

VILLAGE OF  
GLENCOE, ILLINOIS

COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT



FOR THE FISCAL  
YEAR ENDED  
FEBRUARY 28, 2010

**VILLAGE OF GLENCOE, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED FEBRUARY 28, 2010**

Prepared by:  
Finance Department

**VILLAGE OF GLENCOE, ILLINOIS**

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the Village of Glencoe including: List of Principal Officials, Organization Chart, Certificate of Achievement for Excellence in Financial Reporting and Transmittal Letter from Village Manager and Director of Finance.

**VILLAGE OF GLENCOE, ILLINOIS**

**List of Principal Officials**

**February 28, 2010**

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**President**

Scott M. Feldman

**Board of Trustees**

Keki Bhote  
Joseph Keefe  
Ellen Shubart

Bruce Cowans  
Lawrence Levin  
Joel Solomon

**Clerk**

Paul M. Harlow

**Village Attorney**

Victor Filippini

**Treasurer**

David A. Clark

\* \* \* \* \*

**Village Manager**

Paul M. Harlow

**Director of Finance**

David A. Clark

**Director of Public Safety**

Michael Volling

**Director of Public Works**

David Mau

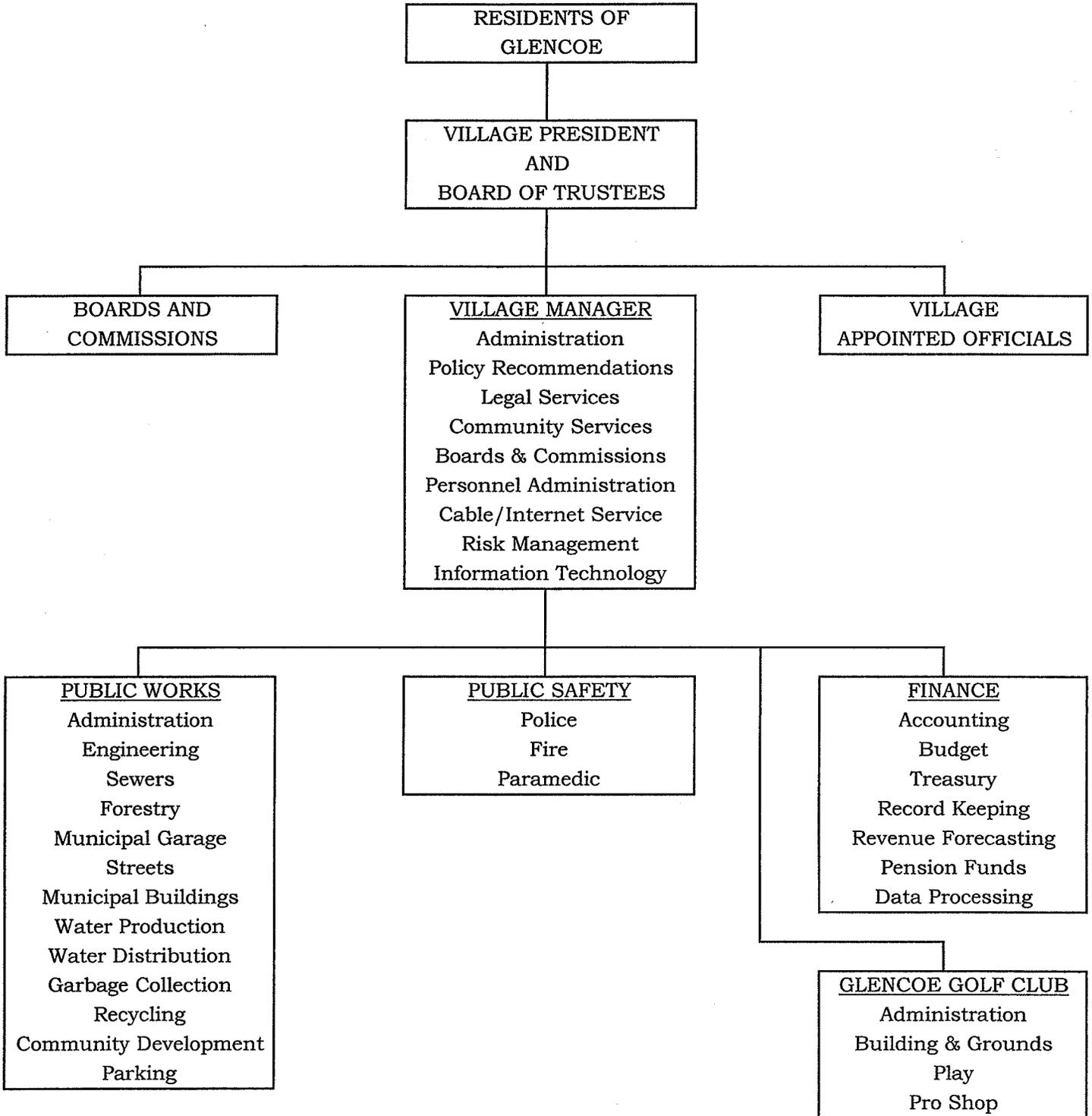
**Golf Manager**

Stella Nanos

**Library – Executive Director**

Peggy Hamil

# Village of Glencoe



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Glencoe  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
February 28, 2009

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



President

Executive Director



Department of Finance  
Village of Glencoe  
675 Village Court  
Glencoe, Illinois 60022

FAX 847.835.1785  
Phone 847.835.4113

May 25, 2010

To the Residents of the Village of Glencoe:

State law requires that every general-purpose government publish within six months of the close of each fiscal year a complete set of audited financial statements. The Comprehensive Annual Financial Report (CAFR) of the Village of Glencoe, Illinois for the fiscal year ended February 28, 2010, is hereby submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Lauterbach & Amen, LLP, have issued an unqualified ("clean") opinion on the Village of Glencoe's financial statements for the year ended February 28, 2010. The auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's review and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***Village Profile***

The Village of Glencoe's location on the shore of Lake Michigan and its accessibility to Chicago has attracted an economically stable, mainly professional residential population. Village per capita income and median family income figures are among the highest in the country. The Village is virtually fully developed and its tax base, which is primarily comprised of highly valued residential property, continues to be stable.

Village financial operations benefit from a revenue stream including: property tax, utility tax, and local sales tax, which serve as the major sources of General Fund revenue. Collection of property taxes, the largest single revenue source, has been consistent. The wealth and income levels are reflected in a tax base that continues to be relatively stable. The Village continues to be rated AAA by Standard & Poors (our status was reviewed during Fiscal Year 2009 due to a bond issuance). This rating is indicative of the demographics of the community, the financial policies and planning processes completed by staff. There are a limited number of communities that are considered AAA.

The Village is governed by a Board/Manager form of government consisting of a Village President and six trustees elected at large for staggered four-year terms. The Village Clerk is appointed by the Village Board. The Village Board also appoints, among others, the Village Manager, Village Attorney and Treasurer.

The Village provides a full range of services. Those services include police, fire protection and emergency medical services, maintenance of streets and infrastructure, the operating of water and wastewater facilities, water and sewer service, garbage collection and recycling, planning and zoning, code enforcement, and financial and general administrative services.

The annual budget is the primary guiding document for the Village's financial planning and control. In addition, the Village maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Village's governing body. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Police and Fire Pension Funds are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level.

### ***Local Economic Factors***

There are several factors that impact the local finances of the Village. These factors include desirability of goods and services provided by the local business community and actions taken by the Village Board. During the fiscal year the Village recognized changes in the local economic climate. The sales tax trend has stabilized and showed signs of recovery. Building permit revenue has significantly declined due to a decrease in homes that are being torn down.

The Village is impacted at the local level by regional, state, and national economic conditions as well as governance of the State of Illinois and weather conditions. Several important revenue sources are affected by economic conditions beyond the Village's control. These sources include sales tax, building permit fees, income tax, motor fuel tax, golf club revenue, and utility taxes. At the end of Fiscal Year 2010, the State of Illinois had not disbursed three months of income tax to the Village. Utility tax revenue has decreased as compared to the previous year. The State of Illinois can impact revenues through legislative changes (i.e. formula for shared income tax, etc) and further by the timing of payments due to the Village.

The revenues from sale of water and golf club revenue can further be affected by weather conditions. The Village no longer uses the five-year average of water sales to establish the budget. Due to record low consumption, the budget is established based on current fiscal year projections on usage which has been significantly lower than the five year average.

Since the last triennial reassessment (effective Tax Year 2008), the Village's equalized assessed valuation (EAV) has increased by 4.5% from the prior year. The significant increase in the Village's EAV is a positive indicator of economic health in the Village in terms of growing property values.

## ***Relevant Financial Policies***

There were no material changes to financial policies during the fiscal year. During review of the long range financial plan, the Village Board initiated consideration available alternatives for funding capital projects including increasing fund balance targets to provide capital project resources, and issuance of long term debt.

## ***Long Term Financial Planning***

The Village's Long-Term Financial Plan has been developed as a continuing effort to evaluate the financial condition of the Village and to further identify important infrastructure maintenance and replacement needs and plan for rehabilitation/replacements several years in advance. This is done by an annual review prior to the budget process. The Plan has been effective in limiting the need to incur debt as many projects have been paid for from fund balances.

## ***Looking Forward to Fiscal Year 2011***

During the process of Fiscal Year 2011 Budget development, some major issues that the executive staff and the Village Board reviewed included:

- Evaluation and review of the changing national economic climate and the impact on the Village;
- Review of revenue shortfalls (sales tax, building permits and income tax);
- Elimination of building permit rebate for Landmark Designated properties;
- Determination of the appropriate level of fund balance;
- Determination of tax abatement;
- Maintenance of budget expenditures at Fiscal Year 2010 levels;
- Negotiation and ratification of a new three year contract with Public Works union;
- Review of water consumption and the effect on future revenues to support capital improvements in the Water Supply system of the Village;
- Review and determination to maintain the IRMA deductible at \$50,000 (began during calendar year 2010);
- Determination to reduce the funding for the sewer grant program;
- Elimination of street maintenance (including snow plowing) services for private streets;
- Determination of appropriate budget amount for building permit revenue;
- Determination of funding Police Pension obligations;
- Determination of funding garbage services;
  - Allocation of a garbage collection fee back to 2008 levels; designation of less property tax to the Garbage Fund;
  - Establishment of a landscape yard waste collection fee;
- Determination of a management fee for the Water and Garbage Fund;
- Determination and establishment of a Day Labor Transfer Fee from the Motor Fuel Tax Fund;
- Determination of the resident and non-resident ambulance fee consistent with insurance industry standards for reimbursement;
- Determination of water fees, from \$2.772 per 100 cubic feet to \$3.265 per 100 cubic feet;

- Determination of sewer rates, from \$.791 per 100 cubic feet to \$.918 per 100 cubic feet;
- Determination of a Capital Plan identifying critical needs Fiscal Year 2011;
- Determination of appropriate staffing levels to meet the essential service levels and programs of the Village;
- Determination to defer the hiring of two Public Safety Officers;
- Determination to defer hiring of Assistant Village Manager, and
- Modification of Public Safety Department Organization structure eliminating one Deputy Chief position in lieu of an additional position of Public Safety Lieutenant.

After close review of the issues stated above, it was decided that the following capital items, programs and projects would be included in budget for Fiscal Year 2011:

- Continuation of the Village street improvement program (\$2,064,614 – Bond Fund);
- Rehabilitation and replacement of Village sewer systems (\$1,665,000 – Bond Fund);
- Completion of Village Hall improvement - Public Safety Office and Cell Modifications (\$575,000 – Bond Fund);
- Installation of sprinkler system in designated areas of the Village Hall (\$230,000 – Bond Fund);
- Replacement of sewer vacuum vehicle (\$300,000);
- Replacement of five Village vehicles (\$185,000);
- Purchase of furnishings for Public Safety Office Improvements (\$60,000);
- Replacement of Public Safety portable emergency use radios (\$36,000 – E911 Fund);
- Replacement of refuse hauler to facilitate Garbage Operations (\$33,000 – Garbage Fund);
- Replacement of PH adjustment system for water supply system (\$20,000 – Water Fund);
- Replacement of video cameras in Public Safety squad cars (\$20,000), and
- Replacement of copier/scanner/printer (\$10,000).

Based on the sudden changes that have occurred in the economy over the past year, the Village Board and Finance Committee are closely monitoring revenues and expenditures (including capital).

## Awards

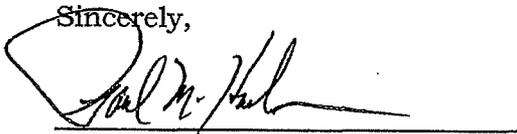
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Glencoe for its comprehensive annual financial report for the fiscal year ended February 28, 2009. This was the twenty-fourth consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## Acknowledgements

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, we would also like to thank the President and Board of Trustees for their support and guidance in the production of this document.

Sincerely,



Paul M. Harlow  
Village Manager



David A. Clark  
Director of Finance

## **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**

May 25, 2010

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Glencoe, Illinois as of and for the year ended February 28, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Glencoe, 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

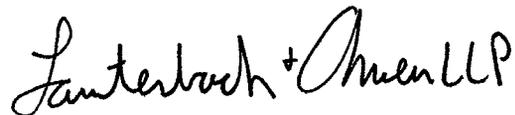
In our opinion, the basic financial statements referred to above present fairly, in all material respects, respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Glencoe, Illinois as of February 28, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Village of Glencoe, Illinois  
May 25, 2010  
Page 2

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

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

A handwritten signature in cursive script that reads "Lauterbach & Amen LLP".

LAUTERBACH & AMEN, LLP

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

VILLAGE OF GLENCOE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
February 28, 2010

This section of the Village of Glencoe's Comprehensive Annual Financial Report (CAFR) presents discussion and analysis of the Village's financial activities during the Fiscal Year ending February 28, 2010. This section should be used in conjunction with the transmittal letter at the front of this report and with the Village's financial statements that follow this section. Where appropriate the following Management Discussion and Analysis (MD&A) refers to specific pages in the CAFR for additional information.

**FINANCIAL HIGHLIGHTS**

The following are some of the highlights to be reviewed in greater detail in this analysis and further presented by this CAFR:

1. Net asset position and performance in total – The Village's total net assets at February 28, 2010 were \$72,535,121, a decrease of \$724,392 (See page MD&A 5-Table II and CAFR page 5 - 6);
2. Governmental Activity Summary – Net assets for governmental activities decreased by \$975,539 during the year (See page MD&A 5-Table II and CAFR page 5 - 6);
3. Business-Type Activity Summary – Net assets for business-type activities increased by \$251,147 during the year. Net assets of the Water Fund decreased \$62,681 during the year while net assets of the Glencoe Golf Club increased \$313,825 (See page MD&A 5-Table II, CAFR pages 5 - 6 and 14);
4. General Fund Summary – The Village's General Corporate Fund reported an increase of \$97,279 in fund balance for the year. Actual General Fund revenues were \$433,642 less than budget, while General Fund expenditures were \$568,919 less than budget. All expenditures were within legal appropriation limits (See CAFR page 10 and pages 64);
5. New Capital Assets – Total capital assets experienced a net accumulation of \$72,214 prior to depreciation of assets subject to depreciation. The net change in capital assets less depreciation expense resulted in a decrease of \$1,173,324 in governmental capital assets balance from \$75,823,258 to \$74,649,934 (See CAFR Note 3 pages 35 -36 and page MD&A 15-Table VI).

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Village of Glencoe's financial section of the CAFR. This financial section of the CAFR includes five components: 1) independent auditor's report, 2) the basic financial statements, including the MD&A, 3) required supplementary information, 4) combining and individual fund financial statements and schedules, and 5) additional supplemental financial information.

The basic financial statements include two kinds of statements that present different views of the Village: government-wide financial statements and fund financial statements. The basic financials statements also include notes to the financial statements.

VILLAGE OF GLENCOE  
 MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Government-wide financials statements, including the statement of net assets and statement of activities, provide both short and long-term information about the Village's overall financial status.

Fund financial statements focus on individual parts of Village government and report Village operations in more detail than the government-wide financial statements. The fund financial statements describe the Village's governmental funds, proprietary funds, and fiduciary funds. The following (Table I) summarizes the major features of the Village's financial statements.

Table I

Fund Statements

Description	Fund Statements			
	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Village government (except Fiduciary Funds) and the Village's component unit.	Activities of the Village that are not proprietary or fiduciary such as public safety	Activities of the Village operates similar to private business such as Water Fund or the Golf Club Fund	Activities in which the Village is trustee or agent of another's resources such as pension plans
Required financial statements	1. Statement of net assets  2. Statement of activities	1. Balance sheet  2. Statement of revenues, expenditures and changes in fund balance	1. Statement of net assets  2. Statement of revenues, expenses, and changes in net assets  3. Statement of cash flows	1. Statement of fiduciary net assets  2. Statement of changes in fiduciary net assets.
Accounting basis	Accrual	Modified Accrual	Accrual	Accrual
Measurement Focus	Economic resource	Current financial resources	Economic resource	Economic resource
Type of asset & liability information	All assets and liabilities; both financial and capital short and long-term	Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets	All assets and liabilities; both financial and capital short and long-term	All assets and liabilities, both short and long-term. Does not contain capital assets.
Type of inflow & outflow information	All revenues and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods and services that have been received and payment is due during the year or shortly thereafter	All revenues and expenses during the year regardless of when cash is received or paid	All revenues and expenses during the year regardless of when cash is received or paid

VILLAGE OF GLENCOE  
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Government-Wide Financial Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term available resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus (See pages 3 - 4 of the CAFR for more information).

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities (See pages 5 - 6 for more information).

The Governmental Activities reflect the Village's basic services, including police, fire, public works (including garbage collection), and general/debt administration. Property taxes, shared state sales, local utility, and shared state income taxes finance the majority of these activities. The Business-type Activities reflect private sector type operations (Water and Glencoe Golf Club funds), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Governmental funds are presented on a source of use of liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for Village operations.

Proprietary funds account for services that are generally fully supported by user fees (i.e. charges to customers). Proprietary funds are presented on a total economic resources basis. Proprietary fund statements, like government-wide financials statements, provide both short and long-term financial information.

Fiduciary funds are presented for certain activities where the Village's role is that of trustee (i.e. police and fire pension funds) or agent. While fiduciary funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

While the total column on the business-type fund financial statements is the same as the business-type column at the government-wide financial statement, the governmental major funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bond and others) into the governmental activities column (in the government-wide statements).

VILLAGE OF GLENCOE  
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Infrastructure Assets

This statement requires that these assets be valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of assets management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates it maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity - the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

VILLAGE OF GLENCOE  
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

**GOVERNMENT-WIDE STATEMENTS**

Statement of Net Assets

The following (Table II) reflects the condensed Statement of Net Assets as of February 28, 2010 with a comparison to the prior year. Net assets related to governmental activities decreased \$975,539 or 1.4% from the prior year. Net assets related to business-type activities increased \$251,147 or 13.7% from the prior year. Net assets for total primary government decreased \$724,392 or 1.0% from the prior year.

