

VILLAGE OF ELWOOD, ILLINOIS



Village of Elwood

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Proud of our past, Building our future.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL
YEAR ENDED
APRIL 30, 2011

VILLAGE OF ELWOOD, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
APRIL 30, 2011**

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
- Transmittal Letter

VILLAGE OF ELWOOD, ILLINOIS

**List of Principal Officials
April 30, 2011**

VILLAGE PRESIDENT

William Offerman – Mayor

VILLAGE BOARD OF TRUSTEES

Charles Bernhard

Mary Matichak

Bud Jones

George Ruban

Jason Kucera

Robert Wagner

VILLAGE CLERK

Patricia Buchenau

DEPARTMENT HEADS

(Interim) Village Administrator

Nicholas Narducci

Village Treasurer

Roberta Day

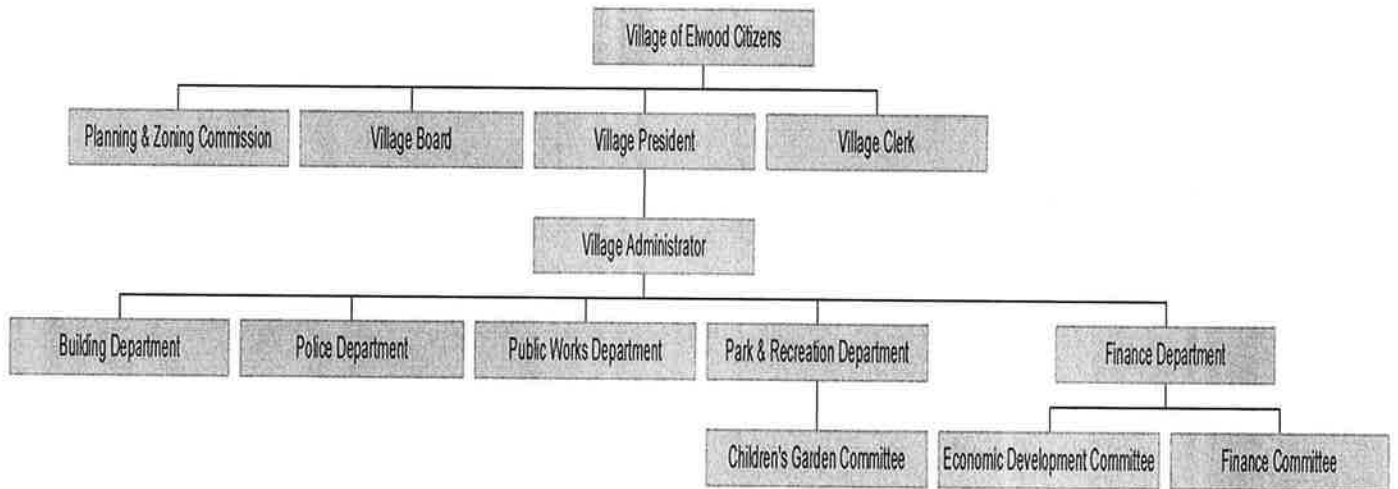
Chief of Police

Nick Weiss

Director of Public Works

Scott Haywood

Village of Elwood





Village of Elwood

• Established 1889 •

Proud of our past, Building our future.

401 E. Mississippi Ave., P.O. Box 435, Elwood, IL 60421 • (815) 423-5011 • Fax: (815) 423-6861

November 11, 2011

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, 2011. The responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the Village of Elwood, Administrative Department. To the best of our knowledge, the enclosed data is accurate in all material respects and gives an accurate representation of the financial position and results of operations of the various funds and account groups of the Village. All disclosures necessary to enable the reader to understand funds and account groups of the Village are included. All disclosures necessary to enable the reader to gain the maximum understanding of the Village's financial activities have been included.

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The Village is located in the western portion of Will County, which is ranked as one of the top growth areas in the nation. It is located approximately thirty-five miles southwest of Chicago. Housing construction in the past (5) five-year has seen some positive changes in the Village's economic future. In addition, the second largest inter-modal/ industrial park in the nation is located in a tax increment financing district within the Village's western border.

The estimated actual value of property in the Village has decreased by .09% in 2010. Given the massive reduction in EAV seen across the nation the Village has fared well through the real estate crisis. Current projections again anticipate a growth rate in 2011 of approximately 1.00% based on preliminary assessment information and construction in the intermodal/ industrial park outside the Tax Increment Financing District. When comparing this rate to the prior ten years, which averaged 20.56% from 2000 through 2010, it appears that the majority of the property in the Village is still to be developed, although the intermodal is almost 70% developed; future development will occur on a planned basis.

In FYE 2011, utility tax revenue increased by \$ 61,673 or 17.54%. This compares to a \$94,380 increase or 20.5% during the previous fiscal year, due to additional buildings in the intermodal. Utility tax provided approximately 24.61% of the total General Fund operating revenue in FYE 2011 as compared with 21.95% in FYE 2011. In addition the Village has seen a \$70,495 or 24.19% increase in sales tax due to internet sales conducted at the intermodal facility.

OTHER ECONOMIC CONDITIONS EXPECTED

Housing developments as throughout the nation have stalled, however the Village has a strip shopping center under construction along with a full service fueling station already approved. In addition warehouses continue to be developed both in and outside the intermodal facility.

Currently, unemployment in Will County (10.3%) remains higher than the state (9.9%), and the nation (9.1%) as of May 2011. However, the Village with a population of 2,239 has an additional 3,800 employees enter the intermodal on a daily basis to service the nearly 17,000 vehicles that do business in the facility. Within the Village employment has increased substantially with the additional internet sales facilities.

MAJOR INITIATIVES

The Village has accomplished many major initiatives during FYE 2011. Some of the accomplishments that the elected officials and staff are most proud of are described in the following. Conducting over \$2,000,000 in construction projects for the second straight year with no cost to the residents; reducing staff without reducing services to residents, decreasing outstanding debt in the Water Sewer Fund by 44.83%, gaining control of 100% of the plant capacity, reducing operating expenses at the plant; finalizing the annexation of the nine hundred and eighty acre Abraham Lincoln National Cemetery (*second largest in the nation*); after completing the annexation of three thousand five hundred acre United States Army 88th Command Reserve facility in the previous year.

DEPARTMENT FOCUS

A major focus was to bring professional management into both the Police and Public Works departments. The Villages sworn staff of eleven officers includes a Police Chief with over forty-two years experience and a Commander with over thirty-three years experience in all facets of public safety operations. The change has shown an increase in activity, reduction in accident claims, highly trained force, and moving toward a certification program. All policies and procedures have been written and documented and all necessary training has been conducted along with an increase in necessary equipment.

In addition, the Village hired a certified Civil Engineer to manage the Public Works department. This includes managing the operation of the Villages water and wastewater treatment facilities, conducting all plan reviews, and conducting all on site construction inspections.

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 FUND BALANCE The fund balance in the General Fund increased in FYE 2011 by \$79,974 or 11.46%. The fund balance is still well beyond the target of 25% of expenses showing increasing financial stability.

ENTERPRISE OPERATIONS The Village's enterprise operations are comprised of two separate and distinct activities: the Waterworks and Sewerage Fund and the Garbage Fund. For FYE 2011, the fund showed a 38.36% increase in assets due to a refinancing, while keeping expenses under FYE 2010 expenses and increasing operating revenues.

DEBT ADMINISTRATION The Village has two (2) general obligation bonds outstanding in FY 2011. The Village held its (Stable) A bond rating from Standard and Poor's. Being a home-rule community the Village does not have a limit on bonding authority. In addition the Village decreased its indebtednesses from a \$14,500,000 State of Illinois Department of Commerce and Economic Opportunity loan plus \$8,000,000 in additional expenses for a total of \$22,500,000 down to \$8,000,000 by negotiating a discount, securing upfront intermodal permits, and additional developer payments. The Village issued a 20 year Alternate Revenue Bond for \$3,500,000, and a developer financed \$4,500,000 negotiated bond payable in ten years. This essentially reduces the Villages Water and Sewer long term obligations by \$14,000,000.

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 anticipated.

RISK MANAGEMENT The Village buys liability and workers compensation insurance through a private broker and saw a substantial increase due to previous high claims. However, recent management and loss control measures have reduced claims to zero and will be reflected in next year's premiums.

INDEPENDENT AUDIT

State statute requires an annual audit by independent certified public accountants. The Village selected the accounting firm of Lauterbach & Amen. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules 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. The Village of Elwood received the prestigious award in FY 2010. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Village received this award for the past six years.

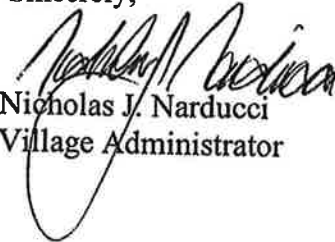
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

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 Lauterbech & 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,



Nicholas J. Narducci
Village Administrator

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, 2010

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.



President

Executive Director

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.

INDEPENDENT AUDITORS' REPORT

June 20, 2011

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Village of Elwood, Illinois as of and for the year ended April 30, 2011, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Village of Elwood, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Elwood, Illinois as of April 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of Elwood, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

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, 2011. Please read it in conjunction with the transmittal letter that begins on page iv and the Village's financial statements, which begin on page 3. This is the seventh year that the Village is applying GASB Statement No. 34. Therefore, comparative data for the prior year is presented.

FINANCIAL HIGHLIGHTS

- **Excluding all TIF related activity**, the Village reported an **increase in net assets of \$1,980,257** for the governmental activities.
 - Total assets increased \$2,627,666. **The Village's cash and investment position increased \$233,478** and also reported an increase to the Village's capital assets of \$566,581.
 - Total liabilities increased \$647,409 due primarily to an increase in accounts payable at year end for capital projects in process.
 - The increase in liabilities was more than offset by the \$2,627,666 increase in assets, resulting in the overall \$1,980,257 increase to net assets for the governmental activities.
- **Net assets for the business-type activities increased \$2,591,197** as a result of an extensive debt restructuring completed during the year.
- **The General Fund reported an ending fund balance of \$696,295, which reflects a \$79,974, or 13 percent increase for the year.**

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 3 - 6) 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 7. 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 matter similar to a private-sector business. The government wide financial statements can be found on pages 3 - 6 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, 2011

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 nine 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, and the Capital Construction Bond Fund, all of which are considered major funds.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements - Continued

Governmental Funds – Continued

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

The Village of Elwood adopts an annual appropriated budget for all of the governmental funds, except the Deer Run Tax Increment Financing 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 7 - 12 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 13 - 16 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 17 - 45 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. employee pension obligation and other postemployment benefit obligation. Required supplementary information can be found on pages 46 – 48 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 49 - 72 of this report.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Government-Wide Activities Excluding TIF Activity

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

	Net Assets - Excluding TIF Related Activity					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 9,755,139	7,694,054	(997,233)	637,923	8,757,906	8,331,977
Capital Assets	30,178,607	29,612,026	20,906,937	21,455,001	51,085,544	51,067,027
Total Assets	39,933,746	37,306,080	19,909,704	22,092,924	59,843,450	59,399,004
Long-Term Debt Outstanding	14,927,253	14,642,036	10,300,791	14,341,511	25,228,044	28,983,547
Other Liabilities	861,532	499,340	262,127	995,824	1,123,659	1,495,164
Total Liabilities	15,788,785	15,141,376	10,562,918	15,337,335	26,351,703	30,478,711
Net Assets						
Invested in Capital Assets, Net of Debt	17,197,130	16,667,446	12,646,565	7,135,001	29,843,695	23,802,447
Restricted	186,235	284,408	-	-	186,235	284,408
Unrestricted (Deficit)	6,761,596	5,212,850	(3,299,779)	(379,412)	3,461,817	4,833,438
Total Net Assets	24,144,961	22,164,704	9,346,786	6,755,589	33,491,747	28,920,293

By far the largest portion of the Village of Elwood's net assets reflects its investment in capital assets of \$29.8 million (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Elwood uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Elwood's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. **The Village's investment in capital assets net of related debt increased \$6,041,248** as a result of the restructuring of debt for the business-type activities that resulted in an overall reduction in outstanding debt that in turn increased the Village's investment in capital assets, net of related debt. For the business-type activities the Village was able to "retire" \$14,320,000 in old loans and replace it with the issuance of only \$8,290,000 in general obligation bonds, thereby **reducing the overall total debt burden for the business-type activities by \$6,030,000.**

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Excluding TIF Activity – Continued

An additional portion or \$0.2 million of the Village of Elwood's net assets represents resources that are subject to external restrictions on how they may be used, including restrictions for the use of motor fuel tax allotments and special service area taxes.

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

	Changes in Net Assets - Excluding TIF Related Activity					
	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Services	\$ 481,034	435,797	884,768	813,028	1,365,802	1,248,825
Operating Grants/Contrib.	48,018	39,638	-	-	48,018	39,638
Capital Grants/Contrib.	2,148,100	50,000	-	-	2,148,100	50,000
General Revenues						
Property Taxes	1,096,561	1,020,687	-	-	1,096,561	1,020,687
Utility Taxes	351,564	413,237	-	-	351,564	413,237
Sales Taxes	361,917	369,746	-	-	361,917	369,746
Income Taxes	162,538	156,146	-	-	162,538	156,146
Other General Revenues	2,552,607	1,895,966	3,234,106	21,724	5,786,713	1,917,690
Total Revenues	7,202,339	4,381,217	4,118,874	834,752	11,321,213	5,215,969
Expenses:						
General Government	1,194,907	720,998	-	-	1,194,907	720,998
Public Safety	1,319,476	1,187,539	-	-	1,319,476	1,187,539
Public Works	1,841,134	2,010,754	-	-	1,841,134	2,010,754
Parks and Recreation	119,869	111,906	-	-	119,869	111,906
Interest on Long-Term Debt	746,696	715,638	-	-	746,696	715,638
Water and Sewer	-	-	1,369,765	1,631,487	1,369,765	1,631,487
Garbage	-	-	157,912	148,973	157,912	148,973
Total Expenses	5,222,082	4,746,835	1,527,677	1,780,460	6,749,759	6,527,295
Change in Net Assets	1,980,257	(365,618)	2,591,197	(945,708)	4,571,454	(1,311,326)
Net Assets-Beginning	22,164,704	22,530,322	6,755,589	7,701,297	28,920,293	30,231,619
Net Assets-Ending	24,144,961	22,164,704	9,346,786	6,755,589	33,491,747	28,920,293

