

VILLAGE OF ELWOOD, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
APRIL 30, 2005**

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
- Letter of Transmittal

VILLAGE OF ELWOOD, ILLINOIS

List of Principal Officials

April 30, 2005

VILLAGE PRESIDENT

Robert T. Blum

VILLAGE BOARD OF TRUSTEES

Janice Ruban

Charles Bernhardt

Walter Strawn

Jeff Terlep

Ray Attwood

Jodi Kirinich

VILLAGE CLERK

Patricia Buchenau

DEPARTMENT HEADS

Village Administrator

Robert Nissen

Village Treasurer

Roberta Day

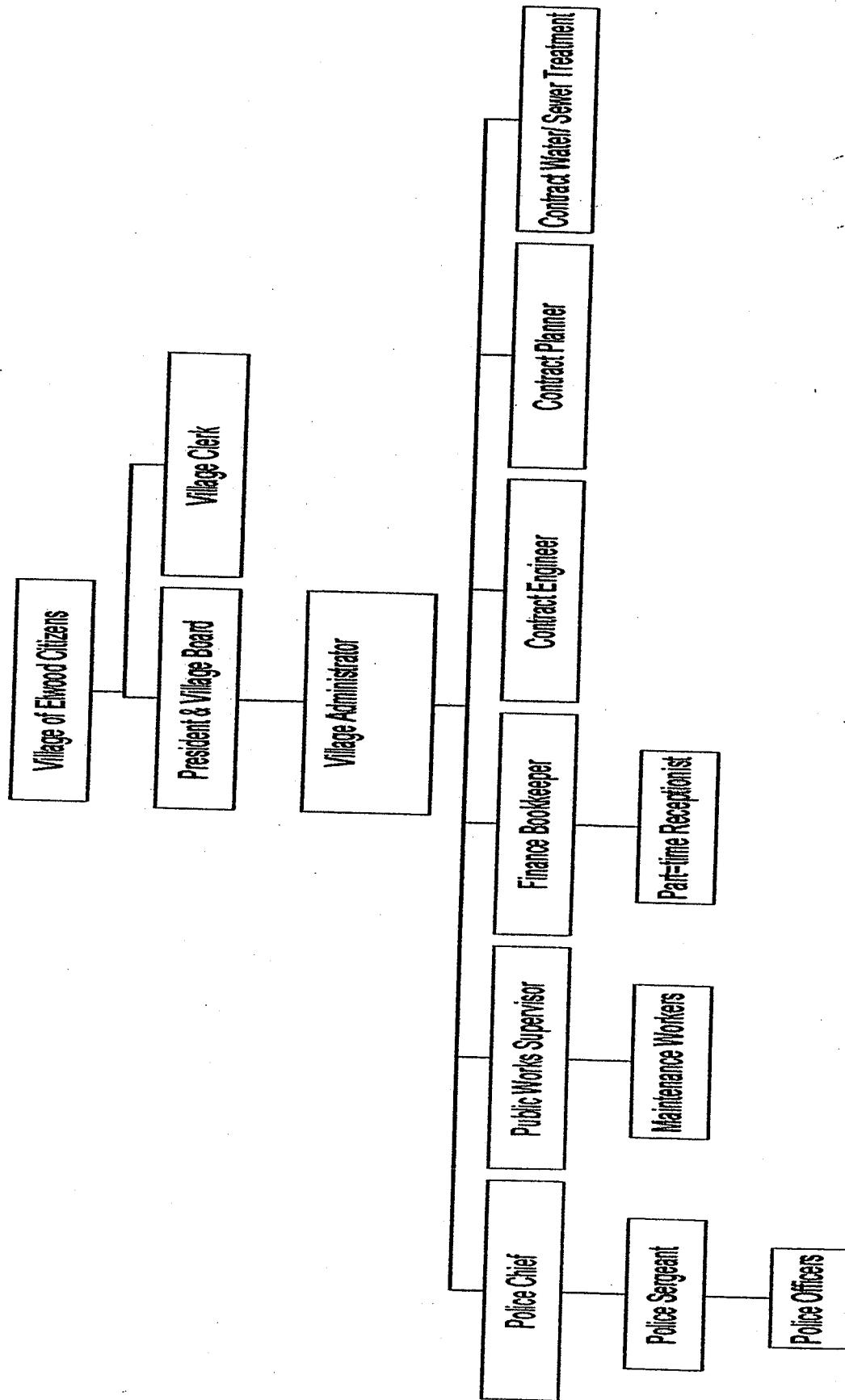
Chief of Police

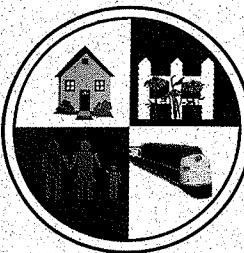
David Albert

Director of Public Works

Scott Haywood

Village of Elwood





Village of Elwood

• Established 1889 •

Proud of our past, Building our future.

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

June 22, 2005

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, 2005. 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 and belief, the enclosed data is accurate in all material respects and gives an accurate representation of the financial position and results of operations of the various funds 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.

The Comprehensive Annual Financial Report is presented in three sections: *Introductory*, *Financial* and *Statistical*. The *Introductory* section includes this transmittal letter, the Village's organizational chart and a list of principal officials. The *Financial* section includes:

- The independent auditor's report on the financial statements and schedules
- General purpose financial statements
- Notes to the financial statements
- Combining statements
- Individual fund statements
- Account group financial statements
- Supplemental information

The *Statistical* section includes selected financial and demographic information, generally presented on a multi-year basis.

Robert Blum

Village President

Patricia Buchanan

Village Clerk

Robert Nissen

Village Administrator

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 largest industrial park in the nation is located within a tax increment financing (TIF) district within the Village's western border.

The estimated actual value of property in the Village has increased by 7.96% in 2005. Current projections again anticipate a growth rate in 2006 of approximately 14.00% based on preliminary assessment information. When comparing this growth rate to the prior ten years, which averaged 4.34% per year from 1995 through 2005, it appears that the majority of the property in the Village is still to be developed; future development will occur on a sporadic basis.

In FYE 2005, utility tax revenue increased by \$ 37,791 or 17.75%. This compares to a \$63,149 increase or 19.00% during the previous fiscal year. Utility tax provided approximately 17.4% of the total General Fund operating revenue in FYE 2005 as compared with 18.5% in FYE 2004.

OTHER ECONOMIC CONDITIONS EXPECTED

Housing developments will increase consistent with the growth in the rest of western Will County. Major developments are planned for upscale developments.

Currently, employment in Will County remains relatively equal to the state and national level, with a 6.2% unemployment rate in the county as of May 2005. This compares to a statewide rate of 5.6% and a national average of 5.9%. The local unemployment rate has decreased from the rate reported last year. The Bureau of Labor Statistics supplies this information to the Village.

MAJOR INITIATIVES

The Village has accomplished many major initiatives during FYE 2005. Some of the accomplishments that the elected officials and staff are most proud of are described in the following. Planning of the new

Village Hall, major construction projects on major Village thoroughfares, new water treatment plant and water plant.

DEPARTMENT FOCUS

Over the past fiscal year the Village has expanded the administrative operation to accommodate the growth in the community. The Village added the first Public Works Supervisor, part time clerk, and contract Finance Advisor. In addition, the computer system has been expanded to provide for more of an open system along with a new telephone system and expanded office area.

FINANCIAL INFORMATION

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

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

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

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

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

GENERAL GOVERNMENT FUNCTIONS The following schedule presents a summary of General Fund, Special Revenue Funds, Debt Service Funds

and Capital Projects Funds revenues for the fiscal year ended April 30, 2005, for the primary government of the Village, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues by Source	2005	2004	Increase (Decrease) over 2003	2004 Percent
Taxes	\$ 3,538,069	\$ 2,109,670	\$ 1,428,399	167.71%
Charges for Services	2,737,438	63,483	2,673,955	4312.08%
Licenses & Permits	172,993	250,798	(77,805)	68.98%
Intergovernmental	536,644	2,039,146	(1,502,502)	26.32%
Interest Income	125,688	1,192,875	(1,067,187)	10.54%
Miscellaneous	145,246	22,046,609	(21,901,363)	0.66%
Total	\$ 7,256,078	\$ 27,702,581	\$ (20,446,503)	4586.28%

Taxes increased by \$1,428,399 due primarily to the property taxes in the TIF district and in utility taxes.

Licenses and permits decreased by \$ 77,805 due to decreased development in the TIF district and throughout the village.

Intergovernmental Revenues decreased by \$1,502,502 over FYE 2004. This was due to reclassifying state grants to another line item.

Interest Income decreased by \$1,067,187 due to substantially reduced cash balances.

Finally, Miscellaneous Revenue decreased in FYE 2005 by \$21,428,202 due primarily to a decrease in grant and loan proceeds.

Expenses	2005	2004	Increase (Decrease) over 2004	2004 Percent
General Government	927,477	1,356,413	(428,936)	68.38%
Public Safety	689,769	427,242	262,527	161.45%
Highway & Streets	498,830	670,158	(171,328)	74.43%
Debt Service	2,285,264	0	2,285,264	0.00%
Capital Outlay	7,481,335	18,273,581	(10,792,246)	40.94%
Total	\$ 11,882,675	\$ 20,727,394	\$ (8,844,719)	57.33%

There was an \$11,127,381 or 46.32% decrease in expenditures for General Government, Public Safety, and Highways & Streets in FYE 2005. This was due primarily to a reduction in capital projects.

Expenditures for Capital Outlay decreased in FYE 2005 by \$10,792,246 or 40.94%. This decrease was entirely due to a decrease in construction activity.

GENERAL FUND BALANCE The fund balance in the General Fund increased in FYE 2005 by \$268,769 or 258.23%. After each fiscal year the Village is reimbursed from the Phase 1 Fund for any deficits, which accounts for the large deficit.

ENTERPRISE OPERATIONS the Village's enterprise operations include the Waterworks and Sewerage Fund and the Garbage Fund. For FYE 2005, operating income in the Enterprise Funds increased by \$188,702 or 44.00% over the prior year, due to reimbursements from industrial park developer.

DEBT ADMINISTRATION The Village does not have any outstanding general obligation debt and has not been rated from the credit rating agencies. Being a home-rule community the Village does not have a limit on bonding authority.

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 entered into a contractual agreement effective January 1, 1986, joining the Illinois Municipal League Risk Management Agency (IMLRisk), which provides the Village with its insurance coverage for liability, property damage, workmen's compensation, and all other lines of coverage. IRMA is a self-insurance group consisting of several municipalities, pooling their risks through a self-insurance agency. During 2005, the Village continued low claim experience through innovative loss control programs.

