

VILLAGE OF ELWOOD, ILLINOIS



Village of Elwood

• *Established 1889* •

Proud of our past, Building our future.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL
YEAR ENDED
APRIL 30, 2013

VILLAGE OF ELWOOD, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2013**

Prepared by Finance Department:

**Roberta Day
Treasurer**

VILLAGE OF ELWOOD, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>INTRODUCTORY SECTION</u>	
List of Principal Officials	i
Organization Chart.....	ii
Transmittal Letter	iii - vi
Certificate of Achievement for Excellence in Financial Reporting	vii
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 16
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements	
Statement of Net Position	3 - 4
Statement of Activities	5 - 6
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	7 - 8
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities.....	9
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	10 - 11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	12
Statement of Net Position – Proprietary Funds	13 - 14
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	15
Statement of Cash Flows – Proprietary Funds	16
Notes to the Financial Statements.....	17 - 44
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress and Employer Contributions – Illinois Municipal Retirement Fund	45
Schedule of Funding Progress and Employer Contributions – Other Post-Employment Benefit Plan	46
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	47

VILLAGE OF ELWOOD, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION – Continued</u>	
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Revenues – Budget and Actual – General Fund	48 - 49
Schedule of Expenditures – Budget and Actual – General Fund	50 - 53
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Phase I Improvements – Capital Projects Fund	54
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Brandon/Noel Road Improvements – Capital Projects Fund	55
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Capital Construction Bond – Capital Projects Fund	56
Combining Balance Sheet – Nonmajor Governmental Funds.....	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balance –	
Nonmajor Governmental Funds	58
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Motor Fuel Tax – Special Revenue Fund	59
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Park – Special Revenue Fund	60
Schedule of Expenditures – Budget and Actual – Park – Special Revenue Fund	61
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Special Service Area – Special Revenue Fund.....	62
Schedule of Expenditures – Budget and Actual – Special Service Area – Special Revenue Fund.....	63
Schedule of Revenues, Expenses and Changes in Net Position –	
Budget and Actual – Debt Service Fund	64
Schedule of Revenues, Expenses and Changes in Net Position –	
Budget and Actual – Water and Sewer – Enterprise Fund	65
Schedule of Operating Revenues – Budget and Actual – Water and Sewer Fund	66
Schedule of Operating Expenses – Budget and Actual – Water and Sewer Fund	67 - 68
Schedules of Revenues, Expenses and Changes in Net Position –	
Budget and Actual – Garbage – Enterprise Fund	69
Schedule of Operating Expenses – Budget and Actual – Garbage – Enterprise Fund	70

VILLAGE OF ELWOOD, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION – Continued</u>	
SUPPLEMENTAL SCHEDULES	
Long-Term Debt Requirements	
General Obligation Bonds of 2005	71
General Obligation Refunding Bonds of 2010A	72
General Obligation Refunding Bonds of 2010B	73
<u>STATISTICAL SECTION (Unaudited)</u>	
Net Position by Component – Last Nine Fiscal Years	74 - 75
Changes in Net Position – Last Nine Fiscal Years	76 - 77
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	78 - 79
General Governmental Revenues by Source – Last Ten Fiscal Years	80 - 81
General Governmental Expenditures by Function – Last Ten Fiscal Years	82 - 83
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years.....	84 - 85
Assessed Value and Actual Value of Taxable Property – Last Ten Tax Levy Years	86 - 87
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years.....	88 - 89
Principal Property Tax Payers – Current Year and Nine Years Ago	90
Property Tax Levies and Collections – Last Ten Fiscal Years	91
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	92 - 93
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	94
Schedule of Direct and Overlapping Bonded Debt	95
Schedule of Legal Debt Margin.....	96
Pledged-Revenue Coverage – Last Ten Fiscal Years.....	97
Demographic and Economic Statistics – Last Ten Fiscal Years	98
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago.....	99
Full-Time Equivalent Village Government Employees by Function – Last Ten Fiscal Years	100 - 101
Operating Indicators by Function/Program – Last Ten Fiscal Years	102 - 103
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	104

INTRODUCTORY SECTION

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

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

VILLAGE OF ELWOOD, ILLINOIS

List of Principal Officials
April 30, 2013

VILLAGE PRESIDENT

William Offerman – Mayor

VILLAGE BOARD OF TRUSTEES

Doug Jenco	Mary Matichak
Bud Jones	George Ruban
Don LaPaglia	Jasen Melahn

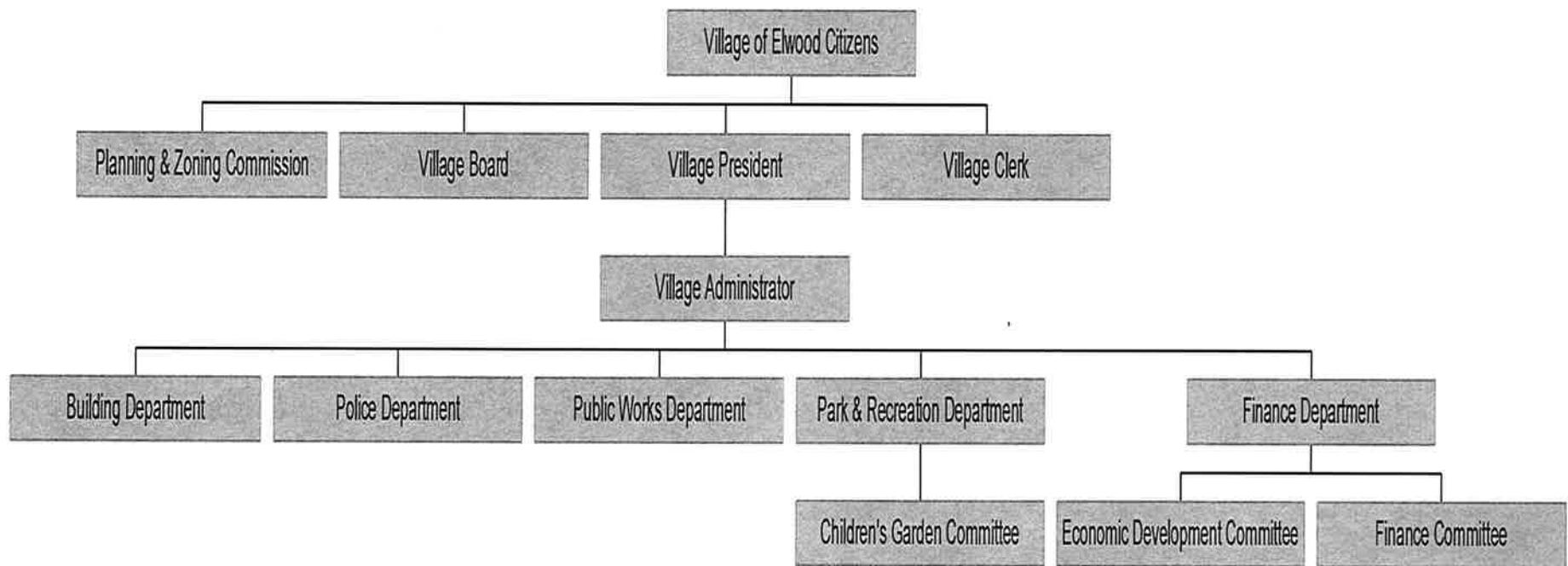
VILLAGE CLERK

Patricia Buchenau

DEPARTMENT HEADS

(Interim) Village Administrator	Nicholas Narducci
Village Treasurer	Roberta Day
Chief of Police	Fred Hayes
Director of Public Works	Max Bosso

Village of Elwood





Village of Elwood

• *Established 1889* •

Proud of our past, Building our future.

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

October 11, 2013

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, 2013. The responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the Village of Elwood, Administrative Department. To the best of our knowledge, the enclosed data is accurate in all material respects and gives an accurate representation of the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to understand funds and account groups of the Village are included. All disclosures necessary to enable the reader to gain the maximum understanding of the Village's financial activities have been included.

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

The estimated actual value of property in the Village has decreased by 5.19% for tax levy year 2012. The Village has experienced some of the reduction in EAV seen across the nation. Current projections anticipate a leveling in 2013 based on preliminary assessment information and construction in the intermodal/industrial park outside the Tax Increment Financing District. From tax levy year 2003 to tax levy year 2012, the Village's EAV has increased 795%. There is property in the Village still to be developed, although the industrial park is almost 80% developed; future development will occur on a planned basis.

In FYE 2013, income tax revenue decreased by \$16,522 or 6.8%. This compares to a \$97,667 increase during the previous fiscal year. Utility tax provided approximately 31% of the total General Fund operating revenue in FYE 2013 as compared with 11% in FYE 2012.

OTHER ECONOMIC CONDITIONS EXPECTED

Housing developments as throughout the nation have stalled and the Village has reported a \$88,003 decrease in building permits for FYE 2013. In addition, warehouses continue to be developed both in and outside the intermodal facility.

Currently, unemployment in Will County (9.8%) is slightly lower than the state (9.2%), and slightly higher than the nation (7.5%) as of April 2013. However, the Village with a population of 2,239 has an additional 3,800 employees enter the intermodal on a daily basis to service the nearly 17,000 vehicles that do business in the facility.

MAJOR INITIATIVES

The Village has accomplished many major initiatives during FYE 2013. Some of the accomplishments that the elected officials and staff are most proud of are described in the following. Conducting over \$2,000,000 in construction projects for the third straight year with no cost to the residents; completed & operated \$850,000 park and pavilion construction; hired additional Police Officer; completed garden improvements; various street asphalt overlay projects; and Douglas Street Historic Route 66 construction.

DEPARTMENT FOCUS

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

In addition, the Village includes managing the complete operation of the Villages water and wastewater treatment facilities.

FINANCIAL INFORMATION

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

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

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

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

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

GENERAL FUND BALANCE The fund balance in the General Fund increased in FYE 2013 by \$162,320 or 16.0%. The fund balance is still well above the target of 25% (65% for FYE 2013) of expenditures showing increasing financial stability and a slight improvement in the economy.

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. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Village received this award for the past seven years.

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

ACKNOWLEDGEMENTS

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

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

Sincerely,


Nicholas J. Narducci
Village Administrator



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Village of Elwood
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2012

A handwritten signature in black ink that reads "Jeffrey R. Emmer". The signature is fluid and cursive, with "Jeffrey" on the top line and "R. Emmer" on the bottom line.

Executive Director/CEO

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

October 11, 2013

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Elwood, Illinois, as of and for the year ended April 30, 2013, which collectively comprise the Village's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Village of Elwood, Illinois

October 11, 2013

Page 2

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Elwood, Illinois, as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2013

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, 2013. Please read it in conjunction with the transmittal letter that begins on page iii and the Village's financial statements, which begin on page 3. This is the eighth year that the Village is applying GASB Statement No. 34. Therefore, comparative data for the prior year is presented.

FINANCIAL HIGHLIGHTS

- **Excluding all TIF related activity**, the Village reported an **increase in net position of \$140,669** for the governmental activities.
 - Total assets increased \$154,292. The Village's current and other assets decreased \$126,887 and also **reported an increase to the Village's capital assets of \$281,179**.
 - Total liabilities increased \$13,623 due primarily to an increase in accrued interest payable.
 - The increase in liabilities was more than offset by the \$154,292 increase in assets, resulting in the overall \$140,669 increase to net position for the governmental activities.
- Net position for the business-type activities decreased \$805,823.
- **The General Fund reported an ending fund balance of \$1,179,695, which reflects a \$162,320, or 16 percent increase for the year.**

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 6) provide information about the activities of the Village of Elwood as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Elwood's operation in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Elwood's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 3 - 6 of this report.

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

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2013

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements – Continued

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The Village of Elwood maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Deer Run TIF Fund, Phase I Improvements Fund, Brandon/Noel Road Improvements Fund, and the Capital Construction Bond Fund, all of which are considered major funds.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2013

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements - Continued

Governmental Funds – Continued

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

The Village of Elwood adopts an annual appropriated budget for all of the governmental funds, except the Deer Run Tax Increment Financing Fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 7 - 12 of this report.

Proprietary Funds

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Garbage Fund. The Water and Sewer Fund is considered to be a major proprietary fund of the Village, while the Garbage Fund is considered to be a non-major fund. The basic proprietary fund financial statements can be found on pages 13 - 16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 - 44 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. employee pension obligation and other postemployment benefit obligation, as well as the budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 45 - 47 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 48 - 70 of this report.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Government-Wide Activities Excluding TIF Activity

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

Net Position - Excluding TIF Related Activity						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 9,720,451	9,847,338	(1,597,079)	(1,064,659)	8,123,372	8,782,679
Capital Assets	31,977,973	31,696,794	19,999,338	20,428,275	51,977,311	52,125,069
Total Assets	41,698,424	41,544,132	18,402,259	19,363,616	60,100,683	60,907,748
Long-Term Debt Outstanding	15,618,805	15,235,979	10,000,810	10,162,215	25,619,615	25,398,194
Other Liabilities/Deferred Outflows	552,644	921,847	777,320	674,849	1,329,964	1,596,696
Total Liabilities	16,171,449	16,157,826	10,778,130	10,837,064	26,949,579	26,994,890
Net Position						
Net Investment in Capital Assets	19,309,421	18,908,242	11,748,272	12,179,521	31,057,693	31,087,763
Restricted	1,934,012	228,407	-	-	1,934,012	228,407
Unrestricted (Deficit)	4,283,542	6,249,657	(4,124,143)	(3,652,969)	159,399	2,596,688
Total Net Position	25,526,975	25,386,306	7,624,129	8,526,552	33,151,104	33,912,858

By far the largest portion of the Village of Elwood's net position reflects its investment in capital assets of \$31.1 million (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Elwood uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Elwood's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The Village's net investment in capital assets decreased \$30,070 primarily as a result of various capital improvements within the governmental activities being less than the depreciation expense for the year.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Excluding TIF Activity – Continued

An additional portion or \$1.9 million of the Village of Elwood's net position represents resources that are subject to external restrictions on how they may be used, including restrictions for the use of motor fuel tax allotments and special service area taxes.