VILLAGE OF ELWOOD, ILLINOIS

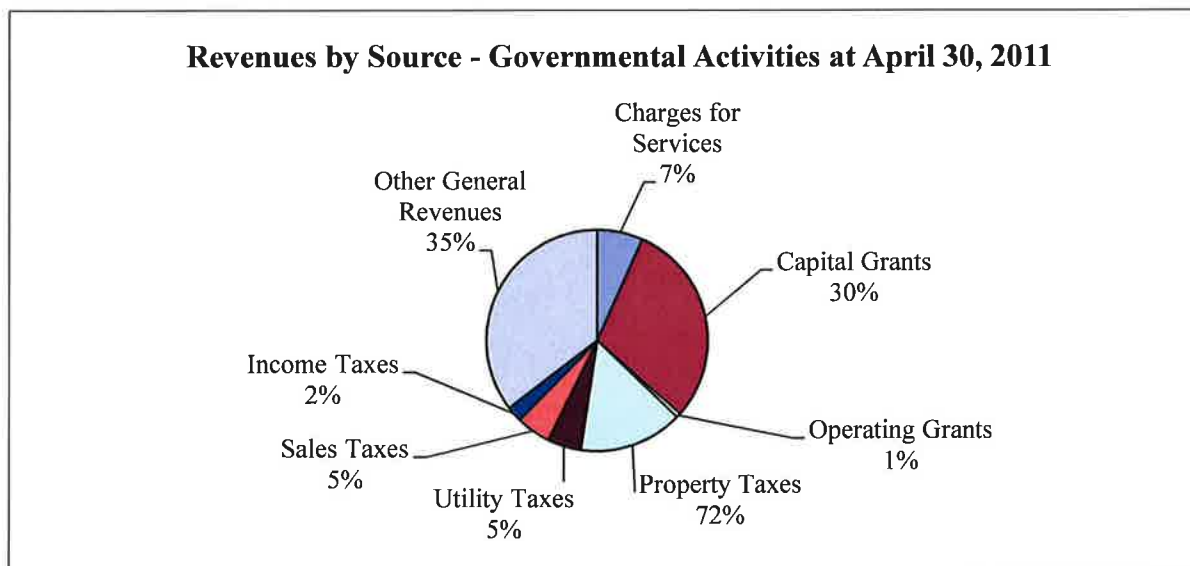
Management's Discussion and Analysis April 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Excluding TIF Activity – Continued

In removing all TIF related activity from the entity-wide statements, including capital assets, long-term debt, TIF incremental property taxes, etc. the Village is able to analyze true operational net assets and changes in net assets. **Excluding the TIF activity, the Village reported an increase to governmental activities net assets of \$1,980,257**, primarily as the result of the increase in fund balance in the Capital Construction Bond Fund of \$1,799,979 from one time grants and reimbursements that will be used to fund future capital improvements. Furthermore, as reflected on the prior page, **the Village was able to report positive balances for all categories of net assets for the governmental activities for the years ended April 30, 2011 and April 30, 2010.**

Revenues for governmental activities were \$11.3 million for the year, with the largest portion of revenue coming from capital grants and contributions (\$2.1 million). **Revenues for the year increased \$6,105,244, which includes an increase of \$2,821,122 for the governmental activities and \$3,284,122 for the business-type activities.** Revenues for the governmental activities increased as a result of increased charges for services primarily in the General Fund, a slight increase in property taxes and income taxes, and capital grants of \$2,148,100 received to fund future capital improvements within the Village. As previously stated, the increase in revenues in the business-type activities reflects the debt restructuring that took place during the year. **Total expenses for the year were \$6.7 million, reflecting only a 3 percent increase over the prior year.** The Village Board and management worked diligently during the year to maintain costs in light of the still slumping economy. **With the management of expenses and the increases in revenues, the Village was able to report a \$4,571,454 increase to total net assets for the year.** This is in comparison to a decrease of \$1,311,326 in the prior year. The following chart shows the diversification of the Village's revenue sources for the year ended April 30, 2011:



VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity

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 \$33.6 million due in large part to the current year accretion expense of \$15,562,494 on the capital appreciation bonds. The following table represents the activity of the Village including all TIF related activity:

	Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 20,480,299	17,672,105	(997,233)	637,923	19,483,066	18,310,028
Capital Assets	129,117,245	130,799,270	20,906,937	21,455,001	150,024,182	152,254,271
Total Assets	149,597,544	148,471,375	19,909,704	22,092,924	169,507,248	170,564,299
Long-Term Debt Outstanding	162,559,781	161,045,378	10,300,791	14,341,511	172,860,572	175,386,889
Other Liabilities	35,402,208	27,767,636	262,127	995,824	35,664,335	28,763,460
Total Liabilities	197,961,989	188,813,014	10,562,918	15,337,335	208,524,907	204,150,349
Net Assets						
Invested in Capital Assets, Net of Debt	55,923,197	45,118,195	12,646,565	7,135,001	68,569,762	52,253,196
Restricted	186,235	284,408	-	-	186,235	284,408
Unrestricted (Deficit)	(104,473,877)	(85,744,242)	(3,299,779)	(379,412)	(107,773,656)	(86,123,654)
Total Net Assets	(48,364,445)	(40,341,639)	9,346,786	6,755,589	(39,017,659)	(33,586,050)

By far the largest portion of the Village of Elwood's net assets reflects its investment in capital assets of \$68.6 million (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Elwood uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Elwood's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The Village's investment in capital assets net of related debt increased \$16,316,566 as a result of debt retirements of \$26,843,924 on long-term debt, offset by \$8,290,000 in new debt, minimal additions to capital assets and depreciation expense of \$4,062,046. Unrestricted net assets decreased \$21,650,002 due to \$15,903,818 in accretion expense on the TIF related debt as well as additions to the liabilities for installment contracts, compensated absences, and net other postemployment benefits.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

An additional portion or \$0.2 million of the Village of Elwood's net assets represents resources that are subject to external restrictions on how they may be used, including restrictions for the use of motor fuel tax allotments and special service area taxes. The following table represents the activity of the Village including all TIF related activity:

	Changes in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Services	\$ 481,034	435,797	884,768	813,028	1,365,802	1,248,825
Operating Grants/Contrib.	48,018	39,638	-	-	48,018	39,638
Capital Grants/Contrib.	2,148,100	50,000	-	-	2,148,100	50,000
General Revenues						
Property Taxes	8,951,766	8,653,494	-	-	8,951,766	8,653,494
Utility Taxes	351,564	413,237	-	-	351,564	413,237
Sales Taxes	361,917	369,746	-	-	361,917	369,746
Income Taxes	162,538	156,146	-	-	162,538	156,146
Other General Revenues	2,560,593	1,902,663	3,234,106	21,724	5,794,699	1,924,387
Total Revenues	15,065,530	12,020,721	4,118,874	834,752	19,184,404	12,855,473
Expenses:						
General Government	1,353,265	886,566	-	-	1,353,265	886,566
Public Safety	1,319,476	1,187,539	-	-	1,319,476	1,187,539
Public Works	4,089,740	4,259,360	-	-	4,089,740	4,259,360
Parks and Recreation	119,869	111,906	-	-	119,869	111,906
Interest on Long-Term Debt	16,205,986	15,857,579	-	-	16,205,986	15,857,579
Water and Sewer	-	-	1,369,765	1,631,487	1,369,765	1,631,487
Garbage	-	-	157,912	148,973	157,912	148,973
Total Expenses	23,088,336	22,302,950	1,527,677	1,780,460	24,616,013	24,083,410
Change in Net Assets	(8,022,806)	(10,282,229)	2,591,197	(945,708)	(5,431,609)	(11,227,937)
Net Assets-Beginning	(40,341,639)	(30,059,410)	6,755,589	7,701,297	(33,586,050)	(22,358,113)
Net Assets-Ending	(48,364,445)	(40,341,639)	9,346,786	6,755,589	(39,017,659)	(33,586,050)

Net assets of the Village of Elwood's governmental activities decreased by \$8,022,806 (negative \$48.4 million compared to negative \$40.3 million). This deficit arose primarily due to the current year accretion on the Capital Appreciation Bonds outstanding amounting to \$15,903,818 and depreciation expense of \$3,513,982, which was offset by long-term debt retirements of \$12,601,421.

Net assets of business-type activities increased by \$2.6 million (\$9.3 million compared to \$6.8 million) due to a debt restructuring undertaken by the Village. The Village of Elwood generally can only use these net assets to finance the continuing operations of the utility operations.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

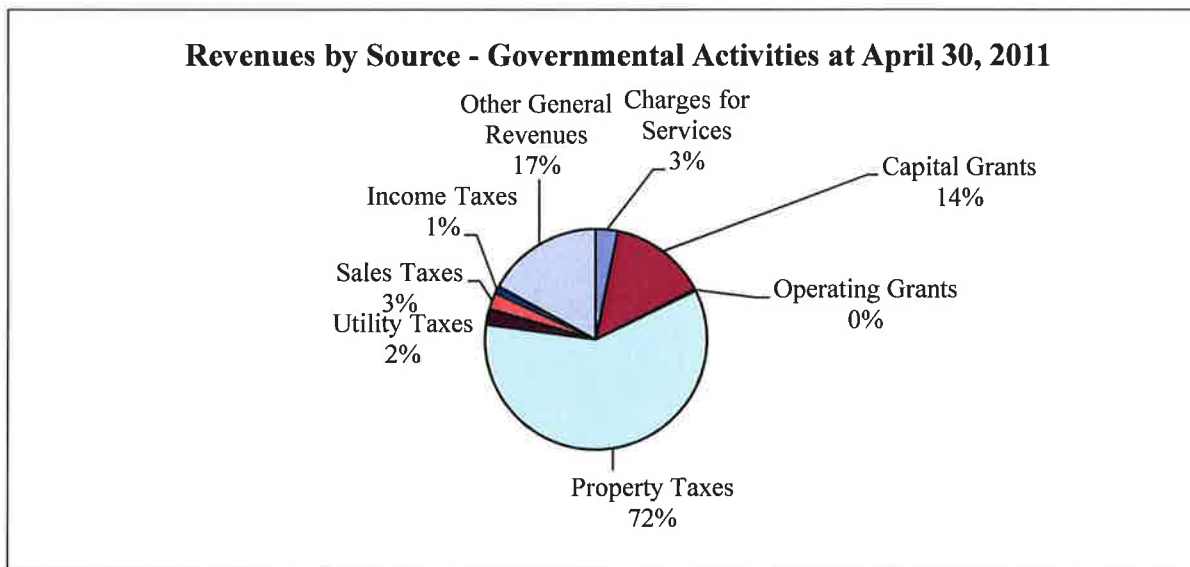
Governmental Activities

Revenues for governmental activities were \$15.1 million for the year, with the largest portion of revenue coming from property taxes (\$9.0 million), 87.8% of which is collected for retirement of the TIF bonds. Total expenses for the year were \$23.1 million with the largest portion coming from the interest expense on long-term (TIF) debt (\$16.2 million).

Revenues for the governmental activities increased \$3,044,809, or 25.3%. Major highlights of the changes in revenues include:

- Charges for services totaled \$481,034 at April 30, 2011, an increase of \$45,237.
- Capital grants/contributions increased \$2,098,100 due to reimbursements received from IDOT for Mississippi and Chicago Streets.
- Property taxes increased \$298,272, or 3.5%, due primarily to increased incremental taxes in the TIF District.

Expenses for the governmental activities increased from the prior year. Total expenses in FY2010 were \$22,302,950, while expenses for FY2011 were \$23,088,336, reflecting a \$785,386 increase. General government expenses increased \$466,699 due to roadway maintenance costs in the Capital Construction Bond Fund.



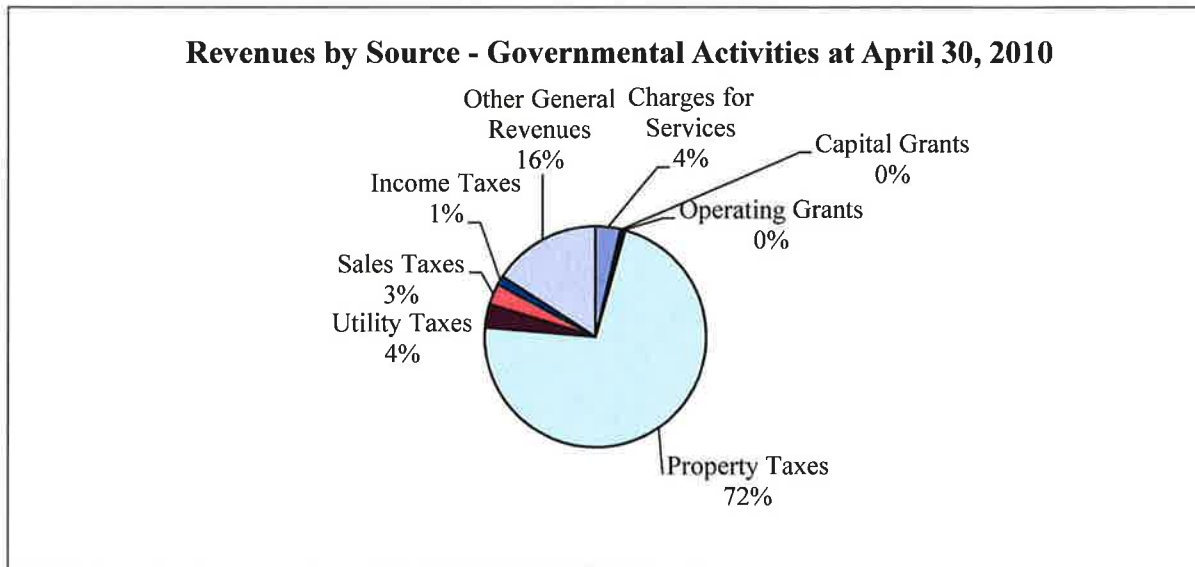
VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

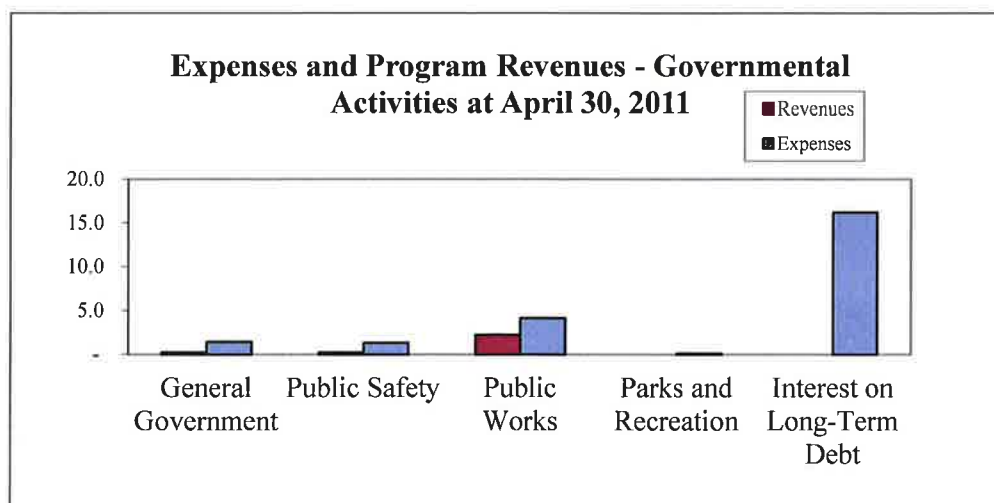
GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

Governmental Activities – Continued



The 'Revenues by Source' Tables graphically depict the major revenue sources of the Village of Elwood for 2011 and 2010. It depicts very clearly the reliance of property taxes "87.8% from the TIF district" to fund governmental activities. It also clearly identifies the minor percentage the Village receives from sales taxes (3%). 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.