INDEPENDENT AUDIT State statute requires an annual audit by independent certified public accountants. The Village selected the accounting firm of Lauterbach & Amen, LLP. 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. This is the second year the Village is applying for the prestigious award. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted

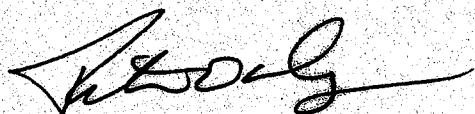
accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire administrative staff. Each member has our sincere appreciation for the contributions made in preparation of this report. Particular recognition should be given to Pat Buchenau, Village Clerk for her hard work and dedication in completing this report.

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



Roberta Day
Accountant

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 22, 2005

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

We have audited the accompanying basic financial statements of the Village of Elwood, Illinois as of and for the year ended April 30, 2005, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the Village of Elwood, Illinois' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Village of Elwood, Illinois as of April 30, 2005, and the results of its operations and the cash flows of its business type activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Village has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, and of May 1, 2004. This results in a change in the Village's method of accounting for certain non-exchange revenues and a change in the format and content of the basic financial statements and notes to financial statements.

Village of Elwood, Illinois

June 22, 2005

Page 2

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

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

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

Lauterbach & Amen LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2005

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, 2005. Please read it in conjunction with the transmittal letter that begins on page iii and the Village's financial statements, which begin on page 16. This is the first year that the Village is applying GASB Statement No. 34. Therefore, comparative data for the prior year is not available. In future years a comparative analysis of government-wide data will be presented.

FINANCIAL HIGHLIGHTS

- The Village of Elwood's net assets increased as a result of this year's operations capital improvements by \$7,527,551. While net assets of business-type activities increased by \$565,221.
- During the year, expenses were \$6.5 million more than the \$7.3 million generated in revenues for governmental programs.
- Revenues for business-type activities were \$1.5 million while expenses were also \$1.5 million, resulting in no change to net assets.
- The General Fund reported a surplus this year of \$268,769, resulting in an ending fund balance of \$439,134.

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 17 - 18) provide information about the activities of the Village of Elwood as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 19. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Elwood's operation in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Elwood's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 16 - 18 of this report.

The Statement of Net Assets reports information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial 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, 2005

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 eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Deer Run TIF Fund, CenterPoint Phase I Fund, and the Road Improvements Fund, all of which are considered major funds.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2005

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 Road Improvements Fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 19 - 23 of this report.

Proprietary Funds

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Garbage Fund. The Water and Sewer Fund is considered to be a major proprietary fund of the Village, while the Garbage Fund is considered to be a nonmajor fund. The basic proprietary fund financial statements can be found on pages 25 - 27 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 - 50 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. employee pension obligations. Required supplementary information can be found on pages 51 - 53 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 54 - 79 of this report.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2005

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Elwood, assets exceeded liabilities by \$10.9 million increasing from the previous year.

Net Assets (in Millions)

	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 7.6	2.2	9.8
Capital Assets	120.3	21.4	141.7
Total Assets	127.9	23.6	151.5
Long-Term Debt Outstanding	(121.2)	(14.5)	(135.7)
Other Liabilities	6.6	-	6.6
Total Liabilities	(114.6)	(14.5)	(129.1)
Net Assets			
Invested in Capital Assets,			
Net of Debt	(4.6)	23.2	18.6
Restricted	1.9	-	1.9
Unrestricted (Deficit)	2.8	(12.3)	(9.5)
Total Net Assets	0.1	10.9	11.0

By far the largest portion of the Village of Elwood's net assets reflects its investment in capital assets of \$18.6 million (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Elwood uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Elwood's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion or \$1.9 million of the Village of Elwood's net assets represents resources that are subject to external restrictions on how they may be used. The remaining net assets represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis
April 30, 2005

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Changes in Net Assets (in millions)

		Governmental Activities	Business-type Activities	Total
Revenues				
Program Revenues				
Charges for Services	\$	3.0	0.6	3.6
Capital Grants/Contributions		0.2	0.8	1.0
Operating Grants/Contributions		0.1	0.1	0.2
General Revenues				
Property Taxes		3.3	-	3.3
Utility Taxes		0.2	-	0.2
Sales Taxes		0.2	-	0.2
Income Taxes		0.1	-	0.1
Other General Revenues		0.2	-	0.2
Total Revenues		7.3	1.5	8.8
Expenses				
General Government		0.9	-	0.9
Public Safety		0.7	-	0.7
Public Works		0.4	-	0.4
Parks and Recreation		0.1	-	0.1
Interest on Long-Term Debt		11.7	-	11.7
Water and Sewer		-	1.4	1.4
Garbage		-	0.1	0.1
Total Expenses		13.8	1.5	15.3
Increase (Decrease) in Net Assets		(6.5)	-	(6.5)
Net Assets-Beginning as Restated		6.6	10.9	17.5
Net Assets-Ending		0.1	10.9	11.0

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2005

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net assets of the Village of Elwood's governmental activities decreased substantially (\$6.6 million compared to \$0.1 million). This deficit arose primarily because of a restatement of assets.

Net assets of business-type activities remained unchanged, resulting in net assets of \$10.9 million. The Village of Elwood generally can only use these net assets to finance the continuing operations of the utility operations.

Governmental Activities

Revenues for governmental activities were \$7.3 million for the year, with the largest portion of revenue coming from property taxes (\$3.3 million). Total expenses for the year were \$13.8 million with the largest portion coming from the interest expense on long-term debt (\$11.7 million).

The main reason for the large amount of interest on long-term debt is related to the Tax Increment Financing bonds outstanding at year end of \$124,947,957.

The 'Revenues by Source' Table graphically depicts the major revenue sources of the Village of Elwood. It depicts very clearly the reliance of property taxes (45%) and charges for services (41%) to fund governmental activities. It also clearly identifies the minor percentage the Village receives from sales taxes (only 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.

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues. From the table, it can be noted that only the general government function has enough revenues to meet program expenses. Particularly, the \$2,876,547 in revenues exceeds the \$917,834 in expenses by \$1,958,713. None of the remaining governmental functions are able to cover function expenditures.

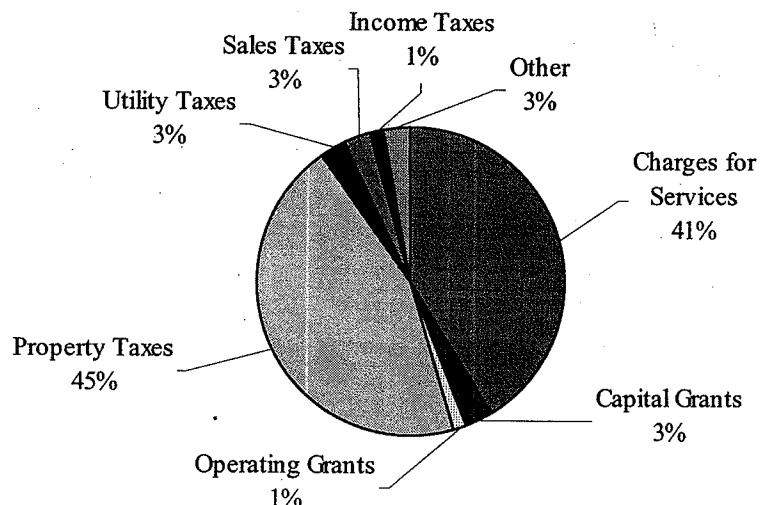
VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2005

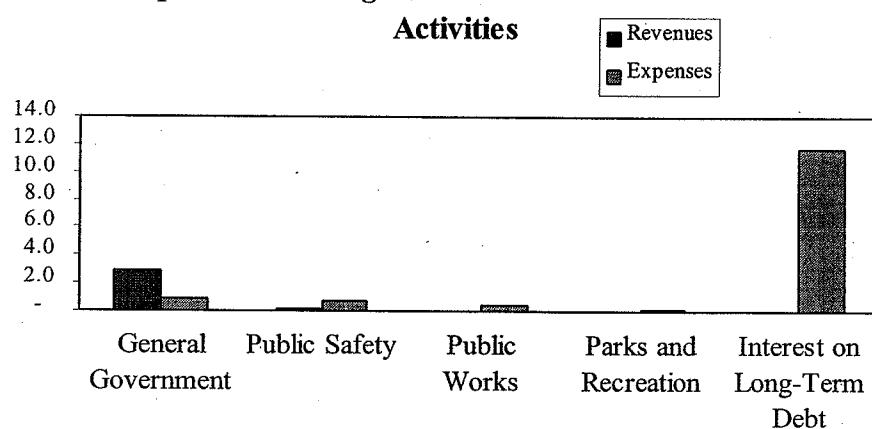
GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

Revenues by Source - Governmental Activities



Expenses and Program Revenues - Governmental Activities



VILLAGE OF ELWOOD, ILLINOIS

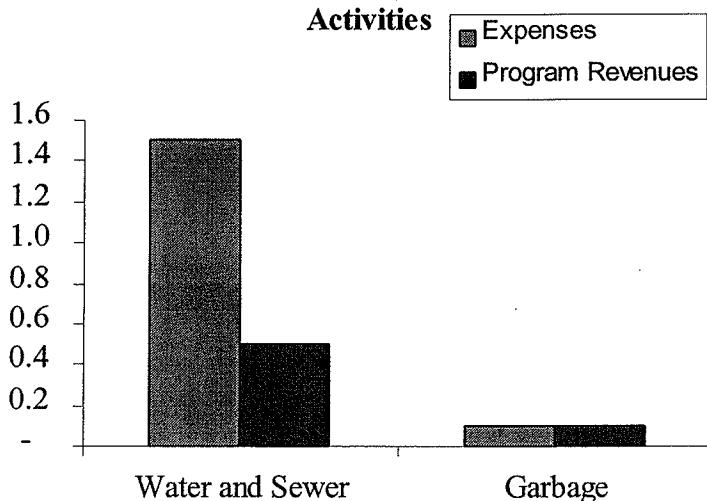
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GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Business-type activities

Total revenues of the Village's business-type activities were \$1.5 million, while expenses were also \$1.5 million, resulting in no change to net assets at the end of the year. The table below compares program revenues and expenditures for the Water and Sewer Fund and the Garbage Fund. Program revenues do not include revenues such as capital or operating grants/contributions, therefore, in the Water and Sewer Fund, program revenues are significantly lower than total revenues due to \$80,718 in operating grants/contributions and \$836,661 in capital grants/contributions that are not considered program revenues.

Expenses and Program Revenues - Business-Type



The above graph compares program revenues to expenses for water and sewer operations, and garbage operations. From the table it can be noted that the Garbage function is charging the appropriate service charge to cover the garbage expenses, while the Water and Sewer program revenues account for only 36% of the water and sewer program expenses (\$528,246 in revenues, compared to \$1,453,781 in expenses).