Table II  
Statement of Net Assets  
As of February 28, 2010

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total Primary Government</i>	
	2009	2010	2009	2010	2009	2010
	<i>Current and other assets</i>	\$ 25,093,081	\$ 22,632,552	\$ (573,656)	\$ (670,904)	\$ 24,519,425
<i>Capital Assets</i>	75,823,258	74,649,934	2,996,915	3,206,293	78,820,173	77,856,227
<i>Total Assets</i>	100,916,339	97,282,486	2,423,259	2,535,389	103,339,598	99,817,875
<i>\$ Change</i>	7,617,246	(3,633,853)	268,396	112,130	7,885,642	(3,521,723)
<i>% Change</i>	8.2%	-3.6%	12.5%	4.6%	8.3%	-3.4%
<i>Non-Current</i>	13,643,305	10,945,606	195,381	189,663	13,838,686	11,135,269
<i>Other Liabilities</i>	15,849,608	15,888,993	391,791	258,492	16,241,399	16,147,485
<i>Total Liabilities</i>	29,492,913	26,834,599	587,172	448,155	30,080,085	27,282,754
<i>\$ Change</i>	5,112,136	(2,658,314)	28,035	(139,017)	5,140,171	(2,797,331)
<i>% Change</i>	21.0%	-9.0%	5.0%	-23.7%	20.6%	-9.3%
<i>Net Assets:</i>						
<i>Invested in capital assets, net of debt</i>	68,481,254	66,567,750	2,996,915	3,206,293	71,478,169	69,774,043
<i>Restricted</i>	518,814	654,916	-	-	518,814	654,916
<i>Unrestricted</i>	2,423,358	3,225,221	(1,160,828)	(1,119,059)	1,262,530	2,106,162
<i>Total Net Assets</i>	71,423,426	70,447,887	1,836,087	2,087,234	73,259,513	72,535,121
<i>\$ Change</i>	2,505,110	(975,539)	240,361	251,147	2,745,471	(724,392)
<i>% Change</i>	3.6%	-1.4%	15.1%	13.7%	3.9%	-1.0%

For more detailed information see the Statement of Net Assets on pages 3 – 4 of the CAFR.

VILLAGE OF GLENCOE  
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

**Normal Impacts**

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

Net Results of Activities - which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for Capital - which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt, which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase investment in capital assets, net of debt.

Principal Payment on Debt - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and invested in capital assets, net of debt.

**Current Year Impacts**

The Village's combined net assets (which is the Village's bottom line) decreased from \$73,259,513 to \$72,535,121, a decrease of \$724,392 or 1.0% as a result of the combined governmental and business-type activities.

Net assets of the Village's governmental funds decreased from \$71,423,426 to \$70,447,887, a decrease of \$975,539 or 1.4% as a result of governmental activities. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, increased from \$2,423,358 to \$3,225,221. Assets restricted for public safety and for roadway maintenance amounted to \$654,916.

Net assets from business-type activities funding water production/distribution and Glencoe Golf Club operations increased from \$1,836,087 to \$2,087,234, an increase of \$251,147 or 13.7%. The Village's unrestricted net assets for business-type activities were (\$1,119,059). The deficit of unrestricted net assets for business-type activities is due primarily to the advances to date (plus interest) of \$1,559,138 to the Glencoe Golf Club, (an increase of \$17,805 from the prior year), and also due to advances to date to the Water Fund of \$102,288 (an increase of \$70,167 from prior year). Independently, the net unrestricted assets for the Water Fund were (\$240,694), while the Glencoe Golf Club unrestricted net assets were (\$878,365).

VILLAGE OF GLENCOE  
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

The following (Table III) shows the revenue and expenses of the Village's governmental and business-type activities. For more information see the Statement of Activities on pages 5 - 6.

Table III  
Changes in Net Assets  
For the Fiscal Year Ended February 28, 2010

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>		<i>Primary</i>	
	<i>Government</i>	<i>Government</i>	<i>Government</i>	<i>Government</i>	<i>Government</i>	<i>Government</i>
	2009	2010	2009	2010	2009	2010
<b>REVENUES</b>						
Program Revenues						
Charges for Service	\$ 2,684,259	\$ 2,058,087	\$ 3,355,503	\$ 3,338,864	\$ 6,039,762	\$ 5,396,951
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	230,888	220,432	-	-	230,888	220,432
Total Program Revenue	2,915,147	2,278,519	3,355,503	3,338,864	6,270,650	5,617,383
General Revenues						
Property and Replacement Taxes	10,091,906	10,591,945	-	-	10,091,906	10,591,945
Sales Tax	1,668,937	1,576,372	-	-	1,668,937	1,576,372
Utility Tax	1,487,638	1,296,223	-	-	1,487,638	1,296,223
Income Tax	810,043	699,419	-	-	810,043	699,419
Other	1,686,420	1,292,599	20,818	9,013	1,707,238	1,301,612
Total General Revenue	15,744,944	15,456,558	20,818	9,013	15,765,762	15,465,571
<b>Total Revenue</b>	<b>18,660,091</b>	<b>17,735,077</b>	<b>3,376,321</b>	<b>3,347,877</b>	<b>22,036,412</b>	<b>21,082,954</b>
<b>\$ Change</b>	<b>(274,597)</b>	<b>(925,014)</b>	<b>69,159</b>	<b>(28,444)</b>	<b>(205,438)</b>	<b>(953,458)</b>
<b>% Change</b>	<b>-1.5%</b>	<b>-5.0%</b>	<b>2.1%</b>	<b>-0.8%</b>	<b>-0.9%</b>	<b>-4.3%</b>
<b>EXPENSES</b>						
Administration & Finance	3,546,692	2,161,110	-	-	3,546,692	2,161,110
Public Safety	6,745,762	7,022,845	-	-	6,745,762	7,022,845
Public Works	5,460,694	9,118,339	-	-	5,460,694	9,118,339
Debt Service Interest	401,833	408,322	-	-	401,833	408,322
Water			1,786,861	1,784,162	1,786,861	1,784,162
Glencoe Golf Club			1,349,099	1,312,568	1,349,099	1,312,568
<b>Total Expenses</b>	<b>16,154,981</b>	<b>18,710,616</b>	<b>3,135,960</b>	<b>3,096,730</b>	<b>19,290,941</b>	<b>21,807,346</b>
<b>\$ Change</b>	<b>(1,190,670)</b>	<b>2,555,635</b>	<b>26,492</b>	<b>(39,230)</b>	<b>(1,164,178)</b>	<b>2,516,405</b>
<b>% Change</b>	<b>-6.9%</b>	<b>15.8%</b>	<b>0.9%</b>	<b>-1.3%</b>	<b>-5.7%</b>	<b>13.0%</b>
<b>EXCESS (DEFICIENCY) OF REVENUE</b>						
<b>OVER EXPENSE</b>	<b>2,505,110</b>	<b>(975,539)</b>	<b>240,361</b>	<b>251,147</b>	<b>2,745,471</b>	<b>(724,392)</b>
<b>TRANSFERS</b>						
	-	-	-	-	-	-
<b>Change in Net Assets</b>	<b>2,505,110</b>	<b>(975,539)</b>	<b>240,361</b>	<b>251,147</b>	<b>2,745,471</b>	<b>(724,392)</b>

VILLAGE OF GLENCOE  
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Revenue for governmental activities decreased \$925,014 or 5.0% from the prior year and expenditures for governmental activities increased \$2,555,635 or 15.8% from the prior year. Revenue for business-type activities decreased \$28,444 or 0.8% from the prior year and expenditures for business-type activities decreased \$39,230 or 1.3% from the prior year. The total revenue for primary government activities decreased \$953,458 or 4.3% from the prior year and total expenditures for primary government activities increased \$2,516,405 or 13.0% from the prior year. \$2,852,155 of the expenditure increase is related to capital projects funded by bond proceeds. Absent of capital projects, total expenditures decreased by 1.74%.

**Normal Impacts – Changes in Net Assets**

Reflected are eight basic impacts on revenues and expenses as reflected below:

Revenues:

**Economic Condition** - which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales, telecommunications and utility tax revenue as well as public spending habits for items such as building permits, elective user fees and volumes of consumption.

**Increase/Decrease in Village approved rates** - while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (property taxes within tax cap limits, water/sewer fees, refuse/recycling fees, building fees, utility tax rates, etc).

**Changing Patterns in Intergovernmental and Grant Revenue (both recurring and Nonrecurring)** - certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

**Market Impacts on Investment Income** - the Village's investment portfolio is managed using a shorter maturity than many governments, which may result in lower interest income due to the market stability of shorter-term options. However, the Village earns 60 basis points over Illinois Funds on a majority of cash held in bank accounts.

Expenses:

**Introduction of New Programs** - within the functional expense categories (General Government, Public Safety, Public Works, etc.) individual programs may be added, deleted or modified to meet changing community needs.

**Increase in Authorized Personnel** - changes in service demand may cause the Village Board to increase/decrease authorized staffing.

**Salary Increases (annual adjustments and merit)** - the Village strives to maintain a competitive salary range position in the marketplace.

**Inflation** - Overall inflation, as measured by the change in the consumer price index (CPI) from December to the next December, has varied significantly in recent years. The CPI used for the 2008 tax levy (Fiscal Year 2010 Budget) was based on the change in CPI from December 31, 2006 to December 31, 2007 or 4.08%. The following year CPI (from December 31, 2007 to December 31, 2008) of 0.9% was used for the 2009 tax levy (Fiscal Year 2011 Budget). The change in CPI from December 31, 2008 to December 31, 2009 was 2.72% and will be used for the 2010 tax levy (Fiscal Year 2012 Budget). Also, as a major consumer of certain services and commodities such as supplies, fuel and parts, the Village often experiences increases that vary from the change in CPI factors listed above. An example is health insurance, the family coverage premium rate for health insurance increased from \$1,600 per month to \$1,659 per month on January 1, 2010, an increase of 3.7%. The change is primarily due to claims history and the cost of providing medical services.

VILLAGE OF GLENCOE  
 MANAGEMENT DISCUSSION & ANALYSIS (Continued)

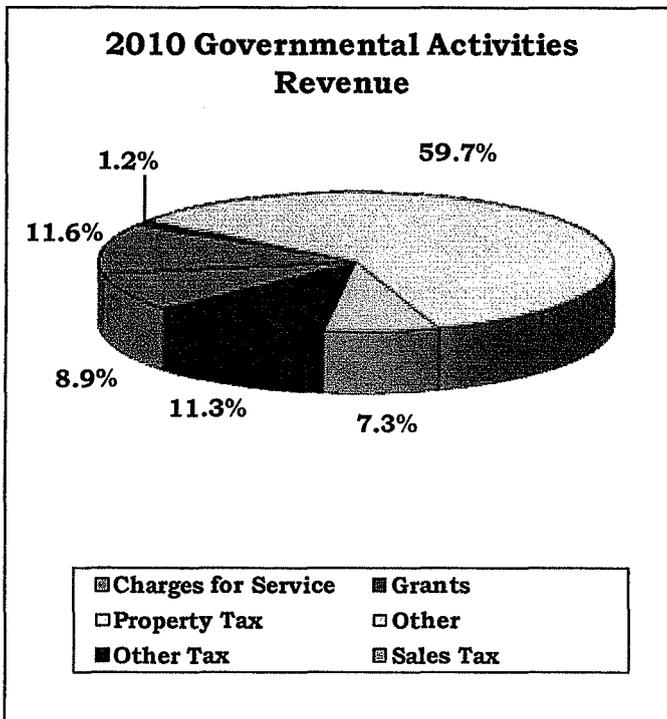
**Current Year Impacts**

**Governmental Activities**

Revenue:

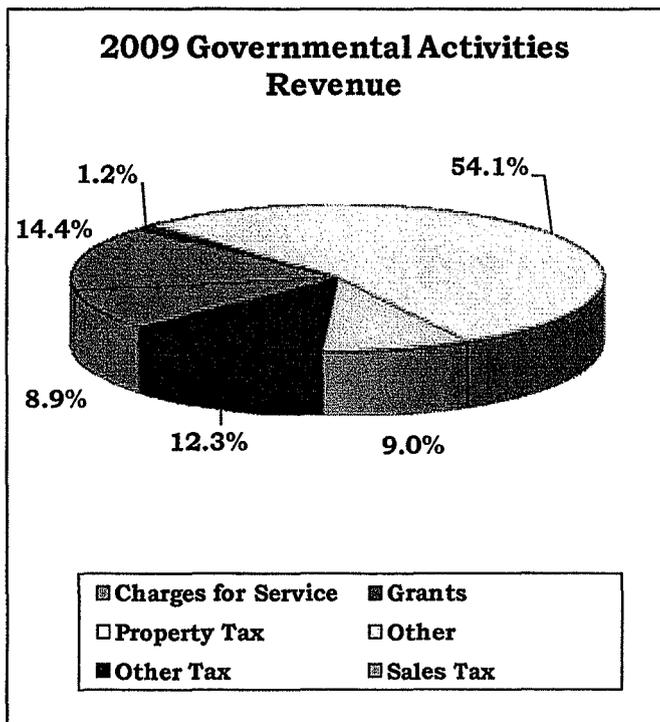
For the fiscal year ended February 28, 2010 revenues from government activities totaled \$17,735,077.

Property taxes (and replacement taxes) continue to be the Village's largest revenue source totaling \$10,591,945 representing 59.7% of total governmental activity revenue. Sales tax revenue was \$1,576,372 or 8.9% of total governmental activity revenue. Other taxes including, local utility tax was \$1,296,223 and shared state income tax revenue was \$699,419, together representing 11.3% of the total governmental activity revenue. Total charges for service were \$2,058,087 or 11.6% of governmental activity revenue.



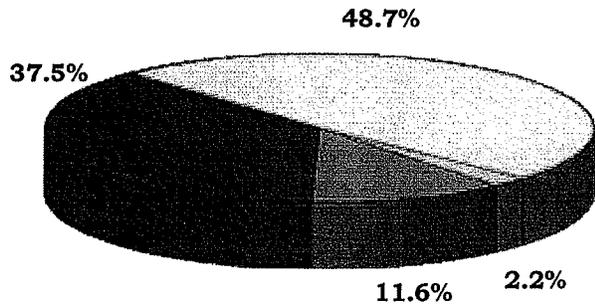
Comparison with Prior Year:

Property tax and replacement tax revenue increased by \$500,039 or 5.0% from the prior year. Sales taxes decreased by \$92,565 or 5.5% from the prior year. The sales tax figure is gross and therefore does not include any rebates paid. Income tax decreased by \$110,624 or 13.7% from the prior year. Charges for service decreased by \$626,172 or 23.3%. Grants (capital and operating) decreased by \$10,456 or 4.5%. The decrease in sales tax is consistent with the downturn in the economy seen nationwide. Income tax was reduced due to higher level of unemployment. Also, the disbursement of income tax due to the Village was delayed due to financial condition of the State of Illinois. Charges for services were significantly reduced due to a decrease in building activity in the Village from prior years.



VILLAGE OF GLENCOE  
 MANAGEMENT DISCUSSION & ANALYSIS (Continued)

**2010 Governmental Activities  
 Expense**



■ Administration	■ Public Safety
□ Public Works	□ Debt Service Interest

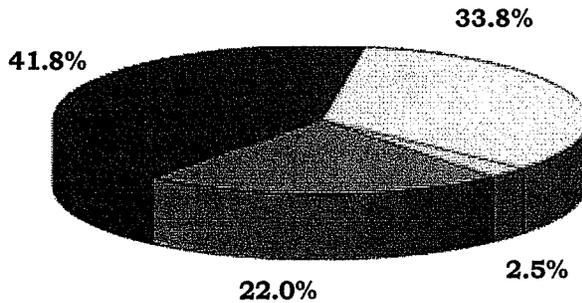
Expenses:

For the fiscal year that ended February 28, 2010, expenses for governmental activities totaled \$18,710,616.

The following (Table IV) represents some of the percentage increases experienced by the Village during the year.

Categories included in expenditures are administration, debt service interest, public safety and public works.

**2009 Governmental Activities  
 Expense**



■ Administration	■ Public Safety
□ Public Works	□ Debt Service Interest

Comparison with Prior Year:

Total expenditures for governmental activities increased \$2,555,635 or 15.8% from the prior year. Expenditure for administration and finance decreased by \$1,385,582, or 39.1%, from the prior year. Expenditures for Public Safety increased by \$277,083 or 4.1% from the prior year. Expenditures for Public Works increased by \$3,657,645 or 67.0% from the prior year. Expenditures related to debt service interest payments increased by \$6,489 or 1.6% from the prior year.

The major increase in total expenditures was from the expenditure of bond proceeds on capital projects. The decrease in administration and finance expenditure was due to a reclassification of certain expense due to garbage operations as a public work's expenditure. Public works increase reflects both use of bond proceeds and the reclassification of administration and finance expenses.

VILLAGE OF GLENCOE  
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Table IV  
Cost Factors

Category	2008 Factors		2009 Factors		2010 Factors	
	% Change	Effective	% Change	Effective	% Change	Effective
Change in CPI (Tax Cap)	3.40%	12/31/2005	2.54%	12/31/2006	4.08%	12/31/2007
General Employees	3.95%	3/1/2007	3.95%	3/1/2008	2.88%	3/1/2009
Public Safety Officers	4.70%	3/1/2007	3.95%	3/1/2008	2.88%	3/1/2009
Bargaining Unit Employees	3.75%	3/1/2007	3.74%	3/1/2008	4.75%	3/1/2009
Health Insurance	9.80%	1/1/2008	-2.95%	1/1/2009	3.70%	1/1/2010
Police Pension (Taxes)	19.05%	3/1/2007	3.98%	3/1/2008	9.99%	3/1/2009
IMRF	-5.96%	1/1/2008	0.79%	1/1/2009	10.00%	1/1/2010

The 2008 Tax Levy that funded Fiscal Year 2010 was limited to a 4.08% based upon the change in CPI from 2006 to 2007. The 2008 Tax Levy increased the extension by \$378,205 to a total tax extension for capped funds of \$7,878,007. At the same time the Village experienced major increases in the cost of health insurance and Police Pension Fund. Annually, the Village reviews its long range financial plan to address these and other issues.

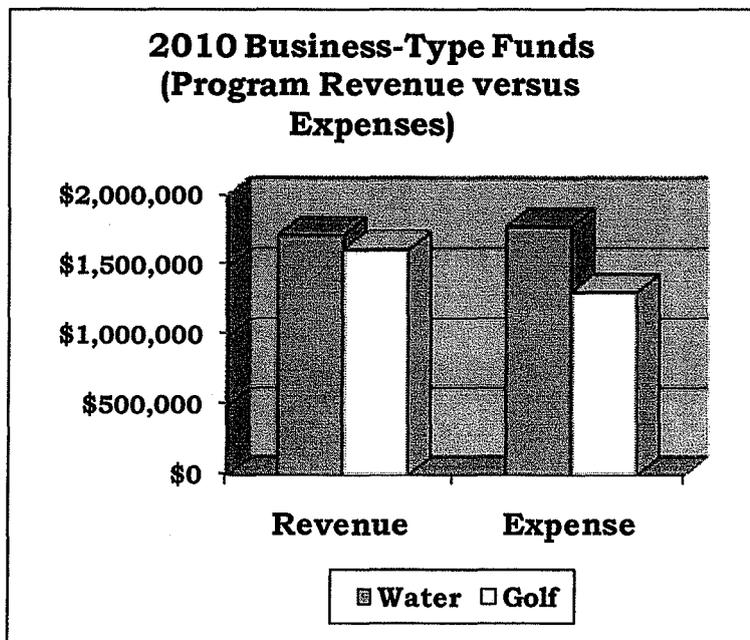
The increase for general employees decreased from the 2009 factor of 3.95% to 2.88%. Bargaining unit employees increased with a contract year one increase of 4.75%. During Fiscal Year 2010, the salary adjustment for public safety officers was 2.88%. The health insurance premium rate decreased by 2.95% effective January 1, 2009 and increased by 3.70% effective January 1, 2010.

The increase in taxes related to Police Pension Fund obligations increased by 9.99% from the prior year. The actuarially determined minimum contribution for the Village's Police Pension obligation has increased from \$957,335 for Fiscal Year 2004 to \$1,037,562 for Fiscal Year 2008, an increase of 8.4%. Actual contributions to the Police Pension Fund corresponding to the actuarially determined minimum contributions noted above have increased from \$900,527 in Fiscal Year 2006 (based on Fiscal Year 2004 data) to \$1,407,637 in Fiscal Year 2010 (based on Fiscal Year 2008 data), an increase of 56.3%. During Fiscal Year 2010, the Village's contribution to the Police Pension Fund exceeded the minimum required amount by \$370,075.