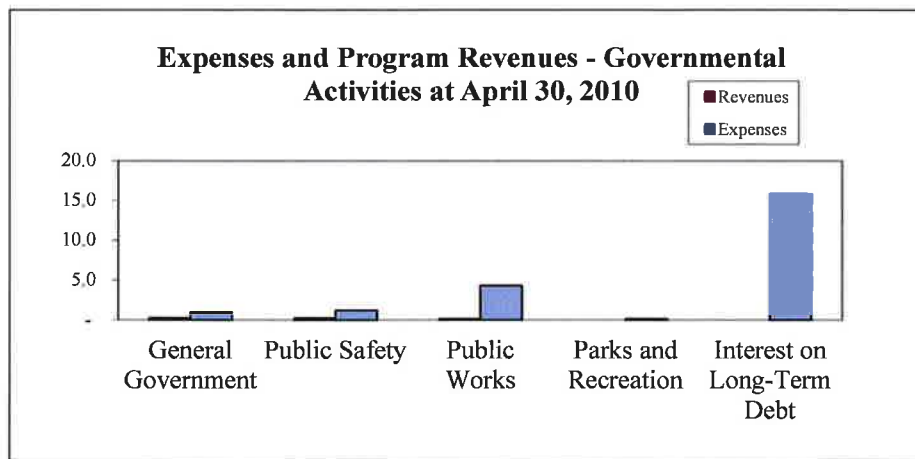
VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

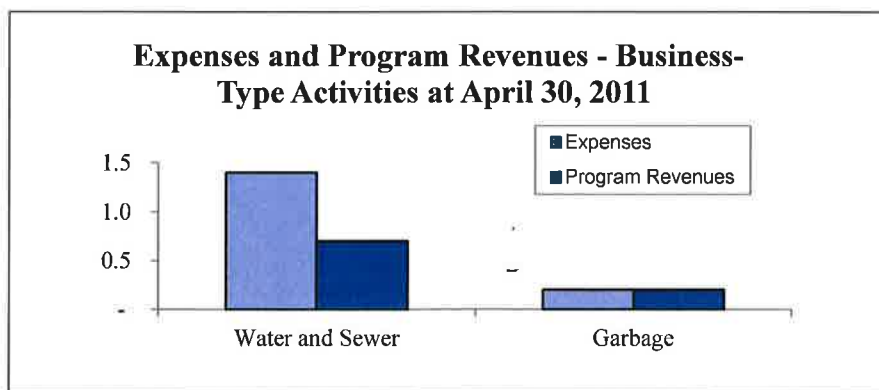
Governmental Activities – Continued



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

Business-Type Activities

Total revenues of the Village's business-type activities were \$4.1 million, while expenses were also \$1.5 million, resulting in an increase in net assets at the end of the year. The table below compares program revenues and expenses for the Water and Sewer Fund and the Garbage Fund.



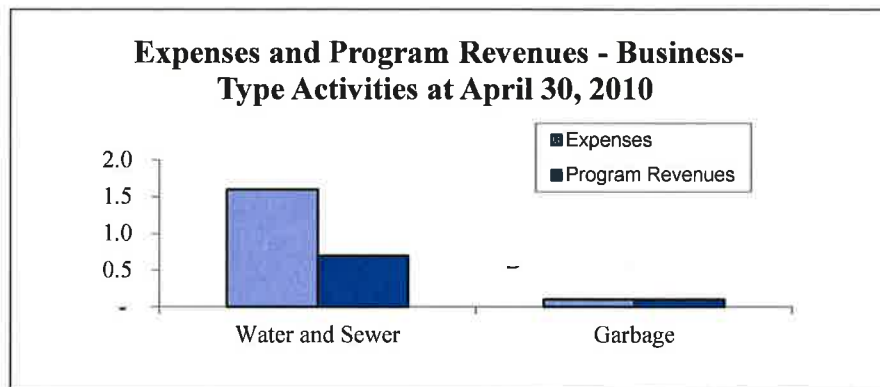
VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

Business-Type Activities – Continued



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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, 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 a deficit of \$492,195, which is \$3,024,905 less than the prior year governmental fund balances of \$2,532,710. **Excluding the Deer Run TIF Fund, the governmental funds would have reported a \$1,794,186 increase to fund balances. Included in this year's total change in fund balance, however, is a surplus of \$1,799,979 in the Capital Construction Bond Fund, which is offset by a deficit of \$1,819,091 in the Deer Run TIF Fund due to TIF debt retirements exceeding the incremental property taxes collected during the year. The General Fund reported a surplus of \$79,974, with a surplus of \$34,099 prior to a debt issuance of \$45,875. As previously stated, the slight increase in revenues for the year coupled with cost controlling measures contributed to the overall increase of \$79,974 in fund balance.**

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

The Brandon/Noel Road Improvements Fund reported no expenditures in the current year and increased fund balance \$51,137 as a result of the \$50,000 collected for the annexation of the McDowell Energy Center property and \$1,137 in interest earnings. Revenues of \$4,234,471 in the Capital Construction Bond Fund, including IDOT reimbursements of \$1,698,100, exceeded expenditures of \$2,434,492 by \$1,799,979.

In addition, these other changes in fund balances should be noted:

- The Village spent \$15,893 for Phase I Improvements. 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 3 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 \$20,628 was added to fund balance of \$116,342, resulting in ending fund balance of \$136,970 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 \$33.73 for first 2,000 gallons and \$5.96 per thousand gallons thereafter. The spread between purchase and sale rates is intended to finance the operations of the waterworks and sewerage system, including labor costs, supplies, and infrastructure maintenance.

The Village intends to run the fund at a breakeven rate, with a contribution from the developer of the industrial park. For the FY2011 the Water and Sewer Fund reported a surplus of \$2,592,958 as a result of debt restructuring during the year.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments made to the General Fund budget during the year. **The General Fund expenditures were \$85,609 below the budgeted amount of \$1,725,176**, due primarily to the public safety function which was \$182,082 under budget. Specifically, salaries and related expenditures were under budget as a result of an unfilled police officer position.

The General Fund revenues were \$67,568 under the budgeted amount of \$1,741,386, due primarily to less than anticipated fines and forfeitures.

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, 2011 was \$150.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, park facilities, roads, sidewalks, and bridges. The total decrease in the Village's investment in capital assets for the current fiscal year was \$2,230,089, which was the result of \$1,831,957 in additions to capital assets offset by \$4,062,046 reported for depreciation expense.

	Capital Assets - Net of Accumulated Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 3,458,233	3,458,233	1,909,500	1,909,500	5,367,733	5,367,733
Buildings and Improvements	5,486,754	5,668,944	9,730,532	10,050,229	15,217,286	15,719,173
Machinery & Equipment	418,688	377,484	52,084	64,590	470,772	442,074
Infrastructure	119,753,570	121,294,609	9,214,821	9,430,682	128,968,391	130,725,291
Total	129,117,245	130,799,270	20,906,937	21,455,001	150,024,182	152,254,271

This year's major additions included:

Vehicles	\$ 133,857
Infrastructure	1,698,100
	<u>1,831,957</u>

Additional information on the Village's capital assets can be found in note 3 on pages 28 - 29 of this report.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village had total outstanding bonded debt of \$185.2 million as compared to \$187.8 million the previous year, resulting in a \$2.6 million decrease from the prior year. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Village Supported Debt						
Installment Contracts	\$ 77,925	41,028	-	-	77,925	41,028
General Obligation Bonds	6,715,000	6,715,000	8,290,000	-	15,005,000	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	2,053,459	1,608,931	-	-	2,053,459	1,608,931
Loans Payable	-	-	-	14,320,000	-	14,320,000
Total Village Supported Debt	15,034,936	14,553,511	8,290,000	14,320,000	23,324,936	28,873,511
TIF Supported Debt						
TIF Notes Payable	60,212,571	72,736,495	-	-	60,212,571	72,736,495
Accretion - TIF Notes Payable	101,650,061	86,190,771	-	-	101,650,061	86,190,771
Total TIF Supported Debt	161,862,632	158,927,266	-	-	161,862,632	158,927,266
Total	176,897,568	173,480,777	8,290,000	14,320,000	185,187,568	187,800,777

The Village of Elwood had previously been rated by Standard & Poor's at BBB+ for general obligation debt, but this rating was upgraded to single A during the previous fiscal year. 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 30 - 36 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2011 appropriation, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Unemployment rates remain high and it is likely that revenues will remain stagnant into the coming year.

These indicators were taken into account when adopting the General Fund budget for 2012. Amounts available for appropriation in the General Fund budget are \$1,725,176, a decrease of 6.8% over the final 2011 budget of \$1,850,432, basically due to reductions in spending.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2011

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, 2011**

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Statement of Net Assets

April 30, 2011

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 10,049,321	9,479	10,058,800
Receivables - Net	9,089,364	107,174	9,196,538
Due from Other Governments	3,344	-	3,344
Due from Other Funds	1,273,175	(1,273,175)	-
Prepays	65,095	18,048	83,143
Total Current Assets	20,480,299	(1,138,474)	19,341,825
Noncurrent Assets			
Capital Assets			
Nondepreciable	3,458,233	1,909,500	5,367,733
Depreciable	145,377,589	23,522,237	168,899,826
Accumulated Depreciation	(19,718,577)	(4,524,800)	(24,243,377)
	129,117,245	20,906,937	150,024,182
Other Assets			
Unamortized Bond Issue Costs	-	97,682	97,682
Unamortized Bond Discount	-	43,559	43,559
	-	141,241	141,241
Total Noncurrent Assets	129,117,245	21,048,178	150,165,423
Total Assets	149,597,544	19,909,704	169,507,248

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

	Governmental Activities	Business- Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	12,619,102	95,098	12,714,200
Retainage Payable	24,931	-	24,931
Deposits Payable	-	15,650	15,650
Accrued Interest Payable	52,515	146,708	199,223
Unearned/Deferred Revenues	8,328,461	-	8,328,461
Current Portion of Long-Term Debt	14,377,199	4,671	14,381,870
Total Current Liabilities	35,402,208	262,127	35,664,335
Noncurrent Liabilities			
Compensated Absences Payable	29,386	1,225	30,611
Net Other Post-Employment Benefit Payable	2,679	-	2,679
Unearned Tap-On Revenues	-	2,000,000	2,000,000
Installment Contracts Payable	53,177	9,566	62,743
General Obligation Bonds Payable	6,600,000	8,290,000	14,890,000
General Obligation Capital Appreciation Bonds Payable	6,188,552	-	6,188,552
Accretion - General Obligation Capital Appreciation Bonds Payable	2,053,459	-	2,053,459
TIF Notes Payable	45,982,467	-	45,982,467
Accretion - TIF Notes Payable	101,650,061	-	101,650,061
Total Noncurrent Liabilities	162,559,781	10,300,791	172,860,572
Total Liabilities	197,961,989	10,562,918	208,524,907
NET ASSETS			
Invested in Capital Assets - Net of Related Debt	55,923,197	12,646,565	68,569,762
Restricted - Highways and Streets	136,970	-	136,970
Restricted - Special Levies	49,265	-	49,265
Unrestricted	(104,473,877)	(3,299,779)	(107,773,656)
Total Net Assets	(48,364,445)	9,346,786	(39,017,659)

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

VILLAGE OF ELWOOD, ILLINOIS

Statement of Activities Year Ended April 30, 2011

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Primary Government				
Governmental Activities				
General Government	\$ 1,353,265	232,310	-	-
Public Safety	1,319,476	232,735	-	-
Public Works	4,089,740	-	48,018	2,148,100
Parks and Recreation	119,869	15,989	-	-
Interest on Long-Term Debt	16,205,986	-	-	-
Total Governmental Activities	23,088,336	481,034	48,018	2,148,100
Business-Type Activities				
Water and Sewer	1,369,765	728,649	-	-
Garbage	157,912	156,119	-	-
Total Business-Type Activities	1,527,677	884,768	-	-
	24,616,013	1,365,802	48,018	2,148,100

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

Change in Net Assets

Net Assets - Beginning

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
(1,120,955)	-	(1,120,955)
(1,086,741)	-	(1,086,741)
(1,893,622)	-	(1,893,622)
(103,880)	-	(103,880)
(16,205,986)	-	(16,205,986)
(20,411,184)	-	(20,411,184)
-	(641,116)	(641,116)
-	(1,793)	(1,793)
-	(642,909)	(642,909)
(20,411,184)	(642,909)	(21,054,093)
8,951,766	-	8,951,766
351,564	-	351,564
361,917	-	361,917
162,538	-	162,538
298,808	-	298,808
38,357	11,599	49,956
2,223,428	3,222,507	5,445,935
12,388,378	3,234,106	15,622,484
(8,022,806)	2,591,197	(5,431,609)
(40,341,639)	6,755,589	(33,586,050)
(48,364,445)	9,346,786	(39,017,659)

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

VILLAGE OF ELWOOD, ILLINOIS

**Balance Sheet - Governmental Funds
April 30, 2011**

See Following Page

VILLAGE OF ELWOOD, ILLINOIS**Balance Sheet - Governmental Funds
April 30, 2011**

	General	Deer Run TIF	Phase I Improvements
ASSETS			
Cash and Investments	\$ 521,560	2,634,299	912,178
Receivables - Net of Allowances			
Property Taxes	237,600	8,090,861	-
Other Taxes	32,812	-	-
Accounts	153,091	-	-
Due from Other Governments		-	-
Due from Other Funds	-	-	-
Prepays	41,997	-	-
Total Assets	987,060	10,725,160	912,178
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	53,165	12,219,711	-
Retainage Payable	-	-	-
Unearned/Deferred Revenues	237,600	8,090,861	-
Total Liabilities	290,765	20,310,572	-
Fund Balances			
Reserved - Prepays	41,997	-	-
Unreserved - Undesignated			
General	654,298	-	-
Special Revenue	-	-	-
Debt Service	-	(9,585,412)	-
Capital Projects	-	-	912,178
Total Fund Balances	696,295	(9,585,412)	912,178
Total Liabilities and Fund Balances	987,060	10,725,160	912,178

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

Brandon/Noel Road Improvements	Capital Construction Bond	Nonmajor Governmental Funds	Total Governmental Funds
420,531	5,371,081	189,672	10,049,321
-	-	-	8,328,461
-	-	-	32,812
-	575,000	-	728,091
-	-	3,344	3,344
-	1,273,175	-	1,273,175
-	-	23,098	65,095
420,531	7,219,256	216,114	20,480,299
-	316,347	29,879	12,619,102
-	24,931	-	24,931
-	-	-	8,328,461
-	341,278	29,879	20,972,494
-	-	23,098	65,095
-	-	-	654,298
-	-	163,137	163,137
-	-	-	(9,585,412)
420,531	6,877,978	-	8,210,687
420,531	6,877,978	186,235	(492,195)
420,531	7,219,256	216,114	20,480,299

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, 2011

Total Governmental Fund Balances	\$ (492,195)
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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.	129,117,245
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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	(36,733)
Net Other Post-Employment Benefit Obligation Payable	(2,679)
Installment Contracts Payable	(77,925)
General Obligation Bonds Payable	(6,715,000)
General Obligation Capital Appreciation Bonds Payable	(6,188,552)
Accretion - General Obligation Capital Appreciation Bonds Payable	(2,053,459)
TIF Notes Payable	(60,212,571)
Accretion - TIF Notes Payable	(101,650,061)
Accrued Interest Payable	<u>(52,515)</u>

Net Assets of Governmental Activities	<u>(48,364,445)</u>
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VILLAGE OF ELWOOD, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2011**