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2005

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$4,726,590, which is significantly below last year's restated governmental fund balances of \$9,353,187. Included in this year's total change in fund balance, however, is a surplus of \$268,769 in the General Fund, and a deficit of \$1,967,413 in the Deer Run TIF Fund and a deficit of \$3,341,669 in the Road Improvements Fund. In addition, these other changes in fund balances should be noted:

- The Village spent \$3,896,0693 million this year on the road reconstruction projects, reducing the beginning fund balance in the Phase 1 Fund by the same amount. This reduction was expected because balances at the beginning of this year included the proceeds of previous distributions from the industrial park developer. Although these and other capital expenditures reduce available fund balances, they create new assets as reported in the Statement of Net Assets and as discussed in Note 1 to the financial statements.
- Motor fuel tax funds, provided by the State, can only be used to replace, maintain, or improve the Village's roads. This year \$53,482 was added to a fund balance of \$302,129 to be used for future projects.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

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 \$28.27 for first 2,000 gallons and \$1.60 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. There was no change to net assets in the current year (total revenues and expenses were \$1,363,781).

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual charges to appropriations (expenditures) were \$80,338 below the final budget amounts. The most significant positive variance (\$252,115) occurred in the public works account, due to deferring improvements.

Resources available for appropriation (revenues) were \$560,506 over the budgeted amount, primarily due to increases in utility tax, sales tax, impact fees, and miscellaneous revenues.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2005

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, 2005 was \$143.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, park facilities, roads, sidewalks, and bridges. The total increase in the Village's investment in capital assets for the current fiscal year was \$8.1 million, or a 6 percent over the prior year.

Capital Assets - Net of Depreciation (in Millions)

	Governmental		Business-type		Total	
	Activities 2005	2004	Activities 2005	2004	2005	2004
Land	\$ 0.1	0.1	1.9	1.9	2.0	2.0
Buildings and Improvements	-	-	11.7	12.0	11.7	12.0
Machinery & Equipment	0.3	0.3	0.1	0.1	0.4	0.4
Infrastructure	119.9	112.4	9.6	8.7	129.5	121.1
Total	120.3	112.8	23.3	22.7	143.6	135.5

This year's major additions included (in millions):

Chicago Ave. reconstruction project, paid for with proceeds from Phase 1 industrial park distributions	\$ 2,750,000
Mississippi St. improvements, paid for with proceeds from Phase 1 industrial park distributions, state, developer	1,266,474
St Louis reconstruction project paid for with proceeds from Phase 1 industrial park distributions	288,853
Jackson St. reconstruction project paid for with proceeds from Phase 1 industrial park distributions	1,998,650
	6,303,977

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2005

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Capital Assets - Continued

The fiscal year 2005 capital budget includes \$5,628,978 for capital projects, principally for the completion of its Chicago Avenue reconstruction project and the initial year of St. Louis, Jackson, and Mississippi Streets.

Additional information on the Village's capital assets can be found in note 3 on pages 42 - 43 of this report.

Debt Administration

At year-end, the Village had total outstanding bonded debt of \$139.4 million as compared to \$130 million the previous year, resulting in a 7 percent increase from the prior year. The following is a comparative statement of outstanding debt:

TIF Notes Payable and Loans Payable (in Millions)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
TIF Notes Payable	\$ 124.9	115.5	-	-	124.9	115.5
Loans Payable	-	-	14.5	14.5	14.5	14.5
Total	124.9	115.5	14.5	14.5	139.4	130.0

The Village of Elwood has not yet been rated by Standard & Poor's and Moody's for general obligation debt. As a home-rule unit, no legal limit exists on the amount of debt that can be outstanding.

Additional information on the Village's long-term debt can be found in Note 3 on pages 44 – 47 of this report.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis
April 30, 2005

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2006 appropriation, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Unemployment rates for April 30, 2005 for the Village of Elwood (Will County) is 6.2 percent, which is over the state unemployment rate of 5.9 percent and the national unemployment rate of 5.6 percent.

Inflation increases in the metropolitan area continue to be somewhat higher than the national Consumer Price Index (CPI) increases. The metropolitan CPI increase was 2.4 percent for fiscal year 2005 compared with the national rate of 2.5 percent.

These indicators were taken into account when adopting the General Fund budget for 2006. Amounts available for appropriation in the General Fund budget are \$1,196,156, a decrease of 24% over the final 2005 budget of \$1,484,298, basically due to a number of expenses being transferred to the Special Service Area Fund. The sales tax base of the Village of Elwood continues to remain stable, allowing the Village of Elwood to budget consistently for fiscal year 2006. Property taxes increased slightly and utility taxes are expected to lead further increases. Budgeted expenditures are expected to decrease nearly 24 percent, due to the transfers to the Special Service Area. Increased cost-of-living adjustments of 3.5%, along with market adjustments in key positions, represent the largest increments. The Village has added some major new programs and initiatives to the 2006 budget, including tree replacement, leak detection, sanitary sewer televising, and valve testing.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Elwood's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Finance Office, Village of Elwood, P.O. Box 435, Elwood, Illinois, 60421.

BASIC FINANCIAL STATEMENTS

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

- Government-wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds

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

VILLAGE OF ELWOOD, ILLINOIS

Statement of Net Assets April 30, 2005

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and investments	\$ 4,192,884	2,052,658	6,245,542
Receivables - net	3,394,662	150,595	3,545,257
Prepays	10,922	13,447	24,369
	<hr/> 7,598,468	<hr/> 2,216,700	<hr/> 9,815,168
Capital Assets			
Nondepreciable	50,000	1,909,500	1,959,500
Depreciable	120,755,552	22,552,833	143,308,385
Accumulated depreciation	(505,252)	(1,210,096)	(1,715,348)
	<hr/> 120,300,300	<hr/> 23,252,237	<hr/> 143,552,537
Total Assets	127,898,768	25,468,937	153,367,705
LIABILITIES			
Current Liabilities			
Accounts payable	145,351	10,360	155,711
Accrued interest payable	-	36,958	36,958
Unearned revenues	2,726,527	-	2,726,527
Current portion of long-term debt	3,732,738	-	3,732,738
	<hr/> 6,604,616	<hr/> 47,318	<hr/> 6,651,934
Noncurrent Liabilities			
Compensated absences payable	28,791	-	28,791
Loans payable	-	14,500,000	14,500,000
TIF notes payable	121,222,417	-	121,222,417
	<hr/> 121,251,208	<hr/> 14,500,000	<hr/> 135,751,208
Total Liabilities	127,855,824	14,547,318	142,403,142
NET ASSETS			
Invested in Capital Assets - Net of Related Debt	(4,643,933)	23,252,237	18,608,304
Restricted - special revenues	393,550	-	393,550
Restricted - debt service	1,540,042	-	1,540,042
Unrestricted	2,753,285	(12,330,618)	(9,577,333)
	<hr/> 42,944	<hr/> 10,921,619	<hr/> 10,964,563

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

VILLAGE OF ELWOOD, ILLINOIS

Statement of Activities
Year Ended April 30, 2005

			Program Revenues	
	Charges for Expenses	Operating Grants/ Revenues	Capital Grants/ Contributions	Contribution
Primary Government				
Governmental Activities				
General government	\$ 917,834	2,876,547	-	-
Public safety	667,761	93,812	-	-
Public works	416,868	-	50,837	167,369
Parks and recreation	74,198	33,884	-	-
Interest on long-term debt	11,703,839	-	-	-
Total Governmental Activities	13,780,500	3,004,243	50,837	167,369
Business-Type Activities				
Water and Sewer	1,453,781	528,246	80,718	836,661
Garbage	110,181	100,197	-	-
Total Business-Type Activities	1,563,962	628,443	80,718	836,661
	15,344,462	3,632,686	131,555	1,004,030
General Revenues				
Taxes				
Property taxes				
Utility taxes				
Intergovernmental				
Sales taxes				
Income taxes				
Interest income				
Miscellaneous				
Change in Net Assets				
Net Assets - Beginning as Restated				
Net Assets - Ending				

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

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
1,958,713	-	1,958,713
(573,949)	-	(573,949)
(198,662)	-	(198,662)
(40,314)	-	(40,314)
(11,703,839)	-	(11,703,839)
<u>(10,558,051)</u>	<u>-</u>	<u>(10,558,051)</u>
-	(8,156)	(8,156)
-	(9,984)	(9,984)
<u>-</u>	<u>(18,140)</u>	<u>(18,140)</u>
<u>(10,558,051)</u>	<u>(18,140)</u>	<u>(10,576,191)</u>
3,285,888	-	3,285,888
252,181	-	252,181
196,516	-	196,516
121,922	-	121,922
125,688	8,274	133,962
51,434	-	51,434
<u>4,033,629</u>	<u>8,274</u>	<u>4,041,903</u>
(6,524,422)	(9,866)	(6,534,288)
<u>6,567,366</u>	<u>10,931,485</u>	<u>17,498,851</u>
<u>42,944</u>	<u>10,921,619</u>	<u>10,964,563</u>

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

VILLAGE OF ELWOOD, ILLINOIS

Balance Sheet - Governmental Funds April 30, 2005

General

ASSETS

Cash and investments	\$ 389,380
Receivables - net of allowances	
Property taxes	96,332
Other taxes	141,477
Due from other funds	-
Prepays	<u>10,922</u>
 Total Assets	 <u>638,111</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts payable	102,645
Due to other funds	-
Unearned revenues	96,332
Total Liabilities	<u>198,977</u>
 Fund Balances	
Reserved - prepaid items	10,922
Reserved - parks	37,939
Reserved - debt service	-
Reserved - road improvements	-
Unreserved - general	390,273
Unreserved - special revenue	-
Unreserved - capital projects	-
Total Fund Balances	<u>439,134</u>
 Total Liabilities and Fund Balances	 <u>638,111</u>

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

Deer Run TIF	CenterPoint Phase I	Road Improvements	Nonmajor Governmental Funds	Total Governmental Funds
1,540,042	1,869,571	-	393,891	4,192,884
2,630,195	-	-	522,812	3,249,339
-	-	-	3,846	145,323
-	3,236,129	-	-	3,236,129
-	-	-	-	10,922
4,170,237	5,105,700	-	920,549	10,834,597
-	36,328	-	6,378	145,351
-	-	2,803,374	432,755	3,236,129
2,630,195	-	-	-	2,726,527
2,630,195	36,328	2,803,374	439,133	6,108,007
-	-	-	-	10,922
-	-	-	-	37,939
1,540,042	-	-	-	1,540,042
-	-	-	27,888	27,888
-	-	-	-	390,273
-	-	-	453,528	453,528
-	5,069,372	(2,803,374)	-	2,265,998
1,540,042	5,069,372	(2,803,374)	481,416	4,726,590
4,170,237	5,105,700	-	920,549	10,834,597

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, 2005

Total Governmental Fund Balances \$ 4,726,590

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. 120,300,300

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

TIF notes payable (124,947,957)

Compensated absences payable (35,989)

