

# 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, 2012

**VILLAGE OF ELWOOD, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
APRIL 30, 2012**

Prepared by Finance Department:

Roberta Day  
Treasurer

# VILLAGE OF ELWOOD, ILLINOIS

## TABLE OF CONTENTS

---

	<b>PAGE</b>
<b><u>INTRODUCTORY SECTION</u></b>	
List of Principal Officials .....	i
Organization Chart.....	ii
Transmittal Letter .....	iii - vi
Certificate of Achievement for Excellence in Financial Reporting .....	vii
<b><u>FINANCIAL SECTION</u></b>	
<b>INDEPENDENT AUDITORS' REPORT .....</b>	<b>1 - 2</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS .....</b>	<b>MD&amp;A 1 - 16</b>
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government-Wide Financial Statements	
Statement of Net Assets.....	3 - 4
Statement of Activities .....	5 - 6
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	7 - 8
Reconciliation of Total Governmental Fund Balance to Net Assets 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 Assets – Proprietary Funds .....	13 - 14
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	15
Statement of Cash Flows – Proprietary Funds .....	16
Notes to the Financial Statements.....	17 - 45
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Funding Progress and Employer Contributions – Illinois Municipal Retirement Fund ....	46
Schedule of Funding Progress and Employer Contributions – Other Post-Employment Benefit Plan .....	47
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund .....	48

# VILLAGE OF ELWOOD, ILLINOIS

## TABLE OF CONTENTS

---

	PAGE
<b><u>FINANCIAL SECTION – Continued</u></b>	
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues – Budget and Actual – General Fund .....	49 - 50
Schedule of Expenditures – Budget and Actual – General Fund .....	51 - 54
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Deer Run Tax Increment Financing – Debt Service Fund.....	55
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Phase I Improvements – Capital Projects Fund.....	56
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Brandon/Noel Road Improvements – Capital Projects Fund .....	57
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Construction Bond – Capital Projects Fund.....	58
Combining Balance Sheet – Nonmajor Governmental Funds.....	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds .....	60
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Motor Fuel Tax – Special Revenue Fund .....	61
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Park – Special Revenue Fund .....	62
Schedule of Expenditures – Budget and Actual – Park – Special Revenue Fund .....	63
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Service Area – Special Revenue Fund.....	64
Schedule of Expenditures – Budget and Actual – Special Service Area – Special Revenue Fund.....	65
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Debt Service Fund .....	66
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Water and Sewer – Enterprise Fund .....	67
Schedule of Operating Revenues – Budget and Actual – Water and Sewer Fund .....	68
Schedule of Operating Expenses – Budget and Actual – Water and Sewer Fund .....	69 - 70
Schedules of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Garbage – Enterprise Fund .....	71
Schedule of Operating Expenses – Budget and Actual – Garbage – Enterprise Fund .....	72

# VILLAGE OF ELWOOD, ILLINOIS

## TABLE OF CONTENTS

### PAGE

### FINANCIAL SECTION – Continued

#### SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements	
General Obligation Bonds of 2005 .....	73
General Obligation Refunding Bonds of 2010A .....	74
General Obligation Refunding Bonds of 2010B .....	75

### STATISTICAL SECTION (Unaudited)

Net Assets by Component – Last Eight Fiscal Years .....	76 - 77
Changes in Net Assets – Last Eight Fiscal Years .....	78 - 79
Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	80 - 81
General Governmental Revenues by Source – Last Ten Fiscal Years .....	82 - 83
General Governmental Expenditures by Function – Last Ten Fiscal Years .....	84 - 85
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years .....	86 - 87
Assessed Value and Actual Value of Taxable Property – Last Ten Tax Levy Years .....	88 - 89
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years .....	90 - 91
Principal Property Tax Payers – Current Year and Nine Years Ago .....	92
Property Tax Levies and Collections – Last Ten Fiscal Years .....	93
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	94 - 95
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years .....	96
Schedule of Direct and Overlapping Bonded Debt .....	97
Schedule of Legal Debt Margin .....	98
Pledged-Revenue Coverage – Last Ten Fiscal Years .....	99
Demographic and Economic Statistics – Last Ten Fiscal Years .....	100
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago .....	101
Full-Time Equivalent Village Government Employees by Function – Last Ten Fiscal Years .....	102 - 103
Operating Indicators by Function/Program – Last Ten Fiscal Years .....	104 - 105
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years .....	106

## **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, 2012**

---

#### **VILLAGE PRESIDENT**

William Offerman – Mayor

#### **VILLAGE BOARD OF TRUSTEES**

Doug Jenco

Bud Jones

Don LaPaglia

Mary Matichak

George Ruban

Jasen Melahn

#### **VILLAGE CLERK**

Patricia Buchenau

#### **DEPARTMENT HEADS**

(Interim) Village Administrator

Village Treasurer

Chief of Police

Director of Public Works

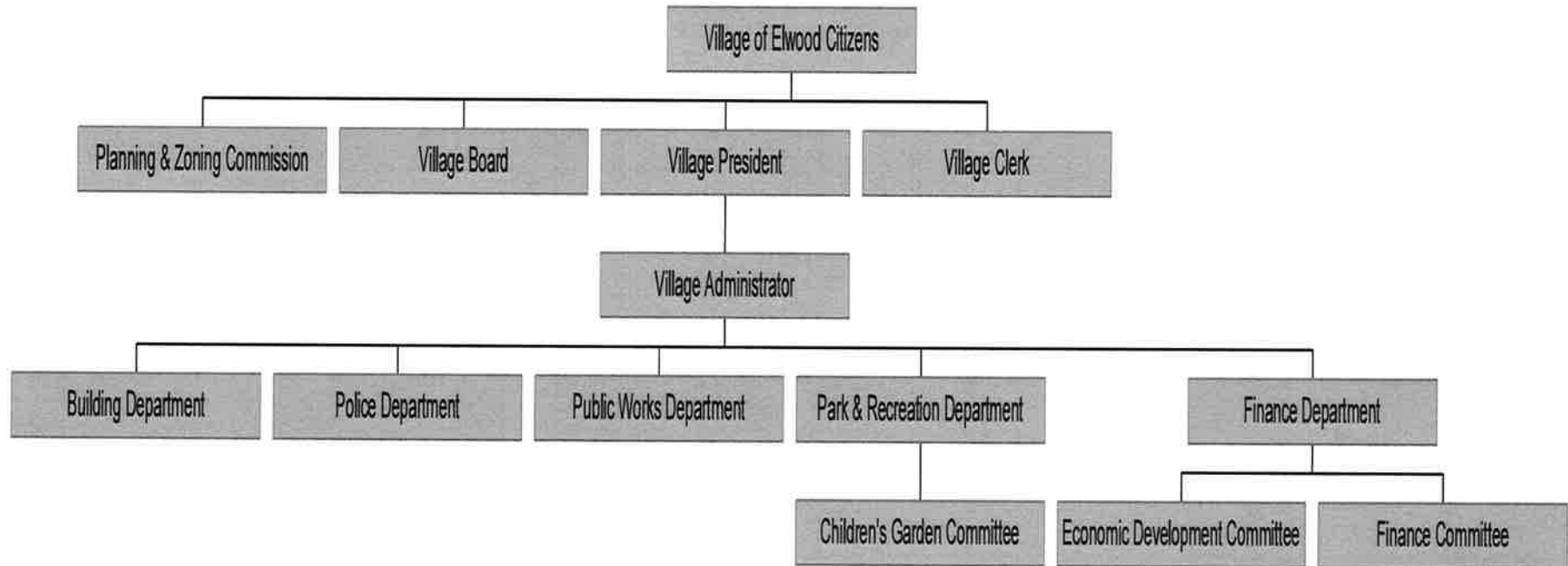
Nicholas Narducci

Roberta Day

Fred Hayes

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

November 11, 2012

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, 2012. 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 second largest inter-modal/ industrial park in the nation is located in a tax increment financing district within the Village's western border.

The estimated actual value of property in the Village has decreased by 10% for tax levy year 2011. The Village has experienced some of the reduction in EAV seen across the nation. Current projections anticipate a growth rate in 2012 of approximately 1.00% based on preliminary assessment information and construction in the intermodal/ industrial park outside the Tax Increment Financing District. From tax levy year 2002 to tax levy year 2011, the Village's EAV has increased 42%. There is property in the Village still to be developed, although the intermodal is almost 70% developed; future development will occur on a planned basis.

In FYE 2012, income tax revenue increased by \$97,667 or 60%. This compares to only a \$6,392 increase during the previous fiscal year. Utility tax provided approximately 11% of the total General Fund operating revenue in FYE 2012 as compared with 25% in FYE 2011. In addition the Village has seen a \$986,263 increase in sales tax due to internet sales conducted at the intermodal facility.

## **OTHER ECONOMIC CONDITIONS EXPECTED**

Housing developments as throughout the nation have stalled, however the Village has reported a \$123,954 increase in building permits for FYE 2012. In addition, warehouses continue to be developed both in and outside the intermodal facility.

Currently, unemployment in Will County (9.1%) is slightly lower than the state (9.3%), and slightly higher than the nation (8.3%) as of July 2012. However, the Village with a population of 2,239 has an additional 3,800 employees enter the intermodal on a daily basis to service the nearly 17,000 vehicles that do business in the facility. Within the Village employment has increased substantially with the additional internet sales facilities.

## **MAJOR INITIATIVES**

The Village has accomplished many major initiatives during FYE 2012. 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; \$850,000 park and pavilion construction; \$650,000 downtown street scape construction; completion of alley asphalt improvement program; various street asphalt overlay projects; handicapped accessibility project at Lloyd Erickson park.

## **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 forty-two years experience and a Commander with over thirty-three years experience in all facets of public safety operations. The change has shown an increase in activity, reduction in accident claims, highly trained force, and moving toward a certification program. All policies and procedures have been written and documented and all necessary training has been conducted along with an increase in necessary equipment.

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

## **FINANCIAL INFORMATION**

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

The Village's accounting records for governmental 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 2012 by \$321,080 or 46.1%. The fund balance is still well beyond the target of 25% (35% for FYE 2012) 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. The Village of Elwood first received the prestigious award in FY 2010 and again in FY 2011. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Village received this award for the past six years.


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

## **ACKNOWLEDGEMENTS**

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

# 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, 2011

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



*Linda C. Sandison*

President

*Jeffrey R. Enser*

Executive Director

## **FINANCIAL SECTION**

This section includes:

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



## **INDEPENDENT AUDITORS' REPORT**

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

## **INDEPENDENT AUDITORS' REPORT**

November 11, 2012

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, 2012, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Village of Elwood, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Elwood, Illinois as of April 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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



Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of Elwood, Illinois' financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us 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, 2012

---

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, 2012. 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 assets of \$1,241,345** for the governmental activities.
  - Total assets increased \$1,610,386. **The Village's cash and investment position increased \$540,426** and also reported an increase to the Village's capital assets of \$1,518,187.
  - Total liabilities increased \$369,041 due primarily to an increase in accounts payable at year end for capital projects in process and an increase in accrued interest payable.
  - The increase in liabilities was more than offset by the \$1,610,386 increase in assets, resulting in the overall \$1,241,345 increase to net assets for the governmental activities.
- Net assets for the business-type activities decreased \$820,234.
- **The General Fund reported an ending fund balance of \$1,017,375, which reflects a \$321,080, or 46 percent increase for the year.**

#### USING THIS ANNUAL REPORT

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

#### Government-Wide Financial Statements

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

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

## **VILLAGE OF ELWOOD, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2012**

---

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

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

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

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

##### **Fund Financial Statements**

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

##### **Governmental Funds**

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

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

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

# **VILLAGE OF ELWOOD, ILLINOIS**

## **Management's Discussion and Analysis**

**April 30, 2012**

---

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

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

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

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

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

##### **Proprietary Funds**

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

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

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 - 45 of this report.

##### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. employee pension obligation and other postemployment benefit obligation, as well as the budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 46 – 48 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on the pension. Combining and individual fund statements and schedules can be found on pages 49 - 72 of this report.

# VILLAGE OF ELWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2012

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

#### Government-Wide Activities Excluding TIF Activity

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

	Net Assets - Excluding TIF Related Activity					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 9,847,338	9,755,139	(1,064,659)	(997,233)	8,782,679	8,757,906
Capital Assets	31,696,794	30,178,607	20,428,275	20,906,937	52,125,069	51,085,544
Total Assets	41,544,132	39,933,746	19,363,616	19,909,704	60,907,748	59,843,450
Long-Term Debt Outstanding	15,235,979	14,927,253	10,162,215	10,300,791	25,398,194	25,228,044
Other Liabilities	921,847	861,532	674,849	262,127	1,596,696	1,123,659
Total Liabilities	16,157,826	15,788,785	10,837,064	10,562,918	26,994,890	26,351,703
Net Assets						
Invested in Capital Assets, Net of Debt	18,908,242	17,197,130	12,179,521	12,646,565	31,087,763	29,843,695
Restricted	228,407	186,235	-	-	228,407	186,235
Unrestricted (Deficit)	6,249,657	6,761,596	(3,652,969)	(3,299,779)	2,596,688	3,461,817
Total Net Assets	25,386,306	24,144,961	8,526,552	9,346,786	33,912,858	33,491,747

By far the largest portion of the Village of Elwood's net assets 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 investment in capital assets net of related debt increased \$1,244,068** primarily as a result of various capital improvements within the governmental activities primarily related to the Phase I and Phase II Village improvements.