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Year Ended April 30, 2011

	General	Deer Run TIF	Phase I Improvements
Revenues			
Taxes	\$ 580,651	7,855,205	-
Intergovernmental	524,455	-	298,808
Charges for Services	205,054	-	-
Licenses and Permits	27,256	-	-
Fines and Forfeits	232,735	-	-
Interest Income	1,364	7,986	11,831
Miscellaneous	102,151	-	-
Total Revenues	1,673,666	7,863,191	310,639
Expenditures			
Current			
General Government	554,633	158,358	-
Public Safety	548,008	-	-
Public Works	511,615	-	-
Parks and Recreation	-	-	-
Capital Outlay	-	-	15,893
Debt Service			
Principal Retirement	24,118	12,523,924	-
Interest and Fiscal Charges	1,193	-	-
Total Expenditures	1,639,567	12,682,282	15,893
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,099	(4,819,091)	294,746
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	-	(251,715)
Debt Issuance	45,875	-	-
	45,875	-	(251,715)
Net Change in Fund Balances	79,974	(4,819,091)	43,031
Fund Balances - Beginning	616,321	(4,766,321)	869,147
Fund Balances - Ending	696,295	(9,585,412)	912,178

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

Brandon/Noel Road Improvements	Capital Construction Bond	Nonmajor Governmental Funds	Total Governmental Funds
-	-	867,474	9,303,330
50,000	2,098,100	48,018	3,019,381
-	-	15,989	221,043
-	-	-	27,256
-	-	-	232,735
1,137	15,314	725	38,357
-	2,121,057	220	2,223,428
51,137	4,234,471	932,426	15,065,530
-	2,434,492	-	3,147,483
-	-	687,486	1,235,494
-	-	266,958	778,573
-	-	119,869	119,869
-	-	7,802	23,695
-	-	53,379	12,601,421
-	-	297,101	298,294
-	2,434,492	1,432,595	18,204,829
51,137	1,799,979	(500,169)	(3,139,299)
-	-	333,629	333,629
-	-	(81,914)	(333,629)
-	-	68,519	114,394
-	-	320,234	114,394
51,137	1,799,979	(179,935)	(3,024,905)
369,394	5,077,999	366,170	2,532,710
420,531	6,877,978	186,235	(492,195)

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, 2011

Net Change in Fund Balances - Total Governmental Funds	\$ (3,024,905)
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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	1,831,957
Depreciation Expense	(3,513,982)

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	(444,528)
Additions to Accretion - TIF Notes Payable	(15,459,290)
Issuance of Installment Contracts	(114,394)
Retirement of Debt	12,601,421
Deductions to Compensated Absences Payable	106,162
Additions to Net Other Postemployment Benefit Obligation Payable	(1,373)

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

(3,874)

Changes in Net Assets of Governmental Activities	<u>(8,022,806)</u>
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VILLAGE OF ELWOOD, ILLINOIS

Statement of Net Assets - Proprietary Funds

April 30, 2011

	Business-Type Activities - Enterprise		
	Water and Sewer	Nonmajor Garbage	Totals
ASSETS			
Cash and Investments	\$ -	9,479	9,479
Receivables - Net of Allowances Accounts	96,239	10,935	107,174
Prepays	4,900	13,148	18,048
Total Current Assets	101,139	33,562	134,701
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	1,909,500	-	1,909,500
Depreciable Capital Assets	23,522,237	-	23,522,237
Accumulated Depreciation	(4,524,800)	-	(4,524,800)
	20,906,937	-	20,906,937
Other Assets			
Unamortized Bond Issue Costs	97,682	-	97,682
Unamortized Bond Discount	43,559	-	43,559
	141,241	-	141,241
Total Noncurrent Assets	21,048,178	-	21,048,178
Total Assets	21,149,317	33,562	21,182,879

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

	Business-Type Activities - Enterprise		
	Water and Sewer	Nonmajor Garbage	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 82,162	12,936	95,098
Deposits Payable	15,650	-	15,650
Due to Other Funds	1,273,175	-	1,273,175
Accrued Interest Payable	146,708	-	146,708
Compensated Absences Payable	306	-	306
Installment Contract Payable	4,365	-	4,365
Total Current Liabilities	1,522,366	12,936	1,535,302
Long-Term Liabilities			
Compensated Absences Payable	1,225	-	1,225
Unearned Tap-On Revenues	2,000,000	-	2,000,000
Installment Contract Payable	9,566	-	9,566
General Obligation Bonds Payable	8,290,000	-	8,290,000
Total Long-Term Liabilities	10,300,791	-	10,300,791
Total Liabilities	11,823,157	12,936	11,836,093
NET ASSETS			
Invested in Capital Assets - Net of Related Debt	12,646,565	-	12,646,565
Unrestricted	(3,320,405)	20,626	(3,299,779)
Total Net Assets	9,326,160	20,626	9,346,786

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, 2011

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor Garbage	Totals
Operating Revenues			
Charges for Services	\$ 728,649	156,119	884,768
Operating Expenses			
Water Operations	286,459	-	286,459
Sewer Operations	325,222	-	325,222
Garbage Operations	-	157,912	157,912
Depreciation	548,064	-	548,064
Total Operating Expenses	1,159,745	157,912	1,317,657
Operating Income (Loss)	(431,096)	(1,793)	(432,889)
Nonoperating Revenues (Expenses)			
Gain on Debt Refunding	3,198,807	-	3,198,807
Other Income	23,700	-	23,700
Interest Income	11,567	32	11,599
Interest and Fiscal Charges	(210,020)	-	(210,020)
	3,024,054	32	3,024,086
Change in Net Assets	2,592,958	(1,761)	2,591,197
Net Assets - Beginning	6,733,202	22,387	6,755,589
Net Assets - Ending	9,326,160	20,626	9,346,786

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, 2011

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor Garbage	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 606,324	155,089	761,413
Payments to Employees	(35,389)	-	(35,389)
Payments to Suppliers	1,956,060	(157,398)	1,798,662
	<u>2,526,995</u>	<u>(2,309)</u>	<u>2,524,686</u>
Cash Flows from Capital and Related Financing Activities			
Principal Issued	8,290,000	-	8,290,000
Gain on Debt Refunding	3,198,807	-	3,198,807
Principal Paid	(14,324,108)	-	(14,324,108)
Interest Paid	(210,020)	-	(210,020)
	<u>(3,045,321)</u>	<u>-</u>	<u>(3,045,321)</u>
Cash Flows from Investing Activities			
Interest Received	<u>11,567</u>	<u>32</u>	<u>11,599</u>
Net Change in Cash and Cash Equivalents	(506,759)	(2,277)	(509,036)
Cash and Cash Equivalents - Beginning	<u>506,759</u>	<u>11,756</u>	<u>518,515</u>
Cash and Cash Equivalents - Ending	<u>-</u>	<u>9,479</u>	<u>9,479</u>
Reconciliation of Operating Income to Net Cash			
Provided (Used) by Operating Activities			
Operating Income (Loss)	<u>(431,096)</u>	<u>(1,793)</u>	<u>(432,889)</u>
Adjustments to Reconcile Operating Income to			
Net Income to Net Cash			
Provided by (Used in) Operating Activities:			
Depreciation Expense	548,064	-	548,064
Other Income	23,700	-	23,700
(Increase) Decrease in Current Assets	(146,025)	(1,030)	(147,055)
Increase (Decrease) in Current Liabilities	2,532,352	514	2,532,866
	<u>2,958,091</u>	<u>(516)</u>	<u>2,957,575</u>
Net Cash Provided by (Used in) Operating Activities	<u>2,526,995</u>	<u>(2,309)</u>	<u>2,524,686</u>

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

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
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 39, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

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, which include 1) changes to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

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

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net 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, 2011

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, 2011

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 three major capital projects funds, the Phase I Improvements Fund, Brandon/Noel Road Improvements Fund, and Capital Construction Bond 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.

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, 2011

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, 2011

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, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Prepays

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

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, 2011

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 unearned/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, 2011

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 at a management control device during the year for the General Fund. Budgeted amounts are as originally adopted by the Board of Trustees. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year there were no supplementary appropriations.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

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>
Deer Run Tax Increment Financing	\$ 12,682,282
Special Service Area	86,699

The excess expenditures in the Deer Run Tax Increment Financing Fund were funded in part by greater than anticipated revenues, available fund balance and future anticipated revenues.

DEFICIT FUND EQUITY

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

<u>Fund</u>	<u>Deficit</u>
Deer Run Tax Increment Financing	\$ 9,585,412

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, 2011

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 \$10,049,068 and the bank balances totaled \$8,970,280. Also at year-end, the Village has \$9,732 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 does not have a formal written policy with regards to credit risk. At year-end, the Village's investment in the Illinois Funds is rated AAAm by Standard and Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy states that at all times funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third party institution in the name of the municipality. At April 30, 2011, 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 does not have a formal written policy with regards to custodial credit risk for investments. At April 30, 2011, 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, 2011, the Village has no investments over 5 percent of the total cash and investment portfolio.

PROPERTY TAXES

Property taxes for 2010 attach as an enforceable lien on January 1, 2010, 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, 2011 and September 1, 2011. The County collects such taxes and remits them periodically.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 3,458,233	-	-	3,458,233
Depreciable Capital Assets				
Buildings and Improvements	6,304,765	-	-	6,304,765
Machinery and Equipment	1,194,813	133,857	-	1,328,670
Infrastructure	136,046,054	1,698,100	-	137,744,154
	143,545,632	1,831,957	-	145,377,589
Less Accumulated Depreciation				
Buildings and Improvements	635,821	182,190	-	818,011
Machinery and Equipment	817,329	92,653	-	909,982
Infrastructure	14,751,445	3,239,139	-	17,990,584
	16,204,595	3,513,982	-	19,718,577
Total Net Depreciable Capital Assets	127,341,037	(1,682,025)	-	125,659,012
Total Net Capital Assets	130,799,270	(1,682,025)	-	129,117,245

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 8,671
Public Safety	83,982
Public Works	3,421,329
	<u>3,513,982</u>

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,909,500	-	-	1,909,500
Depreciable Capital Assets				
Buildings and Improvements	12,651,715	-	-	12,651,715
Machinery and Equipment	212,143	-	-	212,143
Infrastructure	10,658,379	-	-	10,658,379
	23,522,237	-	-	23,522,237
Less Accumulated Depreciation				
Buildings and Improvements	2,601,486	319,697	-	2,921,183
Machinery and Equipment	147,553	12,506	-	160,059
Infrastructure	1,227,697	215,861	-	1,443,558
	3,976,736	548,064	-	4,524,800
Total Net Depreciable Capital Assets	19,545,501	(548,064)	-	18,997,437
Total Net Capital Assets	21,455,001	(548,064)	-	20,906,937

Depreciation expense was charged to business-type as follows:

Water and Sewer	<u>\$ 548,064</u>
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VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND BALANCES

Interfund balances at year-end consisted of the following:

Receivable Fund	Payable Fund	Amount
Capital Construction Bond	Water and Sewer	<u>\$ 1,273,175</u>

Interfund balances are advances in anticipation of receipts.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	General	\$ 81,914
Nonmajor Governmental	Phase I Improvements	<u>251,715</u>
		<u>333,629</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

Installment Contracts

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

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Truck Installment Contract of 2006 due in annual installments of \$24,201, including interest at 5.27% through January 13, 2011.	\$ 22,989	-	22,989	-

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Installment Contracts – Continued

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Vacuum Trailer Installment Contract of 2010 due in annual installments of \$10,472, including interest at 6.252% through April 30, 2014.	\$ 36,078	-	8,216	27,862
Ford Explorer Installment Contract (#8918800) of 2010 due in annual installments of \$6,269, including interest at 7.252% through August 3, 2013.	-	22,644	6,268	16,376
Ford Explorer Installment Contract (#8918802) of 2010 due in annual installments of \$7,282, including interest at 7.252% through August 3, 2013.	-	26,308	7,283	19,025
Ford Crown Victoria Installment Contract of 2010 due in annual installments of \$10,557, including interest at 6.602% through August 23, 2013.	-	65,442	36,849	28,593
	59,067	114,394	81,605	91,856

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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:

<u>Issue</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
General Obligation Bonds of 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
General Obligation Refunding Bonds of 2010A, due in annual installments of \$165,000 to \$310,000, plus interest at 2.00% to 5.10% through March 1, 2030.	-	3,790,000	-	3,790,000
General Obligation Refunding Bonds of 2010B, due in one payment of \$4,500,000, plus interest at 3.99% on September 8, 2020.	-	4,500,000	-	4,500,000
	6,715,000	8,290,000	-	15,005,000

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Capital Appreciation Bonds Payable

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

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

TIF Notes Payable

Tax increment financing notes currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Financing Note of 2003.	\$ 72,736,495	-	12,523,924	60,212,571

Loans Payable

Loans payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
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.	\$ 14,320,000	-	14,320,000	-

VILLAGE OF ELWOOD, ILLINOIS**Notes to the Financial Statements
April 30, 2011****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****LONG-TERM DEBT – Continued****Long-Term Liability Activity**

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 142,895	106,162	212,324	36,733	7,347
Net Other Post-Employment Benefit Obligation Payable	1,306	1,373	-	2,679	-
Installment Contracts	41,028	114,394	77,497	77,925	24,748
General Obligation Bonds	6,715,000	-	-	6,715,000	115,000
General Obligation Capital Appreciation Bonds	6,188,552	-	-	6,188,552	-
Accretion - General Obligation Capital Appreciation Bonds	1,608,931	444,528	-	2,053,459	-
TIF Notes Payable	72,736,495	-	12,523,924	60,212,571	14,230,104
Accretion - TIF Notes Payable	86,190,771	15,459,290	-	101,650,061	-
	<u>173,624,978</u>	<u>16,125,747</u>	<u>12,813,745</u>	<u>176,936,980</u>	<u>14,377,199</u>
Business-Type Activities					
Compensated Absences	9,475	7,944	15,888	1,531	306
Installment Contracts	18,039	-	4,108	13,931	4,365
General Obligation Bonds	-	8,290,000	-	8,290,000	-
Loans Payable	14,320,000	-	14,320,000	-	-
	<u>14,347,514</u>	<u>8,297,944</u>	<u>14,339,996</u>	<u>8,305,462</u>	<u>4,671</u>

For the governmental activities, the compensated absences and net other postemployment benefit obligation are generally liquidated by the General Fund. The General Fund and Special Service Area Fund make payments on the installment contracts. 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. For business-type activities, compensated absences are liquidated by the Water and Sewer Fund. The Water and Sewer Fund makes payments on the installment contracts and general obligation bonds.

VILLAGE OF ELWOOD, ILLINOIS**Notes to the Financial Statements
April 30, 2011****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		Capital Appreciation		Tax Increment	
	Bonds		Bonds		Notes	
	Principal	Interest	Principal/Accretion	Principal/Accretion	Principal	Interest
2012	\$ 115,000	291,848	(469,870)	(1,333,372)	24,748	4,596
2013	120,000	286,960	(496,657)	976,189	25,710	3,634
2014	125,000	281,860	(524,971)	3,702,950	27,467	1,877
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	14,485,111	-	-
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	2,485,168	8,242,011	161,862,632	77,925	10,107

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

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			
	General Obligation		Installment	
	Bonds		Contracts	
	Principal	Interest	Principal	Interest
2012	\$ -	162,048	4,365	871
2013	-	162,048	4,638	598
2014	165,000	162,048	4,928	308
2015	170,000	158,748	-	-
2016	175,000	154,498	-	-
2017	180,000	149,248	-	-
2018	185,000	143,398	-	-
2019	190,000	136,922	-	-
2020	200,000	130,034	-	-
2021	4,705,000	2,276,981	-	-
2022	215,000	114,085	-	-
2023	220,000	105,484	-	-
2024	230,000	96,134	-	-
2025	245,000	84,404	-	-
2026	255,000	71,910	-	-
2027	270,000	58,905	-	-
2028	280,000	45,136	-	-
2029	295,000	30,856	-	-
2030	310,000	15,810	-	-
Total	8,290,000	4,258,697	13,931	1,777

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Defeased Debt

On October 10, 2010, the Village issued \$3,790,000 par value General Obligation Refunding Bonds of 2010A to refund \$3,535,000 of the Department of Commerce and Economic Opportunity loan payable. In addition, on July 21, 2010, the Village issued \$4,500,000 par value General Obligation Refunding Bonds of 2010B to refund \$4,447,000 of the Department of Commerce and Economic Opportunity loan payable. The Village defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that 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. Through this refunding, the Village reduced its total debt service by \$5,641,303 and obtained an economic gain of \$3,198,807.