Since Fiscal Year 2006, the Village Board has approved contributions beyond the actuarially minimum contribution required. The Village has levied from property taxes the amount determined by the actuaries, the difference has been funded from other general financings sources determined to be available during the budget process for funding pensions to the targeted level.

Employees eligible for benefits under the Illinois Municipal Retirement Fund (IMRF) contribute 4.5% of their salary towards that pension. The 2009 IMRF employer rate increased from 8.90% of salary during 2009 to 9.79% of salary effective January 1, 2010.

VILLAGE OF GLENCOE  
 MANAGEMENT DISCUSSION & ANALYSIS (Continued)



**Business Type Activities**

Revenue

Revenue from business-type activity totaled \$3,347,877. Revenue generated by business-type activity decreased by \$28,444 or 0.8% from the prior year.

At the end of Fiscal Year 2010, the water rate for the Village was \$3.188 per 100 cubic feet, 15.0% change from the prior year. Water Fund charges for service decreased by \$78,120 or 4.3% due to decreased consumption.

During Fiscal Year 2010, the volume of water pumped decreased from the prior year by 81.7 Million Gallons (MG) or 13.4% and was 83.1% of the 5-year average.

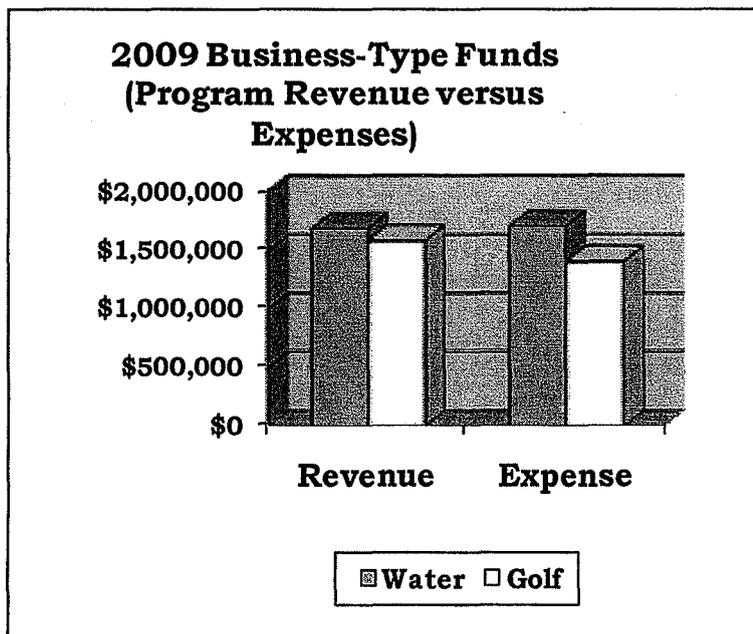
During the prior year, the volume of water pumped decreased by 60.84 MG or 9.1% from the prior fiscal year and was 95.9% of the 5-year

average. Economic conditions, weather conditions and reduced elective use of water (yard watering) are believed to be contributing to the reduced use of water.

Charges for service for the Golf Club increased \$61,481 or 3.9% from the prior year. The Golf Club continued its partnership with GreenToTee Golf Academy (GTT). GTT leased space and reimbursed the Golf Club for utility costs during the year. The recent economic downturn may have helped the Glencoe Golf Club with members at clubs opting for the public golf course experience (at lower rates) rather than continue expensive memberships.

Expenses

Expenses (including depreciation) from business-type activity totaled \$3,096,730. Business-type depreciation expense amounted to \$118,358 as compared to \$106,798 in the prior year.



Included is an interest expense of \$10,743 on the advance to the Glencoe Golf Club due to the Village's General Fund. This amount decreased from the prior year amount of \$16,091. This decrease was due to a decrease in the rate of earnings.

During the year, the Water Fund had an operating loss of \$62,678. The Glencoe Golf Club had an operating gain of 322,600, as compared to the operating gain at the Glencoe Golf Club during Fiscal Year 2009 of \$241,506.

Expenditures for business type activities increased by \$39,230 or 1.3% from the prior year. Expenditures for the Water Fund decreased by \$2,699 or .15% from the prior year. Expenditures for the Golf Club decreased by \$36,531 or 2.7% from the prior year.

VILLAGE OF GLENCOE  
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

For the Fiscal Year ending February 28, 2010, the governmental funds reflect a combined fund balance of \$9,480,356. (See page 7 - 8 for more information). Overall the net change in combined fund balance was a decrease of \$2,542,558. The net change in fund balance for the General Fund was an increase of \$97,279. The net change for the Garbage Fund was an increase of \$7,711. The net change in fund balance for General Obligation Bonds was a decrease of \$26,400. The net change in fund balance for Capital Projects was a decrease of \$2,757,250 due to the use of a portion of the bonds from the 2009 Series Bonds. The net change in fund balance for non-major governmental funds during the year was an increase of \$136,102.

Table V  
General Corporate Fund  
Budgetary Highlights

	<i>Final Budget</i>	<i>Final Appropriation</i>	<i>2010 Actual</i>	<i>2009 Actual</i>	<i>2008 Actual</i>
<b>General Corporate Fund</b>					
<b>REVENUES</b>					
Taxes	\$ 10,925,650	\$ -	\$ 10,944,641	\$ 11,152,735	\$ 10,764,186
Licenses & Permits	1,410,575	-	1,205,211	1,491,828	2,125,768
Other	1,504,355	-	1,257,086	1,876,838	1,758,582
<b>Total</b>	<b>\$ 13,840,580</b>	<b>\$ -</b>	<b>\$ 13,406,938</b>	<b>\$ 14,521,401</b>	<b>\$ 14,648,536</b>
\$ From Final Budget			\$ (433,642)		
% of Final Budget			83.6%		
\$ from Actual			\$ (1,114,463)	\$ (127,135)	\$ 1,480,185
% from Actual			-7.7%	-0.9%	11.2%
<b>EXPENDITURES &amp; TRANSFERS</b>					
Expenditures	\$ 13,878,578	\$ 15,266,436	\$ 13,309,659	\$ 14,503,300	\$ 15,161,703
\$ From Final Budget			\$ (568,919)		
% from Final Budget			95.9%		
\$ from Actual			\$ (1,193,641)	\$ (658,403)	\$ 2,308,735
% from Actual			-8.2%	-4.3%	18.0%
Transfers In	-	-	-	-	(100,998)
<b>Total</b>	<b>\$ 13,878,578</b>	<b>\$ 15,266,436</b>	<b>\$ 13,309,659</b>	<b>\$ 14,503,300</b>	<b>\$ 15,060,705</b>
Changes In Fund Balance	\$ (37,998)	\$ (15,266,436)	\$ 97,279	\$ 18,101	\$ (412,169)

Total revenue in the General Fund decreased by \$1,114,463 or 7.7% from the prior year. Total expenditures in the General Fund decreased by \$1,193,641 or 8.2% from the prior year. (See page 64 for more detail about revenue and expenditure in the General Fund).

The General Fund received revenues at 83.6% of budget. Towards the end of Fiscal Year 2010 major revenue sources (Sales tax, income tax, and building permits) were trending downwards due primarily to prevailing economic conditions beyond the control of the Village. During development of the updated long range financial projection and the Fiscal Year 2011 Budget, the Village Board began to review revenue trends and develop strategies to increase revenue and decrease expense. As of this report, the Village Board is continuing its review of financial conditions in order to anticipate and react to the changing economic climate in a timely, prudent and appropriate fashion.

VILLAGE OF GLENCOE  
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Expenditures were \$568,919 less than budgeted or 95.9% of budget. Mid-year during Fiscal Year 2010 staff reviewed adopted budgets and identified operating and capital expenditure items that could either be eliminated or deferred to a later date.

During Fiscal Year 2010, the Village Board adopted a supplemental appropriation ordinance. The supplemental appropriations were primarily for the following purposes:

1. Providing for unemployment premium expense;
2. Providing for building permit rebate expenses;
3. Providing for reimbursable plan review expense, and
4. Providing for unforeseen energy costs in the Street Lighting Division.

The supplemental appropriation was adopted to make sure that anticipated expenditures would be within appropriated amounts. There was no action taken by the Village Board during the Fiscal Year to increase the budget. On a fund-by-fund basis, all fiscal year 2010 expenditures were within Fiscal Year 2010 appropriations. The amount of the supplemental appropriation is the same as the original appropriation for all funds. Certain appropriated items were transferred to areas needing increased spending authority.

VILLAGE OF GLENCOE  
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

**Capital Assets**

At the end of Fiscal Year 2010, the Village's Governmental Activities had invested \$74,649,934 (see Notes to Financial Statement No.3 on page 35) in a variety of capital assets and infrastructure, as reflected in the following schedule.

Table VI  
Governmental Funds  
Change in Capital Assets

	Balance	Balance	Net	Balance
	February 29 ,2008	February 28 ,2009	Additions/ Deletions	February 28 ,2010
<b>Non-Depreciable Assets</b>				
Land & Land Right of Way	\$ 44,747,974	\$ 44,747,974	\$ -	\$ 44,747,974
Construction In Progress	-	-	319,800	319,800
Sub-Total	44,747,974	44,747,974	319,800	45,067,774
<b>Other Capital Assets</b>				
Buildings & Improvements	5,276,373	5,356,933	15,405	5,372,338
Vehicles	4,248,298	4,295,578	(26,714)	4,268,864
Machinery & Equipment	509,592	525,468	147,080	672,548
Infrastructure	39,962,076	40,780,318	(383,357)	40,396,961
Sub-Total	49,996,339	50,958,297	(247,586)	50,710,711
Accumulated Depreciation on other Capital Assets	(18,867,628)	(19,883,013)	(1,245,538)	(21,128,551)
<b>Totals</b>	<b>75,876,685</b>	<b>75,823,258</b>	<b>(1,173,324)</b>	<b>74,649,934</b>
\$ Change from prior year	878,853	(53,427)		
% Change from prior year	1.17%	-0.07%	-1.55%	

Assets (net of depreciation) decreased \$1,173,324 or 1.55% from Fiscal Year 2009 to Fiscal Year 2010. At the end of Fiscal Year 2010 there was one item in progress. That item was the purchase of a new fire engine funded by bond proceeds. \$319,800 in progress payments were made during Fiscal Year 2010. The vehicle was delivered during Fiscal Year 2011.

**Debt Outstanding**

As of February 28, 2010, the Village had \$12,355,000 in outstanding debt service. The existing schedule extends through Fiscal Year 2019. (For more information see Statement Note No. 3 on pages 37 - 41).

The Village has a legal debt limit of \$115,972,458, which is 10.00% of assessed valuation. The Village has used \$12,355,000 of this limit leaving a legal debt margin of \$103,617,458. As last rated during Fiscal Year 2010, the Village maintained an "AAA" bond rating by Standard & Poor's Corporation. As stated by Standard & Poor, the rating reflects high-end housing stock, strong local economic conditions and strong financial management using 10-year financial planning.

VILLAGE OF GLENCOE  
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

**Economic Factors**

The Village's composition is primarily residential with a commercial component greatly expanded by new car dealerships. The property tax revenue derived from the current housing stock is stable. The commercial component includes vehicle sales, food and drugs and miscellaneous retail.

The equalized assessed valuation (EAV) grew 4.5% from Tax Year 2008 Tax Year to total EAV of \$1,159,724,579. The Tax Year 2008 Tax Levy (including debt service) grew 6.55% from the 2006 Tax Extension. The 2008 Tax Extension as a percent of the total EAV was to 0.92%, as compared to a 10-year average of 1.36%.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to David A. Clark, Director of Finance, Village of Glencoe, 675 Village Court, Illinois 60022.

## **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
  - Fiduciary 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 GLENCOE, ILLINOIS**

**Statement of Net Assets**  
**February 28, 2010**

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See Following Page

VILLAGE OF GLENCOE, ILLINOIS

Statement of Net Assets  
February 28, 2010

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Glencoe Public Library
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 9,590,297	677,192	10,267,489	1,640,707
Receivables - net of allowances				
Property taxes	9,700,071	-	9,700,071	1,760,283
Other taxes	868,605	-	868,605	-
Accounts	109,674	145,711	255,385	-
Other	36,334	78,123	114,457	2,028
Internal balances	1,662,026	(1,662,026)	-	-
Inventory/prepays	237,783	90,096	327,879	15,147
Total current assets	22,204,790	(670,904)	21,533,886	3,418,165
NONCURRENT ASSETS				
Capital assets				
Nondepreciable	45,067,774	933,090	46,000,864	75,772
Depreciable	50,710,711	7,107,183	57,817,894	2,808,480
Accumulated depreciation	(21,128,551)	(4,833,980)	(25,962,531)	(1,024,872)
	74,649,934	3,206,293	77,856,227	1,859,380
Other Assets				
Net Pension Asset	427,762	-	427,762	-
Total noncurrent assets	75,077,696	3,206,293	78,283,989	1,859,380
Total assets	97,282,486	2,535,389	99,817,875	5,277,545

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

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Glencoe Public Library
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities	1,774,977	59,952	1,834,929	-
Accrued interest payable	67,804	-	67,804	-
Unearned/deferred revenue	10,949,457	59,265	11,008,722	2,004,002
Compensated absences payable	771,755	139,275	911,030	-
Notes payable	-	-	-	28,006
General obligation bonds payable	2,325,000	-	2,325,000	-
<b>Total current liabilities</b>	<b>15,888,993</b>	<b>258,492</b>	<b>16,147,485</b>	<b>2,032,008</b>
<b>NONCURRENT LIABILITIES</b>				
Net pension obligation payable	116,196	-	116,196	-
Net other postemployment benefit payable	72,503	-	72,503	-
Compensated absences payable	627,873	189,663	817,536	-
Notes payable	-	-	-	374,860
General obligation bonds payable - net	10,129,034	-	10,129,034	-
<b>Total noncurrent liabilities</b>	<b>10,945,606</b>	<b>189,663</b>	<b>11,135,269</b>	<b>374,860</b>
<b>Total liabilities</b>	<b>26,834,599</b>	<b>448,155</b>	<b>27,282,754</b>	<b>2,406,868</b>
<b>NET ASSETS</b>				
Invested in capital assets - net of related debt	66,567,750	3,206,293	69,774,043	1,456,514
Restricted for roadway maintenance	252,700	-	252,700	-
Restricted for public safety	402,216	-	402,216	-
Restricted for employee retirement	-	-	-	27,196
Restricted for donor specified purposes	-	-	-	31,585
Unrestricted	3,225,221	(1,119,059)	2,106,162	1,355,382
<b>TOTAL NET ASSETS</b>	<b>70,447,887</b>	<b>2,087,234</b>	<b>72,535,121</b>	<b>2,870,677</b>

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Activities  
Year Ended February 28, 2010

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>FUNCTIONS/PROGRAMS</b>				
<b>PRIMARY GOVERNMENT</b>				
Governmental activities				
Administration and finance	2,161,110	51,286	-	-
Public safety	7,022,845	344,396	-	-
Public works	9,118,339	1,662,405	-	220,432
Interest on long-term debt	408,322	-	-	-
Total governmental activities	18,710,616	2,058,087	-	220,432
Business-type activities				
Water	1,784,162	1,721,484	-	-
Glencoe golf club	1,312,568	1,617,380	-	-
Total business-type activities	3,096,730	3,338,864	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>21,807,346</b>	<b>5,396,951</b>	<b>-</b>	<b>220,432</b>
<b>COMPONENT UNIT</b>				
Glencoe Public Library	1,932,283	37,929	35,141	-

General revenues  
Taxes  
Property and replacement  
Sales  
Utility  
Income  
Other  
Interest  
Miscellaneous

CHANGE IN NET ASSETS

NET ASSETS - BEGINNING

NET ASSETS - ENDING

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

Net Expense/Revenue			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Total	Glencoe Public Library
(2,109,824)	-	(2,109,824)	-
(6,678,449)	-	(6,678,449)	-
(7,235,502)	-	(7,235,502)	-
(408,322)	-	(408,322)	-
(16,432,097)	-	(16,432,097)	-
-	(62,678)	(62,678)	-
-	304,812	304,812	-
-	242,134	242,134	-
(16,432,097)	242,134	(16,189,963)	-
-	-	-	(1,859,213)
10,591,945	-	10,591,945	1,891,655
1,576,372	-	1,576,372	-
1,296,223	-	1,296,223	-
699,419	-	699,419	-
584,016	-	584,016	-
183,375	9,013	192,388	4,371
525,208	-	525,208	3,644
15,456,558	9,013	15,465,571	1,899,670
(975,539)	251,147	(724,392)	40,457
71,423,426	1,836,087	73,259,513	2,830,220
70,447,887	2,087,234	72,535,121	2,870,677

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

VILLAGE OF GLENCOE, ILLINOIS

Balance Sheet - Governmental Funds  
February 28, 2010

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	<u>General</u>
<b>ASSETS</b>	
Cash and investments	\$ 3,737,582
Receivables - net of allowances	
Property taxes	7,267,088
Other taxes	846,331
Accounts	65,016
Other	35,071
Due from other funds	1,662,026
Prepays	193,452
Inventory	-
	<hr/>
TOTAL ASSETS	<u>13,806,566</u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	1,676,700
Unearned/deferred revenues	8,174,667
Total liabilities	<u>9,851,367</u>
<b>FUND BALANCES</b>	
Reserved for prepaids	193,452
Reserved for inventory	-
Reserved for advances	1,662,026
Reserved for debt service	-
Reserved for capital projects	-
Reserved for roadway maintenance	-
Reserved for public safety	-
Unreserved	2,099,721
Total fund balances	<u>3,955,199</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>13,806,566</u>

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

Special Revenue Garbage	Debt Service General Obligation Bonds	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
159,062	361,730	4,694,208	637,715	9,590,297
-	2,432,983	-	-	9,700,071
-	-	-	22,274	868,605
44,658	-	-	-	109,674
1,263	-	-	-	36,334
-	-	-	-	1,662,026
34,784	-	-	-	228,236
9,547	-	-	-	9,547
249,314	2,794,713	4,694,208	659,989	22,204,790
20,136	-	73,068	5,073	1,774,977
-	2,774,790	-	-	10,949,457
20,136	2,774,790	73,068	5,073	12,724,434
34,784	-	-	-	228,236
9,547	-	-	-	9,547
-	-	-	-	1,662,026
-	19,923	-	-	19,923
-	-	4,621,140	-	4,621,140
-	-	-	252,700	252,700
-	-	-	402,216	402,216
184,847	-	-	-	2,284,568
229,178	19,923	4,621,140	654,916	9,480,356
249,314	2,794,713	4,694,208	659,989	22,204,790

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

**VILLAGE OF GLENCOE, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to the  
Statement of Net Assets - Governmental Activities**

**February 28, 2010**

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TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 9,480,356
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Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	74,649,934
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A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds.	427,762
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net pension obligation payable	(116,196)
Net other post-employment benefit obligation payable	(72,503)
Compensated absences payable	(1,399,628)
General obligation bonds payable - net	(12,454,034)
Accrued interest payable	<u>(67,804)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>70,447,887</u></u>
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**VILLAGE OF GLENCOE, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
February 28, 2010**

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See Following Page

VILLAGE OF GLENCOE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
 Year Ended February 28, 2010

