

VILLAGE OF
GLENCOE, ILLINOIS

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT



FOR THE FISCAL
YEAR ENDED
FEBRUARY 28, 2011

VILLAGE OF GLENCOE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
FEBRUARY 28, 2011

Prepared by:
Finance Department

VILLAGE OF GLENCOE, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>INTRODUCTORY SECTION</u>	
List of Principal Officials.....	i
Organization Chart.....	ii
Transmittal Letter	iii - vii
Certificate of Achievement for Excellence in Financial Reporting	viii
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT.....	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 16
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements	
Statement of Net Assets	3 - 4
Statement of Activities.....	5 - 6
Fund Financial Statements	
Balance Sheet – Governmental Funds	7- 8
Reconciliation of Total Governmental Fund Balance to the	
Statement of Net Assets – Governmental Activities.....	9
Statement of Revenues, Expenditures and Changes in	
Fund Balances – Governmental Funds	10 - 11
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances to the Statement of Activities – Governmental Activities.....	12
Statement of Net Assets – Proprietary Funds	13
Statement of Revenues, Expenses and Changes in	
Net Assets – Proprietary Funds.....	14
Statement of Cash Flows – Proprietary Funds.....	15
Statement of Net Assets – Fiduciary Funds	16
Statement of Changes in Net Assets – Fiduciary Funds	17
Notes to the Financial Statements.....	18 - 56

VILLAGE OF GLENCOE, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress and Employer Contributions	
Illinois Municipal Retirement Fund.....	57
Police Pension Fund.....	58
Firefighters' Pension Fund.....	59
Other Post-Employment Benefit Plan.....	60
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – General Fund.....	61
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Garbage – Special Revenue Fund	62

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Schedule of Revenues – Budget and Actual – General Fund	63 - 64
Schedule of Expenditures – Budget and Actual – General Fund.....	65
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – General Obligation Bonds – Debt Service Fund	66
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Capital Projects Fund.....	67
Combining Balance Sheet – Nonmajor Governmental Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
Nonmajor Governmental Funds.....	69
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Motor Fuel Tax – Special Revenue Fund	70
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – Enhanced 911 System – Special Revenue Fund	71
Schedule of Revenues, Expenses and Changes in Net Assets –	
Budget and Actual – Water – Enterprise Fund	72
Schedule of Revenues, Expenses and Changes in Net Assets –	
Budget and Actual – Glencoe Golf Club – Enterprise Fund	73
Combining Statement of Net Plan Assets – Pension Trust Funds	74
Combining Statement of Changes in Net Plan Assets – Pension Trust Funds	75

VILLAGE OF GLENCOE, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements	
General Obligation Limited Tax Bonds of 2005.....	76
General Obligation Bonds of 2009	77
General Obligation Refunding Bonds of 2009A.....	78
Promissory Note Payable of 1999 – Library Discretely Presented Component Unit	79

STATISTICAL SECTION (Unaudited)

Net Assets by Component – Last Eight Fiscal Years.....	80 - 81
Changes in Net Assets – Last Eight Fiscal Years	82 - 83
Fund Balances of Governmental Funds – Last Ten Fiscal Years	84 - 85
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	86 - 87
Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years	88
Direct and Overlapping Property Tax Rates – Last Ten Levy Years.....	89 - 90
Sales Tax Revenue by Category – Last Ten Calendar Years.....	91 - 92
Sales Tax Revenue by Category as Compared to Surrounding	
Communities' Sales Tax by Category – Last Ten Calendar Years.....	93
Principal Property Tax Payers – Current Year and Nine Years Ago	94
Property Tax Levies and Collections – Last Ten Levy Years.....	95
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	96
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	97
Schedule of Direct and Overlapping Governmental Activities Debt.....	98
Schedule of Legal Debt Margin – Last Ten Fiscal Years	99 - 100
Demographic and Economic Statistics – Last Ten Fiscal Years	101
Principal Employers – Current Year and Nine Years Ago	102
Full-Time Equivalent Village Government Employees by Function – Last Ten Fiscal Years.....	103 - 104
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	105 - 106
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	107 – 108
Schedule of Insurance in Force	109

INTRODUCTORY SECTION

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

VILLAGE OF GLENCOE, ILLINOIS

List of Principal Officials

February 28, 2011

President

Scott M. Feldman

Board of Trustees

Keki Bhote
Joseph Keefe
Ellen Shubart

Bruce Cowans
Lawrence Levin
Joel Solomon

Clerk

Paul M. Harlow

Village Attorney

Victor Filippini

Treasurer

David A. Clark

* * * * *

Village Manager

Paul M. Harlow

Director of Finance

David A. Clark

Director of Public Safety

Michael Volling

Director of Public Works

David Mau

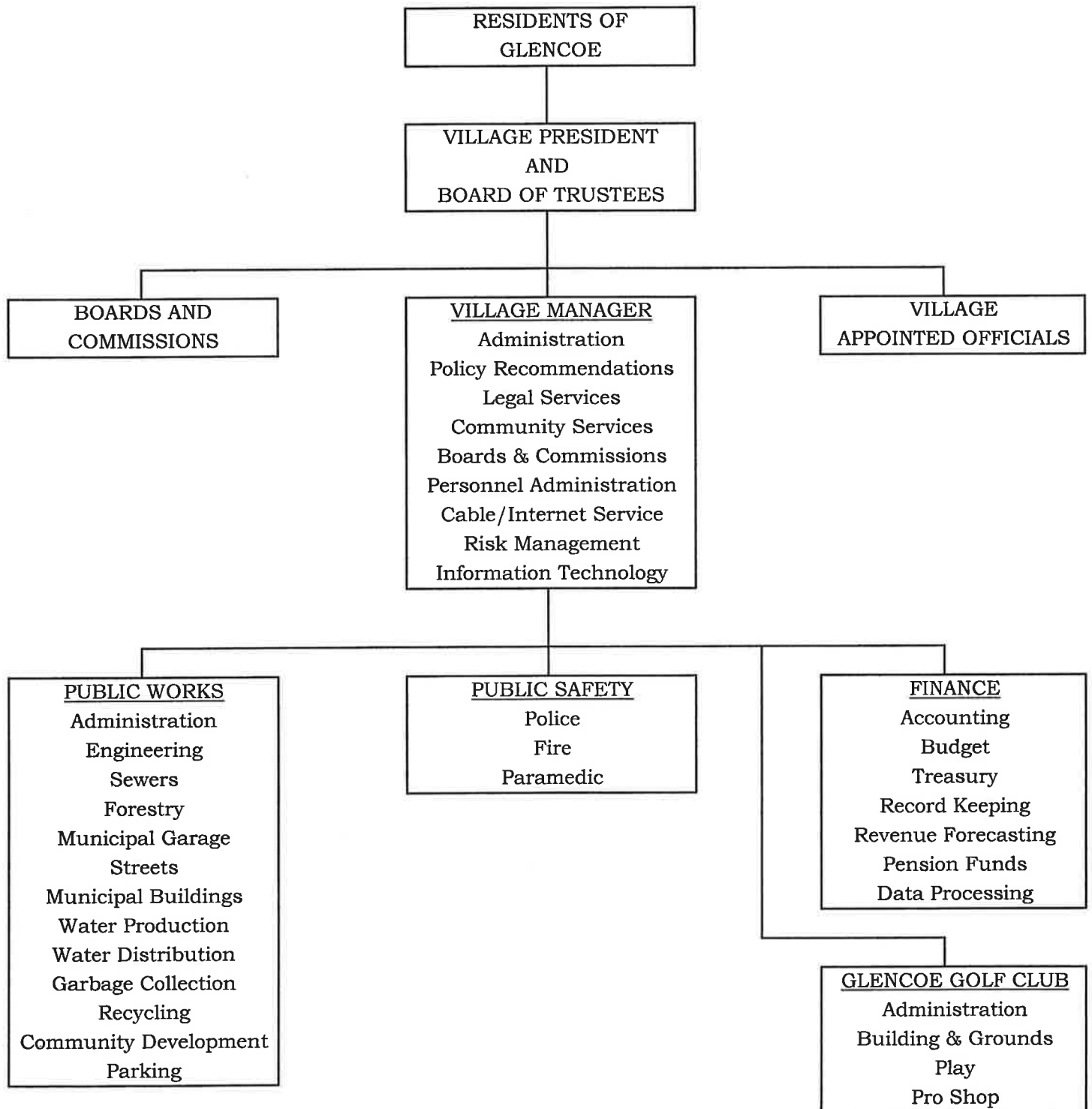
Golf Manager

Stella Nanos

Library – Executive Director

Peggy Hamil

Village of Glencoe





June 15, 2011

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, 2011, is hereby submitted.

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

Lauterbach & Amen, LLP, have issued an unqualified ("clean") opinion on the Village of Glencoe's financial statements for the year ended February 28, 2011. The auditor's report is located at the front of the financial section of this report.

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

Village Profile

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

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

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

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

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

Local Economic Factors

There are several factors that impact the local finances of the Village. These factors include desirability of goods and services provided by the local business community and actions taken by the Village Board. During the fiscal year the Village recognized changes in the local economic climate. The sales tax trend has stabilized and showed signs of recovery. Building permit revenue has 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 and weather conditions. Several important revenue sources are affected by economic conditions beyond the Village's control. These sources include sales tax, building permit fees, income tax, motor fuel tax, golf club revenue, and utility taxes. At the end of Fiscal Year 2011, the State of Illinois had not disbursed three 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. The Village no longer uses the five-year average of water sales to establish the budget. Due to record low consumption, the budget is established based on current fiscal year projections on usage which has been significantly lower than the five year average.

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

Relevant Financial Policies

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

Long Term Financial Planning

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

Looking Forward to Fiscal Year 2012

During the process of Fiscal Year 2012 Budget development, some major issues that the executive staff and the Village Board reviewed included:

- Evaluation and review of the changing national economic climate and the impact on the Village;
- Review of positive revenue (sales tax and building permits);
- Review of revenue shortfalls (income tax and utility tax)
- Determination of the appropriate level of fund balance;
- Determination of tax abatement;
- Review of water consumption and the effect on future revenues to support capital improvements in the Water Supply system of the Village;
- Review and submit application for IEPA loan in the amount of \$1.2 million;
- Review and determination to increase the IRMA deductible to \$100,000 (began during calendar year 2011);
- Determination of appropriate budget amount for building permit revenue;
- Determination of funding Police Pension obligations;
- Determination of funding garbage services and capital equipment;
- Determination to increase all management fees by 1.1%;
- Determination and continuation of a Day Labor Transfer Fee from the Motor Fuel Tax Fund;
- Determination of the resident and non-resident ambulance fee consistent with insurance industry standards for reimbursement;
- Determination of water fees, from \$3.265 per 100 cubic feet to \$3.353 per 100 cubic feet;
- Determination of sewer rates, from \$.918 per 100 cubic feet to \$.943 per 100 cubic feet;
- Determination of a Capital Plan identifying critical needs Fiscal Year 2012;
- Determination of appropriate staffing levels to meet the essential service levels and programs of the Village, and
- Modification of Public Safety Department Organization structure eliminating two Public Safety Officers.