# VILLAGE OF ELWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2012

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Government-Wide Activities Excluding TIF Activity – Continued

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

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

	<b>Changes in Net Assets - Excluding TIF Related Activity</b>					
	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 764,160	481,034	913,325	884,768	1,677,485	1,365,802
Operating Grants/Contrib.	60,760	48,018	-	-	60,760	48,018
Capital Grants/Contrib.	125,829	2,148,100	-	-	125,829	2,148,100
General Revenues						
Property Taxes	1,172,843	1,096,561	-	-	1,172,843	1,096,561
Utility Taxes	340,097	351,564	-	-	340,097	351,564
Sales Taxes	1,348,180	361,917	-	-	1,348,180	361,917
Income Taxes	260,205	162,538	-	-	260,205	162,538
Other General Revenues	2,486,274	2,552,607	109,059	3,234,106	2,595,333	5,786,713
Total Revenues	6,558,348	7,202,339	1,022,384	4,118,874	7,580,732	11,321,213
<b>Expenses:</b>						
General Government	1,573,679	1,194,907	-	-	1,573,679	1,194,907
Public Safety	1,486,332	1,319,476	-	-	1,486,332	1,319,476
Public Works	2,135,887	1,841,134	-	-	2,135,887	1,841,134
Parks and Recreation	153,868	119,869	-	-	153,868	119,869
Interest on Long-Term Debt	(32,763)	746,696	-	-	(32,763)	746,696
Water and Sewer	-	-	1,679,573	1,369,765	1,679,573	1,369,765
Garbage	-	-	163,045	157,912	163,045	157,912
Total Expenses	5,317,003	5,222,082	1,842,618	1,527,677	7,159,621	6,749,759
Change in Net Assets	1,241,345	1,980,257	(820,234)	2,591,197	421,111	4,571,454
Net Assets-Beginning	24,144,961	22,164,704	9,346,786	6,755,589	33,491,747	28,920,293
Net Assets-Ending	25,386,306	24,144,961	8,526,552	9,346,786	33,912,858	33,491,747



## VILLAGE OF ELWOOD, ILLINOIS

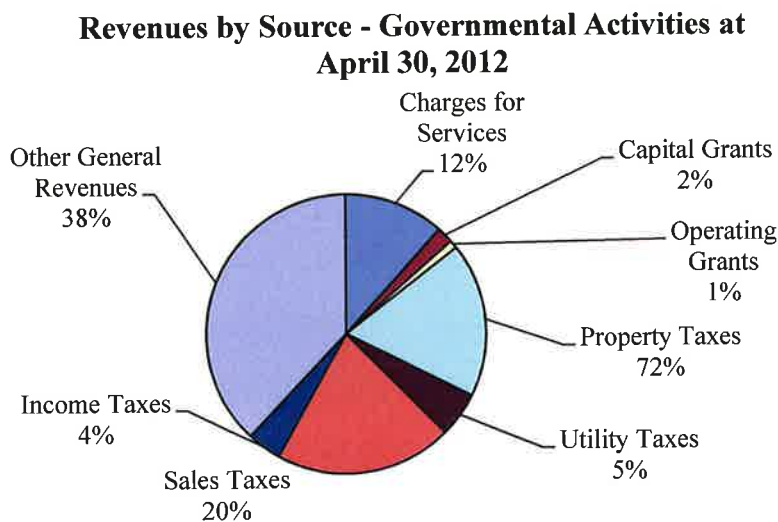
### Management's Discussion and Analysis April 30, 2012

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

##### Government-Wide Activities Excluding TIF Activity – Continued

In removing all TIF related activity from the entity-wide statements, including capital assets, long-term debt, TIF incremental property taxes, etc. the Village is able to analyze true operational net assets and changes in net assets. **Excluding the TIF activity, the Village reported an increase to governmental activities net assets of \$1,241,345** primarily as the result of capital improvements throughout the year from prior capital grant receipts. Furthermore, as reflected on the prior page, **the Village was able to report positive balances for all categories of net assets for the governmental activities for the years ended April 30, 2012 and April 30, 2011.**

Revenues for governmental activities were \$6.6 million for the year, with the largest portion of revenue coming from other general revenues (\$2.5 million). **Revenues for the year decreased \$3,740,481, which includes a decrease of \$643,991 for the governmental activities and \$3,096,490 for the business-type activities.** Revenues for the governmental activities decreased primarily from a one-time capital grant receipt of \$2,148,100 in 2011. This decrease was offset by a \$986,263 increase in sales taxes and a \$97,667 increase in income taxes. In 2011 the business-type activities reported an increase in the net assets of \$2,591,197 due to the extensive debt restructuring that took place during 2011. In the current year the decrease in net assets can be attributed to increased depreciation and interest costs. Total expenses for the year were \$7.2 million, reflecting a 6 percent increase over the prior year. The Village Board and management worked diligently during the year to maintain costs in light of the still recovering economy. **With the management of expenses, the Village was able to report a \$421,111 increase to total net assets for the year.** This is in comparison to an increase of \$4,571,454 in the prior year, again due primarily to the debt restructuring completed in 2011 for the business-type activities. The following chart shows the diversification of the Village's revenue sources for the year ended April 30, 2012:





# VILLAGE OF ELWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2012

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Government-Wide Activities Including TIF Activity

Net assets may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Elwood, liabilities exceeded assets by \$48.8 million due in large part to the current year accretion expense of \$16,120,895 on the capital appreciation bonds and total outstanding accretion of \$119,824,415. The following table represents the activity of the Village including all TIF related activity:

	Net Assets					
	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 20,670,514	20,480,299	(1,064,659)	(997,233)	19,605,855	19,483,066
Capital Assets	128,386,827	129,117,245	20,428,275	20,906,937	148,815,102	150,024,182
Total Assets	149,057,341	149,597,544	19,363,616	19,909,704	168,420,957	169,507,248
Long-Term Debt Outstanding	161,822,635	162,559,781	10,162,215	10,300,791	171,984,850	172,860,572
Other Liabilities	44,559,048	35,402,208	674,849	262,127	45,233,897	35,664,335
Total Liabilities	206,381,683	197,961,989	10,837,064	10,562,918	217,218,747	208,524,907
Net Assets						
Invested in Capital Assets,						
Net of Debt	69,703,356	55,923,197	12,179,521	12,646,565	81,882,877	68,569,762
Restricted	228,407	186,235	-	-	228,407	186,235
Unrestricted (Deficit)	(127,256,105)	(104,473,877)	(3,652,969)	(3,299,779)	(130,909,074)	(107,773,656)
Total Net Assets	(57,324,342)	(48,364,445)	8,526,552	9,346,786	(48,797,790)	(39,017,659)

By far the largest portion of the Village of Elwood's net assets reflects its investment in capital assets of \$81.9 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 \$13,313,115 as a result of debt retirements of \$14,524,508 on long-term debt, offset by \$2,904,352 in additions to capital assets and depreciation expense of \$3,634,770. Unrestricted net assets decreased \$23,135,418 due primarily to \$16,120,895 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, 2012

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Government-Wide Activities Including TIF Activity – Continued

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

	Changes in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 764,160	481,034	913,325	884,768	1,677,485	1,365,802
Operating Grants/Contrib.	60,760	48,018	-	-	60,760	48,018
Capital Grants/Contrib.	125,829	2,148,100	-	-	125,829	2,148,100
General Revenues						
Property Taxes	9,018,234	8,951,766	-	-	9,018,234	8,951,766
Utility Taxes	340,097	351,564	-	-	340,097	351,564
Sales Taxes	1,348,180	361,917	-	-	1,348,180	361,917
Income Taxes	260,205	162,538	-	-	260,205	162,538
Other General Revenues	3,525,240	2,560,593	109,059	3,234,106	3,634,299	5,794,699
Total Revenues	15,442,705	15,065,530	1,022,384	4,118,874	16,465,089	19,184,404
<b>Expenses:</b>						
General Government	1,724,469	1,353,265	-	-	1,724,469	1,353,265
Public Safety	1,486,332	1,319,476	-	-	1,486,332	1,319,476
Public Works	4,384,492	4,089,740	-	-	4,384,492	4,089,740
Parks and Recreation	153,868	119,869	-	-	153,868	119,869
Interest on Long-Term Debt	16,653,441	16,205,986	-	-	16,653,441	16,205,986
Water and Sewer	-	-	1,679,573	1,369,765	1,679,573	1,369,765
Garbage	-	-	163,045	157,912	163,045	157,912
Total Expenses	24,402,602	23,088,336	1,842,618	1,527,677	26,245,220	24,616,013
Change in Net Assets	(8,959,897)	(8,022,806)	(820,234)	2,591,197	(9,780,131)	(5,431,609)
Net Assets-Beginning	(48,364,445)	(40,341,639)	9,346,786	6,755,589	(39,017,659)	(33,586,050)
Net Assets-Ending	(57,324,342)	(48,364,445)	8,526,552	9,346,786	(48,797,790)	(39,017,659)

Net assets of the Village of Elwood's governmental activities decreased by \$8,959,897 (negative \$57.3 million compared to negative \$48.4 million). This deficit arose primarily due to the current year accretion on the Capital Appreciation Bonds outstanding amounting to \$16,120,895 and depreciation expense of \$3,634,770, which was offset by long-term debt retirements of \$14,510,577.

Net assets of business-type activities decreased by \$.8 million (\$8.5 million compared to \$9.3 million) due to depreciation of \$550,748 and interest costs. The Village of Elwood generally can only use these net assets to finance the continuing operations of the utility operations.

## VILLAGE OF ELWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2012

---

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

##### Government-Wide Activities Including TIF Activity – Continued

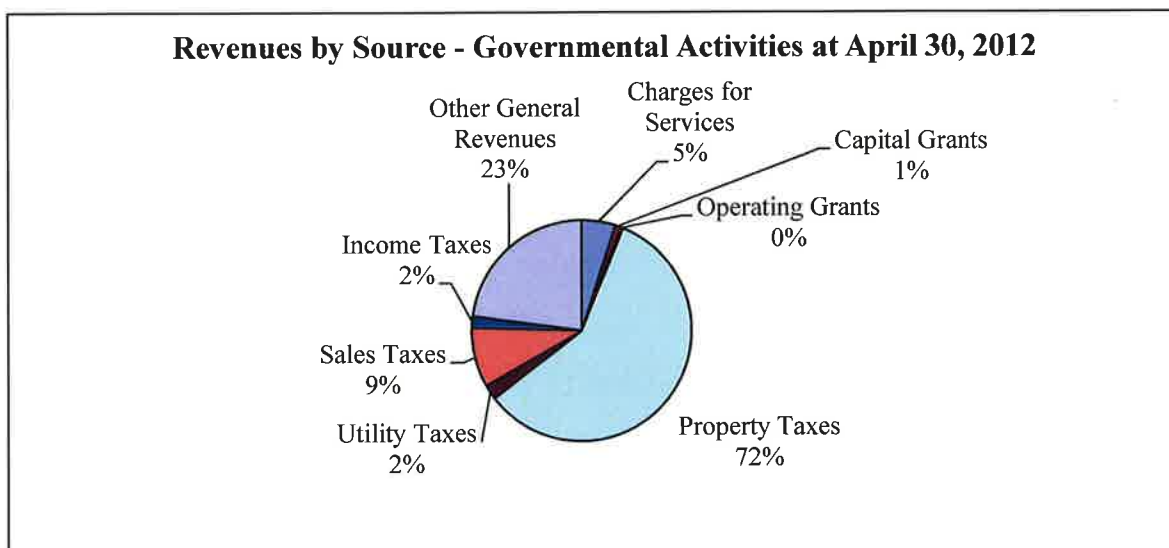
##### Governmental Activities

Revenues for governmental activities were \$15.4 million for the year, with the largest portion of revenue coming from property taxes (\$9.0 million), 87.8% of which is collected for retirement of the TIF bonds. Total expenses for the year were \$24.4 million with the largest portion coming from the interest expense on long-term (TIF) debt (\$16.7 million).

Revenues for the governmental activities increased \$377,175, or 2.5%. Major highlights of the changes in revenues include:

- Charges for services totaled \$764,160 at April 30, 2012, an increase of \$283,126.
- Capital grants/contributions decreased \$2,022,271 due to reimbursements received from IDOT for Mississippi and Chicago Streets in the prior year.
- Property taxes increased \$66,468, or .7%, due primarily to increased incremental taxes in the TIF District.
- Sales taxes increased \$986,263.
- Income taxes increased \$97,667.

Expenses for the governmental activities increased from the prior year. Total expenses in FY2011 were \$24,402,602, while expenses for FY2012 were \$23,088,336, reflecting a \$1,314,266 increase. General government expenses increased \$371,204 due to roadway improvements costs in the Capital Construction Bond Fund. Accretion (interest) costs also increased \$447,455.



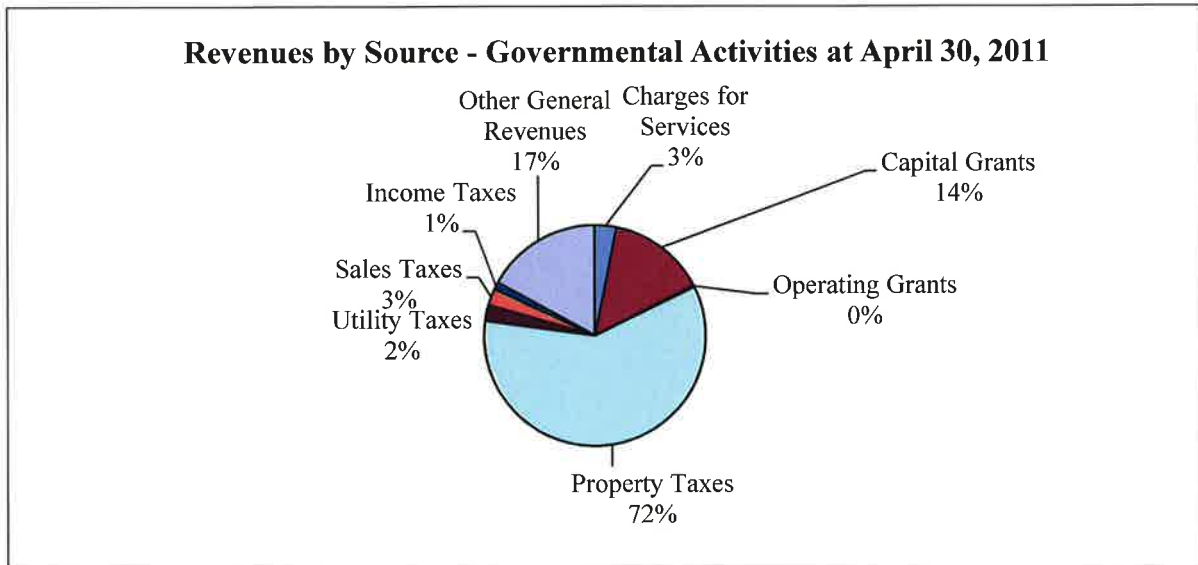
## VILLAGE OF ELWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2012

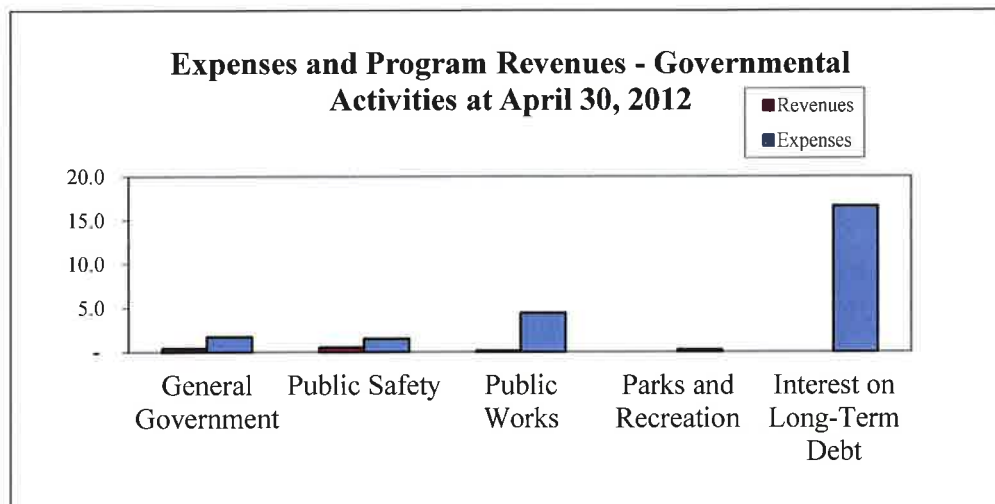
#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Government-Wide Activities Including TIF Activity – Continued

#### Governmental Activities – Continued



The 'Revenues by Source' Tables graphically depict the major revenue sources of the Village of Elwood for 2012 and 2011. 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 (9%). Under the Board's leadership and the cooperation of the industrial park, there continues to be an effort to develop and expand the TIF District and develop capital infrastructure improvements to assist in that effort. It is then anticipated that the Village will see significant increases in sales tax revenues and did see an increase of \$986,263 in 2012.