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

Changes in Net Position - Excluding TIF Related Activity						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for Services	\$ 635,065	764,160	1,028,239	913,325	1,663,304	1,677,485
Operating Grants/Contrib.	61,304	60,760	-	-	61,304	60,760
Capital Grants/Contrib.	451,118	125,829	-	-	451,118	125,829
General Revenues						
Property Taxes	1,174,207	1,172,843	-	-	1,174,207	1,172,843
Utility Taxes	566,718	340,097	-	-	566,718	340,097
Sales Taxes	232,728	1,348,180	-	-	232,728	1,348,180
Income Taxes	265,223	260,205	-	-	265,223	260,205
Other General Revenues	1,978,750	2,486,274	4,598	109,059	1,983,348	2,595,333
Total Revenues	5,365,113	6,558,348	1,032,837	1,022,384	6,397,950	7,580,732
Expenses:						
General Government	1,086,004	1,573,679	-	-	1,086,004	1,573,679
Public Safety	1,319,274	1,486,332	-	-	1,319,274	1,486,332
Public Works	2,080,549	2,135,887	-	-	2,080,549	2,135,887
Parks and Recreation	177,647	153,868	-	-	177,647	153,868
Interest on Long-Term Debt	560,970	(32,763)	-	-	560,970	(32,763)
Water and Sewer	-	-	1,665,068	1,679,573	1,665,068	1,679,573
Garbage	-	-	173,592	163,045	173,592	163,045
Total Expenses	5,224,444	5,317,003	1,838,660	1,842,618	7,063,104	7,159,621
Change in Net Position	140,669	1,241,345	(805,823)	(820,234)	(665,154)	421,111
Net Position-Beginning as Restated	25,386,306	24,144,961	8,429,952	9,346,786	33,816,258	33,491,747
Net Position-Ending	25,526,975	25,386,306	7,624,129	8,526,552	33,151,104	33,912,858

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2013

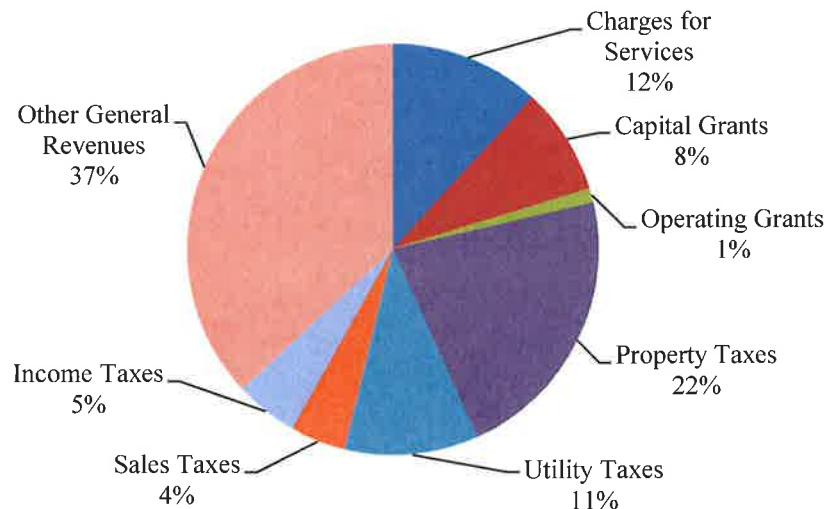
GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Excluding TIF Activity – Continued

In removing all TIF related activity from the entity-wide statements, including capital assets, long-term debt, TIF incremental property taxes, etc. the Village is able to analyze true operational net position and changes in net position. **Excluding the TIF activity, the Village reported an increase to governmental activities net position of \$140,669** primarily as the result of capital improvements throughout the year. Furthermore, as reflected on page MD&A 4, **the Village was able to report positive balances for all categories of net position for the governmental activities for the years ended April 30, 2013 and April 30, 2012.**

Revenues for governmental activities were \$5.4 million for the year, with the largest portion of revenue coming from other general revenues (\$2.4 million). Revenues for the year decreased \$1,182,782, which includes a decrease of \$1,193,235 for the governmental activities and an increase of \$10,453 for the business-type activities. Revenues for the governmental activities decreased primarily from a one-time sales tax reimbursement of \$1,017,073 in 2012. In 2012 the business-type activities reported a decrease in the net position of \$820,234 due to increased depreciation and interest costs. In the current year the decrease in net position can also be attributed to increased depreciation and interest costs. Total expenses for the year were \$1.8 million, reflecting a less than one percent decrease over the prior year. The Village Board and management worked diligently during the year to maintain costs in light of the still recovering economy. The Village reported a \$665,154 decrease to total net position for the year. This is in comparison to an increase of \$421,111 in the prior year, due primarily to additional capital improvement required when we took over management of the water and sewer treatment plants. The following chart shows the diversification of the Village's revenue sources for the year ended April 30, 2013:

Revenues by Source - Governmental Activities at April 30, 2013



VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Elwood, liabilities/deferred inflows exceeded assets by \$59.8 million due in large part to the current year accretion expense of \$16,129,818 on the capital appreciation bonds and total outstanding accretion of \$135,954,233. The following table represents the activity of the Village including all TIF related activity:

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 21,249,896	20,670,514	(1,636,013)	(1,064,659)	19,613,883	19,605,855
Capital Assets	126,419,401	128,386,827	19,999,338	20,428,275	146,418,739	148,815,102
Total Assets	147,669,297	149,057,341	18,363,325	19,363,616	166,032,622	168,420,957
Long-Term Debt Outstanding	158,765,606	161,822,635	9,961,876	10,162,215	168,727,482	171,984,850
Other Liabilities/Deferred Outflows	56,332,622	44,559,048	777,320	674,849	57,109,942	45,233,897
Total Liabilities	215,098,228	206,381,683	10,739,196	10,837,064	225,837,424	217,218,747
Net Position						
Net Investment in Capital Assets	84,465,279	69,703,356	11,748,272	12,179,521	96,213,551	81,882,877
Restricted	1,934,012	228,407	-	-	1,934,012	228,407
Unrestricted (Deficit)	(153,828,222)	(127,256,105)	(4,124,143)	(3,652,969)	(157,952,365)	(130,909,074)
Total Net Position	(67,428,931)	(57,324,342)	7,624,129	8,526,552	(59,804,802)	(48,797,790)

By far the largest portion of the Village of Elwood's net position reflects its investment in capital assets of \$96.2 million (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Elwood uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Elwood's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The Village's investment in capital assets net of related debt increased \$14,330,674 as a result of debt retirements of \$16,729,349 on long-term debt, offset by \$1,913,961 in additions to capital assets and depreciation expense of \$4,286,012. Unrestricted net position decreased \$27,043,291 due primarily to \$16,129,818 in accretion expense particularly on the TIF related debt as well as additions to the liabilities for compensated absences and the net other postemployment benefits.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

An additional portion or \$1.9 million of the Village of Elwood's net position represents resources that are subject to external restrictions on how they may be used, including restrictions for the use of motor fuel tax allotments and special service area taxes. The following table represents the activity of the Village including all TIF related activity:

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for Services	\$ 635,065	764,160	1,028,239	913,325	1,663,304	1,677,485
Operating Grants/Contrib.	61,304	60,760	-	-	61,304	60,760
Capital Grants/Contrib.	451,118	125,829	-	-	451,118	125,829
General Revenues						
Property Taxes	8,952,040	9,018,234	-	-	8,952,040	9,018,234
Utility Taxes	566,718	340,097	-	-	566,718	340,097
Sales Taxes	232,728	1,348,180	-	-	232,728	1,348,180
Income Taxes	265,223	260,205	-	-	265,223	260,205
Other General Revenues	1,983,873	3,525,240	4,598	109,059	1,988,471	3,634,299
Total Revenues	<u>13,148,069</u>	<u>15,442,705</u>	<u>1,032,837</u>	<u>1,022,384</u>	<u>14,180,906</u>	<u>16,465,089</u>
Expenses:						
General Government	1,232,453	1,724,469	-	-	1,232,453	1,724,469
Public Safety	1,319,274	1,486,332	-	-	1,319,274	1,486,332
Public Works	4,329,154	4,384,492	-	-	4,329,154	4,384,492
Parks and Recreation	177,647	153,868	-	-	177,647	153,868
Interest on Long-Term Debt	16,415,928	16,653,441	-	-	16,415,928	16,653,441
Water and Sewer	-	-	1,665,068	1,679,573	1,665,068	1,679,573
Garbage	-	-	173,592	163,045	173,592	163,045
Total Expenses	<u>23,474,456</u>	<u>24,402,602</u>	<u>1,838,660</u>	<u>1,842,618</u>	<u>25,313,116</u>	<u>26,245,220</u>
Change in Net Position	<u>(10,326,387)</u>	<u>(8,959,897)</u>	<u>(805,823)</u>	<u>(820,234)</u>	<u>(11,132,210)</u>	<u>(9,780,131)</u>
Net Position-Beginning as Restated	<u>(57,102,544)</u>	<u>(48,364,445)</u>	<u>8,429,952</u>	<u>9,346,786</u>	<u>(48,672,592)</u>	<u>(39,017,659)</u>
Net Position-Ending	<u>(67,428,931)</u>	<u>(57,324,342)</u>	<u>7,624,129</u>	<u>8,526,552</u>	<u>(59,804,802)</u>	<u>(48,797,790)</u>

Net position of the Village of Elwood's governmental activities decreased by \$10,326,387 (negative \$57.1 million compared to negative \$67.4 million). This deficit arose primarily due to the current year accretion on the Capital Appreciation Bonds outstanding amounting to \$16,129,818 and depreciation expense of \$3,718,548, which was offset by long-term debt retirements of \$16,729,349.

Net position of business-type activities decreased by \$.8 million (\$8.4 million compared to \$7.6 million) due to depreciation of \$567,464 and interest costs. The Village of Elwood generally can only use this net position to finance the continuing operations of the utility operations.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

Governmental Activities

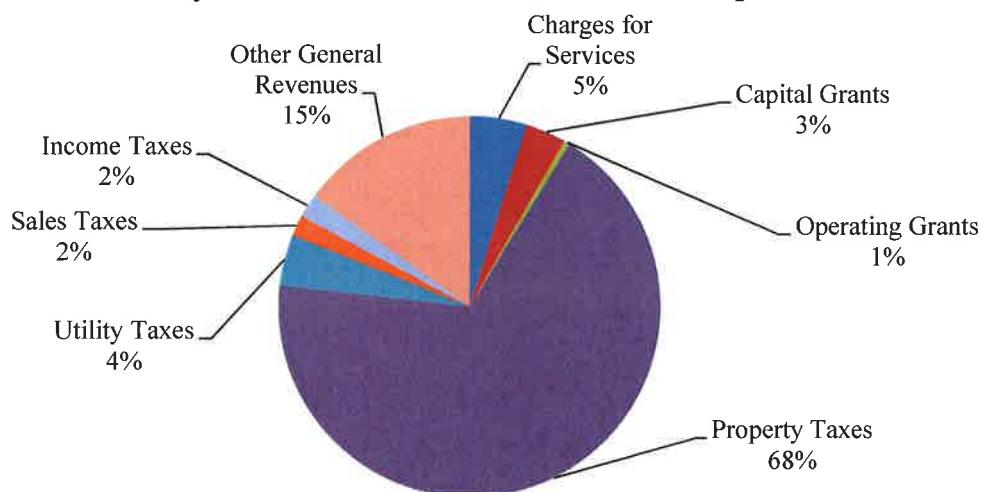
Revenues for governmental activities were \$13.1 million for the year, with the largest portion of revenue coming from property taxes (\$9.0 million), 86.9% of which is collected for retirement of the TIF bonds. Total expenses for the year were \$23.5 million with the largest portion coming from the interest expense on long-term (TIF) debt (\$16.4 million).

Revenues for the governmental activities decreased \$2,294,636, or 14.9%. Major highlights of the changes in revenues include:

- Charges for services totaled \$635,065 at April 30, 2013, a decrease of \$129,095.
- Capital grants/contributions increased \$325,289 due to reimbursements received from OSLAD for Centerpoint Park.
- Property taxes decreased \$66,194, or 0.7%, due primarily to decreased incremental taxes in the TIF District.
- Sales taxes decreased \$1,115,452 due to onetime reimbursements received in the prior year.
- Income taxes increased \$5,018.

Expenses for the governmental activities decreased from the prior year. Total expenses in FY2012 were \$24,402,602, while expenses for FY2013 were \$23,474,456, reflecting a \$928,146 decrease. General government expenses decreased \$492,016 due to less roadway improvements costs and a decrease in interest on long-term debt.

Revenues by Source - Governmental Activities at April 30, 2013



VILLAGE OF ELWOOD, ILLINOIS

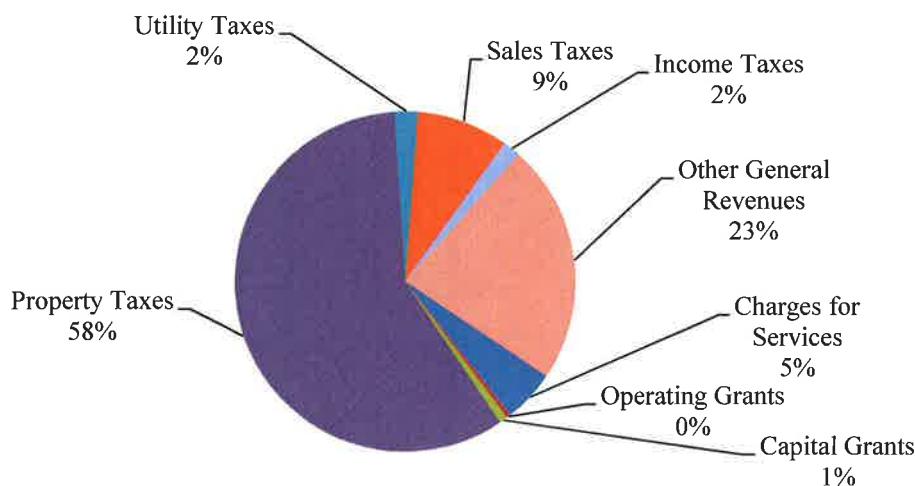
Management's Discussion and Analysis April 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

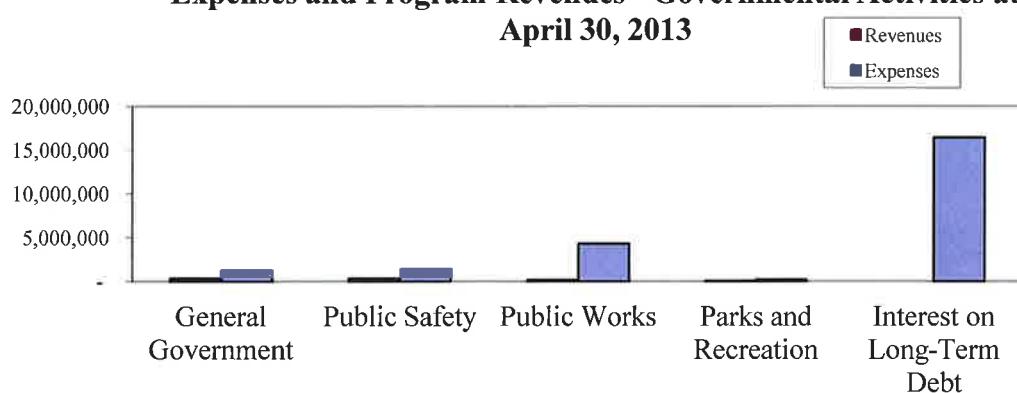
Governmental Activities – Continued

Revenues by Source - Governmental Activities at April 30, 2012



The 'Revenues by Source' Tables graphically depict the major revenue sources of the Village of Elwood for 2013 and 2012. It depicts very clearly the reliance of property taxes "87.0% from the TIF district" to fund governmental activities. It also clearly identifies the minor percentage the Village receives from sales taxes (2%). Under the Board's leadership and the cooperation of the industrial park, there continues to be an effort to develop and expand the TIF District and develop capital infrastructure improvements to assist in that effort.

Expenses and Program Revenues - Governmental Activities at April 30, 2013



VILLAGE OF ELWOOD, ILLINOIS

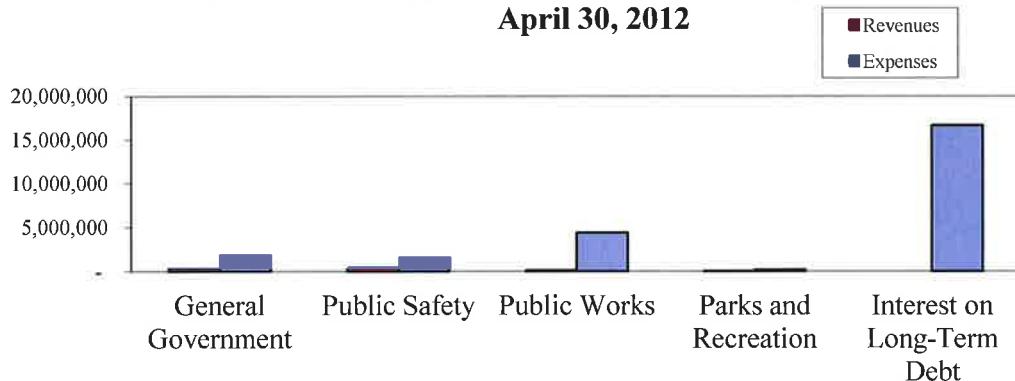
Management's Discussion and Analysis April 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

Governmental Activities – Continued

Expenses and Program Revenues - Governmental Activities at April 30, 2012

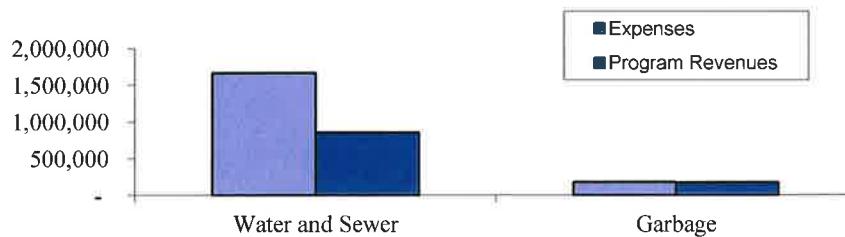


The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues. From the table, it can be noted that the general government function has enough revenues to meet program expenses.

