

VILLAGE OF
GLENCOE, ILLINOIS

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
FEBRUARY 28, 2014

VILLAGE OF GLENCOE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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FEBRUARY 28, 2014

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, Transmittal Letter from Village Manager and Director of Finance, and Certificate of Achievement for Excellence in Financial Reporting.

VILLAGE OF GLENCOE, ILLINOIS

**List of Principal Officials
February 28, 2014**

President

Lawrence Levin

Board of Trustees

Bruce Cowans
Barbara Miller
Joel Solomon

Andrew Hayek
Scott Pearce
Dale Thomas

Clerk

Philip Kiraly

Village Attorney

Victor Filippini

Treasurer

David A. Clark

* * * * *

Village Manager

Philip Kiraly

Director of Finance

David A. Clark

Director of Public Safety

Cary Lewandowski

Director of Public Works

David Mau

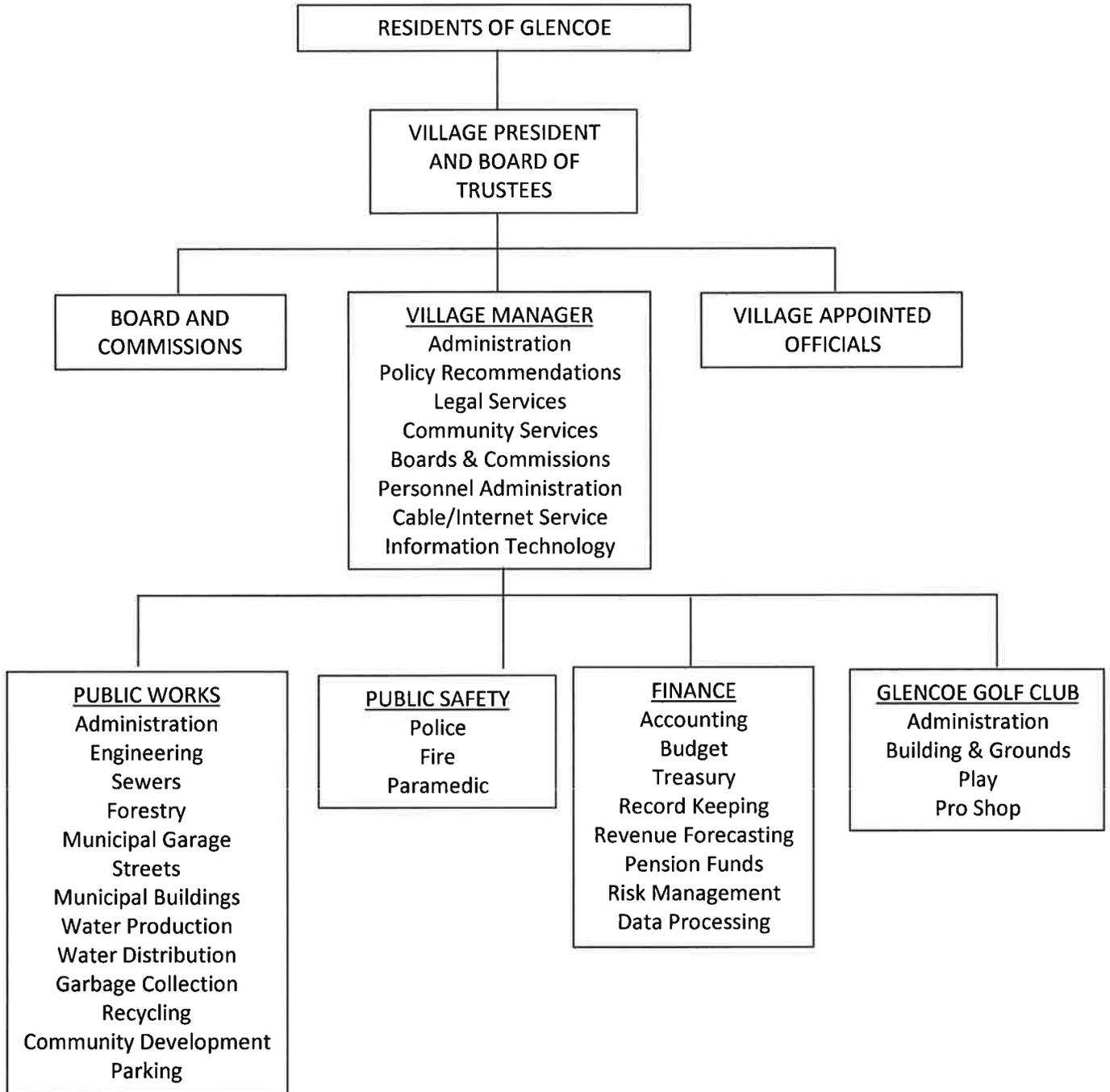
Golf Manager

Stella Nanos

Library – Executive Director

Juliann Janovicz

VILLAGE OF GLENCOE





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

Phone 847.835.4113
FAX 847.835.9880
www.goglencoe.com

June 4, 2014

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, 2014, 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 unmodified (“clean”) opinion on the Village of Glencoe’s financial statements for the year ended February 28, 2014. 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 2013 due to a bond issuance). This rating is indicative of the demographics of the community and the Village’s financial planning and policies. 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. The sales tax trend has stabilized and showed signs of recovery. Building permit revenue has increased from the prior year, however, building permit revenue has not returned to levels prior to the economic downturn.

The Village is impacted at the local level by regional, state, and national economic conditions as well as governance of the State of Illinois. 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 2014, the State of Illinois had not disbursed two months of income tax to the Village. 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. During recent years, the Village no longer used the five-year average of water consumption to establish the budget. Recent budgets have been established based on current fiscal year projections on usage which has been significantly lower than the five year average.

The Village's 2012 equalized assessed valuation (EAV) decreased by 6.6% from the prior year and has decreased by a total of 29.4% from the 2009 EAV level. The decrease in EAV is a lagging indicator of the downturn in the economy. The change has resulted in increased property tax rates but has not adversely impacted property tax revenue. Although EAV has decreased, revenue from building permits has continued to recover.

Relevant Financial Policies

Annually, the Village Board reviews financial policies and initiates consideration of 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 identifying issues needing review prior to those issues becoming critical action items.

Looking Forward to Fiscal Year 2015

During the process of Fiscal Year 2015 Budget development, some major issues that the executive staff and the Village Board reviewed included:

- Decreased the annual transfer from the General Fund to the Garbage Fund from \$600,000 to \$450,000 and increased the residential garbage fee rate from \$37.56 to \$49.57;
- Adoption of a \$73,870 property tax abatement ordinance; and
- Decreased annual contribution to the Police Pension Fund from \$1,646,932 to \$1,476,312 consistent with findings of annual report from the Village's actuary.

After close review of the issues stated above, it was decided that the following major capital items, programs and projects would be included in budget for Fiscal Year 2015:

- Storm Sewer Improvements (\$2,300,000 – 2012 Bonds);
- Street Improvements (\$1,000,000 – 2012 Bonds);
- Sanitary Sewer Improvements (\$502,564 – 2012 Bonds);
- Residential Sidewalks (\$100,000 – 2012 Bonds);
- Sidewalk Repair (\$100,000 – 2012 Bonds);
- Refuse Hauler Replacement (\$41,000 – Garbage Fund);
- Leaf Vacuum (\$32,500 – Garbage Fund);
- Reconstruct Ravine Bluff Monument (\$23,000 – General Fund);
- Three (3) Public Safety Vehicle Replacement (\$130,000 – General Fund);
- Construct Staircase at base of bluff – Dell Place Street End (\$11,000 – General Fund);
- HVAC/Mechanical System Study & Upgrade (\$25,000 – General Fund);

- Repair Wentworth Ave. Retaining Wall (\$16,500 – General Fund);
- Utility Dump Truck Replacement (\$68,000 – General Fund);
- Sidewalk Tractor Replacement (\$93,000 – General Fund);
- Dump Truck w/Plow Replacement (\$125,000 – General Fund);
- Two (2) Public Works Vehicle Replacement (\$65,000 – General Fund);
- Public Safety Garage Floor Upgrade (\$45,000 – General Fund);
- Fire Engine Replacement (\$600,000 – General Fund);
- E911 System Improvements (\$25,000 – General Fund);
- Water System Improvements (\$185,000 – Water Fund); and
- IT Strategic Plan Projects Year 3 (\$117,900 – General Fund).

Based on the changes that have occurred in the economy over the last several years, the Village Board and Finance Committee continue to closely monitor revenues and expenditures (including capital investment).

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, 2013. This was the twenty-eighth 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.

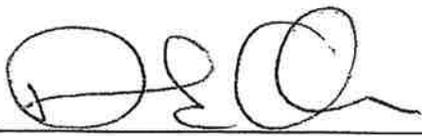
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,


 Philip Kiraly
 Village Manager


 David A. Clark
 Director of Finance



Government Finance Officers Association

**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, 2013



Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

June 4, 2014

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, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Glencoe, Illinois, as of February 28, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

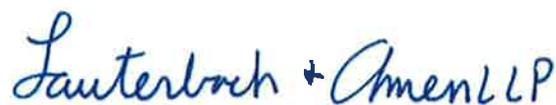
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Glencoe, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF GLENCOE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
February 28, 2014

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, 2014. 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 position at February 28, 2014 (excluding pension funds) were \$80,241,094, an increase of \$1,618,353 (See page MD&A 4-Table II and CAFR pages 3-4);
2. Governmental Activity Summary – Net position for governmental activities increased by \$922,678 during the year (See page MD&A 4-Table II and CAFR page 3-4);
3. Business-Type Activity Summary – Net position for business-type activities increased by \$695,675 during the year. Net position of the Water Fund increased \$408,493 during the year while net position of the Glencoe Golf Club increased \$287,182 (See page MD&A 4-Table II, CAFR pages 3-4 and 14);
4. General Fund Summary – The Village's General Corporate Fund reported an increase of \$702,128 in fund balance for the year. Actual General Fund revenues were \$1,166,894 over budget, while General Fund expenditures were \$578,904 less than budget. All expenditures were within legal appropriation limits (See CAFR pages 10, 62 and 64-66);
5. New Capital Assets – Total capital assets experienced a net accumulation of \$3,962,082 prior to depreciation of assets subject to depreciation. The net change in capital assets less depreciation expense resulted in an increase of \$2,805,087 in governmental capital assets balance from \$75,197,437 to \$78,002,524 (See Notes to the Financial Statements No. 3 on CAFR pages 35-36 and page MD&A 14-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 financial statements also include notes to the financial statements.

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

VILLAGE OF GLENCOE
 MANAGEMENT DISCUSSION & ANALYSIS (Continued)

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 position 2. Statement of activities	1. Balance sheet 2. Statement of revenues, expenditures and changes in fund balance	1. Statement of net position 2. Statement of revenues, expenses, and changes in net position 3. Statement of cash flows	1. Statement of fiduciary net position 2. Statement of changes in fiduciary net position.
Accounting basis	Accrual	Modified Accrual	Accrual	Accrual
Measurement Focus	Economic resource	Current financial resources	Economic resource	Economic resource
Type of asset/deferred outflow & liability/deferred inflow information	All assets/deferred outflows and liabilities/deferred inflows; both financial and capital short and long-term	Assets/deferred outflows expected to be used and liabilities/deferred inflows that come due during the year or shortly thereafter; no capital assets	All assets/deferred outflows and liabilities/deferred inflows; both financial and capital short and long-term	All assets/deferred outflows and liabilities/deferred inflows, 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 Position (the "Unrestricted Net Position") 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 of the CAFR 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).

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 Position

The following (Table II) reflects the condensed Statement of Net Position as of February 28, 2014 with a comparison to the prior year. Net position related to governmental activities increased \$922,678 or 1.2% from the prior year. Net position related to business-type activities increased \$695,675 or 16.3% from the prior year. Net position for total primary government increased \$1,618,353 or 2.1% from the prior year.

Table II
Statement of Net Position
As of February 28, 2014

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2014	2013	2014	2013	2014
<i>Current and other assets</i>	\$ 28,208,178	\$ 25,778,744	\$ 1,530,368	\$ 1,727,749	\$ 29,738,546	\$ 27,506,493
<i>Capital Assets</i>	75,197,436	78,002,524	6,650,379	6,753,508	81,847,815	84,756,032
<i>Total Assets</i>	103,405,614	103,781,268	8,180,747	8,481,257	111,586,361	112,262,525
<i>\$ Change</i>	\$ 8,583,106	\$ 375,654	3,539,749	300,510	12,122,855	676,164
<i>% Change</i>	9.1%	0.4%	76.3%	3.7%	12.2%	0.6%
<i>Non-Current</i>	15,946,736	14,472,710	3,243,016	3,033,199	19,189,752	17,505,909
<i>Other Liabilities/Def. Inflows</i>	13,111,935	14,038,937	661,933	476,585	13,773,868	14,515,522
<i>Total Liabilities/Def. Inflows</i>	29,058,671	28,511,647	3,904,949	3,509,784	32,963,620	32,021,431
<i>\$ Change</i>	\$ 7,035,634	\$ (547,024)	2,723,607	(395,165)	9,759,241	(942,189)
<i>% Change</i>	31.9%	-1.9%	230.6%	-10.1%	42.1%	-2.9%
<i>Net Position:</i>						
<i>Invested in capital assets, net of</i>	68,335,649	67,541,888	3,636,236	3,807,766	71,971,885	71,349,654
<i>Restricted</i>	1,027,936	1,276,556	-	-	1,027,936	1,276,556
<i>Unrestricted</i>	4,983,358	6,451,177	639,562	1,163,707	5,622,920	7,614,884
<i>Total Net Position</i>	74,346,943	75,269,621	4,275,798	4,971,473	78,622,741	80,241,094
<i>\$ Change</i>	\$ 1,547,472	\$ 922,678	816,142	695,675	2,363,614	1,618,353
<i>% Change</i>	2.1%	1.2%	23.6%	16.3%	3.1%	2.1%

For more detailed information see the Statement of Net Position 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 Position summary presentation.

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

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 position 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 position 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 position (which is the Village's bottom line) increased from \$78,622,741 to \$80,241,094, an increase of \$1,618,353 or 2.1% as a result of the combined governmental and business-type activities.

Net position of the Village's governmental funds increased from \$74,346,943 to \$75,269,621, an increase of \$922,678 or 1.2% as a result of governmental activities. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations, increased from \$4,983,358 to \$6,451,177.

Net position from business-type activities funding water production/distribution and Glencoe Golf Club operations increased from \$4,275,798 to \$4,971,473, an increase of \$695,675 or 16.3%. The Village's unrestricted net position for business-type activities was \$1,163,707. The unrestricted net position for business-type activities is due primarily to the growth in unrestricted position of the Water fund from \$1,467,319 to \$1,796,970 or an increase of \$329,651. The Water Fund experience lower than expected operating expense. The growth in unrestricted position of the Glencoe Golf Club from (\$827,757) to (\$633,263) or an increase of \$194,494 is due to primarily operating revenues from charges for services being higher than expected. Independently, the net unrestricted position for the Water Fund was \$1,796,970, while the Glencoe Golf Club unrestricted net position was (\$633,263).

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 of the CAFR.

Table III
Changes in Net Position
For the Fiscal Year Ended February 28, 2014

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total Primary Government</i>	
	2013	2014	2013	2014	2013	2014
REVENUES						
Program Revenues						
Charges for Service	\$ 3,066,197	\$ 3,332,610	\$ 4,116,417	\$ 3,878,812	\$ 7,182,614	\$ 7,211,422
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	247,568	256,016	-	-	247,568	256,016
Total Program Revenue	3,313,765	3,588,626	4,116,417	3,878,812	7,430,182	7,467,438
General Revenues						
Property and Replacement Taxes	9,886,338	10,238,879	-	-	9,886,338	10,238,879
Sales Tax	1,790,991	1,942,829	-	-	1,790,991	1,942,829
Utility Tax	1,056,834	1,156,935	-	-	1,056,834	1,156,935
Income Tax	783,247	843,471	-	-	783,247	843,471
Other	1,368,736	1,427,855	5,073	4,941	1,373,809	1,432,796
Total General Revenue	14,886,146	15,609,969	5,073	4,941	14,891,219	15,614,910
Total Revenue	18,199,911	19,198,595	4,121,490	3,883,753	22,321,401	23,082,348
\$ Change	(293,311)	998,684	529,674	(237,737)	236,363	760,947
% Change	-1.6%	5.5%	14.7%	-5.8%	1.1%	3.4%
EXPENSES						
Administration & Finance	2,165,875	2,083,351	-	-	2,165,875	2,083,351
Public Safety	7,293,431	7,483,246	-	-	7,293,431	7,483,246
Public Works	7,187,119	8,363,911	-	-	7,187,119	8,363,911
Debt Service Interest	6,014	345,409	-	-	6,014	345,409
Water			1,938,933	1,764,927	1,938,933	1,764,927
Glencoe Golf Club			1,366,415	1,423,151	1,366,415	1,423,151
Total Expenses	16,652,439	18,275,917	3,305,348	3,188,078	19,957,787	21,463,995
\$ Change	(330,230)	1,623,478	202,236	(117,270)	(127,994)	1,506,208
% Change	-1.9%	9.7%	6.5%	-3.5%	-0.6%	7.5%
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	1,547,472	922,678	816,142	695,675	2,363,614	1,618,353
TRANSFERS	-	-	-	-	-	-
Change in Net Position	1,547,472	922,678	816,142	695,675	2,363,614	1,618,353

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Revenue for governmental activities increased \$998,684 or 5.5% from the prior year. Property and replacement taxes increased by \$352,541 due to a debt service requirement. Other revenues including charges for services, sales tax, utility tax, and income tax increased by a combined total of \$578,576 or 8.6%. Expenses for Governmental activities increased by \$1,623,478 or 9.7% from the prior year. Revenue for business-type activities decreased \$237,737 or 5.8% from the prior year and expenses for business-type activities decreased \$117,270 or 3.5% from the prior year. The total revenue for primary government activities increased \$760,947 or 3.4% from the prior year and total expenses for primary government activities decreased \$1,506,208 or 7.5% from the prior year.