Net Assets of Governmental Activities 42,944

VILLAGE OF ELWOOD, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
April 30, 2005

See Following Page

VILLAGE OF ELWOOD, ILLINOIS**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds**
Year Ended April 30, 2005

	<u>General</u>
Revenues	
Taxes	\$ 327,232
Intergovernmental	311,445
Charges for services	448,767
Licenses and permits	172,993
Fines and forfeits	93,812
Interest	580
Miscellaneous	48,240
Total Revenues	<u>1,403,069</u>
Expenditures	
Current	
General government	797,779
Public safety	439,613
Public works	246,908
Parks and recreation	-
Capital outlay	-
Debt service	-
Principal retirement	-
Total Expenditures	<u>1,484,300</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>(81,231)</u>
Other Financing Sources (Uses)	
Transfers in	350,000
Transfers out	-
	<u>350,000</u>
Net Change in Fund Balance	268,769
Fund Balance - Beginning as Restated	<u>170,365</u>
Fund Balance - Ending	<u>439,134</u>

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

Deer Run TIF	Center Point Phase I	Road Improvements	Nonmajor Governmental Funds	Total Governmental Funds
2,688,025	-	-	522,812	3,538,069
6,993	-	167,369	50,837	536,644
-	2,218,744	36,043	33,884	2,737,438
-	-	-	-	172,993
-	-	-	-	93,812
17,701	59,912	40,185	7,310	125,688
-	-	-	3,194	51,434
2,712,719	2,278,656	243,597	618,037	7,256,078
129,698	-	-	-	927,477
-	-	-	250,156	689,769
-	-	-	177,724	424,632
-	-	-	74,198	74,198
-	3,896,069	3,585,266	-	7,481,335
2,285,264	-	-	-	2,285,264
2,414,962	3,896,069	3,585,266	502,078	11,882,675
297,757	(1,617,413)	(3,341,669)	115,959	(4,626,597)
-	-	-	-	350,000
-	(350,000)	-	-	(350,000)
-	(350,000)	-	-	-
297,757	(1,967,413)	(3,341,669)	115,959	(4,626,597)
1,242,285	7,036,785	538,295	365,457	9,353,187
1,540,042	5,069,372	(2,803,374)	481,416	4,726,590

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, 2005**

Net Change in Fund Balances - Total Governmental Funds \$ (4,626,597)

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

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

Capital outlays	7,595,316
Depreciation expense	(67,765)

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 TIF accretion bonds	(11,703,839)
Retirement of TIF accretion bonds	2,285,264
Additions to compensated absences payable	<u>(6,801)</u>

Changes in Net Assets of Governmental Activities (6,524,422)

VILLAGE OF ELWOOD, ILLINOIS

Statement of Net Assets - Proprietary Funds
April 30, 2005

	Business-Type Activities - Enterprise		
	Water and Sewer	Nonmajor Garbage	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 2,052,658	-	2,052,658
Receivables - net of allowances			
Accounts	140,411	10,184	150,595
Due from other funds	3,826	-	3,826
Prepaid expenses	13,447	-	13,447
	<u>2,210,342</u>	<u>10,184</u>	<u>2,220,526</u>
Capital Assets			
Nondepreciable capital assets	1,909,500	-	1,909,500
Depreciable capital assets	22,552,833	-	22,552,833
Accumulated depreciation	(1,210,096)	-	(1,210,096)
	<u>23,252,237</u>	<u>-</u>	<u>23,252,237</u>
Total Assets	25,462,579	10,184	25,472,763
LIABILITIES			
Current Liabilities			
Accounts payable	10,360	-	10,360
Due to other funds	-	3,826	3,826
Accrued interest payable	36,958	-	36,958
	<u>47,318</u>	<u>3,826</u>	<u>51,144</u>
Long-term Liabilities			
Loans payable	14,500,000	-	14,500,000
Total Liabilities	14,547,318	3,826	14,551,144
NET ASSETS			
Invested in capital assets - net of related debt			
	23,252,237	-	23,252,237
Unrestricted	(12,336,976)	6,358	(12,330,618)
Total Net Assets	10,915,261	6,358	10,921,619

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, 2005

Business-Type Activities - Enterprise Funds			
	Water and Sewer	Nonmajor Garbage	Totals
Operating Revenues			
Charges for services	\$ 528,246	100,197	628,443
Operating Expenses			
Water operations	571,321	-	571,321
Sewer operations	282,111	-	282,111
Garbage operations	-	110,181	110,181
Depreciation	510,349	-	510,349
Total Operating Expenses	1,363,781	110,181	1,473,962
Operating Income (Loss)	(835,535)	(9,984)	(845,519)
Nonoperating Revenues (Expenses)			
Capital reimbursements	836,661	-	836,661
Operating reimbursements	80,718	-	80,718
Interest income	8,156	118	8,274
Interest and fiscal charges	(90,000)	-	(90,000)
	835,535	118	835,653
Change in Net Assets		(9,866)	(9,866)
Net Assets - Beginning as Restated	10,915,261	16,224	10,931,485
Net Assets - Ending	10,915,261	6,358	10,921,619

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, 2005

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor Garbage	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 413,579	98,454	512,033
Payments to employees	(66,398)	-	(66,398)
Payments to suppliers	(825,773)	(114,164)	(939,937)
	<u>(478,592)</u>	<u>(15,710)</u>	<u>(494,302)</u>
Cash Flows from Noncapital Financing Activities			
Operating reimbursements	80,718	-	80,718
Cash Flows from Capital and Related Financing Activities			
Purchase of capital assets	(1,479,833)	-	(1,479,833)
Capital reimbursements	1,176,201	-	1,176,201
Interest paid on capital debt	(53,042)	-	(53,042)
	<u>(356,674)</u>	<u>-</u>	<u>(356,674)</u>
Cash Flows from Investing Activities			
Interest received	8,156	118	8,274
Net Change in Cash and Cash Equivalents			
	<u>(746,392)</u>	<u>(15,592)</u>	<u>(761,984)</u>
Cash and Cash Equivalents - Beginning	2,799,050	15,592	2,814,642
Cash and Cash Equivalents - Ending	<u>2,052,658</u>	<u>-</u>	<u>2,052,658</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	<u>(835,535)</u>	<u>(9,984)</u>	<u>(845,519)</u>
Adjustments to Reconcile Operating Income to Net Income to Net Cash			
Provided by (Used in) Operating Activities:			
Depreciation expense	510,349	-	510,349
(Increase) decrease in current assets	269,911	(1,743)	268,168
Increase (decrease) in current liabilities	(423,317)	(3,983)	(427,300)
	<u>356,943</u>	<u>(5,726)</u>	<u>351,217</u>
Net Cash Provided by (Used in) Operating Activities	<u>(478,592)</u>	<u>(15,710)</u>	<u>(494,302)</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, 2005

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VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2005

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VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2005**

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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. For the first time the financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Village's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Village's activities, including infrastructure (roads, bridges, etc.).

A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Village has elected to implement the provisions of Statement No. 34 in the current year.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units that have a significant operational or financial relationship with the Village.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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

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

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

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

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION – Continued

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.

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:

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements – Continued

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.

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 two major capital projects funds, the CenterPoint Phase I Fund and the Road Improvements 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.

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:

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2005**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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.

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.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

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.

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.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepaid Items/Expenses

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

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.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

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

GASB Statement No. 34 requires the Village to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, sidewalks, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

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. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Compensated Absences – Continued

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

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 Revenue

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

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.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Fund Equity – Continued

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 several supplementary appropriations were necessary.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2005

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.

Fund	Excess
Garbage	\$ 2,071
Children's Garden	2,244
Park	2,117
Road Improvements	3,585,266
CenterPoint Phase I	3,896,069
Deer Run Tax Increment Financing	2,204,462
Water and Sewer	39,446

DEFICIT FUND EQUITY

The following funds have deficit fund equity for the fiscal year:

Fund	Deficit
Children's Garden	\$ 362
Road Improvements	2,803,374

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.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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. The Illinois Funds are external investment pools regulated by state statutes; the pools value participant's shares on a fair value basis.

At year-end the carrying amount of the Village's deposits and investments totaled \$6,245,542, and the bank balances totaled \$6,461,652.

	Bank Balances
Category 1	
Deposits covered by federal depository insurance, or by collateral held by the Village, or its agent, in the Village's name.	\$ 4,947,400
Category 2	
Deposits covered by collateral held by the pledging financial institution's trust department, or by its agent, in the Village's name.	
Category 3	
Deposits covered by collateral held by the pledging financial institution, or its trust department, or its agent but not in the Village's name, and deposits which are uninsured and uncollateralized.	
Total Deposits	<u>4,947,400</u>
Noncategorizable Investments	
Illinois Funds	<u>1,514,252</u>
Total Deposits and Investments	<u>6,461,652</u>

PROPERTY TAXES

Property taxes for 2005 attach as an enforceable lien on January 1, 2005, 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, 2006, and September 1, 2006. The County collects such taxes and remits them periodically.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

	Beginning Balances As Restated	Increases	Decreases	Ending Balances
Capital Assets- Not Being Depreciated				
Land	\$ 50,000	-	-	50,000
Other Capital Assets				
Buildings and Improvements	273,441	-	-	273,441
Machinery and Equipment	456,524	113,981	-	570,505
Infrastructure	112,430,271	7,481,335	-	119,911,606
	<u>113,160,236</u>	<u>7,595,316</u>	-	<u>120,755,552</u>
Less Accumulated Depreciation				
Buildings and Improvements	273,441	-	-	273,441
Machinery and Equipment	164,046	67,765	-	231,811
Infrastructure	-	-	-	-
	<u>437,487</u>	<u>67,765</u>	-	<u>505,252</u>
Total Other Capital Assets	112,722,749	7,527,551	-	120,250,300
Total Capital Assets	112,772,749	7,527,551	-	120,300,300

Governmental capital asset activity for the year was as follows:

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 8,436
Public Safety	24,720
Public Works	<u>34,609</u>
	<u>67,765</u>

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 1,909,500	-	-	1,909,500
Other Capital Assets				
Buildings and Improvements	12,651,715	-	-	12,651,715
Machinery and Equipment	115,100	14,550	-	129,650
Infrastructure	8,710,448	1,061,020	-	9,771,468
	<u>21,477,263</u>	<u>1,075,570</u>	<u>-</u>	<u>22,552,833</u>
Less Accumulated Depreciation				
Buildings and Improvements	683,304	319,697	-	1,003,001
Machinery and Equipment	16,443	16,443	-	32,886
Infrastructure	-	174,209	-	174,209
	<u>699,747</u>	<u>510,349</u>	<u>-</u>	<u>1,210,096</u>
Total Other Capital Assets	<u>20,777,516</u>	<u>565,221</u>	<u>-</u>	<u>21,342,737</u>
Total Capital Assets	<u>22,687,016</u>	<u>565,221</u>	<u>-</u>	<u>23,252,237</u>