Business-Type Activities

Total revenues of the Village's business-type activities were \$1.0 million, while expenses were also \$1.8 million, resulting in a decrease in net position at the end of the year. The table below compares program revenues and expenses for the Water and Sewer Fund and the Garbage Fund.

Expenses and Program Revenues - Business-Type Activities at April 30, 2013



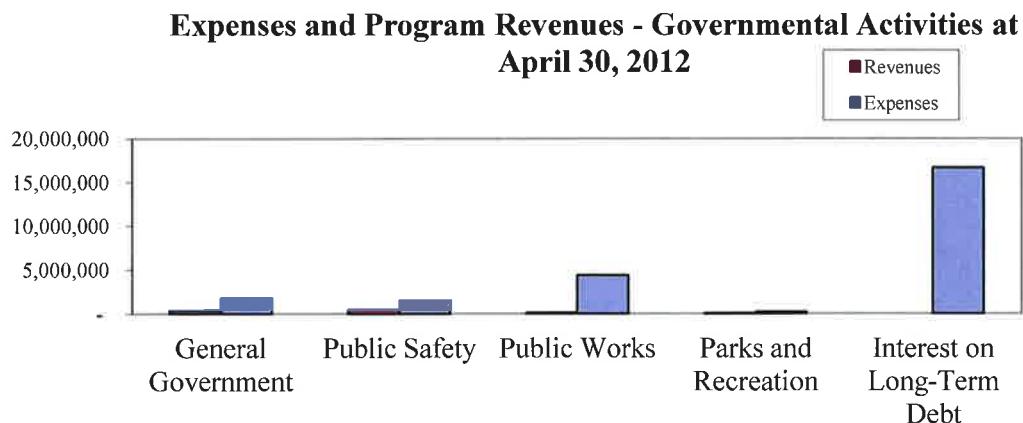
VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Government-Wide Activities Including TIF Activity – Continued

Business-Type Activities – Continued



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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of a deficit of \$15,825,286, which is \$8,963,242 less than the prior year governmental fund balances deficit of \$6,862,044. **Excluding the Deer Run TIF Fund, the governmental funds would have reported a \$9,600 increase to fund balances.** A deficit of \$8,972,842 in the Deer Run TIF Fund due to TIF debt retirements exceeding the incremental property taxes collected during the year contributed to the total decrease in fund balance of \$9,033,821. **The General Fund reported a total surplus of \$162,320. The increase in utility tax and income tax revenues for the year coupled with cost controlling measures contributed to the overall increase of \$162,320 in fund balance.**

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

The Brandon/Noel Road Improvements Fund reported no expenditures in the current year and increased fund balance \$50,793 as a result of the \$50,000 collected for the annexation of the McDowell Energy Center property and \$793 in interest earnings. Revenues of \$2,324,654 in the Capital Construction Bond Fund, including reimbursements of \$1,910,092, exceeded expenditures of \$1,953,116 by \$371,538 prior to transfers to the nonmajor governmental funds of \$203,201.

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

- The Village spent \$1,953,116 in the Capital Construction Bond. These reductions were expected because balances at the beginning of this year included previous capital related proceeds. Although these and other capital expenditures reduce available fund balances, they create new assets as reported in the Statement of Net Position and as discussed in Note 3 to the financial statements.
- Motor fuel tax funds, provided by the State, can only be used to replace, maintain, or improve the Village's roads. This year \$33,002 was added to fund balance of \$1,885,015, resulting in ending fund balance of \$1,918,017 to be used for future projects in the Motor Fuel Tax Fund.

Proprietary Funds

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

The Village reports the Water and Sewer Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water and sewer system. Water and Sewer fees are charged to all municipal customers at a combined flat rate of \$33.73 for first 2,000 gallons and \$6.49 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. For the FY2013 the Water and Sewer Fund reported a deficit of \$805,390.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2013

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments made to the General Fund budget during the year. **The General Fund expenditures were \$116,615 higher than the budgeted amount of \$1,696,349**, due primarily to the general government function which was \$177,255 over budget for legal services.

The General Fund revenues were \$161,729 over the budgeted amount of \$1,813,555, due primarily to more than reimbursable revenues, lease revenues and inspection fees not budgeted for, and utility taxes that were \$236,718 over budget.

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, 2013 was \$146.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, park facilities, roads, sidewalks, and bridges. The total decrease in the Village's investment in capital assets for the current fiscal year was \$2,372,051, which was the result of \$1,913,961 in additions to capital assets offset by \$4,286,012 reported for depreciation expense.

	Capital Assets - Net of Accumulated Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 3,458,233	3,458,233	1,909,500	1,909,500	5,367,733	5,367,733
Buildings and Improvements	5,375,251	5,303,389	9,116,943	9,410,835	14,492,194	14,714,224
Machinery & Equipment	301,078	313,516	129,920	48,791	430,998	362,307
Infrastructure	117,284,839	119,294,156	8,842,975	9,052,370	126,127,814	128,346,526
Total	126,419,401	128,369,294	19,999,338	20,421,496	146,418,739	148,790,790

This year's major additions included:

Buildings and Improvements	\$ 310,087
Machinery and Equipment	218,817
Infrastructure	1,385,057
	<u>1,913,961</u>

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

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village had total outstanding bonded debt of \$186.2 million as compared to \$186.8 million the previous year, resulting in a \$0.4 million decrease from the prior year. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Village Supported Debt						
General Obligation Bonds	\$ 6,480,000	6,600,000	8,290,000	8,290,000	14,770,000	14,890,000
General Obligation Capital Appreciation Bonds	6,188,552	6,188,552	-	-	6,188,552	6,188,552
Accretion - General Obligation Capital Appreciation Bonds	3,019,987	2,523,329	-	-	3,019,987	2,523,329
Total Village Supported Debt	15,688,539	15,311,881	8,290,000	8,290,000	23,978,539	23,601,881
TIF Supported Debt						
TIF Notes Payable	29,285,570	45,894,919	-	-	29,285,570	45,894,919
Accretion - TIF Notes Payable	132,934,246	117,301,086	-	-	132,934,246	117,301,086
Total TIF Supported Debt	162,219,816	163,196,005	-	-	162,219,816	163,196,005
Total	177,908,355	178,507,886	8,290,000	8,290,000	186,198,355	186,797,886

The Village of Elwood had previously been rated by Standard & Poor's at BBB+ for general obligation debt, but this rating was upgraded to single A during 2010. 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 31 - 36 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2014 appropriation, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Unemployment rates remain high and it is likely that revenues will remain stagnant into the coming year. These indicators were taken into account when adopting the General Fund budget for 2014.

VILLAGE OF ELWOOD, ILLINOIS

Management's Discussion and Analysis

April 30, 2013

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 Position

April 30, 2013

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Statement of Net Position

April 30, 2013

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 10,541,196	646	10,541,842
Receivables - Net	8,498,824	107,444	8,606,268
Due from Other Governments	403,919	-	403,919
Internal Balances	1,761,954	(1,761,954)	-
Prepays	44,003	17,851	61,854
Total Current Assets	21,249,896	(1,636,013)	19,613,883
Noncurrent Assets			
Capital Assets			
Nondepreciable	3,458,233	1,909,500	5,367,733
Depreciable	149,895,840	23,664,946	173,560,786
Accumulated Depreciation	(26,934,672)	(5,575,108)	(32,509,780)
Total Noncurrent Assets	126,419,401	19,999,338	146,418,739
Total Assets	147,669,297	18,363,325	166,032,622

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

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	28,807,926	61,511	28,869,437
Other Payables	4,300	-	4,300
Deposits Payable	-	27,180	27,180
Accrued Interest Payable	46,977	522,715	569,692
Current Portion of Long-Term Debt	19,210,463	165,914	19,376,377
Total Current Liabilities	48,069,666	777,320	48,846,986
Noncurrent Liabilities			
Compensated Absences Payable	49,792	3,657	53,449
Net Other Post-Employment Benefit Payable	5,474	-	5,474
Unearned Tap-On Revenues	-	1,872,153	1,872,153
General Obligation Bonds Payable - Net	6,355,000	8,086,066	14,441,066
General Obligation Capital Appreciation Bonds Payable	6,188,552	-	6,188,552
Accretion - General Obligation Capital Appreciation Bonds Payable	3,019,987	-	3,019,987
TIF Notes Payable	10,212,555	-	10,212,555
Accretion - TIF Notes Payable	132,934,246	-	132,934,246
Total Noncurrent Liabilities	158,765,606	9,961,876	168,727,482
Total Liabilities	206,835,272	10,739,196	217,574,468
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	8,262,956	-	8,262,956
Total Liabilities and Deferred Inflows of Resources	215,098,228	10,739,196	225,837,424
NET POSITION			
Net Investment in Capital Assets	84,465,279	11,748,272	96,213,551
Restricted - Highways and Streets	1,918,017	-	1,918,017
Restricted - Special Levies	15,995	-	15,995
Unrestricted	(153,828,222)	(4,124,143)	(157,952,365)
Total Net Position	(67,428,931)	7,624,129	(59,804,802)

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

VILLAGE OF ELWOOD, ILLINOIS

Statement of Activities
Year Ended April 30, 2013

		Program Revenues		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants/ Contributions</u>	<u>Capital Grants/ Contributions</u>

Primary Government

Governmental Activities

General Government	\$ 1,232,453	320,534	-	400,000
Public Safety	1,319,274	297,009	-	1,118
Public Works	4,329,154	-	61,304	50,000
Parks and Recreation	177,647	17,522	-	-
Interest on Long-Term Debt	16,415,928	-	-	-
Total Governmental Activities	23,474,456	635,065	61,304	451,118

Business-Type Activities

Water and Sewer	1,665,068	855,098	-	-
Garbage	173,592	173,141	-	-
Total Business-Type Activities	1,838,660	1,028,239	-	-
	25,313,116	1,663,304	61,304	451,118

General Revenues

Taxes

Property Taxes

Utility Taxes

Intergovernmental - Unrestricted

Sales Taxes

Income Taxes

Reimbursements

Interest Income

Miscellaneous

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
(511,919)	-	(511,919)
(1,021,147)	-	(1,021,147)
(4,217,850)	-	(4,217,850)
(160,125)	-	(160,125)
<u>(16,415,928)</u>	<u>-</u>	<u>(16,415,928)</u>
<u>(22,326,969)</u>	<u>-</u>	<u>(22,326,969)</u>
-	(809,970)	(809,970)
-	(451)	(451)
<u>-</u>	<u>(810,421)</u>	<u>(810,421)</u>
<u>(22,326,969)</u>	<u>(810,421)</u>	<u>(23,137,390)</u>
8,952,040	-	8,952,040
566,718	-	566,718
232,728	-	232,728
265,223	-	265,223
12,500	-	12,500
24,058	4,598	28,656
<u>1,947,315</u>	<u>-</u>	<u>1,947,315</u>
<u>12,000,582</u>	<u>4,598</u>	<u>12,005,180</u>
(10,326,387)	(805,823)	(11,132,210)
<u>(57,102,544)</u>	<u>8,429,952</u>	<u>(48,672,592)</u>
<u>(67,428,931)</u>	<u>7,624,129</u>	<u>(59,804,802)</u>

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

VILLAGE OF ELWOOD, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2013

	General	Deer Run TIF	Phase I Improvements
ASSETS			
Cash and Investments	\$ 1,058,229	3,518,277	-
Receivables - Net of Allowances			
Property Taxes	251,788	8,011,168	-
Accounts	185,868	-	-
Due from Other Governments	-	-	-
Due from Other Funds	-	-	-
Prepays	28,389	-	-
Total Assets	1,524,274	11,529,445	-
LIABILITIES			
Accounts Payable	88,491	28,695,795	-
Other Payables	4,300	-	-
Total Liabilities	92,791	28,695,795	-
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	251,788	8,011,168	-
Total Liabilities and Deferred Inflows of Resources	344,579	36,706,963	-
FUND BALANCES			
Nonspendable	28,389	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	1,151,306	(25,177,518)	-
Total Fund Balances	1,179,695	(25,177,518)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	1,524,274	11,529,445	-

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

Brandon/Noel Road Improvements	Capital Construction Bond	Nonmajor Governmental Funds	Total Governmental Funds
472,393	3,540,958	1,951,339	10,541,196
50,000	-	-	8,262,956
-	-	-	235,868
-	400,000	3,919	403,919
-	1,761,954	-	1,761,954
-	-	15,614	44,003
<u>522,393</u>	<u>5,702,912</u>	<u>1,970,872</u>	<u>21,249,896</u>
-	2,136	21,504	28,807,926
-	-	-	4,300
-	2,136	21,504	28,812,226
-	-	-	8,262,956
-	2,136	21,504	37,075,182
522,393	5,700,776	15,614 1,934,012 - (258)	44,003 1,934,012 6,223,169 (24,026,470)
<u>522,393</u>	<u>5,700,776</u>	<u>1,949,368</u>	<u>(15,825,286)</u>
<u>522,393</u>	<u>5,702,912</u>	<u>1,970,872</u>	<u>21,249,896</u>

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

VILLAGE OF ELWOOD, ILLINOIS

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

April 30, 2013

Total Governmental Fund Balances	\$ (15,825,286)
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Amounts reported for governmental Activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	126,419,401
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Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Compensated Absences Payable	(62,240)
Net Other Post-Employment Benefit Obligation Payable	(5,474)
General Obligation Bonds Payable	(6,480,000)
General Obligation Capital Appreciation Bonds Payable	(6,188,552)
Accretion - General Obligation Capital Appreciation Bonds Payable	(3,019,987)
TIF Notes Payable	(29,285,570)
Accretion - TIF Notes Payable	(132,934,246)
Accrued Interest Payable	<u>(46,977)</u>

Net Position of Governmental Activities	<u>(67,428,931)</u>
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VILLAGE OF ELWOOD, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2013

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2013

	General	Deer Run TIF	Phase I Improvements
Revenues			
Taxes	\$ 807,263	7,777,833	-
Intergovernmental	511,569	-	-
Charges for Services	271,125	-	-
Licenses and Permits	49,409	-	-
Fines and Forfeits	297,009	-	-
Interest Income	1,916	5,123	520
Miscellaneous	36,993	-	-
Total Revenues	1,975,284	7,782,956	520
Expenditures			
Current			
General Government	567,443	146,449	-
Public Safety	602,790	-	-
Public Works	642,731	-	-
Parks and Recreation	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal Retirement	-	16,609,349	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	1,812,964	16,755,798	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	162,320	(8,972,842)	520
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	-	(379,618)
	-	-	(379,618)
Net Change in Fund Balances	162,320	(8,972,842)	(379,098)
Fund Balances - Beginning as Restated	1,017,375	(16,204,676)	379,098
Fund Balances - Ending	1,179,695	(25,177,518)	-