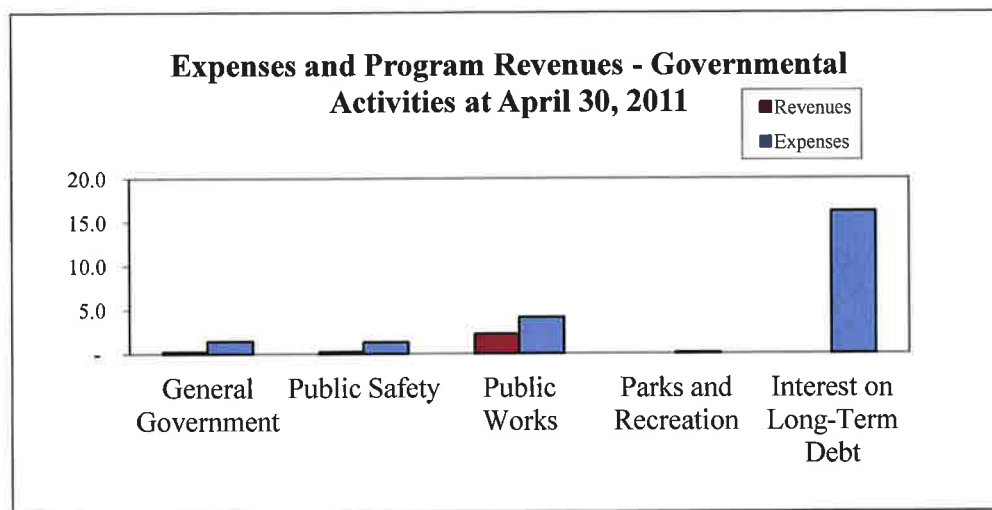
## VILLAGE OF ELWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2012

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Government-Wide Activities Including TIF Activity – Continued

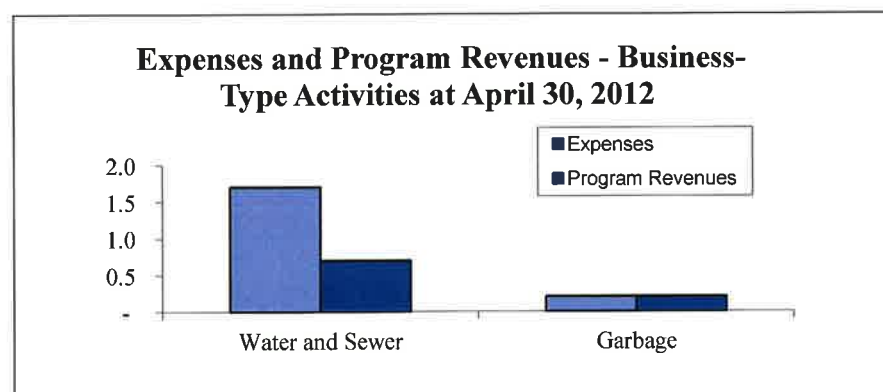
#### Governmental Activities – Continued



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

#### Business-Type Activities

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



## VILLAGE OF ELWOOD, ILLINOIS

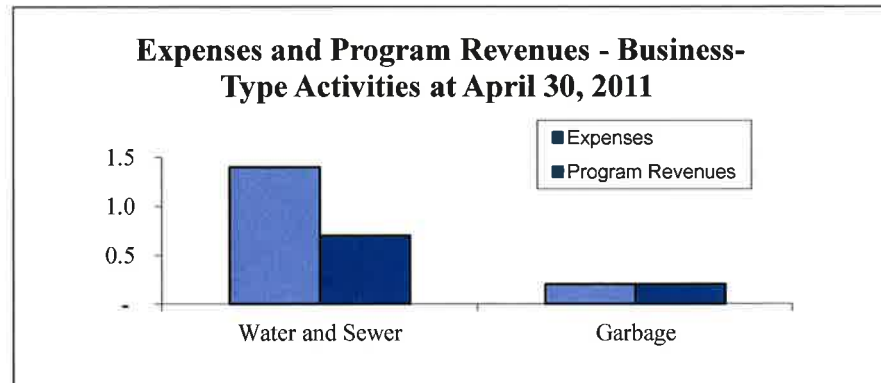
### Management's Discussion and Analysis April 30, 2012

---

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Government-Wide Activities Including TIF Activity – Continued

#### Business-Type Activities – Continued



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

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

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

##### Governmental Funds

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of a deficit of \$6,862,043, which is \$6,369,848 less than the prior year governmental fund balances deficit of \$492,195. **Excluding the Deer Run TIF Fund, the governmental funds would have reported a \$249,416 increase to fund balances.** A deficit of \$6,619,264 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 \$6,369,848. **The General Fund reported a total surplus of \$321,080, with a surplus of \$139,911 prior to a transfer in from the Capital Construction Bond Fund of \$181,169. The increase in sales tax and income tax revenues for the year coupled with cost controlling measures contributed to the overall increase of \$321,080 in fund balance.**

## **VILLAGE OF ELWOOD, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2012**

---

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

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

The Brandon/Noel Road Improvements Fund reported no expenditures in the current year and increased fund balance \$51,069 as a result of the \$50,000 collected for the annexation of the McDowell Energy Center property and \$1,069 in interest earnings. Revenues of \$3,511,823 in the Capital Construction Bond Fund, including reimbursements of \$1,016,429, exceeded expenditures of \$2,804,220 by \$707,603 prior to transfers to the General, Water and Sewer and nonmajor governmental funds of \$355,042.

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

- The Village spent \$2,804,220 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 Assets and as discussed in Note 3 to the financial statements.
- Motor fuel tax funds, provided by the State, can only be used to replace, maintain, or improve the Village's roads. This year \$49,946 was added to fund balance of \$136,970, resulting in ending fund balance of \$186,916 to be used for future projects in the Motor Fuel Tax Fund.

##### **Proprietary Funds**

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

The Village reports the Water and Sewer Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water and sewer system. Water is sold to all municipal customers at a flat rate of \$33.73 for first 2,000 gallons and \$5.96 per thousand gallons thereafter. The spread between purchase and sale rates is intended to finance the operations of the waterworks and sewerage system, including labor costs, supplies, and infrastructure maintenance.

The Village intends to run the fund at a breakeven rate, with a contribution from the developer of the industrial park. For the FY2012 the Water and Sewer Fund reported a deficit of \$821,951.

## VILLAGE OF ELWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2012

#### GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments made to the General Fund budget during the year. **The General Fund expenditures were \$1,196,671 higher than the budgeted amount of \$1,721,254**, due primarily to the general government function which was \$1,059,116 over budget for reimbursable sales tax payments.

The General Fund revenues were \$1,327,921 over the budgeted amount of \$1,729,915, due primarily to more than anticipated reimbursable revenues, police grants not budgeted for, and buildings permits that were \$133,124 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, 2012 was \$148.8 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 \$1,209,080, which was the result of \$2,976,438 in additions to capital assets offset by \$4,185,518 reported for depreciation expense.

	Capital Assets - Net of Accumulated Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 3,458,233	3,458,233	1,909,500	1,909,500	5,367,733	5,367,733
Buildings and Improvements	5,304,564	5,486,754	9,410,835	9,730,532	14,715,399	15,217,286
Machinery & Equipment	378,267	418,688	55,570	52,084	433,837	470,772
Infrastructure	119,245,763	119,753,570	9,052,370	9,214,821	128,298,133	128,968,391
Total	128,386,827	129,117,245	20,428,275	20,906,937	148,815,102	150,024,182

This year's major additions included:

Machinery and Equipment	\$ 89,158
Infrastructure	<u>2,887,280</u>
	<u>2,976,438</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, 2012

#### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

##### Debt Administration

At year-end, the Village had total outstanding bonded debt of \$186.8 million as compared to \$185.2 million the previous year, resulting in a \$1.6 million increase from the prior year. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Village Supported Debt						
Installment Contracts	\$ -	77,925	-	-	-	77,925
General Obligation Bonds	6,600,000	6,715,000	8,290,000	8,290,000	14,890,000	15,005,000
General Obligation Capital Appreciation Bonds	6,188,552	6,188,552	-	-	6,188,552	6,188,552
Accretion - General Obligation Capital Appreciation Bonds	2,523,329	2,053,459	-	-	2,523,329	2,053,459
Total Village Supported Debt	15,311,881	15,034,936	8,290,000	8,290,000	23,601,881	23,324,936
TIF Supported Debt						
TIF Notes Payable	45,894,919	60,212,571	-	-	45,894,919	60,212,571
Accretion - TIF Notes Payable	117,301,086	101,650,061	-	-	117,301,086	101,650,061
Total TIF Supported Debt	163,196,005	161,862,632	-	-	163,196,005	161,862,632
Total	178,507,886	176,897,568	8,290,000	8,290,000	186,797,886	185,187,568

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 - 37 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 2013 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 2013.

## **VILLAGE OF ELWOOD, ILLINOIS**

### **Management's Discussion and Analysis**

**April 30, 2012**

---

#### **REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

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

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

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

**VILLAGE OF ELWOOD, ILLINOIS**

**Statement of Net Assets**  
**April 30, 2012**

---

**See Following Page**

# VILLAGE OF ELWOOD, ILLINOIS

## Statement of Net Assets April 30, 2012

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 10,697,871	8,094	10,705,965
Receivables - Net	8,517,714	110,793	8,628,507
Due from Other Governments	78,572	-	78,572
Internal Balances	1,332,354	(1,332,354)	-
Prepays	44,003	17,740	61,743
Total Current Assets	20,670,514	(1,195,727)	19,474,787
Noncurrent Assets			
Capital Assets			
Nondepreciable	3,458,233	1,909,500	5,367,733
Depreciable	148,281,941	23,594,323	171,876,264
Accumulated Depreciation	(23,353,347)	(5,075,548)	(28,428,895)
	128,386,827	20,428,275	148,815,102
Other Assets			
Unamortized Bond Issue Costs	-	89,822	89,822
Unamortized Bond Discount	-	41,246	41,246
	-	131,068	131,068
Total Noncurrent Assets	128,386,827	20,559,343	148,946,170
Total Assets	149,057,341	19,363,616	168,420,957

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

	Governmental Activities	Business- Type Activities	Total
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	19,208,841	322,425	19,531,266
Deposits Payable	-	21,375	21,375
Accrued Interest Payable	287,159	331,034	618,193
Unearned/Deferred Revenues	8,323,716	-	8,323,716
Current Portion of Long-Term Debt	16,739,332	15	16,739,347
Total Current Liabilities	44,559,048	674,849	45,233,897
Noncurrent Liabilities			
Compensated Absences Payable	39,931	62	39,993
Net Other Post-Employment Benefit Payable	4,167	-	4,167
Unearned Tap-On Revenues	-	1,872,153	1,872,153
General Obligation Bonds Payable	6,480,000	8,290,000	14,770,000
General Obligation Capital Appreciation Bonds Payable	6,188,552	-	6,188,552
Accretion - General Obligation Capital Appreciation Bonds Payable	2,523,329	-	2,523,329
TIF Notes Payable	29,285,570	-	29,285,570
Accretion - TIF Notes Payable	117,301,086	-	117,301,086
Total Noncurrent Liabilities	161,822,635	10,162,215	171,984,850
Total Liabilities	206,381,683	10,837,064	217,218,747
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	69,703,356	12,179,521	81,882,877
Restricted - Highways and Streets	186,916	-	186,916
Restricted - Special Levies	41,491	-	41,491
Unrestricted	(127,256,105)	(3,652,969)	(130,909,074)
Total Net Assets	(57,324,342)	8,526,552	(48,797,790)

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

# VILLAGE OF ELWOOD, ILLINOIS

## Statement of Activities Year Ended April 30, 2012

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Primary Government				
Governmental Activities				
General Government	\$ 1,724,469	372,036	-	-
Public Safety	1,486,332	376,178	-	75,829
Public Works	4,384,492	-	60,760	50,000
Parks and Recreation	153,868	15,946	-	-
Interest on Long-Term Debt	16,653,441	-	-	-
Total Governmental Activities	24,402,602	764,160	60,760	125,829
Business-Type Activities				
Water and Sewer	1,679,573	748,583	-	-
Garbage	163,045	164,742	-	-
Total Business-Type Activities	1,842,618	913,325	-	-
	26,245,220	1,677,485	60,760	125,829

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

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
(1,352,433)	-	(1,352,433)
(1,034,325)	-	(1,034,325)
(4,273,732)	-	(4,273,732)
(137,922)	-	(137,922)
(16,653,441)	-	(16,653,441)
(23,451,853)	-	(23,451,853)
-	(930,990)	(930,990)
-	1,697	1,697
-	(929,293)	(929,293)
(23,451,853)	(929,293)	(24,381,146)
9,018,234	-	9,018,234
340,097	-	340,097
1,348,180	-	1,348,180
260,205	-	260,205
1,035,179	-	1,035,179
31,975	4,834	36,809
2,509,604	52,707	2,562,311
(51,518)	51,518	-
14,491,956	109,059	14,601,015
(8,959,897)	(820,234)	(9,780,131)
(48,364,445)	9,346,786	(39,017,659)
(57,324,342)	8,526,552	(48,797,790)

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



# VILLAGE OF ELWOOD, ILLINOIS

## Balance Sheet - Governmental Funds April 30, 2012

	General	Deer Run TIF	Phase I Improvements
<b>ASSETS</b>			
Cash and Investments	\$ 835,103	2,742,423	379,098
Receivables - Net of Allowances			
Property Taxes	242,963	8,080,753	-
Accounts	193,998	-	-
Due from Other Governments	74,147	-	-
Due from Other Funds	-	-	-
Prepays	28,389	-	-
Total Assets	1,374,600	10,823,176	379,098
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	114,262	18,947,099	-
Unearned/Deferred Revenues	242,963	8,080,753	-
Total Liabilities	357,225	27,027,852	-
Fund Balances			
Nonspendable	28,389	-	-
Restricted	-	-	-
Assigned	-	-	379,098
Unassigned	988,986	(16,204,676)	-
Total Fund Balances	1,017,375	(16,204,676)	379,098
Total Liabilities and Fund Balances	1,374,600	10,823,176	379,098