Normal Impacts – Changes in Net Position

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 15 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.

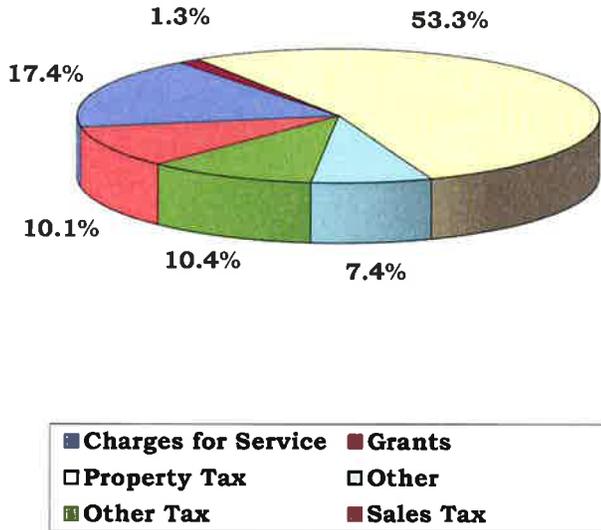
Increase in Authorized Personnel - changes in service demand may cause the Village Board to increase/decrease authorized staffing.

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 2012 tax levy (Fiscal Year 2014 Budget) was based on the change in CPI from December 31, 2010 to December 31, 2011 or 2.96%. The following year CPI (from December 31, 2011 to December 31, 2012) or 1.74% was used for the 2013 tax levy (Fiscal Year 2015 Budget). The change in CPI from December 31, 2012 to December 31, 2013 was 1.50% and will be used for the 2014 tax levy (Fiscal Year 2016 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.

Current Year Impacts

2014 Governmental Activities Revenue



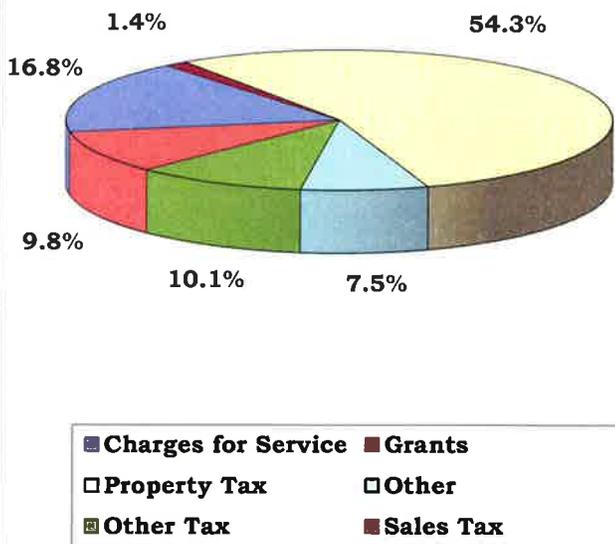
Governmental Activities

Revenue:

For the fiscal year ended February 28, 2014 revenues from government activities totaled \$19,198,595.

Property taxes (and replacement taxes) continue to be the Village's largest revenue source totaling \$10,238,879 representing 53.3% of total governmental activity revenue. Sales tax revenue was \$1,942,829 or 10.1% of total governmental activity revenue. Other taxes including, local utility tax was \$1,156,834 and shared state income tax revenue was \$843,471, together representing 10.4% of the total governmental activity revenue. Total charges for service were \$3,332,610 or 17.4% of governmental activity revenue.

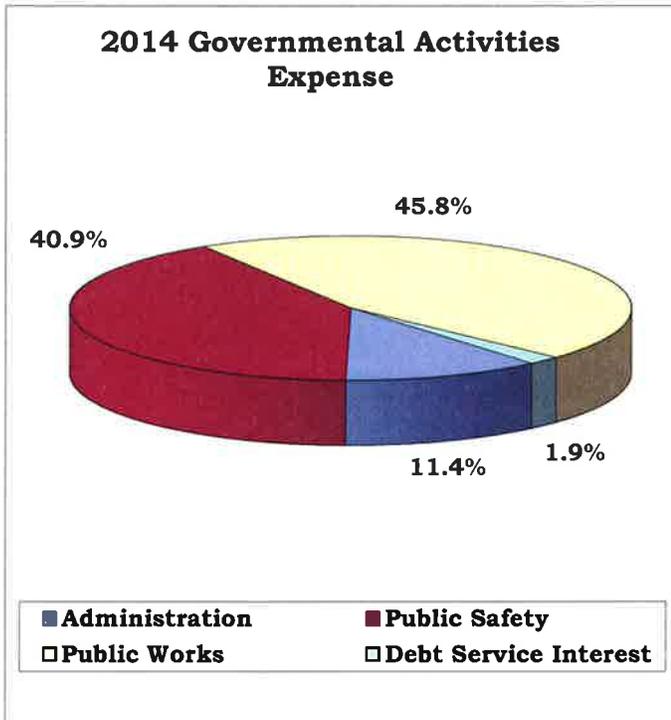
2013 Governmental Activities Revenue



Comparison with Prior Year

Property tax and replacement tax revenue increased by \$352,541 or 3.6% from the prior year due to a new debt service payment requirement. Sales taxes increased by \$151,838 or 8.5% from the prior year. Income tax increased by \$60,224 or 7.7% from the prior year. As of February 28, 2014, \$165,200 of income tax revenue was still receivable, as compared to \$198,084 in prior year. Charges for service increased by \$266,413 or 8.7%. The major increase in Charges for service revenue came from building permits. Grants (capital and operating) increased by \$8,448 or 3.4%. Charges for services which includes building permits, sales tax, income tax and utility tax grew 8.6% from the prior year. Growth in building permit revenue, sales tax revenue and income tax revenue indicate a recovery in the economy.

VILLAGE OF GLENCOE
 MANAGEMENT DISCUSSION & ANALYSIS (Continued)

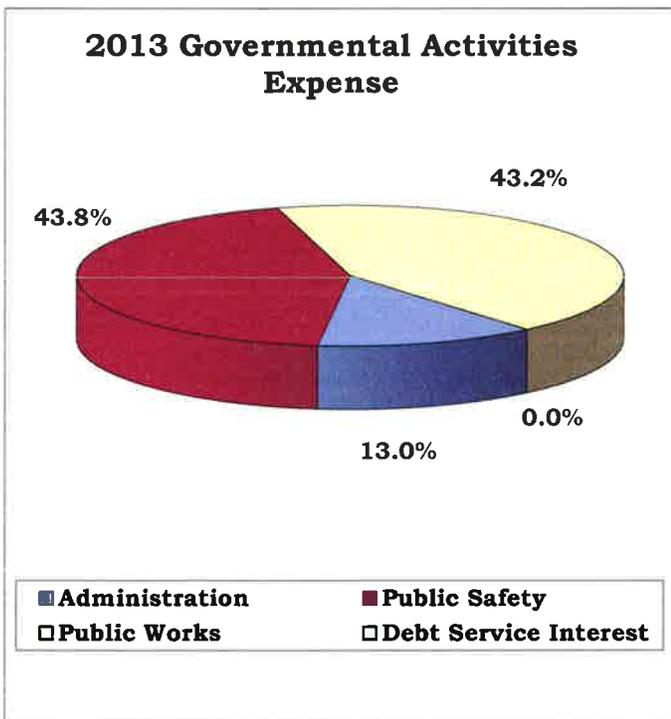


Expenses:

For the fiscal year that ended February 28, 2014, expenses for governmental activities totaled \$18,275,917.

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

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



Comparison with Prior Year:

Total expenses for governmental activities increased \$1,623,478 or 9.7% from the prior year. Expenses for administration and finance decreased by \$82,524, or 3.8%, from the prior year. Expenses for Public Safety increased by \$189,815 or 2.6% from the prior year. Expenses for Public Works increased by \$1,176,792 or 16.4% from the prior year. Expenses related to debt service interest payments increased by \$339,395 from the prior year due to a debt requirement. Most significantly, 2012 bond proceeds were used to pay for capital projects during fiscal year 2014 which resulted in the significant increase in Public Works expenses.

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Table IV
Cost Factors

Category	2012 Factors		2013 Factors		2014 Factors	
	% Change	Effective	% Change	Effective	% Change	Effective
Change in CPI (Tax Cap)	2.72%	12/31/2009	1.50%	12/31/2010	2.96%	12/31/2011
General Employees	4.00%	3/1/2011	2.00%	3/1/2012	2.00%	3/1/2013
Public Safety Officers	4.00%	3/1/2011	2.00%	3/1/2012	TBD	3/1/2013
Bargaining Unit Employees	1.99%	3/1/2011	2.57%	3/1/2012	1.89%	3/1/2013
Bargaining Unit Signing Bonus	\$0	3/1/2011	\$0	3/1/2012	\$0	3/1/2013
Health Insurance-PPO	-1.10%	1/1/2012	4.94%	1/1/2013	5.77%	1/1/2014
Health Insurance-HMO	0.99%	1/1/2012	4.89%	1/1/2013	5.77%	1/1/2014
Police Pension Contribution	-6.20%	3/1/2011	-9.87%	1/1/2013	12.34%	1/1/2014
IMRF	1.33%	1/1/2012	0.56%	1/1/2013	-0.67%	1/1/2014

Change in CPI (Tax Cap)

As a non-home rule community, the Village is subject to tax cap legislation which generally limits future property tax increases to the annual change in the consumer price index (CPI) or 5% whichever is less. The 2012 Tax Levy (for Fiscal Year 2014) was based on a 2.96% increase in the CPI from 2010 to 2011. The 2012 Tax Levy increased the extension by \$322,072 to a total extension for capped funds of \$8,870,028.

Wage Factors

Included in cost factors in Table IV are factors for general employees, public safety officers and bargaining unit employees. During Fiscal Year 2014 general employees and public safety received a 2% increase in base pay. The bargaining unit employees received a 1.89% increase in wages. Public safety officers are now represented by the Fraternal Order of Police. The initial agreement is being negotiated and the public safety officers did not receive a wage adjustment during Fiscal Year 2014.

Health Insurance

Beginning January 1, 2013, the Village unblended the rates for HMO and PPO health insurance coverage. The PPO health insurance premium rate increased by 5.77% and HMO health insurance rate increased 5.77% effective January 1, 2014.

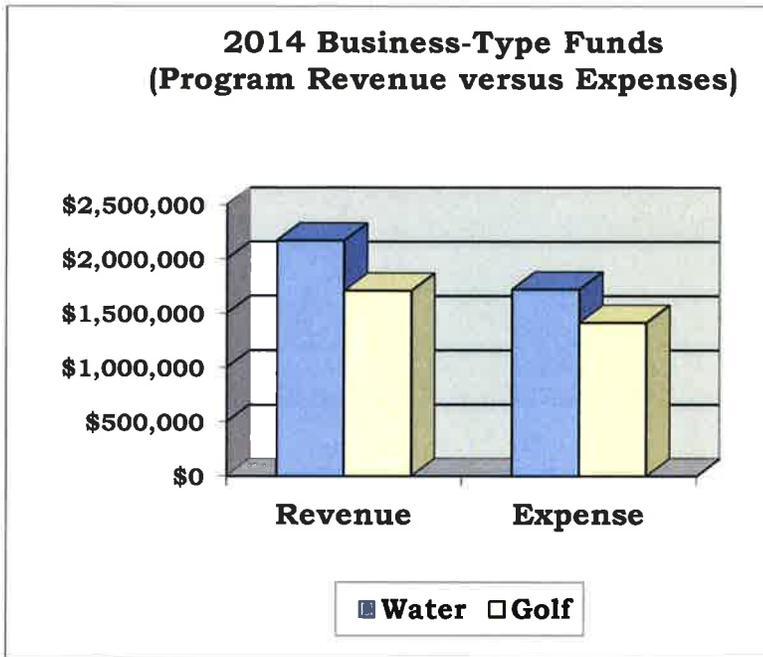
Police Pension (All Sources)

The annual required contribution (ARC) to the Police Pension Fund is actuarially determined and the actual annual contribution is made up of levied property taxes and other financing sources in the General Fund determined during the budget process to be available for the purpose of funding the Police Pension Fund. There was a 12.34% increase in the Village's actual contribution to the Police Pension Fund from the prior year. This increase contribution occurred in continued recognition of the Village contributing in excess of the ARC as a matter of annual budget policy. The ARC for the Police Pension Fund has increased from \$855,304 in Fiscal Year 2007 to \$1,027,127 in Fiscal Year 2014. The actual contributions to the Police Pension Fund increased from \$1,033,821 (120.90% of ARC) in Fiscal Year 2007 to \$1,652,932 (160.93% of ARC) in Fiscal Year 2014. Since Fiscal Year 2007, contributions to the Police Pension Fund have been over \$3.1 Million in excess of the ARC and have averaged 137.96% of the ARC annually.

VILLAGE OF GLENCOE
 MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Illinois Municipal Retirement Fund (IMRF)

Employees eligible for IMRF benefits contribute 4.5% of their salary towards that pension. Beginning 2010, IMRF offered a phase-in rate to cap increases in the contribution rate to 10%. During Fiscal Year 2012 the Village contributed based on the phase-in rate and made a catch up payment to the ARC level. During Fiscal Year 2014 the Village contributed to IMRF based on the ARC rate and no catch-up payment was necessary. The IMRF employer rate decreased from an ARC rate of 12.66% of salary during 2013 to 11.99% of salary during 2014 (effective January 1, 2014).



Business Type Activities

Revenue

Revenue from business-type activity totaled \$3,883,753. Revenue generated by business-type activity decreased by \$237,737 or 5.8% from the prior year.

At the end of Fiscal Year 2014, the water rate for the Village was \$3.403 per 100 cubic feet, no change from prior year. Water Fund charges for service decreased by \$280,758 or 11.5% due to decreased consumption.

During Fiscal Year 2014, the volume of water pumped decreased from the prior year by 8.12 Million Gallons (MG) or 1.3% and was 109% of the 5-year average.

During the prior year, the volume of water pumped increased by 75.92 MG or 13.7% from

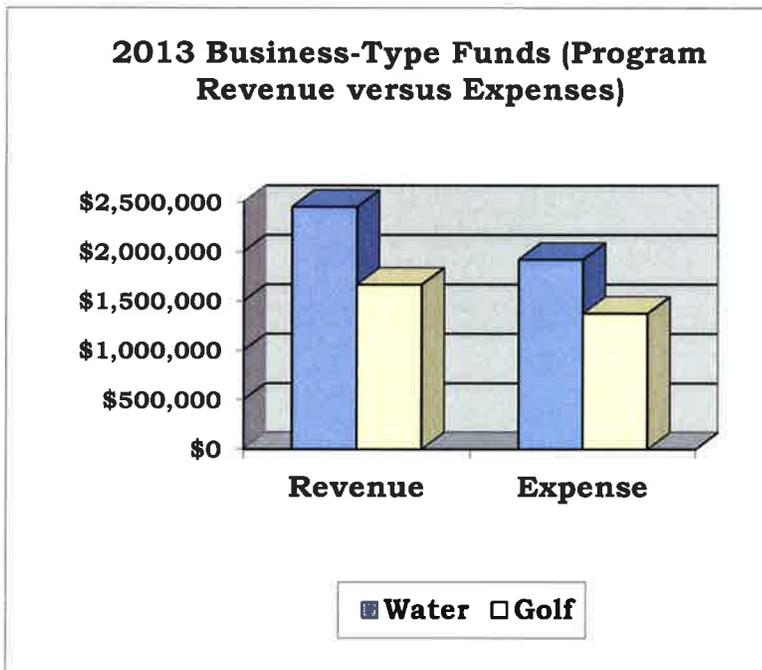
fiscal year 2012 and was 99.9% of the 5-year average. Economic conditions, weather conditions and increased elective use of water (yard watering) are believed to be contributing to the reduced use of water during the prior year.