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 \$205,000 remain outstanding as of the date of this report.

Legal Debt Margin

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET ASSETS/FUND BALANCE

Restricted Net Assets

The following is a schedule of net asset restrictions as of the date of this report:

	<u>Amount</u>
Highways and Streets - Motor Fuel Tax Allotments	\$ 136,970
Special Service Area - Special Levies	<u>49,265</u>
	<u>186,235</u>

Net Assets Classifications

Investment in capital assets – net of related debt, was comprised of the following as of April 30, 2011:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 129,117,245
Less Capital Related Debt:	
Vacuum Trailer Installment Contract of 2010	(13,931)
Ford Explorer Installment Contract (#8918800) of 2010	(16,376)
Ford Explorer Installment Contract (#8918802) of 2010	(19,025)
Ford Crown Victoria Installment Contract of 2010	(28,593)
General Obligation Bonds of 2005	(6,715,000)
General Obligation Capital Appreciation Bonds of 2006	(6,188,552)
Tax Increment Financing Note Payable of 2003	<u>(60,212,571)</u>
Investment in Capital Assets - Net of Related Debt	<u>55,923,197</u>

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET ASSETS/FUND BALANCE – Continued

Net Assets Classifications – Continued

Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 20,906,937
Less Capital Related Debt:	
Vacuum Trailer Installment Contract of 2010	(13,931)
General Obligation Refunding Bonds of 2010A	(3,790,000)
General Obligation Refunding Bonds of 2010B	(4,500,000)
Unamortized Bond Discount	<u>43,559</u>
Investment in Capital Assets - Net of Related Debt	<u><u>12,646,565</u></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.

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.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

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.

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 2010 was 9.94 percent.

Funding Policy and Annual Pension Cost

For April 30, 2011, the Village's annual pension cost of \$98,163 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2008 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 10.0% 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 an open basis. The remaining amortization period at December 31, 2010 was 30 years.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Trend Information

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

	<u>Illinois Municipal Retirement</u>	
Annual Pension Cost (APC)	2009	\$ 98,865
	2010	99,018
	2011	98,163
Actual Contributions	2009	\$ 98,865
	2010	99,018
	2011	98,163
Percentage of APC Contributed	2009	100.00%
	2010	100.00%
	2011	100.00%
Net Pension Obligation	2009	N/A
	2010	N/A
	2011	N/A

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Funded Status and Funding Progress

The Village's IMRF funded status for the current year and related information for the plan is as follows:

Actuarial Valuation Date	12/31/10
Percent Funded	67.38%
Actuarial Accrued Liability for Benefits	\$858,610
Actuarial Value of Assets	\$578,550
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$280,060)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$987,555
Ratio of UAAL to Covered Payroll	28.36%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans.

All health care benefits are provided through the Village's health insurance plan and HMO plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2011 the Village had no retirees participating in the plan. Active employees do not contributed to the plan until retirement.

At April 30, 2011, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>12</u>
Total	<u>12</u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2011, was calculated as follows:

Annual Required Contribution	\$ 1,341
Interest on the NOPEBO	65
Adjustment to the ARC	<u>(33)</u>
Annual OPEB Cost	1,373
Actual Contribution	<u>-</u>
Change in the NOPEBO	1,373
NOPEBO - Beginning of Year	<u>1,306</u>
NOPEBO - End of Year	<u><u>2,679</u></u>

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2009	\$ N/A	\$ N/A	N/A	\$ N/A
2010	1,306	-	0.00%	1,306
2011	1,373	-	0.00%	2,679

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2011

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2010, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$	5,928
Actuarial Value of Plan Assets		-
Unfunded Actuarial Accrued Liability (UAAL)		5,928
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0.00%
Covered Payroll (Active Plan Members)		1,160,548
UAAL as a Percentage of Covered Payroll		1%

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

Actuarial Methods and Assumptions

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

In the April 30, 2010 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return, including a 3.0% inflation assumption and an initial annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2011, was 29 years.

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 and Employer Contributions
 - Illinois Municipal Retirement Fund (IMRF)
 - Other Post-Employment Benefit Plan
- Budgetary Comparison Schedule – General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF ELWOOD, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2011**

Schedule of Funding Progress

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)
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%
2007	360,720	512,234	70.42%	151,514	807,191	18.77%
2008	512,428	760,522	67.38%	248,094	1,066,502	23.26%
2009	595,478	856,838	69.50%	261,360	1,048,922	24.92%
2010	578,550	858,610	67.38%	280,060	987,555	28.36%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2006	\$ 53,312	\$ 53,312	100.00%
2007	58,398	58,398	100.00%
2008	73,535	73,535	100.00%
2009	98,865	98,865	100.00%
2010	99,018	99,018	100.00%
2011	98,163	98,163	100.00%

VILLAGE OF ELWOOD, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2011**

Schedule of Funding Progress

Actuarial Valuation Date April 30	(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)
2006	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	-	5,928	-	5,928	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2006	\$ N/A	\$ N/A	N/A
2007	N/A	N/A	N/A
2008	N/A	N/A	N/A
2009	N/A	N/A	N/A
2010	-	1,306	0.00%
2011	-	1,341	N/A

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010. Information for prior years is not available. The Village is required to have an actuarial study performed triennially.

VILLAGE OF ELWOOD, ILLINOIS**General Fund****Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 620,444	620,444	580,651
Intergovernmental	536,180	536,180	524,455
Charges for Services	187,824	187,824	205,054
Licenses and Permits	15,800	15,800	27,256
Fines and Forfeits	349,250	349,250	232,735
Interest Income	4,800	4,800	1,364
Miscellaneous	27,088	27,088	102,151
Total Revenues	1,741,386	1,741,386	1,673,666
Expenditures			
General Government	467,567	467,567	554,633
Public Safety	730,090	730,090	548,008
Public Works	527,519	527,519	511,615
Debt Service			
Principal Retirement	-	-	24,118
Interest and Fiscal Charges	-	-	1,193
Total Expenditures	1,725,176	1,725,176	1,639,567
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,210	16,210	34,099
Other Financing Sources			
Debt Issuance	-	-	45,875
Net Change in Fund Balance	16,210	16,210	79,974
Fund Balance - Beginning			616,321
Fund Balance - Ending			696,295

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 Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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.

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

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.

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.

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 159,619	159,619	161,396
Personal Property Replacement Tax	825	825	1,086
Road and Bridge Tax	70,000	70,000	66,605
Utility Tax	390,000	390,000	351,564
	<u>620,444</u>	<u>620,444</u>	<u>580,651</u>
Intergovernmental			
Sales Tax	210,000	210,000	181,803
Home Rule Sales Tax	170,000	170,000	180,114
Income Tax	124,740	124,740	125,367
Local Use Tax	31,440	31,440	37,171
	<u>536,180</u>	<u>536,180</u>	<u>524,455</u>
Charges for Services			
Center Point Administrative Fees	121,898	121,898	121,898
Overweight Truck Fee	58,000	58,000	68,423
Cable Franchise Fees	7,926	7,926	7,303
Nicor Franchise Fees	-	-	7,430
	<u>187,824</u>	<u>187,824</u>	<u>205,054</u>
Licenses and Permits			
Building Permits	8,000	8,000	15,420
Liquor Licenses	3,550	3,550	2,736
Business Licenses	250	250	1,700
Contractor Registration	4,000	4,000	7,400
	<u>15,800</u>	<u>15,800</u>	<u>27,256</u>
Fines and Forfeits			
Police Fines	349,250	349,250	232,735

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Interest Income	\$ 4,800	4,800	1,364
Miscellaneous			
Donations	100	100	-
Lease Agreement	21,988	21,988	22,567
Miscellaneous	5,000	5,000	79,584
	27,088	27,088	102,151
Total Revenues	1,741,386	1,741,386	1,673,666

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
General Government			
Administration			
Salaries	\$ 147,519	147,519	147,882
Administration Benefits	23,452	23,452	23,177
Employee Group Insurance	13,009	13,009	14,596
Audit	17,280	17,280	17,280
Engineering Services	15,000	15,000	6,711
Legal Services	46,000	46,000	90,753
Telephone	4,500	4,500	3,932
Electric/Heating	25,200	25,200	13,223
Travel and Meetings	2,000	2,000	1,101
Custodial Services	13,068	13,068	13,145
Insurance - Liability/Workers Compensation	9,867	9,867	13,215
Printing/Binding	6,200	6,200	1,394
Dues and Subscriptions	10,375	10,375	15,223
Office Equipment Maintenance	8,860	8,860	7,821
Office Supplies	11,000	11,000	9,228
Postage	6,500	6,500	3,752
Bank Charges	4,800	4,800	5,949
Donations	2,200	2,200	3,200
Miscellaneous	7,104	7,104	2,725
Equipment	5,028	5,028	21,865
Data Processing Equipment	7,500	7,500	624
Vehicle	-	-	45,875
Reimbursable Sales Tax	70,061	70,061	88,340
Nextel Lease Agreement	11,044	11,044	3,622
Total Administration	467,567	467,567	554,633
Total General Government	467,567	467,567	554,633

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Public Safety			
Police			
Salaries	\$ 468,698	468,698	364,134
Administration Benefits	72,135	72,135	60,626
Employee Group Insurance	94,175	94,175	32,580
Legal Services	4,500	4,500	4,265
Data Processing	210	210	-
Insurance - Liability/Workers Compensation	12,815	12,815	30,164
Printing/Binding	265	265	256
Dues and Subscriptions	-	-	420
Telephone	5,520	5,520	2,465
Office Equipment Maintenance	1,800	1,800	1,536
Radio Maintenance	555	555	522
Vehicle Maintenance	300	300	3,313
Training	300	300	231
Travel and Meetings	105	105	2
Custodial Services	2,772	2,772	2,629
Medical Expenses	2,000	2,000	1,472
Animal Control	420	420	180
Rental	630	630	-
Office Supplies	630	630	1,206
Gas and Oil	4,200	4,200	3,518
Uniforms	3,840	3,840	1,182
Postage	420	420	131
Ammunition	800	800	792
Other Supplies	1,680	1,680	118
Agreements	10,600	10,600	7,559
Miscellaneous	420	420	11,704
Equipment	20,000	20,000	10,108
Vehicle	17,500	17,500	-
Data Processing Equipment	2,800	2,800	2,345
Homeland Security Grant	-	-	4,550
Total Public Safety	730,090	730,090	548,008

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Public Works			
Streets			
Salaries	\$ 185,444	185,444	164,355
Administration Benefits	34,208	34,208	28,543
Employee Group Insurance	36,366	36,366	32,449
Professional Services	11,750	11,750	11,265
Data Processing	1,500	1,500	545
Insurance	12,676	12,676	16,977
Uniforms	1,500	1,500	5,626
Street Cleaning	2,000	2,000	3,016
Landfill	5,000	5,000	2,349
Travel and Meetings	3,500	3,500	455
Tree Removal	16,500	16,500	6,167
Truck Inspections	200	200	135
Electric	36,000	36,000	42,906
Telephone	5,000	5,000	3,041
Heating	6,000	6,000	9,663
Equipment Rentals	6,000	6,000	8,141
Communication Repairs	500	500	55
Building Maintenance	31,000	31,000	42,440
Street Light Maintenance	16,500	16,500	30,650
Vehicle Maintenance	15,000	15,000	16,915
Mosquito Abatement	21,750	21,750	20,044
Office Supplies	2,000	2,000	1,033
Vehicle Supplies	6,000	6,000	8,837
Gas and Oil	11,250	11,250	7,376
Gravel	3,000	3,000	113
Operating Supplies	10,000	10,000	8,779
Restoration Materials	2,500	2,500	2,453
Drainage Materials	1,500	1,500	-
Traffic Signs and Safety Materials	6,000	6,000	9,244
Small Tools and Equipment	7,500	7,500	6,252
Miscellaneous	1,000	1,000	5,512

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Public Works - Continued			
Streets - Continued			
Equipment	\$ 5,125	5,125	-
Village Building Improvements	19,500	19,500	12,549
Vehicle	1,250	1,250	-
Road Maintenance	-	-	2,949
Data Processing Equipment	2,500	2,500	781
Total Public Works	527,519	527,519	511,615
Debt Service			
Principal Retirement	-	-	24,118
Interest and Fiscal Charges	-	-	1,193
	-	-	25,311
Total Expenditures	1,725,176	1,725,176	1,639,567

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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	7,855,205
Interest Income	-	-	7,986
Total Revenues	-	-	7,863,191
Expenditures			
General Government			
Management Fees	-	-	158,358
Debt Service			
Principal Retirement	-	-	12,523,924
Total Expenditures	-	-	12,682,282
Net Change in Fund Balance	-	-	(4,819,091)
Fund Balance - Beginning			(4,766,321)
Fund Balance - Ending			(9,585,412)

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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Reimbursements	\$ -	-	298,808
Interest Income	10,885	10,885	11,831
Total Revenues	10,885	10,885	310,639
Expenditures			
Capital Outlay			
Mississippi Street	30,000	30,000	-
Other Projects	100,000	100,000	-
St. Louis Street	20,000	20,000	154
Route 53 Sewer Expansion	-	-	15,739
Total Expenditures	150,000	150,000	15,893
Excess (Deficiency) of Revenues Over (Under) Expenditures	(139,115)	(139,115)	294,746
Other Financing (Uses)			
Transfers Out	(353,836)	(353,836)	(251,715)
Net Change in Fund Balance	(492,951)	(492,951)	43,031
Fund Balance - Beginning			869,147
Fund Balance - Ending			912,178

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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 50,000	50,000	50,000
Interest Income	794	794	1,137
Total Revenues	50,794	50,794	51,137
Expenditures			
Capital Outlay	-	-	-
Net Change in Fund Balance	50,794	50,794	51,137
Fund Balance - Beginning			369,394
Fund Balance - Ending			420,531

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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ -	-	400,000
Reimbursements	-	-	1,698,100
Interest Income	39,630	39,630	15,314
Miscellaneous	900,000	900,000	2,121,057
Total Revenues	939,630	939,630	4,234,471
Expenditures			
General Government	2,771,463	2,771,463	2,434,492
Net Change in Fund Balance	(1,831,833)	(1,831,833)	1,799,979
Fund Balance - Beginning			5,077,999
Fund Balance - Ending			6,877,978