After close review of the issues stated above, it was decided that the following capital items, programs and projects would be included in budget for Fiscal Year 2012:

- Replacement of water distribution mains (\$1,200,000 – Water Fund, IEPA Loan)
- Continuation of the Village street improvement program (\$500,000 – Motor Fuel Tax Fund);
- Rehabilitation and replacement of Village sewer systems (\$118,108 – Bond Fund);
- Installation of sprinkler system in designated areas of the Village Hall (\$123,270 – Bond Fund);
- Replacement of two Water Plant vehicles (\$80,000 – General Fund);
- Replacement of five Village vehicles (\$148,800 – General Fund);
- Replacement of two aerial tower trucks for Public Works operations (\$242,300 – General Fund);
- Implementation of data replication for disaster recovery purposes (\$30,000 – E911 Fund, \$30,000 General Fund);
- Replacement of Front End Loader for Public Works operations (\$144,200 – General Fund);
- Replacement of 2 ½ ton dump truck (\$101,000 – General Fund)
- Replacement of Refuse Packer to assist in Garbage operations (\$185,400 – Garbage Fund);
- Replacement of dispatch computers for the Communications Room (\$35,000 – E911 Fund)
- Replacement of leaf vacuum (\$33,500 – Garbage Fund);
- Replacement of ¾ ton truck (\$37,000 – Garbage Fund);
- Replacement of air compressor (\$25,700 – General Fund);
- Replacement of asphalt roller (\$20,000 – General Fund);
- Replacement of track excavator (\$53,000 – General Fund);
- Replacement of lower level windows and garage roof at the Water Plant (\$65,000 – Water Fund); and
- Replacement of master to meters to assist in water operations (\$20,000 – Water Fund).

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

Awards

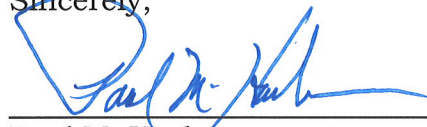
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Glencoe for its comprehensive annual financial report for the fiscal year ended February 28, 2011. This was the twenty-fifth consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

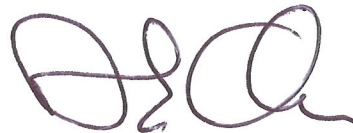
Acknowledgements

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

Sincerely,



Paul M. Harlow
Village Manager



David A. Clark
Director of Finance

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, 2010

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



President

Executive Director

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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

INDEPENDENT AUDITORS' REPORT

May 24, 2011

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

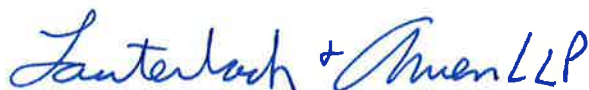
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for the Village of Glencoe, Illinois as of and for the year ended February 28, 2011, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Village of Glencoe, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Glencoe, Illinois as of February 28, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of Glencoe, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied 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, 2011

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, 2011. This section should be used in conjunction with the transmittal letter at the front of this report and with the Village's financial statements that follow this section. Where appropriate the following Management Discussion and Analysis (MD&A) refers to specific pages in the CAFR for additional information.

FINANCIAL HIGHLIGHTS

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

1. Net asset position and performance in total – The Village's total net assets at February 28, 2011 were \$74,259,870, an increase of \$1,724,749 (See page MD&A 5-Table II and CAFR pages 3-4);
2. Governmental Activity Summary – Net assets for governmental activities increased by \$841,031 during the year (See page MD&A 5-Table II and CAFR pages 3-4);
3. Business-Type Activity Summary – Net assets for business-type activities increased by \$883,718 during the year. Net assets of the Water Fund increased \$619,972 during the year while net assets of the Glencoe Golf Club increased \$263,746 (See page MD&A 5-Table II, CAFR pages 3-4 and 13);
4. General Fund Summary – The Village's General Corporate Fund reported an increase of \$375,483 in fund balance for the year. Actual General Fund revenues were \$552,026 over budget, while General Fund expenditures were \$220,498 less than budget. All expenditures were within legal appropriation limits (See CAFR page 10 and pages 61 and 63-65);
5. New Capital Assets – Total capital assets experienced a net accumulation of \$2,407,788 prior to depreciation of assets subject to depreciation. The net change in capital assets less depreciation expense resulted in an increase of \$1,635,642 in governmental capital assets balance from \$74,649,934 to \$76,285,576 (See Notes to Financial Statement No.3 on CAFR page 35 and page MD&A 16-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.

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

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

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

Table I

Fund Statements

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

VILLAGE OF GLENCOE MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Government-Wide Financial Statements

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

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

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Infrastructure Assets

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

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

GOVERNMENT-WIDE STATEMENTS

Statement of Net Assets

The following (Table II) reflects the condensed Statement of Net Assets as of February 28, 2011 with a comparison to the prior year. Net assets related to governmental activities increased \$841,031 or 1.2% from the prior year. Net assets related to business-type activities increased \$883,718 or 42.3% from the prior year. Net assets for total primary government increased \$1,724,749 or 2.4% from the prior year.

Table II
Statement of Net Assets
As of February 28, 2011

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total Primary Government</i>	
	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
<i>Current and other assets</i>	\$ 22,632,552	\$ 19,493,297	\$ (670,904)	\$ 77,288	\$ 21,961,648	\$ 19,570,585
<i>Capital Assets</i>	74,649,934	76,285,576	3,206,293	3,430,650	77,856,227	79,716,226
<i>Total Assets</i>	97,282,486	95,778,873	2,535,389	3,507,938	99,817,875	99,286,811
<i>\$ Change</i>	(3,633,853)	(1,503,613)	112,130	972,549	(3,521,723)	(531,064)
<i>% Change</i>	-3.6%	-1.5%	4.6%	38.4%	-3.4%	-0.5%
<i>Non-Current</i>	10,945,606	9,217,935	189,663	181,723	11,135,269	9,399,658
<i>Other Liabilities</i>	15,888,993	15,272,020	258,492	355,263	16,147,485	15,627,283
<i>Total Liabilities</i>	26,834,599	24,489,955	448,155	536,986	27,282,754	25,026,941
<i>\$ Change</i>	(2,658,314)	(2,344,644)	(139,017)	88,831	(2,797,331)	(2,255,813)
<i>% Change</i>	-9.0%	-8.7%	-23.7%	19.8%	-9.3%	-8.3%
<i>Net Assets:</i>						
<i>Invested in capital assets, net of debt</i>	66,567,750	66,206,059	3,206,293	3,430,650	69,774,043	69,636,709
<i>Restricted</i>	654,916	1,316,599	-	-	654,916	1,316,599
<i>Unrestricted</i>	3,225,221	3,766,260	(1,119,059)	(459,698)	2,106,162	3,306,562
<i>Total Net Assets</i>	70,447,887	71,288,918	2,087,234	2,970,952	72,535,121	74,259,870
<i>\$ Change</i>	(975,539)	841,031	251,147	883,718	(724,392)	1,724,749
<i>% Change</i>	-1.4%	1.2%	13.7%	42.3%	-1.0%	2.4%

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

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Normal Impacts

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

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

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

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

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

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

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

Current Year Impacts

The Village's combined net assets (which is the Village's bottom line) increased from \$72,535,121 to \$74,259,870, an increase of \$1,724,749 or 2.4% as a result of the combined governmental and business-type activities.

Net assets of the Village's governmental activities increased from \$70,447,887 to \$71,288,918, an increase of \$841,031 or 1.2% as a result of governmental activities. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, increased from \$3,225,221 to \$3,766,260. Assets restricted for public safety and for roadway maintenance amounted to \$892,722.

Net assets from business-type activities funding water production/distribution and Glencoe Golf Club operations increased from \$2,087,234 to \$2,970,952, an increase of \$883,718 or 42.3%. The Village's unrestricted net assets for business-type activities were (\$459,698). The deficit of unrestricted net assets for business-type activities is due primarily to the advances to date (plus interest) of \$1,556,282 to the Glencoe Golf Club, (a decrease of \$2,856 from the prior year). Independently, the net unrestricted assets for the Water Fund were \$430,746, while the Glencoe Golf Club unrestricted net assets were (\$890,444).

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

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

Table III
Changes in Net Assets
For the Fiscal Year Ended February 28, 2011

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2011	2010	2011	2010	2011
REVENUES						
Program Revenues						
Charges for Service	\$ 2,058,087	\$ 2,788,218	\$ 3,338,864	\$ 3,878,549	\$ 5,396,951	\$ 6,666,767
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	220,432	259,938	-	-	220,432	259,938
Total Program Revenue	2,278,519	3,048,156	3,338,864	3,878,549	5,617,383	6,926,705
General Revenues						
Property and Replacement Taxes	10,591,945	10,782,099	-	-	10,591,945	10,782,099
Sales Tax	1,576,372	1,748,726	-	-	1,576,372	1,748,726
Utility Tax	1,296,223	1,338,875	-	-	1,296,223	1,338,875
Income Tax	699,419	690,864	-	-	699,419	690,864
Other	1,292,599	1,498,410	9,013	7,219	1,301,612	1,505,629
Total General Revenue	15,456,558	16,058,974	9,013	7,219	15,465,571	16,066,193
Total Revenue	17,735,077	19,107,130	3,347,877	3,885,768	21,082,954	22,992,898
\$ Change	(925,014)	1,372,053	(28,444)	537,891	(953,458)	1,909,944
% Change	-5.0%	7.7%	-0.8%	16.1%	-4.3%	9.1%
EXPENSES						
Administration & Finance	2,161,110	2,210,625	-	-	2,161,110	2,210,625
Public Safety	7,022,845	7,308,147	-	-	7,022,845	7,308,147
Public Works	9,118,339	8,492,940	-	-	9,118,339	8,492,940
Debt Service Interest	408,322	254,387	-	-	408,322	254,387
Water			1,784,162	1,589,552	1,784,162	1,589,552
Glencoe Golf Club			1,312,568	1,412,498	1,312,568	1,412,498
Total Expenses	18,710,616	18,266,099	3,096,730	3,002,050	21,807,346	21,268,149
\$ Change	2,555,635	(444,517)	(39,230)	(94,680)	2,516,405	(539,197)
% Change	15.8%	-2.4%	-1.3%	-3.1%	13.0%	-2.5%
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	(975,539)	841,031	251,147	883,718	(724,392)	1,724,749
TRANSFERS	-	-	-	-	-	-
Change in Net Assets	(975,539)	841,031	251,147	883,718	(724,392)	1,724,749

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Revenue for governmental activities increased \$1,372,053 or 7.7% from the prior year and expenses for governmental activities decreased \$444,517 or 2.4% from the prior year. Revenue for business-type activities increased \$537,891 or 16.1% from the prior year and expenses for business-type activities decreased \$94,680 or 3.1% from the prior year. The total revenue for primary government activities increased \$1,909,944 or 9.1% from the prior year and total expenses for primary government activities decreased \$539,197 or 2.5% from the prior year.