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

Brandon/Noel Road Improvements	Capital Construction Bond	Nonmajor Governmental Funds	Total Governmental Funds
-	-	933,662	9,518,758
50,000	400,000	61,304	1,022,873
-	-	17,522	288,647
-	-	-	49,409
-	-	-	297,009
793	14,562	1,144	24,058
-	1,910,092	230	1,947,315
<u>50,793</u>	<u>2,324,654</u>	<u>1,013,862</u>	<u>13,148,069</u>
-	1,953,116	-	2,667,008
-	-	687,724	1,290,514
-	-	307,320	950,051
-	-	177,647	177,647
-	-	9,782	9,782
-	-	120,000	16,729,349
-	-	286,960	286,960
<u>-</u>	<u>1,953,116</u>	<u>1,589,433</u>	<u>22,111,311</u>
<u>50,793</u>	<u>371,538</u>	<u>(575,571)</u>	<u>(8,963,242)</u>
-	-	582,819	582,819
-	(203,201)	-	(582,819)
<u>-</u>	<u>(203,201)</u>	<u>582,819</u>	<u>-</u>
50,793	168,337	7,248	(8,963,242)
<u>471,600</u>	<u>5,532,439</u>	<u>1,942,120</u>	<u>(6,862,044)</u>
<u>522,393</u>	<u>5,700,776</u>	<u>1,949,368</u>	<u>(15,825,286)</u>

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, 2013

Net Change in Fund Balances - Total Governmental Funds	\$ (8,963,242)
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Amounts reported for governmental Activities in the Statement of Net Assets are different because:

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

Capital Outlays	1,768,655
Depreciation Expense	(3,718,548)

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

Additions to Accretion - General Obligation Capital Appreciation Bonds	(496,658)
Additions to Accretion - TIF Notes Payable	(15,633,160)
Retirement of Debt	16,729,349
Additions to Compensated Absences Payable	(12,326)
Additions to Net Other Postemployment Benefit Obligation Payable	(1,307)

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

850

Changes in Net Position of Governmental Activities (10,326,387)

VILLAGE OF ELWOOD, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2013

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2013

Business-Type Activities - Enterprise			
	Water and Sewer	Nonmajor Garbage	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ -	646	646
Receivables - Net of Allowances			
Accounts	96,519	10,925	107,444
Prepays	3,312	14,539	17,851
Total Current Assets	99,831	26,110	125,941
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	1,909,500	-	1,909,500
Depreciable Capital Assets	23,664,946	-	23,664,946
Accumulated Depreciation	(5,575,108)	-	(5,575,108)
Total Noncurrent Assets	19,999,338	-	19,999,338
Total Assets	20,099,169	26,110	20,125,279

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

Business-Type Activities - Enterprise			
	Water and Sewer	<u>Nonmajor</u> Garbage	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 57,311	4,200	61,511
Deposits Payable	27,180	-	27,180
Due to Other Funds	1,761,954	-	1,761,954
Accrued Interest Payable	522,715	-	522,715
Compensated Absences Payable	914	-	914
General Obligation Bonds Payable	165,000	-	165,000
 Total Current Liabilities	 2,535,074	 4,200	 2,539,274
Long-Term Liabilities			
Compensated Absences Payable	3,657	-	3,657
Unearned Tap-On Revenues	1,872,153	-	1,872,153
General Obligation Bonds Payable - Net	8,086,066	-	8,086,066
 Total Long-Term Liabilities	 9,961,876	 -	 9,961,876
 Total Liabilities	 12,496,950	 4,200	 12,501,150
NET POSITION			
Net Investment in Capital Assets	11,748,272	-	11,748,272
Unrestricted	(4,146,053)	21,910	(4,124,143)
 Total Net Position	 7,602,219	 21,910	 7,624,129

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

VILLAGE OF ELWOOD, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended April 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water	Nonmajor	Totals
	and	Garbage	
Operating Revenues			
Charges for Services	\$ 855,098	173,141	1,028,239
Operating Expenses			
Water Operations	365,653	-	365,653
Sewer Operations	375,909	-	375,909
Garbage Operations	-	173,592	173,592
Depreciation and Amortization	569,777	-	569,777
Total Operating Expenses	1,311,339	173,592	1,484,931
Operating (Loss)	(456,241)	(451)	(456,692)
Nonoperating Revenues (Expenses)			
Interest Income	4,580	18	4,598
Interest and Fiscal Charges	(353,729)	-	(353,729)
	(349,149)	18	(349,131)
Change in Net Position	(805,390)	(433)	(805,823)
Net Position - Beginning as Restated	8,407,609	22,343	8,429,952
Net Position - Ending	7,602,219	21,910	7,624,129

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, 2013

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor Garbage	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 856,072	175,405	1,031,477
Payments to Employees	(156,686)	-	(156,686)
Payments to Suppliers	(204,931)	(182,871)	(387,802)
	494,455	(7,466)	486,989
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(145,306)	-	(145,306)
Interest Paid	(353,729)	-	(353,729)
	(499,035)	-	(499,035)
Cash Flows from Investing Activities			
Interest Received	4,580	18	4,598
Net Change in Cash and Cash Equivalents	-	(7,448)	(7,448)
Cash and Cash Equivalents - Beginning	-	8,094	8,094
Cash and Cash Equivalents - Ending	-	646	646
Reconciliation of Operating Income to Net Cash			
Provided (Used) by Operating Activities			
Operating Income (Loss)	(456,241)	(451)	(456,692)
Adjustments to Reconcile Operating Income to Net Income to Net Cash			
Provided by (Used in) Operating Activities:			
Depreciation and Amortization Expense	569,777	-	569,777
(Increase) Decrease in Current Assets	974	2,264	3,238
Increase (Decrease) in Current Liabilities	379,945	(9,279)	370,666
	950,696	(7,015)	943,681
Net Cash Provided by (Used in) Operating Activities	494,455	(7,466)	486,989

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements
April 30, 2013

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). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

BASIS OF PRESENTATION

Government-Wide Statements

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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

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

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

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

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

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

Fund Financial Statements

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements **April 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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

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

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

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

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

Governmental Funds

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

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

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Village maintains one major debt service fund, the Deer Run TIF Fund, which accounts for revenues received from incremental property taxes and expenditures for debt service payments related to tax increment financing bonds.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains three major capital projects funds, the Phase I Improvements Fund, Brandon/Noel Road Improvements Fund, and Capital Construction Bond Fund. The CenterPoint Phase I Fund accounts for revenues received from development fees and expenditures for capital construction projects, including road construction and a new village hall facility. The Road Improvements Fund accounts for revenues and expenditures relative to the construction of road improvements. The Capital Construction Bond Fund accounts for revenues received from general obligation bond proceeds and expenditures for road improvements and reconstruction.

Proprietary Funds

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-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/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

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

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-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/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

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

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

Cash and Investments

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

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

Interfund Receivables, Payables and Activity

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Prepays

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

Receivables

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

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

Compensated Absences

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

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

Long-Term Obligations

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

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Net Position

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

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

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Prior to April 30, the Village Clerk submits to the Village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to July 31, the budget is legally enacted through passage of an ordinance. The Village does not budget for the Deer Run TIF Fund.

The Village’s management is authorized to transfer budgeted amounts between departments within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund. Formal budgetary integration is employed at a management control device during the year for the General Fund. Budgeted amounts are as originally adopted by the Board of Trustees. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year there were no supplementary appropriations.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2013

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
General	\$ 116,615

DEFICIT FUND EQUITY

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

Fund	Deficit
Deer Run Tax Increment Financing	\$ 25,177,518

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

Illinois Funds is an investment pool managed by the Illinois public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits and Investments. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$10,531,881 and the bank balances totaled \$10,575,218. Also at year-end, the Village has \$9,961 invested in the Illinois Funds.

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

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

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy states that at all times funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third party institution in the name of the municipality. At April 30, 2013, \$3,268,277 of the bank balance of deposits was not covered by federal depository or equivalent insurance.

For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral. The Village does not have a formal written policy with regards to custodial credit risk for investments. At April 30, 2013, the Village's investment in the Illinois Funds is noncategorizable.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village does not have a formal written policy with regards to concentration credit risk for investments. At April 30, 2013, the Village has no investments over 5 percent of the total cash and investment portfolio.

PROPERTY TAXES

Property taxes for 2012 attach as an enforceable lien on January 1, 2013, 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, 2013 and September 1, 2013. The County collects such taxes and remits them periodically.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 3,458,233	-	-	3,458,233
Depreciable Capital Assets				
Buildings and Improvements	6,303,088	282,094	-	6,585,182
Machinery and Equipment	1,250,435	110,099	-	1,360,534
Infrastructure	140,573,662	1,376,462	-	141,950,124
	<u>148,127,185</u>	<u>1,768,655</u>	-	<u>149,895,840</u>
Less Accumulated Depreciation				
Buildings and Improvements	999,699	210,232	-	1,209,931
Machinery and Equipment	936,919	122,537	-	1,059,456
Infrastructure	21,279,506	3,385,779	-	24,665,285
	<u>23,216,124</u>	<u>3,718,548</u>	-	<u>26,934,672</u>
Total Net Depreciable Capital Assets	<u>124,911,061</u>	<u>(1,949,893)</u>	-	<u>122,961,168</u>
Total Net Capital Assets	<u>128,369,294</u>	<u>(1,949,893)</u>	-	<u>126,419,401</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 220,901
Public Safety	60,632
Public Works	<u>3,437,015</u>
	<u>3,718,548</u>

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

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 as Restated	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,909,500	-	-	1,909,500
Depreciable Capital Assets				
Buildings and Improvements	12,651,715	27,993	-	12,679,708
Machinery and Equipment	154,294	108,718	-	263,012
Infrastructure	10,713,631	8,595	-	10,722,226
	<u>23,519,640</u>	<u>145,306</u>	-	<u>23,664,946</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,240,880	321,885	-	3,562,765
Machinery and Equipment	105,503	27,589	-	133,092
Infrastructure	1,661,261	217,990	-	1,879,251
	<u>5,007,644</u>	<u>567,464</u>	-	<u>5,575,108</u>
Total Net Depreciable Capital Assets	<u>18,511,996</u>	<u>(422,158)</u>	-	<u>18,089,838</u>
Total Net Capital Assets	<u>20,421,496</u>	<u>(422,158)</u>	-	<u>19,999,338</u>

Depreciation expense was charged to business-type as follows:

Water and Sewer \$ 567,464

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND BALANCES

Interfund balances at year-end consisted of the following:

Receivable Fund	Payable Fund	Amount
Capital Construction Bond	Water and Sewer	<u>\$ 1,761,954</u>

Interfund balances are advances in anticipation of receipts.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	Phase I Improvements	\$ 379,618
Nonmajor Governmental	Capital Construction Bond	<u>203,201</u>
		<u><u>582,819</u></u>

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds Payable

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

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2005, due in annual installments of \$115,000 to \$165,000, plus interest at 4.20% to 4.50% through March 1, 2023.	\$ 6,600,000	-	120,000	6,480,000
General Obligation Refunding Bonds of 2010A, due in annual installments of \$165,000 to \$310,000, plus interest at 2.00% to 5.10% through March 1, 2030.	3,790,000	-	-	3,790,000
General Obligation Refunding Bonds of 2010B, due in one payment of \$4,500,000, plus interest at 3.99% on September 8, 2020.	4,500,000	-	-	4,500,000
	<u>14,890,000</u>	<u>-</u>	<u>120,000</u>	<u>14,770,000</u>

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Capital Appreciation Bonds Payable

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

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

TIF Notes Payable

Tax increment financing notes currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Financing Note of 2003.	\$ 45,894,919	-	16,609,349	<u>29,285,570</u>

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts
					Due within One Year
Governmental Activities					
Compensated Absences	\$ 49,914	24,652	12,326	62,240	12,448
Net Other Post-Employment Benefit Obligation Payable	4,167	1,307	-	5,474	-
General Obligation Bonds	6,600,000	-	120,000	6,480,000	125,000
General Obligation Capital Appreciation Bonds	6,188,552	-	-	6,188,552	-
Accretion - General Obligation Capital Appreciation Bonds	2,523,329	496,658	-	3,019,987	-
TIF Notes Payable	45,894,919	-	16,609,349	29,285,570	19,073,015
Accretion - TIF Notes Payable	117,301,086	15,633,160	-	132,934,246	-
	<u>178,561,967</u>	<u>16,155,777</u>	<u>16,741,675</u>	<u>177,976,069</u>	<u>19,210,463</u>
Business-Type Activities					
Compensated Absences	77	8,988	4,494	4,571	914
General Obligation Bonds	8,290,000	-	-	8,290,000	165,000
Unamortized Bond Discount	(41,246)	-	(2,312)	(38,934)	-
	<u>8,248,831</u>	<u>8,988</u>	<u>2,182</u>	<u>8,255,637</u>	<u>165,914</u>

For the governmental activities, the compensated absences and net other postemployment benefit obligation are generally liquidated by the General Fund. Payments on the general obligation bonds and general obligation capital appreciation bonds are made by Debt Service Fund. The Deer Run TIF Fund makes payments on TIF Notes Payable. For business-type activities, compensated absences are liquidated by the Water and Sewer Fund. The Water and Sewer Fund makes payments on the general obligation bonds.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

Fiscal Year Ending April 30	Governmental Activities			
	General Obligation Bonds		General Obligation Capital Appreciation Bonds	Tax Increment Notes
	Principal	Interest	Principal/Accretion	Principal/Accretion
2014	\$ 125,000	281,860	(524,971)	3,702,950
2015	130,000	276,548	(554,899)	6,266,556
2016	540,000	271,022	(586,534)	8,951,042
2017	610,000	248,342	(619,972)	11,507,249
2018	685,000	222,722	(655,316)	13,437,941
2019	765,000	193,610	(692,675)	15,546,339
2020	850,000	160,715	(732,164)	17,852,221
2021	885,000	123,528	(773,904)	20,465,946
2022	925,000	84,588	(818,023)	23,403,500
2023	965,000	43,425	(864,658)	26,600,961
2024	-	-	1,925,584	14,485,111
2025	-	-	2,037,571	-
2026	-	-	2,153,732	-
2027	-	-	2,276,514	-
2028	-	-	2,406,296	-
2029	-	-	2,543,477	-
2030	-	-	2,688,479	-
	<hr/>	<hr/>	<hr/>	<hr/>
	6,480,000	1,906,360	9,208,539	162,219,816

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity – Continued

Fiscal Year Ending April 30	Business-Type Activities		
	General Obligation		
	Principal	Bonds Interest	
2014	\$ 165,000	162,048	
2015	170,000	158,748	
2016	175,000	154,498	
2017	180,000	149,248	
2018	185,000	143,398	
2019	190,000	136,922	
2020	200,000	130,034	
2021	4,705,000	2,276,981	
2022	215,000	114,085	
2023	220,000	105,484	
2024	230,000	96,134	
2025	245,000	84,404	
2026	255,000	71,910	
2027	270,000	58,905	
2028	280,000	45,136	
2029	295,000	30,856	
2030	310,000	15,810	
Total	<u>8,290,000</u>	<u>3,934,601</u>	

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 \$145,000 remain outstanding as of the date of this report.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

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

FUND BALANCE CLASSIFICATIONS

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

	General	Deer Run TIF	Brandon/Noel Road Improvements	Capital Construction Bond	Capital Nonmajor	Total
Fund Balances						
Nonspendable - Prepaids	\$ 28,389	-	-	-	15,614	44,003
Restricted						
Motor Fuel Tax	-	-	-	-	1,918,017	1,918,017
Park	-	-	-	-	15,995	15,995
	-	-	-	-	1,934,012	1,934,012
Assigned						
Capital Projects	-	-	522,393	5,700,776	-	6,223,169
Unassigned	1,151,306	(25,177,518)	-	-	(258)	(24,026,470)
Total Fund Balances	1,179,695	(25,177,518)	522,393	5,700,776	1,949,368	(15,825,286)

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

Assigned Fund Balance. The Village's management has assigned fund balance in the Brandon/Noel Road Improvements Fund and the Capital Construction Bond Fund, both major funds, to improvement projects and equipment and vehicle purchases based on approved Board/management expenditures as determined through the annual budget process.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Minimum Fund Balance Policy. The Village maintains a minimum unrestricted fund balance in the General Fund equal to a minimum of 25% of budgeted operating expenditures.