Depreciation expense was charged to business-type as follows:

Water and Sewer \$ 510,349

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
CenterPoint Phase I	Road Improvements	\$ 2,803,374
CenterPoint Phase I	Special Service Area	432,755
		<u>3,236,129</u>

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General Fund	CenterPoint Phase I Fund	\$ 350,000

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

LONG-TERM DEBT

TIF Notes Payable

Tax increment financing notes currently outstanding are as follows:

Issue	Balances			Balances	
	May 1				
	As Restated	Issuances	Retirements		
Tax Increment Financing Notes of 2003	\$ 115,529,382	11,703,839	2,285,264	124,947,957	

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Loans Payable

Loans payable currently outstanding are as follows:

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

Long-term Liability Activity

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

Type of Debt	Beginning Balances			Ending Balances	Amounts Due within One Year
	As Restated	Additions	Deductions		
Governmental Activities					
Compensated Absences	\$ 29,188	11,244	4,443	35,989	7,198
TIF Notes Payable	115,529,382	11,703,839	2,285,264	124,947,957	-
	115,558,570	11,715,083	2,289,707	124,983,946	7,198
Business-type Activities					
Loans Payable	14,500,000	-	-	14,500,000	-

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2005

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		
	Loans Payable		
	Principal	Interest	
2006	\$ -	210,000	
2007	90,000	335,000	
2008	90,000	527,997	
2009	470,000	740,344	
2010	470,000	716,045	
2011	870,000	691,746	
2012	870,000	646,767	
2013	870,000	601,788	
2014	870,000	556,809	
2015	870,000	511,830	
2016	870,000	466,851	
2017	870,000	421,872	
2018	870,000	376,893	
2019	1,140,000	331,914	
2020	1,140,000	272,976	
2021	1,740,000	214,038	
2022	1,200,000	124,080	
2023	1,200,000	62,040	
Total	14,500,000	7,808,990	

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, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT – Continued

Defeased Debt

In prior years the government defeased general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Since the requirements which normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Defeased bonds of \$350,000 remain outstanding as of the date of this report.

FUND EQUITY

Restatements

During the current fiscal year, the Village increased beginning fund equity in the General Fund to reflect errors in recognition of receivables, payables, prepaids and transfers. Beginning fund equity in the CenterPoint Phase I Fund was decreased to reflect an error in recognition of transfers. The Village also decreased beginning fund equity in the Deer Run TIF Fund to reflect an error in recognition of receivables. In the Road Improvements Fund, beginning fund equity was increased to reflect an error in recognition of assets. Beginning fund equity in the Water and Sewer Fund was decreased to reflect an error in recognition of payables, capital assets and prepaids. As a result, beginning fund equity has been restated as follows:

Fund Equity	As Reported	As Restated	Increase
General	\$ (786,359)	170,365	956,724
CenterPoint Phase I	7,881,682	7,036,785	(844,897)
Deer Run TIF	1,597,148	1,242,285	(354,863)
Road Improvements	488,202	538,295	50,093
Water and Sewer	27,570,168	10,915,261	(16,654,907)

Reserved for Special Revenues

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

	<u>Amount</u>
Reserved for Special Revenues	
Motor Fuel Tax	\$ 355,611
Parks	<u>37,939</u>
	<u><u>393,550</u></u>

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2005

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.

POST-EMPLOYMENT BENEFITS

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

CONTINGENT LIABILITIES

Litigation

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

Grants

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION 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.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 4 – OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

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 2004 was 8.98 percent.

Funding Policy and Annual Pension Cost

For December 31, 2004, the Village's annual pension cost of \$42,765 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 0.4% to 11.6% per year, and (c) 3.0% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4.0%. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2004 was 32 years.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2005**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

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

Annual Pension Cost (APC)	2002	N/A
	2003	23,646
	2004	42,765
Actual Contributions	2002	N/A
	2003	23,646
	2004	42,765
Percentage of APC Contributed	2002	N/A
	2003	100.00%
	2004	100.00%
Net Pension Obligation	2002	N/A
	2003	N/A
	2004	N/A

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress
 - Illinois Municipal Retirement Fund (IMRF)
- Employer Contributions
 - Illinois Municipal Retirement Fund (IMRF)
- Budgetary Comparison Schedules – General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF ELWOOD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Funding Progress

April 30, 2005

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)		(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
				Actuarial Liability	Accrued Liability (2) - (1)		
1999	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	\$ N/A	N/A
2000		N/A	N/A	N/A	N/A	N/A	N/A
2001		N/A	N/A	N/A	N/A	N/A	N/A
2002		N/A	N/A	N/A	N/A	N/A	N/A
2003	35,295	68,596	51.45%	33,301	263,316	12.65%	
2004	98,499	194,429	50.66%	95,930	476,228	20.14%	

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

VILLAGE OF ELWOOD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Employer Contributions

April 30, 2005

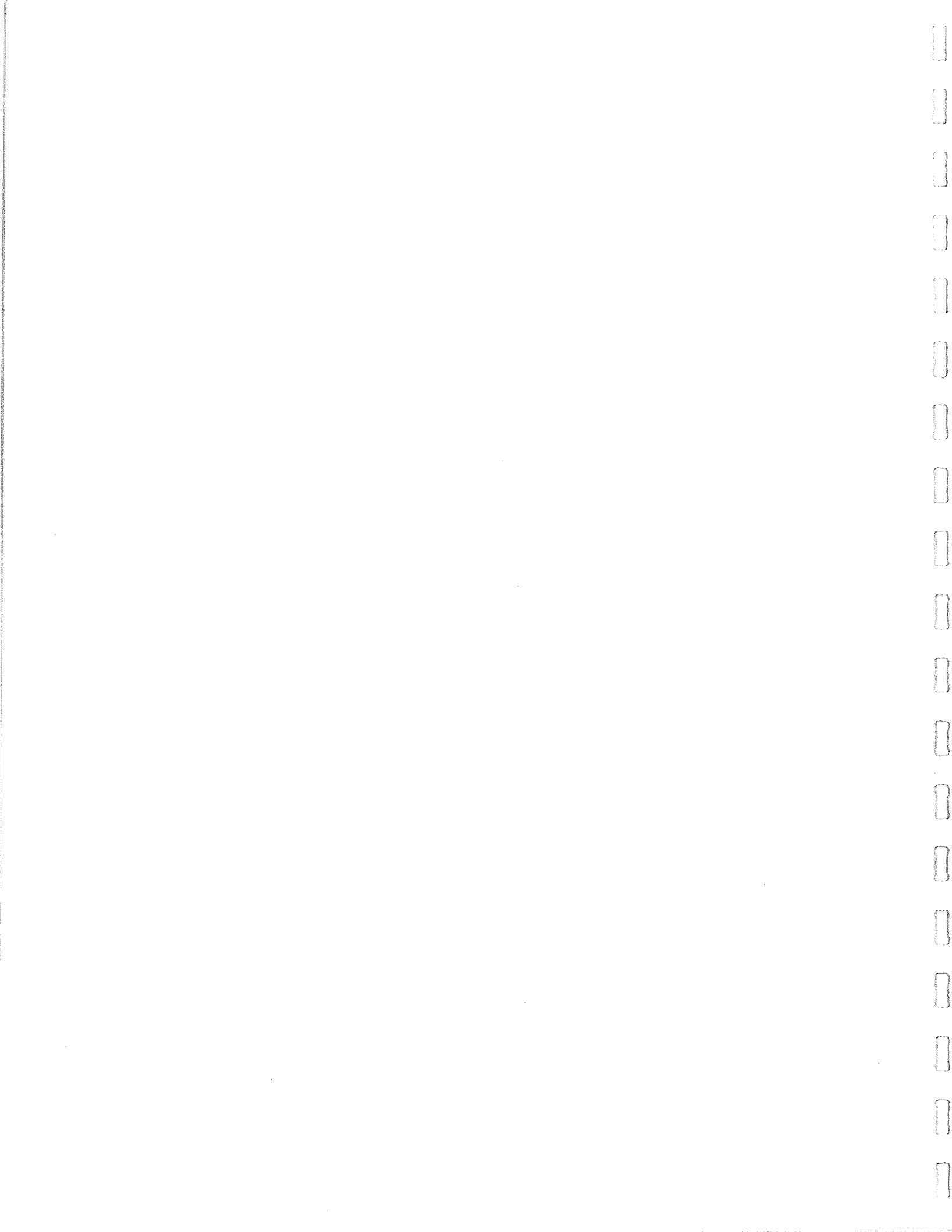
Calendar Year	Employer Contributions	Annual Pension Cost	Percent Contributed
1999	\$ N/A	\$ N/A	N/A
2000	N/A	N/A	N/A
2001	N/A	N/A	N/A
2002	N/A	N/A	N/A
2003	23,646	23,646	100.00%
2004	42,765	42,765	100.00%

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
Revenues			
Taxes	\$ 280,612	280,612	327,232
Intergovernmental	154,138	154,138	311,445
Charges for services	169,871	169,871	448,767
Licenses and permits	207,325	207,325	172,993
Fines and forfeits	25,000	25,000	93,812
Interest	4,917	4,917	580
Miscellaneous	700	700	48,240
Total Revenues	842,563	842,563	1,403,069
Expenditures			
General government	538,644	538,644	797,779
Public safety	680,901	680,901	439,613
Public works	499,023	499,023	246,908
Total Expenditures	1,718,568	1,718,568	1,484,300
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(876,005)	(876,005)	(81,231)
Other Financing Sources			
Transfers in	115,506	115,506	350,000
Net Change in Fund Balance	(760,499)	(760,499)	268,769
Fund Balance - Beginning as Restated			170,365
Fund Balance - Ending			439,134



OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental
- Budgetary Comparison Schedules – Nonmajor Governmental
- Budgetary Comparison Schedules – Enterprise Funds
- Schedule of Governmental Capital Assets

GOVERNMENTAL FUNDS

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.

Children's Garden Fund

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

GOVERNMENTAL FUNDS – Continued

DEBT SERVICE FUND

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.

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.

CenterPoint Phase I Fund

The CenterPoint Phase I 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.