Normal Impacts – Changes in Net Assets

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

Revenues:

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

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

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

Market Impacts on Investment Income - the Village's investment portfolio is managed using a shorter maturity than many governments, which may result in lower interest income due to the market stability of shorter-term options. However, the Village earns 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.

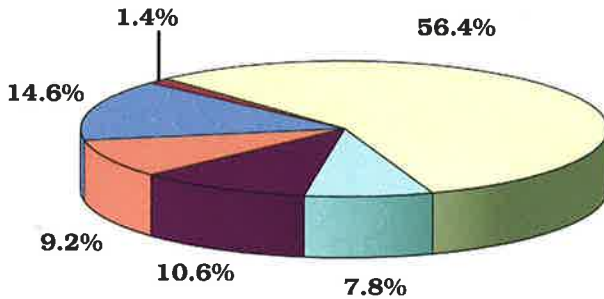
Salary Increases (annual adjustments and merit) - the Village strives to maintain a competitive salary range position in the marketplace.

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 2009 tax levy (Fiscal Year 2011 Budget) was based on the change in CPI from December 31, 2007 to December 31, 2008 or .10%. The following year CPI (from December 31, 2008 to December 31, 2009) of 2.72% was used for the 2010 tax levy (Fiscal Year 2012 Budget). The change in CPI from December 31, 2009 to December 31, 2010 was 1.50% and will be used for the 2011 tax levy (Fiscal Year 2013 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.

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Current Year Impacts

2011 Governmental Activities Revenue



■ Charges for Service	■ Grants
□ Property Tax	□ Other
■ Other Tax	■ Sales Tax

Governmental Activities

Revenue:

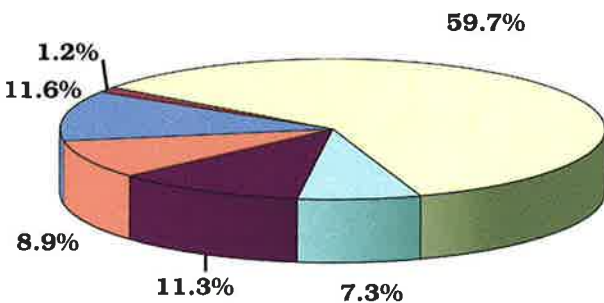
For the fiscal year ended February 28, 2011 revenues from government activities totaled \$19,107,130.

Property taxes (and replacement taxes) continue to be the Village's largest revenue source totaling \$10,782,099 representing 56.4% of total governmental activity revenue. Sales tax revenue was \$1,748,726 or 9.2% of total governmental activity revenue. Other taxes including, local utility tax was \$1,338,875 and shared state income tax revenue was \$690,864, together representing 10.6% of the total governmental activity revenue. Total charges for service were \$2,788,218 or 14.6% of governmental activity revenue.

Comparison with Prior Year:

Property tax and replacement tax revenue increased by \$190,154 or 1.8% from the prior year. Sales taxes increased by \$172,354 or 10.9% from the prior year. Sales tax increased from the prior year but is still below levels seen prior to the economic downturn. The sales tax figure is gross and therefore does not include any rebates paid. Income tax decreased by \$8,555 or 1.2% from the prior year. Income tax was reduced due to the continued high level of unemployment. As of February 28, 2011, \$187,302 of income tax revenue was still receivable, as compared to \$216,869 in prior year. Charges for service increased by \$730,131 or 35.5%. Specifically the increase was due to reinstating the garbage collection and increasing sewer service charge fee. Grants (capital and operating) increased by \$39,506 or 17.9%.

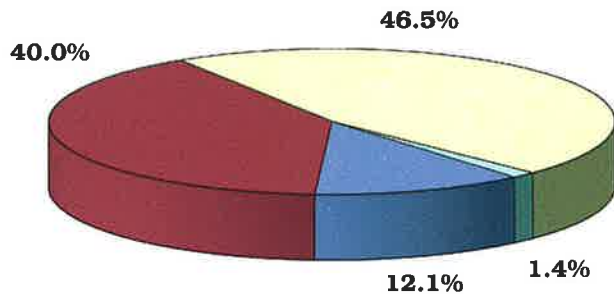
2010 Governmental Activities Revenue



■ Charges for Service	■ Grants
□ Property Tax	□ Other
■ Other Tax	■ Sales Tax

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

**2011 Governmental Activities
Expense**



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

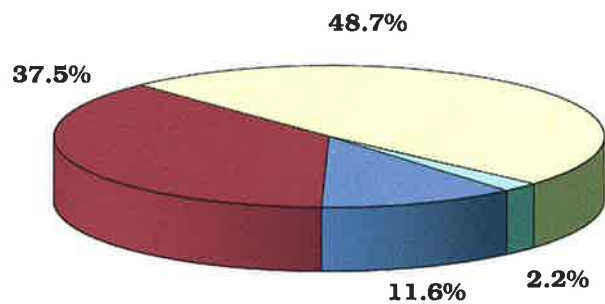
Expenses:

For the fiscal year that ended February 28, 2011, expenses for governmental activities totaled \$18,266,099.

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.

**2010 Governmental Activities
Expense**



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

Comparison with Prior Year:

Total expenses for governmental activities decreased \$444,517 or 2.4% from the prior year. Expenses for administration and finance increased by \$49,515, or 2.3%, from the prior year. Expenses for Public Safety increased by \$285,302 or 4.1% from the prior year. Expenses for Public Works decreased by \$625,399 or 6.9% from the prior year. Expenses related to debt service interest payments decreased by \$153,935 or 37.7% from the prior year.

The decrease expenses for governmental activities was to the expiration of an amortization schedule allocating costs associated with a 2003 refunding bond issue and the recorded loss on disposal of capital assets being significantly less than last fiscal year. Absent these two changes, governmental expenses actually increased by \$454,861 or 2.56%.

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Table IV
Cost Factors

Category	2009 Factors		2010 Factors		2011 Factors	
	% Change	Effective	% Change	Effective	% Change	Effective
Change in CPI (Tax Cap)	2.54%	12/31/2006	4.08%	12/31/2007	0.10%	12/31/2008
General Employees	3.95%	3/1/2008	2.88%	3/1/2009	0.00%	3/1/2010
General Employees ECA/Merit	0.00%	3/1/2008	0.00%	3/1/2009	2.19%	3/1/2010
Public Safety Officers	3.95%	3/1/2008	2.88%	3/1/2009	0.00%	3/1/2010
Public Safety Officers ECA, Merit or Step Adjustment	0.00%	3/1/2008	0.00%	3/1/2009	2.00%	3/1/2010
Bargaining Unit Employees	3.74%	3/1/2008	4.79%	3/1/2009	0.00%	3/1/2010
Bargaining Unit Signing Bonus	0	3/1/2008	0	3/1/2009	\$250	3/1/2010
Health Insurance	-2.95%	1/1/2009	3.70%	1/1/2010	0.00%	1/1/2011
Police Pension (All Sources)	3.98%	3/1/2008	9.99%	3/1/2009	23.64%	3/1/2010
IMRF	0.79%	1/1/2009	41.80%	1/1/2010	-2.14%	1/1/2011

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 2009 Tax Levy (for Fiscal Year 2011) was based on a 0.10% increase in the CPI from 2007 to 2008. The 2009 Tax Levy increased the extension by \$174,724 to a total extension for capped funds of \$8,052,731.

Wage Factors

Included in cost factors in Table IV are factors for general employees, public safety officers and bargaining unit employees. During Fiscal Year 2011 general employees, public safety officers and bargaining unit employees all received a 0% increase in base pay. However, general employees and public safety officers received either an economic contingency adjustment (ECA), merit or step adjustment. The ECA/merit adjustment was made in recognition of changes in cost of living and service to the Village but the increases were not included as an increase to base pay for the purpose of future wage increases. The dollar ECA/merit adjustment for general employees was equal to 2.19% of base pay. The dollar ECA, merit or step adjustment for public safety officers was 2.0% of base pay. Employees receiving a step adjustment did not receive an ECA adjustment. The bargaining unit employees received a 0% increase in wages but received a one-time bonus of \$250.

Health Insurance

The health insurance premium rate increased by 3.70% effective January 1, 2010 and remained the same (0% increase) effective January 1, 2011. The 2011 renewal included the introduction of an office visit co-pay of \$20 on the HMO coverage and an increase in the cost to employees for prescription coverage. Also, effective March 1, 2011 the Village implemented an 11.9% employee contribution for single coverage. Previously the Village paid 100% of the single coverage cost.

VILLAGE OF GLENCOE

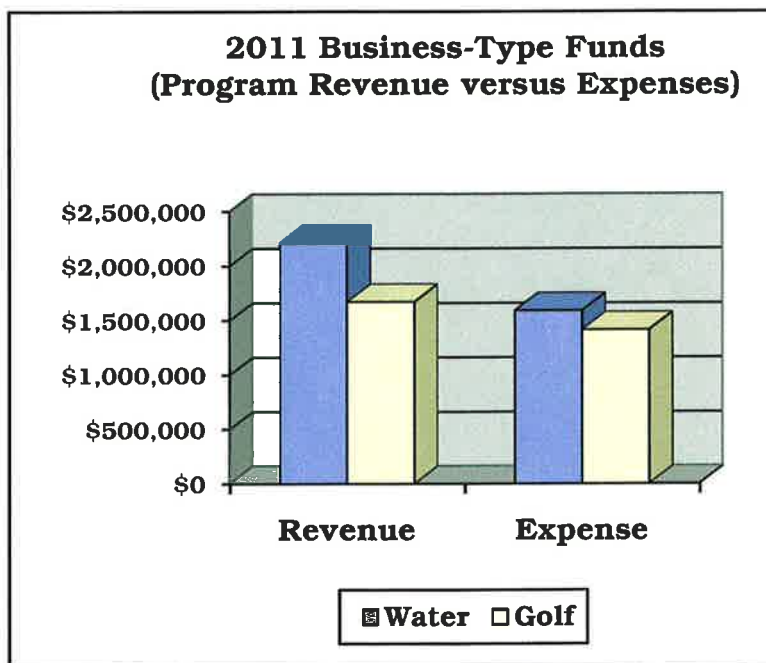
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

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 23.64% increase in the Village's actual contribution to the Police Pension Fund from the prior year. This increase contribution occurred in continued recognition of investment losses that occurred during Fiscal Year 2009 and recognition of the 100% funding requirement by 2033. The ARC for the Police Pension Fund has increased from \$792,217 in Fiscal Year 2006 to \$1,342,900 in Fiscal Year 2011. The actual contributions to the Police Pension Fund increased from \$900,527 (113.6% of ARC) in Fiscal Year 2006 to \$1,740,339 (129.6% of ARC) in Fiscal Year 2011. Since Fiscal Year 2006, contributions to the Police Pension Fund have been \$1.7 Million in excess of the ARC and have averaged 129.3% of the ARC annually.