VILLAGE OF ELWOOD, ILLINOIS

Combining Balance Sheet

Nonmajor Governmental Funds

April 30, 2011

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Motor Fuel Tax	Impact Fees	Park	Special Service Area	Debt Service	
ASSETS						
Cash and Investments	\$ 133,626	-	2,187	53,859	-	189,672
Due from Other Governments	3,344	-	-	-	-	3,344
Prepays	-	-	-	23,098	-	23,098
Total Assets	136,970	-	2,187	76,957	-	216,114
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	-	-	2,187	27,692	-	29,879
Fund Balances						
Reserved - Prepays	-	-	-	23,098	-	23,098
Unreserved	136,970	-	-	26,167	-	163,137
Total Fund Balances	136,970	-	-	49,265	-	186,235
Total Liabilities and Fund Balances	136,970	-	2,187	76,957	-	216,114

VILLAGE OF ELWOOD, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended April 30, 2011

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Motor Fuel Tax	Impact Fees	Park	Special Service Area	Debt Service	
Revenues						
Taxes	\$ -	-	-	867,474	-	867,474
Intergovernmental	48,018	-	-	-	-	48,018
Charges for Services	-	-	15,989	-	-	15,989
Interest Income	389	152	107	77	-	725
Miscellaneous	-	-	220	-	-	220
Total Revenues	48,407	152	16,316	867,551	-	932,426
Expenditures						
Public Safety	-	-	-	687,486	-	687,486
Public Works	19,977	-	-	246,981	-	266,958
Parks and Recreation	-	-	119,869	-	-	119,869
Capital Outlay	7,802	-	-	-	-	7,802
Debt Service						
Principal Retirement	-	-	-	53,379	-	53,379
Interest and Fiscal Charges	-	-	-	5,253	291,848	297,101
Total Expenditures	27,779	-	119,869	993,099	291,848	1,432,595
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,628	152	(103,553)	(125,548)	(291,848)	(500,169)
Other Financing Sources (Uses)						
Debt Issuance	-	-	-	68,519	-	68,519
Transfer In	-	-	41,781	-	291,848	333,629
Transfer Out	-	(81,914)	-	-	-	(81,914)
	-	(81,914)	41,781	68,519	291,848	320,234
Net Change in Fund Balances	20,628	(81,762)	(61,772)	(57,029)	-	(179,935)
Fund Balances - Beginning	116,342	81,762	61,772	106,294	-	366,170
Fund Balances - Ending	136,970	-	-	49,265	-	186,235

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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 41,472	41,472	48,018
Interest Income	1,064	1,064	389
Total Revenues	42,536	42,536	48,407
Expenditures			
Public Works			
Contractual Services	30,000	30,000	19,977
Capital Outlay	-	-	7,802
Total Expenditures	30,000	30,000	27,779
Net Change in Fund Balance	12,536	12,536	20,628
Fund Balance - Beginning			116,342
Fund Balance - Ending			136,970

VILLAGE OF ELWOOD, ILLINOIS

Impact Fees - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	152
Expenditures			
Capital Outlay	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	152
Other Financing (Uses)			
Transfers Out	-	-	(81,914)
Net Change in Fund Balance	-	-	(81,762)
Fund Balance - Beginning			81,762
Fund Balance - Ending			-

VILLAGE OF ELWOOD, ILLINOIS

Park - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Event Fees	\$ 6,000	6,000	6,357
Rental Fees	1,000	1,000	775
Registration Fees	17,400	17,400	8,857
Interest Income	5,000	5,000	107
Miscellaneous			
Donations	2,250	2,250	220
Total Revenues	31,650	31,650	16,316
Expenditures			
Parks and Recreation	159,362	159,362	119,869
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,712)	(127,712)	(103,553)
Other Financing Sources			
Transfers In	61,988	61,988	41,781
Net Change in Fund Balance	(65,724)	(65,724)	(61,772)
Fund Balance - Beginning			61,772
Fund Balance - Ending			-

VILLAGE OF ELWOOD, ILLINOIS

Park - Special Revenue Fund

Schedule of Expenditures - Budget and Actual Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Parks and Recreation			
Salaries	\$ 64,343	64,343	61,273
Administration Benefits	9,914	9,914	5,703
Employee Group Insurance	4	4	1,883
Repairs and Maintenance	4,000	4,000	2,387
Cleaning	4,000	4,000	-
Referees	3,000	3,000	1,100
Instructors	10,000	10,000	2,663
Postage	250	250	-
Advertising	750	750	116
Trees and Landscaping	1,500	1,500	664
Telephone	100	100	23
Herbicides	7,000	7,000	3,440
Equipment Maintenance	1,500	1,500	1,571
Vehicle Maintenance	1,500	1,500	1,650
Printing	500	500	-
Fuel	1,500	1,500	1,801
General Supplies	24,801	24,801	22,963
Small Tools	500	500	-
Miscellaneous	10,000	10,000	-
Events	3,650	3,650	2,914
Children's Garden	10,550	10,550	9,718
Total Expenditures	159,362	159,362	119,869

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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 795,812	795,812	867,474
Interest Income	1,462	1,462	77
Total Revenues	797,274	797,274	867,551
Expenditures			
Public Safety	615,898	615,898	687,486
Public Works	256,657	256,657	246,981
Debt Service			
Principal Retirement	33,845	33,845	53,379
Interest and Fiscal Charges	-	-	5,253
Total Expenditures	906,400	906,400	993,099
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,126)	(109,126)	(125,548)
Other Financing Sources			
Debt Issuance	-	-	68,519
Net Change in Fund Balance	(109,126)	(109,126)	(57,029)
Fund Balance - Beginning			106,294
Fund Balance - Ending			49,265

VILLAGE OF ELWOOD, ILLINOIS**Special Service Area - Special Revenue Fund****Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2011**

	Budget		Actual
	Original	Final	
Public Safety			
Salaries	\$ 253,779	253,779	340,888
Benefits	93,692	93,692	100,166
Training	4,106	4,106	1,854
Uniforms	7,440	7,440	4,821
Insurance	40,131	40,131	18,914
Automotive	40,500	40,500	41,275
Supplies and Materials	39,750	39,750	26,018
Agreements	95,400	95,400	67,962
Miscellaneous Expense	1,630	1,630	-
Purchase Equipment	-	-	13,551
Purchase Vehicle	38,750	38,750	68,519
Data Processing Equipment	720	720	3,518
Total Public Safety	615,898	615,898	687,486
Public Works			
Salaries	52,102	52,102	39,681
Benefits	18,819	18,819	15,616
Uniforms	1,000	1,000	884
Snow Removal	6,000	6,000	6,359
Vehicle Maintenance	7,750	7,750	9,071
Equipment Maintenance	5,000	5,000	6,147
Administrative/Legal	137,986	137,986	147,756
Retention Pond Maintenance	15,000	15,000	15,114
Roadway Maintenance	8,000	8,000	3,354
Landfill	5,000	5,000	2,999
Total Public Works	256,657	256,657	246,981
Debt Service			
Principal Retirement	33,845	33,845	53,379
Interest and Fiscal Charges	-	-	5,253
Total Debt Service	33,845	33,845	58,632
Total Expenditures	906,400	906,400	993,099

VILLAGE OF ELWOOD, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	-
Expenditures			
Debt Service			
Interest and Fiscal Charges	4,478,430	4,478,430	291,848
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,478,430)	(4,478,430)	(291,848)
Other Financing Sources			
Transfers In	4,478,430	4,478,430	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, 2011

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 681,162	681,162	728,649
Operating Expenses			
Water Operations	318,323	318,323	286,459
Sewer Operations	361,988	361,988	325,222
Depreciation	-	-	548,064
Total Operating Expenses	680,311	680,311	1,159,745
Operating Income (Loss)	851	851	(431,096)
Nonoperating Revenues (Expenses)			
Gain on Debt Refunding	-	-	3,198,807
Other Income	-	-	23,700
Interest Income	37,520	37,520	11,567
Interest and Fiscal Charges	-	-	(210,020)
	37,520	37,520	3,024,054
Change in Net Assets	38,371	38,371	2,592,958
Net Assets - Beginning			6,733,202
Net Assets - Ending			9,326,160

VILLAGE OF ELWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended April 30, 2011**

	Budget		Actual
	Original	Final	
Charges for Services			
Water Charges	\$ 376,100	376,100	388,964
Sewer Charges	295,062	295,062	325,364
Meter Sales	-	-	220
Miscellaneous	10,000	10,000	14,101
Total Operating Revenues	681,162	681,162	728,649

VILLAGE OF ELWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Water Operations			
Salaries	\$ 22,992	22,992	18,121
Administration Benefits	4,226	4,226	4,162
Employee Group Insurance	1,891	1,891	1,874
Insurance - Liability/Workers Compensation	1,507	1,507	464
Audit	2,700	2,700	2,160
Engineering Services	1,000	1,000	-
Data Processing	1,000	1,000	-
Legal Services	500	500	-
Plant Operator Fee	131,680	131,680	132,166
Telephone	3,000	3,000	2,821
Electric	61,200	61,200	67,879
Heating	750	750	4,385
Printing/Binding	500	500	-
Dues and Subscriptions	170	170	2,985
Equipment Rental	1,000	1,000	-
Building Maintenance	6,800	6,800	8,812
Equipment Maintenance	5,000	5,000	1,756
System Maintenance	11,500	11,500	5,923
Vehicle Maintenance	1,000	1,000	1,544
Operational Supplies	5,000	5,000	3,888
Gas and Oil	1,500	1,500	-
Small Tools/Equipment	1,950	1,950	1,390
Postage	2,082	2,082	1,614
Water Supplies	3,500	3,500	1,495
Maintenance Supplies	1,500	1,500	435
Vehicle Supplies	500	500	148
Chemicals	15,000	15,000	16,027
Restoration Materials	1,000	1,000	671
Miscellaneous	1,000	1,000	28
Purchase Equipment	14,625	14,625	564
Water Meters	8,000	8,000	2,147
Purchase Vehicle	1,250	1,250	-
Data Processing Equipment	3,000	3,000	3,000
Total Water Operations	318,323	318,323	286,459

VILLAGE OF ELWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Sewer Operations			
Salaries	\$ 19,631	19,631	17,268
Administration Benefits	3,614	3,614	3,413
Employee Group Insurance	1,400	1,400	1,512
Insurance - Liability/Workers Compensation	1,506	1,506	1,951
Audit	2,700	2,700	2,160
Engineering Services	1,000	1,000	-
Data Processing	3,000	3,000	128
Legal Services	350	350	-
Plant Operator Fee	131,680	131,680	132,166
Telephone	2,400	2,400	1,963
Electric/Heating	60,000	60,000	53,358
Printing/Binding	500	500	-
Dues and Subscriptions	15,000	15,000	13,167
Equipment Rental	1,000	1,000	493
Building Maintenance	6,000	6,000	10,268
Equipment Maintenance	2,000	2,000	2,075
System Maintenance	64,000	64,000	31,714
Vehicle Maintenance	1,000	1,000	480
Operational Supplies	6,500	6,500	4,501
Gas and Oil	500	500	586
Small Tools and Equipment	1,000	1,000	627
Postage	2,082	2,082	1,614
Sewer Supplies	12,500	12,500	-
Maintenance Supplies	2,500	2,500	-
Vehicle Supplies	750	750	190
Chemicals	12,500	12,500	10,983
Miscellaneous	500	500	32,361
Sewer Repair Expense	-	-	1,680
Purchase Equipment	2,625	2,625	564
Purchase Vehicle	1,250	1,250	-
Data Processing Equipment	2,500	2,500	-
Total Sewer Operations	361,988	361,988	325,222

VILLAGE OF ELWOOD, ILLINOIS

Garbage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 188,700	188,700	156,119
Operating Expenses			
Garbage Operations	185,978	185,978	157,912
Operating Income (Loss)	2,722	2,722	(1,793)
Nonoperating Revenue			
Interest Income	355	355	32
Change in Net Assets	<u>3,077</u>	<u>3,077</u>	(1,761)
Net Assets - Beginning			<u>22,387</u>
Net Assets - Ending			<u>20,626</u>

VILLAGE OF ELWOOD, ILLINOIS

Garbage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual Year Ended April 30, 2011

	Budget		Actual
	Original	Final	
Garbage Operations			
Garbage Collection	\$ 183,600	183,600	156,072
Printing/Binding	350	350	233
Miscellaneous	200	200	-
Postage	1,828	1,828	1,607
Total Garbage Operations	185,978	185,978	157,912

SUPPLEMENTAL SCHEDULES

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

Vacuum Trailer Installment Contract Payable of 2010 April 30, 2011

Date of Issue	March 24, 2010
Date of Maturity	April 30, 2014
Principal Amount	\$46,550
Interest Rate	6.252%
Interest Date	April 30
Principal Maturity Date	April 30
Payable at	Wells Fargo Equipment Finance, Inc.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year			
	Principal	Interest	Totals
2012	\$ 8,730	1,742	10,472
2013	9,276	1,196	10,472
2014	9,856	616	10,472
	27,862	3,554	31,416

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

Ford Explorer Installment Contract (#8918800) Payable of 2010 April 30, 2011

Date of Issue	August 3, 2010
Date of Maturity	August 3, 2013
Principal Amount	\$22,644
Interest Rate	7.25%
Interest Date	August 3
Principal Maturity Date	August 3
Payable at	Ford Motor Credit Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2012	\$ 5,081	1,188	6,269
2013	5,450	819	6,269
2014	5,845	424	6,269
	16,376	2,431	18,807

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

Ford Explorer Installment Contract (#8918802) Payable of 2010 April 30, 2011

Date of Issue	August 3, 2010
Date of Maturity	August 3, 2013
Principal Amount	\$26,308
Interest Rate	7.25%
Interest Date	August 3
Principal Maturity Date	August 3
Payable at	Ford Motor Credit Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2012	\$ 5,903	1,379	7,282
2013	6,332	950	7,282
2014	6,790	492	7,282
	19,025	2,821	21,846

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

Ford Crown Victoria Installment Contract Payable of 2010 April 30, 2011

Date of Issue	August 23, 2010
Date of Maturity	August 23, 2013
Principal Amount	\$65,442
Interest Rate	6.60%
Interest Date	August 23
Principal Maturity Date	August 23
Payable at	Ford Motor Credit Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2012	\$ 9,399	1,158	10,557
2013	9,290	1,267	10,557
2014	9,904	653	10,557
	28,593	3,078	31,671

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Bonds of 2005

April 30, 2011

Date of Issue	March 1, 2005
Date of Maturity	March 1, 2023
Authorized Issue	\$7,500,000
Denomination of Bonds	\$5,000
Interest Rates	4.20% - 4.50%
Interest Dates	September 1 and March 1
Principal Maturity Date	March 1
Payable at	First Midwest Bank, Joliet IL

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Sep. 1	Amount	Mar. 1	Amount
2012	\$ 115,000	291,848	406,848	2011	145,924	2012	145,924
2013	120,000	286,960	406,960	2012	143,480	2013	143,480
2014	125,000	281,860	406,860	2013	140,930	2014	140,930
2015	130,000	276,548	406,548	2014	138,274	2015	138,274
2016	540,000	271,022	811,022	2015	135,511	2016	135,511
2017	610,000	248,342	858,342	2016	124,171	2017	124,171
2018	685,000	222,722	907,722	2017	111,361	2018	111,361
2019	765,000	193,610	958,610	2018	96,805	2019	96,805
2020	850,000	160,714	1,010,714	2019	80,357	2020	80,357
2021	885,000	123,528	1,008,528	2020	61,764	2021	61,764
2022	925,000	84,588	1,009,588	2021	42,294	2022	42,294
2023	965,000	43,426	1,008,426	2022	21,713	2023	21,713
	<u>6,715,000</u>	<u>2,485,168</u>	<u>9,200,168</u>		<u>1,242,584</u>		<u>1,242,584</u>