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
471,600	5,973,088	296,559	10,697,871
-	-	-	8,323,716
-	-	-	193,998
-	-	4,425	78,572
-	1,332,354	-	1,332,354
-	-	15,614	44,003
471,600	7,305,442	316,598	20,670,514
-	74,903	72,577	19,208,841
-	-	-	8,323,716
-	74,903	72,577	27,532,557
-	-	15,614	44,003
-	-	228,407	228,407
471,600	7,230,539	-	8,081,237
-	-	-	(15,215,690)
471,600	7,230,539	244,021	(6,862,043)
471,600	7,305,442	316,598	20,670,514

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

## VILLAGE OF ELWOOD, ILLINOIS

### Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities

April 30, 2012

---

<b>Total Governmental Fund Balances</b>	<b>\$ (6,862,043)</b>
---	-----------------------

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	128,386,827
---	-------------

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

Compensated Absences Payable	(49,914)
Net Other Post-Employment Benefit Obligation Payable	(4,167)
General Obligation Bonds Payable	(6,600,000)
General Obligation Capital Appreciation Bonds Payable	(6,188,552)
Accretion - General Obligation Capital Appreciation Bonds Payable	(2,523,329)
TIF Notes Payable	(45,894,919)
Accretion - TIF Notes Payable	(117,301,086)
Accrued Interest Payable	<u>(287,159)</u>

<b>Net Assets of Governmental Activities</b>	<b><u>(57,324,342)</u></b>
--	----------------------------

**VILLAGE OF ELWOOD, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
Year Ended April 30, 2012**

---

**See Following Page**

# VILLAGE OF ELWOOD, ILLINOIS

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Year Ended April 30, 2012

	General	Deer Run TIF	Phase I Improvements
<b>Revenues</b>			
Taxes	\$ 579,280	7,845,391	-
Intergovernmental	1,700,705	-	-
Charges for Services	218,812	-	-
Licenses and Permits	153,224	-	-
Fines and Forfeits	376,178	-	-
Interest Income	2,004	3,787	8,789
Miscellaneous	27,633	-	-
Total Revenues	3,057,836	7,849,178	8,789
<b>Expenditures</b>			
Current			
General Government	1,516,922	150,790	-
Public Safety	780,900	-	-
Public Works	587,048	-	-
Parks and Recreation	-	-	-
Debt Service			
Principal Retirement	30,775	14,317,652	-
Interest and Fiscal Charges	2,280	-	-
Total Expenditures	2,917,925	14,468,442	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	139,911	(6,619,264)	8,789
<b>Other Financing Sources (Uses)</b>			
Transfers In	181,169	-	-
Transfers Out	-	-	(541,869)
	181,169	-	(541,869)
Net Change in Fund Balances	321,080	(6,619,264)	(533,080)
Fund Balances - Beginning	696,295	(9,585,412)	912,178
Fund Balances - Ending	1,017,375	(16,204,676)	379,098

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
-	-	933,660	9,358,331
50,000	1,016,429	63,019	2,830,153
-	-	15,946	234,758
-	-	-	153,224
-	-	-	376,178
1,069	13,523	2,803	31,975
-	2,481,871	100	2,509,604
51,069	3,511,823	1,015,528	15,494,223
-	2,804,220	-	4,471,932
-	-	747,522	1,528,422
-	-	262,804	849,852
-	-	153,868	153,868
-	-	162,150	14,510,577
-	-	295,622	297,902
-	2,804,220	1,621,966	21,812,553
51,069	707,603	(606,438)	(6,318,330)
-	-	664,224	845,393
-	(355,042)	-	(896,911)
-	(355,042)	664,224	(51,518)
51,069	352,561	57,786	(6,369,848)
420,531	6,877,978	186,235	(492,195)
471,600	7,230,539	244,021	(6,862,043)

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, 2012

---

---

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (6,369,848)</b>
---	-----------------------

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

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

Capital Outlays	2,904,352
Depreciation Expense	(3,634,770)

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	(469,870)
Additions to Accretion - TIF Notes Payable	(15,651,025)
Retirement of Debt	14,510,577
Additions to Compensated Absences Payable	(13,181)
Additions to Net Other Postemployment Benefit Obligation Payable	(1,488)

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.

(234,644)
-----------

**Changes in Net Assets of Governmental Activities**

<u><u>(8,959,897)</u></u>
---------------------------

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

**VILLAGE OF ELWOOD, ILLINOIS**

**Statement of Net Assets - Proprietary Funds**  
**April 30, 2012**

---

**See Following Page**



# VILLAGE OF ELWOOD, ILLINOIS

## Statement of Net Assets - Proprietary Funds April 30, 2012

	Business-Type Activities - Enterprise		
	Water and Sewer	Nonmajor Garbage	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ -	8,094	8,094
Receivables - Net of Allowances Accounts	97,493	13,300	110,793
Prepays	3,312	14,428	17,740
Total Current Assets	100,805	35,822	136,627
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	1,909,500	-	1,909,500
Depreciable Capital Assets	23,594,323	-	23,594,323
Accumulated Depreciation	(5,075,548)	-	(5,075,548)
	20,428,275	-	20,428,275
Other Assets			
Unamortized Bond Issue Costs	89,822	-	89,822
Unamortized Bond Discount	41,246	-	41,246
	131,068	-	131,068
Total Noncurrent Assets	20,559,343	-	20,559,343
Total Assets	20,660,148	35,822	20,695,970

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

	Business-Type Activities - Enterprise		
	Water and Sewer	Nonmajor Garbage	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 308,946	13,479	322,425
Deposits Payable	21,375	-	21,375
Due to Other Funds	1,332,354	-	1,332,354
Accrued Interest Payable	331,034	-	331,034
Compensated Absences Payable	15	-	15
Total Current Liabilities	1,993,724	13,479	2,007,203
Long-Term Liabilities			
Compensated Absences Payable	62	-	62
Unearned Tap-On Revenues	1,872,153	-	1,872,153
General Obligation Bonds Payable	8,290,000	-	8,290,000
Total Long-Term Liabilities	10,162,215	-	10,162,215
Total Liabilities	12,155,939	13,479	12,169,418
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	12,179,521	-	12,179,521
Unrestricted	(3,675,312)	22,343	(3,652,969)
Total Net Assets	8,504,209	22,343	8,526,552

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

# VILLAGE OF ELWOOD, ILLINOIS

## Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds Year Ended April 30, 2012

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor Garbage	Totals
Operating Revenues			
Charges for Services	\$ 748,583	164,742	913,325
Operating Expenses			
Water Operations	355,756	-	355,756
Sewer Operations	415,932	-	415,932
Garbage Operations	-	163,045	163,045
Depreciation and Amortization	560,921	-	560,921
Total Operating Expenses	1,332,609	163,045	1,495,654
Operating Income (Loss)	(584,026)	1,697	(582,329)
Nonoperating Revenues (Expenses)			
Other Income	52,707	-	52,707
Interest Income	4,814	20	4,834
Interest and Fiscal Charges	(346,964)	-	(346,964)
	(289,443)	20	(289,423)
Income (Loss) Before Transfers	(873,469)	1,717	(871,752)
Transfers In	51,518	-	51,518
Change in Net Assets	(821,951)	1,717	(820,234)
Net Assets - Beginning	9,326,160	20,626	9,346,786
Net Assets - Ending	8,504,209	22,343	8,526,552

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, 2012

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Nonmajor Garbage	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 801,624	161,097	962,721
Payments to Employees	(85,536)	-	(85,536)
Payments to Suppliers	(339,439)	(162,502)	(501,941)
	<u>376,649</u>	<u>(1,405)</u>	<u>375,244</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	<u>51,518</u>	<u>-</u>	<u>51,518</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(72,086)	-	(72,086)
Gain on Debt Refunding	-	-	-
Principal Paid	(13,931)	-	(13,931)
Interest Paid	(346,964)	-	(346,964)
	<u>(432,981)</u>	<u>-</u>	<u>(432,981)</u>
Cash Flows from Investing Activities			
Interest Received	<u>4,814</u>	<u>20</u>	<u>4,834</u>
Net Change in Cash and Cash Equivalents	-	(1,385)	(1,385)
Cash and Cash Equivalents - Beginning	<u>-</u>	<u>9,479</u>	<u>9,479</u>
Cash and Cash Equivalents - Ending	<u>-</u>	<u>8,094</u>	<u>8,094</u>
Reconciliation of Operating Income to Net Cash			
Provided (Used) by Operating Activities			
Operating Income (Loss)	<u>(584,026)</u>	<u>1,697</u>	<u>(582,329)</u>
Adjustments to Reconcile Operating Income to			
Net Income to Net Cash			
Provided by (Used in) Operating Activities:			
Depreciation and Amortization Expense	560,921	-	560,921
Other Income	52,707	-	52,707
(Increase) Decrease in Current Assets	334	(3,645)	(3,311)
Increase (Decrease) in Current Liabilities	346,713	543	347,256
	<u>960,675</u>	<u>(3,102)</u>	<u>957,573</u>
Net Cash Provided by (Used in) Operating Activities	<u>376,649</u>	<u>(1,405)</u>	<u>375,244</u>

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

## **VILLAGE OF ELWOOD, ILLINOIS**

### **Notes to the Financial Statements April 30, 2012**

---

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

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

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

#### **REPORTING ENTITY**

The Village's financial reporting entity comprises the following:

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

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 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, 2012**

---

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

##### **BASIS OF PRESENTATION – Continued**

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

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

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

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

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

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

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

##### **Fund Financial Statements**

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into 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, 2012

---

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

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

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

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

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

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

##### Governmental Funds

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

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

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

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

## VILLAGE OF ELWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2012

---

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

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Governmental Funds – Continued

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

##### Proprietary Funds

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

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

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

##### Measurement Focus

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



## VILLAGE OF ELWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2012

---

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

##### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

###### Measurement Focus – Continued

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

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

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

###### Basis of Accounting

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

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

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

## **VILLAGE OF ELWOOD, ILLINOIS**

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

**April 30, 2012**

---

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

##### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

###### **Basis of Accounting – Continued**

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

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

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

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

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

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

###### **Interfund Receivables, Payables and Activity**

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

# **VILLAGE OF ELWOOD, ILLINOIS**

## **Notes to the Financial Statements**

**April 30, 2012**

---

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

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

##### **Prepays**

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

##### **Receivables**

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

##### **Capital Assets**

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

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

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

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

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

# **VILLAGE OF ELWOOD, ILLINOIS**

## **Notes to the Financial Statements**

**April 30, 2012**

---

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

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

##### **Compensated Absences**

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

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

##### **Long-Term Obligations**

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

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

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

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

## **VILLAGE OF ELWOOD, ILLINOIS**

### **Notes to the Financial Statements April 30, 2012**

---

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

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

##### **Fund Equity**

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

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

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

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

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

## VILLAGE OF ELWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2012

---

#### 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.

<u>Fund</u>	<u>Excess</u>
General	\$ 1,196,671
Special Service Area	76,321

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

##### DEFICIT FUND EQUITY

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

<u>Fund</u>	<u>Deficit</u>
Deer Run Tax Increment Financing	\$ 16,204,676

#### 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, 2012

---

#### 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 \$10,698,862 and the bank balances totaled \$10,716,918. Also at year-end, the Village has \$7,103 invested in the Illinois Funds.

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

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

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy states that at all times funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third party institution in the name of the municipality. At April 30, 2012, \$2,492,423 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, 2012, 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, 2012, the Village has no investments over 5 percent of the total cash and investment portfolio.

##### PROPERTY TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2012, 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, 2012 and September 1, 2012. The County collects such taxes and remits them periodically.

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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

#### CAPITAL ASSETS

##### Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 3,458,233	-	-	3,458,233
Depreciable Capital Assets				
Buildings and Improvements	6,304,765	-	-	6,304,765
Machinery and Equipment	1,328,670	72,324	-	1,400,994
Infrastructure	137,744,154	2,832,028	-	140,576,182
	145,377,589	2,904,352	-	148,281,941
Less Accumulated Depreciation				
Buildings and Improvements	818,011	182,190	-	1,000,201
Machinery and Equipment	909,982	112,745	-	1,022,727
Infrastructure	17,990,584	3,339,835	-	21,330,419
	19,718,577	3,634,770	-	23,353,347
Total Net Depreciable Capital Assets	125,659,012	(730,418)	-	124,928,594
Total Net Capital Assets	129,117,245	(730,418)	-	128,386,827

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 9,201
Public Safety	55,618
Public Works	3,569,951
	<u>3,634,770</u>



# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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

#### CAPITAL ASSETS – Continued

##### Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,909,500	-	-	1,909,500
Depreciable Capital Assets				
Buildings and Improvements	12,651,715	-	-	12,651,715
Machinery and Equipment	212,143	16,834	-	228,977
Infrastructure	10,658,379	55,252	-	10,713,631
	<u>23,522,237</u>	<u>72,086</u>	<u>-</u>	<u>23,594,323</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,921,183	319,697	-	3,240,880
Machinery and Equipment	160,059	13,348	-	173,407
Infrastructure	1,443,558	217,703	-	1,661,261
	<u>4,524,800</u>	<u>550,748</u>	<u>-</u>	<u>5,075,548</u>
Total Net Depreciable Capital Assets	<u>18,997,437</u>	<u>(478,662)</u>	<u>-</u>	<u>18,518,775</u>
Total Net Capital Assets	<u>20,906,937</u>	<u>(478,662)</u>	<u>-</u>	<u>20,428,275</u>

Depreciation expense was charged to business-type as follows:

Water and Sewer	<u>\$ 550,748</u>
-----------------	-------------------

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2012

### 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>\$ 1,332,354</u>

Interfund balances are advances in anticipation of receipts.

#### INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Capital Construction Bond	\$ 181,169
Nonmajor Governmental	Phase I Improvements	541,869
Nonmajor Governmental	Capital Construction Bond	122,355
Water and Sewer	Capital Construction Bond	<u>51,518</u>
		<u>896,911</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, 2012

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

#### LONG-TERM DEBT

##### Installment Contracts

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

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Vacuum Trailer Installment Contract of 2010 due in annual installments of \$10,472, including interest at 6.252% through April 30, 2014.	\$ 27,862	-	27,862	-
Ford Explorer Installment Contract (#8918800) of 2010 due in annual installments of \$6,269, including interest at 7.252% through August 3, 2013.	16,376	-	16,376	-
Ford Explorer Installment Contract (#8918802) of 2010 due in annual installments of \$7,282, including interest at 7.252% through August 3, 2013.	19,025	-	19,025	-
Ford Crown Victoria Installment Contract of 2010 due in annual installments of \$10,557, including interest at 6.602% through August 23, 2013.	28,593	-	28,593	-
	91,856	-	91,856	-

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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

#### LONG-TERM DEBT – Continued

##### General Obligation Bonds Payable

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

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.	\$ 6,715,000	-	115,000	6,600,000
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
	15,005,000	-	115,000	14,890,000

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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

#### LONG-TERM DEBT – Continued

##### General Obligation Capital Appreciation Bonds Payable

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

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

##### TIF Notes Payable

Tax increment financing notes currently outstanding are as follows:

<u>Issue</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
Tax Increment Financing Note of 2003.	\$ 60,212,571	-	14,317,652	45,894,919

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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

#### LONG-TERM DEBT – Continued

#### Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 36,733	26,362	13,181	49,914	9,983
Net Other Post-Employment Benefit Obligation Payable	2,679	1,488	-	4,167	-
Installment Contracts	77,925	-	77,925	-	-
General Obligation Bonds	6,715,000	-	115,000	6,600,000	120,000
General Obligation Capital Appreciation Bonds	6,188,552	-	-	6,188,552	-
Accretion - General Obligation Capital Appreciation Bonds	2,053,459	469,870	-	2,523,329	-
TIF Notes Payable	60,212,571	-	14,317,652	45,894,919	16,609,349
Accretion - TIF Notes Payable	101,650,061	15,651,025	-	117,301,086	-
	<u>176,936,980</u>	<u>16,148,745</u>	<u>14,523,758</u>	<u>178,561,967</u>	<u>16,739,332</u>
<b>Business-Type Activities</b>					
Compensated Absences	1,531	1,454	2,908	77	15
Installment Contracts	13,931	-	13,931	-	-
General Obligation Bonds	8,290,000	-	-	8,290,000	-
	<u>8,305,462</u>	<u>1,454</u>	<u>16,839</u>	<u>8,290,077</u>	<u>15</u>

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

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements

April 30, 2012

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

#### LONG-TERM DEBT – Continued

#### Debt Service Requirements to Maturity

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

Fiscal Year Ending April 30	Governmental Activities			
	General Obligation		General Obligation	Tax Increment
	Bonds		Capital Appreciation	Notes
	Principal	Interest	Bonds Principal/Accretion	Principal/Accretion
2013	\$ 120,000	286,960	(496,657)	976,189
2014	125,000	281,860	(524,971)	3,702,950
2015	130,000	276,548	(554,899)	6,266,556
2016	540,000	271,022	(586,534)	8,951,042
2017	610,000	248,342	(619,972)	11,507,249
2018	685,000	222,722	(655,316)	13,437,941
2019	765,000	193,610	(692,675)	15,546,339
2020	850,000	160,715	(732,164)	17,852,221
2021	885,000	123,528	(773,904)	20,465,946
2022	925,000	84,588	(818,023)	23,403,500
2023	965,000	43,425	(864,658)	26,600,961
2024	-	-	1,925,584	14,485,111
2025	-	-	2,037,571	-
2026	-	-	2,153,732	-
2027	-	-	2,276,514	-
2028	-	-	2,406,296	-
2029	-	-	2,543,477	-
2030	-	-	2,688,479	-
	6,600,000	2,193,320	8,711,881	163,196,005

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2012

### 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	
	Bonds	
	Principal	Interest
2013	\$ -	162,048
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	8,290,000	4,096,649

#### 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 \$175,000 remain outstanding as of the date of this report.



# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2012

### 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	Phase I Improvements	Brandon/Noel Road Improvements	Capital Construction Bond	Nonmajor	Total
Fund Balances							
Nonspendable	\$ 28,389	-	-	-	-	15,614	44,003
Restricted							
Motor Fuel Tax	-	-	-	-	-	186,916	186,916
Special Service Area	-	-	-	-	-	41,491	41,491
	-	-	-	-	-	228,407	228,407
Assigned							
Capital Projects	-	-	379,098	471,600	7,230,539	-	8,081,237
Unassigned	988,986	(16,204,676)	-	-	-	-	(15,215,690)
Total Fund Balances	1,017,375	(16,204,676)	379,098	471,600	7,230,539	244,021	(6,862,043)

The Village implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended April 30, 2012. In the governmental funds financial statements, the Village first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance.

## VILLAGE OF ELWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2012

---

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

##### FUND BALANCE CLASSIFICATIONS – Continued

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

**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 ASSETS CLASSIFICATIONS

Investment in capital assets – net of related debt, was comprised of the following as of April 30, 2012:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 128,386,827
Less Capital Related Debt:	
General Obligation Bonds of 2005	(6,600,000)
General Obligation Capital Appreciation Bonds of 2006	(6,188,552)
Tax Increment Financing Note Payable of 2003	<u>(45,894,919)</u>
Investment in Capital Assets - Net of Related Debt	<u>69,703,356</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 20,428,275
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>41,246</u>
Investment in Capital Assets - Net of Related Debt	<u>12,179,521</u>

## **VILLAGE OF ELWOOD, ILLINOIS**

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

**April 30, 2012**

---

#### **NOTE 4 – OTHER INFORMATION**

##### **RISK MANAGEMENT**

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

##### **CONTINGENT LIABILITIES**

###### **Litigation**

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

###### **Grants**

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

##### **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](http://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, 2012**

---

#### **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 and annual required contribution rate for calendar year 2011 was 10.15 percent.

##### **Funding Policy and Annual Pension Cost**

For April 30, 2012, the Village's annual pension cost of \$115,026 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2009 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, 2011 was 30 years.

# VILLAGE OF ELWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2012

---

### 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)	2010	\$ 99,018
	2011	98,163
	2012	115,026
Actual Contributions	2010	\$ 99,018
	2011	98,163
	2012	115,026
Percentage of APC Contributed	2010	100.00%
	2011	100.00%
	2012	100.00%
Net Pension Obligation	2010	N/A
	2011	N/A
	2012	N/A

## VILLAGE OF ELWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2012

---

#### 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	12/31/11
Percent Funded	94.55%
Actuarial Accrued Liability for Benefits	\$1,076,552
Actuarial Value of Assets	\$1,017,840
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$58,712)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$1,133,258
Ratio of UAAL to Covered Payroll	5.18%

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, 2012

### 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, 2012 the Village had no retirees participating in the plan. Active employees do not contributed to the plan until retirement.

At April 30, 2012, membership consisted of:

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

The Village does not currently have a funding policy.

## VILLAGE OF ELWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2012

---

#### 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, 2012, was calculated as follows:

Annual Required Contribution	\$ 1,421
Interest on the NOPEBO	134
Adjustment to the ARC	<u>(67)</u>
Annual OPEB Cost	1,488
Actual Contribution	<u>-</u>
Change in the NOPEBO	1,488
NOPEBO - Beginning of Year	<u>2,679</u>
NOPEBO - End of Year	<u><u>4,167</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
2010	\$ 1,306	\$ -	0.00%	\$ 1,306
2011	1,373	-	0.00%	2,679
2012	1,488	-	0.00%	4,167



## VILLAGE OF ELWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2012

---

#### NOTE 4 – OTHER INFORMATION – Continued

##### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Funded Status and Funding Progress

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

Actuarial Accrued Liability (AAL)	\$ 5,928
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	5,928
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	1,160,548
UAAL as a Percentage of Covered Payroll	0.51%

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

##### Actuarial Methods and Assumptions

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

In the April 30, 2010 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return, including a 3.0% inflation assumption and an initial annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2012, 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-Employment Benefit Plan
- Budgetary Comparison Schedule – General Fund

### **Notes to the Required Supplementary Information**

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

# VILLAGE OF ELWOOD, ILLINOIS

## Illinois Municipal Retirement Fund

### Required Supplementary Information Schedule of Funding Progress and Employer Contributions April 30, 2012

#### Schedule of Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2006	\$ 246,068	\$ 333,840	73.71%	\$ 87,772	\$ 597,115	14.70%
2007	360,720	512,234	70.42%	151,514	807,191	18.77%
2008	512,428	760,522	67.38%	248,094	1,066,502	23.26%
2009	595,478	856,838	69.50%	261,360	1,048,922	24.92%
2010	578,550	858,610	67.38%	280,060	987,555	28.36%
2011	1,017,840	1,076,552	94.55%	58,712	1,133,258	5.18%

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2007	\$ 58,398	\$ 58,398	100.00%
2008	73,535	73,535	100.00%
2009	98,865	98,865	100.00%
2010	99,018	99,018	100.00%
2011	98,163	98,163	100.00%
2012	115,026	115,026	100.00%

# VILLAGE OF ELWOOD, ILLINOIS

## Other Post-Employment Benefit Plan

### Required Supplementary Information Schedule of Funding Progress and Employer Contributions April 30, 2012

#### Schedule of Funding Progress

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2007	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	-	5,928	-	5,928	1,160,548	0.51%
2011	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

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2007	\$ N/A	\$ N/A	N/A
2008	N/A	N/A	N/A
2009	N/A	N/A	N/A
2010	-	1,306	0.00%
2011	-	1,341	0.00%
2012	-	1,421	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, 2012

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 565,007	565,007	579,280
Intergovernmental	560,940	560,940	1,700,705
Charges for Services	210,946	210,946	218,812
Licenses and Permits	10,725	10,725	153,224
Fines and Forfeits	350,250	350,250	376,178
Interest Income	4,300	4,300	2,004
Miscellaneous	27,747	27,747	27,633
Total Revenues	1,729,915	1,729,915	3,057,836
Expenditures			
General Government	457,806	457,806	1,516,922
Public Safety	654,522	654,522	780,900
Public Works	608,926	608,926	587,048
Debt Service			
Principal Retirement	-	-	30,775
Interest and Fiscal Charges	-	-	2,280
Total Expenditures	1,721,254	1,721,254	2,917,925
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,661	8,661	139,911
Other Financing Sources			
Transfers In	-	-	181,169
Net Change in Fund Balance	8,661	8,661	321,080
Fund Balance - Beginning			696,295
Fund Balance - Ending			1,017,375

## **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, 2012

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes	\$ 167,600	167,600	166,964
Personal Property Replacement Tax	720	720	980
Road and Bridge Tax	67,000	67,000	71,239
Utility Tax	329,687	329,687	340,097
	<u>565,007</u>	<u>565,007</u>	<u>579,280</u>
<b>Intergovernmental</b>			
Sales Tax	186,080	186,080	239,039
Home Rule Sales Tax	174,308	174,308	92,712
Income Tax	175,483	175,483	206,839
Local Use Tax	25,069	25,069	53,366
Reimbursable Revenue	-	-	1,032,276
Police Grants	-	-	75,829
	<u>560,940</u>	<u>560,940</u>	<u>1,700,061</u>
<b>Charges for Services</b>			
Center Point Administrative Fees	124,336	124,336	124,336
Engineering Fees	-	-	2,435
Professional Fees	-	-	2,700
Overweight Truck Fee	72,000	72,000	77,500
Cable Franchise Fees	7,110	7,110	7,670
Nicor Franchise Fees	7,500	7,500	4,171
	<u>210,946</u>	<u>210,946</u>	<u>218,812</u>
<b>Licenses and Permits</b>			
Building Permits	3,000	3,000	136,124
Liquor Licenses	3,550	3,550	3,550
Business Licenses	675	675	2,050
Contractor Registration	3,500	3,500	8,250
	<u>10,725</u>	<u>10,725</u>	<u>149,974</u>
<b>Fines and Forfeits</b>			
Police Fines	<u>350,250</u>	<u>350,250</u>	<u>376,178</u>

# VILLAGE OF ELWOOD, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual - Continued Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Interest Income	\$ 4,300	4,300	2,004
Miscellaneous			
Donations	100	100	-
Lease Agreement	22,647	22,647	23,244
Miscellaneous	5,000	5,000	4,389
	27,747	27,747	27,633
Total Revenues	1,729,915	1,729,915	3,053,942

# VILLAGE OF ELWOOD, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
General Government			
Administration			
Salaries	\$ 147,256	147,256	155,895
Administration Benefits	22,504	22,504	56,006
Employee Group Insurance	17,461	17,461	10,717
Audit	17,600	17,600	17,600
Engineering Services	-	-	13,509
Legal Services	50,000	50,000	82,253
Telephone	4,320	4,320	3,726
Electric/Heating	25,200	25,200	11,882
Travel and Meetings	2,000	2,000	2,106
Custodial Services	-	-	12,100
Insurance - Liability/Workers Compensation	18,403	18,403	16,301
Printing/Binding	5,800	5,800	4,131
Dues and Subscriptions	10,761	10,761	13,627
Office Equipment Maintenance	8,860	8,860	5,897
Office Supplies	11,000	11,000	12,073
Postage	6,500	6,500	3,312
Bank Charges	6,400	6,400	6,488
Donations	2,200	2,200	1,700
Miscellaneous	2,104	2,104	6,143
Equipment	5,628	5,628	12,053
Data Processing Equipment	5,500	5,500	5,027
Reimbursable Sales Tax	88,309	88,309	1,064,441
Total Administration	457,806	457,806	1,516,987
Total General Government	457,806	457,806	1,516,987

# VILLAGE OF ELWOOD, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Public Safety			
Police			
Salaries	\$ 370,950	370,950	381,608
Administration Benefits	67,845	67,845	154,265
Employee Group Insurance	109,698	109,698	44,555
Legal Services	5,000	5,000	2,168
Data Processing	400	400	-
Insurance - Liability/Workers Compensation	25,235	25,235	64,867
Printing/Binding	265	265	256
Dues and Subscriptions	400	400	20
Telephone	1,080	1,080	1,978
Office Equipment Maintenance	248	248	1,908
Radio Maintenance	400	400	176
Vehicle Maintenance	1,010	1,010	3,159
Training	499	499	342
Custodial Services	-	-	2,466
Medical Expenses	2,000	2,000	414
Animal Control	420	420	358
Rental	100	100	-
Office Supplies	800	800	1,287
Gas and Oil	4,200	4,200	4,669
Uniforms	3,640	3,640	1,473
Postage	320	320	153
Ammunition	2,200	2,200	1,705
Other Supplies	308	308	1,455
Agreements	8,272	8,272	7,636
Miscellaneous	530	530	115
Equipment	28,702	28,702	21,012
Vehicle	12,054	12,054	-
Data Processing Equipment	7,946	7,946	8,708
Homeland Security Grant	-	-	74,147
Total Public Safety	654,522	654,522	780,900