Charges for service for the Golf Club increased \$43,153 or 2.6% from the prior year. Weather conditions and excellent course conditions during the fiscal year contributed to the increase in revenue.

Expenses

Expenses (including depreciation) from business-type activity totaled \$3,188,078. Business-type depreciation expense amounted to \$217,600 as compared to \$177,205 in the prior year.

VILLAGE OF GLENCOE
 MANAGEMENT DISCUSSION & ANALYSIS (Continued)



Included is an interest expense of \$2,679 on the advance to the Glencoe Golf Club due to the Village's General Fund. This amount decreased from the prior year amount of \$3,073. This decrease was due to a decrease in the rate of earnings.

During the year, the Water Fund had an operating gain of \$450,183, as compared to the operating gain of \$533,067 during Fiscal Year 2013. The Glencoe Golf Club had an operating gain of \$294,843, as compared to the operating gain at the Glencoe Golf Club during Fiscal Year 2013 of \$291,308. The operating gain in the Water Fund was due to significant decrease in expenses from prior year. The operating gain at the Glencoe Golf Club was due to increased rounds played as compared to the prior year.

Expenses for business type activities decreased by \$117,270 or 3.5% from the prior year. Water

expenses decreased by \$174,006 or 9.0% from the prior year. Expenses for the Golf Club increased by \$56,736 or 4.2% from the prior year.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

For the Fiscal Year ending February 28, 2014, the governmental funds reflect a combined fund balance of \$10,797,443. (See CAFR page 11 for more information). Overall the net change in combined fund balance was a decrease of \$4,049,609. The net change in fund balance for the General Fund was an increase of \$702,128. The net change for the Garbage Fund was an increase of \$67,985. The net change in fund balance for General Obligation Bonds was a decrease of \$36,319. The net change in fund balance for Capital Projects was a decrease of \$4,977,819 due to the use of General Obligation Bonds for vote approved special projects. The net change in fund balance for non-major governmental funds during the year was an increase of \$194,416 primarily due to the accumulation of resources for future expenditures from the Motor Fuel Tax fund and the E911 fund.

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Table V
General Corporate Fund
Budgetary Highlights

<i>General Corporate Fund</i>	<i>Final Budget</i>	<i>Final Appropriation</i>	<i>2014 Actual</i>	<i>2013 Actual</i>	<i>2012 Actual</i>
REVENUES					
Taxes	\$ 12,653,967	\$ -	\$ 12,900,406	\$ 12,332,351	\$ 12,125,808
Licenses & Permits	1,178,273	-	1,916,490	1,408,675	1,243,485
Other	1,392,879	-	1,575,117	1,644,027	1,546,954
Total	\$ 15,225,119	\$ -	\$ 16,392,013	\$ 15,385,053	\$ 14,916,247
\$ From Final Budget			\$ 1,166,894		
% of Final Budget			107.7%		
\$ from Actual			\$ 1,006,960	\$ 468,806	\$ (80,732)
% from Actual			6.5%	3.1%	-0.5%
EXPENDITURES & TRANSFERS					
Expenditures	\$ 15,805,742	\$ 17,446,316	\$ 15,226,838	\$ 14,205,287	\$ 14,657,875
\$ From Final Budget			\$ (578,904)		
% from Final Budget			96.3%		
\$ from Actual			\$ 1,021,551	\$ (452,588)	\$ 382,377
% from Actual			7.2%	-3.1%	2.7%
Disposal of Capital Assets			(123,135)	(60,588)	
Transfers out	600,000	600,000	586,182	450,000	343,267
Total	\$ 16,405,742	\$ 18,046,316	\$ 15,689,885	\$ 14,594,699	\$ 15,001,142
Changes In Fund Balance	\$ (1,180,623)	\$ (18,046,316)	\$ 702,128	\$ 790,354	\$ (84,895)

Total revenue in the General Fund increased by \$1,006,960 or 6.5% from the prior year actual revenue. Total expenditures in the General Fund increased by \$1,021,551 or 7.2% from the prior year. (See CAFR pages 64-66 for more detail about revenue and expenditure in the General Fund).

The General Fund received revenues at 107.7% of budget. Fiscal year 2014 revenue included increases in sales tax revenue and building permit revenue from prior year actual levels. During development of the Fiscal Year 2015 Budget, the Village Board reviewed revenue trends to develop strategies to increase revenue and decrease expense. The Village Boards ongoing goal is to anticipate and react to the changing economic climate in a timely, prudent and appropriate fashion.

Expenditures were \$578,904 less than budgeted or 96.3% of budget due to less than budget personnel, services, commodities and capital expense.

During Fiscal Year 2014, the Village Board adopted a supplemental appropriation ordinance. The supplemental appropriations were primarily for the following purposes:

1. Providing for unanticipated operating expenditures;
2. Providing for unanticipated bond eligible expenditures from newly-issued 2012 Bond proceeds;
3. Providing for expenditures made on behalf of the Chicago Botanic Garden for their Children's Learning Center campus improvements.

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

The supplemental appropriation was adopted to make sure that anticipated expenditures would be within appropriated amounts. At the time the supplemental appropriation was adopted, the Village Board also amended the bond construction fund budget in an amount equal to the appropriation. On a fund-by-fund basis, all Fiscal Year 2014 expenditures were within Fiscal Year 2014 appropriations. The amount of the supplemental appropriation is the same as the original appropriation for all funds except the bond construction fund and Chicago Botanic Garden Agency fund. Variance in these funds is expected due to the variance in starting and finishing time of the projects from time to time. Certain appropriated items were transferred to areas needing increased spending authority.

Capital Assets

At the end of Fiscal Year 2014, the Village's Governmental Activities had invested \$78,002,524 (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 February 29, 2012	Balance February 28, 2013	Net Additions/ Deletions	Balance February 28, 2014
Non-Depreciable Assets				
Land & Land Right of Way	\$ 44,747,974	\$ 44,747,974	\$ (93,184)	\$ 44,654,790
Construction In Progress	277,936	-	281,439	281,439
Sub-Total	45,025,910	44,747,974	188,255	44,936,229
Other Capital Assets				
Buildings & Improvements	6,371,275	6,371,275		6,371,275
Vehicles	5,052,943	5,244,261	8,286	5,252,547
Machinery & Equipment	732,272	802,235	70,797	873,032
Infrastructure	42,056,535	42,091,534	3,694,744	45,786,278
Sub-Total	54,213,025	54,509,305	3,773,827	58,283,132
Accumulated Depreciation on other Capital Assets	(23,041,080)	(24,059,843)	(1,156,995)	(25,216,838)
Totals	76,197,855	75,197,436	2,805,087	78,002,523
\$ Change from prior year	(87,721)	(1,000,419)		
% Change from prior year	-0.11%	-1.31%	3.73%	

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Assets (net of depreciation) increased \$2,805,088 or 3.73% from Fiscal Year 2013 to Fiscal Year 2014.

Debt Outstanding

As of February 28, 2014, the Village had \$14,450,000 in outstanding debt service. The existing schedule extends through Fiscal Year 2027. (For more information see Statement Note No. 3 on pages 37-41).

The Village has a legal debt limit of \$87,518,789, which is 10.00% of assessed valuation. The Village has used \$14,450,000 of this limit leaving a legal debt margin of \$73,068,789. As last rated during Fiscal Year 2013, the Village maintained an "AAA" bond rating by Standard & Poor's Corporation. As stated by Standard & Poor, the rating reflects:

- Participation in the deep and diverse Chicago MSA economy,
- Very strong income and extremely strong wealth levels,
- Very strong reserves paired with good financial management practices, and
- Moderate overall net debt burden as a percentage of market value.

Economic Factors

The Village's composition is primarily residential with a commercial component enhanced by three 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) decreased 6.6% from Tax Year 2011 level to total an EAV of \$875,187,894. The 2012 Tax Levy (including debt service) increased 4.56% from the 2011 Tax Extension. The 2012 Tax Extension was 1.19% of the total EAV as compared to a 10-year average of 1.13% of the total EAV.

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 Position
February 28, 2014**

See Following Page

VILLAGE OF GLENCOE, ILLINOIS

Statement of Net Position
February 28, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Glencoe Public Library
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 11,089,696	3,013,974	14,103,670	1,884,809
Receivables - net of allowances				
Property taxes	8,956,748	-	8,956,748	1,850,732
Other taxes	885,106	-	885,106	-
Accounts	259,546	185,801	445,347	-
Other	62,819	387	63,206	-
Internal balances	1,608,699	(1,608,699)	-	-
Prepays/Inventory	434,015	136,286	570,301	20,589
Total current assets	23,296,629	1,727,749	25,024,378	3,756,130
NONCURRENT ASSETS				
Capital assets				
Nondepreciable	44,936,229	969,077	45,905,306	75,772
Depreciable	58,283,132	10,969,038	69,252,170	2,941,139
Accumulated depreciation	(25,216,837)	(5,184,607)	(30,401,444)	(1,359,696)
	78,002,524	6,753,508	84,756,032	1,657,215
Other Assets				
Net pension asset	2,482,115	-	2,482,115	-
Total noncurrent assets	80,484,639	6,753,508	87,238,147	1,657,215
Total assets	103,781,268	8,481,257	112,262,525	5,413,345

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
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	1,754,714	119,949	1,874,663	-
Accrued interest payable	68,559	12,274	80,833	-
Unearned/deferred revenue	28,240	149,661	177,901	-
Compensated absences payable	246,192	56,432	302,624	-
Notes payable	-	-	-	34,005
General obligation bonds payable	1,225,000	-	1,225,000	-
IEPA loan payable	-	138,269	138,269	-
Total current liabilities	3,322,705	476,585	3,799,290	34,005
NONCURRENT LIABILITIES				
Net pension obligation payable	48,030	-	48,030	-
Net other post-employment benefit payable	214,910	-	214,910	-
Compensated absences payable	984,770	225,726	1,210,496	-
Notes payable	-	-	-	246,813
General obligation bonds payable	13,225,000	-	13,225,000	-
IEPA loan payable	-	2,807,473	2,807,473	-
Total noncurrent liabilities	14,472,710	3,033,199	17,505,909	246,813
Total liabilities	17,795,415	3,509,784	21,305,199	280,818
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	10,716,232	-	10,716,232	2,136,080
Total liabilities and deferred inflows of resources	28,511,647	3,509,784	32,021,431	2,416,898
NET POSITION				
Net investment in capital assets	67,541,888	3,807,766	71,349,654	1,376,397
Restricted for fire benevolent fund	605	-	605	-
Restricted for public safety	38,880	-	38,880	-
Restricted for drug abuse prevention	2,875	-	2,875	-
Restricted for IRMA claim deductibles	71,518	-	71,518	-
Restricted for special revenues	257,383	-	257,383	-
Restricted for debt service	87,752	-	87,752	-
Restricted for roadway maintenance	418,242	-	418,242	-
Restricted for E911 specific purposes	399,301	-	399,301	-
Restricted for donor specified purposes	-	-	-	46,033
Restricted for employee retirement	-	-	-	14,908
Unrestricted	6,451,177	1,163,707	7,614,884	1,493,175
TOTAL NET POSITION	75,269,621	4,971,473	80,241,094	2,930,513

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Activities

For the Fiscal Year Ended February 28, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
Governmental activities				
Administration and finance	2,083,351	64,446	-	-
Public safety	7,483,246	323,050	-	-
Public works	8,363,911	2,945,114	-	256,016
Interest on long-term debt	345,409	-	-	-
Total governmental activities	18,275,917	3,332,610	-	256,016
Business-type activities				
Water	1,764,927	2,170,586	-	-
Glencoe golf club	1,423,151	1,708,226	-	-
Total business-type activities	3,188,078	3,878,812	-	-
TOTAL PRIMARY GOVERNMENT	21,463,995	7,211,422	-	256,016
COMPONENT UNIT				
Glencoe Public Library	2,183,595	37,022	63,190	-

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

CHANGE IN NET POSITION

NET POSITION - BEGINNING

NET POSITION - ENDING

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

Net Expense/Revenue			
Governmental Activities	Primary Government Business-Type Activities	Total	Component Unit Glencoe Public Library
(2,018,905)	-	(2,018,905)	-
(7,160,196)	-	(7,160,196)	-
(5,162,781)	-	(5,162,781)	-
(345,409)	-	(345,409)	-
(14,687,291)	-	(14,687,291)	-
-	405,659	405,659	-
-	285,075	285,075	-
-	690,734	690,734	-
(14,687,291)	690,734	(13,996,557)	-
-	-	-	(2,083,383)
10,238,879	-	10,238,879	2,065,228
1,156,935	-	1,156,935	-
640,836	-	640,836	-
1,942,829	-	1,942,829	-
843,471	-	843,471	-
34,852	4,941	39,793	6,127
752,167	-	752,167	3,396
15,609,969	4,941	15,614,910	2,074,751
922,678	695,675	1,618,353	(8,632)
74,346,943	4,275,798	78,622,741	2,939,145
75,269,621	4,971,473	80,241,094	2,930,513

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

VILLAGE OF GLENCOE, ILLINOIS

Balance Sheet - Governmental Funds
February 28, 2014

	<u>General</u>
ASSETS	
Cash and investments	\$ 5,469,740
Receivables - net of allowances	
Property taxes	7,654,659
Other taxes	863,665
Accounts	158,988
Other	61,589
Due from other funds	1,790,954
Prepays	361,245
Inventory	<u>7,600</u>
 TOTAL ASSETS	 <u><u>16,368,440</u></u>
LIABILITIES	
Accounts payable and accrued liabilities	1,437,025
Other payables	<u>28,240</u>
Total liabilities	1,465,265
DEFERRED INFLOWS OF RESOURCES	
Property taxes	<u>9,164,908</u>
Total liabilities and deferred inflows of resources	<u><u>10,630,173</u></u>
FUND BALANCES	
Nonspendable	1,977,544
Restricted	113,878
Committed	300,000
Assigned	216,250
Unassigned	<u>3,130,595</u>
Total fund balances	<u><u>5,738,267</u></u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u><u>16,368,440</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	Totals
411,379	405,546	3,989,364	813,667	11,089,696
-	1,302,089	-	-	8,956,748
-	-	-	21,441	885,106
100,558	-	-	-	259,546
1,230	-	-	-	62,819
-	-	-	-	1,790,954
65,170	-	-	-	426,415
-	-	-	-	7,600
<u>578,337</u>	<u>1,707,635</u>	<u>3,989,364</u>	<u>835,108</u>	<u>23,478,884</u>
255,784	-	226,595	17,565	1,936,969
-	-	-	-	28,240
<u>255,784</u>	<u>-</u>	<u>226,595</u>	<u>17,565</u>	<u>1,965,209</u>
-	1,551,324	-	-	10,716,232
<u>255,784</u>	<u>1,551,324</u>	<u>226,595</u>	<u>17,565</u>	<u>12,681,441</u>
65,170	-	-	-	2,042,714
257,383	156,311	-	817,543	1,345,115
-	-	-	-	300,000
-	-	3,762,769	-	3,979,019
-	-	-	-	3,130,595
<u>322,553</u>	<u>156,311</u>	<u>3,762,769</u>	<u>817,543</u>	<u>10,797,443</u>
<u>578,337</u>	<u>1,707,635</u>	<u>3,989,364</u>	<u>835,108</u>	<u>23,478,884</u>

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 Position - Governmental Activities

February 28, 2014

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 10,797,443
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	78,002,524
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A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds.	2,482,115
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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	(48,030)
Net other post-employment benefit obligation payable	(214,910)
Compensated absences payable	(1,230,962)
General obligation bonds payable	(14,450,000)
Accrued interest payable	<u>(68,559)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>75,269,621</u></u>
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VILLAGE OF GLENCOE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
February 28, 2014**

See Following Page

VILLAGE OF GLENCOE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended February 28, 2014

	<u>General</u>
REVENUES	
Property taxes	\$ 8,611,656
Other taxes	4,288,750
Intergovernmental	-
Licenses, permits and fees	1,916,490
Charges for services	666,690
Fines and forfeitures	160,060
Interest	15,919
Miscellaneous	732,448
Total revenues	<u>16,392,013</u>
EXPENDITURES	
Current	
Administration and finance	2,204,087
Public safety	7,824,365
Public works	4,607,077
Capital outlay	591,309
Debt service	
Principal retirement	-
Interest and fiscal charges	-
Total expenditures	<u>15,226,838</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,165,175</u>
OTHER FINANCING SOURCES (USES)	
Disposal of capital assets	123,135
Transfers in	-
Transfers out	<u>(586,182)</u>
	<u>(463,047)</u>
NET CHANGE IN FUND BALANCES	702,128
FUND BALANCES - BEGINNING	<u>5,036,139</u>
FUND BALANCES - ENDING	<u>5,738,267</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	Totals
-	1,495,605	-	-	10,107,261
7,000	-	-	147,428	4,443,178
-	-	-	256,016	256,016
-	-	-	-	1,916,490
861,881	-	-	-	1,528,571
-	-	-	-	160,060
420	1,450	15,927	1,136	34,852
19,719	-	-	-	752,167
889,020	1,497,055	15,927	404,580	19,198,595
-	-	-	-	2,204,087
-	-	-	143,640	7,968,005
1,210,806	-	-	52,067	5,869,950
196,411	-	4,993,746	14,457	5,795,923
-	1,185,000	-	-	1,185,000
-	348,374	-	-	348,374
1,407,217	1,533,374	4,993,746	210,164	23,371,339
(518,197)	(36,319)	(4,977,819)	194,416	(4,172,744)
-	-	-	-	123,135
586,182	-	-	-	586,182
-	-	-	-	(586,182)
586,182	-	-	-	123,135
67,985	(36,319)	(4,977,819)	194,416	(4,049,609)
254,568	192,630	8,740,588	623,127	14,847,052
322,553	156,311	3,762,769	817,543	10,797,443

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

For the Fiscal Year Ended February 28, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (4,049,609)

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	4,387,820
Depreciation expense	(1,489,548)

The net effect of various miscellaneous transactions involving capital assets
is to decrease net position.