	<u>General</u>
<b>REVENUES</b>	
Property taxes	\$ 7,096,850
Other taxes	3,847,791
Intergovernmental	-
Licenses, permits and fees	1,205,211
Charges for services	550,021
Fines and forfeitures	151,006
Interest	72,582
Miscellaneous	483,477
Total revenues	<u>13,406,938</u>
<b>EXPENDITURES</b>	
Current	
Administration and finance	2,067,659
Public safety	7,193,792
Public works	3,932,100
Capital outlay	116,108
Debt service	
Principal retirement	-
Interest and fiscal charges	-
Total expenditures	<u>13,309,659</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>97,279</u>
<b>OTHER FINANCING SOURCES</b>	
Debt issuance	-
Payment to Escrow Agent	-
Premium on debt issuance	-
	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	97,279
<b>FUND BALANCES - BEGINNING</b>	<u>3,857,920</u>
<b>FUND BALANCES - ENDING</b>	<u><u>3,955,199</u></u>

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

Special Revenue Garbage	Debt Service General Obligation Bonds	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
679,691	2,702,956	-	-	10,479,497
7,000	-	-	154,638	4,009,429
-	-	-	220,432	220,432
-	-	-	-	1,205,211
410,898	-	-	-	960,919
-	-	-	-	151,006
2,139	9,175	94,905	4,574	183,375
41,731	-	-	-	525,208
1,141,459	2,712,131	94,905	379,644	17,735,077
-	33,281	20,467	-	2,121,407
-	-	-	113,037	7,306,829
1,133,748	-	-	-	5,065,848
-	-	2,831,688	130,505	3,078,301
-	2,230,000	-	-	2,230,000
-	313,060	-	-	313,060
1,133,748	2,576,341	2,852,155	243,542	20,115,445
7,711	135,790	(2,757,250)	136,102	(2,380,368)
-	3,890,000	-	-	3,890,000
-	(4,200,741)	-	-	(4,200,741)
-	148,551	-	-	148,551
-	(162,190)	-	-	(162,190)
7,711	(26,400)	(2,757,250)	136,102	(2,542,558)
221,467	46,323	7,378,390	518,814	12,022,914
229,178	19,923	4,621,140	654,916	9,480,356

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

VILLAGE OF GLENCOE, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities - Governmental Activities

Year Ended February 28, 2010

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (2,542,558)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays	898,421
Depreciation expense	(1,266,871)
The net effect of various miscellaneous transactions involving capital assets is to decrease net assets.	
Disposals - cost	(826,207)
Disposals - accumulated depreciation	21,333
An increase in a net pension asset is not considered to be an increase in financial assets in the governmental funds.	453,966
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.	
Increase in net pension obligation payable	(32,371)
Increase in net other post-employment benefit obligation payable	(36,414)
Retirement of compensated absences payable	58,234
Retirement of debt	6,350,000
Issuance of debt	(3,890,000)
Amortization of discount	(10,496)
Amortization of loss on refunding	(62,500)
Amortization of premium	(99,034)
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.	<u>8,958</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>(975,539)</u></u>

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Net Assets - Proprietary Funds  
February 28, 2010

	Water	Glencoe Golf Club	Totals
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ -	677,192	677,192
Receivables - net of allowances			
Customer accounts	145,711	-	145,711
Other	694	77,429	78,123
Prepays	23,443	18,747	42,190
Inventory	36,048	11,858	47,906
Total current assets	<u>205,896</u>	<u>785,226</u>	<u>991,122</u>
<b>NONCURRENT ASSETS</b>			
Capital Assets			
Nondepreciable	933,090	-	933,090
Depreciable	5,546,002	1,561,181	7,107,183
Accumulated depreciation	(4,152,460)	(681,520)	(4,833,980)
Total noncurrent assets	<u>2,326,632</u>	<u>879,661</u>	<u>3,206,293</u>
Total assets	<u>2,532,528</u>	<u>1,664,887</u>	<u>4,197,415</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	51,947	8,005	59,952
Due to other funds	102,888	1,559,138	1,662,026
Unearned/deferred revenue	-	59,265	59,265
Compensated absences payable	122,079	17,196	139,275
Total current liabilities	<u>276,914</u>	<u>1,643,604</u>	<u>1,920,518</u>
<b>NONCURRENT LIABILITIES</b>			
Compensated absences payable	<u>169,676</u>	<u>19,987</u>	<u>189,663</u>
Total liabilities	<u>446,590</u>	<u>1,663,591</u>	<u>2,110,181</u>
<b>NET ASSETS</b>			
Invested in capital assets	2,326,632	879,661	3,206,293
Unrestricted	(240,694)	(878,365)	(1,119,059)
TOTAL NET ASSETS	<u>2,085,938</u>	<u>1,296</u>	<u>2,087,234</u>

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds  
Year Ended February 28, 2010

	Water	Glencoe Golf Club	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,654,747	1,596,708	3,251,455
Miscellaneous	66,737	20,672	87,409
Total operating revenues	<u>1,721,484</u>	<u>1,617,380</u>	<u>3,338,864</u>
<b>OPERATING EXPENSES</b>			
Water production	922,558	-	922,558
Water distribution	791,859	-	791,859
Golf	-	1,246,167	1,246,167
Depreciation	69,745	48,613	118,358
Total operating expenses	<u>1,784,162</u>	<u>1,294,780</u>	<u>3,078,942</u>
OPERATING INCOME (LOSS)	<u>(62,678)</u>	<u>322,600</u>	<u>259,922</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Disposal of capital assets	-	(17,788)	(17,788)
Interest income	-	9,013	9,013
	<u>-</u>	<u>(8,775)</u>	<u>(8,775)</u>
CHANGE IN NET ASSETS	(62,678)	313,825	251,147
NET ASSETS - BEGINNING	<u>2,148,616</u>	<u>(312,529)</u>	<u>1,836,087</u>
NET ASSETS - ENDING	<u>2,085,938</u>	<u>1,296</u>	<u>2,087,234</u>

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Cash Flows - Proprietary Funds  
Year Ended February 28, 2010

	Water	Glencoe Golf Club	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,713,286	1,604,887	3,318,173
Payments to employees	(771,184)	(626,423)	(1,397,607)
Payments to suppliers	(890,115)	(723,907)	(1,614,022)
	<u>51,987</u>	<u>254,557</u>	<u>306,544</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(51,987)	(293,537)	(345,524)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	-	9,013	9,013
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>(29,967)</b>	<b>(29,967)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>-</b>	<b>707,159</b>	<b>707,159</b>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>-</b>	<b>677,192</b>	<b>677,192</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	(62,678)	322,600	259,922
Adjustments to reconcile operating income to net income to net cash provided by (used in) operating activities:			
Depreciation expense	69,745	48,613	118,358
(Increase) Decrease in Current Assets	(8,198)	(12,493)	(20,691)
Increase (Decrease) in Current Liabilities	53,118	(104,163)	(51,045)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>51,987</b>	<b>254,557</b>	<b>306,544</b>

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

**VILLAGE OF GLENCOE, ILLINOIS**

**Statement of Net Assets - Fiduciary Funds  
February 28, 2010**

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	<u>Pension Trust</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,277,974
Investments	
U.S. government and agency obligations	10,735,470
Mutual funds	8,793,970
Receivables - net of allowances	
Accrued interest	120,726
Other	<u>41,722</u>
Total assets	20,969,862
<b>LIABILITIES</b>	
Accounts payable	<u>138,613</u>
<b>NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
(A schedule of funding progress is presented following the notes to the financial schedules.)	<u><u>20,831,249</u></u>

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

**VILLAGE OF GLENCOE, ILLINOIS**

**Statement of Changes in Net Assets - Fiduciary Funds  
Year Ended February 28, 2010**

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	<u>Pension Trust</u>
<b>ADDITIONS</b>	
Contributions - employer	
Taxes	\$ 1,426,591
Contributions - plan members	<u>299,250</u>
 Total contributions	 <u>1,725,841</u>
 Investment Income	
Interest earned	549,544
Net change in fair value	<u>3,447,185</u>
	3,996,729
Less investment expenses	<u>(44,971)</u>
Net investment income	<u>3,951,758</u>
 Total additions	 <u>5,677,599</u>
<b>DEDUCTIONS</b>	
Pensions and refunds	1,471,313
Miscellaneous	
Contractual professional services	<u>9,318</u>
Total deductions	<u>1,480,631</u>
 CHANGE IN NET ASSETS	 4,196,968
<b>NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
BEGINNING	<u>16,634,281</u>
 ENDING	 <u>20,831,249</u>

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

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Glencoe, Illinois, incorporated March 29, 1869, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include public safety (police and fire), paramedic services, highways and streets, health, social, and cultural services, public library, water and sanitation, public improvements, planning and zoning, public golf course, 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 Glencoe
Blended Component Units:	Police Pension Employees Retirement System Firefighters' Pension Employees Retirement System
Discretely Presented Component Unit:	Village of Glencoe Public Library (the Library)

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

*Blended Component Units* – Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Village Board or the Component unit provides services entirely to the Village. These component units' funds are blended into those of the Village's by appropriate activity type to compose the primary government presentation.

*Discretely Presented Component Units* – Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

## VILLAGE OF GLENCOE, ILLINOIS

### Notes to the Financial Statements February 28, 2010

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

##### REPORTING ENTITY – Continued

##### **Blended Component Units**

###### Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

###### Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). In 1954, the Village began training "public safety officers" to perform as both police officers and firefighters. Eventually all police officers and firefighters were replaced with public safety officers. All public safety officers participate in the Police Pension Fund. The last active firefighter retired in 1994. FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the Village President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a pension trust fund.

##### **Discretely Presented Component Unit**

###### Village of Glencoe Public Library

The Village of Glencoe Public Library has a separately elected seven-member board and provides services to residents within the geographic boundaries. The Library is included within the Village's financial statements as a discretely presented component unit because the Village approves the budget and the annual tax levy. In addition, bond issuance authorizations are approved by the Village and the legal liability for the general obligation portion of the Library's debt remains with the Village. Separate financial statements for the Library can be obtained from the Glencoe Public Library at 320 Park Avenue, Glencoe, Illinois 60022.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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

#### BASIS OF PRESENTATION

##### Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's public safety (police and fire), paramedic services, highways and streets, health, social, and cultural services, public library, public improvements, planning and zoning, and general administrative services are classified as governmental activities. The Village's water and public golf course services are classified as business-type activities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (administration and finance, 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.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements

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

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either have debt outstanding or a specific or 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. The Village maintains one major special revenue fund, the Garbage Fund, and two nonmajor funds, the Motor Fuel Tax Fund and the Enhanced 911 Fund. The Garbage Fund is used to account for revenues derived from a separate property tax levy and user fees used to finance garbage collection and disposal within the Village.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Governmental Funds – Continued

**Debt Service Funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains one major debt service fund, the General Obligation Bonds Fund. The General Obligation Bonds Fund is used to account for the revenues designated for debt service and payments of principal and interest for the following bond issues: the 1999 General Obligation Bonds, the 2001C General Obligation Bonds, the 2003 General Obligation Refunding Bonds, the 2005 General Obligation Limited Tax Bonds, and the 2009 General Obligation Bonds and 2009A General Obligation Bonds.

**Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Capital Projects Fund, a major fund, is used to account for the 2009 General Obligation bond proceeds used for the construction of various street, sewer, building improvements, and for the purchase of a replacement fire engine.

#### 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 funds 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 two major enterprise funds, the Water Fund and the Glencoe Golf Club Fund. The Water Fund is used to account for the provision of water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, and billing and collection. The Glencoe Golf Club Fund is used to account for the activities of the Glencoe Golf Club. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, and fee collection.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements

February 28, 2010

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

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

**Pension Trust Funds** are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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.

##### Measurement Focus

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.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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

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

##### Measurement Focus – Continued

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 and pension trust 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 and pension trust 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, except for sales taxes and telecommunication taxes, which use a ninety-day availability period. 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 GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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

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

##### Basis of Accounting – Continued

All proprietary and pension trust 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 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

For the purpose of the Statement of Net Assets, cash and cash equivalents are considered to be cash on hand, demand deposits, and 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 seven months or less.

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

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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

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

##### 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 and golf fees as their major receivables.

##### Prepays/Inventories

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaids. Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 to \$100,000 or more, depending on asset category, 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. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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

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

##### Capital Assets – Continued

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

Building and Improvements	45 Years
Vehicles	5 - 20 Years
Machinery and Equipment	5 - 20 Years
Infrastructure	40 - 50 Years
Water Transmission System	50 Years
Golf Course Improvements	20 Years

##### Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

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.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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

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

##### Long-Term Obligations – Continued

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

##### Unearned/Deferred Revenue

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

##### Fund Equity

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

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

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

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

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

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue, Debt Service and Capital Projects Funds. All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting-under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation-is utilized in the governmental funds. Material encumbrances outstanding at year end, if any, are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the financial statements:

- The budget process and review by the Finance Committee begins in November. The Village Board reviews the budget in preliminary form in advance of the tax levy.
- By no later than the Village Board Finance Committee meeting in February, the Village Manager submits to the Board of Trustees a proposed operating budget for the fiscal year commencing on March 1. The operating budget includes proposed expenditures and the means of financing them. The operating budget can be amended by the Village board as long as the amended budget remains within the legal expenditures ceiling set forth by the appropriations ordinance.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to April 15 the budget is legally enacted, and prior to May 15 the appropriation ordinance is legally enacted.
- The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the fund level. Expenditures in excess of the budgeted amounts at the fund level must be approved by the Board of Trustees. The Board of Trustees may amend the budget of a fund.
- A supplemental appropriation was passed for the General Fund and the Capital Projects Fund during the year.

Although the legal level of budgetary control is the appropriations, the Village utilizes a working budget as its management tool to monitor its day to day operations. Due to the high degree of reliance on the budget, both the appropriations and the budget are displayed in the required supplementary information and on the budget and actual schedules throughout this report. The original appropriations was passed as 110% of the working budget.

**VILLAGE OF GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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

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

The following fund had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

<u>Fund</u>	<u>Excess</u>
Water	\$ 76,159

**NOTE 3 – DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS**

Investments are governed by four separate investment policies; one for the Village adopted by the Village board and on policy each for the police and firefighters' pension funds and the Library, which are approved by their respective boards.

Both the Village and Library investment policies authorize them to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, mutual funds, and equities.

The 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 operates 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.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements  
February 28, 2010

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

*Deposits.* At year-end, the carrying amount of the Village’s deposits for governmental and business-type activities totaled \$4,779,046 and the bank balances totaled \$5,331,490.

*Investments.* The Village has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) Less Than 1
Illinois Funds	\$ 12,695	12,695
IMET	5,475,748	5,475,748
Total	5,488,443	5,488,443

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity and maximizing yields for funds not needed within a three year period. The investment policy limits the maximum maturity length of investments to three years from the date of purchase. In addition, the policy requires the Village to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, and in the Illinois Funds and IMET, which invest in U.S. government securities, fully collateralized time deposits in financial institutions, collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. treasury obligations and collateralized repurchase agreements, the Village’s investment policy does not further limit its exposure to credit risk.

At year-end, the Village’s investment in the Illinois Funds was rated AAAM by Standard & Poor’s. IMET’s 1-3 year government bond fund receives Standard & Poor’s AAAf rating for credit quality and Standard & Poor’s S1 rating for volatility, or interest rate, risk.

**VILLAGE OF GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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

**DEPOSITS AND INVESTMENTS – Continued**

**Village – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

*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 requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance. At year-end, the entire amount of the bank balance of deposits was covered by collateral, 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 securities that are in the possession of an outside party. The Village's investment policy does not mitigate custodial credit risk for investments. At year-end, the Village's investment in the Illinois Fund is noncategorizable. The IMET Convenience Fund is a depository vehicle that is 110 percent collateralized with obligations of the United States Treasury and its agencies. All collateral securities are held in the name of IMET at the Federal Reserve Bank of New York.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy requires that the investment portfolio be diversified to the extent practicable. Investments shall be diversified in order to reduce the risk of loss resulting in over-concentration in a specific maturity, issuer, institution, or class of securities. Diversification strategies shall be determined and revised periodically by the Finance Director. At year-end, the Village has over 5 percent of the total cash and investment portfolio (other than U.S. Government guaranteed obligations) invested in the Illinois Funds and the Illinois Metropolitan Investment Fund.

**Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$1,104,725 and the bank balances totaled \$1,092,855.

*Investments.* The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Obligations	\$ 1,110,192	-	-	1,110,192	-
U.S. Agency Obligations	9,625,278	1,937,782	5,864,943	1,822,553	-
<b>Total</b>	<b>10,735,470</b>	<b>1,937,782</b>	<b>5,864,943</b>	<b>2,932,745</b>	<b>-</b>

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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

#### DEPOSITS AND INVESTMENTS – Continued

#### **Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

*Interest Rate Risk.* In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for anticipated cash flow requirements. The investment policy limits the maximum maturity length of investments in the Fund to 20 years from the date of purchase.

*Credit Risk.* The Fund's investment policy helps limit its exposure to credit risk by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The U.S. Agency Obligations are rated AAA by Standard & Poor's.

*Custodial Credit Risk.* The Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions. For investments, the Fund's investment policy limits its exposure to custodial credit risk by requiring that all security transactions that are exposed to custodial credit risk be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. Furthermore, the Fund's investment in U.S. Treasury and Agency securities as well as local government obligations are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

*Concentration Risk.* At year-end the Fund also has \$8,793,970 invested in mutual funds. Per the investment policy, the Fund's investment portfolio shall not exceed the following diversification limits:

- Not more than 10% of the Fund monies shall be invested in any one financial institution (excluding Illinois Funds and U.S. treasury securities held in safekeeping by an authorized custodian).
- Funds deposited at a financial institution shall not exceed 5% of the capital stock and surplus of that institution.
- Investments are allowed in mutual funds that have at least \$250 million in assets and have been in operations for at least 5 years.
- Equities purchased must be of domestic based corporations in existence for at least 5 years, not in arrears of dividends for the past 5 years, and listed on a national exchange.
- Total investments in separate accounts, mutual funds, and direct equity investments shall not exceed 45% of the market value of the Fund's total assets (evaluated on an annual basis).

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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

#### DEPOSITS AND INVESTMENTS – Continued

##### **Firefighters' Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$21,678 and the bank balances totaled \$21,678. In addition, the Fund had \$151,571 invested in IMET at year end.

*Interest Rate Risk.* In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for anticipated cash flow requirements. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Credit Risk.* The Fund's investment policy helps limit its exposure to credit risk by primarily investing in money market funds and certificates of deposit insured by the FDIC. IMET's 1-3 year government bond fund receives Standard & Poor's AAf rating for credit quality and Standard & Poor's S1 rating for volatility, or interest rate, risk.

*Custodial Credit Risk.* The Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions. For investments, the Fund's investment policy limits its exposure to custodial credit risk by requiring that all security transactions that are exposed to custodial credit risk be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. At year-end, the Fund's investment in IMET is noncategorizable.

*Concentration Risk.* The Fund is a "wasting fund" in that no contributions are being made to the Fund and there are no active participants, only inactive participants or spouses of deceased participants. As such, investments are restricted to include only obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, U.S. Government money market funds, or certificates of deposit insured by the FDIC. At year-end, the Fund has over 5 percent of the total cash and investment invested in IMET.

