/A	N/A	N/A
Average Daily Pumpage (1,000 gallons)	N/A	N/A	N/A	N/A
Sanitary Sewer Televising (feet)	N/A	N/A	N/A	N/A
Sanitary Sewer Repairs	N/A	N/A	N/A	N/A

N/A: Not Available

Data Source: Village Records

2002	2003	2004	2005	2006	2007
N/A	N/A	80	50	131	163
N/A	N/A	0	10	100	0
N/A	35	60	65	80	50
4	5	6	7	10	13
6	9	10	14	17	20
N/A	N/A	N/A	600	1,200	1,800
N/A	N/A	N/A	1,520	1,249	499
N/A	N/A	N/A	1,551	2,880	2,336
N/A	N/A	N/A	678	1,149	1,632
21	26	54	26	17	26
63	78	162	78	51	78
N/A	N/A	N/A	N/A	N/A	N/A
-	-	30	150	-	-
N/A	N/A	3	2	-	-
N/A	200	284	355	536	549
N/A	740	755	768	790	830
N/A	N/A	N/A	60	30	40
4	5	204	531	122	12
N/A	89,302,000	127,713,000	96,484,000	124,865,967	94,905,000
N/A	287,000	287,000	253,000	254,000	350,000
N/A	N/A	N/A	N/A	N/A	17,000
N/A	N/A	N/A	N/A	N/A	1

## VILLAGE OF ELWOOD, ILLINOIS

### Capital Asset Statistics by Function/Program - Last Ten Fiscal Years April 30, 2007 (Unaudited)

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	2	2	3	3	4	6	7	8	8	8
<b>Fire Stations</b>	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Streets (Miles)	N/A	N/A	30	33	41	41	41	41	47	47
Sidewalks (miles)	N/A	N/A	8	9	11	11	13	14	15	15
Streetlights	N/A	N/A	N/A	N/A	N/A	8	40	48	165	165
<b>Water and Sewer</b>										
Water Mains (Miles)	N/A	N/A	N/A	N/A	8.76	13.47	25.54	26.19	26.60	26.60
Fire Hydrants	N/A	N/A	N/A	N/A	200	284	355	536	549	549
Sanitary Sewers (miles)	N/A	N/A	N/A	N/A	10.10	12.42	19.67	20.45	20.89	20.89
Manholes	N/A	N/A	N/A	N/A	200	289	300	350	391	391

Data Source: Village Records