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%. Initially during Fiscal Year 2011 the Village contributed based on the phase-in rate and made a catch up payment to the ARC level. As result the actual increase for 2010 was 41.8%. The IMRF employer rate decreased from an ARC rate of 12.62% of salary during 2010 to 12.35% of salary during 2011 (effective January 1, 2011).



Business Type Activities

Revenue

Revenue from business-type activity totaled \$3,885,768. Revenue generated by business-type activity increased by \$537,891 or 16.1% from the prior year.

At the end of Fiscal Year 2011, the water rate for the Village was \$3.265 per 100 cubic feet, a 17.8% change from the March 1 of the prior year. Water Fund charges for service increased by \$487,116 or 28.3% due to increased rates and increased consumption.

During Fiscal Year 2011, the volume of water pumped increased from the prior year by 57.7 Million Gallons (MG) or 11.1% and was 92.6% of the 5-year average.

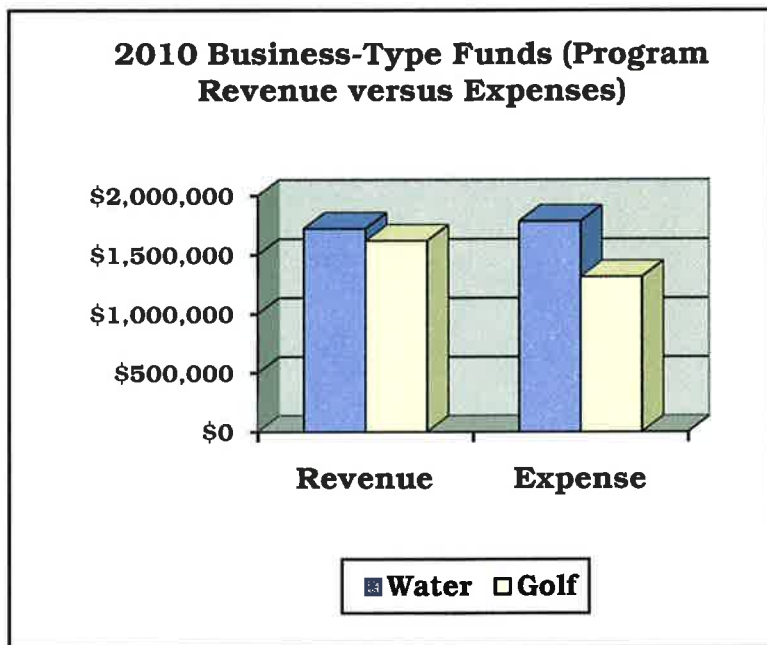
During the prior year, the volume of water pumped decreased by 89.41 MG or 14.7% from the prior fiscal year and was 83.1% of the 5-year average. Economic conditions, weather conditions and reduced elective use of water (yard watering) are believed to be contributing to the reduced use of water.

Charges for service for the Golf Club increased \$52,569 or 3.3% from the prior year. The Golf Club continued its partnership with GreenToTee Golf Academy (GTT). GTT leased space and reimbursed the Golf Club for utility costs during the year. The recent economic downturn may have helped the Glencoe Golf Club with members at clubsopting for the public golf course experience (at lower rates) rather than continue expensive memberships.

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Expenses

Expenses (including depreciation) from business-type activity totaled \$3,002,050. Business-type depreciation expense amounted to \$130,134 as compared to \$118,358 in the prior year.



Included is an interest expense of \$4,206 on the advance to the Glencoe Golf Club due to the Village's General Fund. This amount decreased from the prior year amount of \$10,743. This decrease was due to a decrease in the rate of earnings.

During the year, the Water Fund had an operating gain of \$619,048, as compared to the operating loss of \$62,678 during Fiscal Year 2010. The Glencoe Golf Club had an operating gain of 263,109, as compared to the operating gain at the Glencoe Golf Club during Fiscal Year 2010 of \$322,600.

Expenses for business type activities decreased by \$94,680 or 3.1% from the prior year. Expenses for the Water Fund decreased by \$194,610 or 10.9% from the prior year. Expenses

for the Golf Club increased by \$99,930 or 7.6% from the prior year.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

For the Fiscal Year ending February 28, 2011, the governmental funds reflect a combined fund balance of \$5,974,354. (See pages 10-11 for more information). Overall the net change in combined fund balance was a decrease of \$3,506,002. The net change in fund balance for the General Fund was an increase of \$375,483. The net change for the Garbage Fund was an increase of \$44,969. The net change in fund balance for General Obligation Bonds was an increase of \$69,464. The net change in fund balance for Capital Projects was a decrease of \$4,233,724 due to the use of a portion of the bonds from the 2009 Series Bonds. The net change in fund balance for non-major governmental funds during the year was an increase of \$237,806.

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>2011 Actual</i>	<i>2010 Actual</i>	<i>2009 Actual</i>
REVENUES					
Taxes	\$ 11,799,668	\$ -	\$ 12,029,467	\$ 10,944,641	\$ 11,152,765
Licenses & Permits	1,118,470	-	1,304,857	1,205,211	1,491,828
Other	1,526,795	-	1,662,655	1,257,086	1,876,838
Total	\$ 14,444,933	\$ -	\$ 14,996,979	\$ 13,406,938	\$ 14,521,431
\$ From Final Budget			\$ 552,046		
% of Final Budget			103.8%		
\$ from Actual			\$ 1,590,041	\$ (1,114,493)	\$ (127,105)
% from Actual			11.9%	-7.7%	-0.9%
EXPENDITURES & TRANSFERS					
Expenditures	\$ 14,495,996	\$ 15,980,596	\$ 14,275,498	\$ 13,309,659	\$ 14,503,300
\$ From Final Budget			\$ (220,498)		
% from Final Budget			98.5%		
\$ from Actual			\$ 965,839	\$ (1,193,641)	\$ (658,403)
% from Actual			7.3%	-8.2%	-4.3%
Transfers out	-	-	345,998	-	-
Total	\$ 14,495,996	\$ 15,980,596	\$ 14,621,496	\$ 13,309,659	\$ 14,503,300
Changes In Fund Balance	\$ (51,063)	\$ (15,980,596)	\$ 375,483	\$ 97,279	\$ 18,131

Total revenue in the General Fund increased by \$1,590,041 or 11.9% from the prior year actual revenue. Total expenditures in the General Fund increased by \$965,839 or 7.3% from the prior year. (See pages 61 and 63-65 for more detail about revenues and expenditures in the General Fund).

The General Fund received revenues at 103.8% of budget. Fiscal year 2011 revenue included a recovery in sales tax revenue and building permit revenue from prior year actual levels. However, the levels of revenue are still less than the total collected prior to the economic downturn. During development of the updated long range financial projection and the Fiscal Year 2012 Budget, the Village Board reviewed revenue trends to develop strategies to increase revenue and decrease expense. The Village Board's ongoing goal is to anticipate and react to the changing economic climate in a timely, prudent and appropriate fashion.

Expenditures were \$220,498 less than budgeted or 98.5% of budget. The reason for the Fiscal year expenditures being less than budget was due to cost containment measures including: (1) holding the Assistant Village Manager position vacant for most of the year and (2) savings on liability insurance by increasing the Village's liability insurance deductible from \$50,000 to \$100,000 effective January 1, 2011.

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

During Fiscal Year 2011, the Village Board adopted a supplemental appropriation ordinance. The supplemental appropriations were primarily for the following purposes:

1. Providing for unanticipated banking fee expense;
2. Providing for building permit rebate expenses; and
3. Providing for unforeseen energy costs in the Street Lighting Division.

The supplemental appropriation was adopted to make sure that anticipated expenditures would be within appropriated amounts. There was no action taken by the Village Board during the Fiscal Year to increase the budget. On a fund-by-fund basis, all Fiscal Year 2011 expenditures were within Fiscal Year 2011 appropriations. The amount of the supplemental appropriation is the same as the original appropriation for all funds. Certain appropriated items were transferred to areas needing increased spending authority.

VILLAGE OF GLENCOE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Capital Assets

At the end of Fiscal Year 2011, the Village's Governmental Activities had invested \$76,285,576 (see Notes to Financial Statement No.3 on pages 35-36) in a variety of capital assets and infrastructure, as reflected in the following schedule.

Table VI
Governmental Funds
Change in Capital Assets

	Balance February 28 ,2009	Balance February 28 ,2010	Net Additions/ Deletions	Balance February 28 ,2011
Non-Depreciable Assets				
Land & Land Right of Way	\$ 44,747,974	\$ 44,747,974	\$ -	\$ 44,747,974
Construction In Progress	-	319,800	(319,800)	-
Sub-Total	44,747,974	45,067,774	(319,800)	44,747,974
Other Capital Assets				
Buildings & Improvements	5,356,933	5,372,338	657,658	6,029,996
Vehicles	4,295,578	4,268,864	340,877	4,609,741
Machinery & Equipment	525,468	672,548	25,724	698,272
Infrastructure	40,780,318	40,396,961	1,703,329	42,100,290
Sub-Total	50,958,297	50,710,711	2,727,588	53,438,299
Accumulated Depreciation on other Capital Assets	(19,883,013)	(21,128,551)	(772,146)	(21,900,697)
Totals	75,823,258	74,649,934	1,635,642	76,285,576
\$ Change from prior year	(53,427)	(1,173,324)		
% Change from prior year	-0.07%	-1.55%	2.19%	

Assets (net of depreciation) increased \$1,635,642 or 2.19% from Fiscal Year 2010 to Fiscal Year 2011.