#### **PROPERTY TAXES**

Property taxes for 2009 attach as an enforceable lien on January 1, 2009, 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 the County and are payable in two installments, on or about March 1, 2010, and September 1, 2010. The County collects such taxes and remits them periodically.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements  
February 28, 2010

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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 4,579,375	-	-	4,579,375
Land Right of Way	40,168,599	-	-	40,168,599
Consruction in Progress	-	319,800	-	319,800
	<u>44,747,974</u>	<u>319,800</u>	<u>-</u>	<u>45,067,774</u>
<b>Depreciable Capital Assets</b>				
Buildings and Improvements	5,356,933	15,405	-	5,372,338
Vehicles	4,295,578	-	26,714	4,268,864
Machinery and Equipment	525,468	147,080	-	672,548
Infrastructure	40,780,318	416,136	799,493	40,396,961
	<u>50,958,297</u>	<u>578,621</u>	<u>826,207</u>	<u>50,710,711</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	1,665,106	102,211	-	1,767,317
Vehicles	2,510,339	321,700	5,343	2,826,696
Machinery and Equipment	285,161	29,949	-	315,110
Infrastructure	15,422,407	813,011	15,990	16,219,428
	<u>19,883,013</u>	<u>1,266,871</u>	<u>21,333</u>	<u>21,128,551</u>
Total Net Depreciable Capital Assets	<u>31,075,284</u>	<u>(688,250)</u>	<u>804,874</u>	<u>29,582,160</u>
Total Net Capital Assets	<u>75,823,258</u>	<u>(368,450)</u>	<u>804,874</u>	<u>74,649,934</u>

Depreciation expense was charged to governmental activities as follows:

Administration and Finance	\$ 61,523
Public Safety	116,240
Public Works	<u>1,089,108</u>
Total	<u>1,266,871</u>

**VILLAGE OF GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

**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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 933,090	-	-	933,090
<b>Depreciable Capital Assets</b>				
Buildings and Improvements	849,613	47,885	-	897,498
Machinery and Equipment	1,502,520	88,434	195,176	1,395,778
Water Transmission System	4,179,969	51,988	-	4,231,957
Golf Course Improvements	424,733	157,217	-	581,950
	<u>6,956,835</u>	<u>345,524</u>	<u>195,176</u>	<u>7,107,183</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	412,921	12,800	-	425,721
Machinery and Equipment	1,091,164	72,991	177,388	986,767
Water Transmission System	3,186,801	21,426	-	3,208,227
Golf Course Improvements	202,124	11,141	-	213,265
	<u>4,893,010</u>	<u>118,358</u>	<u>177,388</u>	<u>4,833,980</u>
Total Net Depreciable Capital Assets	<u>2,063,825</u>	<u>227,166</u>	<u>17,788</u>	<u>2,273,203</u>
Total Net Capital Assets	<u>2,996,915</u>	<u>227,166</u>	<u>17,788</u>	<u>3,206,293</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 69,745
Glencoe Golf Club	<u>48,613</u>
Total	<u>118,358</u>

**VILLAGE OF GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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

**INTERFUND RECEIVABLES AND PAYABLES**

**Interfund Balances**

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

Receivable Fund	Payable Fund	Amount
General	Water	\$ 102,888
General	Glencoe Golf Club	1,559,138
		<u>1,662,026</u>

The purpose of the interfund balance is to support the operations of the Water Fund and the Glencoe Golf Club.

**LONG-TERM DEBT**

**General Obligation Bonds**

The Village issues 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 Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 1999 due in annual installments of \$100,000 to \$2,050,000, plus interest at 4.00% to 4.10% through December 1, 2011.	General Obligation Bonds	\$ 3,700,000	-	3,700,000 *	-
General Obligation Bonds of 2001 due in annual installments of \$80,000 to \$145,000, plus interest at 4.00% to 4.45% through December 1, 2011.	General Obligation Bonds	420,000	-	420,000 *	-
General Obligation Refunding Bonds of 2003 due in annual installments of \$75,000 to \$1,915,000, plus interest at 2.10% to 2.75% through December 1, 2009.	General Obligation Bonds	1,915,000	-	1,915,000	-

\*Refunded on May 12, 2009

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements  
February 28, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited Tax Bonds of 2005 due in annual installments of \$125,000 to \$215,000 plus interest at 3.20% to 3.25% through December 1, 2015.	General Obligation Bonds	\$ 1,380,000	-	180,000	1,200,000
General Obligation Bonds of 2009 due in annual installments of \$945,000 to \$1,185,000 plus interest at 2.00% to 2.70% through December 15, 2018.	General Obligation Bonds	7,400,000	-	-	7,400,000
General Obligation Refunding Bonds of 2009A due in annual installments of \$135,000 to \$2,140,000 plus interest at 3.00% through December 15, 2011.	General Obligation Bonds	-	3,890,000	135,000	3,755,000
		<u>14,815,000</u>	<u>3,890,000</u>	<u>6,350,000</u>	<u>12,355,000</u>

Component Unit – Public Library Promissory Note Payable

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Promissory Note Payable of 1999 due in monthly installments of \$3,884 including interest at 4.40% through May 31, 2021.	Component Unit	\$ 429,571	-	26,705	402,866

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements  
February 28, 2010

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>					
Net Pension Obligation	\$ 110,029	51,325	45,158	116,196	-
Compensated Absences	1,457,862	63,039	121,273	1,399,628	771,755
General Obligation Bonds	14,815,000	3,890,000	6,350,000	12,355,000	2,325,000
Less Unamortized Items					
Bond Discounts	(10,496)	-	(10,496)	-	-
Loss on Refunding	(62,500)	-	(62,500)	-	-
Bond Premium	-	148,551	49,517	99,034	-
Net Other Post-Employment Benefit Obligation	36,089	85,504	49,090	72,503	-
<b>Total</b>	<b>16,345,984</b>	<b>4,238,419</b>	<b>6,542,042</b>	<b>14,042,361</b>	<b>3,096,755</b>
<b>Business-Type Activities</b>					
Compensated Absences	\$ 325,850	8,805	5,717	328,938	139,275
<b>Component Unit - Public Library</b>					
Promissory Note	\$ 429,571	-	26,705	402,866	28,006

Payments on the net pension obligation and the net other post-employment benefit obligation are generally made by the General Fund. For governmental activities, compensated absences are generally liquidated by the General Fund and the Garbage Fund. Additionally, the General Obligation Bonds Fund makes payments on the general obligation bonds. Compensated absences for business-type activities are made by the Water Fund and the Glencoe Golf Club Fund.

**VILLAGE OF GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

**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 February 28	Governmental Activities		Component Unit	
	General Obligation Bonds		Promissory Note	
	Principal	Interest	Principal	Interest
2011	\$ 2,325,000	317,658	28,006	18,597
2012	1,805,000	247,445	29,324	17,279
2013	1,140,000	192,820	30,798	15,805
2014	1,185,000	167,582	32,298	14,305
2015	1,225,000	141,320	33,871	12,732
2016	1,265,000	114,196	35,493	11,110
2017	1,090,000	84,894	37,250	9,353
2018	1,135,000	60,370	39,064	7,539
2019	1,185,000	31,994	40,967	5,636
2020	-	-	42,955	3,648
2021	-	-	45,055	1,548
2022	-	-	7,785	47
<b>Total</b>	<b>12,355,000</b>	<b>1,358,279</b>	<b>402,866</b>	<b>117,599</b>

**Bond Defeasances**

On May 12, 2009, the Village issued \$3,890,000 par value General Obligation Refunding Bond, Series 2009 to refund \$3,700,000 of the General Obligation Bond, Series 1999, and \$420,000 of the General Obligation Refunding Bond, Series 2001. The Village defeased bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the Village reduced its total debt service by approximately \$230,000 and obtained an economic savings of \$310,700.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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

#### LONG-TERM DEBT – Continued

##### Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979." However, the Village is a special charter community and has the authority to issue bonds in an amount that does not exceed 10% of the assessed valuation of the property within the limits of the Village.

Assessed Valuation - 2008	<u>\$ 1,159,724,579</u>
Legal Debt Limit - 10.00% of Assessed Value	<u>115,972,458</u>
Amount of Debt Applicable to Limit	
General Obligation Limited Tax Bonds of 2005	1,200,000
General Obligation Bonds of 2009	7,400,000
General Obligation Refunding Bonds of 2009A	<u>3,755,000</u>
	<u>12,355,000</u>
Legal Debt Margin	<u>103,617,458</u>

### NOTE 4 – OTHER INFORMATION

#### RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and by participating in a public entity risk pool. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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### NOTE 4 – OTHER INFORMATION – Continued

#### RISK MANAGEMENT – Continued

##### Intergovernmental Risk Management Agency (IRMA)

The Village also participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 to \$100,000 of each occurrence (depending upon deductible selected), and IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Since January 1, 2009, the Village has selected a deductible level of \$50,000.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

#### CONTINGENT LIABILITIES

##### Litigation

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

##### Grants

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

## **VILLAGE OF GLENCOE, ILLINOIS**

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

**February 28, 2010**

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

##### **CONTINGENT LIABILITIES – Continued**

###### **Solid Waste Agency of Northern Cook County (SWANCC)**

Annual payments to SWANCC are based on estimated tonnage of waste transported to SWANCC. It is assumed that there will be no material changes in deliveries to SWANCC. For 2011 through 2023, the Village estimates it will pay \$188,824 annually.

###### **Women’s Library Club**

The Women’s Library Club and Writer’s Theatre, Inc., a nationally-acclaimed theatre company entered into an agreement to lease the Club’s facility located at 325 Tudor Court. The lease was subject to securing a loan for the purpose of making repairs to and performing maintenance on the facility. The Village Board considered whether the facility could serve as a cultural center for the Village and its residents if the Writer’s Theatre, Inc. were to use it as a venue for dramatic productions. In 2004, as consideration for the establishment of a cultural center, the Village guaranteed a loan to the Club by Harris Bank Glencoe-Northbrook, N.A. in the amount of \$357,153.46. The loan is due to be fully repaid by September 12, 2013. As part of the terms of the guarantee, the Village has the rights to enforce the lease, as well as the right to have the facility available for certain additional cultural activities for at least the duration of the lease. To the extent that the Club fails to repay the Loan pursuant to its terms and the Village is required to expend funds as a result of its guarantee, the Village shall have an option to acquire the facility and land at 325 Tudor Court.

###### **Chicago Botanic Garden Children’s Learning Campus**

The Village entered into an agreement with the Chicago Horticultural Society (the “Society”), having a mailing address at 1000 Lake Cook Road, Glencoe, Illinois 60028, to serve as the local agency for the construction of a paved and landscaped entryway to the new children’s Learning Center Campus at the Chicago Botanic Garden in unincorporated Glencoe. Per the agreement financial resources will flow from the society through the Village to reimburse project costs. Grant reimbursements will flow from the Illinois Department of Commerce and Economic Opportunity through the Village and to the Society.

## VILLAGE OF GLENCOE, ILLINOIS

### Notes to the Financial Statements

February 28, 2010

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#### NOTE 4 – OTHER INFORMATION – Continued

##### JOINT VENTURES

##### **Solid Waste Agency of Northern Cook County (SWANCC)**

The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which consists of twenty-three municipalities. SWANCC is a municipal corporation and public body politic established pursuant to the Constitution Act of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended.

SWANCC is empowered to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. SWANCC is governed by a Board of Directors which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of SWANCC are appointed by the Board of Directors.

The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the SWANCC agreement or the by-laws. Separate audited financial statements are available at 2700 Patriot Blvd., Suite 110, Glenview, Illinois 60026.

SWANCC's bonds are revenue obligations. They are limited obligations of SWANCC, with a claim for payment solely from and secured by a pledge of the revenues of the system, and amounts in various funds and accounts established by SWANCC resolutions. SWANCC has no power to levy taxes.

Revenues of the system consist of: (a) all receipts derived from Solid Waste Disposal Contracts or any other contracts for the disposal of waste; (b) all income derived from the investment of monies; and (c) all income, fees, service charges, and all grants, rents, and receipts derived by SWANCC from the ownership and operation of the system.

SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

SWANCC has entered into Solid Waste Disposal Contracts with the member municipalities. The Contracts are irrevocable, and may not be terminated or amended, except as provided in the Contract. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual cost of the system.

The obligation of the Village to make all payments as required by this Contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under this Contract.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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### NOTE 4 – OTHER INFORMATION – Continued

#### JOINT VENTURES – Continued

##### Solid Waste Agency of Northern Cook County (SWANCC) – Continued

The payments required to be made by the Village under this Contract are required to be made solely from revenues to be derived by the Village from the operation of the Municipal Waste System Fund. The Village is not prohibited by the Contract from using any other funds to make the payments required by the Contract. The Contract shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the joint venture agreement, the Village remitted \$177,022 to SWANCC for the year ended February 28, 2010, which is recorded in the Village's Garbage Fund.

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

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the Village at 675 Village Court, Glencoe, Illinois 60022. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

#### Plan Descriptions, Provisions and Funding Policies

##### Illinois Municipal Retirement System

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2009 was 8.90 percent.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Plan Descriptions, Provisions and Funding Policies – Continued

###### Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At fiscal year end the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	30
Current Employees	
Vested	22
Nonvested	<u>12</u>
Total	<u>64</u>

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements  
February 28, 2010

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions, and Funding Policies – Continued

Firefighters' Pension Plan

The Firefighters' Pension Plan is a single-employer defined pension plan that covers all sworn fire personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At fiscal year end the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	4
Current Employees	
Vested	-
Nonvested	-
	<hr/>
Total	4
	<hr/> <hr/>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank at the date of retirement. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees, if any, are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded. There are no active covered employees.

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Summary of Significant Accounting Policies and Plan Asset Matters

###### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

###### Method Used to Value Investments

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.

###### Significant Investments

There are no investments (other than U.S. Government and U.S. Government - guaranteed obligations) in any one organization that represent 5 percent or more of net assets available for benefits for either the Police or Firefighters' Pension Plans. Information for IMRF and IMET is not available.

###### Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets.

**VILLAGE OF GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Annual Pension Cost and Net Pension Obligation**

The Village’s annual required contribution for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	8.90%	42.49%	0.00%
Employee	4.50%	9.91%	0.00%
Annual Required Contribution	\$516,717	\$1,342,900	\$39,080
Contributions Made	\$516,717	\$1,407,637	\$18,954
Actuarial Valuation Date	12/31/2009	2/28/2009	2/28/2009
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	23 Years	24 Years	24 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	7.00% Compounded Annually	6.50% Compounded Annually
Projected Salary Increases	.4 to 10.0%	5.50%	None
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

**VILLAGE OF GLENCOE, ILLINOIS**

**Notes to the Financial Statements**  
**February 28, 2010**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Annual Pension Cost and Net Pension Obligation – Continued**

The pension liability as determined in accordance with GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers was immaterial for the IMRF, Police Pension, and Firefighters' Pension Plans at the beginning and end of the year. There was no net pension obligation for the IMRF plan. The pension liability for the Police and Firefighters' Pension Plans are as follows:

	Police Pension	Firefighters' Pension	Total
Annual Required Contributions	\$ 1,342,900	39,080	1,381,980
Interest on Net Pension Obligation	(5,880)	5,286	(594)
Adjustment to Annual Required Contribution	(383,349)	6,959	(376,390)
Annual Pension Cost	953,671	51,325	1,004,996
Actual Contribution	1,407,637	18,954	1,426,591
Increase to the NPO	(453,966)	32,371	(421,595)
NPO - Beginning of Year	26,204	83,825	110,029
NPO - End of Year	(427,762)	116,196	(311,566)

**VILLAGE OF GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

**NOTE 4 – OTHER INFORMATION – Continued**

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

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2008	\$ 503,744	\$ 925,012	\$ 25,515
	2009	501,712	721,072	56,844
	2010	516,717	953,671	51,325
Actual Contributions	2008	503,744	1,230,798	2,375
	2009	501,712	1,279,790	19,511
	2010	516,717	1,407,637	18,954
Percentage of APC Contributed	2008	100.00%	133.06%	9.31%
	2009	100.00%	177.48%	34.32%
	2010	100.00%	147.60%	36.93%
Net Pension Obligation	2008	None	584,922	46,492
	2009	None	26,204	83,825
	2010	None	(427,762)	116,196

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements  
February 28, 2010

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/07	02/28/09	02/28/09
Percent Funded	77.48%	47.66%	37.18%
Accuarial Accrued Liability for Benefits	\$19,182,375	\$34,321,892	\$745,982
Actuarial Value of Assets	\$14,861,555	\$16,356,899	\$277,382
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$4,320,820)	(\$17,964,993)	(\$468,600)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$5,805,807	\$3,011,670	-
Ratio of UAAL to Covered Payroll	74.42%	596.50%	-

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 GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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**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. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medial 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 February 28, 2010, retirees contributed \$49,090. Active employees do not contributed to the plan until retirement.

At February 28, 2010, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	9
Active Employees	<u>111</u>
Total	<u>120</u>
Participating Employers	1

The Village does not currently have a funding policy.

**VILLAGE OF GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Annual OPEB Costs and Net OPEB Obligation**

The Village first had an actuarial valuation performed for the plan as of February 28, 2009 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended February 28, 2009.

The net OPEB obligation (NOPEBO) as of February 28, 2010, was calculated as follows:

Annual Required Contribution	\$ 83,700
Interest on the NOPEBO	1,804
Adjustment to the ARC	<u>-</u>
Annual OPEB Cost	85,504
Actual Contribution	<u>49,090</u>
Increase in the NOPEBO	36,414
NOPEBO - Beginning of Year	<u>36,089</u>
NOPEBO - End of Year	<u><u>72,503</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
2008	\$ N/A	\$ N/A	N/A	\$ N/A
2009	85,179	49,090	57.63%	36,089
2010	85,504	49,090	57.41%	72,503

# VILLAGE OF GLENCOE, ILLINOIS

## Notes to the Financial Statements February 28, 2010

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Funded Status and Funding Progress

The funded status of the plan as of February 28, 2009, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 1,691,343
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	1,691,343
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	9,038,874
UAAL as a Percentage of Covered Payroll	18.71%

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 February 28, 2009 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0% and an ultimate rate of 6.0%. The investment rate of return includes a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at February 28, 2009, 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
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefit Plan
  
- Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefit Plan
  
- Budgetary Comparison Schedule – General Fund
  
- Budgetary Comparison Schedule – Garbage – Special Revenue Fund

### Notes to the Required Supplementary Information

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

VILLAGE OF GLENCOE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Funding Progress

February 28, 2010

Actuarial Valuation Date December 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)
2004	\$ 12,385,423	\$ 13,104,559	94.51%	\$ 719,136	\$ 4,742,163	15.16%
2005	13,308,178	14,093,922	94.42%	785,744	4,851,875	16.19%
2006	14,919,214	15,342,456	97.24%	423,242	4,971,878	8.51%
2007	15,594,372	16,101,810	96.85%	507,438	5,364,682	9.46%
2008	13,726,377	18,214,028	75.36%	4,487,651	5,681,904	78.98%
2009	14,861,555	19,182,375	77.48%	4,320,820	5,805,807	74.42%

VILLAGE OF GLENCOE, ILLINOIS

Police Pension Fund

Required Supplementary Information  
 Schedule of Funding Progress  
 February 28, 2010

Actuarial Valuation Date March 1	(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)
2004	\$ 14,456,837	\$ 25,564,805	56.55%	\$ 11,107,968	\$ 2,442,129	454.85%
2005	15,345,133	27,385,563	56.03%	12,040,430	2,589,181	465.03%
2006	17,113,735	27,738,312	61.70%	10,624,577	2,752,155	386.05%
2007	18,943,232	29,386,240	64.46%	10,443,008	2,825,193	369.64%
2008	19,973,593	32,817,197	60.86%	12,843,604	2,890,955	444.27%
2009	16,356,899	34,321,892	47.66%	17,964,993	3,011,670	596.51%

VILLAGE OF GLENCOE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information  
 Schedule of Funding Progress  
 February 28, 2010

Actuarial Valuation Date March 1	(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)
2004	\$ 731,023	\$ 1,239,278	58.99%	\$ 508,255	\$ -	*
2005	652,687	822,347	79.37%	169,660	-	*
2006	527,550	772,533	68.29%	244,983	-	*
2007	447,433	772,662	57.91%	325,229	-	*
2008	361,665	756,671	47.80%	395,006	-	*
2009	277,382	745,982	37.18%	468,600	-	*

\* Not Applicable

VILLAGE OF GLENCOE, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information

Schedule of Funding Progress

February 28, 2010

Actuarial Valuation Date March 1	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2005	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	-	1,691,343	-	1,691,343	9,038,874	18.71%
2010	N/A	N/A	N/A	N/A	N/A	N/A

The Village Implemented GASB Statement No. 45 for the fiscal year ended February 28, 2009. Information for prior years is not available. The Village is required to have the actuarial valuation performed triennially.