# VILLAGE OF ELWOOD, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Public Works			
Streets			
Salaries	\$ 154,088	154,088	162,800
Administration Benefits	28,217	28,217	53,111
Employee Group Insurance	47,570	47,570	14,587
Professional Services	3,000	3,000	751
Data Processing	-	-	505
Insurance	24,406	24,406	20,247
Uniforms	4,980	4,980	4,912
Street Cleaning	2,000	2,000	1,005
Landfill	4,000	4,000	2,110
Travel and Meetings	2,000	2,000	1,899
Tree Removal	15,000	15,000	17,450
Truck Inspections	250	250	-
Electric	38,000	38,000	41,687
Telephone	2,640	2,640	1,113
Heating	6,000	6,000	4,268
Equipment Rentals	11,000	11,000	3,920
Communication Repairs	200	200	236
Building Maintenance	60,000	60,000	41,353
Street Light Maintenance	25,000	25,000	25,203
Vehicle Maintenance	18,750	18,750	17,064
Mosquito Abatement	30,000	30,000	20,462
Office Supplies	2,000	2,000	2,181
Vehicle Supplies	11,250	11,250	8,886
Gas and Oil	11,250	11,250	11,116
Gravel	500	500	102
Asphalt and Sealer	1,000	1,000	772
Operating Supplies	13,000	13,000	13,543
Restoration Materials	2,500	2,500	1,276
Drainage Materials	1,500	1,500	418
Traffic Signs and Safety Materials	22,000	22,000	20,572
Small Tools and Equipment	7,500	7,500	5,835
Miscellaneous	1,500	1,500	23,466

## VILLAGE OF ELWOOD, ILLINOIS

### General Fund

#### Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Public Works - Continued			
Streets - Continued			
Equipment	\$ 29,325	29,325	21,756
Village Building Improvements	27,000	27,000	26,721
Data Processing Equipment	1,500	1,500	626
Total Public Works	608,926	608,926	571,953
Debt Service			
Principal Retirement	-	-	30,775
Interest and Fiscal Charges	-	-	2,280
	-	-	33,055
Total Expenditures	1,721,254	1,721,254	2,902,895

# VILLAGE OF ELWOOD, ILLINOIS

## Deer Run Tax Increment Financing - Debt Service Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	7,845,391
Interest Income	-	-	3,787
Total Revenues	-	-	7,849,178
Expenditures			
General Government			
Management Fees	-	-	150,790
Debt Service			
Principal Retirement	-	-	14,317,652
Total Expenditures	-	-	14,468,442
Net Change in Fund Balance	-	-	(6,619,264)
Fund Balance - Beginning			(9,585,412)
Fund Balance - Ending			(16,204,676)



## 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, 2012

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 2,173	2,173	8,789
Expenditures			
Capital Outlay	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,173	2,173	8,789
Other Financing (Uses)			
Transfers Out	(579,951)	(579,951)	(541,869)
Net Change in Fund Balance	<u>(577,778)</u>	<u>(577,778)</u>	(533,080)
Fund Balance - Beginning			<u>912,178</u>
Fund Balance - Ending			<u><u>379,098</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, 2012

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 50,000	50,000	50,000
Interest Income	1,051	1,051	1,069
Total Revenues	51,051	51,051	51,069
Expenditures			
Capital Outlay	450,000	450,000	-
Net Change in Fund Balance	(398,949)	(398,949)	51,069
Fund Balance - Beginning			420,531
Fund Balance - Ending			471,600

## 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, 2012

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Sales Tax	\$ -	-	508,459
Home Rule Sales Tax	-	-	507,970
Interest Income	12,803	12,803	13,523
Miscellaneous	1,400,000	1,400,000	2,481,871
Total Revenues	1,412,803	1,412,803	3,511,823
Expenditures			
General Government	3,095,666	3,095,666	2,804,220
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,682,863)	(1,682,863)	707,603
Other Financing (Uses)			
Transfers Out	-	-	(355,042)
Net Change in Fund Balance	(1,682,863)	(1,682,863)	352,561
Fund Balance - Beginning			6,877,978
Fund Balance - Ending			7,230,539

# VILLAGE OF ELWOOD, ILLINOIS

## Combining Balance Sheet

### Nonmajor Governmental Funds April 30, 2012

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Motor Fuel Tax	Park	Special Service Area	Debt Service	
<b>ASSETS</b>					
Cash and Investments	\$ 182,491	36,109	77,959	-	296,559
Due from Other Governments	4,425	-	-	-	4,425
Prepays	-	-	15,614	-	15,614
Total Assets	186,916	36,109	93,573	-	316,598
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	-	36,109	36,468	-	72,577
Fund Balances					
Nonspendable	-	-	15,614	-	15,614
Restricted	186,916	-	41,491	-	228,407
Total Fund Balances	186,916	-	57,105	-	244,021
Total Liabilities and Fund Balances	186,916	36,109	93,573	-	316,598

# VILLAGE OF ELWOOD, ILLINOIS

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

### Nonmajor Governmental Funds

Year Ended April 30, 2012

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Motor Fuel Tax	Park	Special Service Area	Debt Service	
<b>Revenues</b>					
Taxes	\$ -	-	933,660	-	933,660
Intergovernmental	63,019	-	-	-	63,019
Charges for Services	-	15,946	-	-	15,946
Interest Income	373	-	2,430	-	2,803
Miscellaneous	-	100	-	-	100
Total Revenues	63,392	16,046	936,090	-	1,015,528
<b>Expenditures</b>					
Public Safety	-	-	747,522	-	747,522
Public Works	13,446	-	249,358	-	262,804
Parks and Recreation	-	153,868	-	-	153,868
Debt Service					
Principal Retirement	-	-	47,150	115,000	162,150
Interest and Fiscal Charges	-	-	3,775	291,847	295,622
Total Expenditures	13,446	153,868	1,047,805	406,847	1,621,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,946	(137,822)	(111,715)	(406,847)	(606,438)
<b>Other Financing Sources</b>					
Transfer In	-	137,822	119,555	406,847	664,224
Net Change in Fund Balances	49,946	-	7,840	-	57,786
Fund Balances - Beginning	136,970	-	49,265	-	186,235
Fund Balances - Ending	186,916	-	57,105	-	244,021

# 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, 2012

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 58,342	58,342	60,760
Reimbursements	-	-	2,259
Interest Income	700	700	373
Total Revenues	59,042	59,042	63,392
Expenditures			
Public Works			
Contractual Services	30,000	30,000	13,446
Net Change in Fund Balance	29,042	29,042	49,946
Fund Balance - Beginning			136,970
Fund Balance - Ending			186,916

# VILLAGE OF ELWOOD, ILLINOIS

## Park - Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Event Fees	\$ 6,000	6,000	6,854
Rental Fees	1,000	1,000	950
Registration Fees	16,500	16,500	8,142
Interest Income	100	100	-
Miscellaneous			
Donations	2,000	2,000	100
Total Revenues	25,600	25,600	16,046
Expenditures			
Parks and Recreation	178,703	178,703	153,868
Excess (Deficiency) of Revenues Over (Under) Expenditures	(153,103)	(153,103)	(137,822)
Other Financing Sources			
Transfers In	143,084	143,084	137,822
Net Change in Fund Balance	(10,019)	(10,019)	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

## VILLAGE OF ELWOOD, ILLINOIS

### Park - Special Revenue Fund

#### Schedule of Expenditures - Budget and Actual Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Parks and Recreation			
Salaries	\$ 73,135	73,135	69,047
Administration Benefits	9,350	9,350	9,268
Employee Group Insurance	18	18	1,566
Repairs and Maintenance	10,000	10,000	1,937
Referees	3,000	3,000	750
Instructors	10,000	10,000	3,281
Postage	-	-	21
Advertising	-	-	155
Trees and Landscaping	2,500	2,500	2,165
Telephone	100	100	-
Herbicides	8,000	8,000	4,339
Equipment Maintenance	3,000	3,000	355
Vehicle Maintenance	1,500	1,500	90
Printing	500	500	-
Fuel	2,500	2,500	17
General Supplies	22,750	22,750	40,277
Small Tools	500	500	98
Miscellaneous	2,600	2,600	869
Events	4,200	4,200	4,679
Children's Garden	25,050	25,050	14,954
Total Expenditures	178,703	178,703	153,868



**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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 900,000	900,000	933,660
Interest Income	100	100	2,430
Total Revenues	900,100	900,100	936,090
Expenditures			
Public Safety	709,086	709,086	747,522
Public Works	247,719	247,719	249,358
Debt Service			
Principal Retirement	14,679	14,679	47,150
Interest and Fiscal Charges	-	-	3,775
Total Expenditures	971,484	971,484	1,047,805
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,384)	(71,384)	(111,715)
Other Financing Sources			
Transfer In	-	-	119,555
Net Change in Fund Balance	(71,384)	(71,384)	7,840
Fund Balance - Beginning			49,265
Fund Balance - Ending			57,105

**VILLAGE OF ELWOOD, ILLINOIS****Special Service Area - Special Revenue Fund****Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
Public Safety			
Salaries	\$ 341,385	341,385	330,196
Benefits	91,273	91,273	170,445
Training	4,721	4,721	3,999
Uniforms	7,860	7,860	6,866
Insurance	87,841	87,841	49,152
Automotive	46,890	46,890	69,347
Supplies and Materials	38,000	38,000	8,652
Agreements	74,448	74,448	68,203
Miscellaneous Expense	750	750	172
Purchase Equipment	4,000	4,000	22,021
Data Processing Equipment	11,918	11,918	18,469
Total Public Safety	709,086	709,086	747,522
Public Works			
Salaries	43,170	43,170	49,429
Benefits	22,456	22,456	23,585
Uniforms	1,300	1,300	1,266
Snow Removal	7,500	7,500	-
Vehicle Maintenance	7,750	7,750	5,018
Equipment Maintenance	10,500	10,500	7,449
Administrative/Legal	128,543	128,543	146,041
Retention Pond Maintenance	18,000	18,000	11,446
Roadway Maintenance	6,000	6,000	3,014
Landfill	2,500	2,500	2,110
Total Public Works	247,719	247,719	249,358
Debt Service			
Principal Retirement	14,679	14,679	47,150
Interest and Fiscal Charges	-	-	3,775
Total Debt Service	14,679	14,679	50,925
Total Expenditures	971,484	971,484	1,047,805

# VILLAGE OF ELWOOD, ILLINOIS

## Debt Service Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	-
Expenditures			
Debt Service			
Principal Retirement	115,000	115,000	115,000
Interest and Fiscal Charges	453,896	453,896	291,847
Total Expenditures	568,896	568,896	406,847
Excess (Deficiency) of Revenues Over (Under) Expenditures	(568,896)	(568,896)	(406,847)
Other Financing Sources			
Transfers In	568,896	568,896	406,847
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

# VILLAGE OF ELWOOD, ILLINOIS

## Water and Sewer - Enterprise Fund

### Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 839,887	839,887	748,583
Operating Expenses			
Water Operations	351,381	351,381	355,756
Sewer Operations	474,937	474,937	415,932
Depreciation and Amortization	-	-	560,921
Total Operating Expenses	826,318	826,318	1,332,609
Operating Income (Loss)	13,569	13,569	(584,026)
Nonoperating Revenues (Expenses)			
Other Income	-	-	52,707
Interest Income	15,860	15,860	4,814
Interest and Fiscal Charges	-	-	(346,964)
	15,860	15,860	(289,443)
Income (Loss) Before Transfers	29,429	29,429	(873,469)
Transfers In	-	-	51,518
Transfers Out	(162,048)	(162,048)	-
	(162,048)	(162,048)	51,518
Change in Net Assets	(132,619)	(132,619)	(821,951)
Net Assets - Beginning			9,326,160
Net Assets - Ending			8,504,209

**VILLAGE OF ELWOOD, ILLINOIS**

**Water and Sewer - Enterprise Fund**

**Schedule of Operating Revenues - Budget and Actual  
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
Charges for Services			
Water Charges	\$ 399,214	399,214	400,848
Sewer Charges	334,673	334,673	333,104
Meter Sales	-	-	645
Miscellaneous	106,000	106,000	13,986
Total Operating Revenues	839,887	839,887	748,583

# **VILLAGE OF ELWOOD, ILLINOIS**

## **Water and Sewer - Enterprise Fund**

### **Schedule of Operating Expenses - Budget and Actual Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
Water Operations			
Salaries	\$ 82,152	82,152	53,759
Administration Benefits	9,827	9,827	39,765
Employee Group Insurance	20,447	20,447	13,532
Insurance - Liability/Workers Compensation	2,918	2,918	5,905
Audit	2,700	2,700	3,025
Engineering Services	1,000	1,000	3,500
Data Processing	250	250	126
Legal Services	250	250	-
Plant Operator Fee	65,630	65,630	91,124
Telephone	3,000	3,000	3,443
Electric	72,000	72,000	76,969
Heating	4,500	4,500	659
Printing/Binding	250	250	875
Dues and Subscriptions	4,000	4,000	2,446
Equipment Rental	1,000	1,000	-
Building Maintenance	12,000	12,000	11,956
Equipment Maintenance	5,000	5,000	6,933
System Maintenance	9,500	9,500	15,292
Vehicle Maintenance	1,000	1,000	1,000
Operational Supplies	5,000	5,000	4,759
Gas and Oil	750	750	-
Small Tools/Equipment	2,000	2,000	138
Postage	1,832	1,832	1,440
Water Supplies	2,000	2,000	795
Maintenance Supplies	750	750	447
Vehicle Supplies	1,000	1,000	1,000
Chemicals	16,000	16,000	12,002
Restoration Materials	500	500	394
Miscellaneous	2,000	2,000	40
Purchase Equipment	14,125	14,125	589
Water Meters	5,000	5,000	3,843
Data Processing Equipment	3,000	3,000	-
Total Water Operations	351,381	351,381	355,756

## VILLAGE OF ELWOOD, ILLINOIS

### Water and Sewer - Enterprise Fund

#### Schedule of Operating Expenses - Budget and Actual - Continued Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Sewer Operations			
Salaries	\$ 40,937	40,937	31,777
Administration Benefits	5,419	5,419	18,275
Employee Group Insurance	7,631	7,631	9,363
Insurance - Liability/Workers Compensation	2,913	2,913	3,080
Audit	2,700	2,700	3,025
Engineering Services	-	-	3,500
Data Processing	750	750	273
Legal Services	350	350	-
Plant Operator Fee	135,630	135,630	91,124
Telephone	2,400	2,400	2,549
Electric/Heating	52,800	52,800	59,056
Printing/Binding	500	500	347
Dues and Subscriptions	18,000	18,000	12,063
Equipment Rental	1,000	1,000	-
Building Maintenance	19,500	19,500	20,644
Equipment Maintenance	2,000	2,000	7,983
System Maintenance	41,000	41,000	52,179
Vehicle Maintenance	1,000	1,000	62
Operational Supplies	5,000	5,000	4,722
Gas and Oil	750	750	171
Small Tools and Equipment	1,000	1,000	226
Postage	1,832	1,832	1,440
Sewer Supplies	10,000	10,000	6,312
Maintenance Supplies	1,000	1,000	566
Vehicle Supplies	500	500	-
Chemicals	13,000	13,000	9,782
Miscellaneous	48,500	48,500	55,022
Purchase Equipment	58,325	58,325	22,391
Data Processing Equipment	500	500	-
Total Sewer Operations	474,937	474,937	415,932