Road Improvements Fund

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

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, 2005

	Budget		
	Original	Final	Actual
Taxes			
Property taxes	\$ 45,112	45,112	45,131
Personal property replacement tax	500	500	754
Road and bridge tax	45,000	45,000	29,166
Utility tax	190,000	190,000	252,181
	280,612	280,612	327,232
Intergovernmental			
Sales tax	10,000	10,000	53,129
Home rule sales tax	10,000	10,000	136,394
Income tax	117,713	117,713	105,155
Local use tax	16,425	16,425	16,767
	154,138	154,138	311,445
Charges for services			
CenterPoint administrative fees	106,121	106,121	108,243
Overweight truck fee	24,000	24,000	7,250
Inspection fees	33,750	33,750	20,100
Cable franchise fees	6,000	6,000	6,159
Impact fees	-	-	23,409
Other	-	-	283,606
	169,871	169,871	448,767
Licenses and permits			
Building permits	185,625	185,625	149,087
Liquor licenses	1,700	1,700	-
Vehicle stickers	10,000	10,000	15,600
Business licenses	1,500	1,500	3,281
Contractor registration	8,500	8,500	5,025
	207,325	207,325	172,993
Fines and forfeits			
Police fines	25,000	25,000	93,812

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
Interest			
Investment income	\$ 4,917	4,917	580
Miscellaneous			
Donations	100	100	-
Police reports	100	100	-
Lease agreement	-	-	3,699
Miscellaneous	500	500	44,541
	700	700	48,240
Total Revenues	842,563	842,563	1,403,069

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
General Government			
Administration			
Salaries	\$ 137,982	137,982	118,133
Administration benefits	22,718	22,718	15,387
Employee group insurance	14,197	14,197	11,221
Financial consultants	15,000	15,000	33,872
Audit	4,875	4,875	4,875
Engineering services	5,000	5,000	186,272
Legal services	114,000	114,000	144,303
Telephone	7,447	7,447	5,898
Inspectors - reinspections	-	-	650
Electric	4,000	4,000	1,067
Mosquito abatement	5,000	5,000	10,598
Animal control	500	500	780
Custodial services	1,800	1,800	2,695
Insurance - liability/workers compensation	4,114	4,114	2,983
Printing/binding	3,600	3,600	5,770
Dues and subscriptions	4,231	4,231	5,325
Office equipment maintenance	1,550	1,550	875
Office supplies	6,000	6,000	15,683
Gas and oil	1,000	1,000	2,364
Vehicle supplies	200	200	17
Other supplies	500	500	1,017
Postage	3,000	3,000	2,000
Contingencies	1,000	1,000	5,236
Bank charges	2,000	2,000	2,237
Miscellaneous	11,000	11,000	4,690
Equipment	1,000	1,000	10,331
Data processing equipment	13,000	13,000	13,344
Reimburseable sales tax	-	-	8,555
Total Administration	384,714	384,714	616,178
Building			
Salaries	61,000	61,000	106,373
Administration benefits	14,851	14,851	10,770
Employee group insurance	17,204	17,204	2,630

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
General Government - Continued			
Building - Continued			
Professional services	\$ 50,000	50,000	53,948
Data Processing	1,000	1,000	-
Uniform Rental	600	600	-
Travel and meetings	500	500	2,591
Electric	300	300	-
Telephone	1,000	1,000	-
Dues and subscriptions	875	875	917
Maps and plats	500	500	2,520
Vehicle maintenance	500	500	-
Office supplies	1,000	1,000	94
Gas and oil	1,000	1,000	-
Photo supplies	600	600	-
Contingencies	1,000	1,000	-
Miscellaneous	500	500	1,458
Purchase equipment	500	500	-
Building improvements	1,000	1,000	300
 Total Building	 153,930	 153,930	 181,601
 Total General Government	 538,644	 538,644	 797,779

Public Safety

Police			
Salaries	399,382	399,382	306,931
Administration benefits	54,257	54,257	40,639
Employee group insurance	55,264	55,264	18,252
Legal services	5,000	5,000	15,026
Data processing	1,500	1,500	356
Insurance - liability/workers compensation	8,949	8,949	3,855
Printing/binding	300	300	682
Dues and subscriptions	1,000	1,000	474
Telephone	2,589	2,589	6,441
Office equipment maintenance	1,500	1,500	249

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
Public Safety - Continued			
Police - Continued			
Radio maintenance	\$ 3,850	3,850	1,285
Vehicle maintenance	12,700	12,700	9,813
Crime prevention	500	500	-
Training	8,000	8,000	1,741
Travel and meetings	-	-	41
Custodial services	1,800	1,800	1,312
Medical expenses	840	840	362
Animal control	500	500	362
Rental	2,520	2,520	1,038
Office supplies	6,000	6,000	1,098
Gas and oil	13,000	13,000	12,324
Uniforms	9,600	9,600	1,700
Photo supplies	500	500	-
Postage	500	500	486
Ammunition	1,000	1,000	118
Other supplies	1,850	1,850	1,013
Contingencies	1,000	1,000	416
Agreements	22,600	22,600	5,551
Miscellaneous	500	500	77
Equipment	10,400	10,400	5,792
Vehicles	52,500	52,500	-
Data processing equipment	1,000	1,000	2,179
 Total Public Safety	 680,901	 680,901	 439,613

Public Works

Streets			
Salaries	144,836	144,836	58,907
Administration benefits	24,015	24,015	9,940
Employee group insurance	29,045	29,045	7,335
Professional services	31,000	31,000	1,200
Data processing	1,000	1,000	-
Impact fee engineering	-	-	7,062

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
Public Works - Continued			
Streets - Continued			
Uniform rentals	\$ 1,900	1,900	2,935
Street cleaning	6,000	6,000	6,739
Travel and meetings	500	500	1,274
Tree removal	3,000	3,000	1,200
Truck Inspections	200	200	18
Electric	20,400	20,400	35,885
Telephone	486	486	1,335
Heating	13,041	13,041	7,648
Equipment rentals	2,000	2,000	580
Communication repairs	600	600	205
Building maintenance	1,500	1,500	3,657
Street light maintenance	1,000	1,000	439
Vehicle maintenance	1,000	1,000	3,174
Office supplies	1,000	1,000	1,735
Vehicle supplies	3,500	3,500	3,204
Gas and oil	6,000	6,000	4,929
Gravel	2,000	2,000	1,958
Asphalt and sealer	3,000	3,000	2,464
Operating supplies	8,000	8,000	8,396
Restoration materials	5,000	5,000	863
Drainage materials	2,000	2,000	1,497
Traffic signs and safety materials	2,000	2,000	4,603
Small tools and equipment	4,500	4,500	3,322
Contingencies	1,000	1,000	544
Miscellaneous	81,500	81,500	1,509
Equipment	11,000	11,000	10,246
Village building improvements	1,000	1,000	6,708
Vehicle	28,000	28,000	28,309
Road maintenance	55,000	55,000	14,903
Data processing equipment	3,000	3,000	2,185
 Total Public Works	 499,023	 499,023	 246,908
 Total Expenditures	 1,718,568	 1,718,568	 1,484,300

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, 2005**

		Budget	
		Original	Final
Revenues			
Taxes			
Property taxes		\$ -	2,688,025
Intergovernmental			
Incremental sales taxes		-	6,993
Interest		-	17,701
Total Revenues		-	<u>2,712,719</u>
Expenditures			
General government			
Management fees		-	21,455
Administrative reimbursement		-	108,243
Debt service			
Principal retirement		210,500	2,285,264
		<u>210,500</u>	<u>2,414,962</u>
Net Change in Fund Balance		<u>(210,500)</u>	<u>297,757</u>
Fund Balance - Beginning as Restated			<u>1,242,285</u>
Fund Balance - Ending			<u>1,540,042</u>

VILLAGE OF ELWOOD, ILLINOIS

CenterPoint - Phase I - Capital Projects Fund

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2005**

	Budget		
	Original	Final	Actual
Revenues			
Charges for services			
Development fees	\$ 1,000,000	1,000,000	2,218,744
Interest	132,157	132,157	59,912
Total Revenues	<u>1,132,157</u>	<u>1,132,157</u>	<u>2,278,656</u>
Expenditures			
Capital outlay			
Chicago Street	-	-	2,077,502
Mississippi Street	-	-	1,380,525
St. Louis Street	-	-	360,229
Jackson / Matteson Streets	-	-	59,513
Village Hall	250,000	250,000	18,300
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>3,896,069</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	882,157	882,157	(1,617,413)
Other Financing (Uses)			
Transfers out	(350,000)	(350,000)	(350,000)
Net Change in Fund Balance	532,157	532,157	(1,967,413)
Fund Balance - Beginning as Restated			<u>7,036,785</u>
Fund Balance - Ending			<u>5,069,372</u>

VILLAGE OF ELWOOD, ILLINOIS**Road Improvements - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2005**

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental			
Grants	\$ -	-	167,369
Charges for services			
Development fees	-	-	36,043
Interest	-	-	40,185
Total Revenues	-	-	<u>243,597</u>
Expenditures			
Capital outlay			
Road engineering	-	-	87,833
Baseline road construction	-	-	249,614
East access road construction	-	-	302,824
Mississippi and Drummond construction	-	-	2,855,210
Central industrial road construction	-	-	52,859
Miscellaneous	-	-	36,926
Total Expenditures	-	-	<u>3,585,266</u>
Net Change in Fund Balance			<u>(3,341,669)</u>
Fund Balance - Beginning as Restated			<u>538,295</u>
Fund Balance - Ending			<u>(2,803,374)</u>

VILLAGE OF ELWOOD, ILLINOIS

Combining Balance Sheet

Nonmajor Governmental Funds

April 30, 2005

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Motor Fuel Tax	Park	Special Service Area	Children's Garden	
ASSETS					
Cash and investments	\$ 351,765	37,939	-	4,187	393,891
Receivables					
Property taxes	-	-	522,812	-	522,812
Other taxes	3,846	-	-	-	3,846
Total Assets	355,611	37,939	522,812	4,187	920,549
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	1,829	4,549	6,378
Due to other funds	-	-	432,755	-	432,755
Total Liabilities	-	-	434,584	4,549	439,133
Fund Balances					
Reserved-road improvements	-	-	27,888	-	27,888
Unreserved	355,611	37,939	60,340	(362)	453,528
Total Fund Balances	355,611	37,939	88,228	(362)	481,416
Total Liabilities and Fund Balances	355,611	37,939	522,812	4,187	920,549

VILLAGE OF ELWOOD, ILLINOIS

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

Nonmajor Governmental Funds

Year Ended April 30, 2005

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Motor Fuel Tax	Park	Special Service Area	Children's Garden	
Revenues					
Taxes	\$ -	-	522,812	-	522,812
Intergovernmental	50,837	-	-	-	50,837
Charges for services	-	26,741	-	7,143	33,884
Miscellaneous	-	-	-	7,310	7,310
Interest	2,645	420	-	129	3,194
Total Revenues	53,482	27,161	522,812	14,582	618,037
Expenditures					
Public safety	-	-	250,156	-	250,156
Public works	-	-	177,724	-	177,724
Parks and recreation	-	59,254	-	14,944	74,198
Total Expenditures	-	59,254	427,880	14,944	502,078
Net Change in Fund Balances	53,482	(32,093)	94,932	(362)	115,959
Fund Balances - Beginning	302,129	70,032	(6,704)	-	365,457
Fund Balances - Ending	355,611	37,939	88,228	(362)	481,416