**VILLAGE OF GLENCOE, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

**Employer Contributions**

**February 28, 2010**

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<b>Calendar Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
2004	\$ 326,261	\$ 326,261	100.00%
2005	431,817	431,817	100.00%
2006	474,317	474,317	100.00%
2007	503,744	503,744	100.00%
2008	501,712	501,712	100.00%
2009	516,717	516,717	100.00%

**VILLAGE OF GLENCOE, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information**

**Employer Contributions**

**February 28, 2010**

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<b>Year Ended February 28</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
2005	\$ 775,590	\$ 967,982	80.12%
2006	900,527	792,217	113.67%
2007	1,033,821	855,034	120.91%
2008	1,230,798	911,136	135.08%
2009	1,279,790	910,453	140.57%
2010	1,407,637	1,342,900	104.82%

**VILLAGE OF GLENCOE, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information**

**Employer Contributions**

**February 28, 2010**

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<b>Year Ended February 28</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
2005	\$ 34,544	\$ 12,620	273.72%
2006	5,796	13,253	43.73%
2007	2,375	15,924	14.91%
2008	2,375	26,245	9.05%
2009	19,511	32,383	60.25%
2010	18,954	39,080	48.50%

**VILLAGE OF GLENCOE, ILLINOIS**

**Other Post-Employment Benefit Plan**

**Required Supplementary Information**

**Employer Contributions**

**February 28, 2010**

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<b>Year Ended February 28</b>	<b>Employer Contributions</b>	<b>Annual Required Contributions</b>	<b>Percent Contributed</b>
2005	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	N/A	N/A	N/A
2009	49,090	85,179	57.63%
2010	49,090	83,700	58.65%

The Village Implemented GASB Statement No. 45 for the fiscal year ended February 28, 2009. Information for prior years is not available.

VILLAGE OF GLENCOE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended February 28, 2010

	Appropriations		Original and Final	Actual	Budget Variance Over (Under)
	Original	Final	Budget		(Under)
<b>REVENUES</b>					
Property taxes	\$ -	-	7,083,300	7,096,850	13,550
Other taxes	-	-	3,842,350	3,847,791	5,441
Licenses, permits and fees	-	-	1,410,575	1,205,211	(205,364)
Charges for services	-	-	599,680	550,021	(49,659)
Fines and forfeitures	-	-	193,000	151,006	(41,994)
Interest	-	-	186,225	72,582	(113,643)
Miscellaneous	-	-	525,450	483,477	(41,973)
Total revenues	-	-	13,840,580	13,406,938	(433,642)
<b>EXPENDITURES</b>					
Administration and finance	2,575,449	2,575,449	2,341,317	2,067,659	(273,658)
Public safety	7,964,181	7,964,181	7,240,165	7,193,792	(46,373)
Public works	4,472,072	4,472,072	4,065,520	3,932,100	(133,420)
Capital outlay	254,734	254,734	231,576	116,108	(115,468)
Total expenditures	15,266,436	15,266,436	13,878,578	13,309,659	(568,919)
NET CHANGE IN FUND BALANCE	<u>(15,266,436)</u>	<u>(15,266,436)</u>	<u>(37,998)</u>	97,279	<u>135,277</u>
FUND BALANCE - BEGINNING				<u>3,857,920</u>	
FUND BALANCE - ENDING				<u>3,955,199</u>	

VILLAGE OF GLENCOE, ILLINOIS

Garbage - Special Revenue Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended February 28, 2010

	Appropriations		Original and Final	Actual	Budget Variance Over (Under)
	Original	Final	Budget		(Under)
<b>REVENUES</b>					
Property taxes	\$ -	-	697,500	679,691	(17,809)
Other taxes	-	-	7,000	7,000	-
Charges for services	-	-	473,620	410,898	(62,722)
Interest	-	-	7,900	2,139	(5,761)
Miscellaneous					
Recycling	-	-	36,000	8,468	(27,532)
Other	-	-	48,000	33,263	(14,737)
Total revenues	-	-	1,270,020	1,141,459	(128,561)
<b>EXPENDITURES</b>					
Public works	1,307,149	1,307,149	1,188,317	1,133,748	(54,569)
Capital outlay	269,500	269,500	245,000	-	(245,000)
Total expenditures	1,576,649	1,576,649	1,433,317	1,133,748	(299,569)
<b>NET CHANGE IN FUND BALANCE</b>	<u>(1,576,649)</u>	<u>(1,576,649)</u>	<u>(163,297)</u>	7,711	<u>171,008</u>
<b>FUND BALANCE - BEGINNING</b>				<u>221,467</u>	
<b>FUND BALANCE - ENDING</b>				<u>229,178</u>	

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
  - General Fund
  - General Obligation Bonds – Debt Service Fund
  - Capital Projects Fund
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
  - Motor Fuel Tax – Special Revenue Fund
  - Enhanced 911 System – Special Revenue Fund
- Budgetary Comparison Schedules – Enterprise Funds
  - Water Fund
  - Glencoe Golf Club Fund
- Combining Statements – Pension Trust 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.

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## **SPECIAL REVENUE FUNDS**

The 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.

### **Garbage Fund**

The Garbage Fund is used to account for revenues derived from a separate property tax levy and user fees used to finance garbage collection and disposal within the Village.

### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for the maintenance and construction of streets and roads as approved by the Illinois Department of Transportation.

### **Enhanced 911 System Fund**

The Enhanced 911 Fund is used to account for surcharge revenue received for the E-911 system. Expenditures are used for the maintenance and upgrading of the E-911 system.

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

## **DEBT SERVICE FUND**

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

### **General Obligation Bonds Fund**

The General Obligation Bonds Fund is used to account for the revenues designated for debt service and payments of principal and interest for the following bond issues: the 1999 General Obligation Bonds, the 2001C General Obligation Bonds, the 2003 General Obligation Refunding Bonds, the 2005 General Obligation Limited Tax Bonds, the 2009 General Obligation Bonds and the 2009A General Obligation Refunding Bonds.

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## **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for the 2009 General Obligation Bond proceeds used for the construction of various storm sewer construction projects.

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## **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 Fund**

The Water Fund is used to account for the provisions of water to the residents of the Village. All activities necessary to provide such services are accounting for in this fund, including administration, operations, maintenance, and billing and collection.

### **Glencoe Golf Club Fund**

The Glencoe Golf Club Fund is used to account for the activities of the Glencoe Golf Club. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, and fee collection.

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

## **PENSION TRUST FUNDS**

### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

### **Firefighters' Pension Fund**

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

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VILLAGE OF GLENCOE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual  
Year Ended February 28, 2010

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
PROPERTY TAXES	\$ -	-	7,083,300	7,096,850	13,550
OTHER TAXES					
Utility tax	-	-	1,519,250	1,296,223	(223,027)
Sales tax	-	-	1,288,100	1,576,372	288,272
State income tax	-	-	800,000	699,419	(100,581)
Personal property replacement tax	-	-	80,500	77,453	(3,047)
Cable television	-	-	154,500	163,329	8,829
Foreign fire insurance tax	-	-	-	34,995	34,995
Total other taxes	-	-	3,842,350	3,847,791	5,441
LICENSES, PERMITS AND FEES					
Vehicle licenses	-	-	265,000	259,049	(5,951)
Business licenses	-	-	19,200	23,860	4,660
Animal licenses	-	-	6,375	6,586	211
Liquor licenses	-	-	17,500	20,840	3,340
Building and electrical permits	-	-	875,250	691,249	(184,001)
Burglar-fire alarm permits	-	-	98,000	84,525	(13,475)
Impounding fees	-	-	1,950	3,570	1,620
Parking lot fees and permits	-	-	124,500	113,316	(11,184)
Coin box and meter fees	-	-	2,800	2,216	(584)
Total licenses, permits and fees	-	-	1,410,575	1,205,211	(205,364)
CHARGES FOR SERVICES					
Sewer service charge	-	-	469,680	444,726	(24,954)
Ambulance fees	-	-	130,000	105,295	(24,705)
Total charges for services	-	-	599,680	550,021	(49,659)

VILLAGE OF GLENCOE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued  
 Year Ended February 28, 2010

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
<b>FINES AND FORFEITURES</b>					
Court fines	\$ -	-	31,000	24,829	(6,171)
Other fines	-	-	162,000	126,177	(35,823)
Total fines and forfeitures	-	-	193,000	151,006	(41,994)
<b>INTEREST</b>	-	-	186,225	72,582	(113,643)
<b>MISCELLANEOUS</b>					
Golf club management fees	-	-	60,000	60,000	-
Sundry	-	-	17,000	16,471	(529)
Other	-	-	448,450	407,006	(41,444)
Total miscellaneous	-	-	525,450	483,477	(41,973)
<b>TOTAL REVENUES</b>	-	-	13,840,580	13,406,938	(433,642)

VILLAGE OF GLENCOE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended February 28, 2010

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
<b>ADMINISTRATION AND FINANCE</b>					
General government	\$ 951,184	951,184	864,713	740,050	(124,663)
Legal	190,732	190,732	173,393	168,731	(4,662)
Health and community service	98,874	98,874	89,885	81,948	(7,937)
Special boards service	42,625	42,625	38,750	32,829	(5,921)
Finance	773,483	773,483	703,166	637,417	(65,749)
Support service	303,336	303,336	275,760	239,328	(36,432)
Risk management	215,215	215,215	195,650	167,356	(28,294)
Total administration and finance	2,575,449	2,575,449	2,341,317	2,067,659	(273,658)
<b>PUBLIC SAFETY</b>					
Fire protection	1,611,097	1,611,097	1,464,634	1,466,706	2,072
Police protection	5,544,877	5,544,877	5,040,797	4,909,243	(131,554)
Paramedic service	808,207	808,207	734,734	766,045	31,311
Foreign fire	-	-	-	51,798	51,798
Total public safety	7,964,181	7,964,181	7,240,165	7,193,792	(46,373)
<b>PUBLIC WORKS</b>					
Administration	852,826	852,826	775,296	780,277	4,981
Streets	1,028,100	1,016,335	934,637	836,518	(98,119)
Sewers	1,075,437	1,075,437	977,670	927,651	(50,019)
Forestry	795,205	765,205	722,914	704,163	(18,751)
Buildings	195,268	195,268	177,516	163,524	(13,992)
Street lighting	99,550	107,124	90,500	103,701	13,201
Parking and traffic control	66,330	66,330	60,300	62,008	1,708
Municipal garage	305,909	305,909	278,099	261,705	(16,394)
Community development	53,447	87,638	48,588	92,553	43,965
Total public works	4,472,072	4,472,072	4,065,520	3,932,100	(133,420)
<b>CAPITAL OUTLAY</b>					
Public safety/capital reserve	254,734	254,734	231,576	116,108	(115,468)
<b>TOTAL EXPENDITURES</b>	<b>15,266,436</b>	<b>15,266,436</b>	<b>13,878,578</b>	<b>13,309,659</b>	<b>(568,919)</b>

VILLAGE OF GLENCOE, ILLINOIS

General Obligation Bonds - Debt Service Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended February 28, 2010

	Appropriations		Original and Final Budget	Actual	Budget Variance Over Under
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ -	-	2,742,289	2,702,956	(39,333)
Interest	-	-	33,425	9,175	(24,250)
Total revenues	-	-	2,775,714	2,712,131	(63,583)
<b>EXPENDITURES</b>					
Administration and finance	-	-	-	33,281	33,281
Debt service					
Principal retirement	2,772,237	2,772,237	2,330,000	2,230,000	(100,000)
Interest and fiscal charges	-	-	414,789	313,060	(101,729)
Total expenditures	2,772,237	2,772,237	2,744,789	2,576,341	(168,448)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	(2,772,237)	(2,772,237)	30,925	135,790	104,865
<b>OTHER FINANCING SOURCES</b>					
Debt issuance	-	-	-	3,890,000	3,890,000
Payment to Escrow Agent	-	-	-	(4,200,741)	(4,200,741)
Premium on debt issuance	-	-	-	148,551	148,551
	-	-	-	(162,190)	(162,190)
<b>NET CHANGE IN FUND BALANCE</b>	<u>(2,772,237)</u>	<u>(2,772,237)</u>	<u>30,925</u>	<u>(26,400)</u>	<u>(57,325)</u>
<b>FUND BALANCE - BEGINNING</b>				<u>46,323</u>	
<b>FUND BALANCE - ENDING</b>				<u>19,923</u>	

**VILLAGE OF GLENCOE, ILLINOIS**

**Capital Projects Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended February 28, 2010**

	Appropriations		Original and Final Budget	Actual	Budget Variance Over Under
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	-	109,000	94,905	(14,095)
<b>EXPENDITURES</b>					
Administration and finance	-	20,467	-	20,467	20,467
Capital outlay	4,218,500	4,198,033	3,835,000	2,831,688	(1,003,312)
Total expenditures	4,218,500	4,218,500	3,835,000	2,852,155	(982,845)
<b>NET CHANGE IN FUND BALANCE</b>	<u>(4,218,500)</u>	<u>(4,218,500)</u>	<u>(3,726,000)</u>	<u>(2,757,250)</u>	<u>968,750</u>
<b>FUND BALANCE - BEGINNING</b>				<u>7,378,390</u>	
<b>FUND BALANCE - ENDING</b>				<u>4,621,140</u>	

VILLAGE OF GLENCOE, ILLINOIS

Combining Balance Sheet

Nonmajor Governmental Funds

February 28, 2010

	Special Revenue		Totals
	Motor Fuel Tax	Enhanced 911 System	
ASSETS			
Cash and investments	\$ 236,202	401,513	637,715
Receivables - net of allowances			
Other	16,498	5,776	22,274
<b>TOTAL ASSETS</b>	<b>252,700</b>	<b>407,289</b>	<b>659,989</b>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	-	5,073	5,073
FUND BALANCES			
Reserved for roadway maintenance	252,700	-	252,700
Reserved for public safety	-	402,216	402,216
<b>Total fund balances</b>	<b>252,700</b>	<b>402,216</b>	<b>654,916</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>252,700</b>	<b>407,289</b>	<b>659,989</b>

VILLAGE OF GLENCOE, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds  
Year Ended February 28, 2010

	Special Revenue		Totals
	Motor Fuel Tax	Enhanced 911 System	
REVENUES			
Other taxes	\$ -	154,638	154,638
Intergovernmental	220,432	-	220,432
Interest	855	3,719	4,574
Total revenues	221,287	158,357	379,644
EXPENDITURES			
Public safety	-	113,037	113,037
Capital outlay	-	130,505	130,505
Total expenditures	-	243,542	243,542
NET CHANGE IN FUND BALANCES	221,287	(85,185)	136,102
FUND BALANCES - BEGINNING	31,413	487,401	518,814
FUND BALANCES - ENDING	252,700	402,216	654,916

VILLAGE OF GLENCOE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended February 28, 2010

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
<b>REVENUES</b>					
Intergovernmental					
Allotments	\$ -	-	230,800	220,432	(10,368)
Interest	-	-	1,500	855	(645)
Total revenues	-	-	232,300	221,287	(11,013)
<b>EXPENDITURES</b>					
Capital outlay					
Street maintenance	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>232,300</u>	<u>221,287</u>	<u>(11,013)</u>
<b>FUND BALANCE - BEGINNING</b>				<u>31,413</u>	
<b>FUND BALANCE - ENDING</b>				<u>252,700</u>	

VILLAGE OF GLENCOE, ILLINOIS

Enhanced 911 System - Special Revenue Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended February 28, 2010

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
<b>REVENUES</b>					
Other taxes					
Telephone surcharge	\$ -	-	155,120	154,638	(482)
Interest	-	-	12,000	3,719	(8,281)
Total revenues	-	-	167,120	158,357	(8,763)
<b>EXPENDITURES</b>					
Public safety	198,617	198,617	180,561	113,037	(67,524)
Capital outlay	143,000	143,000	130,000	130,505	505
Total expenditures	341,617	341,617	310,561	243,542	(67,019)
NET CHANGE IN FUND BALANCE	<u>(341,617)</u>	<u>(341,617)</u>	<u>(143,441)</u>	(85,185)	<u>58,256</u>
FUND BALANCE - BEGINNING				<u>487,401</u>	
FUND BALANCE - ENDING				<u>402,216</u>	

VILLAGE OF GLENCOE, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and  
Changes in Net Assets - Budget and Actual  
Year Ended February 28, 2010

	Appropriations		Original and Final	Actual	Budget Variance Over (Under)
	Original	Final	Budget		(Under)
<b>OPERATING REVENUES</b>					
Charges for services	\$ -	-	1,892,740	1,654,747	(237,993)
Miscellaneous	-	-	71,800	66,737	(5,063)
Total operating revenues	-	-	1,964,540	1,721,484	(243,056)
<b>OPERATING EXPENSES</b>					
Water production					
Operations	1,113,265	1,113,265	1,012,059	922,558	(89,501)
Water distribution					
Operations	1,011,119	1,011,119	919,199	843,847	(75,352)
Less: capital assets capitalized	(322,300)	(322,300)	(293,000)	(51,988)	241,012
Total water distribution	688,819	688,819	626,199	791,859	165,660
Depreciation	-	-	-	69,745	69,745
Total operating expenses	1,802,084	1,802,084	1,638,258	1,784,162	145,904
OPERATING INCOME (LOSS)	(1,802,084)	(1,802,084)	326,282	(62,678)	(388,960)
<b>NONOPERATING REVENUES</b>					
Interest income	-	-	19,000	-	(19,000)
CHANGE IN NET ASSETS	(1,802,084)	(1,802,084)	345,282	(62,678)	(407,960)
NET ASSETS - BEGINNING				2,148,616	
NET ASSETS - ENDING				2,085,938	

VILLAGE OF GLENCOE, ILLINOIS

Glencoe Golf Club - Enterprise Fund

Schedule of Revenues, Expenses and  
Changes in Net Assets - Budget and Actual  
Year Ended February 28, 2010

	Appropriations		Original and Final	Actual	Budget Variance Over Under)
	Original	Final	Budget		(
<b>OPERATING REVENUES</b>					
Charges for services	\$ -	-	1,453,957	1,596,708	142,751
Miscellaneous	-	-	-	20,672	20,672
Total operating revenues	-	-	1,453,957	1,617,380	163,423
<b>OPERATING EXPENSES</b>					
Operations	-	-	1,658,479	1,539,703	(118,776)
Less: capital assets capitalized	-	-	(298,413)	(293,536)	4,877
Total operations	-	-	1,360,066	1,246,167	(113,899)
Depreciation	-	-	41,200	48,613	7,413
Total operating expenses	-	-	1,401,266	1,294,780	(106,486)
OPERATING INCOME	-	-	52,691	322,600	269,909
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Disposal of capital assets	-	-	-	(17,788)	(17,788)
Interest income	-	-	11,266	9,013	(2,253)
	-	-	11,266	(8,775)	(20,041)
CHANGE IN NET ASSETS	-	-	63,957	313,825	249,868
NET ASSETS - BEGINNING				(312,529)	
NET ASSETS - ENDING				1,296	