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010A

April 30, 2011

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Sep. 1	Amount	Mar. 1	Amount
2012	\$ -	162,048	162,048	2011	81,024	2012	81,024
2013	-	162,048	162,048	2012	81,024	2013	81,024
2014	165,000	162,048	327,048	2013	81,024	2014	81,024
2015	170,000	158,748	328,748	2014	79,374	2015	79,374
2016	175,000	154,498	329,498	2015	77,249	2016	77,249
2017	180,000	149,248	329,248	2016	74,624	2017	74,624
2018	185,000	143,398	328,398	2017	71,699	2018	71,699
2019	190,000	136,922	326,922	2018	68,461	2019	68,461
2020	200,000	130,034	330,034	2019	65,017	2020	65,017
2021	205,000	122,284	327,284	2020	61,142	2021	61,142
2022	215,000	114,085	329,085	2021	57,042	2022	57,043
2023	220,000	105,484	325,484	2022	52,742	2023	52,742
2024	230,000	96,134	326,134	2023	48,067	2024	48,067
2025	245,000	84,404	329,404	2024	42,202	2025	42,202
2026	255,000	71,910	326,910	2025	35,955	2026	35,955
2027	270,000	58,905	328,905	2026	29,452	2027	29,453
2028	280,000	45,136	325,136	2027	22,568	2028	22,568
2029	295,000	30,856	325,856	2028	15,428	2029	15,428
2030	310,000	15,810	325,810	2029	7,905	2030	7,905
	<u>3,790,000</u>	<u>2,104,000</u>	<u>5,894,000</u>		<u>1,051,999</u>		<u>1,052,001</u>

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010B

April 30, 2011

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2012	\$ -	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	4,500,000	2,154,697	6,654,697
	4,500,000	2,154,697	6,654,697

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 Seven Fiscal Years
April 30, 2011 (Unaudited)

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Net Assets by Component - Last Seven Fiscal Years April 30, 2011 (Unaudited)

	2005	2006
Governmental Activities		
Invested in Capital Assets, Net of Related Debt	\$ (4,643,933)	11,652,801
Restricted	1,933,592	1,703,193
Unrestricted	2,753,285	(22,716,974)
Total Governmental Activities Net Assets	42,944	(9,360,980)
Business-Type Activities		
Invested in Capital Assets, Net of Related Debt	23,252,237	8,970,809
Unrestricted	(12,330,618)	1,410,372
Total Business-Type Activities Net Assets	10,921,619	10,381,181
Primary Government		
Invested in Capital Assets, Net of Related Debt	18,608,304	20,623,610
Restricted	1,933,592	1,703,193
Unrestricted	(9,577,333)	(21,306,602)
Total Primary Government Net Assets	10,964,563	1,020,201

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2005.

2007	2008	2009	2010	2011
10,793,782	27,266,803	37,380,706	45,118,195	55,923,197
1,214,702	914,820	1,128,961	284,408	186,235
(31,705,596)	(54,549,541)	(68,569,077)	(85,744,242)	(104,473,877)
(19,697,112)	(26,367,918)	(30,059,410)	(40,341,639)	(48,364,445)
8,777,528	8,037,632	7,676,233	7,135,001	12,646,565
424,368	320,551	25,064	(379,412)	(3,299,779)
9,201,896	8,358,183	7,701,297	6,755,589	9,346,786
19,571,310	35,304,435	45,056,939	52,253,196	68,569,762
1,214,702	914,820	1,128,961	284,408	186,235
(31,281,228)	(54,228,990)	(68,544,013)	(86,123,654)	(107,773,656)
(10,495,216)	(18,009,735)	(22,358,113)	(33,586,050)	(39,017,659)

VILLAGE OF ELWOOD, ILLINOIS

**Changes in Net Assets - Last Seven Fiscal Years
April 30, 2011 (Unaudited)**

	2005	2006	2007	2008	2009	2010	2011
Expenses							
Governmental Activities							
General Government	\$ 917,834	1,582,783	2,697,423	1,816,816	1,040,107	886,566	1,353,265
Public Safety	667,761	1,004,814	769,922	1,317,095	1,130,979	1,187,539	1,319,476
Public Works	416,868	2,938,655	655,478	3,222,603	4,246,091	4,259,360	4,089,740
Parks and Recreation	74,198	69,450	2,939,609	68,958	89,537	111,906	119,869
Interest on Long-Term Debt	11,703,839	13,134,085	14,065,749	14,751,436	15,374,640	15,857,579	16,205,986
Total Governmental Activities Expenses	13,780,500	18,729,787	21,128,181	21,176,908	21,881,354	22,302,950	23,088,336
Business-Type Activities							
Water and Sewer	1,453,781	1,715,996	1,708,927	1,413,463	1,617,887	1,631,487	1,369,765
Garbage	110,181	116,611	124,518	129,659	144,436	148,973	157,912
Total Business-Type Activities Net Assets	1,563,962	1,832,607	1,833,445	1,543,122	1,762,323	1,780,460	1,527,677
Total Primary Government Expenses	15,344,462	20,562,394	22,961,626	22,720,030	23,643,677	24,083,410	24,616,013
Program Revenues							
Governmental Activities							
Charges for Services							
General Government	2,876,547	3,826,513	2,107,835	3,720,168	1,285,420	226,094	232,310
Public Safety	93,812	116,919	161,322	300,768	216,364	189,060	232,735
Parks and Recreation	33,884	16,658	42,451	36,267	17,683	20,643	15,989
Operating Grants/Contributions	50,837	46,550	87,161	45,157	42,666	39,638	48,018
Capital Grants/Contributions	167,369	50,000	50,000	50,000	1,456,400	50,000	2,148,100
Total Governmental Activities Program Revenues	3,222,449	4,056,640	2,448,769	4,152,360	3,018,533	525,435	2,677,152
Business-Type Activities							
Charges for Services							
Water and Sewer	528,246	726,974	384,692	451,651	937,735	663,993	728,649
Garbage	100,197	126,847	124,862	135,846	143,171	149,035	156,119
Operating Grants/Contributions	80,718	-	-	-	-	-	-
Capital Grants/Contributions	836,661	376,169	19,500	33,750	-	-	-
Total Business-Type Activities Program Revenues	1,545,822	1,229,990	529,054	621,247	1,080,906	813,028	884,768
Total Primary Government Program Revenues	4,768,271	5,286,630	2,977,823	4,773,607	4,099,439	1,338,463	3,561,920

	2005	2006	2007	2008	2009	2010	2011
Net (Expense) Revenue							
Governmental Activities	\$ (10,558,051)	(14,673,147)	(18,679,412)	(17,024,548)	(18,862,821)	(21,777,515)	(20,411,184)
Business-Type Activities	(18,140)	(602,617)	(1,304,391)	(921,875)	(681,417)	(967,432)	(642,909)
Total Primary Government							
Net Revenue (Expense)	<u>(10,576,191)</u>	<u>(15,275,764)</u>	<u>(19,983,803)</u>	<u>(17,946,423)</u>	<u>(19,544,238)</u>	<u>(22,744,947)</u>	<u>(21,054,093)</u>
General Revenues and Other Changes in Net Assets							
Governmental Activities							
Taxes							
Property Taxes	3,285,888	4,139,633	5,714,095	7,038,909	9,107,792	8,653,494	8,951,766
Utility Taxes	252,181	310,122	339,502	443,077	349,027	413,237	351,564
Intergovernmental - Unrestricted							
Sales Taxes	196,516	297,821	1,365,439	396,246	396,915	369,746	361,917
Income Taxes	121,922	153,023	164,319	180,847	178,236	156,146	162,538
Reimbursements	-	-	299,142	691,190	2,489	203,596	298,808
Interest Income	125,688	224,495	338,629	627,199	126,453	63,691	38,357
Miscellaneous	51,434	144,129	73,513	976,274	2,117,261	1,635,376	2,223,428
Total Governmental Activities	<u>4,033,629</u>	<u>5,269,223</u>	<u>8,294,639</u>	<u>10,353,742</u>	<u>12,278,173</u>	<u>11,495,286</u>	<u>12,388,378</u>
Business-Type Activities							
Investment Income	8,274	62,179	125,106	78,162	24,531	21,724	11,599
Miscellaneous	-	-	-	-	-	-	3,222,507
Total Business-Type Activities	<u>8,274</u>	<u>62,179</u>	<u>125,106</u>	<u>78,162</u>	<u>24,531</u>	<u>21,724</u>	<u>3,234,106</u>
Total Primary Government	<u>4,041,903</u>	<u>5,331,402</u>	<u>8,419,745</u>	<u>10,431,904</u>	<u>12,302,704</u>	<u>11,517,010</u>	<u>15,622,484</u>
Changes in Net Assets							
Governmental Activities	(6,524,422)	(9,403,924)	(10,384,773)	(6,670,806)	(6,584,648)	(10,282,229)	(8,022,806)
Business-Type Activities	(9,866)	(540,438)	(1,179,285)	(843,713)	(656,886)	(945,708)	2,591,197
Total Primary Government	<u>(6,534,288)</u>	<u>(9,944,362)</u>	<u>(11,564,058)</u>	<u>(7,514,519)</u>	<u>(7,241,534)</u>	<u>(11,227,937)</u>	<u>(5,431,609)</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, 2011 (Unaudited)

	2002	2003	2004	2005
General Fund				
Reserved	\$ -	33,195	29,138	48,861
Unreserved	(328,392)	(296,434)	(874,035)	390,273
Total General Fund	(328,392)	(263,239)	(844,897)	439,134
All Other Governmental Funds				
Reserved	-	1,707,226	486,202	1,567,930
Unreserved, Reported in:				
Special Revenues Funds	2,348,846	3,845,336	9,902,825	453,528
Debt Service Funds	-	-	-	-
Capital Projects Funds	39,113	593	2,720,973	2,265,998
Total All Other Governmental Funds	2,387,959	5,553,155	13,110,000	4,287,456

Data Source: Village Records

2006	2007	2008	2009	2010	2011
11,603	13,085	25,907	32,230	29,250	41,997
791,730	933,420	1,655,568	634,903	668,833	654,298
803,333	946,505	1,681,475	667,133	698,083	696,295
1,109,592	469,639	252,981	27,388	16,087	23,098
642,242	793,704	661,839	1,101,573	268,321	160,980
-	-	(556,859)	(1,380,598)	(4,766,321)	(9,585,412)
11,754,489	4,891,853	1,700,719	4,568,979	6,316,540	8,212,844
13,506,323	6,155,196	2,058,680	4,317,342	1,834,627	(1,188,490)

VILLAGE OF ELWOOD, ILLINOIS

General Governmental Revenues By Source - Last Ten Fiscal Years April 30, 2011 (Unaudited)

Source	2002	2003	2004	2005
Taxes	\$ 589,143	1,654,037	2,109,670	3,538,069
Intergovernmental	1,309,612	2,665,589	2,039,146	536,664
Charges for Services	22,641	38,251	63,483	2,737,438
Licenses and Permits	117,037	102,777	250,798	172,993
Fines and Forfeits	18,212	13,417	48,055	93,812
Interest Income	82,848	98,553	73,116	125,668
Miscellaneous	3,439,290	3,308,269	11,498,555	51,434
Total	5,578,783	7,880,893	16,082,823	7,256,078

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

2006	2007	2008	2009	2010	2011
4,449,755	6,053,597	7,481,986	9,456,819	9,066,731	9,303,330
547,394	1,966,061	1,363,440	670,306	819,126	3,019,381
2,802,384	2,071,685	3,557,534	1,181,861	216,820	221,043
481,353	78,601	198,901	121,242	29,917	27,256
116,919	161,322	300,768	216,364	189,060	232,735
281,891	338,629	627,199	126,453	63,691	38,357
646,167	73,513	976,274	2,117,261	1,635,376	2,223,428
9,325,863	10,743,408	14,506,102	13,890,306	12,020,721	15,065,530

VILLAGE OF ELWOOD, ILLINOIS

General Governmental Expenditures By Function - Last Ten Fiscal Years April 30, 2011 (Unaudited)

Function	2002	2003	2004	2005
General Government	\$ 519,459	1,552,103	1,356,413	930,079
Public Safety	170,348	304,055	487,526	689,769
Public Works	1,360,805	742,679	710,042	424,632
Parks and Recreation	N/A	N/A	N/A	74,198
Capital Outlay	12,334,196	17,605,306	18,173,413	7,481,335
Debt Service				
Principal	20,000	436,412	-	2,282,662
Interest and Fiscal Charges	23,806	5,757	-	-
Total	14,428,614	20,646,312	20,727,394	11,882,675

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

N/A - Not Available

2006	2007	2008	2009	2010	2011
1,530,702	2,678,321	1,773,295	1,040,363	856,697	3,147,483
1,011,725	812,160	1,403,992	1,049,827	1,150,403	1,235,494
500,530	556,032	669,301	867,877	1,035,170	778,573
69,450	114,429	68,958	89,537	111,906	119,869
5,489,388	7,946,124	6,719,544	310,199	153,300	23,695
3,732,507	5,544,850	6,932,563	8,874,256	10,893,200	12,601,421
311,129	299,447	299,995	296,264	295,085	298,294
12,645,431	17,951,363	17,867,648	12,528,323	14,495,761	18,204,829

VILLAGE OF ELWOOD, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years April 30, 2011 (Unaudited)

	2002	2003	2004	2005
Revenues				
Taxes	\$ 589,143	1,654,037	2,109,670	3,538,069
Licenses and Permits	117,037	102,777	250,798	172,993
Intergovernmental	1,309,612	2,665,589	2,039,146	536,664
Charges for Services and Fees	22,641	38,251	63,483	2,737,438
Fines and Forfeits	18,212	13,417	48,055	93,812
Investment Income	82,848	98,553	73,116	125,668
Miscellaneous	3,439,290	3,308,269	11,498,555	51,434
Total Revenues	5,578,783	7,880,893	16,082,823	7,256,078
Expenditures				
General Government	519,459	1,552,103	1,356,413	930,079
Public Safety	170,348	304,055	487,526	689,769
Public Works	1,360,805	742,679	710,042	424,632
Parks and Recreation	N/A	N/A	N/A	74,198
Capital Outlay	12,334,196	17,605,306	18,173,413	7,481,335
Debt Service				
Principal	20,000	436,412	-	2,282,662
Interest and Fiscal Charges	23,806	5,757	-	-
Total Expenditures	14,428,614	20,646,312	20,727,394	11,882,675
Excess of Revenues Over (Under) Expenditures	(8,849,831)	(12,765,419)	(4,644,571)	(4,626,597)
Other Financing Sources (Uses)				
Debt Issuance	10,948,409	11,122,347	-	-
Discount on Debt Issuance	-	-	-	-
Transfers In	-	80,000	-	350,000
Transfers Out	(25,483)	(80,000)	-	(350,000)
Total Other Financing Sources (Uses)	10,922,926	11,122,347	-	-
Net Change in Fund Balances	2,073,095	(1,643,072)	(4,644,571)	(4,626,597)
Debt Service as a Percentage of Noncapital Expenditures	2.09%	14.54%	0.00%	51.86%