Disposals - cost	(425,738)
Disposals - accumulated depreciation	332,554

An increase in a net pension asset is not considered to be an increase in
financial assets in the governmental funds.

671,655

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.

Decrease in net pension obligation payable	50,938
Increase in net other post-employment benefit obligation payable	(36,124)
Decrease in compensated absences payable	292,765
Retirement of debt	1,185,000

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.

2,965

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES

922,678

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Net Position - Proprietary Funds
February 28, 2014

	Water	Glencoe Golf Club	Totals
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 1,875,247	1,138,727	3,013,974
Receivables - net of allowances			
Customer accounts	185,801	-	185,801
Other	387	-	387
Prepays	43,952	34,858	78,810
Inventory	45,853	11,623	57,476
Total current assets	<u>2,151,240</u>	<u>1,185,208</u>	<u>3,336,448</u>
NONCURRENT ASSETS			
Capital Assets			
Nondepreciable	969,077	-	969,077
Depreciable	8,528,162	2,440,876	10,969,038
Accumulated depreciation	(4,387,981)	(796,626)	(5,184,607)
Total noncurrent assets	<u>5,109,258</u>	<u>1,644,250</u>	<u>6,753,508</u>
Total assets	<u>7,260,498</u>	<u>2,829,458</u>	<u>10,089,956</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	107,783	12,166	119,949
Due to other funds	-	1,608,699	1,608,699
Accrued interest payable	12,274	-	12,274
Other payables	-	149,661	149,661
Compensated absences payable	46,843	9,589	56,432
IEPA loan payable	138,269	-	138,269
Total current liabilities	<u>305,169</u>	<u>1,780,115</u>	<u>2,085,284</u>
NONCURRENT LIABILITIES			
Compensated absences payable	187,370	38,356	225,726
IEPA loan payable	2,807,473	-	2,807,473
Total noncurrent liabilities	<u>2,994,843</u>	<u>38,356</u>	<u>3,033,199</u>
Total liabilities	<u>3,300,012</u>	<u>1,818,471</u>	<u>5,118,483</u>
NET POSITION			
Net investment in capital assets	2,163,516	1,644,250	3,807,766
Unrestricted	1,796,970	(633,263)	1,163,707
TOTAL NET POSITION	<u>3,960,486</u>	<u>1,010,987</u>	<u>4,971,473</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 Position - Proprietary Funds
For the Fiscal Year Ended February 28, 2014**

	Water	Glencoe Golf Club	Totals
OPERATING REVENUES			
Charges for services	\$ 2,084,649	1,699,031	3,783,680
Miscellaneous	85,937	9,195	95,132
Total operating revenues	<u>2,170,586</u>	<u>1,708,226</u>	<u>3,878,812</u>
OPERATING EXPENSES			
Water production	871,676	-	871,676
Water distribution	736,949	-	736,949
Golf	-	1,307,561	1,307,561
Depreciation	111,778	105,822	217,600
Total operating expenses	<u>1,720,403</u>	<u>1,413,383</u>	<u>3,133,786</u>
OPERATING INCOME	<u>450,183</u>	<u>294,843</u>	<u>745,026</u>
NONOPERATING REVENUES (EXPENSES)			
Disposal of capital assets	(6,869)	(9,768)	(16,637)
Interest income	2,834	2,107	4,941
Interest expense	(37,655)	-	(37,655)
	<u>(41,690)</u>	<u>(7,661)</u>	<u>(49,351)</u>
CHANGE IN NET POSITION	408,493	287,182	695,675
NET POSITION - BEGINNING	<u>3,551,993</u>	<u>723,805</u>	<u>4,275,798</u>
NET POSITION - ENDING	<u>3,960,486</u>	<u>1,010,987</u>	<u>4,971,473</u>

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended February 28, 2014

	Water	Glencoe Golf Club	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,495,593	1,703,206	4,198,799
Payments to employees	(849,773)	(622,012)	(1,471,785)
Payments to suppliers	(1,092,540)	(633,126)	(1,725,666)
	<u>553,280</u>	<u>448,068</u>	<u>1,001,348</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(129,088)	(210,777)	(339,865)
Disposal of capital assets	-	2,499	2,499
Payment on capital debt	(68,401)	-	(68,401)
Interest expense	(37,655)	-	(37,655)
	<u>(235,144)</u>	<u>(208,278)</u>	<u>(443,422)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	2,834	2,107	4,941
NET CHANGE IN CASH AND CASH EQUIVALENTS	320,970	241,897	562,867
CASH AND CASH EQUIVALENTS - BEGINNING	<u>1,554,277</u>	<u>896,830</u>	<u>2,451,107</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>1,875,247</u>	<u>1,138,727</u>	<u>3,013,974</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	450,183	294,843	745,026
Adjustments to reconcile operating income to net income to net cash provided by (used in) operating activities:			
Depreciation expense	111,778	105,822	217,600
(Increase) decrease in current assets	325,007	(5,020)	319,987
Increase (decrease) in current liabilities	(333,688)	52,423	(281,265)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>553,280</u>	<u>448,068</u>	<u>1,001,348</u>

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Net Position - Fiduciary Funds
February 28, 2014

	<u>Pension Trust</u>
ASSETS	
Cash and cash equivalents	\$ 1,862,131
Investments	
U.S. government and agency obligations	5,381,929
Local government obligations	112,713
Corporate bonds	7,030,715
Mutual funds	15,747,912
Receivables	
Accrued interest	128,984
Other	<u>8,969</u>
Total assets	<u>30,273,353</u>
LIABILITIES	
Accounts payable	4,149
Due to other funds	<u>182,255</u>
Total liabilities	<u>186,404</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u><u>30,086,949</u></u>

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Changes in Net Position - Fiduciary Funds
For the Fiscal Year Ended February 28, 2014

	<u>Pension Trust</u>
ADDITIONS	
Contributions - employer	
Taxes	\$ 1,747,378
Contributions - plan members	<u>311,510</u>
Total contributions	<u>2,058,888</u>
Investment income	
Interest earned	811,745
Net change in fair value	<u>2,321,879</u>
	3,133,624
Less investment expenses	<u>(69,062)</u>
Net investment income	<u>3,064,562</u>
Total additions	<u>5,123,450</u>
DEDUCTIONS	
Pensions and refunds	1,831,076
Miscellaneous	
Contractual professional services	<u>20,907</u>
Total deductions	<u>1,851,983</u>
CHANGE IN NET POSITION	3,271,467
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
BEGINNING	<u>26,815,482</u>
ENDING	<u>30,086,949</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, 2014

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). 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
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. 61, "the Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village.

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.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

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

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 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, 2014

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (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 position resulting from the current year's activities.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

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/deferred outflows, liabilities/deferred inflows, 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/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either 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/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

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

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

Governmental Funds

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

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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.

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 2005 General Obligation Limited Tax Bonds, the 2009 General Obligation Bonds and 2012A 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 2012A General Obligation bond proceeds used for the construction of various street and sewer improvements.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary 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, 2014

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 position and changes in net position 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 Position and the Statement of Activities, both governmental and business-type 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, 2014

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/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary 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 position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues, 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, 2014

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

Cash and Investments

For the purpose of the Statement of Net Position, 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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

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

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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures/expenses at the time of issuance.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements

February 28, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION 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.

Net Position

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

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

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

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are for all 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 in the applicable category of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no material encumbrances outstanding at year-end.

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.
- Supplemental appropriations were passed for the General and Water Funds 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 for all categories except debt service. The debt service appropriations are passed at 101% of the working budget.

VILLAGE OF GLENCOE, ILLINOIS

**Notes to the Financial Statements
February 28, 2014**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

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

<u>Fund</u>	<u>Excess</u>
General Obligation Bonds	\$ 1,737
Police Pension	160,495
Firefighters' Pension	1,022

Although over budget, all funds were within the legally adopted appropriation level.

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 one 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, 2014

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 \$8,659,072 and the bank balances totaled \$8,754,140.

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

Investment Type	Fair Value	Investment Maturities (in Years) Less Than 1
Illinois Funds	\$ 12,440	12,440
IMET	5,432,158	5,432,158
Total	5,444,598	5,444,598

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 AAAs rating for credit quality and Standard & Poor’s S1 rating for volatility, or interest rate risk.

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.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

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

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 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 \$1,848,395 and the bank balances totaled \$1,866,541.

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. Treasuries Obligations	\$ 777,170	-	529,562	247,608	-
U.S. Agencies Obligations	4,604,759	497,344	1,491,799	34,524	2,581,092
Local Government Obligations	112,713	-	112,713	-	-
Corporate Bonds	7,030,715	1,441,949	3,195,553	1,934,375	458,838
Total	12,525,357	1,939,293	5,329,627	2,216,507	3,039,930

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

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 that are rated have a rating of AA+ by Standard & Poor's, while the local government obligations and corporate bonds reported ratings ranging from BBB- to AA+.

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 \$15,747,912 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, 2014

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 \$13,736 and the bank balances totaled \$13,736.

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 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.

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.

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.

PROPERTY TAXES

Property taxes for 2013 attach as an enforceable lien on January 1, 2013, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1, 2014, and September 1, 2014. The County collects such taxes and remits them periodically.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements
February 28, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 4,579,375	-	93,184	4,486,191
Land Right of Way	40,168,599	-	-	40,168,599
Construction in Progress	-	281,439	-	281,439
	<u>44,747,974</u>	<u>281,439</u>	<u>93,184</u>	<u>44,936,229</u>
Depreciable Capital Assets				
Buildings and Improvements	6,371,275	-	-	6,371,275
Vehicles	5,244,261	340,839	332,554	5,252,546
Machinery and Equipment	802,235	70,797	-	873,032
Infrastructure	42,091,534	3,694,745	-	45,786,279
	<u>54,509,305</u>	<u>4,106,381</u>	<u>332,554</u>	<u>58,283,132</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,111,791	124,752	-	2,236,543
Vehicles	2,766,240	442,511	332,554	2,876,197
Machinery and Equipment	452,269	55,921	-	508,190
Infrastructure	18,729,543	866,364	-	19,595,907
	<u>24,059,843</u>	<u>1,489,548</u>	<u>332,554</u>	<u>25,216,837</u>
Total Net Depreciable Capital Assets	<u>30,449,462</u>	<u>2,616,833</u>	<u>-</u>	<u>33,066,295</u>
Total Net Capital Assets	<u>75,197,436</u>	<u>2,898,272</u>	<u>93,184</u>	<u>78,002,524</u>

Depreciation expense was charged to governmental activities as follows:

Administration and Finance	\$ 74,715
Public Safety	182,669
Public Works	<u>1,232,164</u>
Total	<u>1,489,548</u>

VILLAGE OF GLENCOE, ILLINOIS

**Notes to the Financial Statements
February 28, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 933,090	-	-	933,090
Construction in Progress	-	35,987	-	35,987
	<u>933,090</u>	<u>35,987</u>	<u>-</u>	<u>969,077</u>
Depreciable Capital Assets				
Buildings and Improvements	1,041,729	12,261	-	1,053,990
Machinery and Equipment	1,473,762	100,487	70,473	1,503,776
Water Transmission System	7,146,225	68,458	-	7,214,683
Golf Course Improvements	1,073,917	122,672	-	1,196,589
	<u>10,735,633</u>	<u>303,878</u>	<u>70,473</u>	<u>10,969,038</u>
Less Accumulated Depreciation				
Buildings and Improvements	470,287	16,883	-	487,170
Machinery and Equipment	965,603	77,203	51,337	991,469
Water Transmission System	3,288,524	80,751	-	3,369,275
Golf Course Improvements	293,930	42,763	-	336,693
	<u>5,018,344</u>	<u>217,600</u>	<u>51,337</u>	<u>5,184,607</u>
Total Net Depreciable Capital Assets	<u>5,717,289</u>	<u>86,278</u>	<u>19,136</u>	<u>5,784,431</u>
Total Net Capital Assets	<u>6,650,379</u>	<u>122,265</u>	<u>19,136</u>	<u>6,753,508</u>

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

Water	\$ 111,778
Glencoe Golf Club	<u>105,822</u>
Total	<u><u>217,600</u></u>

VILLAGE OF GLENCOE, ILLINOIS

**Notes to the Financial Statements
February 28, 2014**

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	Glencoe Golf Club	\$ 1,608,699
General	Police Pension	180,809
General	Firefighters' Pension	<u>1,446</u>
		<u><u>1,790,954</u></u>

The purpose of the interfund balance is to support the operations of the Glencoe Golf Club. The purpose of the interfund balance payable by the Police and Firefighters' Pension is to reflect receipt of next year's property taxes directly remitted to the pension funds prior to the end of the fiscal year.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
Garbage	General	<u>\$ 586,182</u>

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

LONG-TERM DEBT

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	\$ 313,342	-	32,524	<u><u>280,818</u></u>

VILLAGE OF GLENCOE, ILLINOIS

**Notes to the Financial Statements
February 28, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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 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	\$ 630,000	-	205,000	425,000
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	6,455,000	-	980,000	5,475,000
General Obligation Bonds of 2012A due in annual installments of \$860,000 to \$1,055,000 plus interest at 2.00% to 2.50% through December 15, 2027.	General Obligation Bonds	8,550,000	-	-	8,550,000
		<u>15,635,000</u>	<u>-</u>	<u>1,185,000</u>	<u>14,450,000</u>

Illinois Environmental Protection Agency (IEPA) Loans Payable

The Village has entered into loan agreements with the IEPA to provide low interest financing for water improvements. As of the date of this report the total amount owed to the IEPA is \$2,945,742 including interest during construction. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan of 2011 due in semi-annual installments of \$68,490 to \$86,788 plus interest at 1.25% through November 1, 2032.	Water	\$ 3,014,143	-	68,401	2,945,742

VILLAGE OF GLENCOE, ILLINOIS

**Notes to the Financial Statements
February 28, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,523,727	292,765	585,530	1,230,962	246,192
Net Pension Obligation	98,968	-	50,938	48,030	-
Net Other Post-Employment Benefit Obligation	178,786	36,124	-	214,910	-
General Obligation Bonds	15,635,000	-	1,185,000	14,450,000	1,225,000
	<u>17,436,481</u>	<u>328,889</u>	<u>1,821,468</u>	<u>15,943,902</u>	<u>1,471,192</u>
Business-Type Activities					
Compensated Absences	286,091	3,932	7,865	282,158	56,432
IEPA Loan Payable	3,014,143	-	68,401	2,945,742	138,269
	<u>3,300,234</u>	<u>3,932</u>	<u>76,266</u>	<u>3,227,900</u>	<u>194,701</u>
Component Unit - Public Library					
Promissory Note	313,342	-	32,524	280,818	34,005

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements
February 28, 2014

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	Governmental Activities		Business-Type Activities		Component Unit	
	General Obligation		IEPA		Promissory	
	Bonds		Loan		Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,225,000	326,320	138,269	36,391	34,005	11,844
2016	1,265,000	299,196	140,002	34,657	35,527	10,322
2017	1,090,000	269,894	141,758	32,902	37,171	8,678
2018	1,135,000	245,370	143,535	31,124	38,864	6,985
2019	1,185,000	216,994	145,335	29,325	40,634	5,215
2020	860,000	185,000	147,158	27,502	42,477	3,372
2021	880,000	167,800	149,003	25,657	44,418	1,431
2022	900,000	150,200	150,871	23,788	7,722	42
2023	920,000	132,200	152,763	21,896	-	-
2024	945,000	113,800	154,679	19,982	-	-
2025	970,000	93,718	156,618	18,042	-	-
2026	995,000	73,106	158,582	16,078	-	-
2027	1,025,000	50,719	160,570	14,090	-	-
2028	1,055,000	26,376	162,584	12,076	-	-
2029	-	-	164,623	10,037	-	-
2030	-	-	166,687	7,973	-	-
2031	-	-	168,776	5,883	-	-
2032	-	-	170,893	3,767	-	-
2033	-	-	173,036	1,623	-	-
Total	14,450,000	2,350,693	2,945,742	372,793	280,818	47,889

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements
February 28, 2014

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 - 2012	<u>\$ 875,187,894</u>
Legal Debt Limit - 10.00% of Assessed Value	<u>87,518,789</u>
Amount of Debt Applicable to Limit	
General Obligation Limited Tax Bonds of 2005	425,000
General Obligation Bonds of 2009	5,475,000
General Obligation Bonds of 2012A	<u>8,550,000</u>
	<u>14,450,000</u>
Legal Debt Margin	<u>73,068,789</u>

FUND BALANCE/NET POSITION

Fund Balance Classifications

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

Minimum Fund Balance Policy. The Village's policy manual states that the General and Garbage Funds should maintain a minimum unassigned fund balance equal to 10% of budgeted operating expenditures, excluding capital expenditures. Furthermore, the General Fund unassigned fund balance should not be less than \$1,400,000 as of the end of the fiscal year.