Debt Outstanding

As of February 28, 2011, the Village had \$10,030,000 in outstanding debt service. The existing schedule extends through Fiscal Year 2019. (For more information see Statement Note No. 3 on pages 38-41).

The Village has a legal debt limit of \$123,907,246, which is 10.00% of assessed valuation. The Village has used \$10,030,000 of this limit leaving a legal debt margin of \$113,877,246. As last rated during Fiscal Year 2009, the Village maintained an "AAA" bond rating by Standard & Poor's Corporation. As stated by Standard & Poor, the rating reflects high-end housing stock, strong local economic conditions and strong financial management using 5-year financial planning, and 10 year capital planning.

VILLAGE OF GLENCOE MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Economic Factors

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

The equalized assessed valuation (EAV) grew 6.8% from Tax Year 2008 level to total an EAV of \$1,239,072,464. The 2009 Tax Levy (including debt service) grew 1.46% from the 2008 Tax Extension. The 2009 Tax Extension was 0.87% of the total EAV as compared to a 10-year average of 1.26% 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 Assets
February 28, 2011**

See Following Page

VILLAGE OF GLENCOE, ILLINOIS

Statement of Net Assets February 28, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Glencoe Public Library
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 5,281,539	1,334,845	6,616,384	1,550,179
Receivables - net of allowances				
Property taxes	10,438,828	-	10,438,828	2,004,451
Other taxes	845,968	-	845,968	-
Accounts	226,389	171,111	397,500	-
Other	14,755	30,217	44,972	-
Internal balances	1,556,282	(1,556,282)	-	-
Inventory/prepays	267,760	97,397	365,157	15,173
Total current assets	18,631,521	77,288	18,708,809	3,569,803
NONCURRENT ASSETS				
Capital assets				
Nondepreciable	44,747,974	933,090	45,681,064	75,772
Depreciable	53,438,299	7,391,790	60,830,089	2,808,580
Accumulated depreciation	(21,900,697)	(4,894,230)	(26,794,927)	(1,111,041)
	76,285,576	3,430,650	79,716,226	1,773,311
Other Assets				
Net Pension Asset	861,776	-	861,776	-
Total noncurrent assets	77,147,352	3,430,650	80,578,002	1,773,311
Total assets	95,778,873	3,507,938	99,286,811	5,343,114

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Glencoe Public Library
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	1,892,106	108,941	2,001,047	4,141
Accrued interest payable	52,926	-	52,926	-
Unearned/deferred revenue	10,765,061	112,138	10,877,199	2,062,423
Compensated absences payable	756,927	134,184	891,111	-
Notes payable	-	-	-	29,712
General obligation bonds payable	1,805,000	-	1,805,000	-
Total current liabilities	15,272,020	355,263	15,627,283	2,096,276
NONCURRENT LIABILITIES				
Net pension obligation payable	141,725	-	141,725	-
Net other postemployment benefit payable	113,947	-	113,947	-
Compensated absences payable	687,746	181,723	869,469	-
Notes payable	-	-	-	344,450
General obligation bonds payable - net	8,274,517	-	8,274,517	-
Total noncurrent liabilities	9,217,935	181,723	9,399,658	344,450
Total liabilities	24,489,955	536,986	25,026,941	2,440,726
NET ASSETS				
Invested in capital assets - net of related debt	66,206,059	3,430,650	69,636,709	1,399,149
Restricted for debt service	36,461	-	36,461	-
Restricted for roadway maintenance	478,302	-	478,302	-
Restricted for public safety	414,420	-	414,420	-
Restricted for capital projects	387,416	-	387,416	-
Restricted for employee retirement	-	-	-	23,406
Restricted for donor specified purposes	-	-	-	40,158
Unrestricted	3,766,260	(459,698)	3,306,562	1,439,675
TOTAL NET ASSETS	71,288,918	2,970,952	74,259,870	2,902,388

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Activities

Year Ended February 28, 2011

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
Governmental activities				
Administration and finance	2,210,625	62,559	-	-
Public safety	7,308,147	381,330	-	-
Public works	8,492,940	2,344,329	-	259,938
Interest on long-term debt	254,387	-	-	-
Total governmental activities	18,266,099	2,788,218	-	259,938
Business-type activities				
Water	1,589,552	2,208,600	-	-
Glencoe golf club	1,412,498	1,669,949	-	-
Total business-type activities	3,002,050	3,878,549	-	-
TOTAL PRIMARY GOVERNMENT	21,268,149	6,666,767	-	259,938
COMPONENT UNIT				
Glencoe Public Library	2,005,294	40,465	62,155	-

General revenues

Taxes

Property and replacement

Sales

Utility

Income

Other

Interest

Miscellaneous

CHANGE IN NET ASSETS

NET ASSETS - BEGINNING

NET ASSETS - ENDING

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

Net Expense/Revenue			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Total	Glencoe Public Library
(2,148,066)	-	(2,148,066)	-
(6,926,817)	-	(6,926,817)	-
(5,888,673)	-	(5,888,673)	-
(254,387)	-	(254,387)	-
(15,217,943)	-	(15,217,943)	-
-	619,048	619,048	-
-	257,451	257,451	-
-	876,499	876,499	-
(15,217,943)	876,499	(14,341,444)	-
-	-	-	(1,902,674)
10,782,099	-	10,782,099	1,925,453
1,748,726	-	1,748,726	-
1,338,875	-	1,338,875	-
690,864	-	690,864	-
586,188	-	586,188	-
106,902	7,219	114,121	5,099
805,320	-	805,320	3,488
16,058,974	7,219	16,066,193	1,934,040
841,031	883,718	1,724,749	31,366
70,447,887	2,087,234	72,535,121	2,871,022
71,288,918	2,970,952	74,259,870	2,902,388

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

VILLAGE OF GLENCOE, ILLINOIS

Balance Sheet - Governmental Funds February 28, 2011

	<u>General</u>
ASSETS	
Cash and investments	\$ 3,506,168
Receivables - net of allowances	
Property taxes	8,341,943
Other taxes	824,615
Accounts	117,801
Other	14,157
Due from other funds	1,556,282
Prepays	223,478
Inventory	-
	<u> </u>
TOTAL ASSETS	<u>14,584,444</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accrued liabilities	1,643,768
Unearned/deferred revenues	8,609,994
Total liabilities	<u>10,253,762</u>
FUND BALANCES	
Reserved for prepaids	223,478
Reserved for inventory	-
Reserved for advances	1,556,282
Reserved for debt service	-
Reserved for capital projects	-
Reserved for roadway maintenance	-
Reserved for public safety	-
Unreserved	2,550,922
Total fund balances	<u>4,330,682</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>14,584,444</u>

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

Special Revenue Garbage	Debt Service General Obligation Bonds	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
149,757	147,569	576,581	901,464	5,281,539
-	2,096,885	-	-	10,438,828
-	-	-	21,353	845,968
108,588	-	-	-	226,389
598	-	-	-	14,755
-	-	-	-	1,556,282
39,665	-	-	-	263,143
4,617	-	-	-	4,617
303,225	2,244,454	576,581	922,817	18,631,521
29,078	-	189,165	30,095	1,892,106
-	2,155,067	-	-	10,765,061
29,078	2,155,067	189,165	30,095	12,657,167
39,665	-	-	-	263,143
4,617	-	-	-	4,617
-	-	-	-	1,556,282
-	89,387	-	-	89,387
-	-	387,416	-	387,416
-	-	-	478,302	478,302
-	-	-	414,420	414,420
229,865	-	-	-	2,780,787
274,147	89,387	387,416	892,722	5,974,354
303,225	2,244,454	576,581	922,817	18,631,521

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

VILLAGE OF GLENCOE, ILLINOIS

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

February 28, 2011

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 5,974,354
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	76,285,576
A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds.	861,776
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net pension obligation payable	(141,725)
Net other post-employment benefit obligation payable	(113,947)
Compensated absences payable	(1,444,673)
General obligation bonds payable - net	(10,079,517)
Accrued interest payable	<u>(52,926)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>71,288,918</u></u>

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

VILLAGE OF GLENCOE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
February 28, 2011**

See Following Page

VILLAGE OF GLENCOE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Year Ended February 28, 2011

	General
REVENUES	
Property taxes	\$ 7,959,216
Other taxes	4,070,251
Intergovernmental	-
Licenses, permits and fees	1,304,857
Charges for services	731,789
Fines and forfeitures	137,942
Interest	44,326
Miscellaneous	748,598
Total revenues	<u>14,996,979</u>
EXPENDITURES	
Current	
Administration and finance	2,057,316
Public safety	7,475,207
Public works	4,234,471
Capital outlay	508,504
Debt service	
Principal retirement	-
Interest and fiscal charges	-
Total expenditures	<u>14,275,498</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>721,481</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	-
Transfers out	(345,998)
	<u>(345,998)</u>
NET CHANGE IN FUND BALANCES	375,483
FUND BALANCES - BEGINNING	<u>3,955,199</u>
FUND BALANCES - ENDING	<u><u>4,330,682</u></u>

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

Special Revenue Garbage	Debt Service General Obligation Bonds	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
-	2,705,988	-	-	10,665,204
7,000	-	-	150,033	4,227,284
-	-	-	259,938	259,938
-	-	-	-	1,304,857
867,894	-	-	-	1,599,683
-	-	-	-	137,942
1,149	7,258	50,467	3,702	106,902
55,162	-	1,560	-	805,320
931,205	2,713,246	52,027	413,673	19,107,130
-	-	-	-	2,057,316
-	-	-	118,104	7,593,311
1,199,957	-	-	35,880	5,470,308
32,277	-	4,285,751	21,883	4,848,415
-	2,325,000	-	-	2,325,000
-	318,782	-	-	318,782
1,232,234	2,643,782	4,285,751	175,867	22,613,132
(301,029)	69,464	(4,233,724)	237,806	(3,506,002)
345,998	-	-	-	345,998
-	-	-	-	(345,998)
345,998	-	-	-	-
44,969	69,464	(4,233,724)	237,806	(3,506,002)
229,178	19,923	4,621,140	654,916	9,480,356
274,147	89,387	387,416	892,722	5,974,354

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

VILLAGE OF GLENCOE, ILLINOIS

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

Year Ended February 28, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (3,506,002)
--	----------------

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	2,936,597
Depreciation expense	(1,263,093)

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

Disposals - cost	(528,809)
Disposals - accumulated depreciation	490,947

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

434,014

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

Increase in net pension obligation payable	(25,529)
Increase in net other post-employment benefit obligation payable	(41,444)
Increase in compensated absences payable	(45,045)
Retirement of debt	2,325,000
Amortization of premium	49,517

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.