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, 2005**

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental			
Motor fuel tax allotments	48,098	48,098	50,837
Interest	8,420	8,420	2,645
Total Revenues	<u>56,518</u>	<u>56,518</u>	<u>53,482</u>
Expenditures			
Public works	-	-	-
Net Change in Fund Balance	<u>56,518</u>	<u>56,518</u>	<u>53,482</u>
Fund Balance - Beginning			<u>302,129</u>
Fund Balance - Ending			<u>355,611</u>

VILLAGE OF ELWOOD, ILLINOIS

Park - Special Revenue Fund

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2005**

	Budget		
	Original	Final	Actual
Revenues			
Charges for services			
Impact fees	\$ 25,000	25,000	17,821
Registration fees	8,000	8,000	8,420
Rental fees	500	500	500
Miscellaneous	1,000	1,000	-
Interest	2,081	2,081	420
Total Revenues	36,581	36,581	27,161
Expenditures			
Parks and recreation	57,137	57,137	59,254
Net Change in Fund Balance	(20,556)	(20,556)	(32,093)
Fund Balance - Beginning			70,032
Fund Balance - Ending			37,939

VILLAGE OF ELWOOD, ILLINOIS**Park - Special Revenue Fund****Schedule of Expenditures - Budget and Actual**
Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
Parks and Recreation			
Salaries	\$ 12,833	12,833	23,199
Administration benefits	2,169	2,169	2,012
Employee group insurance	2,651	2,651	-
Repairs and maintenance	1,000	1,000	870
Cleaning	1,000	1,000	-
Referees	800	800	825
Instructors	5,000	5,000	1,632
Legal	1,000	1,000	10
Consultant study	5,000	5,000	-
Postage	1,000	1,000	-
Advertising	1,000	1,000	-
Printing	1,000	1,000	239
General supplies	184	184	1,817
Development supplies	-	-	3,500
Materials	5,000	5,000	21,838
Miscellaneous	16,500	16,500	3,312
Entertainment donations	1,000	1,000	-
 Total Expenditures	 57,137	 57,137	 59,254

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, 2005**

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property tax	\$ -	-	522,812
Expenditures			
Public safety	271,923	271,923	250,156
Public works	210,500	210,500	177,724
Total Expenditures	482,423	482,423	427,880
Net Change in Fund Balance	(482,423)	(482,423)	94,932
Fund Balance - Beginning			(6,704)
Fund Balance - Ending			88,228

VILLAGE OF ELWOOD, ILLINOIS**Special Service Area - Special Revenue Fund****Schedule of Expenditures - Budget and Actual**
Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
Public Safety			
Salaries	\$ 194,923	194,923	112,732
Benefits	45,000	45,000	49,935
Training	3,000	3,000	1,670
Uniforms	4,000	4,000	2,078
Automotive	15,000	15,000	63,001
Supplies and materials	10,000	10,000	20,740
Total Public Safety	271,923	271,923	250,156
Public Works			
Salaries	50,000	50,000	43,209
Benefits	35,000	35,000	28,052
Uniforms	1,500	1,500	791
Snow removal	35,000	35,000	30,199
Administrative/legal	35,000	35,000	32,735
Retention pond maintenance	40,000	40,000	5,400
Roadway maintenance	14,000	14,000	37,338
Total Public Works	210,500	210,500	177,724
Total Expenditures	482,423	482,423	427,880

VILLAGE OF ELWOOD, ILLINOIS

Children's Garden - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
Revenues			
Charges for services			
Event fees	\$ -	-	7,143
Miscellaneous			
Donations	6,100	6,100	7,310
Interest	-	-	129
Total Revenues	6,100	6,100	14,582
Expenditures			
Parks and recreation	12,700	12,700	14,944
Net Change in Fund Balance	(6,600)	(6,600)	(362)
Fund Balance - Beginning			-
Fund Balance - Ending			(362)

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, 2005**

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for services	\$ 286,473	286,473	528,246
Operating Expenses			
Water operations	465,882	465,882	571,321
Sewer operations	348,084	348,084	282,111
Depreciation	-	-	510,349
Total Operating Expenses	813,966	813,966	1,363,781
Operating Income (Loss)	(527,493)	(527,493)	(835,535)
Nonoperating Revenues (Expenses)			
Capital reimbursements	100	100	836,661
Operating reimbursements	-	-	80,718
Interest income	26,102	26,102	8,156
Interest and fiscal charges	-	-	(90,000)
	26,202	26,202	835,535
Change in Net Assets	(501,291)	(501,291)	-
Net Assets - Beginning as Restated			10,915,261
Net Assets - Ending			10,915,261

VILLAGE OF ELWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Revenues - Budget and Actual
Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
Charges for Services			
Water charges	\$ 133,300	133,300	166,061
Sewer charges	146,923	146,923	177,284
Water tap on fees	-	-	112,428
Sewer tap on fees	-	-	61,268
Meter sales	6,250	6,250	11,205
Total Operating Revenues	286,473	286,473	528,246

VILLAGE OF ELWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual

Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
Water Operations			
Salaries	\$ 20,633	20,633	32,376
Administration benefits	3,487	3,487	3,477
Employee group insurance	4,261	4,261	-
Insurance - liability/workers compensation	7,661	7,661	5,622
Audit	813	813	813
Engineering services	5,000	5,000	123,475
Legal services	1,000	1,000	12,789
Plant operator fee	120,000	120,000	140,559
Collector fee	1,250	1,250	-
Telephone	2,552	2,552	4,264
Electric	37,500	37,500	102,344
Printing/binding	250	250	882
Dues and subscriptions	100	100	1,551
Equipment rental	5,000	5,000	21
Building maintenance	500	500	1,155
Equipment maintenance	500	500	7,107
System maintenance	69,000	69,000	6,306
Operational supplies	5,000	5,000	3,653
Gas and oil	-	-	4,170
Small tools/equipment	500	500	3,257
Postage	1,125	1,125	585
Water supplies	8,000	8,000	2,946
Maintenance supplies	2,000	2,000	693
Restoration materials	8,000	8,000	3,425
Contingencies	5,000	5,000	3,356
Miscellaneous	500	500	(31,392)
Water meters	121,250	121,250	136,030
Data processing equipment	35,000	35,000	1,857
 Total Water Operations	 465,882	 465,882	 571,321

VILLAGE OF ELWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
Sewer Operations			
Salaries	\$ 20,633	20,633	32,458
Administration benefits	3,487	3,487	3,477
Employee group insurance	4,261	4,261	-
Insurance - liability/workers compensation	7,661	7,661	5,622
Audit	813	813	812
Engineering services	25,000	25,000	27,112
Legal services	1,000	1,000	9,826
Plant operator fee	120,000	120,000	140,559
Collector fee	1,250	1,250	-
Telephone	2,504	2,504	459
Electric	37,500	37,500	21
Printing/binding	250	250	124
Dues and subscriptions	100	100	195
Equipment rental	5,000	5,000	542
Building maintenance	500	500	-
Equipment maintenance	5,000	5,000	1,273
System maintenance	70,000	70,000	43,823
Postage	1,125	1,125	628
Sewer supplies	5,000	5,000	1,734
Gas and oil	-	-	1,328
Small tools and equipment	-	-	1,108
Maintenance supplies	5,000	5,000	126
Chemicals	10,000	10,000	-
Contingencies	5,000	5,000	-
Miscellaneous	2,000	2,000	10,884
Data processing equipment	15,000	15,000	-
 Total Sewer Operations	 348,084	 348,084	 282,111

VILLAGE OF ELWOOD, ILLINOIS

Garbage - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended April 30, 2005**

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for services	\$ 108,330	108,330	100,197
Operating Expenses			
Garbage operations	108,110	108,110	110,181
Operating Income (Loss)	220	220	(9,984)
Nonoperating Revenues			
Interest income	8,420	102	118
Change in Net Assets	8,640	322	(9,866)
Net Assets - Beginning			16,224
Net Assets - Ending			6,358

VILLAGE OF ELWOOD, ILLINOIS**Garbage - Enterprise Fund****Schedule of Operating Expenses - Budget and Actual**
Year Ended April 30, 2005

	Budget		
	Original	Final	Actual
Garbage Operations			
Garbage collection	\$ 99,410	99,410	109,509
Printing/binding	500	500	124
Recycling	5,000	5,000	-
Miscellaneous	2,700	2,700	-
Postage	500	500	548
Total Garbage Operations	108,110	108,110	110,181

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

Capital Assets used in the operation of governmental funds include only the capital asset balances related to governmental funds.

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Governmental Capital Assets - By Source

April 30, 2005

GOVERNMENTAL CAPITAL ASSETS

Land	\$ 50,000
Buildings and Improvements	273,441
Machinery and Equipment	570,505
Infrastructure	<u>119,911,606</u>
	<u>120,805,552</u>

**INVESTMENTS IN GOVERNMENTAL
CAPITAL ASSETS BY SOURCE**

General Revenues	847,730
Capital Projects Funds	7,527,551
Developer Contributions	<u>112,430,271</u>
	<u>120,805,552</u>

VILLAGE OF ELWOOD, ILLINOIS**Schedule of Governmental Capital Assets - By Function and Activity****April 30, 2005**

Function and Activity	Land	Buildings and Improvements	Machinery and Equipment	Infrastructure	Totals
General Government	\$ 50,000	263,441	75,084	-	388,525
Public Safety	-	10,000	182,513	-	192,513
Public Works	-	-	312,908	119,911,606	120,224,514
	50,000	273,441	570,505	119,911,606	120,805,552

VILLAGE OF ELWOOD, ILLINOIS**Schedule of Changes in Governmental Capital Assets - By Function and Activity****Year Ended April 30, 2005**

Function and Activity	Balances Beginning As Restated	Additions and Transfers	Deductions	Balances Ending
General Government	\$ 363,645	24,880	-	388,525
Public Safety	145,785	46,728	-	192,513
Public Works	112,700,806	7,523,708	-	120,224,514
	113,210,236	7,595,316	-	120,805,552

STATISTICAL SECTION
(Unaudited)

VILLAGE OF ELWOOD, ILLINOIS

Governmental Expenditures by Function (1)
Last Ten Fiscal Years

April 30, 2005 (Unaudited)

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Governmental Expenditures by Function (1)
Last Ten Fiscal Years

April 30, 2005 (Unaudited)

Fiscal Year	1996	1997	1998	1999
General Government	\$ N/A	202,313	309,226	473,730
Public Safety	N/A	66,605	74,632	111,320
Public Works	N/A	61,040	39,252	59,718
Parks and Recreation	N/A	N/A	N/A	N/A
Capital Outlay	N/A	6,342	-	82,735
Debt Service	N/A	68,102	79,068	41,804
Total	N/A	404,402	502,178	769,307