Committed Fund Balance. Formal Board action is required to establish, modify, or rescind a fund balance commitment. The Village Board, through adoption of an ordinance approving the contract with the Village Manager, has committed funds for the Village Manager's future housing allowance costs.

VILLAGE OF GLENCOE, ILLINOIS

**Notes to the Financial Statements
February 28, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION – Continued

Fund Balance Classifications – Continued

Assigned Fund Balance. The Village reports assigned fund balance in the Capital Projects Fund, a major fund. The Village Manager, under authority granted in the Village’s fund balance policy, has assigned these for future Village improvement projects and equipment and vehicle purchases based on approved Board/management expenditures as determined through the annual budget process.

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

	General	Special Revenue Garbage	Debt Service General Obligation Bonds	Capital Projects	Nonmajor	Totals
Fund Balances						
Nonspendable						
Due from Golf Club	\$ 1,608,699	-	-	-	-	1,608,699
Prepays	361,245	65,170	-	-	-	426,415
Inventory	7,600	-	-	-	-	7,600
	<u>1,977,544</u>	<u>65,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,042,714</u>
Restricted						
Fire Benevolent Fund	605	-	-	-	-	605
Public Safety	38,880	-	-	-	-	38,880
Drug Abuse Prevention	2,875	-	-	-	-	2,875
IRMA Claim Deductibles	71,518	-	-	-	-	71,518
Special Revenue	-	257,383	-	-	-	257,383
Debt Service	-	-	156,311	-	-	156,311
Roadway Maintenance	-	-	-	-	418,242	418,242
E911 Specific Purposes	-	-	-	-	399,301	399,301
	<u>113,878</u>	<u>257,383</u>	<u>156,311</u>	<u>-</u>	<u>817,543</u>	<u>1,345,115</u>
Committed - Housing Loan	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Assigned						
Public Safety Retro Pay	216,250	-	-	-	-	216,250
Capital Projects	-	-	-	3,762,769	-	3,762,769
	<u>216,250</u>	<u>-</u>	<u>-</u>	<u>3,762,769</u>	<u>-</u>	<u>3,979,019</u>
Unassigned	<u>3,130,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,130,595</u>
Total Fund Balances	<u>5,738,267</u>	<u>322,553</u>	<u>156,311</u>	<u>3,762,769</u>	<u>817,543</u>	<u>10,797,443</u>

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION – Continued

Net Position Classifications

Net investment in capital assets was comprised of the following as of February 28, 2014:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 78,002,524
Plus Unspent Bond Proceeds	3,989,364
Less Capital Related Debt:	
General Obligation Limited Tax Bonds of 2005	(425,000)
General Obligation Bonds of 2009	(5,475,000)
General Obligation Bonds of 2012A	<u>(8,550,000)</u>
Net Investment in Capital Assets	<u>67,541,888</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	6,753,508
Less Capital Related Debt:	
IEPA Loan Payable of 2011	<u>(2,945,742)</u>
Net Investment in Capital Assets	<u>3,807,766</u>
Component Unit - Public Library	
Capital Assets - Net of Accumulated Depreciation	1,657,215
Less Capital Related Debt:	
Promissory Note Payable of 1999	<u>(280,818)</u>
Net Investment in Capital Assets	<u>1,376,397</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, 2014

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, 2011, the Village has selected a deductible level of \$100,000.

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, 2014

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 2014 through 2023, the Village estimates it will pay \$174,277 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 was due to be fully repaid by September 12, 2013. That due date has been extended to September 12, 2014. 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. The Village does not budget for the activities of the Society. During 2014, the Village received \$8,191 from the Society itself that was disbursed to vendors.

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.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

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

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.

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 \$171,104 to SWANCC for the year ended February 28, 2014, which is recorded in the Village's Garbage Fund.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

NOTE 4 – OTHER INFORMATION – Continued

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 online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System (IMRF)

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. Participating members hired before January 1, 2011 who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2013 was 12.66 percent.

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.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements
February 28, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – Continued

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	28
Current Employees	
Vested	24
Nonvested	<u>9</u>
Total	<u><u>61</u></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 hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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 2040 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements
February 28, 2014

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	2
Current Employees	
Vested	-
Nonvested	-
	<hr/>
Total	<u>2</u>

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 hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the monthly salary attached to the rank held 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 salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a firefighter hired before January 1, 2011, 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. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions, and Funding Policies – Continued

Firefighters' Pension Plan – Continued

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 2040 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded. There are no active covered employees.

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 represents 5 percent or more of net assets available for benefits for the Firefighters' Pension Plan. However, the Police Pension Plan had \$1,577,023 invested in T. Rowe Price Growth Stock Fund and \$2,330,172 invested in Vanguard 500 Index Fund that represent 5 percent or more of net position available for benefits. Information for IMRF 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, 2014**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation

The Village’s actuarial assumptions and related information for each plan are as follows:

	IMRF	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	12.66%	45.43%	0.00%
Employee	4.50%	9.91%	0.00%
Actuarial Valuation Date	12/31/2013	2/28/2013	2/28/2013
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	30 Years	28 Years	28 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	6.75% 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, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

There was no net pension obligation for the IMRF plan. The net pension obligation (asset) for the Police and Firefighters' Pension Plans are as follows:

	Police Pension	Firefighters' Pension	Totals
Annual Required Contributions	\$ 1,027,127	44,839	1,071,966
Interest on Net Pension Obligation (Asset)	(122,206)	6,433	(115,773)
Adjustment to Annual Required Contribution	76,356	(7,764)	68,592
Annual Pension Cost	981,277	43,508	1,024,785
Actual Contribution	1,652,932	94,446	1,747,378
Change in NPO/(NPA)	(671,655)	(50,938)	(722,593)
NPO/(NPA) - Beginning of Year	(1,810,460)	98,968	(1,711,492)
NPO/(NPA) - End of Year	(2,482,115)	48,030	(2,434,085)

VILLAGE OF GLENCOE, ILLINOIS

**Notes to the Financial Statements
February 28, 2014**

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 (asset) are as follows. The net pension obligation (asset) is the cumulative difference between the APC and the contributions actually made.

	Year	IMRF	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2012	\$ 744,133	\$ 1,191,291	\$ 48,354
	2013	737,087	963,706	48,135
	2014	767,130	981,277	43,508
Actual Contributions	2012	744,133	1,632,363	77,645
	2013	737,087	1,471,318	61,601
	2014	767,130	1,652,932	94,446
Percentage of APC Contributed	2012	100.00%	137.02%	160.58%
	2013	100.00%	152.67%	127.98%
	2014	100.00%	168.45%	217.08%
Net Pension Obligation/ (Asset)	2012	None	(1,302,848)	112,434
	2013	None	(1,810,460)	98,968
	2014	None	(2,482,115)	48,030

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

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:

	IMRF	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/13	2/28/13	2/28/13
Percent Funded	83.11%	65.25%	1.30%
Actuarial Accrued Liability for Benefits	\$22,047,683	\$41,089,738	\$496,584
Actuarial Value of Assets	\$18,323,575	\$26,809,041	\$6,442
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$3,724,108)	(\$14,280,697)	(\$490,142)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$6,059,478	\$3,238,907	*
Ratio of UAAL to Covered Payroll	61.46%	440.91%	*

*Not Applicable

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, 2014

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 medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending February 28, 2014, retirees contributed \$149,198. Active employees do not contribute to the plan until retirement.

At February 28, 2014, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	12
Active Employees	<u>103</u>
Total	<u>115</u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements
February 28, 2014

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of February 28, 2014, was calculated as follows:

Annual Required Contribution	\$ 98,857
Interest on the NOPEBO	8,939
Adjustment to the ARC	<u>(5,959)</u>
Annual OPEB Cost	101,837
Actual Contribution	<u>65,713</u>
Increase in the NOPEBO	36,124
NOPEBO - Beginning of Year	<u>178,786</u>
NOPEBO - End of Year	<u><u>214,910</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
2012	\$ 85,600	\$ 49,090	57.35%	\$ 150,457
2013	94,042	65,713	69.88%	178,786
2014	101,837	65,713	64.53%	214,910

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2014

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of February 29, 2012, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 2,070,270
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	2,070,270
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	9,400,510
UAAL as a Percentage of Covered Payroll	22.02%

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 29, 2012 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 an open basis. The remaining amortization period at February 28, 2014, was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress and Employer Contributions
 - Illinois Municipal Retirement Fund
 - 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 and Employer Contributions
 February 28, 2014

Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
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%
2010	16,491,939	20,742,901	79.51%	4,250,962	6,022,600	70.58%
2011	17,400,683	22,004,841	79.08%	4,604,158	6,025,367	76.41%
2012	18,680,241	22,687,605	82.34%	4,007,364	6,091,627	65.78%
2013	18,323,575	22,047,683	83.11%	3,724,108	6,059,478	61.46%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2009	\$ 501,712	\$ 501,712	100.00%
2010	516,717	516,717	100.00%
2011	760,052	760,052	100.00%
2012	744,133	744,133	100.00%
2013	737,087	737,087	100.00%
2014	767,130	767,130	100.00%

VILLAGE OF GLENCOE, ILLINOIS

Police Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 February 28, 2014

Funding Progress

Actuarial Valuation Date Feb. 28	(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)
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%
2010	20,658,001	35,633,310	57.97%	14,975,309	2,998,929	499.36%
2011	23,700,436	36,720,564	64.54%	13,020,128	3,036,145	428.84%
2012	24,826,359	38,811,771	63.97%	13,985,412	3,061,879	456.76%
2013	26,809,041	41,089,738	65.25%	14,280,697	3,238,907	440.91%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2009	\$ 1,279,790	\$ 910,453	140.57%
2010	1,407,637	1,037,562	135.67%
2011	1,740,339	1,342,900	129.60%
2012	1,632,363	1,216,128	134.23%
2013	1,471,318	998,140	147.41%
2014	1,652,932	1,027,127	160.93%

VILLAGE OF GLENCOE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 February 28, 2014

Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
Feb. 28						
2008	\$ 361,665	\$ 756,671	47.80%	\$ 395,006	\$ -	*
2009	277,382	745,982	37.18%	468,600	-	*
2010	173,249	714,531	24.25%	541,282	-	*
2011	65,479	712,768	9.19%	647,289	-	*
2012	36,919	618,150	5.97%	581,231	-	*
2013	6,442	496,584	1.30%	490,142	-	*

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2009	\$ 19,511	\$ 32,383	60.25%
2010	18,954	39,080	48.50%
2011	2,375	45,988	5.16%
2012	77,645	50,149	154.83%
2013	61,601	49,567	124.28%
2014	94,446	44,839	210.63%

* Not Applicable

VILLAGE OF GLENCOE, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
February 28, 2014**

Funding Progress

Actuarial Valuation Date Feb. 28	(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)
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
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	2,070,270	-	2,070,270	9,400,510	22.02%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2009	\$ 49,090	\$ 85,179	57.63%
2010	49,090	83,700	58.65%
2011	49,090	88,722	55.33%
2012	49,090	83,701	58.65%
2013	65,713	91,534	71.79%
2014	65,713	98,857	66.47%

The Village implemented GASB Statement No. 45 for the fiscal year ended February 28, 2009 and had a subsequent actuarial valuation performed for the fiscal year ended February 29, 2012. The Village is required to have an actuarial valuation performed triennially.

VILLAGE OF GLENCOE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended February 28, 2014

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
REVENUES					
Property taxes	\$ -	-	8,793,054	8,611,656	(181,398)
Other taxes	-	-	3,860,913	4,288,750	427,837
Licenses, permits and fees	-	-	1,178,273	1,916,490	738,217
Charges for services	-	-	705,881	666,690	(39,191)
Fines and forfeitures	-	-	143,800	160,060	16,260
Interest	-	-	17,775	15,919	(1,856)
Miscellaneous	-	-	525,423	732,448	207,025
Total revenues	-	-	15,225,119	16,392,013	1,166,894
EXPENDITURES					
Administration and finance	2,552,930	2,552,930	2,266,300	2,204,087	(62,213)
Public safety	8,524,469	8,524,469	7,749,517	7,824,365	74,848
Public works	4,972,577	4,972,577	4,520,525	4,607,077	86,552
Capital outlay	1,396,340	1,396,340	1,269,400	591,309	(678,091)
Total expenditures	17,446,316	17,446,316	15,805,742	15,226,838	(578,904)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	(17,446,316)	(17,446,316)	(580,623)	1,165,175	1,745,798
OTHER FINANCING SOURCES (USES)					
Disposal of capital assets	-	-	-	123,135	123,135
Transfers out	(600,000)	(600,000)	(600,000)	(586,182)	13,818
	(600,000)	(600,000)	(600,000)	(463,047)	136,953
NET CHANGE IN FUND BALANCE					
	(18,046,316)	(18,046,316)	(1,180,623)	702,128	1,882,751
FUND BALANCE - BEGINNING				5,036,139	
FUND BALANCE - ENDING				5,738,267	

VILLAGE OF GLENCOE, ILLINOIS

Garbage - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended February 28, 2014

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
REVENUES					
Other taxes	\$ -	-	7,000	7,000	-
Charges for services	-	-	867,029	861,881	(5,148)
Interest	-	-	400	420	20
Miscellaneous					
Recycling	-	-	19,834	9,345	(10,489)
Other	-	-	8,000	10,374	2,374
Total revenues	-	-	902,263	889,020	(13,243)
EXPENDITURES					
Public works	1,395,292	1,395,292	1,268,447	1,210,806	(57,641)
Capital outlay	214,500	214,500	195,000	196,411	1,411
Total expenditures	1,609,792	1,609,792	1,463,447	1,407,217	(56,230)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	(1,609,792)	(1,609,792)	(561,184)	(518,197)	42,987
OTHER FINANCING SOURCES					
Transfers in	-	-	600,000	586,182	(100,628)
NET CHANGE IN FUND BALANCE					
	(1,609,792)	(1,609,792)	38,816	67,985	(57,641)
FUND BALANCE - BEGINNING					
				254,568	
FUND BALANCE - ENDING					
				322,553	

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
 - Glencoe Golf Club
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds
 - Police Pension
 - Firefighters' Pension

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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.

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 2005 General Obligation Limited Tax Bonds, the 2009 General Obligation Bonds and the 2009A General Obligation Refunding Bonds.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the 2012A General Obligation Bond proceeds used for the construction of various storm sewer construction projects.

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.

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.