14,878

CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

841,031

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Net Assets - Proprietary Funds February 28, 2011

	Water	Glencoe Golf Club	Totals
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 557,691	777,154	1,334,845
Receivables - net of allowances			
Customer accounts	171,111	-	171,111
Other	2,050	28,167	30,217
Prepays	26,742	21,334	48,076
Inventory	38,218	11,103	49,321
Total current assets	795,812	837,758	1,633,570
NONCURRENT ASSETS			
Capital Assets			
Nondepreciable	933,090	-	933,090
Depreciable	5,543,519	1,848,271	7,391,790
Accumulated depreciation	(4,201,445)	(692,785)	(4,894,230)
Total noncurrent assets	2,275,164	1,155,486	3,430,650
Total assets	3,070,976	1,993,244	5,064,220
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	84,504	24,437	108,941
Due to other funds	-	1,556,282	1,556,282
Unearned/deferred revenue	-	112,138	112,138
Compensated absences payable	98,839	35,345	134,184
Total current liabilities	183,343	1,728,202	1,911,545
NONCURRENT LIABILITIES			
Compensated absences payable	181,723	-	181,723
Total liabilities	365,066	1,728,202	2,093,268
NET ASSETS			
Invested in capital assets	2,275,164	1,155,486	3,430,650
Unrestricted	430,746	(890,444)	(459,698)
TOTAL NET ASSETS	2,705,910	265,042	2,970,952

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

VILLAGE OF GLENCOE, ILLINOIS**Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended February 28, 2011**

	Water	Glencoe Golf Club	Totals
OPERATING REVENUES			
Charges for services	\$ 2,123,267	1,610,359	3,733,626
Miscellaneous	85,333	59,590	144,923
Total operating revenues	2,208,600	1,669,949	3,878,549
OPERATING EXPENSES			
Water production	923,216	-	923,216
Water distribution	595,551	-	595,551
Golf	-	1,347,491	1,347,491
Depreciation	70,785	59,349	130,134
Total operating expenses	1,589,552	1,406,840	2,996,392
OPERATING INCOME	619,048	263,109	882,157
NONOPERATING REVENUES (EXPENSES)			
Disposal of capital assets	-	(5,658)	(5,658)
Interest income	924	6,295	7,219
	924	637	1,561
CHANGE IN NET ASSETS	619,972	263,746	883,718
NET ASSETS - BEGINNING	2,085,938	1,296	2,087,234
NET ASSETS - ENDING	2,705,910	265,042	2,970,952

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Cash Flows - Proprietary Funds Year Ended February 28, 2011

	Water	Glencoe Golf Club	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,176,375	1,717,379	3,893,754
Payments to employees	(848,450)	(650,564)	(1,499,014)
Payments to suppliers	(751,842)	(632,315)	(1,384,157)
	<u>576,083</u>	<u>434,500</u>	<u>1,010,583</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	<u>(19,316)</u>	<u>(340,833)</u>	<u>(360,149)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>924</u>	<u>6,295</u>	<u>7,219</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>557,691</u>	<u>99,962</u>	<u>657,653</u>
CASH AND CASH EQUIVALENTS - BEGINNING	<u>-</u>	<u>677,192</u>	<u>677,192</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>557,691</u></u>	<u><u>777,154</u></u>	<u><u>1,334,845</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	<u>619,048</u>	<u>263,109</u>	<u>882,157</u>
Adjustments to reconcile operating income to net income to net cash provided by (used in) operating activities:			
Depreciation expense	70,785	59,349	130,134
(Increase) decrease in current assets	(32,225)	47,430	15,205
Increase (decrease) in current liabilities	<u>(81,525)</u>	<u>64,612</u>	<u>(16,913)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>576,083</u></u>	<u><u>434,500</u></u>	<u><u>1,010,583</u></u>

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Net Assets - Fiduciary Funds February 28, 2011

	Pension Trust
ASSETS	
Cash and cash equivalents	\$ 1,759,366
Investments	
U.S. government and agency obligations	10,805,504
Mutual funds	11,086,322
Receivables - net of allowances	
Accrued interest	116,171
Other	29,722
Total assets	23,797,085
LIABILITIES	
Accounts payable	31,170
NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS	23,765,915

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

VILLAGE OF GLENCOE, ILLINOIS

Statement of Changes in Net Assets - Fiduciary Funds Year Ended February 28, 2011

	Pension Trust
ADDITIONS	
Contributions - employer	
Taxes	\$ 1,742,714
Contributions - plan members	300,868
Total contributions	2,043,582
Investment Income	
Interest earned	614,725
Net change in fair value	1,933,920
	2,548,645
Less investment expenses	(49,538)
Net investment income	2,499,107
Total additions	4,542,689
DEDUCTIONS	
Pensions and refunds	1,599,189
Miscellaneous	
Contractual professional services	8,834
Total deductions	1,608,023
CHANGE IN NET ASSETS	2,934,666
NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS	
BEGINNING	20,831,249
ENDING	23,765,915

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Glencoe, Illinois, incorporated March 29, 1869, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include public safety (police and fire), paramedic services, highways and streets, health, social, and cultural services, public library, water and sanitation, public improvements, planning and zoning, public golf course, and general administrative services.

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Glencoe
Blended Component Units:	Police Pension Employees Retirement System Firefighters' Pension Employees Retirement System
Discretely Presented Component Unit:	Village of Glencoe Public Library (the Library)

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the Village.

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

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Blended Component Units

Police Pension Employees Retirement System

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

Firefighters' Pension Employees Retirement System

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

Discretely Presented Component Unit

Village of Glencoe Public Library

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (administration and finance, public safety, public works, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

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

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

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

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

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

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

Governmental Funds

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

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one major special revenue fund, the Garbage Fund, and two nonmajor funds, the Motor Fuel Tax Fund and the Enhanced 911 Fund. The Garbage Fund is used to account for revenues derived from a separate property tax levy and user fees used to finance garbage collection and disposal within the Village.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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

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

Proprietary Funds

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

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains two major enterprise funds, the Water Fund and the Glencoe Golf Club Fund. The Water Fund is used to account for the provision of water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, and billing and collection. The Glencoe Golf Club Fund is used to account for the activities of the Glencoe Golf Club. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, and fee collection.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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

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

Basis of Accounting

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

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

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

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

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

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

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

Interfund Receivables, Payables and Activity

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Receivables

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

Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/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 prepaids 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, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Capital Assets – Continued

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

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

Compensated Absences

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

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

Long-Term Obligations

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Long-Term Obligations – Continued

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

Unearned/Deferred Revenue

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

Fund Equity

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

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

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

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

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

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

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

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements

February 28, 2011

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

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

<u>Fund</u>	<u>Excess</u>
Motor Fuel Tax	\$ 5,880

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

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

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

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 \$5,066,787 and the bank balances totaled \$5,612,513.

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

Investment Type	Fair Value	Investment Maturities (in Years)
		Less Than 1
Illinois Funds	\$ 12,125	12,125
IMET	1,537,472	1,537,472
Total	1,549,597	1,549,597

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

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

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not mitigate custodial credit risk for investments. At year-end, the Village's investment in the Illinois Fund is noncategorizable. The IMET Convenience Fund is a depository vehicle that is 110 percent collateralized with obligations of the United States Treasury and its agencies. All collateral securities are held in the name of IMET at the Federal Reserve Bank of New York.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy requires that the investment portfolio be diversified to the extent practicable. Investments shall be diversified in order to reduce the risk of loss resulting in over-concentration in a specific maturity, issuer, institution, or class of securities. Diversification strategies shall be determined and revised periodically by the Finance Director. At year-end, the Village has over 5 percent of the total cash and investment portfolio (other than U.S. Government guaranteed obligations) invested in the Illinois 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 \$1,693,887 and the bank balances totaled \$1,705,946.

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
Federal Home Loan Bank	\$ 4,831,015	1,821,320	791,386	2,218,309	-
Federal Home Loan Mortgage Corp.	935,803	-	821,333	-	114,470
Federal Farmers Credit Bank	2,626,530	492,798	1,341,891	791,841	
Federal National Mortgage Assoc.	2,412,156	512,442	739,441	837,179	323,094
Total	10,805,504	2,826,560	3,694,051	3,847,329	437,564

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

Concentration Risk. At year-end the Fund also has \$11,086,322 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, 2011

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 \$32,506 and the bank balances totaled \$32,506. In addition, the Fund had \$32,973 invested in IMET at year end.

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

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

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

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

PROPERTY TAXES

Property taxes for 2010 attach as an enforceable lien on January 1, 2010, 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, 2011, and September 1, 2011. The County collects such taxes and remits them periodically.

VILLAGE OF GLENCOE, ILLINOIS**Notes to the Financial Statements
February 28, 2011****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	-	-	4,579,375
Land Right of Way	40,168,599	-	-	40,168,599
Consruction in Progress	319,800	-	319,800	-
	<u>45,067,774</u>	<u>-</u>	<u>319,800</u>	<u>44,747,974</u>
Depreciable Capital Assets				
Buildings and Improvements	5,372,338	657,658	-	6,029,996
Vehicles	4,268,864	869,687	528,809	4,609,742
Machinery and Equipment	672,548	25,724	-	698,272
Infrastructure	40,396,961	1,703,328	-	42,100,289
	<u>50,710,711</u>	<u>3,256,397</u>	<u>528,809</u>	<u>53,438,299</u>
Less Accumulated Depreciation				
Buildings and Improvements	1,767,317	102,554	-	1,869,871
Vehicles	2,826,696	295,756	490,947	2,631,505
Machinery and Equipment	315,110	44,656	-	359,766
Infrastructure	16,219,428	820,127	-	17,039,555
	<u>21,128,551</u>	<u>1,263,093</u>	<u>490,947</u>	<u>21,900,697</u>
Total Net Depreciable Capital Assets	<u>29,582,160</u>	<u>1,993,304</u>	<u>37,862</u>	<u>31,537,602</u>
Total Net Capital Assets	<u>74,649,934</u>	<u>1,993,304</u>	<u>357,662</u>	<u>76,285,576</u>

Depreciation expense was charged to governmental activities as follows:

Administration and Finance	\$ 66,820
Public Safety	123,321
Public Works	<u>1,072,952</u>
Total	<u>1,263,093</u>