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2013:

Governmental Activities			
Capital Assets - Net of Accumulated Depreciation		\$ 126,419,401	
Less Capital Related Debt:			
General Obligation Bonds of 2005		(6,480,000)	
General Obligation Capital Appreciation Bonds of 2006		(6,188,552)	
Tax Increment Financing Note Payable of 2003		<u>(29,285,570)</u>	
Net Investment in Capital Assets		<u>84,465,279</u>	
Business-Type Activities			
Capital Assets - Net of Accumulated Depreciation		\$ 19,999,338	
Less Capital Related Debt:			
General Obligation Refunding Bonds of 2010A		(3,790,000)	
General Obligation Refunding Bonds of 2010B		(4,500,000)	
Unamortized Bond Discount		<u>38,934</u>	
Net Investment in Capital Assets		<u>11,748,272</u>	

NET POSITION/FUND BALANCE RESTATEMENTS

Beginning net position/fund balances were restated to record an error in recognition of revenues, changes in capital assets, implementation of GASB 63/65 and an error in recognition of interest payable. The following net position/fund balance was restated in the current year:

Fund Equity	As Reported	As Restated	Increase
Capital Construction Bond	\$ 7,230,539	5,532,439	(1,698,100)
Motor Fuel Tax	186,916	1,885,015	1,698,099
Water and Sewer	8,504,209	8,407,609	(96,600)
Governmental Activities	(57,324,342)	(57,102,543)	221,799

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2013

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

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

CONTINGENT LIABILITIES

Litigation

The Village has filed a lawsuit against CenterPoint Intermodal LLC, CenterPoint Realty Service Inc., and the Bank of New York Mellon Trust Company, N.A. The lawsuit relates to the Deer Run Industrial Park redevelopment project and is in the very early stages. The Village does not seek any monetary damages, and no claims for damages have been asserted against the Village. The Village seeks only certain information from Centerpoint concerning how TIF funds were used, and clarification from the court as to the Village's obligation on the repayment of the TIF notes.

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

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 online at www.imrf.org. 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, 2013

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011 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. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 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 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. 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 Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution rate and the employer annual required contribution rate for calendar year 2012 was 8.82 percent.

Funding Policy and Annual Pension Cost

For April 30, 2013, the Village's annual pension cost of \$106,030 was equal to the Village's actual and required contributions. The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 0.4% to 10.0% per year, and (c) 3.0% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4.0%. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012 was 30 years.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Trend Information

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

<u>Illinois Municipal Retirement</u>		
Annual Pension Cost (APC)	2011	\$ 98,163
	2012	115,026
	2013	106,030
Actual Contributions	2011	\$ 98,163
	2012	115,026
	2013	106,030
Percentage of APC Contributed	2011	100.00%
	2012	100.00%
	2013	100.00%
Net Pension Obligation	2011	N/A
	2012	N/A
	2013	N/A

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2013

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Funded Status and Funding Progress

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

Actuarial Valuation Date	12/31/12
Percent Funded	95.73%
Actuarial Accrued Liability for Benefits	\$1,284,344
Actuarial Value of Assets	\$1,229,449
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$54,895)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$1,187,526
Ratio of UAAL to Covered Payroll	4.62%

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

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

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

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

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

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2013 the Village had no retirees participating in the plan. Active employees do not contribute to the plan until retirement.

At April 30, 2013, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>18</u>
Total	<u><u>18</u></u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2013, was calculated as follows:

Annual Required Contribution	\$ 1,341
Interest on the NOPEBO	203
Adjustment to the ARC	<u>(237)</u>
Annual OPEB Cost	1,307
Actual Contribution	<u>-</u>
Change in the NOPEBO	1,307
NOPEBO - Beginning of Year	<u>4,167</u>
NOPEBO - End of Year	<u><u>5,474</u></u>

Trend Information

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

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 1,373	\$ -	0.00%	\$ 2,679
2012	1,488	-	0.00%	4,167
2013	1,307	-	0.00%	5,474

VILLAGE OF ELWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2013

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2013 was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,928
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	5,928
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	1,187,526
UAAL as a Percentage of Covered Payroll	0.50%

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

Actuarial Methods and Assumptions

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

In the April 30, 2013 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return, including a 3.0% inflation assumption and an initial annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013, was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to the Required Supplementary Information

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

VILLAGE OF ELWOOD, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Funding Progress and Employer Contributions

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded)		(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
				Actuarial Liability (AAL) (2) - (1)	Accrued Liability (2) - (1)		
2007	\$ 360,720	\$ 512,234	70.42%	\$ 151,514	\$ 807,191	18.77%	
2008	512,428	760,522	67.38%	248,094	1,066,502	23.26%	
2009	595,478	856,838	69.50%	261,360	1,048,922	24.92%	
2010	578,550	858,610	67.38%	280,060	987,555	28.36%	
2011	1,017,840	1,076,552	94.55%	58,712	1,133,258	5.18%	
2012	1,229,449	1,284,344	95.73%	54,895	1,187,526	4.62%	

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2008	\$ 73,535	\$ 73,535	100.00%
2009	98,865	98,865	100.00%
2010	99,018	99,018	100.00%
2011	98,163	98,163	100.00%
2012	115,026	115,026	100.00%
2013	106,030	106,030	100.00%

VILLAGE OF ELWOOD, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information

Schedule of Funding Progress and Employer Contributions

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date April 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL) - Entry Age	(1) (2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll		(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
						Actuarial Liability (AAL) - Entry Age	Annual Covered Payroll	
2008	\$ N/A	\$ N/A	N/A	N/A	\$ N/A	\$ N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2010	-	5,928	-	-	5,928	1,160,548	0.51%	
2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2010	-	5,928	-	-	5,928	1,187,526	0.50%	

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2008	\$ N/A	\$ N/A	N/A
2009	N/A	N/A	N/A
2010	-	1,306	0.00%
2011	-	1,341	0.00%
2012	-	1,421	0.00%
2013	-	1,341	0.00%

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

VILLAGE OF ELWOOD, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2013**

	Budget		
	Original	Final	Actual
Revenues			
Taxes	\$ 573,699	573,699	807,263
Intergovernmental	538,748	538,748	511,569
Charges for Services	261,533	261,533	271,125
Licenses and Permits	10,725	10,725	49,409
Fines and Forfeits	420,250	420,250	297,009
Interest Income	3,500	3,500	1,916
Miscellaneous	5,100	5,100	36,993
Total Revenues	1,813,555	1,813,555	1,975,284
Expenditures			
General Government	390,188	390,188	567,443
Public Safety	639,786	639,786	602,790
Public Works	666,375	666,375	642,731
Total Expenditures	1,696,349	1,696,349	1,812,964
Net Change in Fund Balance	117,206	117,206	162,320
Fund Balance - Beginning			1,017,375
Fund Balance - Ending			<u>1,179,695</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Motor Fuel Tax Fund

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

Park Fund

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

Special Service Area Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

DEBT SERVICE FUNDS

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

Deer Run Tax Increment Financing (TIF) Fund

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

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, the principal and interest on the 2005 general obligation bonds.

CAPITAL PROJECTS FUNDS

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

Phase I Improvements Fund

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

Brandon/Noel Road Improvements Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS – Continued

Capital Construction Bond Fund

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

PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

Water and Sewer Fund

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

Garbage Fund

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

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
Year Ended April 30, 2013

	Budget		
	Original	Final	Actual
Taxes			
Property Taxes	\$ 175,963	175,963	174,981
Personal Property Replacement Tax	736	736	971
Road and Bridge Tax	67,000	67,000	64,593
Utility Tax	330,000	330,000	566,718
	<u>573,699</u>	<u>573,699</u>	<u>807,263</u>
Intergovernmental			
Sales Tax	116,400	116,400	142,447
Home Rule Sales Tax	98,400	98,400	90,281
Income Tax	182,775	182,775	215,634
Local Use Tax	54,008	54,008	49,589
Reimbursable Revenue	-	-	12,500
Police Grants	87,165	87,165	1,118
	<u>538,748</u>	<u>538,748</u>	<u>511,569</u>
Charges for Services			
Center Point Administrative Fees	126,823	126,823	126,823
Engineering Fees	20,000	20,000	3,250
Inspection Fees	-	-	3,650
Overweight Truck Fee	72,000	72,000	80,386
Cable Franchise Fees	7,110	7,110	8,081
Container Stacking Fee	30,000	30,000	45,000
Nicor Franchise Fees	5,600	5,600	3,935
	<u>261,533</u>	<u>261,533</u>	<u>271,125</u>
Licenses and Permits			
Building Permits	3,000	3,000	35,951
Liquor Licenses	3,550	3,550	4,378
Business Licenses	675	675	1,930
Contractor Registration	3,500	3,500	7,150
	<u>10,725</u>	<u>10,725</u>	<u>49,409</u>
Fines and Forfeits			
Police Fines	420,250	420,250	297,009

VILLAGE OF ELWOOD, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual - Continued**
Year Ended April 30, 2013

	Budget		
	Original	Final	Actual
Interest Income	\$ 3,500	3,500	1,916
Miscellaneous			
Donations	100	100	4,000
Lease Agreement	-	-	21,914
Miscellaneous	5,000	5,000	11,079
	5,100	5,100	36,993
Total Revenues	1,813,555	1,813,555	1,975,284

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2013

	Budget		
	Original	Final	Actual
General Government			
Administration			
Salaries	\$ 149,378	149,378	152,804
Administration Benefits	21,228	21,228	21,429
Employee Group Insurance	18,255	18,255	9,645
Financial Consultants	-	-	125
Audit	18,000	18,000	18,000
Engineering Services	1,000	1,000	17,538
Legal Services	50,000	50,000	217,827
Telephone	4,800	4,800	4,226
Electric/Heating	24,000	24,000	14,149
Travel and Meetings	3,500	3,500	2,101
Custodial Services	-	-	9,226
Insurance - Liability/Workers Compensation	15,719	15,719	15,086
Printing/Binding	5,500	5,500	2,716
Dues and Subscriptions	14,600	14,600	17,070
Office Equipment Maintenance	6,000	6,000	3,683
Office Supplies	11,000	11,000	13,315
Postage	4,000	4,000	4,326
Bank Charges	7,100	7,100	7,198
Donations	2,200	2,200	2,541
Miscellaneous	2,104	2,104	7,120
Equipment	4,804	4,804	4,142
Data Processing Equipment	27,000	27,000	23,176
 Total Administration	 390,188	 390,188	 567,443
 Total General Government	 390,188	 390,188	 567,443

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2013

	Budget		
	Original	Final	Actual
Public Safety			
Police			
Salaries	\$ 399,245	399,245	399,414
Administration Benefits	64,917	64,917	62,629
Employee Group Insurance	66,754	66,754	36,074
Legal Services	5,500	5,500	3,059
Data Processing	400	400	94
Insurance - Liability/Workers Compensation	15,839	15,839	28,261
Printing/Binding	265	265	552
Dues and Subscriptions	930	930	600
Telephone	1,080	1,080	2,035
Office Equipment Maintenance	1,928	1,928	2,241
Radio Maintenance	560	560	1,229
Vehicle Maintenance	1,220	1,220	3,960
Training	832	832	93
Travel and Meetings	25	25	5
Custodial Services	-	-	1,940
Medical Expenses	1,600	1,600	228
Animal Control	448	448	280
Rental	100	100	-
Office Supplies	800	800	965
Gas and Oil	6,354	6,354	3,864
Uniforms	3,400	3,400	2,744
Postage	310	310	139
Ammunition	2,904	2,904	1,540
Other Supplies	590	590	2,227
Agreements	13,124	13,124	9,730
Miscellaneous	200	200	59
Equipment	38,582	38,582	14,817
Data Processing Equipment	11,879	11,879	24,011
 Total Public Safety	 639,786	 639,786	 602,790

VILLAGE OF ELWOOD, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2013

	Budget		
	Original	Final	Actual
Public Works			
Streets			
Salaries	\$ 185,169	185,169	223,167
Administration Benefits	26,242	26,242	28,484
Employee Group Insurance	22,211	22,211	12,045
Professional Services	3,000	3,000	5,184
Insurance	16,448	16,448	22,446
Uniforms	5,600	5,600	3,489
Street Cleaning	2,000	2,000	-
Landfill	4,000	4,000	996
Travel and Meetings	4,500	4,500	3,465
Tree Removal	15,000	15,000	15,080
Truck Inspections	500	500	-
Electric	38,000	38,000	41,897
Telephone	1,680	1,680	1,184
Heating	6,000	6,000	5,517
Equipment Rentals	12,500	12,500	5,834
Communication Repairs	2,250	2,250	1,686
Building Maintenance	43,000	43,000	53,336
Street Light Maintenance	25,000	25,000	23,063
Vehicle Maintenance	18,750	18,750	21,650
Mosquito Abatement	28,875	28,875	20,871
Office Supplies	2,500	2,500	5,141
Vehicle Supplies	11,250	11,250	6,642
Gas and Oil	16,500	16,500	14,196
Gravel	500	500	1,460
Asphalt and Sealer	1,000	1,000	924
Operating Supplies	13,000	13,000	17,465
Restoration Materials	2,500	2,500	2,573
Drainage Materials	1,500	1,500	660
Traffic Signs and Safety Materials	11,500	11,500	6,956
Small Tools and Equipment	2,800	2,800	3,852
Miscellaneous	47,100	47,100	-

VILLAGE OF ELWOOD, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual - Continued****Year Ended April 30, 2013**

	Budget		
	Original	Final	Actual
Public Works - Continued			
Streets - Continued			
Equipment	\$ 17,000	17,000	33,145
Village Building Improvements	50,000	50,000	36,376
Data Processing Equipment	28,500	28,500	23,947
Total Public Works	666,375	666,375	642,731
Total Expenditures	1,696,349	1,696,349	1,812,964

VILLAGE OF ELWOOD, ILLINOIS**Phase I Improvements - Capital Projects Fund****Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2013**

	Budget		
	Original	Final	Actual
Revenues			
Interest Income	\$ 2,280	2,280	520
Expenditures			
Capital Outlay	-	-	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	2,280	2,280	520
Other Financing (Uses)			
Transfers Out	(395,707)	(395,707)	(379,618)
Net Change in Fund Balance	<u>(393,427)</u>	<u>(393,427)</u>	<u>(379,098)</u>
Fund Balance - Beginning			<u>379,098</u>
Fund Balance - Ending			<u>-</u>

VILLAGE OF ELWOOD, ILLINOIS**Brandon/Noel Road Improvements - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2013**

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental			
Grants	\$ 50,000	50,000	50,000
Interest Income	450	450	793
Total Revenues	<u>50,450</u>	<u>50,450</u>	<u>50,793</u>
Expenditures			
Capital Outlay	500,000	500,000	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(449,550)	(449,550)	50,793
Other Financing (Uses)			
Transfers Out	<u>(21,981)</u>	<u>(21,981)</u>	-
Net Change in Fund Balance	<u>(471,531)</u>	<u>(471,531)</u>	<u>50,793</u>
Fund Balance - Beginning			<u>471,600</u>
Fund Balance - Ending			<u>522,393</u>