VILLAGE OF GLENCOE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended February 28, 2014

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
PROPERTY TAXES	\$ -	-	8,793,054	8,611,656	(181,398)
OTHER TAXES					
Utility tax	-	-	1,118,423	1,156,935	38,512
Sales tax	-	-	1,734,490	1,942,829	208,339
State income tax	-	-	730,000	843,471	113,471
Personal property replacement tax	-	-	70,000	93,672	23,672
Cable television	-	-	208,000	213,897	5,897
Foreign fire insurance tax	-	-	-	37,946	37,946
Total other taxes	-	-	3,860,913	4,288,750	427,837
LICENSES, PERMITS AND FEES					
Vehicle licenses	-	-	276,000	272,511	(3,489)
Business licenses	-	-	24,750	35,961	11,211
Animal licenses	-	-	7,390	7,585	195
Liquor licenses	-	-	22,400	20,900	(1,500)
Building and electrical permits	-	-	662,327	1,421,608	759,281
Burglar-fire alarm permits	-	-	81,600	52,174	(29,426)
Impounding fees	-	-	1,950	650	(1,300)
Parking lot fees and permits	-	-	99,000	102,947	3,947
Coin box and meter fees	-	-	2,856	2,154	(702)
Total licenses, permits and fees	-	-	1,178,273	1,916,490	738,217
CHARGES FOR SERVICES					
Sewer service charge	-	-	551,679	556,524	4,845
Ambulance fees	-	-	154,202	110,166	(44,036)
Total charges for services	-	-	705,881	666,690	(39,191)

VILLAGE OF GLENCOE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended February 28, 2014

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
FINES AND FORFEITURES					
Court fines	\$ -	-	23,800	17,545	(6,255)
Other fines	-	-	120,000	142,515	22,515
Total fines and forfeitures	-	-	143,800	160,060	16,260
INTEREST	-	-	17,775	15,919	(1,856)
MISCELLANEOUS					
Golf club management fees	-	-	41,184	41,184	-
Water management fees	-	-	42,262	42,262	-
Garbage management fees	-	-	42,262	42,262	-
Sundry	-	-	17,000	4,736	(12,264)
Other	-	-	382,715	602,004	219,289
Total miscellaneous	-	-	525,423	732,448	207,025
TOTAL REVENUES	-	-	15,225,119	16,392,013	1,166,894

VILLAGE OF GLENCOE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended February 28, 2014

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
ADMINISTRATION AND FINANCE					
General government	\$ 865,209	865,209	786,554	785,038	(1,516)
Legal	254,117	254,117	231,015	234,904	3,889
Health and community service	93,325	93,325	84,841	80,541	(4,300)
Special boards service	67,980	67,980	61,800	29,784	(32,016)
Finance	808,359	808,359	734,872	741,878	7,006
Support service	391,717	391,717	356,106	322,522	(33,584)
Risk management	72,223	72,223	11,112	9,420	(1,692)
Total administration and finance	2,552,930	2,552,930	2,266,300	2,204,087	(62,213)
PUBLIC SAFETY					
Fire protection	1,697,395	1,697,395	1,543,086	1,606,816	63,730
Police protection	5,957,857	5,957,857	5,416,234	5,374,219	(42,015)
Paramedic service	869,217	869,217	790,197	843,228	53,031
Foreign fire	-	-	-	102	102
Total public safety	8,524,469	8,524,469	7,749,517	7,824,365	74,848
PUBLIC WORKS					
Administration	1,131,447	1,131,447	1,028,589	1,135,437	106,848
Streets	917,028	917,028	833,662	829,277	(4,385)
Sewers	1,008,994	1,008,994	917,267	906,859	(10,408)
Forestry	837,156	837,156	761,051	748,717	(12,334)
Buildings	171,424	160,191	155,840	113,715	(42,125)
Street lighting	98,450	98,450	89,500	76,133	(13,367)
Parking and traffic control	74,745	74,745	67,950	68,662	712
Municipal garage	316,744	324,604	287,949	309,182	21,233
Community development	416,589	419,962	378,717	419,095	40,378
Total public works	4,972,577	4,972,577	4,520,525	4,607,077	86,552
CAPITAL OUTLAY					
Administration and finance	157,190	157,190	142,900	91,141	(51,759)
Public safety/capital reserve	627,000	627,000	570,000	131,164	(438,836)
Public works	612,150	612,150	556,500	369,004	(187,496)
Total capital outlay	1,396,340	1,396,340	1,269,400	591,309	(678,091)
TOTAL EXPENDITURES	17,446,316	17,446,316	15,805,742	15,226,838	(578,904)

VILLAGE OF GLENCOE, ILLINOIS

General Obligation Bonds - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended February 28, 2014**

	Appropriations		Original and Final Budget	Actual	Budget Variance Over Under
	Original	Final			
REVENUES					
Property taxes	\$ -	-	1,530,912	1,495,605	(35,307)
Interest	-	-	2,040	1,450	(590)
Total revenues	-	-	1,532,952	1,497,055	(35,897)
EXPENDITURES					
Debt service					
Principal retirement	1,546,953	1,546,953	1,185,000	1,185,000	-
Interest and fiscal charges	-	-	346,637	348,374	1,737
Total expenditures	1,546,953	1,546,953	1,531,637	1,533,374	1,737
NET CHANGE IN FUND BALANCE	<u>(1,546,953)</u>	<u>(1,546,953)</u>	<u>1,315</u>	<u>(36,319)</u>	<u>(37,634)</u>
FUND BALANCE - BEGINNING				<u>192,630</u>	
FUND BALANCE - ENDING				<u>156,311</u>	

VILLAGE OF GLENCOE, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended February 28, 2014

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
REVENUES					
Interest	\$ -	-	15,500	15,927	427
EXPENDITURES					
Capital outlay	5,830,000	5,830,000	5,300,000	4,993,746	(306,254)
NET CHANGE IN FUND BALANCE	<u>(5,830,000)</u>	<u>(5,830,000)</u>	<u>(5,284,500)</u>	(4,977,819)	<u>306,681</u>
FUND BALANCE - BEGINNING				<u>8,740,588</u>	
FUND BALANCE - ENDING				<u>3,762,769</u>	

VILLAGE OF GLENCOE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

February 28, 2014

	Special Revenue		Totals
	Motor Fuel Tax	Enhanced 911 System	
ASSETS			
Cash and investments	\$ 400,527	413,140	813,667
Receivables - net of allowances Other	17,715	3,726	21,441
TOTAL ASSETS	418,242	416,866	835,108
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	-	17,565	17,565
FUND BALANCES			
Restricted	418,242	399,301	817,543
TOTAL LIABILITIES AND FUND BALANCES	418,242	416,866	835,108

VILLAGE OF GLENCOE, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended February 28, 2014

	Special Revenue		Totals
	Motor Fuel Tax	Enhanced 911 System	
REVENUES			
Other taxes	\$ -	147,428	147,428
Intergovernmental	256,016	-	256,016
Interest	437	699	1,136
Total revenues	256,453	148,127	404,580
EXPENDITURES			
Public safety	-	143,640	143,640
Public works	52,067	-	52,067
Capital outlay	-	14,457	14,457
Total expenditures	52,067	158,097	210,164
NET CHANGE IN FUND BALANCES	204,386	(9,970)	194,416
FUND BALANCES - BEGINNING	213,856	409,271	623,127
FUND BALANCES - ENDING	418,242	399,301	817,543

VILLAGE OF GLENCOE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended February 28, 2014

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
REVENUES					
Intergovernmental					
Allotments	\$ -	-	216,000	256,016	40,016
Interest	-	-	500	437	(63)
Total revenues	-	-	216,500	256,453	39,953
EXPENDITURES					
Public works					
Street maintenance	85,136	85,136	77,396	52,067	(25,329)
NET CHANGE IN FUND BALANCE	(85,136)	(85,136)	139,104	204,386	65,282
FUND BALANCE - BEGINNING				213,856	
FUND BALANCE - ENDING				418,242	

VILLAGE OF GLENCOE, ILLINOIS

Enhanced 911 System - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended February 28, 2014**

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
REVENUES					
Other taxes					
Telephone surcharge	\$ -	-	140,100	147,428	7,328
Interest	-	-	750	699	(51)
Total revenues	-	-	140,850	148,127	7,277
EXPENDITURES					
Public safety	194,622	194,622	176,929	143,640	(33,289)
Capital outlay	16,500	16,500	15,000	14,457	(543)
Total expenditures	211,122	211,122	191,929	158,097	(33,832)
NET CHANGE IN FUND BALANCE	<u>(211,122)</u>	<u>(211,122)</u>	<u>(51,079)</u>	<u>(9,970)</u>	<u>41,109</u>
FUND BALANCE - BEGINNING				<u>409,271</u>	
FUND BALANCE - ENDING				<u>399,301</u>	

VILLAGE OF GLENCOE, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended February 28, 2014

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
OPERATING REVENUES					
Charges for services	\$ -	-	2,081,148	2,084,649	3,501
Miscellaneous	-	-	74,088	85,937	11,849
Total operating revenues	-	-	2,155,236	2,170,586	15,350
OPERATING EXPENSES					
Operations					
Water production	1,259,182	1,259,182	1,075,711	964,778	(110,933)
Water distribution	1,014,407	1,014,407	922,188	772,935	(149,253)
Total operations	2,273,589	2,273,589	1,997,899	1,737,713	(260,186)
Less: capital assets capitalized	(193,600)	(193,600)	(176,000)	(129,088)	46,912
	2,079,989	2,079,989	1,821,899	1,608,625	(213,274)
Depreciation	-	-	69,000	111,778	42,778
Total operating expenses	2,079,989	2,079,989	1,890,899	1,720,403	(170,496)
OPERATING INCOME (LOSS)	(2,079,989)	(2,079,989)	264,337	450,183	185,846
NONOPERATING REVENUES (EXPENSES)					
Disposal of capital assets	-	-	-	(6,869)	(6,869)
Interest income	-	-	1,700	2,834	1,134
Interest expense	-	-	-	(37,655)	(37,655)
	-	-	1,700	(41,690)	(43,390)
CHANGE IN NET POSITION	(2,079,989)	(2,079,989)	266,037	408,493	142,456
NET POSITION - BEGINNING				3,551,993	
NET POSITION - ENDING				3,960,486	

VILLAGE OF GLENCOE, ILLINOIS

Glencoe Golf Club - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended February 28, 2014

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
OPERATING REVENUES					
Charges for services	\$ -	-	1,522,911	1,699,031	176,120
Miscellaneous	-	-	-	9,195	9,195
Total operating revenues	-	-	1,522,911	1,708,226	185,315
OPERATING EXPENSES					
Operations	-	-	1,625,127	1,518,338	(106,789)
Less: capital assets capitalized	-	-	(244,482)	(210,777)	33,705
Total operations	-	-	1,380,645	1,307,561	(73,084)
Depreciation	-	-	80,000	105,822	25,822
Total operating expenses	-	-	1,460,645	1,413,383	(47,262)
OPERATING INCOME	-	-	62,266	294,843	232,577
NONOPERATING REVENUES					
Disposal of capital assets	-	-	-	(9,768)	(9,768)
Interest income	-	-	2,004	2,107	103
	-	-	2,004	(7,661)	(9,665)
CHANGE IN NET POSITION	-	-	64,270	287,182	222,912
NET POSITION - BEGINNING				723,805	
NET POSITION - ENDING				1,010,987	

VILLAGE OF GLENCOE, ILLINOIS

Pension Trust Funds

**Combining Statement of Net Position
February 28, 2014**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and cash equivalents	\$ 1,848,395	13,736	1,862,131
Investments			
U.S. government and agency obligations	5,381,929	-	5,381,929
Local government obligations	112,713	-	112,713
Corporate bonds	7,030,715	-	7,030,715
Mutual funds	15,747,912	-	15,747,912
Receivables			
Accrued interest	128,984	-	128,984
Other	8,969	-	8,969
Total assets	<u>30,259,617</u>	<u>13,736</u>	<u>30,273,353</u>
LIABILITIES			
Accounts payable	3,649	500	4,149
Due to other funds	180,809	1,446	182,255
Total liabilities	<u>184,458</u>	<u>1,946</u>	<u>186,404</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u><u>30,075,159</u></u>	<u><u>11,790</u></u>	<u><u>30,086,949</u></u>

VILLAGE OF GLENCOE, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Net Position
For the Fiscal Year Ended February 28, 2014**

	Police Pension	Firefighters' Pension	Totals
ADDITIONS			
Contributions - employer			
Taxes	\$ 1,652,932	94,446	1,747,378
Contributions - plan members	311,510	-	311,510
Total contributions	<u>1,964,442</u>	<u>94,446</u>	<u>2,058,888</u>
Investment income			
Interest earned	811,710	35	811,745
Net change in fair value	2,321,879	-	2,321,879
	<u>3,133,589</u>	<u>35</u>	<u>3,133,624</u>
Less investment expenses	(69,062)	-	(69,062)
Net investment income	<u>3,064,527</u>	<u>35</u>	<u>3,064,562</u>
Total additions	<u>5,028,969</u>	<u>94,481</u>	<u>5,123,450</u>
DEDUCTIONS			
Pensions and refunds	1,742,589	88,487	1,831,076
Miscellaneous			
Contractual professional services	20,261	646	20,907
Total deductions	<u>1,762,850</u>	<u>89,133</u>	<u>1,851,983</u>
CHANGE IN NET POSITION	3,266,119	5,348	3,271,467
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
BEGINNING	<u>26,809,040</u>	<u>6,442</u>	<u>26,815,482</u>
ENDING	<u>30,075,159</u>	<u>11,790</u>	<u>30,086,949</u>

VILLAGE OF GLENCOE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual
For the Fiscal Year Ended February 28, 2014

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
ADDITIONS					
Contributions - employer					
Taxes	\$ -	-	1,652,932	1,652,932	-
Contributions - plan members	-	-	317,000	311,510	(5,490)
Total contributions	-	-	1,969,932	1,964,442	(5,490)
Investment income					
Interest earned	-	-	729,600	811,710	82,110
Net change in fair value	-	-	-	2,321,879	2,321,879
	-	-	729,600	3,133,589	2,403,989
Less investment expenses	-	-	(59,000)	(69,062)	(10,062)
Net investment income	-	-	670,600	3,064,527	2,393,927
Total additions	-	-	2,640,532	5,028,969	2,388,437
DEDUCTIONS					
Pensions and refunds	1,827,491	1,827,491	1,592,510	1,742,589	150,079
Miscellaneous					
Contractual professional services	-	-	9,845	20,261	10,416
Total deductions	1,827,491	1,827,491	1,602,355	1,762,850	160,495
CHANGE IN NET POSITION	(1,827,491)	(1,827,491)	1,038,177	3,266,119	2,227,942
NET POSITION HELD IN TRUST FOR PENSION BENEFITS					
BEGINNING				26,809,040	
ENDING				30,075,159	

VILLAGE OF GLENCOE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual
For the Fiscal Year Ended February 28, 2014

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
ADDITIONS					
Contributions - employer					
Taxes	\$ -	-	82,375	94,446	12,071
Investment income					
Interest earned	-	-	68	35	(33)
Net change in fair value	-	-	-	-	-
	-	-	68	35	(33)
Less investment expenses	-	-	-	-	-
Net investment income	-	-	68	35	(33)
Total additions	-	-	82,443	94,481	12,038
DEDUCTIONS					
Pensions and refunds	96,922	96,922	88,045	88,487	442
Miscellaneous					
Contractual professional services	-	-	66	646	580
Total deductions	96,922	96,922	88,111	89,133	1,022
CHANGE IN NET POSITION	<u>(96,922)</u>	<u>(96,922)</u>	<u>(5,668)</u>	5,348	<u>11,016</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS					
BEGINNING				<u>6,442</u>	
ENDING				<u>11,790</u>	

SUPPLEMENTAL SCHEDULES

VILLAGE OF GLENCOE, ILLINOIS

Long-Term Debt Requirements

**Promissory Note Payable of 1999 - Library Discretely Presented Component Unit
February 28, 2014**

Date of Issue	June 25, 1999
Date of Maturity	May 31, 2021
Principal Amount	\$600,000
Interest Rate	4.40%
Monthly Installment Date	Last Day of Month
Maturity Date	May 31, 2021
Payable to	North Shore Community Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2015	\$ 34,005	11,844	45,849
2016	35,527	10,322	45,849
2017	37,171	8,678	45,849
2018	38,864	6,985	45,849
2019	40,634	5,215	45,849
2020	42,477	3,372	45,849
2021	44,418	1,431	45,849
2022	7,722	42	7,764
Total	280,818	47,889	328,707

VILLAGE OF GLENCOE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Limited Tax Bonds of 2005
February 28, 2014**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2013	\$ 210,000	13,812	223,812	2014	6,906	2014	6,906
2014	215,000	6,988	221,988	2015	<u>3,494</u>	2015	<u>3,494</u>
Total	<u>425,000</u>	<u>20,800</u>	<u>445,800</u>		<u>10,400</u>		<u>10,400</u>

VILLAGE OF GLENCOE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2009

February 28, 2014

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
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
Total	<u>5,475,000</u>	<u>411,974</u>	<u>5,886,974</u>		<u>205,987</u>		<u>205,987</u>

VILLAGE OF GLENCOE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bonds of 2012A
February 28, 2014**

Date of Issue	November 15, 2012
Date of Maturity	December 15, 2027
Authorized Issue	\$8,550,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 2.50%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Mellon