VILLAGE OF GLENCOE, ILLINOIS

Pension Trust Funds

Combining Statement of Net Plan Assets  
February 28, 2010

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,104,725	173,249	1,277,974
Investments			
U.S. government and agency obligations	10,735,470	-	10,735,470
Mutual funds	8,793,970	-	8,793,970
Receivables - Net of allowances			
Accrued interest	120,726	-	120,726
Other	41,722	-	41,722
Total assets	20,796,613	173,249	20,969,862
<b>LIABILITIES</b>			
Accounts payable	138,613	-	138,613
<b>NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
(A schedule of funding progress is presented following the notes to the financial schedules.)	20,658,000	173,249	20,831,249

VILLAGE OF GLENCOE, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Plan Assets  
Year Ended February 28, 2010

	Police Pension	Firefighters' Pension	Totals
<b>ADDITIONS</b>			
Contributions - employer			
Taxes	\$ 1,407,637	18,954	1,426,591
Contributions - plan members	299,250	-	299,250
Total contributions	<u>1,706,887</u>	<u>18,954</u>	<u>1,725,841</u>
Investment income			
Interest earned	544,609	4,935	549,544
Net change in fair value	3,447,185	-	3,447,185
	<u>3,991,794</u>	<u>4,935</u>	<u>3,996,729</u>
Less investment expenses	(44,899)	(72)	(44,971)
Net investment income	<u>3,946,895</u>	<u>4,863</u>	<u>3,951,758</u>
Total additions	<u>5,653,782</u>	<u>23,817</u>	<u>5,677,599</u>
<b>DEDUCTIONS</b>			
Pensions and refunds	1,346,526	124,787	1,471,313
Miscellaneous			
Contractual professional services	6,155	3,163	9,318
Total deductions	<u>1,352,681</u>	<u>127,950</u>	<u>1,480,631</u>
CHANGE IN NET ASSETS	4,301,101	(104,133)	4,196,968
<b>NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
BEGINNING	<u>16,356,899</u>	<u>277,382</u>	<u>16,634,281</u>
ENDING	<u>20,658,000</u>	<u>173,249</u>	<u>20,831,249</u>

## **SUPPLEMENTAL SECTION**

**VILLAGE OF GLENCOE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Limited Tax Bonds of 2005  
February 28, 2010**

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Date of Issue	March 15, 2005
Date of Maturity	December 1, 2015
Authorized Issue	\$1,850,000
Denomination of Bonds	\$5,000
Interest Rates	3.20% - 3.25%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Bank of New York Mellon

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2009	\$ 185,000	39,000	224,000	2010	19,500	2010	19,500
2010	190,000	32,988	222,988	2011	16,494	2011	16,494
2011	195,000	26,812	221,812	2012	13,406	2012	13,406
2012	205,000	20,474	225,474	2013	10,237	2013	10,237
2013	210,000	13,812	223,812	2014	6,906	2014	6,906
2014	215,000	6,988	221,988	2015	3,494	2015	3,494
Total	<u>1,200,000</u>	<u>140,074</u>	<u>1,340,074</u>		<u>70,037</u>		<u>70,037</u>

**VILLAGE OF GLENCOE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Bonds of 2009  
February 28, 2010**

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Date of Issue	January 15, 2009
Date of Maturity	December 15, 2018
Authorized Issue	\$7,400,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 2.70%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Mellon

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2009	\$ -	166,007	166,007	2010	83,003	2010	83,004
2010	-	166,008	166,008	2011	83,004	2011	83,004
2011	945,000	166,008	1,111,008	2012	83,004	2012	83,004
2012	980,000	147,108	1,127,108	2013	73,554	2013	73,554
2013	1,015,000	127,508	1,142,508	2014	63,754	2014	63,754
2014	1,050,000	107,208	1,157,208	2015	53,604	2015	53,604
2015	1,090,000	84,894	1,174,894	2016	42,447	2016	42,447
2016	1,135,000	60,370	1,195,370	2017	30,185	2017	30,185
2017	1,185,000	31,994	1,216,994	2018	15,997	2018	15,997
<b>Total</b>	<b>7,400,000</b>	<b>1,057,105</b>	<b>8,457,105</b>		<b>528,552</b>		<b>528,553</b>

**VILLAGE OF GLENCOE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bonds of 2009A  
February 28, 2010**

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Date of Issue	September 30, 2009
Date of Maturity	December 15, 2011
Authorized Issue	\$3,890,000
Denomination of Bonds	\$5,000
Interest Rate	3.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Mellon

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2009	\$ 2,140,000	112,650	2,252,650	2010	56,325	2010	56,325
2010	1,615,000	48,450	1,663,450	2011	24,225	2011	24,225
<b>Total</b>	<b>3,755,000</b>	<b>161,100</b>	<b>3,916,100</b>		<b>80,550</b>		<b>80,550</b>

**VILLAGE OF GLENCOE, ILLINOIS**

**Long-Term Debt Requirements**

**Promissory Note Payable of 1999  
February 28, 2010**

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Date of Issue	June 25, 1999
Date of Maturity	May 31, 2021
Principal Amount	\$600,000
Interest Rate	4.70%
Monthly Installment Date	Last Day of Month
Maturity Date	May 31, 2021
Payable to	North Shore Community Bank

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		Totals
	Principal	Interest	
2011	\$ 28,006	18,597	46,603
2012	29,324	17,279	46,603
2013	30,798	15,805	46,603
2014	32,298	14,305	46,603
2015	33,871	12,732	46,603
2016	35,493	11,110	46,603
2017	37,250	9,353	46,603
2018	39,064	7,539	46,603
2019	40,967	5,636	46,603
2020	42,955	3,648	46,603
2021	45,055	1,548	46,603
2022	7,785	47	7,832
<b>Total</b>	<b>402,866</b>	<b>117,600</b>	<b>520,466</b>

## **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 GLENCOE, ILLINOIS**

**Net Assets by Component - Last Seven Fiscal Years  
February 28, 2010 (Unaudited)**

	<u>2004</u>	<u>2005</u>
<b>GOVERNMENTAL ACTIVITIES</b>		
Invested in capital assets - net of related debt	\$ 57,407,371	58,245,710
Restricted	731,125	770,752
Unrestricted	1,956,108	1,600,820
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>60,094,604</u>	<u>60,617,282</u>
<b>BUSINESS-TYPE ACTIVITIES</b>		
Invested in capital assets - net of related debt	4,677,612	4,784,283
Unrestricted	(601,866)	(900,226)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>4,075,746</u>	<u>3,884,057</u>
<b>PRIMARY GOVERNMENT</b>		
Invested in capital assets - net of related debt	62,084,983	63,029,993
Restricted	731,125	770,752
Unrestricted	1,354,242	700,594
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>64,170,350</u>	<u>64,501,339</u>

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2004.

2006	2007	2008	2009	2010
59,064,321	60,467,319	66,372,675	68,481,254	66,567,750
2,154,179	1,893,544	503,862	518,814	654,916
756,591	1,712,589	2,041,779	2,423,358	3,225,221
61,975,091	64,073,452	68,918,316	71,423,426	70,447,887
4,789,017	4,831,297	2,692,694	2,996,915	3,206,293
(735,329)	(915,159)	(1,096,968)	(1,160,828)	(1,119,059)
4,053,688	3,916,138	1,595,726	1,836,087	2,087,234
63,853,338	65,298,616	69,065,369	71,478,169	69,774,043
2,154,179	1,893,544	503,862	518,814	654,916
21,262	797,430	944,811	1,262,530	2,106,162
66,028,779	67,989,590	70,514,042	73,259,513	72,535,121

VILLAGE OF GLENCOE, ILLINOIS

Changes in Net Assets - Last Seven Fiscal Years  
February 28, 2010 (Unaudited)

	2004	2005	2006	2007	2008	2009	2010
<b>EXPENSES</b>							
Governmental activities							
Administration and finance	\$ 2,409,069	2,405,068	2,344,865	2,527,874	3,330,243	3,546,692	2,161,110
Public safety	5,850,900	6,151,278	6,751,092	6,775,465	6,668,913	6,745,762	7,022,845
Public works	5,439,224	5,751,672	5,902,698	6,218,328	6,888,667	5,460,694	9,118,339
Interest on long-term debt	566,226	604,943	610,169	528,793	457,828	401,833	408,322
Total governmental activities expenses	14,265,419	14,912,961	15,608,824	16,050,460	17,345,651	16,154,981	18,710,616
Business-type activities							
Water	1,342,428	1,502,012	1,630,146	1,623,620	1,708,594	1,786,861	1,784,162
Glencoe golf club	1,544,323	1,357,076	1,533,215	1,525,447	1,400,874	1,349,099	1,312,568
Total business-type activities net assets	2,886,751	2,859,088	3,163,361	3,149,067	3,109,468	3,135,960	3,096,730
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>17,152,170</b>	<b>17,772,049</b>	<b>18,772,185</b>	<b>19,199,527</b>	<b>20,455,119</b>	<b>19,290,941</b>	<b>21,807,346</b>
<b>PROGRAM REVENUES</b>							
Governmental activities							
Charges for services							
Administration and finance	271,154	279,602	296,215	363,441	47,456	47,881	51,286
Public safety	694,222	602,813	646,965	634,342	314,919	402,149	344,396
Public works	2,113,601	2,704,597	2,896,803	2,714,606	2,841,840	2,234,229	1,662,405
Operating grants/contributions	276,813	251,158	254,722	252,464	-	-	-
Capital grants/contributions	141,592	1,100	26,100	148,624	247,856	230,888	220,432
Total governmental activities program revenues	3,497,382	3,839,270	4,120,805	4,113,477	3,452,071	2,915,147	2,278,519
Business-type activities							
Charges for services							
Water	1,526,427	1,410,903	1,890,416	1,510,576	1,689,359	1,799,604	1,721,484
Glencoe golf club	1,252,252	1,155,251	1,419,755	1,463,804	1,581,936	1,555,899	1,617,380
Total business-type activities program revenues	2,778,679	2,566,154	3,310,171	2,974,380	3,271,295	3,355,503	3,338,864
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>6,276,061</b>	<b>6,405,424</b>	<b>7,430,976</b>	<b>7,087,857</b>	<b>6,723,366</b>	<b>6,270,650</b>	<b>5,617,383</b>

## NET (EXPENSE) REVENUE

Governmental activities	\$ (10,768,037)	(11,073,691)	(11,488,019)	(11,936,983)	(13,893,580)	(13,239,834)	(16,432,097)
Business-type activities	(108,072)	(292,934)	146,810	(174,687)	161,827	219,543	242,134

## TOTAL PRIMARY GOVERNMENT

NET (EXPENSE) REVENUE	<u>(10,876,109)</u>	<u>(11,366,625)</u>	<u>(11,341,209)</u>	<u>(12,111,670)</u>	<u>(13,731,753)</u>	<u>(13,020,291)</u>	<u>(16,189,963)</u>
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## GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS

## Governmental activities

## Taxes

Property and replacement	8,070,995	8,312,438	8,688,541	9,372,165	9,378,310	10,091,906	10,591,945
Sales	1,198,586	1,345,758	1,558,775	1,879,556	1,955,323	1,668,937	1,576,372
Utility	1,259,825	1,254,067	1,403,087	1,340,479	1,435,857	1,487,638	1,296,223
Income	535,039	571,557	666,731	727,609	797,387	810,043	699,419
Other	307,334	40,665	34,593	34,879	481,603	446,897	584,016
Interest	96,558	76,904	305,010	541,030	490,280	208,112	183,375
Miscellaneous	308,333	86,573	189,091	139,626	943,857	1,031,411	525,208
Transfers - internal activity	(69,504)	(91,593)	-	-	-	-	-
Total governmental activities	<u>11,707,166</u>	<u>11,596,369</u>	<u>12,845,828</u>	<u>14,035,344</u>	<u>15,482,617</u>	<u>15,744,944</u>	<u>15,456,558</u>

## Business-type activities

Interest	5,985	9,652	22,821	37,137	35,867	20,818	9,013
Contributions	60,000	-	-	-	-	-	-
Transfers - internal activity	69,504	91,593	-	-	-	-	-
Total business-type activities	<u>135,489</u>	<u>101,245</u>	<u>22,821</u>	<u>37,137</u>	<u>35,867</u>	<u>20,818</u>	<u>9,013</u>

## TOTAL PRIMARY GOVERNMENT

	<u>11,842,655</u>	<u>11,697,614</u>	<u>12,868,649</u>	<u>14,072,481</u>	<u>15,518,484</u>	<u>15,765,762</u>	<u>15,465,571</u>
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## CHANGES IN NET ASSETS

Governmental activities	939,129	522,678	1,357,809	2,098,361	1,589,037	2,505,110	(975,539)
Business-type activities	27,417	(191,689)	169,631	(137,550)	197,694	240,361	251,147

## TOTAL PRIMARY GOVERNMENT

CHANGES IN NET ASSETS	<u>966,546</u>	<u>330,989</u>	<u>1,527,440</u>	<u>1,960,811</u>	<u>1,786,731</u>	<u>2,745,471</u>	<u>(724,392)</u>
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Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2004.

VILLAGE OF GLENCOE, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years  
February 28, 2010 (Unaudited)**

	2001	2002 (1)	2003
<b>GENERAL FUND</b>			
Reserved	\$ 204,945	178,539	547,763
Unreserved	2,792,948	3,410,503	2,780,788
<b>TOTAL GENERAL FUND</b>	<b>2,997,893</b>	<b>3,589,042</b>	<b>3,328,551</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>			
Reserved	172,441	339,854	249,148
Unreserved, reported in			
Special revenue - garbage fund	367,316	284,519	408,969
Capital projects fund	1,793,505	51,167	-
Nonmajor governmental funds	1,370,639	1,666,652	262,470
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>3,703,901</b>	<b>2,342,192</b>	<b>920,587</b>

Data Source: Village Records

(1) First year Foreign Fire Insurance Fund reported in Village Financials, Fiscal Year 2002.

2004	2005	2006	2007	2008	2009	2010
966,646	1,423,180	1,419,786	1,387,696	1,697,345	1,777,706	1,855,477
2,327,178	1,592,212	2,180,462	2,864,292	2,142,474	2,080,214	2,099,722
3,293,824	3,015,392	3,600,248	4,251,988	3,839,819	3,857,920	3,955,199
777,941	820,237	2,204,904	1,933,353	640,460	7,990,698	5,340,310
184,847	64,072	118,379	152,420	278,342	174,296	184,847
-	-	-	-	-	-	-
-	(152,471)	-	-	-	-	-
962,788	731,838	2,323,283	2,085,773	918,802	8,164,994	5,525,157

VILLAGE OF GLENCOE, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years  
February 28, 2010 (Unaudited)

	2001	2002	2003
<b>REVENUES</b>			
Property taxes	\$ 7,706,553	7,688,998	7,880,092
Other taxes	2,811,096	2,766,277	2,907,235
Intergovernmental	253,389	243,059	249,778
Licenses, permits and fees	1,052,408	1,171,142	1,242,438
Charges for services	656,214	599,241	597,950
Fines and forfeitures	102,849	103,667	121,246
Interest	589,270	375,402	154,236
Miscellaneous	2,796,552	2,078,864	2,666,886
Total revenues	15,968,331	15,026,650	15,819,861
<b>EXPENDITURES</b>			
Administration and finance	3,458,512	3,434,466	2,040,836
Public safety	4,036,485	4,820,606	5,104,005
Public works	3,407,626	3,914,784	5,477,178
Pension cost	887,430	355,014	399,250
Capital outlay	1,957,640	3,490,173	887,212
Debt service			
Principal retirement	1,420,200	1,605,400	3,013,500
Interest and fiscal charges	964,519	772,055	822,834
Total expenditures	16,132,412	18,392,498	17,744,815
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(164,081)</b>	<b>(3,365,848)</b>	<b>(1,924,954)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt issuance	-	10,068,237	-
Discount on debt issuance	-	-	-
Premium on debt issuance	-	-	-
Payment to escrow agent	-	-	-
Transfers in	20,000	145,451	510,913
Transfers out	(20,000)	(145,451)	(510,913)
	-	10,068,237	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>(164,081)</b>	<b>6,702,389</b>	<b>(1,924,954)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>15.57%</b>	<b>16.48%</b>	<b>25.20%</b>

Data Source: Village Records

2004	2005	2006	2007	2008	2009	2010
8,012,846	8,247,208	8,594,668	9,278,894	9,280,168	9,967,799	10,479,497
3,358,933	3,561,205	4,072,998	4,388,782	4,768,312	4,537,622	4,009,429
284,153	251,158	254,722	252,464	247,856	230,888	220,432
1,475,667	2,078,579	2,097,259	1,810,162	2,125,768	1,491,828	1,205,211
683,737	667,683	921,206	999,781	946,155	989,595	960,919
117,514	109,425	94,655	105,824	132,292	202,836	151,006
96,558	76,904	305,010	541,030	490,280	208,112	183,376
1,244,644	535,070	626,115	771,884	943,857	1,031,411	525,208
15,274,052	15,527,232	16,966,633	18,148,821	18,934,688	18,660,091	17,735,078
2,328,162	2,284,502	2,340,785	2,504,428	3,067,285	3,493,435	2,121,416
5,398,707	5,713,119	6,208,800	6,459,216	6,945,078	7,149,458	7,306,828
4,581,598	4,954,437	4,818,429	5,196,688	5,826,135	4,567,300	5,065,840
-	-	-	-	-	-	-
569,014	628,011	911,724	1,058,519	2,086,233	1,015,403	3,078,301
1,736,000	1,816,300	1,821,600	2,042,000	2,187,400	2,235,000	2,230,000
698,041	548,652	524,206	473,740	401,697	335,202	313,061
15,311,522	15,945,021	16,625,544	17,734,591	20,513,828	18,795,798	20,115,446
(37,470)	(417,789)	341,089	414,230	(1,579,140)	(135,707)	(2,380,368)
4,975,000	-	1,850,000	-	-	7,400,000	3,890,000
-	-	(14,788)	-	-	-	-
-	-	-	-	-	-	148,551
(4,945,922)	-	-	-	-	-	(4,200,741)
353,755	60,301	-	-	106,719	-	-
(423,259)	(151,894)	-	-	(106,719)	-	-
(40,426)	(91,593)	1,835,212	-	-	7,400,000	(162,190)
(77,896)	(509,382)	2,176,301	414,230	(1,579,140)	7,264,293	(2,542,558)
16.68%	15.92%	14.62%	15.08%	14.06%	14.63%	13.23%

**VILLAGE OF GLENCOE, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years (in Thousands)  
February 28, 2010 (Unaudited)**

Tax Levy Year	Real Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
1999	\$ 410,313	\$ 146	\$ 410,459	1.8331	\$ 1,231,377	33.333%
2000	405,129	153	405,282	1.8893	1,215,846	33.333%
2001	511,231	160	511,391	1.5466	1,534,173	33.333%
2002	553,078	191	553,269	1.4623	1,659,807	33.333%
2003	554,225	206	554,431	1.5178	1,663,293	33.333%
2004	743,395	232	743,627	1.1771	2,230,881	33.333%
2005	801,783	219	802,002	1.1537	2,406,006	33.333%
2006	805,287	218	805,505	1.1890	2,416,516	33.333%
2007	1,109,035	239	1,109,274	0.9034	3,327,823	33.333%
2008	1,159,463	262	1,159,724	0.9208	3,479,175	33.333%