VILLAGE OF ELWOOD, ILLINOIS

Capital Construction Bond - Capital Projects Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2013**

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental			
Grants	\$ 400,000	400,000	400,000
Interest Income	21,450	21,450	14,562
Miscellaneous	1,400,000	1,400,000	1,910,092
Total Revenues	<u>1,821,450</u>	<u>1,821,450</u>	<u>2,324,654</u>
Expenditures			
General Government	<u>2,565,098</u>	<u>2,565,098</u>	<u>1,953,116</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(743,648)</u>	<u>(743,648)</u>	<u>371,538</u>
Other Financing Sources (Uses)			
Transfers In	21,981	21,981	-
Transfers Out	-	-	(203,201)
	<u>21,981</u>	<u>21,981</u>	<u>(203,201)</u>
Net Change in Fund Balance	<u>(721,667)</u>	<u>(721,667)</u>	<u>168,337</u>
Fund Balance - Beginning as Restated			<u>5,532,439</u>
Fund Balance - Ending			<u>5,700,776</u>

VILLAGE OF ELWOOD, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2013

	Special Revenue Funds			Total Nonmajor Governmental Funds	
	Motor Fuel Tax	Park	Special Service Area	Debt Service	
ASSETS					
Cash and Investments	\$ 1,914,098	19,967	17,274	-	1,951,339
Due from Other Governments	3,919	-	-	-	3,919
Prepays	-	-	15,614	-	15,614
Total Assets	1,918,017	19,967	32,888	-	1,970,872
LIABILITIES					
Accounts Payable	-	3,972	17,532	-	21,504
FUND BALANCES					
Nonspendable	-	-	15,614	-	15,614
Restricted	1,918,017	15,995	-	-	1,934,012
Unassigned	-	-	(258)	-	(258)
Total Fund Balances	1,918,017	15,995	15,356	-	1,949,368
Total Liabilities and Fund Balances	1,918,017	19,967	32,888	-	1,970,872

VILLAGE OF ELWOOD, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended April 30, 2013

	Special Revenue Funds			Debt Service	Total Nonmajor Governmental Funds
	Motor Fuel Tax	Park	Special Service Area		
Revenues					
Taxes	\$ -	-	933,662	-	933,662
Intergovernmental	61,304	-	-	-	61,304
Charges for Services	-	17,522	-	-	17,522
Interest Income	390	31	723	-	1,144
Miscellaneous	-	230	-	-	230
Total Revenues	61,694	17,783	934,385	-	1,013,862
Expenditures					
Public Safety	-	-	687,724	-	687,724
Public Works	18,910	-	288,410	-	307,320
Parks and Recreation	-	177,647	-	-	177,647
Capital Outlay	9,782	-	-	-	9,782
Debt Service	-	-	-	120,000	120,000
Principal Retirement	-	-	-	286,960	286,960
Interest and Fiscal Charges	-	-	-	406,960	1,589,433
Total Expenditures	28,692	177,647	976,134	406,960	1,589,433
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,002	(159,864)	(41,749)	(406,960)	(575,571)
Other Financing Sources					
Transfer In	-	175,859	-	406,960	582,819
Net Change in Fund Balances	33,002	15,995	(41,749)	-	7,248
Fund Balances - Beginning as Restated	1,885,015	-	57,105	-	1,942,120
Fund Balances - Ending	1,918,017	15,995	15,356	-	1,949,368

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, 2013**

	Budget		
	Original	Final	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 54,924	54,924	61,304
Interest Income	452	452	390
Total Revenues	<u>55,376</u>	<u>55,376</u>	<u>61,694</u>
Expenditures			
Public Works			
Contractual Services	30,000	30,000	18,910
Capital Outlay	-	-	9,782
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>28,692</u>
Net Change in Fund Balance	<u>25,376</u>	<u>25,376</u>	33,002
Fund Balance - Beginning as Restated			<u>1,885,015</u>
Fund Balance - Ending			<u>1,918,017</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, 2013**

	Budget		
	Original	Final	Actual
Revenues			
Charges for Services			
Event Fees	\$ 6,000	6,000	12,354
Rental Fees	1,000	1,000	725
Registration Fees	10,100	10,100	4,443
Interest Income	100	100	31
Miscellaneous			
Donations	100	100	230
Total Revenues	17,300	17,300	17,783
Expenditures			
Parks and Recreation	193,159	193,159	177,647
Excess (Deficiency) of Revenues Over (Under) Expenditures			
	(175,859)	(175,859)	(159,864)
Other Financing Sources			
Transfers In	175,859	175,859	175,859
Net Change in Fund Balance	-	-	15,995
Fund Balance - Beginning			
			-
Fund Balance - Ending			
			<u>15,995</u>

VILLAGE OF ELWOOD, ILLINOIS

Park - Special Revenue Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2013

	Budget		
	Original	Final	Actual
Parks and Recreation			
Salaries	\$ 52,789	52,789	58,231
Administration Benefits	7,763	7,763	5,776
Employee Group Insurance	7	7	1,484
Repairs and Maintenance	10,000	10,000	5,394
Referees	3,000	3,000	1,100
Instructors	5,000	5,000	376
Legal	500	500	303
Advertising	1,000	1,000	-
Trees and Landscaping	4,000	4,000	-
Telephone	100	100	715
Herbicides	6,000	6,000	5,071
Equipment Maintenance	3,000	3,000	3,670
Vehicle Maintenance	1,500	1,500	1,542
Printing	500	500	-
Fuel	2,500	2,500	-
General Supplies	15,950	15,950	14,516
Small Tools	500	500	38
Miscellaneous	37,250	37,250	33,131
Training/Educational	-	-	3,125
Events	10,000	10,000	13,147
Children's Garden	31,800	31,800	30,028
Total Expenditures	193,159	193,159	177,647

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, 2013

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Tax	\$ 933,000	933,000	933,662
Interest Income	100	100	723
Total Revenues	<u>933,100</u>	<u>933,100</u>	<u>934,385</u>
Expenditures			
Public Safety	840,050	840,050	687,724
Public Works	212,487	212,487	288,410
Total Expenditures	<u>1,052,537</u>	<u>1,052,537</u>	<u>976,134</u>
Net Change in Fund Balance	<u>(119,437)</u>	<u>(119,437)</u>	<u>(41,749)</u>
Fund Balance - Beginning			<u>57,105</u>
Fund Balance - Ending			<u>15,356</u>

VILLAGE OF ELWOOD, ILLINOIS

Special Service Area - Special Revenue Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2013

	Budget		
	Original	Final	Actual
Public Safety			
Salaries	\$ 354,445	354,445	340,874
Benefits	110,932	110,932	82,916
Training	11,634	11,634	1,799
Uniforms	12,300	12,300	6,924
Insurance	64,808	64,808	43,353
Automotive	68,166	68,166	78,587
Supplies and Materials	38,000	38,000	14,619
Agreements	118,115	118,115	87,316
Miscellaneous Expense	1,250	1,250	347
Purchase Equipment	42,582	42,582	27,539
Data Processing Equipment	17,818	17,818	3,450
Total Public Safety	840,050	840,050	687,724
Public Works			
Salaries	-	-	50,256
Benefits	-	-	20,323
Uniforms	1,800	1,800	1,310
Snow Removal	7,500	7,500	-
Vehicle Maintenance	7,750	7,750	8,881
Equipment Maintenance	10,000	10,000	11,273
Administrative/Legal	158,937	158,937	171,087
Retention Pond Maintenance	18,000	18,000	16,831
Roadway Maintenance	6,000	6,000	4,081
Landfill	2,500	2,500	4,368
Total Public Works	212,487	212,487	288,410
Total Expenditures	1,052,537	1,052,537	976,134

VILLAGE OF ELWOOD, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2013**

	Budget		
	Original	Final	Actual
Revenues			
Taxes	\$ 200,000	200,000	-
Interest Income	100	100	-
Total Revenues	200,100	200,100	-
Expenditures			
Debt Service			
Principal Retirement	120,000	120,000	120,000
Interest and Fiscal Charges	449,008	449,008	286,960
Total Expenditures	569,008	569,008	406,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	(368,908)	(368,908)	(406,960)
Other Financing Sources			
Transfers In	369,008	369,008	406,960
Net Change in Fund Balance	100	100	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

VILLAGE OF ELWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended April 30, 2013**

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services	\$ 772,200	772,200	855,098
Operating Expenses			
Water Operations	403,665	403,665	365,653
Sewer Operations	519,169	519,169	375,909
Depreciation and Amortization	-	-	569,777
Total Operating Expenses	922,834	922,834	1,311,339
Operating Income (Loss)	(150,634)	(150,634)	(456,241)
Nonoperating Revenues (Expenses)			
Interest Income	10,883	10,883	4,580
Interest and Fiscal Charges	-	-	(353,729)
	10,883	10,883	(349,149)
Income (Loss) Before Transfers	(139,751)	(139,751)	(805,390)
Transfers Out	(162,048)	(162,048)	-
Change in Net Position	(301,799)	(301,799)	(805,390)
Net Position - Beginning as Restated			<u>8,407,609</u>
Net Position - Ending			<u>7,602,219</u>

VILLAGE OF ELWOOD, ILLINOIS**Water and Sewer - Enterprise Fund****Schedule of Operating Revenues - Budget and Actual**
Year Ended April 30, 2013

	Budget		
	Original	Final	Actual
Charges for Services			
Water Charges	\$ 412,000	412,000	410,025
Sewer Charges	350,200	350,200	341,390
Meter Sales	-	-	1,460
Miscellaneous	10,000	10,000	102,223
 Total Operating Revenues	 772,200	 772,200	 855,098

VILLAGE OF ELWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended April 30, 2013

	Budget		
	Original	Final	Actual
Water Operations			
Salaries	\$ 89,649	89,649	73,297
Administration Benefits	14,851	14,851	14,227
Employee Group Insurance	20,227	20,227	17,379
Insurance - Liability/Workers Compensation	8,787	8,787	9,249
Audit	2,750	2,750	2,000
Engineering Services	1,000	1,000	593
Data Processing	1,500	1,500	1,555
Legal Services	5,000	5,000	-
Telephone	5,500	5,500	4,305
Electric	72,000	72,000	63,797
Heating	4,500	4,500	475
Printing/Binding	1,000	1,000	-
Dues and Subscriptions	13,000	13,000	11,356
Equipment Rental	1,000	1,000	-
Building Maintenance	33,750	33,750	24,782
Equipment Maintenance	17,500	17,500	15,684
System Maintenance	73,500	73,500	97,282
Vehicle Maintenance	1,000	1,000	11
Operational Supplies	450	450	2,696
Gas and Oil	500	500	500
Small Tools/Equipment	3,500	3,500	5,952
Postage	1,951	1,951	1,228
Water Supplies	4,000	4,000	5,334
Maintenance Supplies	750	750	301
Vehicle Supplies	-	-	3
Chemicals	16,000	16,000	4,497
Restoration Materials	8,000	8,000	8,696
Miscellaneous	2,000	2,000	454
Total Water Operations	403,665	403,665	365,653

VILLAGE OF ELWOOD, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended April 30, 2013

	Budget		
	Original	Final	Actual
Sewer Operations			
Salaries	\$ 79,057	79,057	83,389
Administration Benefits	13,080	13,080	14,161
Employee Group Insurance	25,185	25,185	13,125
Insurance - Liability/Workers Compensation	4,382	4,382	7,657
Audit	2,813	2,813	2,000
Engineering Services	1,000	1,000	-
Legal Services	5,000	5,000	-
Data Processing	3,000	3,000	130
Telephone	5,500	5,500	2,802
Electric/Heating	52,800	52,800	57,080
Printing/Binding	500	500	-
Dues and Subscriptions	22,000	22,000	22,185
Equipment Rental	1,000	1,000	-
Building Maintenance	35,400	35,400	31,151
Equipment Maintenance	16,500	16,500	15,735
System Maintenance	56,000	56,000	77,567
Vehicle Maintenance	2,500	2,500	3,629
Operational Supplies	5,000	5,000	7,261
Gas and Oil	500	500	500
Small Tools and Equipment	11,900	11,900	14,401
Postage	1,932	1,932	1,204
Sewer Supplies	10,000	10,000	5,369
Maintenance Supplies	1,000	1,000	57
Vehicle Supplies	500	500	-
Chemicals	13,000	13,000	12,256
Miscellaneous	1,500	1,500	467
Purchase Equipment	71,000	71,000	3,151
Purchase Vehicle	10,000	10,000	-
Data Processing Equipment	59,120	59,120	66
Water Meters	8,000	8,000	566
Total Sewer Operations	519,169	519,169	375,909

VILLAGE OF ELWOOD, ILLINOIS**Garbage - Enterprise Fund****Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended April 30, 2013**

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services	\$ 180,744	180,744	173,141
Operating Expenses			
Garbage Operations	177,658	177,658	173,592
Operating Income (Loss)	3,086	3,086	(451)
Nonoperating Revenue			
Interest Income	21	21	18
Change in Net Position	<u>3,107</u>	<u>3,107</u>	(433)
Net Position - Beginning			<u>22,343</u>
Net Position - Ending			<u>21,910</u>

VILLAGE OF ELWOOD, ILLINOIS

Garbage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended April 30, 2013

	<u>Budget</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Garbage Operations			
Garbage Collection	\$ 176,010	176,010	172,224
Printing/Binding	100	100	-
Postage	1,548	1,548	1,368
 Total Garbage Operations	 177,658	 177,658	 173,592

SUPPLEMENTAL SCHEDULES

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Bonds of 2005

April 30, 2013

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Sep. 1	Amount	Mar. 1	Amount
2014	\$ 125,000	281,860	406,860	2013	140,930	2014	140,930
2015	130,000	276,548	406,548	2014	138,274	2015	138,274
2016	540,000	271,022	811,022	2015	135,511	2016	135,511
2017	610,000	248,342	858,342	2016	124,171	2017	124,171
2018	685,000	222,722	907,722	2017	111,361	2018	111,361
2019	765,000	193,610	958,610	2018	96,805	2019	96,805
2020	850,000	160,714	1,010,714	2019	80,357	2020	80,357
2021	885,000	123,528	1,008,528	2020	61,764	2021	61,764
2022	925,000	84,588	1,009,588	2021	42,294	2022	42,294
2023	965,000	43,426	1,008,426	2022	21,713	2023	21,713
	<u>6,480,000</u>	<u>1,906,360</u>	<u>8,386,360</u>		<u>953,180</u>		<u>953,180</u>

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010A

April 30, 2013

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Sep. 1	Amount	Mar. 1	Amount
2014	\$ 165,000	162,048	327,048	2013	81,024	2014	81,024
2015	170,000	158,748	328,748	2014	79,374	2015	79,374
2016	175,000	154,498	329,498	2015	77,249	2016	77,249
2017	180,000	149,248	329,248	2016	74,624	2017	74,624
2018	185,000	143,398	328,398	2017	71,699	2018	71,699
2019	190,000	136,922	326,922	2018	68,461	2019	68,461
2020	200,000	130,034	330,034	2019	65,017	2020	65,017
2021	205,000	122,284	327,284	2020	61,142	2021	61,142
2022	215,000	114,085	329,085	2021	57,042	2022	57,043
2023	220,000	105,484	325,484	2022	52,742	2023	52,742
2024	230,000	96,134	326,134	2023	48,067	2024	48,067
2025	245,000	84,404	329,404	2024	42,202	2025	42,202
2026	255,000	71,910	326,910	2025	35,955	2026	35,955
2027	270,000	58,905	328,905	2026	29,452	2027	29,453
2028	280,000	45,136	325,136	2027	22,568	2028	22,568
2029	295,000	30,856	325,856	2028	15,428	2029	15,428
2030	310,000	15,810	325,810	2029	7,905	2030	7,905
	<u>3,790,000</u>	<u>1,779,904</u>	<u>5,569,904</u>		<u>889,951</u>		<u>889,953</u>

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010B
April 30, 2013

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

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

STATISTICAL SECTION (Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF ELWOOD, ILLINOIS

Net Position by Component - Last Nine Fiscal Years
April 30, 2013 (Unaudited)

See Following Page

VILLAGE OF ELWOOD, ILLINOIS

Net Position by Component - Last Nine Fiscal Years
April 30, 2013 (Unaudited)

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

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2005.