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2013	\$ -	185,000	185,000	2014	92,500	2014	92,500
2014	-	185,000	185,000	2015	92,500	2015	92,500
2015	-	185,000	185,000	2016	92,500	2016	92,500
2016	-	185,000	185,000	2017	92,500	2017	92,500
2017	-	185,000	185,000	2018	92,500	2018	92,500
2018	860,000	185,000	1,045,000	2019	92,500	2019	92,500
2019	880,000	167,800	1,047,800	2020	83,900	2020	83,900
2020	900,000	150,200	1,050,200	2021	75,100	2021	75,100
2021	920,000	132,200	1,052,200	2022	66,100	2022	66,100
2022	945,000	113,800	1,058,800	2023	56,900	2023	56,900
2023	970,000	93,718	1,063,718	2024	46,859	2024	46,859
2024	995,000	73,106	1,068,106	2025	36,553	2025	36,553
2025	1,025,000	50,719	1,075,719	2026	25,360	2026	25,359
2026	1,055,000	26,376	1,081,376	2027	13,188	2027	13,188
Total	8,550,000	1,917,919	10,467,919		958,960		958,959

VILLAGE OF GLENCOE, ILLINOIS

Long-Term Debt Requirements

IEPA Loan of 2011

February 28, 2014

Date of Issue	September 29, 2011
Date of Maturity	November 1, 2032
Authorized Issue	\$3,014,233
Interest Rates	1.25%
Interest Dates	May 1 and November 1
Principal Maturity Date	November 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2015	\$ 138,269	36,391	174,660	2014	18,411	2014	17,980
2016	140,002	34,657	174,659	2015	17,547	2015	17,110
2017	141,758	32,902	174,660	2016	16,672	2016	16,230
2018	143,535	31,124	174,659	2017	15,786	2017	15,338
2019	145,335	29,325	174,660	2018	14,889	2018	14,436
2020	147,158	27,502	174,660	2019	13,980	2019	13,522
2021	149,003	25,657	174,660	2020	13,061	2020	12,596
2022	150,871	23,788	174,659	2021	12,129	2021	11,659
2023	152,763	21,896	174,659	2022	11,186	2022	10,710
2024	154,679	19,982	174,661	2023	10,232	2023	9,750
2025	156,618	18,042	174,660	2024	9,265	2024	8,777
2026	158,582	16,078	174,660	2025	8,286	2025	7,792
2027	160,570	14,090	174,660	2026	7,295	2026	6,795
2028	162,584	12,076	174,660	2027	6,291	2027	5,785
2029	164,623	10,037	174,660	2028	5,275	2028	4,762
2030	166,687	7,973	174,660	2029	4,246	2029	3,727
2031	168,776	5,883	174,659	2030	3,204	2030	2,679
2032	170,893	3,767	174,660	2031	2,150	2031	1,617
2033	173,036	1,623	174,659	2032	1,081	2032	542
Total	<u>2,945,742</u>	<u>372,793</u>	<u>3,318,535</u>		<u>190,986</u>		<u>181,807</u>

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 Position by Component - Last Ten Fiscal Years
February 28, 2014 (Unaudited)**

See Following Page

VILLAGE OF GLENCOE, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
February 28, 2014 (Unaudited)**

	2005	2006	2007
GOVERNMENTAL ACTIVITIES			
Net invested in capital assets	\$ 58,245,710	59,064,321	60,467,319
Restricted	770,752	2,154,179	1,893,544
Unrestricted	1,600,820	756,591	1,712,589
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	60,617,282	61,975,091	64,073,452
BUSINESS-TYPE ACTIVITIES			
Net invested in capital assets	4,784,283	4,789,017	4,831,297
Unrestricted	(900,226)	(735,329)	(915,159)
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	3,884,057	4,053,688	3,916,138
PRIMARY GOVERNMENT			
Net invested in capital assets	63,029,993	63,853,338	65,298,616
Restricted	770,752	2,154,179	1,893,544
Unrestricted	700,594	21,262	797,430
TOTAL PRIMARY GOVERNMENT NET POSITION	64,501,339	66,028,779	67,989,590

Data Source: Village Records

2008	2009	2010	2011	2012	2013	2014
66,372,675	68,481,254	66,567,750	66,206,059	67,972,854	68,335,649	67,541,888
503,862	518,814	654,916	1,316,599	1,205,651	1,027,936	1,276,556
2,041,779	2,423,358	3,225,221	3,766,260	3,620,966	4,983,358	6,451,177
68,918,316	71,423,426	70,447,887	71,288,918	72,799,471	74,346,943	75,269,621
2,692,694	2,996,915	3,206,293	3,430,650	3,689,431	3,636,236	3,807,766
(1,096,968)	(1,160,828)	(1,119,059)	(459,698)	(229,775)	639,562	1,163,707
1,595,726	1,836,087	2,087,234	2,970,952	3,459,656	4,275,798	4,971,473
69,065,369	71,478,169	69,774,043	69,636,709	71,662,285	71,971,885	71,349,654
503,862	518,814	654,916	1,316,599	1,205,651	1,027,936	1,276,556
944,811	1,262,530	2,106,162	3,306,562	3,391,191	5,622,920	7,614,884
70,514,042	73,259,513	72,535,121	74,259,870	76,259,127	78,622,741	80,241,094

VILLAGE OF GLENCOE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
February 28, 2014 (Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental activities										
Administration and finance	\$ 2,405,068	2,344,865	2,527,874	3,330,243	3,546,692	2,161,110	2,210,625	2,228,867	2,165,875	2,083,351
Public safety	6,151,278	6,751,092	6,775,465	6,668,913	6,745,762	7,022,845	7,308,147	7,345,809	7,293,431	7,483,246
Public works	5,751,672	5,902,698	6,218,328	6,888,667	5,460,694	9,118,339	8,492,940	7,219,444	7,187,119	8,363,911
Interest on long-term debt	604,943	610,169	528,793	457,828	401,833	408,322	254,387	188,549	6,014	345,409
Total governmental activities expenses	14,912,961	15,608,824	16,050,460	17,345,651	16,154,981	18,710,616	18,266,099	16,982,669	16,652,439	18,275,917
Business-type activities										
Water	1,502,012	1,630,146	1,623,620	1,708,594	1,786,861	1,784,162	1,589,552	1,767,803	1,938,933	1,764,927
Glencoe golf club	1,357,076	1,533,215	1,525,447	1,400,874	1,349,099	1,312,568	1,412,498	1,335,309	1,366,415	1,423,151
Total business-type activities net position	2,859,088	3,163,361	3,149,067	3,109,468	3,135,960	3,096,730	3,002,050	3,103,112	3,305,348	3,188,078
TOTAL PRIMARY GOVERNMENT EXPENSES	17,772,049	18,772,185	19,199,527	20,455,119	19,290,941	21,807,346	21,268,149	20,085,781	19,957,787	21,463,995
PROGRAM REVENUES										
Governmental activities										
Charges for services										
Administration and finance	279,602	296,215	363,441	47,456	47,881	51,286	62,559	62,044	69,963	64,446
Public safety	602,813	646,965	634,342	314,919	402,149	344,396	381,330	362,258	411,007	323,050
Public works	2,704,597	2,896,803	2,714,606	2,841,840	2,234,229	1,662,405	2,344,329	2,329,511	2,585,227	2,945,114
Operating grants/contributions	251,158	254,722	252,464	-	-	-	-	-	-	-
Capital grants/contributions	1,100	26,100	148,624	247,856	230,888	220,432	259,938	255,882	247,568	256,016
Total governmental activities program revenues	3,839,270	4,120,805	4,113,477	3,452,071	2,915,147	2,278,519	3,048,156	3,009,695	3,313,765	3,588,626
Business-type activities										
Charges for services										
Water	1,410,903	1,890,416	1,510,576	1,689,359	1,799,604	1,721,484	2,208,600	2,096,998	2,451,344	2,170,586
Glencoe golf club	1,155,251	1,419,755	1,463,804	1,581,936	1,555,899	1,617,380	1,669,949	1,490,998	1,665,073	1,708,226
Total business-type activities program revenues	2,566,154	3,310,171	2,974,380	3,271,295	3,355,503	3,338,864	3,878,549	3,587,996	4,116,417	3,878,812
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	6,405,424	7,430,976	7,087,857	6,723,366	6,270,650	5,617,383	6,926,705	6,597,691	7,430,182	7,467,438

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
NET (EXPENSE) REVENUE										
Governmental activities	\$ (11,073,691)	(11,488,019)	(11,936,983)	(13,893,580)	(13,239,834)	(16,432,097)	(15,217,943)	(13,972,974)	(13,338,674)	(14,687,291)
Business-type activities	(292,934)	146,810	(174,687)	161,827	219,543	242,134	876,499	484,884	811,069	690,734
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	(11,366,625)	(11,341,209)	(12,111,670)	(13,731,753)	(13,020,291)	(16,189,963)	(14,341,444)	(13,488,090)	(12,527,605)	(13,996,557)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities										
Taxes										
Property and replacement	8,312,438	8,688,541	9,372,165	9,378,310	10,091,906	10,591,945	10,782,099	10,525,553	9,886,338	10,238,879
Sales	1,345,758	1,558,775	1,879,556	1,955,323	1,668,937	1,576,372	1,748,726	1,694,456	1,790,991	1,942,829
Utility	1,254,067	1,403,087	1,340,479	1,435,857	1,487,638	1,296,223	1,338,875	1,130,667	1,056,834	1,156,935
Income	571,557	666,731	727,609	797,387	810,043	699,419	690,864	687,752	783,247	843,471
Other	40,665	34,593	34,879	481,603	446,897	584,016	586,188	614,200	631,926	640,836
Interest	76,904	305,010	541,030	490,280	208,112	183,375	106,902	19,354	27,133	34,852
Miscellaneous	86,573	189,091	139,626	943,857	1,031,411	525,208	805,320	811,545	709,677	752,167
Transfers - internal activity	(91,593)	-	-	-	-	-	-	-	-	-
Total governmental activities	11,596,369	12,845,828	14,035,344	15,482,617	15,744,944	15,456,558	16,058,974	15,483,527	14,886,146	15,609,969
Business-type activities										
Interest	9,652	22,821	37,137	35,867	20,818	9,013	7,219	3,820	5,073	4,941
Contributions	-	-	-	-	-	-	-	-	-	-
Transfers - internal activity	91,593	-	-	-	-	-	-	-	-	-
Total business-type activities	101,245	22,821	37,137	35,867	20,818	9,013	7,219	3,820	5,073	4,941
TOTAL PRIMARY GOVERNMENT	11,697,614	12,868,649	14,072,481	15,518,484	15,765,762	15,465,571	16,066,193	15,487,347	14,891,219	15,614,910
CHANGES IN NET POSITION										
Governmental activities	522,678	1,357,809	2,098,361	1,589,037	2,505,110	(975,539)	841,031	1,510,553	1,547,472	922,678
Business-type activities	(191,689)	169,631	(137,550)	197,694	240,361	251,147	883,718	488,704	816,142	695,675
TOTAL PRIMARY GOVERNMENT CHANGES IN NET POSITION	330,989	1,527,440	1,960,811	1,786,731	2,745,471	(724,392)	1,724,749	1,999,257	2,363,614	1,618,353

Data Source: Village Records

VILLAGE OF GLENCOE, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
February 28, 2014 (Unaudited)**

	2005	2006	2007
GENERAL FUND			
Reserved	\$ 1,423,180	1,419,786	1,387,696
Unreserved	1,592,212	2,180,462	2,864,292
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL GENERAL FUND	3,015,392	3,600,248	4,251,988
ALL OTHER GOVERNMENTAL FUNDS			
Reserved	820,237	2,204,904	1,933,353
Unreserved, reported in			
Special revenue - garbage fund	64,072	118,379	152,420
Capital projects fund	-	-	-
Nonmajor governmental funds	(152,471)	-	-
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	731,838	2,323,283	2,085,773

Data Source: Village Records
The Village implemented GASB 54 in Fiscal Year 2012.

2008	2009	2010	2011	2012	2013	2014
1,697,345	1,777,706	1,855,477	1,779,760	-	-	-
2,142,474	2,080,214	2,099,722	2,550,922	-	-	-
-	-	-	-	1,837,960	1,894,428	1,977,544
-	-	-	-	193,917	86,069	113,878
-	-	-	-	-	-	300,000
-	-	-	-	-	-	216,250
-	-	-	-	2,213,910	3,055,642	3,130,595
3,839,819	3,857,920	3,955,199	4,330,682	4,245,787	5,036,139	5,738,267
640,460	7,990,698	5,340,310	1,413,807	-	-	-
278,342	174,296	184,847	229,865	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	50,038	56,934	65,170
-	-	-	-	1,053,022	1,013,391	1,231,237
-	-	-	-	-	8,740,588	3,762,769
918,802	8,164,994	5,525,157	1,643,672	1,103,060	9,810,913	5,059,176

VILLAGE OF GLENCOE, ILLINOIS

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years
February 28, 2014 (Unaudited)**

	2005	2006	2007
REVENUES			
Property taxes	\$ 8,247,208	8,594,668	9,278,894
Other taxes	3,561,205	4,072,998	4,388,782
Intergovernmental	251,158	254,722	252,464
Licenses, permits and fees	2,078,579	2,097,259	1,810,162
Charges for services	667,683	921,206	999,781
Fines and forfeitures	109,425	94,655	105,824
Interest	76,904	305,010	541,030
Miscellaneous	535,070	626,115	771,884
Total revenues	15,527,232	16,966,633	18,148,821
EXPENDITURES			
Administration and finance	2,284,502	2,340,785	2,504,428
Public safety	5,713,119	6,208,800	6,459,216
Public works	4,954,437	4,818,429	5,196,688
Capital outlay	628,011	911,724	1,058,519
Debt service			
Principal retirement	1,816,300	1,821,600	2,042,000
Interest and fiscal charges	548,652	524,206	473,740
Total expenditures	15,945,021	16,625,544	17,734,591
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(417,789)	341,089	414,230
OTHER FINANCING SOURCES (USES)			
Debt issuance	-	1,850,000	-
Discount on debt issuance	-	(14,788)	-
Premium on debt issuance	-	-	-
Payment to escrow agent	-	-	-
Disposal of Capital Assets	-	-	-
Transfers in	60,301	-	-
Transfers out	(151,894)	-	-
	(91,593)	1,835,212	-
NET CHANGE IN FUND BALANCES	(509,382)	2,176,301	414,230
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	15.92%	14.62%	15.08%

Data Source: Village Records

2008	2009	2010	2011	2012	2013	2014
9,280,168	9,967,799	10,479,497	10,665,204	10,418,008	9,778,820	10,107,261
4,768,312	4,537,622	4,009,429	4,227,284	3,962,482	4,103,306	4,443,178
247,856	230,888	220,432	259,938	255,882	247,568	256,016
2,125,768	1,491,828	1,205,211	1,304,857	1,243,485	1,408,675	1,916,490
946,155	989,595	960,919	1,599,683	1,652,127	1,739,002	1,528,571
132,292	202,836	151,006	137,942	130,339	185,730	160,060
490,280	208,112	183,376	106,902	19,354	27,133	34,852
943,857	1,031,411	525,208	805,320	811,545	709,677	752,167
18,934,688	18,660,091	17,735,078	19,107,130	18,493,222	18,199,911	19,198,595
3,067,285	3,493,435	2,121,416	2,057,316	2,049,311	2,062,403	2,204,087
6,945,078	7,149,458	7,306,828	7,593,311	7,638,931	7,636,793	7,968,005
5,826,135	4,567,300	5,065,840	5,470,308	5,667,860	5,509,611	5,869,950
2,086,233	1,015,403	3,078,301	4,848,415	1,707,923	987,709	5,795,923
2,187,400	2,235,000	2,230,000	2,325,000	1,805,000	1,140,000	1,185,000
401,697	335,202	313,061	318,782	249,704	333,128	348,374
20,513,828	18,795,798	20,115,446	22,613,132	19,118,729	17,669,644	23,371,339
(1,579,140)	(135,707)	(2,380,368)	(3,506,002)	(625,507)	530,267	(4,172,744)
-	7,400,000	3,890,000	-	-	8,550,000	-
-	-	-	-	-	-	-
-	-	148,551	-	-	357,350	-
-	-	(4,200,741)	-	-	-	-
-	-	-	-	-	60,588	123,135
106,719	-	-	345,998	343,267	450,000	586,182
(106,719)	-	-	(345,998)	(343,267)	(450,000)	(586,182)
-	7,400,000	(162,190)	-	-	8,967,938	123,135
(1,579,140)	7,264,293	(2,542,558)	(3,506,002)	(625,507)	9,498,205	(4,049,609)
14.06%	14.63%	13.23%	13.44%	11.57%	8.57%	8.08%

VILLAGE OF GLENCOE, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years (in Thousands) February 28, 2014 (Unaudited)

Tax Levy Year	Real Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
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	1,159,725	0.9208	3,479,175	33.333%
2009	1,238,758	314	1,239,072	0.8740	3,717,216	33.333%
2010	1,046,149	394	1,046,543	1.0037	3,139,629	33.333%
2011	936,968	418	937,386	1.0621	2,812,158	33.333%
2012	874,715	473	875,188	1.1890	2,625,564	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, 2014 (Unaudited)**