Data Source: Village Records

N/A - Not Available

2006	2007	2008	2009	2010	2011
4,449,755	6,053,597	7,481,986	9,456,819	9,066,731	9,303,330
481,353	78,601	198,901	121,242	29,917	27,256
547,394	1,966,061	1,363,440	670,306	819,126	3,019,381
2,802,384	2,071,685	3,557,534	1,181,861	216,820	221,043
116,919	161,322	300,768	216,364	189,060	232,735
281,891	338,629	627,199	126,453	63,691	38,357
646,167	73,513	976,274	2,117,261	1,635,376	2,223,428
9,325,863	10,743,408	14,506,102	13,890,306	12,020,721	15,065,530
1,530,702	2,678,321	1,773,295	1,040,363	856,697	3,147,483
1,011,725	812,160	1,403,992	1,049,827	1,150,403	1,235,494
500,530	556,032	669,301	867,877	1,035,170	778,573
69,450	114,429	68,958	89,537	111,906	119,869
5,489,388	7,946,124	6,719,544	310,199	153,300	23,695
3,732,507	5,544,850	6,932,563	8,874,256	10,893,200	12,601,421
311,129	299,447	299,995	296,264	295,085	298,294
12,645,431	17,951,363	17,867,648	12,528,323	14,495,761	18,204,829
(3,319,568)	(7,207,955)	(3,361,546)	1,361,983	(2,475,040)	(3,139,299)
13,037,752	-	-	-	23,275	114,394
(135,118)	-	-	-	-	-
10,066,009	527,942	2,174,844	1,362,006	716,723	331,472
(10,066,009)	(527,942)	(2,174,844)	(1,362,006)	(716,723)	(331,472)
12,902,634	-	-	-	23,275	114,394
9,583,066	(7,207,955)	(3,361,546)	1,361,983	(2,451,765)	(3,024,905)
56.51%	58.41%	69.50%	85.15%	79.23%	71.38%

VILLAGE OF ELWOOD, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years April 30, 2011 (Unaudited)

Tax Levy Year	Residential Property	Farm
2001	\$ 22,132,218	\$ 2,404,703
2002	24,533,782	2,366,461
2003	28,800,884	301,971
2004	31,578,434	290,977
2005	36,627,762	302,243
2006	40,384,258	201,714
2007	45,385,712	200,458
2008	51,007,924	218,002
2009	52,489,876	2,473,024
2010	51,797,707	2,475,304

Data Source: Will County Tax Extension Office

Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$ 761,718	\$ 5,324,294	\$ 30,622,933	\$ 31,044	\$ 30,653,977	0.070
757,949	5,399,900	33,058,092	36,951	33,095,043	0.130
794,834	7,749,771	37,647,460	39,999	37,687,459	0.120
965,549	7,994,121	40,829,081	45,108	40,874,189	0.116
988,941	7,309,053	45,227,999	42,489	45,270,488	0.209
1,046,857	7,345,882	48,978,711	42,357	49,021,068	0.202
1,114,810	7,665,210	54,366,190	46,519	54,412,709	0.270
1,326,952	7,665,739	60,218,617	50,873	60,269,490	0.256
1,364,724	7,211,230	63,538,854	61,305	63,600,159	0.255
1,466,163	7,211,230	62,950,404	76,688	63,027,092	0.266

VILLAGE OF ELWOOD, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years
April 30, 2011 (Unaudited)**

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years April 30, 2011 (Unaudited)

	2001	2002	2003	2004
Village of Elwood Corporate	0.070	0.130	0.120	0.116
Village of Elwood Road and Bridge	0.134	0.135	0.131	0.129
Forest Preserve	0.135	0.132	0.127	0.124
Will County Bldg Comm	0.052	0.048	0.045	0.042
Jackson Township Town Funds	0.092	0.093	0.090	0.089
Jackson Township Road Funds	0.165	0.167	0.161	0.159
Elwood Fire Protection District	0.457	0.463	0.465	0.507
School District 203	2.795	2.813	2.707	2.699
High School District 204	2.031	2.272	2.172	2.151
Community College District 525	0.224	0.221	0.211	0.214
Manhattan Public Library	0.163	0.162	0.155	0.170
Will County	0.571	0.558	0.537	0.529
Total Tax Rate Per \$100 EAV	6.889	7.193	6.919	6.928
Village's Share of Total Tax Rate	1.96%	1.83%	1.83%	1.67%

Data Source: Office of the Will County Clerk

2005	2006	2007	2008	2009	2010
0.209	0.2019	0.2701	0.2559	0.2547	0.2660
0.127	0.1245	0.1183	0.1172	0.1051	
0.148	0.1369	0.1424	0.1445	0.1519	0.1567
0.012	0.0127	0.0117	0.0191	0.0191	0.0197
0.088	0.0859	0.0816	0.0808	0.0726	0.0784
0.157	0.1538	0.1461	0.1447	0.1299	0.1404
0.561	0.6176	0.6657	0.5066	0.4943	0.5147
2.616	2.5405	2.4285	2.3695	2.2344	2.3110
2.089	2.0244	1.9572	1.8868	1.8972	2.0560
0.209	0.1936	0.1901	0.1896	0.2144	0.2270
0.178	0.1697	0.1610	0.1596	0.1562	0.1642
0.526	0.5027	0.4826	0.4751	0.4833	0.5077
6.920	6.7642	6.6553	6.3494	6.2131	6.4418
3.02%	2.98%	4.06%	4.03%	4.10%	4.13%

VILLAGE OF ELWOOD, ILLINOIS

Principal Property Tax Payers - Current Year and Nine Years Ago April 30, 2011 (Unaudited)

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Wal-Mart Stores	\$ 43,001,123	1	22.74%	\$ N/A		N/A
CJFI, LLC	14,928,091	2	7.90%	N/A		N/A
Centerpoint Elwood LLC	11,694,225	3	6.18%	N/A		N/A
Georgia-Pacific LLC	11,341,265	4	6.00%	N/A		N/A
RB-3 Associates Et Al	7,799,220	5	4.12%	N/A		N/A
Benderson Company Inc.	7,495,878	6	3.96%	N/A		N/A
Elwood Energy	6,295,864	7	3.33%	N/A		N/A
People's Energy	531,500	8	0.28%	N/A		N/A
Commonwealth Edison	371,127	9	0.20%	N/A		N/A
Bank of Shorewood	259,550	10	0.14%	N/A		N/A
	<u>103,717,843</u>		<u>54.85%</u>	<u>N/A</u>		<u>N/A</u>

Data Source: Office of the County Clerk of Will County

N/A - Not Available

VILLAGE OF ELWOOD, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years April 30, 2011 (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
2002	2000	\$ 21,580	\$ 21,580	100.00%	N/A	\$ 21,580	100.00%
2003	2001	43,024	43,024	100.00%	N/A	43,024	100.00%
2004	2002	45,112	45,107	99.99%	N/A	45,107	99.99%
2005*	2003	2,735,358	2,735,367	100.00%	N/A	2,735,367	100.00%
2006*	2004	3,323,658	3,323,760	100.00%	N/A	3,323,760	100.00%
2007*	2005	4,992,956	4,988,692	99.91%	N/A	4,988,692	99.91%
2008*	2006	6,195,253	6,195,382	100.00%	N/A	6,195,382	100.00%
2009*	2007	8,196,182	8,195,674	99.99%	N/A	8,195,674	99.99%
2010*	2008	7,857,670	7,856,706	99.99%	N/A	7,856,706	99.99%
2011*	2009	8,084,038	8,083,206	99.99%	N/A	8,083,206	99.99%

Data Source: Office of the County Clerk of Will County

N/A - Not Available

* Includes incremental taxes for the Deer Run TIF Fund.

VILLAGE OF ELWOOD, ILLINOIS

Ratios of Outstanding Debt By Type - Last Ten Fiscal Years April 30, 2011 (Unaudited)

Fiscal Year Ended April 30	Governmental Activities		
	General Obligation Bonds	General Obligation Capital Appreciation	Capital Leases Payable
2002	\$ 390,000	\$ -	\$ -
2003	-	-	-
2004	-	-	-
2005	-	-	-
2006	6,715,000	6,246,538	127,232
2007	6,715,000	6,422,136	103,333
2008	6,715,000	6,979,060	78,049
2009	6,715,000	7,376,930	51,297
2010	6,715,000	7,797,483	41,028
2011	6,715,000	8,242,011	77,925

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.

Tax Increment Notes Payable	Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Loans Payable			
\$ -	\$ -	\$ 2,940,567	\$ 3,330,567	9.16%	\$ 2,055.91
-	-	14,500,000	14,500,000	39.88%	8,950.62
-	-	14,500,000	14,500,000	39.88%	8,950.62
124,947,957	-	14,500,000	139,447,957	383.56%	86,078.99
133,803,629	-	14,500,000	161,392,399	443.92%	99,624.94
141,934,229	-	14,500,000	169,674,698	466.70%	104,737.47
148,811,979	-	14,500,000	177,084,088	487.08%	109,311.17
154,644,981	-	14,320,000	183,108,208	503.65%	80,345.86
158,927,266	-	14,320,000	187,800,777	516.56%	115,926.41
161,862,632	8,290,000	-	185,187,568	362.08%	81,258.26

VILLAGE OF ELWOOD, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years April 30, 2011 (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)
2002	\$ 390,000	\$ -	\$ 390,000	1.27%	\$ 240.74
2003	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	6,715,000	-	6,715,000	14.83%	4,145.06
2007	6,715,000	-	6,715,000	13.70%	4,145.06
2008	6,715,000	-	6,715,000	12.34%	4,145.06
2009	6,715,000	-	6,715,000	11.14%	4,145.06
2010	6,715,000	-	6,715,000	11.14%	4,145.06
2011	6,715,000	-	6,715,000	10.56%	2,946.47

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, 2011 (Unaudited)**

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Elwood	\$ 23,366,711	100.00%	\$ 23,366,711
Will County	8,655,000	7.20%	623,160
Forest Preserve	175,594,532	2.15%	3,775,282
School District 203	1,640,000	38.60%	633,040
High School District 204	82,125,000	28.90%	23,734,125
Community College District 525	89,000,000	3.00%	2,670,000
Subtotal	171,125,000		31,435,607
Totals	194,491,711		54,802,318

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

Data Source: Will County Clerk's Office

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Legal Debt Margin

April 30, 2011 (Unaudited)

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

VILLAGE OF ELWOOD, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years April 30, 2011 (Unaudited)

Fiscal Year Ended April 30	Property Tax Revenues	Principal	Interest	Coverage
2002	\$ -	\$ -	\$ -	-
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	62,423	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-

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, 2011 (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
2002	1,620	\$ 36,356	\$ 22,442	35	347	1.8
2003	1,620	36,356	22,442	35	362	1.8
2004	1,620	36,356	22,442	35	396	1.8
2005	1,620	36,356	22,442	35	421	1.8
2006	1,620	36,356	22,442	35	426	2.7
2007	1,620	36,356	22,442	35	433	3.0
2008	1,620	36,356	22,442	35	431	3.8
2009	1,620	36,356	22,442	35	430	6.5
2010	1,620	36,356	22,442	35	423	N/A
2011	2,279	51,145	22,442	35	423	N/A

N/A - 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, 2011 (Unaudited)

Employer	2011			2002		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Wal-Mart	1,792	1	N/A	N/A	N/A	N/A
BNSF	801	2	N/A	N/A	N/A	N/A
DCS Logistics	269	3	N/A	N/A	N/A	N/A
Potlach	170	4	N/A	N/A	N/A	N/A
Georgia Pacific	100	5	N/A	N/A	N/A	N/A
Elwood School District	42	6	N/A	N/A	N/A	N/A
Village of Elwood	31	7	N/A	N/A	N/A	N/A
Bridge Terminal Transport	20	8	N/A	N/A	N/A	N/A
	<u>3,225</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

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

N/A - Not Available

VILLAGE OF ELWOOD, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2011 (Unaudited)**

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years April 30, 2011 (Unaudited)

Function	2002	2003	2004	2005
General Government				
Administration	2	2	3	2
Finance	2	2	2	2
Public Works	1	2	3	3
Police	4	5	5	5
Water and Sewer	1	1	1	1
Total	10	12	14	13

Data Source: Village Records

2006	2007	2008	2009	2010	2011
2	3	3	3	2	2
2	2	2	1	-	-
4	5	5	5	5	5
6	7	12	11	11	11
1	1	1	2	1	1
15	18	23	22	19	19

VILLAGE OF ELWOOD, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years April 30, 2011 (Unaudited)

Function/Program	2002	2003	2004	2005
Public Works				
Forestry				
Number of Parkway Trees Planted	N/A	N/A	80	50
Number of Parkway Trees Trimmed	N/A	N/A	0	10
Brush Pickup Program (Cubic Yds Collected)	N/A	35	60	65
Fleet Services				
Number of Vehicles Maintained	4	5	6	7
Preventative Maintenance Services	6	9	10	14
Public Safety				
Police				
Criminal	N/A	N/A	N/A	600
Quasi Criminal	N/A	N/A	N/A	1,520
Calls for Service	N/A	N/A	N/A	1,551
State Tickets Issued	N/A	N/A	N/A	678
Community Development				
Number of Building Permits Issued	21	26	54	26
Number of Building Inspections	63	78	162	78
Number of Food Service Inspections	N/A	N/A	N/A	N/A
Highways and Streets				
Sidewalk Replaced (Sq. Ft.)	-	-	30	150
Water and Sewer				
Water Main Breaks	N/A	N/A	3	2
Hydrants Flushed	N/A	200	284	355
Water Meters Read	N/A	740	755	768
Water Meter Service Requests	N/A	N/A	N/A	60
Water Meters Replaced	4	5	204	531
Total Distribution Pumpage (1,000 Gallons)	N/A	89,302	127,713	96,484
Average Daily Pumpage (1,000 Gallons)	N/A	287	287	253
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

2006	2007	2008	2009	2010	2011
131	163	163	30	30	11
100	-	-	100	50	100
80	50	60	70	70	82
10	13	18	18	20	20
17	20	50	60	80	16
1,200	1,800	591	375	314	137
1,249	499	556	1,234	591	116
2,880	2,336	2,341	1,609	905	3,359
1,149	1,632	3,900	2,792	1,105	1,130
17	26	11	-	-	65
51	78	33	-	-	56
N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	100	120	210
-	-	-	1	-	-
536	549	549	549	549	700
790	830	900	900	900	905
30	40	192	192	25	8
122	12	-	-	2	4
124,866	94,905	91,389	87,096	90,468	87,677
254	350	250	238	249	234
N/A	17,000	-	-	-	-
N/A	1	-	-	-	1

VILLAGE OF ELWOOD, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years April 30, 2011 (Unaudited)

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	4	6	7	8	8	8	9	9	10	13
Fire Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (Miles)	41	41	41	41	47	47	50.7	50.7	50.7	50.7
Sidewalks (Miles)	11	11	13	14	15	15	15	15	15	15
Streetlights	N/A	8	40	48	165	165	165	165	165	165
Water and Sewer										
Water Mains (Miles)	8.76	13.47	25.54	26.19	26.60	26.60	26.60	26.60	28.00	28.00
Fire Hydrants	200	284	355	536	549	549	549	549	549	549
Sanitary Sewers (Miles)	10.10	12.42	19.67	20.45	20.89	20.89	20.89	20.89	22.00	22.00
Manholes	200	289	300	350	391	391	391	391	391	391

N/A - Not Available

Data Source: Village Records