2008	2009	2010	2011	2012	2013
27,266,803	37,380,706	45,118,195	55,923,197	69,703,356	84,465,279
914,820	1,128,961	284,408	186,235	228,407	1,934,012
(54,549,541)	(68,569,077)	(85,744,242)	(104,473,877)	(127,256,105)	(153,828,222)
<u>(26,367,918)</u>	<u>(30,059,410)</u>	<u>(40,341,639)</u>	<u>(48,364,445)</u>	<u>(57,324,342)</u>	<u>(67,428,931)</u>
8,037,632	7,676,233	7,135,001	12,646,565	12,179,521	11,748,272
320,551	25,064	(379,412)	(3,299,779)	(3,652,969)	(4,124,143)
<u>8,358,183</u>	<u>7,701,297</u>	<u>6,755,589</u>	<u>9,346,786</u>	<u>8,526,552</u>	<u>7,624,129</u>
35,304,435	45,056,939	52,253,196	68,569,762	81,882,877	96,213,551
914,820	1,128,961	284,408	186,235	228,407	1,934,012
(54,228,990)	(68,544,013)	(86,123,654)	(107,773,656)	(130,909,074)	(157,952,365)
<u>(18,009,735)</u>	<u>(22,358,113)</u>	<u>(33,586,050)</u>	<u>(39,017,659)</u>	<u>(48,797,790)</u>	<u>(59,804,802)</u>

VILLAGE OF ELWOOD, ILLINOIS

Changes in Net Position - Last Nine Fiscal Years
April 30, 2013 (Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses									
Governmental Activities									
General Government	\$ 917,834	1,582,783	2,697,423	1,816,816	1,040,107	886,566	1,353,265	1,724,469	1,232,453
Public Safety	667,761	1,004,814	769,922	1,317,095	1,130,979	1,187,539	1,319,476	1,486,332	1,319,274
Public Works	416,868	2,938,655	655,478	3,222,603	4,246,091	4,259,360	4,089,740	4,384,492	4,329,154
Parks and Recreation	74,198	69,450	2,939,609	68,958	89,537	111,906	119,869	153,868	177,647
Interest on Long-Term Debt	11,703,839	13,134,085	14,065,749	14,751,436	15,374,640	15,857,579	16,205,986	16,653,441	16,415,928
Total Governmental Activities Expenses	13,780,500	18,729,787	21,128,181	21,176,908	21,881,354	22,302,950	23,088,336	24,402,602	23,474,456
Business-Type Activities									
Water and Sewer	1,453,781	1,715,996	1,708,927	1,413,463	1,617,887	1,631,487	1,369,765	1,679,573	1,665,068
Garbage	110,181	116,611	124,518	129,659	144,436	148,973	157,912	163,045	173,592
Total Business-Type Activities Net Position	1,563,962	1,832,607	1,833,445	1,543,122	1,762,323	1,780,460	1,527,677	1,842,618	1,838,660
Total Primary Government Expenses	15,344,462	20,562,394	22,961,626	22,720,030	23,643,677	24,083,410	24,616,013	26,245,220	25,313,116
Program Revenues									
Governmental Activities									
Charges for Services									
General Government	2,876,547	3,826,513	2,107,835	3,720,168	1,285,420	226,094	232,310	372,036	720,534
Public Safety	93,812	116,919	161,322	300,768	216,364	189,060	232,735	376,178	297,009
Parks and Recreation	33,884	16,658	42,451	36,267	17,683	20,643	15,989	15,946	17,522
Operating Grants/Contributions	50,837	46,550	87,161	45,157	42,666	39,638	48,018	60,760	61,304
Capital Grants/Contributions	167,369	50,000	50,000	50,000	1,456,400	50,000	2,148,100	125,829	51,118
Total Governmental Activities	3,222,449	4,056,640	2,448,769	4,152,360	3,018,533	525,435	2,677,152	950,749	1,147,487
Program Revenues									
Business-Type Activities									
Charges for Services									
Water and Sewer	528,246	726,974	384,692	451,651	937,735	663,993	728,649	748,583	855,098
Garbage	100,197	126,847	124,862	135,846	143,171	149,035	156,119	164,742	173,141
Operating Grants/Contributions	80,718	-	-	-	-	-	-	-	-
Capital Grants/Contributions	836,661	376,169	19,500	33,750	-	-	-	-	-
Total Business-Type Activities	1,545,822	1,229,990	529,054	621,247	1,080,906	813,028	884,768	913,325	1,028,239
Program Revenues									
Total Primary Government Program Revenues	4,768,271	5,286,630	2,977,823	4,773,607	4,099,439	1,338,463	3,561,920	1,864,074	2,175,726

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense) Revenue									
Governmental Activities	\$ (10,558,051)	(14,673,147)	(18,679,412)	(17,024,548)	(18,862,821)	(21,777,515)	(20,411,184)	(23,451,853)	(22,326,969)
Business-Type Activities	(18,140)	(602,617)	(1,304,391)	(921,875)	(681,417)	(967,432)	(642,909)	(929,293)	(810,421)
Total Primary Government									
Net Revenue (Expense)	(10,576,191)	(15,275,764)	(19,983,803)	(17,946,423)	(19,544,238)	(22,744,947)	(21,054,093)	(24,381,146)	(23,137,390)
General Revenues and Other Changes in Net Position									
Governmental Activities									
Taxes									
Property Taxes	3,285,888	4,139,633	5,714,095	7,038,909	9,107,792	8,653,494	8,951,766	9,018,234	8,952,040
Utility Taxes	252,181	310,122	339,502	443,077	349,027	413,237	351,564	340,097	566,718
Intergovernmental - Unrestricted									
Sales Taxes	196,516	297,821	1,365,439	396,246	396,915	369,746	361,917	1,348,180	232,728
Income Taxes	121,922	153,023	164,319	180,847	178,236	156,146	162,538	260,205	265,223
Reimbursements	-	-	299,142	691,190	2,489	203,596	298,808	1,035,179	12,500
Interest Income	125,688	224,495	338,629	627,199	126,453	63,691	38,357	31,975	24,058
Miscellaneous	51,434	144,129	73,513	976,274	2,117,261	1,635,376	2,223,428	2,509,604	1,947,315
Transfers	-	-	-	-	-	-	-	(51,518)	-
Total Governmental Activities	4,033,629	5,269,223	8,294,639	10,353,742	12,278,173	11,495,286	12,388,378	14,491,956	12,000,582
Business-Type Activities									
Investment Income	8,274	62,179	125,106	78,162	24,531	21,724	11,599	4,834	4,598
Miscellaneous	-	-	-	-	-	-	3,222,507	52,707	-
Transfers	-	-	-	-	-	-	-	51,518	-
Total Business-Type Activities	8,274	62,179	125,106	78,162	24,531	21,724	3,234,106	109,059	4,598
Total Primary Government	4,041,903	5,331,402	8,419,745	10,431,904	12,302,704	11,517,010	15,622,484	14,601,015	12,005,180
Changes in Net Position									
Governmental Activities	(6,524,422)	(9,403,924)	(10,384,773)	(6,670,806)	(6,584,648)	(10,282,229)	(8,022,806)	(8,959,897)	(10,326,387)
Business-Type Activities	(9,866)	(540,438)	(1,179,285)	(843,713)	(656,886)	(945,708)	2,591,197	(820,234)	(805,823)
Total Primary Government	(6,534,288)	(9,944,362)	(11,564,058)	(7,514,519)	(7,241,534)	(11,227,937)	(5,431,609)	(9,780,131)	(11,132,210)

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2005.

VILLAGE OF ELWOOD, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years
April 30, 2013 (Unaudited)

	2004	2005	2006	2007
General Fund				
Reserved	\$ 29,138	48,861	11,603	13,085
Unreserved	(874,035)	390,273	791,730	933,420
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	(844,897)	439,134	803,333	946,505
All Other Governmental Funds				
Reserved	486,202	1,567,930	1,109,592	469,639
Unreserved, Reported in:				
Special Revenues Funds	9,902,825	453,528	642,242	793,704
Debt Service Funds	-	-	-	-
Capital Projects Funds	2,720,973	2,265,998	11,754,489	4,891,853
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	13,110,000	4,287,456	13,506,323	6,155,196

Data Source: Village Records

The Village implemented GASB 54 in Fiscal Year 2012.

2008	2009	2010	2011	2012	2013
25,907	32,230	29,250	41,997	-	-
1,655,568	634,903	668,833	654,298	-	-
-	-	-	-	28,389	28,389
-	-	-	-	988,986	1,151,306
1,681,475	667,133	698,083	696,295	1,017,375	1,179,695
252,981	27,388	16,087	23,098	-	-
661,839	1,101,573	268,321	160,980	-	-
(556,859)	(1,380,598)	(4,766,321)	(9,585,412)	-	-
1,700,719	4,568,979	6,316,540	8,212,844	-	-
-	-	-	-	15,614	15,614
-	-	-	-	228,407	1,934,012
-	-	-	-	8,081,237	6,223,169
-	-	-	-	(16,204,676)	(25,177,776)
2,058,680	4,317,342	1,834,627	(1,188,490)	(7,879,418)	(17,004,981)

VILLAGE OF ELWOOD, ILLINOIS**General Governmental Revenues By Source - Last Ten Fiscal Years**
April 30, 2013 (Unaudited)

Source	2004	2005	2006	2007
Taxes	\$ 2,109,670	3,538,069	4,449,755	6,053,597
Intergovernmental	2,039,146	536,664	547,394	1,966,061
Charges for Services	63,483	2,737,438	2,802,384	2,071,685
Licenses and Permits	250,798	172,993	481,353	78,601
Fines and Forfeits	48,055	93,812	116,919	161,322
Interest Income	73,116	125,668	281,891	338,629
Miscellaneous	<u>11,498,555</u>	<u>51,434</u>	<u>646,167</u>	<u>73,513</u>
Total	<u>16,082,823</u>	<u>7,256,078</u>	<u>9,325,863</u>	<u>10,743,408</u>

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

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

Data Source: Village Records

2008	2009	2010	2011	2012	2013
7,481,986	9,456,819	9,066,731	9,303,330	9,358,331	9,518,758
1,363,440	670,306	819,126	3,019,381	2,830,153	1,022,873
3,557,534	1,181,861	216,820	221,043	234,758	288,647
198,901	121,242	29,917	27,256	153,224	49,409
300,768	216,364	189,060	232,735	376,178	297,009
627,199	126,453	63,691	38,357	31,975	24,058
976,274	2,117,261	1,635,376	2,223,428	2,509,604	1,947,315
14,506,102	13,890,306	12,020,721	15,065,530	15,494,223	13,148,069

VILLAGE OF ELWOOD, ILLINOIS

General Governmental Expenditures By Function - Last Ten Fiscal Years
April 30, 2013 (Unaudited)

Function	2004	2005	2006	2007
General Government	\$ 1,356,413	930,079	1,530,702	2,678,321
Public Safety	487,526	689,769	1,011,725	812,160
Public Works	710,042	424,632	500,530	556,032
Parks and Recreation	N/A	74,198	69,450	114,429
Capital Outlay	18,173,413	7,481,335	5,489,388	7,946,124
Debt Service				
Principal	-	2,282,662	3,732,507	5,544,850
Interest and Fiscal Charges	-	-	311,129	299,447
Total	20,727,394	11,882,675	12,645,431	17,951,363

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

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

Data Source: Village Records

N/A - Not Available

2008	2009	2010	2011	2012	2013
1,773,295	1,040,363	856,697	3,147,483	4,471,932	2,667,008
1,403,992	1,049,827	1,150,403	1,235,494	1,528,422	1,290,514
669,301	867,877	1,035,170	778,573	849,852	950,051
68,958	89,537	111,906	119,869	153,868	177,647
6,719,544	310,199	153,300	23,695	-	9,782
6,932,563	8,874,256	10,893,200	12,601,421	14,510,577	16,729,349
299,995	296,264	295,085	298,294	297,902	286,960
17,867,648	12,528,323	14,495,761	18,204,829	21,812,553	22,111,311

VILLAGE OF ELWOOD, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2013 (Unaudited)

	2004	2005	2006	2007
Revenues				
Taxes	\$ 2,109,670	3,538,069	4,449,755	6,053,597
Licenses and Permits	250,798	172,993	481,353	78,601
Intergovernmental	2,039,146	536,664	547,394	1,966,061
Charges for Services and Fees	63,483	2,737,438	2,802,384	2,071,685
Fines and Forfeits	48,055	93,812	116,919	161,322
Investment Income	73,116	125,668	281,891	338,629
Miscellaneous	11,498,555	51,434	646,167	73,513
Total Revenues	16,082,823	7,256,078	9,325,863	10,743,408
Expenditures				
General Government	1,356,413	930,079	1,530,702	2,678,321
Public Safety	487,526	689,769	1,011,725	812,160
Public Works	710,042	424,632	500,530	556,032
Parks and Recreation	N/A	74,198	69,450	114,429
Capital Outlay	18,173,413	7,481,335	5,489,388	7,946,124
Debt Service				
Principal	-	2,282,662	3,732,507	5,544,850
Interest and Fiscal Charges	-	-	311,129	299,447
Total Expenditures	20,727,394	11,882,675	12,645,431	17,951,363
Excess of Revenues Over (Under) Expenditures	(4,644,571)	(4,626,597)	(3,319,568)	(7,207,955)
Other Financing Sources (Uses)				
Debt Issuance	-	-	13,037,752	-
Discount on Debt Issuance	-	-	(135,118)	-
Transfers In	-	350,000	10,066,009	527,942
Transfers Out	-	(350,000)	(10,066,009)	(527,942)
Total Other Financing Sources (Uses)	-	-	12,902,634	-
Net Change in Fund Balances	(4,644,571)	(4,626,597)	9,583,066	(7,207,955)
Debt Service as a Percentage of Noncapital Expenditures	0.00%	51.86%	56.51%	58.41%

Data Source: Village Records

N/A - Not Available

2008	2009	2010	2011	2012	2013
7,481,986	9,456,819	9,066,731	9,303,330	9,358,331	9,518,758
198,901	121,242	29,917	27,256	153,224	49,409
1,363,440	670,306	819,126	3,019,381	2,830,153	1,022,873
3,557,534	1,181,861	216,820	221,043	234,758	288,647
300,768	216,364	189,060	232,735	376,178	297,009
627,199	126,453	63,691	38,357	31,975	24,058
976,274	2,117,261	1,635,376	2,223,428	2,509,604	1,947,315
<u>14,506,102</u>	<u>13,890,306</u>	<u>12,020,721</u>	<u>15,065,530</u>	<u>15,494,223</u>	<u>13,148,069</u>
1,773,295	1,040,363	856,697	3,147,483	4,471,932	2,667,008
1,403,992	1,049,827	1,150,403	1,235,494	1,528,422	1,290,514
669,301	867,877	1,035,170	778,573	849,852	950,051
68,958	89,537	111,906	119,869	153,868	177,647
6,719,544	310,199	153,300	23,695	-	9,782
6,932,563	8,874,256	10,893,200	12,601,421	14,510,577	16,729,349
299,995	296,264	295,085	298,294	297,902	286,960
<u>17,867,648</u>	<u>12,528,323</u>	<u>14,495,761</u>	<u>18,204,829</u>	<u>21,812,553</u>	<u>22,111,311</u>
<u>(3,361,546)</u>	<u>1,361,983</u>	<u>(2,475,040)</u>	<u>(3,139,299)</u>	<u>(6,318,330)</u>	<u>(8,963,242)</u>
-	-	23,275	114,394	-	-
-	-	-	-	-	-
2,174,844	1,362,006	716,723	331,472	845,393	582,819
(2,174,844)	(1,362,006)	(716,723)	(331,472)	(896,911)	(582,819)
-	-	23,275	114,394	(51,518)	-
<u>(3,361,546)</u>	<u>1,361,983</u>	<u>(2,451,765)</u>	<u>(3,024,905)</u>	<u>(6,369,848)</u>	<u>(8,963,242)</u>
69.50%	85.15%	79.23%	78.79%	78.32%	83.65%