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

Data Source: Village Records

2000	2001	2002	2003	2004	2005
653,617	759,724	519,459	1,552,103	1,356,413	930,079
112,238	90,811	170,348	304,055	487,526	689,769
287,386	354,464	1,360,805	742,679	710,042	424,632
N/A	N/A	N/A	N/A	N/A	74,198
-	61,973	12,334,196	17,605,306	18,173,413	7,481,335
41,107	-	-	-	-	2,282,662
1,094,348	1,266,972	14,384,808	20,204,143	20,727,394	11,882,675

VILLAGE OF ELWOOD, ILLINOIS

Governmental Revenues by Source (1)

Last Ten Fiscal Years

April 30, 2005 (Unaudited)

Fiscal Year		1996	1997	1998	1999
Taxes	\$ N/A	228,478	320,636	273,140	
Licenses and Permits	N/A	42,275	45,951	218,594	
Intergovernmental	N/A	-	-	-	
Charges for Services	N/A	-	-	-	
Fines and Forfeits	N/A	6,997	4,114	10,271	
Interest	N/A	4,209	6,263	9,384	
Miscellaneous	N/A	154,585	136,475	623,172	
Total	N/A	436,544	513,439	1,134,561	

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

Data Source: Village Records

2000	2001	2002	2003	2004	2005
288,093	309,526	589,143	1,654,037	2,109,670	3,538,069
518,516	153,807	117,037	102,777	250,798	172,993
-	27,583	1,309,612	2,665,589	2,039,146	536,664
-	110,972	22,641	38,251	63,483	2,737,438
5,479	225	18,212	13,417	48,055	93,812
11,979	10,015	82,848	98,553	73,116	125,668
66,632	670,739	3,439,290	3,308,269	11,498,555	51,434
890,699	1,282,867	5,578,783	7,880,893	16,082,823	7,256,078

VILLAGE OF ELWOOD, ILLINOIS

Property Tax Levies and Collections
Last Ten Fiscal Years

April 30, 2005 (Unaudited)

Tax Levy Year	Total Property Tax Extension	Total Tax Collections	Percent of Total Extension Collected
1995	\$ -	-	0.00%
1996	-	-	0.00%
1997	-	-	0.00%
1998	-	-	0.00%
1999	19,574	19,574	100.00%
2000	20,563	20,563	100.00%
2001	21,580	21,580	100.00%
2002	43,024	43,024	100.00%
2003	45,112	45,131	100.04%
2004	47,332	*	*

*To be collected in fiscal year 2005-2006 in accordance with Illinois Law.

Data Source: Office of the County Clerk of Will County

VILLAGE OF ELWOOD, ILLINOIS

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

April 30, 2005 (Unaudited)

Tax Levy Year	Equalized Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value to Estimated Actual Value
1995	\$ 9,412,959	28,238,877	33.33
1996	12,070,714	36,212,142	33.33
1997	14,282,050	42,846,150	33.33
1998	17,507,523	52,522,569	33.33
1999	21,415,991	64,247,973	33.33
2000	26,810,573	80,431,719	33.33
2001	30,653,977	91,961,931	33.33
2002	33,095,043	99,285,129	33.33
2003	37,687,459	113,062,377	33.33
2004	40,874,189	122,622,567	33.33

Data Source: Will County Tax Extension Office

VILLAGE OF ELWOOD, ILLINOIS

Property Tax Rates Per \$100 Assessed Valuation
Direct and Overlapping Governments
Last Ten Fiscal Years

April 30, 2005 (Unaudited)

Tax Levy Year	1995	1996	1997	1998
Village of Elwood	0.132	0.757	0.130	0.106
Village of Elwood Road and Bridge	0.135	0.139	0.140	0.137
Forest Preserve	0.145	0.140	0.135	0.129
Will County Bldg Comm	0.069	0.066	0.063	0.060
Jackson Township Town Funds	0.098	0.101	0.101	0.099
Jackson Township Road Funds	0.170	0.174	0.175	0.170
Elwood Fire Protection District	0.368	0.402	0.415	0.439
School District 203	2.301	2.502	2.504	2.482
High School District 204	2.016	2.156	2.156	1.992
Community College District 525	0.214	0.215	0.215	0.220
Manhattan Public Library	0.000	0.000	0.000	0.000
Will County	0.570	0.572	0.573	0.566
Total Tax Rate Per \$100 EAV	6.216	7.222	6.606	6.398
Village's Share of Total Tax Rate	2.33%	1.97%	2.08%	2.01%

Data Source: Office of the Will County Clerk

1999	2000	2001	2002	2003	2004
0.091	0.077	0.070	0.130	0.120	0.116
0.136	0.130	0.134	0.135	0.131	0.129
0.139	0.137	0.135	0.132	0.127	0.124
0.058	0.055	0.052	0.048	0.045	0.042
0.097	0.089	0.092	0.093	0.090	0.089
0.167	0.160	0.165	0.167	0.161	0.159
0.441	0.444	0.457	0.463	0.465	0.507
2.454	2.777	2.795	2.813	2.707	2.699
1.950	1.920	2.031	2.272	2.172	2.151
0.219	0.222	0.224	0.221	0.211	0.214
0.000	0.572	0.163	0.162	0.155	0.170
0.572	0.572	0.571	0.558	0.537	0.529
6.324	7.154	6.889	7.193	6.919	6.928
2.20%	1.91%	1.96%	1.83%	1.83%	1.67%

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Legal Debt Margin

April 30, 2005 (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

Ratio of General Obligation Bonded Debt to
 Assessed Valuation and Bonded Debt Per Capita
 Last Ten Fiscal Years

April 30, 2005 (Unaudited)

Fiscal Year	Population	Assessed Value	Outstanding General Obligation Bonded Debt	Less Debt Service Funds	Net General Obligation Bonded Debt	Ratio of Outstanding General Obligation Bonded Debt to Assessed Value	Outstanding General Obligation Bonded Debt Per Capita
1996	950	\$ 9,421,369	\$ -	\$ -	\$ -	0.00%	\$ -
1997	950	12,080,458	475,000	-	475,000	3.93%	500.00
1998	950	14,313,751	460,000	-	460,000	3.21%	484.21
1999	950	17,536,718	445,000	-	445,000	2.54%	468.42
2000	1,620	21,415,991	430,000	-	430,000	2.01%	265.43
2001	1,620	26,810,573	410,000	-	410,000	1.53%	253.09
2002	1,620	30,653,977	390,000	-	390,000	1.27%	240.74
2003	1,620	33,095,043	-	-	-	0.00%	-
2004	1,620	37,687,459	-	-	-	0.00%	-
2005	1,620	40,874,189	-	-	-	0.00%	-

Data Sources: Census Bureau, Office of the County Clerk and Village Records

VILLAGE OF ELWOOD, ILLINOIS

Ratio of Annual Debt Service Expenditures for General
 Bonded Debt to Total General Governmental Expenditures
 Last Ten Fiscal Years

April 30, 2005 (Unaudited)

Fiscal Year	Principal	Interest	Total Debt Service (1)	(1) Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1996	\$ -	\$ -	\$ -	\$ -	0.00%
1997	45,000	22,273	67,273	404,402	16.64%
1998	50,000	28,475	78,475	502,178	15.63%
1999	15,000	26,495	41,495	769,307	5.39%
2000	15,000	25,798	40,798	1,094,348	3.73%
2001	20,000	24,062	44,062	1,266,972	3.48%
2002	20,000	23,037	43,037	14,384,808	0.30%
2003	-	5,757	5,757	20,204,143	0.03%
2004	-	42,250	42,250	20,727,394	0.20%
2005	-	90,000	90,000	11,882,675	0.76%

(1) Includes General, Special Revenue, Debt Service and Capital Funds.

Data Source: Village Records

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Revenue Bond Coverage Last Ten Fiscal Years

April 30, 2005 (Unaudited)

Fiscal Year	* Gross Revenue	** Operating Expenses	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
1996	\$ -	-	-	-	-	-	-
1997	436,545	404,402	32,143	45,000	22,273	67,273	0.48
1998	513,440	502,178	11,262	50,000	28,475	78,475	0.14
1999	1,134,561	769,308	365,253	15,000	26,495	41,495	8.80
2000	890,700	1,094,348	(203,648)	15,000	25,798	40,798	(4.99)
2001	1,282,867	1,266,972	15,895	20,000	24,062	44,062	0.36
2002	5,578,783	14,384,808	(8,806,025)	20,000	23,037	43,037	(204.62)
2003	7,880,893	20,204,143	(12,323,250)	-	5,757	5,757	(2,140.57)
2004	16,082,823	20,727,394	(4,644,571)	-	42,250	42,250	(109.93)
2005	7,256,078	11,882,675	(4,626,597)	-	90,000	90,000	(51.41)

*Represents gross operating revenues including interest exclusive of connection fees.

**Excludes depreciation.

Data Source: Village Records

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt

April 30, 2005 (Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village	Village's Share of Debt
Village of Elwood	\$ -	100.00 %	\$ -
Forest Preserve	110,810,214	85.88	95,161,475
Community College District 525	18,222,081	14.12	2,573,342
Subtotal	129,032,295		97,734,817
Totals	129,032,295		97,734,817

* 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

Demographic Statistics

Last Ten Fiscal Years

April 30, 2004 (Unaudited)

Fiscal Year	(1) Population	\$	(2) Per Capita Income	(2) Median Age	(3) School Enrollment	(4) Unemployment Percentage
1996	950	\$ -		35	293	0.00%
1997	950	\$ -		35	299	-
1998	950	\$ -		35	303	-
1999	950	\$ -		35	308	1.8
2000	1,620	\$ 22,442		35	322	1.8
2001	1,620	\$ 22,442		35	347	1.8
2002	1,620	\$ 22,442		35	362	1.8
2003	1,620	\$ 22,442		35	396	1.8
2004	1,620	\$ 22,442		35	421	1.8
2005	1,620	\$ 22,442		35	426	-

Data Sources:

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

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Ten Largest Real Estate Taxpayers

April 30, 2005 (Unaudited)

Name of Taxpayer	Nature of Business	Total Taxable Valuation	Percentage of Village's 2004 Assessed Valuation
CenterPoint Intermodal LLC	Real Estate Development	\$ 5,928,273	14.50%
CenterPoint Intermodal LLC	Real Estate Development	5,847,722	14.31%
CenterPoint Intermodal LLC	Real Estate Development	4,044,213	9.89%
Elwood Energy	Energy Production	3,903,686	9.55%
Manhattan Project Elwood Project	Box Car Repairs	2,816,231	6.89%
CenterPoint Intermodal LLC	Real Estate Development	2,601,984	6.37%
Elwood Energy	Energy Production	2,177,015	5.33%
CenterPoint Intermodal LLC	Real Estate Development	562,302	1.38%
Perc Holdings	Energy Production	525,313	1.29%
Perc Holdings	Energy Production	407,386	1.00%
Total		28,814,125	70.49%

Data Source: Will County Clerk Tax Extension Office