Data Source: Office of the County Clerk

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

**VILLAGE OF GLENCOE, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Levy Years  
February 28, 2010 (Unaudited)**

	1999	2000	2001
<b>VILLAGE DIRECT RATES</b>			
General	0.8529	0.8954	0.7571
Bonds and interest	0.6017	0.5893	0.4501
Garbage	0.1607	0.1677	0.1548
Police pension	0.1107	0.1365	0.1145
Fire pension	0.0052	0.0089	0.0075
IMRF	0.0393	0.0262	0.0098
Social security	0.0626	0.0653	0.0528
Limited bonds	-	-	-
Total direct rates	1.8331	1.8893	1.5466
<b>OVERLAPPING RATES</b>			
Public library	0.2980	0.3150	0.2660
High School District #203	1.8450	1.9360	1.6110
Grade School District #35	3.1820	3.3790	2.8250
Cook County	0.9240	0.8930	0.8130
Metro Water Recl. Dist.	0.4190	0.4150	0.4010
Park District	0.4980	0.5660	0.4730
Community College #535	0.2030	0.2130	0.1860
Other	0.0990	0.0770	0.0950
<b>TOTAL DIRECT AND OVERLAPPING TAX RATE</b>	<b>9.3011</b>	<b>9.6833</b>	<b>8.2166</b>
<b>VILLAGE PERCENT OF TOTAL TAX RATE</b>	<b>19.7%</b>	<b>19.5%</b>	<b>18.8%</b>

Data Source: Office of the County Clerk

2002	2003	2004	2005	2006	2007	2008
0.7337	0.7558	0.6510	0.6391	0.6785	0.5279	0.5362
0.4124	0.4250	0.3238	0.2842	0.2700	0.2060	0.2211
0.1340	0.1102	0.0947	0.0927	0.0964	0.0604	0.0592
0.1121	0.1396	0.1076	0.1079	0.1147	0.0855	0.0839
0.0036	-	-	-	-	0.0023	-
0.0163	0.0301	-	-	-	-	-
0.0502	0.0571	-	-	-	-	-
-	-	-	0.0298	0.0294	0.0213	0.0204
1.4623	1.5178	1.1771	1.1537	1.1890	0.9034	0.9208
0.2540	0.2670	0.2080	0.2050	0.2150	0.1640	0.1650
1.9350	1.7990	1.6210	1.5770	1.6620	1.2990	1.2900
2.6960	2.8010	2.5630	2.5100	2.6370	1.9970	1.9970
0.7510	0.7180	0.6530	0.5930	0.5570	0.4990	0.4660
0.3710	0.3610	0.3470	0.3150	0.2840	0.2630	0.2520
0.4520	0.4880	0.3950	0.3870	0.5590	0.4200	0.4170
0.1790	0.1860	0.1610	0.1580	0.1660	0.1410	0.1400
0.0600	0.0610	0.0480	0.0663	0.0560	0.0540	0.0420
8.1603	8.1988	7.1731	6.9650	7.3250	5.7404	5.6898
17.9%	18.5%	16.4%	16.6%	16.2%	15.7%	16.2%

**VILLAGE OF GLENCOE, ILLINOIS**

**Sales Tax Revenue by Category - Last Ten Calendar Years  
February 28, 2010 (Unaudited)**

	2000	2001	2002
Food	\$ 122,578	124,014	128,927
Drinking and eating places	36,661	25,651	41,280
Apparel	93,750	85,917	83,003
Furniture and H.H. and radio	9,916	14,484	18,399
Lumber, building hardware	4,759	6,262	5,414
Automobile and filling stations	24,115	28,823	204,879
Drugs and miscellaneous retail	179,009	189,051	194,449
Agriculture and all others	81,395	69,771	61,101
Manufacturers	-	-	-
<b>TOTAL</b>	<b>552,183</b>	<b>543,973</b>	<b>737,452</b>
<b>NUMBER OF TAXPAYERS</b>	<b>306</b>	<b>347</b>	<b>364</b>

Data Source: Illinois Department of Revenue

2003	2004	2005	2006	2007	2008	2009
124,683	133,639	142,656	143,013	143,256	157,876	140,400
36,453	43,803	44,046	43,008	59,340	49,425	42,347
83,719	88,180	106,642	124,218	116,685	94,592	56,161
14,246	11,666	11,134	7,772	9,762	9,623	5,628
6,746	9,691	5,603	900	-	-	-
504,290	635,175	724,428	1,159,324	1,161,425	1,003,135	910,510
210,339	220,417	227,409	234,603	242,877	201,428	164,585
59,711	81,516	95,153	95,815	91,866	94,179	128,631
-	-	-	-	667	832	1,280
1,040,187	1,224,087	1,357,071	1,808,653	1,825,878	1,611,090	1,449,542
340	335	362	370	378	334	290

**VILLAGE OF GLENCOE, ILLINOIS**

**Sales Tax Revenue By Category as Compared to  
Surrounding Communities' Sales Tax by Category**

**February 28, 2010 (Unaudited)**

	Village Total	Percent of Total	Surrounding Total (1)	Percent of Total
General merchandise	\$ -	0.00%	\$ 21,019,028	9.25%
Food	1,361,042	11.20%	29,631,674	13.03%
Drinking and eating places	422,014	3.47%	16,199,333	7.13%
Apparel	933,068	7.68%	17,613,555	7.75%
Furniture and H.H. and radio	112,628	0.93%	16,196,815	7.12%
Lumber, building hardware	39,374	0.32%	8,920,389	3.92%
Automobile and filling stations	6,356,104	52.31%	61,490,894	27.05%
Drugs and miscellaneous retail	2,064,167	16.99%	31,278,932	13.76%
Agriculture and all others	859,139	7.07%	21,749,969	9.57%
Manufacturers	2,779	0.02%	3,224,852	1.42%
<b>TOTAL</b>	<b>12,150,314</b>	<b>100.00%</b>	<b>227,325,441</b>	<b>100.00%</b>

Data Source: Illinois Department of Revenue

(1) Includes sales tax from Highland Park, Kenilworth, Northbrook, Northfield, Wilmette and Winnetka.

**VILLAGE OF GLENCOE, ILLINOIS**

**Principal Property Tax Payers - Current Year and Nine Years Ago  
February 28, 2010 (Unaudited)**

Taxpayer	Tax Year 2008			Tax Year 1999		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Individual - Real Property	\$ 5,282,315	1	0.46%			
Skokie Country Club	5,082,117	2	0.44%	\$ 3,500,035	1	0.93%
Lakeshore Country Club	4,807,160	3	0.41%	3,222,693	2	1.01%
United Investors Management	3,577,879	4	0.31%	2,432,834	3	0.70%
Three Waukegan Rd. LLC	3,551,987	5	0.31%			
Individual - Real Property	3,240,717	6	0.28%			
Individual - Real Property	2,922,412	7	0.25%			
Carmax	2,553,607	8	0.22%			
Individual - Real Property	2,551,987	9	0.22%			
Individual - Real Property	2,524,101	10	0.22%			
Harris N.A.				1,557,903	4	0.45%
Arthur Goldner & Assoc.				1,002,454	5	0.29%
Individual - Commercial				777,956	6	0.22%
Individual - Retail				721,115	7	0.21%
Individual - Residence				689,441	8	0.20%
Individual - Residence				611,231	9	0.18%
Individual - Residence				577,470	10	0.17%
	<u>36,094,282</u>		<u>3.11%</u>	<u>15,093,132</u>		<u>4.36%</u>

Data Source: Office of the County Clerk

Note: Tax Year 2008 is the latest data available.

**VILLAGE OF GLENCOE, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Levy Years  
February 28, 2010 (Unaudited)**

Tax Levy Year	Taxes Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 7,527,832	\$ 7,498,793	99.61%	\$ 63,956	\$ 7,562,749	100.46%
2000	7,659,830	7,608,823	99.33%	12,604	7,621,427	99.50%
2001	7,911,223	7,881,505	99.62%	(68,150)	7,813,355	98.76%
2002	8,094,313	8,043,516	99.37%	(19,729)	8,023,787	99.13%
2003	8,415,313	8,240,448	97.92%	117,502	8,357,950	99.32%
2004	8,750,840	8,585,407	98.11%	162,093	8,747,500	99.96%
2005	9,252,813	9,150,094	98.89%	24,276	9,174,370	99.15%
2006	9,577,459	9,266,110	96.75%	57,090	9,323,200	97.35%
2007	10,021,420	9,910,709	98.90%	14,311	9,925,020	99.04%
2008	10,681,063	10,465,186	97.98%	-	10,465,186	97.98%

Data Source: Office of the County Clerk

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

**VILLAGE OF GLENCOE, ILLINOIS**

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years  
February 28, 2010 (Unaudited)**

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Installment Contract Certificates	General Obligation Bonds			
2001	\$ 18,844,400	\$ -	\$ 1,315,000	\$ 20,159,400	3.83%	\$ 2,300.78
2002	18,684,000	1,357,800	940,000	20,981,800	2.72%	2,394.64
2003	17,028,300	-	540,000	17,568,300	2.28%	2,005.06
2004	15,667,300	-	130,000	15,797,300	2.05%	1,802.93
2005	13,851,000	-	-	13,851,000	1.80%	1,580.80
2006	13,879,400	-	-	13,879,400	1.80%	1,584.04
2007	11,837,400	-	-	11,837,400	1.53%	1,350.99
2008	9,650,000	-	-	9,650,000	1.25%	1,101.35
2009	14,815,000	-	-	14,815,000	1.92%	1,690.82
2010	12,355,000	-	-	12,355,000	1.60%	1,410.07

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 Schedule of Demographic and Economic Statistics for personal income and population data.

**VILLAGE OF GLENCOE, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
February 28, 2010 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita
2001	\$ 18,844,400	\$ 135,582	\$ 18,708,818	4.56%	\$ 2,135.22
2002	20,002,800	302,723	19,700,077	4.86%	2,248.35
2003	16,995,000	199,884	16,795,116	3.28%	1,916.81
2004	15,640,000	216,082	15,423,918	2.79%	1,760.32
2005	13,830,000	188,573	13,641,427	2.46%	1,556.89
2006	13,879,400	246,335	13,633,065	1.83%	1,555.93
2007	11,837,400	312,900	11,524,500	1.44%	1,315.28
2008	9,650,000	87,809	9,562,191	1.19%	1,091.33
2009	14,815,000	46,323	14,768,677	1.33%	1,685.54
2010	12,355,000	19,923	12,335,077	1.06%	1,407.79

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 Schedule of Assessed Value and Actual Value of Taxable property for property value data.

**VILLAGE OF GLENCOE, ILLINOIS**

**Schedule of Direct and Overlapping Governmental Activities Debt  
February 28, 2010 (Unaudited)**

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Glencoe	\$ 12,355,000	100.000%	\$ 12,355,000
<b>Overlapping Units</b>			
County of Cook, including Forest Preserve Dist.	3,293,495,000	0.668%	22,000,547
Metropolitan Water Reclamation District	1,959,099,575	0.682%	13,361,059
High School District #203	14,526,902	17.572%	2,552,667
Glencoe Park District	13,405,000	99.151%	13,291,192
Winnetka Park District	2,385,000	1.700%	40,545
School District #35	20,035,000	100.000%	20,035,000
School District #36	57,357,565	2.014%	1,155,181
Sunset Ridge School District #29	1,476,946	2.023%	29,879
Oakton Community College #535	-	4.128%	-
	5,361,780,988		72,466,069
	5,374,135,988		84,821,069

Data Source: Cook County Tax Extension Department

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

**VILLAGE OF GLENCOE, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years  
February 28, 2010 (Unaudited)**

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	<u>2001</u>	<u>2002</u>	<u>2003</u>
Legal debt limit	\$ 41,045,974	40,528,200	51,139,128
Total net debt applicable to limit	<u>18,844,400</u>	<u>20,002,800</u>	<u>16,995,000</u>
Legal debt margin	<u>22,201,574</u>	<u>20,525,400</u>	<u>34,144,128</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>45.91%</u>	<u>49.36%</u>	<u>33.23%</u>

Data Source: Village Records

2004	2005	2006	2007	2008	2009	2010
55,326,812	55,443,083	74,339,533	80,200,173	80,550,540	110,927,434	115,972,458
15,640,000	13,830,000	13,865,000	11,837,400	9,650,000	14,815,000	12,355,000
39,686,812	41,613,083	60,474,533	68,362,773	70,900,540	96,112,434	103,617,458
28.27%	24.94%	18.65%	14.76%	11.98%	13.36%	10.65%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	\$ 1,159,724,579
Legal debt margin	<u>10.00%</u>
Debt limit	115,972,458
Debt applicable to limit	
General obligation bonds	<u>12,355,000</u>
<b>LEGAL DEBT MARGIN</b>	<u><u>103,617,458</u></u>

**VILLAGE OF GLENCOE, ILLINOIS**

**Demographic and Economic Statistics - Last Ten Fiscal Years  
February 28, 2010 (Unaudited)**

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Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2001	8,762	\$ 525,825,144	\$ 60,012	2.80%
2002	8,762	771,572,958	88,059	3.60%
2003	8,762	771,572,958	88,059	4.40%
2004	8,762	771,572,958	88,059	4.30%
2005	8,762	771,572,958	88,059	3.90%
2006	8,762	771,572,958	88,059	3.60%
2007	8,762	771,572,958	88,059	2.70%
2008	8,762	771,572,958	88,059	2.92%
2009	8,762	771,572,958	88,059	4.25%
2010	8,762	771,572,958	88,059	6.50%

Data Source: Illinois Department of Employment Security (IDES)

**VILLAGE OF GLENCOE, ILLINOIS**

**Principal Employers - Current Year and Nine Years Ago  
February 28, 2010 (Unaudited)**

Employer	Business	2010			2001		
		Rank	# of Employees	% of Total Village Employment	Rank	# of Employees	% of Total Village Employment
Cook County Forest Preserve District	Chicago Botanic Garden	1	275	3.14%	N/A		N/A
Glencoe School District #35	Elementary School Dist.	2	228	2.60%	2	200	2.28%
Glencoe Park District	Park District	3	200	2.28%	1	250	2.85%
Village of Glencoe	Municipal Corporation	4	102	1.16%	3	104	1.19%
Harris Bank - Glencoe	Bank	5	85	0.97%	4	75	0.86%
Coldwell Banker	Realtor	6	75	0.86%	5	70	0.80%
Carmax	Auto Dealership	7	55	0.63%	N/A		N/A
AutoHaus on Edens	Auto Dealership	8	50	0.57%	N/A		N/A
Grand Foods Center	Food Store	9	45	0.51%	6	45	0.51%
Optima, Inc.	Real Estate Development	10	45	0.51%	N/A		N/A

Note: Not all information to provide the top 10 employers for 2001 is available. All available information has been presented.

**VILLAGE OF GLENCOE, ILLINOIS**

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years  
February 28, 2010 (Unaudited)**

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	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>GENERAL GOVERNMENT</b>			
Village Manager	4	4	4
Finance	4	4	5
<b>PUBLIC SAFETY</b>			
Police			
Officers	36	35	35
Civilians	9	10	10
<b>PUBLIC WORKS</b>			
Administration	12	11	11
Community Development	1	2	2
Engineer	1	1	1
Mechanic	3	3	4
Maintenance Equipment Operator	24	23	23
Water Plant Operator	5	4	4
<b>TOTAL</b>	<u>99</u>	<u>97</u>	<u>99</u>

Data Source: Fiscal Year 2000 Pay Plan and Fiscal Year 2008 Pay Plan

2004	2005	2006	2007	2008	2009	2010
4	4	3	3	3	4	4
5	5	5	5	5	5	5
35	35	35	36	36	36	35
10	10	10	10	10	10	10
11	12	12	12	12	12	11
2	2	2	2	2	2	2
1	1	1	1	1	1	1
4	4	4	4	4	4	4
23	23	23	23	20	20	21
4	4	4	4	4	4	4
99	100	99	100	97	98	97

VILLAGE OF GLENCOE, ILLINOIS

Operating Indicators by Function/Program - Last Ten Calendar Years  
February 28, 2010 (Unaudited)

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	2000	2001	2002
<b>PUBLIC SAFETY</b>			
Police			
Physical arrests	147	15	162
Parking violations	6,980	5,993	7,099
Traffic violations	635	606	1,190
Fire			
Emergency responses	2,212	2,348	2,197
Fires extinguished	24	24	39
<b>PUBLIC WORKS</b>			
Street resurfacing/repairs (square feet)	17,000	34,000	38,000
<b>WATER</b>			
New connections	48	38	42
Water main breaks	16	17	22
Average daily consumption	1,629,000	1,629,000	1,629,000

Data Source: Various Village Departments

2003	2004	2005	2006	2007	2008	2009
191	205	155	152	150	202	174
6,630	5,962	6,307	5,215	5,113	6,525	4,235
1,650	1,609	999	1,589	1,631	1,453	1,975
2,236	2,052	2,280	2,281	2,280	2,320	2,115
29	26	34	24	11	38	13
35,574	17,510	22,023	52,425	22,324	18,131	12,810
53	54	52	52	33	32	21
55	33	44	32	34	17	29
1,629,000	1,935,800	1,935,800	1,935,800	1,818,000	1,681,000	1,458,000

**VILLAGE OF GLENCOE, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Calendar Years  
February 28, 2010 (Unaudited)**

	2000	2001	2002
<b>PUBLIC SAFETY</b>			
Police			
Stations	1	1	1
Area patrols	2	2	2
Patrol units	8	8	8
Fire			
Fire stations	1	1	1
Fire engines	2	2	2
<b>PUBLIC WORKS</b>			
Residential streets (miles)	46	46	46
Streetlights	221	221	221
Traffic signals	3	3	3
<b>WATER</b>			
Water mains (miles)	51	51	51
Fire hydrants	460	460	460
Storage capacity (gallons)	3,150,000	3,150,000	3,150,000
<b>WASTEWATER</b>			
Sanitary sewers (miles)	40	40	40
Storm sewers (miles)	70	70	70
Daily treatment capacity (gallons)	8,000,000	8,000,000	8,000,000

Data Source: Various Village Departments

2003	2004	2005	2006	2007	2008	2009
1	1	1	1	1	1	1
2	2	2	2	2	2	2
8	8	8	8	8	8	8
1	1	1	1	1	1	1
2	2	2	2	2	2	2
46	46	46	46	46	46	46
221	221	221	221	221	221	190
3	3	3	3	3	3	3
51	51	51	51	51	51	51
460	460	460	460	460	460	460
3,150,000	3,150,000	3,150,000	3,150,000	3,150,000	3,150,000	3,150,000
40	40	40	40	40	40	40
70	70	70	70	70	70	70
8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000

VILLAGE OF GLENCOE, ILLINOIS

Schedule of Insurance in Force  
February 28, 2010 (Unaudited)

Insured	Description of Coverage	Limits	Expiration Date of Policy
Village of Glencoe	General liability	\$ 10,000,000	01/01/11
	Police professionals		
	Employee benefits (fire/paramedic)		
	Professional liability		
	Abuse/molestation		
	Auto liability	10,000,000	01/01/11
	Uninsured/underinsured motorist	500,000	01/01/11
	Public officials' liability	10,000,000	01/01/11
	Workers' compensation	151,500,000	01/01/11
	Employer's liability	1,000,000	01/01/11
	First party property - all risk	250,000,000	01/01/11
	Flood zone A	3,500,000	01/01/11
	Contingent business interruption (sales tax)	5,000,000	01/01/11
	Schedules emergency vehicles-agreed value	Scheduled	01/01/11
	Boiler/machinery	50,000,000	01/01/11
	Crime	Blanket per occurrence	
	Employee theft	5,000,000	01/01/11
	Forgery, alteration and counterfeit	5,000,000	01/01/11
	Credit card forgery	5,000,000	01/01/11
	Computer fraud	5,000,000	01/01/11
	Non-faithful performance	2,500,000	01/01/11
	Public officials' bonds		
	Mayor/president, treasurer, clerk	Blanket	01/01/11
	Special district trustees	Statutory limits	01/01/11
<u>Yearly Aggregates</u>			
	Member aggregate cap (applies to general/ auto liability and public officials' liability loss fund payments only)	6,000,000	01/01/11
	Agency aggregate cap	75,677,979	01/01/11

The above coverages are all provided through membership in IRMA.