VILLAGE OF ELWOOD, ILLINOIS**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years**
April 30, 2013 (Unaudited)

Tax Levy Year	Residential Property	Farm
2003	\$ 28,800,884	\$ 301,971
2004	31,578,434	290,977
2005	36,627,762	302,243
2006	40,384,258	201,714
2007	45,385,712	200,458
2008	51,007,924	218,002
2009	52,489,876	2,473,024
2010	51,797,707	2,475,304
2011	44,751,700	2,525,300
2012	40,262,651	2,400,666

Data Source: Will County Tax Extension Office

Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$ 794,834	\$ 7,749,771	\$ 37,647,460	\$ 39,999	\$ 37,687,459	0.120
965,549	7,994,121	40,829,081	45,108	40,874,189	0.116
988,941	7,309,053	45,227,999	42,489	45,270,488	0.209
1,046,857	7,345,882	48,978,711	42,357	49,021,068	0.202
1,114,810	7,665,210	54,366,190	46,519	54,412,709	0.270
1,326,952	7,665,739	60,218,617	50,873	60,269,490	0.256
1,364,724	7,211,230	63,538,854	61,305	63,600,159	0.255
1,466,163	7,211,230	62,950,404	76,688	63,027,092	0.266
2,642,962	6,477,723	56,397,685	81,499	56,479,184	0.312
2,640,159	6,396,455	51,699,931	92,216	51,792,147	0.357

VILLAGE OF ELWOOD, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2013 (Unaudited)

	2003	2004	2005	2006
Village of Elwood				
Corporate	0.120	0.116	0.209	0.202
Village of Elwood Road and Bridge	0.131	0.129	0.127	0.125
Forest Preserve	0.127	0.124	0.148	0.137
Will County Bldg Comm	0.045	0.042	0.012	0.013
Jackson Township Town Funds	0.090	0.089	0.088	0.086
Jackson Township Road Funds	0.161	0.159	0.157	0.154
Elwood Fire Protection District	0.465	0.507	0.561	0.618
School District 203	2.707	2.699	2.616	2.541
High School District 204	2.172	2.151	2.089	2.024
Community College District 525	0.211	0.214	0.209	0.194
Manhattan Public Library	0.155	0.170	0.178	0.170
Will County	0.537	0.529	0.526	0.503
 Total Tax Rate Per \$100 EAV	 6.919	 6.928	 6.920	 6.764
 Village's Share of Total Tax Rate	 1.83%	 1.67%	 3.02%	 2.98%

Data Source: Office of the Will County Clerk

2007	2008	2009	2010	2011	2012
0.270	0.256	0.255	0.266	0.312	0.357
0.118	0.117	0.105	0.114	0.115	0.127
0.142	0.145	0.152	0.157	0.169	0.186
0.012	0.019	0.019	0.020	0.020	0.021
0.082	0.081	0.073	0.078	0.079	0.087
0.146	0.145	0.130	0.140	0.142	0.157
0.666	0.507	0.494	0.515	0.502	0.588
2.429	2.370	2.234	2.311	2.536	2.832
1.957	1.887	1.897	2.056	2.228	2.486
0.190	0.190	0.214	0.227	0.246	0.277
0.161	0.160	0.156	0.164	0.178	0.196
0.483	0.475	0.483	0.508	0.535	0.570
6.655	6.349	6.213	6.555	7.063	7.883
4.06%	4.03%	4.10%	4.06%	4.41%	4.53%

VILLAGE OF ELWOOD, ILLINOIS

Principal Property Tax Payers - Current Year and Nine Years Ago
April 30, 2013 (Unaudited)

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Village	Taxable Assessed Value	Rank	Percentage of Total Village
Wal-Mart Stores	\$ 19,940,829	1	12.83%	\$ N/A	N/A	N/A
Wal-Mart Stores	18,721,971	2	12.05%	N/A	N/A	N/A
Georgia-Pacific LLC	10,340,565	3	6.66%	N/A	N/A	N/A
Liberty Property	10,017,534	4	6.45%	N/A	N/A	N/A
Centerpoint Intermodal LLC	8,701,870	5	5.60%	N/A	N/A	N/A
Centerpoint Intermodal LLC	7,220,830	6	4.65%	N/A	N/A	N/A
Centerpoint Intermodal LLC	6,867,350	7	4.42%	N/A	N/A	N/A
Elwood Energy	4,020,797	8	2.59%	N/A	N/A	N/A
Liberty Property	2,304,728	9	1.48%	N/A	N/A	N/A
Elwood Energy	2,161,175	10	1.39%	N/A	N/A	N/A
	<u>90,297,649</u>		<u>58.12%</u>	<u>N/A</u>		<u>N/A</u>

N/A - Not Available

Data Source: Office of the County Clerk of Will County

VILLAGE OF ELWOOD, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2013 (Unaudited)

Fiscal Year Ended April 30	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2002	\$ 45,112	\$ 45,107	99.99%	N/A	\$ 45,107	99.99%
2005*	2003	2,735,358	2,735,367	100.00%	N/A	2,735,367	100.00%
2006*	2004	3,323,658	3,323,760	100.00%	N/A	3,323,760	100.00%
2007*	2005	4,992,956	4,988,692	99.91%	N/A	4,988,692	99.91%
2008*	2006	6,195,253	6,195,382	100.00%	N/A	6,195,382	100.00%
2009*	2007	8,196,182	8,195,674	99.99%	N/A	8,195,674	99.99%
2010*	2008	7,857,670	7,856,706	99.99%	N/A	7,856,706	99.99%
2011*	2009	8,084,038	8,083,206	99.99%	N/A	8,083,206	99.99%
2012*	2010	8,084,588	8,083,594	99.99%	N/A	8,083,594	99.99%
2013	2011	8,023,307	8,017,406	99.93%	N/A	8,017,406	99.93%

N/A - Not Available

Data Source: Office of the County Clerk of Will County

* Includes incremental taxes for the Deer Run TIF Fund.

VILLAGE OF ELWOOD, ILLINOIS

Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
April 30, 2013 (Unaudited)

Fiscal Year Ended April 30	Governmental Activities		
	General Obligation Bonds	General Obligation Capital Appreciation	Capital Leases Payable
2004	\$ -	\$ -	\$ -
2005	-	-	-
2006	6,715,000	6,246,538	127,232
2007	6,715,000	6,422,136	103,333
2008	6,715,000	6,979,060	78,049
2009	6,715,000	7,376,930	51,297
2010	6,715,000	7,797,483	41,028
2011	6,715,000	8,242,011	77,925
2012	6,600,000	8,711,881	-
2013	6,480,000	9,208,539	-

Data Source: Village's Records

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

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

Tax Increment Notes Payable	Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Loans Payable				
\$ -	\$ -	\$ 14,500,000		\$ 14,500,000	39.88%	\$ 8,950.62
124,947,957	-	14,500,000		139,447,957	383.56%	86,078.99
133,803,629	-	14,500,000		161,392,399	443.92%	99,624.94
141,934,229	-	14,500,000		169,674,698	466.70%	104,737.47
148,811,979	-	14,500,000		177,084,088	487.08%	109,311.17
154,644,981	-	14,320,000		183,108,208	503.65%	113,029.76
158,927,266	-	14,320,000		187,800,777	516.56%	115,926.41
161,862,632	8,290,000	-		185,187,568	362.08%	81,258.26
163,196,005	8,290,000	-		186,797,886	244.27%	81,964.85
162,219,816	8,290,000	-		186,198,355	243.48%	81,701.78

VILLAGE OF ELWOOD, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2013 (Unaudited)

Fiscal Year Ended April 30	Gross General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2004	\$ -	\$ -	\$ -	0.00%	\$ -
2005	-	-	-	0.00%	-
2006	12,961,538	-	12,961,538	28.63%	8,000.95
2007	13,137,136	-	13,137,136	26.80%	8,109.34
2008	13,694,060	-	13,694,060	25.17%	8,453.12
2009	14,091,930	-	14,091,930	23.38%	8,698.72
2010	14,512,483	-	14,512,483	22.82%	8,958.32
2011	23,247,011	-	23,247,011	36.88%	10,200.53
2012	23,601,881	-	23,601,881	41.79%	10,356.24
2013	23,978,539	-	23,978,539	46.30%	10,521.52

Data Source: Village Records

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

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

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

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt
April 30, 2013 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Elwood	\$ 177,908,355	100.00%	\$ 177,908,355
Will County	158,215,000	7.60%	12,024,340
Forest Preserve	174,857,567	2.14%	3,741,952
School District 203	1,180,000	37.80%	446,040
High School District 204	87,855,000	30.19%	26,523,425
Community College District 525	157,660,000	3.02%	4,761,332
Subtotal	245,515,000		47,497,088
Totals	423,423,355		225,405,443

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

Data Source: Will County Clerk's Office

VILLAGE OF ELWOOD, ILLINOIS

Schedule of Legal Debt Margin

April 30, 2013 (Unaudited)

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

VILLAGE OF ELWOOD, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years April 30, 2013 (Unaudited)

Fiscal Year Ended April 30	Property Tax Revenues	Principal	Interest	Coverage
2004	\$ -	\$ -	\$ -	-
2005	-	-	-	-
2006	-	-	62,423	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-

Data Source: Village Records

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

VILLAGE OF ELWOOD, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2013 (Unaudited)

Fiscal Year Ended April 30	(1) Population	Personal Income (in Thousands)	(1) Per Capita Personal Income	(1) Median Age	(2) School Enrollment	(3) Unemployment Rate
2004	1,620	\$ 36,356	\$ 22,442	35	396	1.8
2005	1,620	36,356	22,442	35	421	1.8
2006	1,620	36,356	22,442	35	426	2.7
2007	1,620	36,356	22,442	35	433	3.0
2008	1,620	36,356	22,442	35	431	3.8
2009	1,620	36,356	22,442	35	430	6.5
2010	1,620	36,356	22,442	35	423	7.0
2011	2,279	51,145	22,442	35	423	7.0
2012	2,279	76,473	13,440	40	395	6.5
2013	2,279	76,473	13,440	40	379	5.7

Data Sources:

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

VILLAGE OF ELWOOD, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2013 (Unaudited)

Employer	2013			2004		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Schneider	1,792	1	55.43%	N/A	N/A	N/A
BNSF	801	2	24.78%	N/A	N/A	N/A
DCS Logistics	269	3	8.32%	N/A	N/A	N/A
Potlach	170	4	5.26%	N/A	N/A	N/A
Georgia Pacific	100	5	3.09%	N/A	N/A	N/A
Elwood School District	39	6	1.21%	N/A	N/A	N/A
Village of Elwood	34	7	1.05%	N/A	N/A	N/A
Yale Enforcement Services	28	8	0.87%	N/A	N/A	N/A
	<u><u>3,233</u></u>		<u><u>100.01%</u></u>	<u><u>N/A</u></u>		<u><u>N/A</u></u>

N/A - Not Available

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

VILLAGE OF ELWOOD, ILLINOIS

Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years April 30, 2013 (Unaudited)

Function	2004	2005	2006	2007
General Government				
Administration	3	2	2	3
Finance	2	2	2	2
Public Works	3	3	4	5
Police	5	5	6	7
Water and Sewer	1	1	1	1
Total	14	13	15	18

Data Source: Village Records

2008	2009	2010	2011	2012	2013
3	3	2	2	2	2
2	1	-	-	-	-
5	5	5	5	4	4
12	11	11	11	11	9
1	2	1	1	2	2
23	22	19	19	19	17

VILLAGE OF ELWOOD, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years April 30, 2013 (Unaudited)

Function/Program	2004	2005	2006	2007
Public Works				
Forestry				
Number of Parkway Trees Planted	80	50	131	163
Number of Parkway Trees Trimmed	0	10	100	-
Brush Pickup Program (Cubic Yds Collected)	60	65	80	50
Fleet Services				
Number of Vehicles Maintained	6	7	10	13
Preventative Maintenance Services	10	14	17	20
Public Safety				
Police				
Criminal	N/A	600	1,200	1,800
Quasi Criminal	N/A	1,520	1,249	499
Calls for Service	N/A	1,551	2,880	2,336
State Tickets Issued	N/A	678	1,149	1,632
Community Development				
Number of Building Permits Issued	54	26	17	26
Number of Building Inspections	162	78	51	78
Number of Food Service Inspections	N/A	N/A	N/A	N/A
Highways and Streets				
Sidewalk Replaced (Sq. Ft.)	30	150	-	-
Water and Sewer				
Water Main Breaks	3	2	-	-
Hydrants Flushed	284	355	536	549
Water Meters Read	755	768	790	830
Water Meter Service Requests	N/A	60	30	40
Water Meters Replaced	204	531	122	12
Total Distribution Pumpage (1,000 Gallons)	127,713	96,484	124,866	94,905
Average Daily Pumpage (1,000 Gallons)	287	253	254	350
Sanitary Sewer Televising (Feet)	N/A	N/A	N/A	17,000
Sanitary Sewer Repairs	N/A	N/A	N/A	1

N/A - Not Available

Data Source: Village Records

	2008	2009	2010	2011	2012	2013
163	30	30	11	84	37	
-	100	50	100	150	150	
60	70	70	82	82	82	
18	18	20	20	20	22	
50	60	80	16	112	118	
591	375	314	137	112	41	
556	1,234	591	116	116	77	
2,341	1,609	905	3,359	5,537	5,921	
3,900	2,792	1,105	1,130	1,095	2,274	
11	-	-	65	-	58	
33	-	-	56	-	83	
N/A	N/A	N/A	N/A	N/A	N/A	
-	100	120	210	150	14,544	
-	1	-	-	1	2	
549	549	549	700	700	700	
900	900	900	905	905	905	
192	192	25	8	22	1	
-	-	2	4	1	4	
91,389	87,096	90,468	87,677	81,030	72,437	
250	238	249	234	222	199	
-	-	-	-	12,913	-	
-	-	-	1	1	1	

VILLAGE OF ELWOOD, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2013 (Unaudited)

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	7	8	8	8	9	9	10	13	9	10
Fire Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (Miles)	41	41	47	47	50.7	50.7	50.7	50.7	50.7	50.7
Sidewalks (Miles)	13	14	15	15	15	15	15	15	15	16
Streetlights	40	48	165	165	165	165	165	165	165	165
Water and Sewer										
Water Mains (Miles)	25.54	26.19	26.60	26.60	26.60	26.60	28.00	28.00	28.00	28.00
Fire Hydrants	355	536	549	549	549	549	549	549	549	557
Sanitary Sewers (Miles)	19.67	20.45	20.89	20.89	20.89	20.89	22.00	22.00	22.00	22.00
Manholes	300	350	391	391	391	391	391	391	391	391

Data Source: Village Records