## VILLAGE OF ELWOOD, ILLINOIS

### Garbage - Enterprise Fund

#### Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 170,850	170,850	164,742
Operating Expenses			
Garbage Operations	170,950	170,950	163,045
Operating Income (Loss)	(100)	(100)	1,697
Nonoperating Revenue			
Interest Income	100	100	20
Change in Net Assets	-	-	1,717
Net Assets - Beginning			20,626
Net Assets - Ending			22,343



**VILLAGE OF ELWOOD, ILLINOIS**

**Garbage - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
Garbage Operations			
Garbage Collection	\$ 168,972	168,972	161,577
Printing/Binding	350	350	28
Miscellaneous	100	100	-
Postage	1,528	1,528	1,440
Total Garbage Operations	170,950	170,950	163,045

## **SUPPLEMENTAL SCHEDULES**

# VILLAGE OF ELWOOD, ILLINOIS

## Schedule of Long-Term Debt Requirements

### General Obligation Bonds of 2005

April 30, 2012

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 FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Sep. 1	Amount	Mar. 1	Amount
2013	\$ 120,000	286,960	406,960	2012	143,480	2013	143,480
2014	125,000	281,860	406,860	2013	140,930	2014	140,930
2015	130,000	276,548	406,548	2014	138,274	2015	138,274
2016	540,000	271,022	811,022	2015	135,511	2016	135,511
2017	610,000	248,342	858,342	2016	124,171	2017	124,171
2018	685,000	222,722	907,722	2017	111,361	2018	111,361
2019	765,000	193,610	958,610	2018	96,805	2019	96,805
2020	850,000	160,714	1,010,714	2019	80,357	2020	80,357
2021	885,000	123,528	1,008,528	2020	61,764	2021	61,764
2022	925,000	84,588	1,009,588	2021	42,294	2022	42,294
2023	965,000	43,426	1,008,426	2022	21,713	2023	21,713
	<u>6,600,000</u>	<u>2,193,320</u>	<u>8,793,320</u>		<u>1,096,660</u>		<u>1,096,660</u>

# VILLAGE OF ELWOOD, ILLINOIS

## Schedule of Long-Term Debt Requirements

### General Obligation Refunding Bonds of 2010A

April 30, 2012

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

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Sep. 1	Amount	Mar. 1	Amount
2013	\$ -	162,048	162,048	2012	81,024	2013	81,024
2014	165,000	162,048	327,048	2013	81,024	2014	81,024
2015	170,000	158,748	328,748	2014	79,374	2015	79,374
2016	175,000	154,498	329,498	2015	77,249	2016	77,249
2017	180,000	149,248	329,248	2016	74,624	2017	74,624
2018	185,000	143,398	328,398	2017	71,699	2018	71,699
2019	190,000	136,922	326,922	2018	68,461	2019	68,461
2020	200,000	130,034	330,034	2019	65,017	2020	65,017
2021	205,000	122,284	327,284	2020	61,142	2021	61,142
2022	215,000	114,085	329,085	2021	57,042	2022	57,043
2023	220,000	105,484	325,484	2022	52,742	2023	52,742
2024	230,000	96,134	326,134	2023	48,067	2024	48,067
2025	245,000	84,404	329,404	2024	42,202	2025	42,202
2026	255,000	71,910	326,910	2025	35,955	2026	35,955
2027	270,000	58,905	328,905	2026	29,452	2027	29,453
2028	280,000	45,136	325,136	2027	22,568	2028	22,568
2029	295,000	30,856	325,856	2028	15,428	2029	15,428
2030	310,000	15,810	325,810	2029	7,905	2030	7,905
	<u>3,790,000</u>	<u>1,941,952</u>	<u>5,731,952</u>		<u>970,975</u>		<u>970,977</u>

## VILLAGE OF ELWOOD, ILLINOIS

### Schedule of Long-Term Debt Requirements

#### General Obligation Refunding Bonds of 2010B April 30, 2012

---

---

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

#### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

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

## **STATISTICAL SECTION**

### **(Unaudited)**

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

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

**VILLAGE OF ELWOOD, ILLINOIS**

**Net Assets by Component - Last Eight Fiscal Years  
April 30, 2012 (Unaudited)**

---

**See Following Page**

## VILLAGE OF ELWOOD, ILLINOIS

### Net Assets by Component - Last Eight Fiscal Years April 30, 2012 (Unaudited)

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

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2005.



2007	2008	2009	2010	2011	2012
10,793,782	27,266,803	37,380,706	45,118,195	55,923,197	69,703,356
1,214,702	914,820	1,128,961	284,408	186,235	228,407
(31,705,596)	(54,549,541)	(68,569,077)	(85,744,242)	(104,473,877)	(127,256,105)
(19,697,112)	(26,367,918)	(30,059,410)	(40,341,639)	(48,364,445)	(57,324,342)
8,777,528	8,037,632	7,676,233	7,135,001	12,646,565	12,179,521
424,368	320,551	25,064	(379,412)	(3,299,779)	(3,652,969)
9,201,896	8,358,183	7,701,297	6,755,589	9,346,786	8,526,552
19,571,310	35,304,435	45,056,939	52,253,196	68,569,762	81,882,877
1,214,702	914,820	1,128,961	284,408	186,235	228,407
(31,281,228)	(54,228,990)	(68,544,013)	(86,123,654)	(107,773,656)	(130,909,074)
(10,495,216)	(18,009,735)	(22,358,113)	(33,586,050)	(39,017,659)	(48,797,790)

VILLAGE OF ELWOOD, ILLINOIS

Changes in Net Assets - Last Eight Fiscal Years  
April 30, 2012 (Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>								
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
Public Safety	667,761	1,004,814	769,922	1,317,095	1,130,979	1,187,539	1,319,476	1,486,332
Public Works	416,868	2,938,655	655,478	3,222,603	4,246,091	4,259,360	4,089,740	4,384,492
Parks and Recreation	74,198	69,450	2,939,609	68,958	89,537	111,906	119,869	153,868
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
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
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
Garbage	110,181	116,611	124,518	129,659	144,436	148,973	157,912	163,045
Total Business-Type Activities Net Assets	1,563,962	1,832,607	1,833,445	1,543,122	1,762,323	1,780,460	1,527,677	1,842,618
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
<b>Program Revenues</b>								
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
Public Safety	93,812	116,919	161,322	300,768	216,364	189,060	232,735	376,178
Parks and Recreation	33,884	16,658	42,451	36,267	17,683	20,643	15,989	15,946
Operating Grants/Contributions	50,837	46,550	87,161	45,157	42,666	39,638	48,018	60,760
Capital Grants/Contributions	167,369	50,000	50,000	50,000	1,456,400	50,000	2,148,100	125,829
Total Governmental Activities Program Revenues	3,222,449	4,056,640	2,448,769	4,152,360	3,018,533	525,435	2,677,152	950,749
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
Garbage	100,197	126,847	124,862	135,846	143,171	149,035	156,119	164,742
Operating Grants/Contributions	80,718	-	-	-	-	-	-	-
Capital Grants/Contributions	836,661	376,169	19,500	33,750	-	-	-	-
Total Business-Type Activities Program Revenues	1,545,822	1,229,990	529,054	621,247	1,080,906	813,028	884,768	913,325
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

	2005	2006	2007	2008	2009	2010	2011	2012
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)
Business-Type Activities	(18,140)	(602,617)	(1,304,391)	(921,875)	(681,417)	(967,432)	(642,909)	(929,293)
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)
General Revenues and Other Changes in Net Assets								
Governmental Activities								
Taxes								
Property Taxes	3,285,888	4,139,633	5,714,095	7,038,909	9,107,792	8,653,494	8,951,766	9,018,234
Utility Taxes	252,181	310,122	339,502	443,077	349,027	413,237	351,564	340,097
Intergovernmental - Unrestricted								
Sales Taxes	196,516	297,821	1,365,439	396,246	396,915	369,746	361,917	1,348,180
Income Taxes	121,922	153,023	164,319	180,847	178,236	156,146	162,538	260,205
Reimbursements	-	-	299,142	691,190	2,489	203,596	298,808	1,035,179
Interest Income	125,688	224,495	338,629	627,199	126,453	63,691	38,357	31,975
Miscellaneous	51,434	144,129	73,513	976,274	2,117,261	1,635,376	2,223,428	2,509,604
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
Business-Type Activities								
Investment Income	8,274	62,179	125,106	78,162	24,531	21,724	11,599	4,834
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
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
Changes in Net Assets								
Governmental Activities	(6,524,422)	(9,403,924)	(10,384,773)	(6,670,806)	(6,584,648)	(10,282,229)	(8,022,806)	(8,959,897)
Business-Type Activities	(9,866)	(540,438)	(1,179,285)	(843,713)	(656,886)	(945,708)	2,591,197	(820,234)
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)

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, 2012 (Unaudited)

	2003	2004	2005	2006
General Fund				
Reserved	\$ 33,195	29,138	48,861	11,603
Unreserved	(296,434)	(874,035)	390,273	791,730
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	(263,239)	(844,897)	439,134	803,333
All Other Governmental Funds				
Reserved	1,707,226	486,202	1,567,930	1,109,592
Unreserved, Reported in:				
Special Revenues Funds	3,845,336	9,902,825	453,528	642,242
Debt Service Funds	-	-	-	-
Capital Projects Funds	593	2,720,973	2,265,998	11,754,489
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	5,553,155	13,110,000	4,287,456	13,506,323

Data Source: Village Records

The Village implemented GASB 54 in Fiscal Year 2012.

2007	2008	2009	2010	2011	2012
13,085	25,907	32,230	29,250	41,997	-
933,420	1,655,568	634,903	668,833	654,298	-
-	-	-	-	-	28,389
-	-	-	-	-	988,986
946,505	1,681,475	667,133	698,083	696,295	1,017,375
469,639	252,981	27,388	16,087	23,098	-
793,704	661,839	1,101,573	268,321	160,980	-
-	(556,859)	(1,380,598)	(4,766,321)	(9,585,412)	-
4,891,853	1,700,719	4,568,979	6,316,540	8,212,844	-
-	-	-	-	-	15,614
-	-	-	-	-	228,407
-	-	-	-	-	8,081,237
-	-	-	-	-	(16,204,676)
6,155,196	2,058,680	4,317,342	1,834,627	(1,188,490)	(7,879,418)

## VILLAGE OF ELWOOD, ILLINOIS

### General Governmental Revenues By Source - Last Ten Fiscal Years April 30, 2012 (Unaudited)

Source	2003	2004	2005	2006
Taxes	\$ 1,654,037	2,109,670	3,538,069	4,449,755
Intergovernmental	2,665,589	2,039,146	536,664	547,394
Charges for Services	38,251	63,483	2,737,438	2,802,384
Licenses and Permits	102,777	250,798	172,993	481,353
Fines and Forfeits	13,417	48,055	93,812	116,919
Interest Income	98,553	73,116	125,668	281,891
Miscellaneous	3,308,269	11,498,555	51,434	646,167
Total	7,880,893	16,082,823	7,256,078	9,325,863

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

2007	2008	2009	2010	2011	2012
6,053,597	7,481,986	9,456,819	9,066,731	9,303,330	9,358,331
1,966,061	1,363,440	670,306	819,126	3,019,381	2,830,153
2,071,685	3,557,534	1,181,861	216,820	221,043	234,758
78,601	198,901	121,242	29,917	27,256	153,224
161,322	300,768	216,364	189,060	232,735	376,178
338,629	627,199	126,453	63,691	38,357	31,975
73,513	976,274	2,117,261	1,635,376	2,223,428	2,509,604
10,743,408	14,506,102	13,890,306	12,020,721	15,065,530	15,494,223

# **VILLAGE OF ELWOOD, ILLINOIS**

## **General Governmental Expenditures By Function - Last Ten Fiscal Years April 30, 2012 (Unaudited)**

Function	2003	2004	2005	2006
General Government	\$ 1,552,103	1,356,413	930,079	1,530,702
Public Safety	304,055	487,526	689,769	1,011,725
Public Works	742,679	710,042	424,632	500,530
Parks and Recreation	N/A	N/A	74,198	69,450
Capital Outlay	17,605,306	18,173,413	7,481,335	5,489,388
Debt Service				
Principal	436,412	-	2,282,662	3,732,507
Interest and Fiscal Charges	5,757	-	-	311,129
Total	20,646,312	20,727,394	11,882,675	12,645,431

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



2007	2008	2009	2010	2011	2012
2,678,321	1,773,295	1,040,363	856,697	3,147,483	4,471,932
812,160	1,403,992	1,049,827	1,150,403	1,235,494	1,528,422
556,032	669,301	867,877	1,035,170	778,573	849,852
114,429	68,958	89,537	111,906	119,869	153,868
7,946,124	6,719,544	310,199	153,300	23,695	-
5,544,850	6,932,563	8,874,256	10,893,200	12,601,421	14,510,577
299,447	299,995	296,264	295,085	298,294	297,902
17,951,363	17,867,648	12,528,323	14,495,761	18,204,829	21,812,553

# VILLAGE OF ELWOOD, ILLINOIS

## Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years April 30, 2012 (Unaudited)

	2003	2004	2005	2006
<b>Revenues</b>				
Taxes	\$ 1,654,037	2,109,670	3,538,069	4,449,755
Licenses and Permits	102,777	250,798	172,993	481,353
Intergovernmental	2,665,589	2,039,146	536,664	547,394
Charges for Services and Fees	38,251	63,483	2,737,438	2,802,384
Fines and Forfeits	13,417	48,055	93,812	116,919
Investment Income	98,553	73,116	125,668	281,891
Miscellaneous	3,308,269	11,498,555	51,434	646,167
Total Revenues	7,880,893	16,082,823	7,256,078	9,325,863
<b>Expenditures</b>				
General Government	1,552,103	1,356,413	930,079	1,530,702
Public Safety	304,055	487,526	689,769	1,011,725
Public Works	742,679	710,042	424,632	500,530
Parks and Recreation	N/A	N/A	74,198	69,450
Capital Outlay	17,605,306	18,173,413	7,481,335	5,489,388
Debt Service				
Principal	436,412	-	2,282,662	3,732,507
Interest and Fiscal Charges	5,757	-	-	311,129
Total Expenditures	20,646,312	20,727,394	11,882,675	12,645,431
Excess of Revenues Over (Under) Expenditures	(12,765,419)	(4,644,571)	(4,626,597)	(3,319,568)
<b>Other Financing Sources (Uses)</b>				
Debt Issuance	11,122,347	-	-	13,037,752
Discount on Debt Issuance	-	-	-	(135,118)
Transfers In	80,000	-	350,000	10,066,009
Transfers Out	(80,000)	-	(350,000)	(10,066,009)
Total Other Financing Sources (Uses)	11,122,347	-	-	12,902,634
Net Change in Fund Balances	(1,643,072)	(4,644,571)	(4,626,597)	9,583,066
Debt Service as a Percentage of Noncapital Expenditures	14.54%	0.00%	51.86%	56.51%