VILLAGE OF GLENCOE, ILLINOIS**Notes to the Financial Statements
February 28, 2011****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
Depreciable Capital Assets				
Buildings and Improvements	897,498	52,078	-	949,576
Machinery and Equipment	1,395,778	146,152	75,542	1,466,388
Water Transmission System	4,231,957	-	-	4,231,957
Golf Course Improvements	581,950	161,919	-	743,869
	<u>7,107,183</u>	<u>360,149</u>	<u>75,542</u>	<u>7,391,790</u>
Less Accumulated Depreciation				
Buildings and Improvements	425,721	13,771	-	439,492
Machinery and Equipment	986,767	74,895	69,884	991,778
Water Transmission System	3,208,227	22,466	-	3,230,693
Golf Course Improvements	213,265	19,002	-	232,267
	<u>4,833,980</u>	<u>130,134</u>	<u>69,884</u>	<u>4,894,230</u>
Total Net Depreciable Capital Assets	<u>2,273,203</u>	<u>230,015</u>	<u>5,658</u>	<u>2,497,560</u>
Total Net Capital Assets	<u>3,206,293</u>	<u>230,015</u>	<u>5,658</u>	<u>3,430,650</u>

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

Water	\$ 70,785
Glencoe Golf Club	<u>59,349</u>
Total	<u>130,134</u>

VILLAGE OF GLENCOE, ILLINOIS

**Notes to the Financial Statements
February 28, 2011**

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Glencoe Golf Club	<u>\$ 1,556,282</u>

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

Interfund Transfers

Interfund transfers for the year consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Garbage	General	<u>\$ 345,998</u>

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited Tax Bonds of 2005 due in annual installments of \$125,000 to \$215,000 plus interest at 3.20% to 3.25% through December 1, 2015.	General Obligation Bonds	\$ 1,200,000	-	185,000	1,015,000
General Obligation Bonds of 2009 due in annual installments of \$945,000 to \$1,185,000 plus interest at 2.00% to 2.70% through December 15, 2018.	General Obligation Bonds	7,400,000	-	-	7,400,000
General Obligation Refunding Bonds of 2009A due in annual installments of \$135,000 to \$2,140,000 plus interest at 3.00% through December 15, 2011.	General Obligation Bonds	3,755,000	-	2,140,000	1,615,000
		12,355,000	-	2,325,000	10,030,000

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	\$ 402,621	-	28,459	374,162

VILLAGE OF GLENCOE, ILLINOIS**Notes to the Financial Statements
February 28, 2011****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					
Net Pension Obligation	\$ 116,196	25,529	-	141,725	-
Compensated Absences	1,399,628	56,143	11,098	1,444,673	756,927
General Obligation Bonds	12,355,000	-	2,325,000	10,030,000	1,805,000
Less Unamortized Items					
Bond Premium	99,034	-	49,517	49,517	-
Net Other Post-Employment Benefit Obligation	72,503	41,444	-	113,947	-
	14,042,361	123,116	2,385,615	11,779,862	2,561,927
Business-Type Activities					
Compensated Absences	328,938	12,174	25,205	315,907	134,184
Component Unit - Public Library					
Promissory Note	402,621	-	28,459	374,162	29,712

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

Fiscal Year Ending February 28	Governmental Activities		Component Unit	
	General Obligation		Promissory	
	Bonds		Note	
	Principal	Interest	Principal	Interest
2012	\$ 1,805,000	247,446	29,712	16,137
2013	1,140,000	192,820	31,108	14,741
2014	1,185,000	167,582	32,524	13,325
2015	1,225,000	141,320	34,005	11,844
2016	1,265,000	114,196	35,527	10,322
2017	1,090,000	84,894	37,171	8,678
2018	1,135,000	60,370	38,864	6,985
2019	1,185,000	31,994	40,634	5,215
2020	-	-	42,477	3,372
2021	-	-	44,418	1,431
2022	-	-	7,722	42
Total	10,030,000	1,040,622	374,162	92,092

Bond Defeasances

In prior years the Village defeased bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements which normally satisfy defeasance, have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Village's basic financial statements. Defeased bonds of \$1,695,000 remain outstanding as of the date of this report.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

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 - 2009	<u>\$ 1,239,072,464</u>
Legal Debt Limit - 10.00% of Assessed Value	<u>123,907,246</u>
Amount of Debt Applicable to Limit	
General Obligation Limited Tax Bonds of 2005	1,015,000
General Obligation Bonds of 2009	7,400,000
General Obligation Refunding Bonds of 2009A	<u>1,615,000</u>
	<u>10,030,000</u>
Legal Debt Margin	<u>113,877,246</u>

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET ASSET CLASSIFICATIONS

Investment is capital assets – net of related debt, was comprised of the following as of February 28, 2011:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation		\$ 76,285,576
Less Capital Related Debt:		
General Obligation Limited Tax Bonds of 2005	(1,015,000)	
General Obligation Bonds of 2009	(7,400,000)	
General Obligation Refunding Bonds of 2009A	(1,615,000)	
Unamortized Premium	(49,517)	<u>(10,079,517)</u>
		<u>66,206,059</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		<u>3,430,650</u>
Component Unit - Public Library		
Capital Assets - Net of Accumulated Depreciation		1,773,311
Less Capital Related Debt:		
Promissory Note Payable of 1999		<u>(374,162)</u>
Investment in Capital Assets - Net of Related Debt		<u>1,399,149</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, 2011

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, 2011

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Solid Waste Agency of Northern Cook County (SWANCC)

Annual payments to SWANCC are based on estimated tonnage of waste transported to SWANCC. It is assumed that there will be no material changes in deliveries to SWANCC. For 2011 through 2023, the Village estimates it will pay \$187,143 annually.

Women's Library Club

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

Chicago Botanic Garden Children's Learning Campus

The Village entered into an agreement with the Chicago Horticultural Society (the "Society"), having a mailing address at 1000 Lake Cook Road, Glencoe, Illinois 60028, to serve as the local agency for the construction of a paved and landscaped entryway to the new children's Learning Center Campus at the Chicago Botanic Garden in unincorporated Glencoe. Per the agreement financial resources will flow from the society through the Village to reimburse project costs. Grant reimbursements will flow from the Illinois Department of Commerce and Economic Opportunity through the Village and to the Society. The Village does not budget for the activities of the Society. During 2011, the Village received \$86,410 in grant proceeds that were disbursed to the Society and \$181,724 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, 2011

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 \$174,337 to SWANCC for the year ended February 28, 2011, which is recorded in the Village's Garbage Fund.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

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

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 2010 was 12.62 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, 2011

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	27
Current Employees	
Vested	22
Nonvested	<u>12</u>
Total	<u>61</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 $\frac{1}{2}$ 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 $\frac{1}{2}$ 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, 2011

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions, and Funding Policies – Continued

Firefighters' Pension Plan

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

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

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	4
Current Employees	
Vested	-
Nonvested	-
	<hr/>
Total	<u>4</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 $\frac{1}{2}$ of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by $\frac{1}{12}$ 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 $\frac{1}{2}$ 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, 2011

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 2044 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 represent 5 percent or more of net assets available for benefits for either the Police or Firefighters' Pension Plans. Information for IMRF and IMET is not available.

Related Party Transactions

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

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	12.62%	46.94%	0.00%
Employee	4.50%	9.91%	0.00%
Actuarial Valuation Date	12/31/2010	2/28/2010	2/28/2010
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	30 Years	30 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	7.00% Compounded Annually	6.50% Compounded Annually
Projected Salary Increases	.4 to 10.0%	5.50%	None
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

VILLAGE OF GLENCOE, ILLINOIS**Notes to the Financial Statements
February 28, 2011****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 pension liability for the Police and Firefighters' Pension Plans are as follows:

	Police Pension	Firefighters' Pension	Total
Annual Required Contributions	\$ 1,342,900	45,988	1,388,888
Interest on Net Pension Obligation	(31,906)	6,497	(25,409)
Adjustment to Annual Required Contribution	(4,669)	(24,581)	(29,250)
Annual Pension Cost	1,306,325	27,904	1,334,229
Actual Contribution	1,740,339	2,375	1,742,714
Increase to the NPO	(434,014)	25,529	(408,485)
NPO - Beginning of Year	(427,762)	116,196	(311,566)
NPO - End of Year	(861,776)	141,725	(720,051)

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

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

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2009	\$ 501,712	\$ 916,648	\$ 31,200
	2010	516,717	1,035,838	37,584
	2011	760,052	1,306,325	27,904
Actual Contributions	2009	501,712	1,279,790	19,511
	2010	516,717	1,407,637	18,954
	2011	760,052	1,740,339	2,375
Percentage of APC Contributed	2009	100.00%	139.62%	62.54%
	2010	100.00%	135.89%	50.43%
	2011	100.00%	133.22%	8.51%
Net Pension Obligation	2009	None	(84,006)	81,321
	2010	None	(455,805)	99,951
	2011	None	(861,776)	141,725

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/10	02/28/10	02/28/10
Percent Funded	79.51%	57.97%	24.25%
Accuarial Accrued Liability for Benefits	\$20,742,901	\$35,633,310	\$714,531
Actuarial Value of Assets	\$16,491,939	\$20,658,001	\$173,249
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$4,250,962)	(\$14,975,309)	(\$541,282)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$6,022,600	\$2,998,929	-
Ratio of UAAL to Covered Payroll	70.58%	499.36%	-

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, 2011

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, 2011, retirees contributed \$144,564. Active employees do not contribute to the plan until retirement.

At February 28, 2011, membership consisted of:

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

The Village does not currently have a funding policy.