See Following Page

VILLAGE OF GLENCOE, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Levy Years
February 28, 2014 (Unaudited)**

	2003	2004	2005
VILLAGE DIRECT RATES			
General	0.7558	0.6510	0.6391
Bonds and interest	0.4250	0.3238	0.2842
Garbage	0.1102	0.0947	0.0927
Police pension	0.1396	0.1076	0.1079
Fire pension	-	-	-
IMRF	0.0301	-	-
Social security	0.0571	-	-
Limited bonds	-	-	0.0298
Total direct rates	<u>1.5178</u>	<u>1.1771</u>	<u>1.1537</u>
OVERLAPPING RATES			
Public Library	0.2670	0.2080	0.2050
High School District #203	1.7990	1.6210	1.5770
Grade School District #35	2.8010	2.5630	2.5100
Cook County	0.7180	0.6530	0.5930
Metro Water Recl. Dist.	0.3610	0.3470	0.3150
Park District	0.4880	0.3950	0.3870
Community College #535	0.1860	0.1610	0.1580
Other	<u>0.0610</u>	<u>0.0480</u>	<u>0.0663</u>
TOTAL DIRECT AND OVERLAPPING TAX RATE	<u><u>8.1988</u></u>	<u><u>7.1731</u></u>	<u><u>6.9650</u></u>
VILLAGE PERCENT OF TOTAL TAX RATE	<u><u>18.5%</u></u>	<u><u>16.4%</u></u>	<u><u>16.6%</u></u>

Data Source: Office of the County Clerk

2006	2007	2008	2009	2010	2011	2012
0.6785	0.5279	0.5362	0.5700	0.6991	0.7998	0.8885
0.2700	0.2060	0.2211	0.2050	0.1836	0.1245	0.1479
0.0964	0.0604	0.0592	-	-	-	-
0.1147	0.0855	0.0839	0.0800	0.0984	0.1125	0.1250
-	0.0023	-	-	0.0002	0.0004	0.0005
-	-	-	-	-	-	-
-	-	-	-	-	-	-
0.0294	0.0213	0.0204	0.0190	0.0224	0.0249	0.0271
1.1890	0.9034	0.9208	0.8740	1.0037	1.0621	1.1890
0.2150	0.1640	0.1650	0.1570	0.1900	0.2170	0.2410
1.6620	1.2990	1.2900	1.2370	1.4740	1.6740	1.8640
2.6370	1.9970	1.9970	1.9010	2.3290	2.6590	2.9430
0.5570	0.4990	0.4660	0.4640	0.4740	0.5450	0.5940
0.2840	0.2630	0.2520	0.2610	0.2740	0.3200	0.3700
0.5590	0.4200	0.4170	0.3980	0.4840	0.5500	0.5780
0.1660	0.1410	0.1400	0.1400	0.1600	0.1960	0.2190
0.0560	0.0540	0.0420	0.0410	0.0500	0.0570	0.0630
7.3250	5.7404	5.6898	5.4730	6.4387	7.2801	8.0610
16.2%	15.7%	16.2%	16.0%	15.6%	14.6%	14.8%

VILLAGE OF GLENCOE, ILLINOIS

**Sales Tax Revenue by Category - Last Ten Calendar Years
February 28, 2014 (Unaudited)**

	2004	2005	2006
Food	\$ 133,639	142,656	143,013
Drinking and eating places	43,803	44,046	43,008
Apparel	88,180	106,642	124,218
Furniture and H.H. and radio	11,666	11,134	7,772
Lumber, building hardware	9,691	5,603	900
Automobile and filling stations	635,175	724,428	1,159,324
Drugs and miscellaneous retail	220,417	227,409	234,603
Agriculture and all others	81,516	95,153	95,815
Manufacturers	-	-	-
TOTAL	1,224,087	1,357,071	1,808,653
NUMBER OF TAXPAYERS	335	362	370

Data Source: Illinois Department of Revenue

2007	2008	2009	2010	2011	2012	2013
143,256	157,876	140,400	144,455	146,803	151,126	140,320
59,340	49,425	42,347	43,178	60,470	61,310	93,725
116,685	94,592	56,161	59,754	58,790	60,804	54,484
9,762	9,623	5,628	5,032	5,286	3,956	3,223
-	-	-	-	372	-	285
1,161,425	1,003,135	910,510	1,063,457	993,269	1,082,378	1,185,777
242,877	201,428	164,585	178,503	246,018	231,728	238,303
91,866	94,179	128,631	130,586	55,831	47,337	56,769
667	832	1,280	1,683	1,829	1,591	1,575
1,825,878	1,611,090	1,449,542	1,626,648	1,568,668	1,640,230	1,774,461
378	334	290	293	320	315	324

VILLAGE OF GLENCOE, ILLINOIS

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

February 28, 2014 (Unaudited)

	Village Total	Percent of Total	Surrounding Total (1)	Percent of Total
General merchandise	\$ -	0.00%	\$ 29,090,687	9.51%
Food	140,320	7.91%	40,492,199	13.24%
Drinking and eating places	93,725	5.28%	23,622,445	7.72%
Apparel	54,484	3.07%	23,337,705	7.63%
Furniture and H.H. and radio	3,223	0.18%	21,997,366	7.19%
Lumber, building hardware	285	0.02%	11,602,912	3.79%
Automobile and filling stations	1,185,777	66.82%	82,849,394	27.09%
Drugs and miscellaneous retail	238,303	13.43%	41,470,738	13.56%
Agriculture and all others	56,769	3.20%	27,539,759	9.01%
Manufacturers	1,575	0.09%	3,789,287	1.24%
TOTAL	1,774,461	100.00%	305,792,493	100.00%

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 Tax Year and Nine Tax Years Ago
February 28, 2014 (Unaudited)**

Taxpayer	Tax Year 2012			Tax Year 2003		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Lakeshore Country Club	\$ 3,970,844	1	0.45%	\$ 3,222,693	2	0.93%
Individual - Real Property	3,273,364	2	0.37%			
United Investors Management	3,072,724	3	0.35%	2,432,834	3	0.70%
Skokie Country Club	2,866,063	4	0.33%	3,500,035	1	1.01%
Glencoe One	2,260,334	5	0.26%			
Three Waukegan Rd. LLC	2,162,094	6	0.25%			
Individual - Real Property	1,969,944	7	0.23%			
Individual - Real Property	1,950,520	8	0.22%			
Individual - Real Property	1,935,864	9	0.22%			
Individual - Real Property	1,896,586	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>25,358,337</u>		<u>2.90%</u>	<u>15,093,132</u>		<u>4.36%</u>

Data Source: Office of the County Clerk

Note: Tax Year 2012 is the latest data available.

VILLAGE OF GLENCOE, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
February 28, 2014 (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
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%
2009	10,837,522	10,665,203	98.41%	-	10,665,203	98.41%
2010	10,503,080	10,418,008	99.19%	-	10,418,008	99.19%
2011	9,951,373	9,778,819	98.27%	-	9,778,819	98.27%
2012	10,405,124	10,107,262	97.14%	-	10,107,262	97.14%

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, 2014 (Unaudited)**

See Following Page

VILLAGE OF GLENCOE, ILLINOIS

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years February 28, 2014 (Unaudited)

Fiscal Year	Governmental Activities	
	General Obligation Bonds	Installment Contract Certificates
2005	\$ 13,851,000	\$ -
2006	13,879,400	-
2007	11,837,400	-
2008	9,650,000	-
2009	14,815,000	-
2010	12,355,000	-
2011	10,030,000	-
2012	8,225,000	-
2013	15,635,000	-
2014	14,450,000	-

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.

Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
General Obligation Bonds	IEPA Loan Payable			
\$ -	-	\$ 13,851,000	1.80%	\$ 1,580.80
-	-	13,879,400	1.80%	1,584.04
-	-	11,837,400	1.53%	1,350.99
-	-	9,650,000	1.25%	1,101.35
-	-	14,815,000	1.92%	1,690.82
-	-	12,355,000	1.60%	1,410.07
-	-	10,030,000	1.30%	1,149.83
-	561,675	8,225,000	0.91%	942.91
-	3,014,143	15,635,000	1.73%	1,792.39
-	2,945,742	14,450,000	1.60%	1,656.54

VILLAGE OF GLENCOE, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
February 28, 2014 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less Amount Available	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
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
2011	10,030,000	36,461	9,993,539	0.81%	1,145.65
2012	8,225,000	95,795	8,129,205	0.78%	931.93
2013	15,635,000	121,106	15,513,894	1.66%	1,778.50
2014	14,450,000	87,752	14,362,248	1.64%	1,646.48

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.

(2) See the Schedule of Demographic and Economic Statistics for population data.

VILLAGE OF GLENCOE, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
February 28, 2014 (Unaudited)**

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Glencoe	\$ 15,635,000	100.000%	\$ 15,635,000
Overlapping Units			
County of Cook, including Forest Preserve Dist.	3,751,715,000	0.643%	24,123,527
Metropolitan Water Reclamation District	2,106,850,281	0.656%	13,820,938
High School District #203	13,375,000	17.304%	2,314,410
Glencoe Park District	10,755,000	99.168%	10,665,518
Winnetka Park District	1,535,000	1.698%	26,064
School District #35	17,090,000	100.000%	17,090,000
School District #36	52,149,243	2.030%	1,058,630
Sunset Ridge School District #29	752,022	1.638%	12,318
Oakton Community College #535	23,510,000	4.050%	952,155
	5,977,731,546		70,063,561
	5,993,366,546		85,698,561

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, 2014 (Unaudited)**

	2005	2006	2007
Legal debt limit	\$ 55,443,083	74,339,533	80,200,173
Total net debt applicable to limit	13,830,000	13,865,000	11,837,400
Legal debt margin	41,613,083	60,474,533	68,362,773
Total net debt applicable to the limit as a percentage of debt limit	24.94%	18.65%	14.76%

Data Source: Village Records

2008	2009	2010	2011	2012	2013	2014
80,550,540	110,927,434	115,972,458	123,907,246	104,654,262	93,696,775	87,518,789
9,650,000	14,815,000	12,355,000	10,030,000	8,225,000	15,635,000	14,450,000
70,900,540	96,112,434	103,617,458	113,877,246	96,429,262	78,061,775	73,068,789
11.98%	13.36%	10.65%	8.09%	7.86%	16.69%	16.51%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	\$ 875,187,894
Legal debt margin	<u>10.00%</u>
Debt limit	87,518,789
Debt applicable to limit	
General obligation bonds	<u>14,450,000</u>
LEGAL DEBT MARGIN	<u><u>73,068,789</u></u>

VILLAGE OF GLENCOE, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
February 28, 2014 (Unaudited)**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2011	8,723	901,609,280	103,360	6.65%
2012	8,723	901,609,280	103,360	5.85%
2013	8,723	901,609,280	103,360	N/A
2014	8,723	901,609,280	103,360	N/A

N/A - Data not available at the time of this report.

Data Source: Illinois Department of Employment Security (IDES)

VILLAGE OF GLENCOE, ILLINOIS

Principal Employers - Current Fiscal Year and Seven Fiscal Years Ago
February 28, 2014 (Unaudited)

Employer	Business	2014			2007		
		Rank	# of Employees	% of Total Village Employment	Rank	# of Employees	% of Total Village Employment
Cook County Forest Preserve District	Chicago Botanic Garden	1	264	3.03%	1	280	3.20%
Glencoe Park District	Park District	2	231	2.65%	2	271	3.09%
Glencoe School District #35	Elementary School Dist.	3	212	2.43%	3	225	2.57%
Village of Glencoe	Municipal Corporation	4	94	1.08%	4	100	1.14%
Coldwell Banker	Realtor	5	85	0.97%	6	80	0.91%
AutoHaus on Edens	Auto Dealership	6	77	0.88%	5	84	0.96%
Carmax	Auto Dealership	7	70	0.80%		N/A	N/A
Fields Infinity	Auto Dealership	8	55	0.63%	7	71	0.81%
Grand Foods Center	Food Store	9	55	0.63%	8	50	0.57%
Optima, Inc.	Real Estate Development	10	45	0.52%		N/A	N/A
Harris Bank - Glencoe	Bank				8	50	0.57%
Carmax	Auto Dealership				10	0*	N/A

Note: Information for nine years ago was not available; therefore, seven years ago information is presented

* Would not disclose employment numbers.

VILLAGE OF GLENCOE, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
February 28, 2014 (Unaudited)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>
GENERAL GOVERNMENT			
Village Manager	4	3	3
Finance	5	5	5
PUBLIC SAFETY			
Police			
Officers	35	35	36
Civilians	10	10	10
PUBLIC WORKS			
Administration	12	12	12
Community Development	2	2	2
Engineer	1	1	1
Mechanic	4	4	4
Maintenance Equipment Operator	23	23	23
Water Plant Operator	4	4	4
TOTAL	<u>100</u>	<u>99</u>	<u>100</u>

Data Source: Fiscal Year 2014 Pay Plan

2008	2009	2010	2011	2012	2013	2014
3	4	4	4	4	4	4
5	5	5	5	5	5	5
36	36	35	35	33	33	33
10	10	10	9	9	9	9
12	12	11	11	11	11	11
2	2	2	2	2	2	2
1	1	1	1	1	1	1
4	4	4	4	4	4	4
20	20	21	21	21	20	21
4	4	4	4	4	4	4
97	98	97	96	94	93	94

VILLAGE OF GLENCOE, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Calendar Years
February 28, 2014 (Unaudited)**

	2004	2005	2006
PUBLIC SAFETY			
Police			
Physical arrests	205	155	152
Parking violations	5,962	6,307	5,215
Traffic violations	1,609	999	1,589
Fire			
Emergency responses	2,052	2,280	2,281
Fires extinguished	26	34	24
PUBLIC WORKS			
Street resurfacing/repairs (square feet)	17,510	22,023	52,425
WATER			
New connections	54	52	52
Water main breaks	33	44	32
Average daily consumption	1,935,800	1,935,800	1,935,800

Data Source: Various Village Departments

2007	2008	2009	2010	2011	2012	2013
150	202	174	197	324	228	171
5,113	6,525	4,235	4,029	3,697	5,113	4,571
1,631	1,453	1,975	1,672	1,286	1,812	968
2,280	2,320	2,115	1,931	2,084	1,955	1,729
11	38	13	11	31	17	6
22,324	18,131	12,810	15,334	14,568	15,128	10,088
33	32	21	12	14	23	30
34	17	29	21	29	40	24
1,818,000	1,681,000	1,458,000	1,554,000	1,522,000	1,760,000	1,818,000

VILLAGE OF GLENCOE, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Calendar Years
February 28, 2014 (Unaudited)**

	2004	2005	2006
PUBLIC SAFETY			
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
PUBLIC WORKS			
Residential streets (miles)	46	46	46
Streetlights	221	221	221
Traffic signals	3	3	3
WATER			
Water mains (miles)	51	51	51
Fire hydrants	460	460	460
Storage capacity (gallons)	3,150,000	3,150,000	3,150,000
WASTEWATER			
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

2007	2008	2009	2010	2011	2012	2013
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	221
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, 2014 (Unaudited)**

Insured	Description of Coverage	Limits	Expiration Date of Policy	
Village of Glencoe	General liability	\$ 10,000,000	12/31/14	
	Police professionals			
	Employee benefits (fire/paramedic)			
	Professional liability			
	Abuse/molestation			
	Auto liability	10,000,000	12/31/14	
	Uninsured/underinsured motorist	500,000	12/31/14	
	Public officials' liability	10,000,000	12/31/14	
	Workers' compensation	Statutory	12/31/14	
	Employer's liability	2,500,000	12/31/14	
	First party property - all risk	250,000,000	12/31/14	
	Flood zone A	3,500,000	12/31/14	
	Flood zone (Non-Zone A/V)	40,000,000	12/31/14	
	Contingent business interruption (sales tax)	5,000,000	12/31/14	
	Schedules emergency vehicles-agreed value	Scheduled	12/31/14	
	Boiler/machinery	50,000,000	12/31/14	
	Crime	Blanket per occurrence		
	Employee theft	5,000,000	12/31/14	
	Forgery, alteration and counterfeit	5,000,000	12/31/14	
	Credit card forgery	5,000,000	12/31/14	
	Computer fraud	5,000,000	12/31/14	
	Non-faithful performance	2,500,000	12/31/14	
	Public officials' bonds			
	Mayor/president, treasurer, clerk	Blanket	12/31/14	
	Special district trustees	Statutory limits	12/31/14	
	Yearly Aggregates			
	Member aggregate cap (applies to general/ auto liability and public officials' liability loss fund payments only)	6,000,000	12/31/14	
Agency aggregate cap	75,677,979	12/31/14		

The above coverages are all provided through membership in IRMA.