Data Source: Village Records

N/A - Not Available

2007	2008	2009	2010	2011	2012
6,053,597	7,481,986	9,456,819	9,066,731	9,303,330	9,358,331
78,601	198,901	121,242	29,917	27,256	153,224
1,966,061	1,363,440	670,306	819,126	3,019,381	2,830,153
2,071,685	3,557,534	1,181,861	216,820	221,043	234,758
161,322	300,768	216,364	189,060	232,735	376,178
338,629	627,199	126,453	63,691	38,357	31,975
73,513	976,274	2,117,261	1,635,376	2,223,428	2,509,604
10,743,408	14,506,102	13,890,306	12,020,721	15,065,530	15,494,223
2,678,321	1,773,295	1,040,363	856,697	3,147,483	4,471,932
812,160	1,403,992	1,049,827	1,150,403	1,235,494	1,528,422
556,032	669,301	867,877	1,035,170	778,573	849,852
114,429	68,958	89,537	111,906	119,869	153,868
7,946,124	6,719,544	310,199	153,300	23,695	-
5,544,850	6,932,563	8,874,256	10,893,200	12,601,421	14,510,577
299,447	299,995	296,264	295,085	298,294	297,902
17,951,363	17,867,648	12,528,323	14,495,761	18,204,829	21,812,553
(7,207,955)	(3,361,546)	1,361,983	(2,475,040)	(3,139,299)	(6,318,330)
-	-	-	23,275	114,394	-
-	-	-	-	-	-
527,942	2,174,844	1,362,006	716,723	331,472	845,393
(527,942)	(2,174,844)	(1,362,006)	(716,723)	(331,472)	(896,911)
-	-	-	23,275	114,394	(51,518)
(7,207,955)	(3,361,546)	1,361,983	(2,451,765)	(3,024,905)	(6,369,848)
58.41%	69.50%	85.15%	79.23%	78.79%	78.32%

## VILLAGE OF ELWOOD, ILLINOIS

### Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years April 30, 2012 (Unaudited)

Tax Levy Year	Residential Property	Farm
2002	\$ 24,533,782	\$ 2,366,461
2003	28,800,884	301,971
2004	31,578,434	290,977
2005	36,627,762	302,243
2006	40,384,258	201,714
2007	45,385,712	200,458
2008	51,007,924	218,002
2009	52,489,876	2,473,024
2010	51,797,707	2,475,304
2011	44,751,700	2,525,300

Data Source: Will County Tax Extension Office

Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$ 757,949	\$ 5,399,900	\$ 33,058,092	\$ 36,951	\$ 33,095,043	0.130
794,834	7,749,771	37,647,460	39,999	37,687,459	0.120
965,549	7,994,121	40,829,081	45,108	40,874,189	0.116
988,941	7,309,053	45,227,999	42,489	45,270,488	0.209
1,046,857	7,345,882	48,978,711	42,357	49,021,068	0.202
1,114,810	7,665,210	54,366,190	46,519	54,412,709	0.270
1,326,952	7,665,739	60,218,617	50,873	60,269,490	0.256
1,364,724	7,211,230	63,538,854	61,305	63,600,159	0.255
1,466,163	7,211,230	62,950,404	76,688	63,027,092	0.266
2,642,962	6,477,723	56,397,685	81,499	56,479,184	0.312

## VILLAGE OF ELWOOD, ILLINOIS

### Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years April 30, 2012 (Unaudited)

	2002	2003	2004	2005
Village of Elwood Corporate	0.130	0.120	0.116	0.209
Village of Elwood Road and Bridge	0.135	0.131	0.129	0.127
Forest Preserve	0.132	0.127	0.124	0.148
Will County Bldg Comm	0.048	0.045	0.042	0.012
Jackson Township Town Funds	0.093	0.090	0.089	0.088
Jackson Township Road Funds	0.167	0.161	0.159	0.157
Elwood Fire Protection District	0.463	0.465	0.507	0.561
School District 203	2.813	2.707	2.699	2.616
High School District 204	2.272	2.172	2.151	2.089
Community College District 525	0.221	0.211	0.214	0.209
Manhattan Public Library	0.162	0.155	0.170	0.178
Will County	0.558	0.537	0.529	0.526
Total Tax Rate Per \$100 EAV	7.193	6.919	6.928	6.920
Village's Share of Total Tax Rate	1.83%	1.83%	1.67%	3.02%

Data Source: Office of the Will County Clerk

2006	2007	2008	2009	2010	2011
0.202	0.270	0.256	0.255	0.266	0.312
0.125	0.118	0.117	0.105	0.114	0.115
0.137	0.142	0.145	0.152	0.157	0.169
0.013	0.012	0.019	0.019	0.020	0.020
0.086	0.082	0.081	0.073	0.078	0.079
0.154	0.146	0.145	0.130	0.140	0.142
0.618	0.666	0.507	0.494	0.515	0.502
2.541	2.429	2.370	2.234	2.311	2.536
2.024	1.957	1.887	1.897	2.056	2.228
0.194	0.190	0.190	0.214	0.227	0.246
0.170	0.161	0.160	0.156	0.164	0.178
0.503	0.483	0.475	0.483	0.508	0.535
6.764	6.655	6.349	6.213	6.555	7.063
2.98%	4.06%	4.03%	4.10%	4.06%	4.41%

# VILLAGE OF ELWOOD, ILLINOIS

## Principal Property Tax Payers - Current Year and Nine Years Ago April 30, 2012 (Unaudited)

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Wal-Mart Stores	\$ 21,568,215	1	12.73%	\$ N/A	N/A	N/A
Wal-Mart Stores	20,234,674	2	11.94%	N/A	N/A	N/A
Georgia-Pacific LLC	10,840,915	3	6.40%	N/A	N/A	N/A
Liberty Property	10,017,534	4	5.91%	N/A	N/A	N/A
Centerpoint Intermodal LLC	9,071,235	5	5.35%	N/A	N/A	N/A
RB-3 Associates Et Al	7,799,220	6	4.60%	N/A	N/A	N/A
RB-93 LLC	6,867,350	7	4.05%	N/A	N/A	N/A
Elwood Energy	4,020,797	8	2.37%	N/A	N/A	N/A
Liberty Property	2,304,728	9	1.36%	N/A	N/A	N/A
Elwood Energy	2,275,070	10	1.34%	N/A	N/A	N/A
	<u>94,999,738</u>		<u>56.07%</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, 2012 (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
2003	2001	\$ 43,024	\$ 43,024	100.00%	N/A	\$ 43,024	100.00%
2004	2002	45,112	45,107	99.99%	N/A	45,107	99.99%
2005*	2003	2,735,358	2,735,367	100.00%	N/A	2,735,367	100.00%
2006*	2004	3,323,658	3,323,760	100.00%	N/A	3,323,760	100.00%
2007*	2005	4,992,956	4,988,692	99.91%	N/A	4,988,692	99.91%
2008*	2006	6,195,253	6,195,382	100.00%	N/A	6,195,382	100.00%
2009*	2007	8,196,182	8,195,674	99.99%	N/A	8,195,674	99.99%
2010*	2008	7,857,670	7,856,706	99.99%	N/A	7,856,706	99.99%
2011*	2009	8,084,038	8,083,206	99.99%	N/A	8,083,206	99.99%
2012*	2010	8,084,588	8,083,594	99.99%	N/A	8,083,594	99.99%

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, 2012 (Unaudited)

Fiscal Year Ended April 30	Governmental Activities		
	General Obligation Bonds	General Obligation Capital Appreciation	Capital Leases Payable
2003	\$ -	\$ -	\$ -
2004	-	-	-
2005	-	-	-
2006	6,715,000	6,246,538	127,232
2007	6,715,000	6,422,136	103,333
2008	6,715,000	6,979,060	78,049
2009	6,715,000	7,376,930	51,297
2010	6,715,000	7,797,483	41,028
2011	6,715,000	8,242,011	77,925
2012	6,600,000	8,711,881	-

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
-	-	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

## VILLAGE OF ELWOOD, ILLINOIS

### Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years April 30, 2012 (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)
2003	\$ -	\$ -	\$ -	0.00%	\$ -
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

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, 2012 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Elwood	\$ 178,507,886	100.00%	\$ 178,507,886
Will County	42,280,000	7.20%	3,044,160
Forest Preserve	159,155,867	2.15%	3,421,851
School District 203	2,080,000	38.60%	802,880
High School District 204	92,490,000	28.90%	26,729,610
Community College District 525	159,000,000	3.00%	4,770,000
Subtotal	251,490,000		38,768,501
Totals	429,997,886		217,276,387

(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, 2012 (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, 2012 (Unaudited)

Fiscal Year Ended April 30	Property Tax Revenues	Principal	Interest	Coverage
2003	\$ -	\$ -	\$ -	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	62,423	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-

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, 2012 (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
2003	1,620	\$ 36,356	\$ 22,442	35	362	1.8
2004	1,620	36,356	22,442	35	396	1.8
2005	1,620	36,356	22,442	35	421	1.8
2006	1,620	36,356	22,442	35	426	2.7
2007	1,620	36,356	22,442	35	433	3.0
2008	1,620	36,356	22,442	35	431	3.8
2009	1,620	36,356	22,442	35	430	6.5
2010	1,620	36,356	22,442	35	423	7.0
2011	2,279	51,145	22,442	35	423	7.0
2012	2,279	76,473	13,440	40	395	6.5

#### 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, 2012 (Unaudited)**

Employer	2012			2003		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Wal-Mart	1,792	1	55.69%	N/A	N/A	N/A
BNSF	801	2	24.89%	N/A	N/A	N/A
DCS Logistics	269	3	8.36%	N/A	N/A	N/A
Potlach	170	4	5.28%	N/A	N/A	N/A
Georgia Pacific	100	5	3.11%	N/A	N/A	N/A
Elwood School District	42	6	1.31%	N/A	N/A	N/A
Village of Elwood	24	7	0.96%	N/A	N/A	N/A
Bridge Terminal Transport	13	8	0.40%	N/A	N/A	N/A
	<u>3,211</u>		<u>100.00%</u>	<u>N/A</u>		<u>N/A</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, 2012 (Unaudited)

Function	2003	2004	2005	2006
General Government				
Administration	2	3	2	2
Finance	2	2	2	2
Public Works	2	3	3	4
Police	5	5	5	6
Water and Sewer	1	1	1	1
Total	12	14	13	15

Data Source: Village Records

2007	2008	2009	2010	2011	2012
3	3	3	2	2	2
2	2	1	-	-	-
5	5	5	5	5	4
7	12	11	11	11	11
1	1	2	1	1	2
18	23	22	19	19	19

## VILLAGE OF ELWOOD, ILLINOIS

### Operating Indicators by Function/Program - Last Ten Fiscal Years April 30, 2012 (Unaudited)

Function/Program	2003	2004	2005	2006
<b>Public Works</b>				
Forestry				
Number of Parkway Trees Planted	N/A	80	50	131
Number of Parkway Trees Trimmed	N/A	0	10	100
Brush Pickup Program (Cubic Yds Collected)	35	60	65	80
<b>Fleet Services</b>				
Number of Vehicles Maintained	5	6	7	10
Preventative Maintenance Services	9	10	14	17
<b>Public Safety</b>				
Police				
Criminal	N/A	N/A	600	1,200
Quasi Criminal	N/A	N/A	1,520	1,249
Calls for Service	N/A	N/A	1,551	2,880
State Tickets Issued	N/A	N/A	678	1,149
<b>Community Development</b>				
Number of Building Permits Issued	26	54	26	17
Number of Building Inspections	78	162	78	51
Number of Food Service Inspections	N/A	N/A	N/A	N/A
<b>Highways and Streets</b>				
Sidewalk Replaced (Sq. Ft.)	-	30	150	-
<b>Water and Sewer</b>				
Water Main Breaks	N/A	3	2	-
Hydrants Flushed	200	284	355	536
Water Meters Read	740	755	768	790
Water Meter Service Requests	N/A	N/A	60	30
Water Meters Replaced	5	204	531	122
Total Distribution Pumpage (1,000 Gallons)	89,302	127,713	96,484	124,866
Average Daily Pumpage (1,000 Gallons)	287	287	253	254
Sanitary Sewer Televising (Feet)	N/A	N/A	N/A	N/A
Sanitary Sewer Repairs	N/A	N/A	N/A	N/A

N/A - Not Available

Data Source: Village Records

2007	2008	2009	2010	2011	2012
163	163	30	30	11	84
-	-	100	50	100	150
50	60	70	70	82	82
13	18	18	20	20	20
20	50	60	80	16	112
1,800	591	375	314	137	112
499	556	1,234	591	116	116
2,336	2,341	1,609	905	3,359	5,537
1,632	3,900	2,792	1,105	1,130	1,095
26	11	-	-	65	-
78	33	-	-	56	-
N/A	N/A	N/A	N/A	N/A	N/A
-	-	100	120	210	150
-	-	1	-	-	1
549	549	549	549	700	700
830	900	900	900	905	905
40	192	192	25	8	22
12	-	-	2	4	1
94,905	91,389	87,096	90,468	87,677	81,030
350	250	238	249	234	222
17,000	-	-	-	-	12,913
1	-	-	-	1	1

## VILLAGE OF ELWOOD, ILLINOIS

### Capital Asset Statistics by Function/Program - Last Ten Fiscal Years April 30, 2012 (Unaudited)

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	6	7	8	8	8	9	9	10	13	9
<b>Fire Stations</b>	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Streets (Miles)	41	41	41	47	47	50.7	50.7	50.7	50.7	50.7
Sidewalks (Miles)	11	13	14	15	15	15	15	15	15	15
Streetlights	8	40	48	165	165	165	165	165	165	165
<b>Water and Sewer</b>										
Water Mains (Miles)	13.47	25.54	26.19	26.60	26.60	26.60	26.60	28.00	28.00	28.00
Fire Hydrants	284	355	536	549	549	549	549	549	549	549
Sanitary Sewers (Miles)	12.42	19.67	20.45	20.89	20.89	20.89	20.89	22.00	22.00	22.00
Manholes	289	300	350	391	391	391	391	391	391	391

Data Source: Village Records