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

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, 2011, was calculated as follows:

Annual Required Contribution	\$ 88,722
Interest on the NOPEBO	3,625
Adjustment to the ARC	<u>(1,813)</u>
Annual OPEB Cost	90,534
Actual Contribution	<u>49,090</u>
Increase in the NOPEBO	41,444
NOPEBO - Beginning of Year	<u>72,503</u>
NOPEBO - End of Year	<u><u>113,947</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
2009	\$ 85,179	\$ 49,090	57.63%	\$ 36,089
2010	85,504	49,090	57.41%	72,503
2011	90,534	49,090	54.22%	113,947

VILLAGE OF GLENCOE, ILLINOIS

Notes to the Financial Statements February 28, 2011

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

In the February 28, 2009 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0% and an ultimate rate of 6.0%. The investment rate of return includes a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at February 28, 2011, was 28 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, 2011**

Funding Progress

Actuarial Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2005	\$ 13,308,178	\$ 14,093,922	94.42%	\$ 785,744	\$ 4,851,875	16.19%
2006	14,919,214	15,342,456	97.24%	423,242	4,971,878	8.51%
2007	15,594,372	16,101,810	96.85%	507,438	5,364,682	9.46%
2008	13,726,377	18,214,028	75.36%	4,487,651	5,681,904	78.98%
2009	14,861,555	19,182,375	77.48%	4,320,820	5,805,807	74.42%
2010	16,491,939	20,742,901	79.51%	4,250,962	6,022,600	70.58%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2006	\$ 431,817	\$ 431,817	100.00%
2007	474,317	474,317	100.00%
2008	503,744	503,744	100.00%
2009	501,712	501,712	100.00%
2010	516,717	516,717	100.00%
2011	760,052	760,052	100.00%

VILLAGE OF GLENCOE, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Funding Progress and Employer Contributions February 28, 2011

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)
2005	\$ 15,345,133	\$ 27,385,563	56.03%	\$ 12,040,430	\$ 2,589,181	465.03%
2006	17,113,735	27,738,312	61.70%	10,624,577	2,752,155	386.05%
2007	18,943,232	29,386,240	64.46%	10,443,008	2,825,193	369.64%
2008	19,973,593	32,817,197	60.86%	12,843,604	2,890,955	444.27%
2009	16,356,899	34,321,892	47.66%	17,964,993	3,011,670	596.51%
2010	20,658,001	35,633,310	57.97%	14,975,309	2,998,929	499.36%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2006	\$ 900,527	\$ 792,217	113.67%
2007	1,033,821	855,034	120.91%
2008	1,230,798	911,136	135.08%
2009	1,279,790	910,453	140.57%
2010	1,407,637	1,037,562	135.67%
2011	1,740,339	1,342,900	129.60%

VILLAGE OF GLENCOE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information Schedule of Funding Progress and Employer Contributions February 28, 2011

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)
2005	\$ 652,687	\$ 822,347	79.37%	\$ 169,660	\$ -	*
2006	527,550	772,533	68.29%	244,983	-	*
2007	447,433	772,662	57.91%	325,229	-	*
2008	361,665	756,671	47.80%	395,006	-	*
2009	277,382	745,982	37.18%	468,600	-	*
2010	173,249	714,531	24.25%	541,282	-	*

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2006	\$ 5,796	\$ 13,253	43.73%
2007	2,375	15,924	14.91%
2008	2,375	26,245	9.05%
2009	19,511	32,383	60.25%
2010	18,954	39,080	48.50%
2011	2,375	45,988	*

* Not Applicable

VILLAGE OF GLENCOE, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information

Schedule of Funding Progress and Employer Contributions

February 28, 2011

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)
2006	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	-	1,691,343	-	1,691,343	9,038,874	18.71%
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2006	\$ N/A	\$ N/A	N/A
2007	N/A	N/A	N/A
2008	N/A	N/A	N/A
2009	49,090	85,179	57.63%
2010	49,090	83,700	58.65%
2011	49,090	88,722	55.33%

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

VILLAGE OF GLENCOE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended February 28, 2011

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
REVENUES					
Property taxes	\$ -	-	7,892,570	7,959,216	66,646
Other taxes	-	-	3,907,118	4,070,251	163,133
Licenses, permits and fees	-	-	1,118,470	1,304,857	186,387
Charges for services	-	-	672,880	731,789	58,909
Fines and forfeitures	-	-	142,350	137,942	(4,408)
Interest	-	-	96,065	44,326	(51,739)
Miscellaneous	-	-	615,500	748,598	133,098
Total revenues	-	-	14,444,953	14,996,979	552,026
EXPENDITURES					
Administration and finance	2,557,235	2,557,235	2,292,940	2,057,316	(235,624)
Public safety	8,220,606	8,220,606	7,473,278	7,475,207	1,929
Public works	4,603,255	4,603,255	4,184,778	4,234,471	49,693
Capital outlay	599,500	599,500	545,000	508,504	(36,496)
Total expenditures	15,980,596	15,980,596	14,495,996	14,275,498	(220,498)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	(15,980,596)	(15,980,596)	(51,043)	721,481	772,524
OTHER FINANCING (USES)					
Transfers out	-	-	(350,000)	(345,998)	(4,002)
NET CHANGE IN FUND BALANCE					
	(15,980,596)	(15,980,596)	(401,043)	375,483	768,522
FUND BALANCE - BEGINNING				3,955,199	
FUND BALANCE - ENDING				4,330,682	

VILLAGE OF GLENCOE, ILLINOIS

Garbage - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended February 28, 2011

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
REVENUES					
Other taxes	\$ -	-	7,000	7,000	-
Charges for services	-	-	940,700	867,894	(72,806)
Interest	-	-	2,100	1,149	(951)
Miscellaneous					
Recycling	-	-	9,000	10,641	1,641
Other	-	-	33,600	44,521	10,921
Total revenues	-	-	992,400	931,205	(61,195)
EXPENDITURES					
Public works	1,360,420	1,360,420	1,236,745	1,199,957	(36,788)
Capital outlay	36,300	36,300	33,000	32,277	(723)
Total expenditures	1,396,720	1,396,720	1,269,745	1,232,234	(37,511)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,396,720)	(1,396,720)	(277,345)	(301,029)	(23,684)
OTHER FINANCING SOURCES					
Transfers in	-	-	350,000	345,998	(13,104)
NET CHANGE IN FUND BALANCE	(1,396,720)	(1,396,720)	72,655	44,969	(36,788)
FUND BALANCE - BEGINNING				229,178	
FUND BALANCE - ENDING				274,147	

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

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 2009 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
Year Ended February 28, 2011**

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
PROPERTY TAXES	\$ -	-	7,892,570	7,959,216	66,646
OTHER TAXES					
Utility tax	-	-	1,428,600	1,338,875	(89,725)
Sales tax	-	-	1,527,120	1,748,726	221,606
State income tax	-	-	707,000	690,864	(16,136)
Personal property replacement tax	-	-	78,053	81,876	3,823
Cable television	-	-	166,345	174,891	8,546
Foreign fire insurance tax	-	-	-	35,019	35,019
Total other taxes	-	-	3,907,118	4,070,251	163,133
LICENSES, PERMITS AND FEES					
Vehicle licenses	-	-	258,400	254,264	(4,136)
Business licenses	-	-	22,000	32,133	10,133
Animal licenses	-	-	6,600	6,516	(84)
Liquor licenses	-	-	21,000	23,910	2,910
Building and electrical permits	-	-	607,420	792,331	184,911
Burglar-fire alarm permits	-	-	90,300	81,845	(8,455)
Impounding fees	-	-	1,950	1,275	(675)
Parking lot fees and permits	-	-	108,000	110,822	2,822
Coin box and meter fees	-	-	2,800	1,761	(1,039)
Total licenses, permits and fees	-	-	1,118,470	1,304,857	186,387
CHARGES FOR SERVICES					
Sewer service charge	-	-	513,880	571,521	57,641
Ambulance fees	-	-	159,000	160,268	1,268
Total charges for services	-	-	672,880	731,789	58,909

VILLAGE OF GLENCOE, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual - Continued
Year Ended February 28, 2011**

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
FINES AND FORFEITURES					
Court fines	\$ -	-	22,350	27,267	4,917
Other fines	-	-	120,000	110,675	(9,325)
Total fines and forfeitures	-	-	142,350	137,942	(4,408)
INTEREST	-	-	96,065	44,326	(51,739)
MISCELLANEOUS					
Golf club management fees	-	-	60,000	60,000	-
Water management fees	-	-	40,000	40,000	-
Garbage management fees	-	-	40,000	40,000	-
Sundry	-	-	17,000	76,669	59,669
Other	-	-	458,500	531,929	73,429
Total miscellaneous	-	-	615,500	748,598	133,098
TOTAL REVENUES	-	-	14,444,953	14,996,979	552,026

VILLAGE OF GLENCOE, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual
Year Ended February 28, 2011**

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
ADMINISTRATION AND FINANCE					
General government	\$ 929,516	929,516	845,015	734,539	(110,476)
Legal	181,720	181,720	165,200	137,520	(27,680)
Health and community service	90,569	90,569	82,335	77,575	(4,760)
Special boards service	47,223	47,223	42,930	31,403	(11,527)
Finance	781,512	781,512	710,465	665,960	(44,505)
Support service	305,630	305,630	277,845	268,515	(9,330)
Risk management	221,065	221,065	169,150	141,804	(27,346)
Total administration and finance	2,557,235	2,557,235	2,292,940	2,057,316	(235,624)
PUBLIC SAFETY					
Fire protection	1,589,419	1,589,419	1,444,926	1,396,064	(48,862)
Police protection	5,827,885	5,827,885	5,298,077	5,326,402	28,325
Paramedic service	803,302	803,302	730,275	714,760	(15,515)
Foreign fire	-	-	-	37,981	37,981
Total public safety	8,220,606	8,220,606	7,473,278	7,475,207	1,929
PUBLIC WORKS					
Administration	865,965	810,965	787,241	799,844	12,603
Streets	1,101,190	1,101,190	1,001,082	1,011,870	10,788
Sewers	1,075,381	1,067,904	977,619	959,975	(17,644)
Forestry	839,710	839,710	763,373	749,146	(14,227)
Buildings	188,789	188,789	171,626	172,908	1,282
Street lighting	106,370	106,370	96,700	98,931	2,231
Parking and traffic control	67,760	67,760	61,600	57,910	(3,690)
Municipal garage	297,058	297,058	270,053	260,685	(9,368)
Community development	61,032	123,509	55,484	123,202	67,718
Total public works	4,603,255	4,603,255	4,184,778	4,234,471	49,693
CAPITAL OUTLAY					
Public safety/capital reserve	599,500	599,500	545,000	508,504	(36,496)
TOTAL EXPENDITURES	15,980,596	15,980,596	14,495,996	14,275,498	(220,498)

VILLAGE OF GLENCOE, ILLINOIS**General Obligation Bonds - Debt Service Fund****Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended February 28, 2011**

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
REVENUES					
Property taxes	\$ -	-	2,642,658	2,705,988	63,330
Interest	-	-	5,730	7,258	1,528
Total revenues	-	-	2,648,388	2,713,246	64,858
EXPENDITURES					
Debt service					
Principal retirement	2,670,549	2,670,549	2,325,000	2,325,000	-
Interest and fiscal charges	-	-	319,108	318,782	(326)
Total expenditures	2,670,549	2,670,549	2,644,108	2,643,782	(326)
NET CHANGE IN FUND BALANCE	(2,670,549)	(2,670,549)	4,280	69,464	65,184
FUND BALANCE - BEGINNING				19,923	
FUND BALANCE - ENDING				89,387	

VILLAGE OF GLENCOE, ILLINOIS

Capital Projects Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended February 28, 2011**

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
REVENUES					
Interest	\$ -	-	-	50,467	50,467
Miscellaneous	-	-	-	1,560	1,560
Total revenues	-	-	-	52,027	52,027
EXPENDITURES					
Capital outlay	5,186,295	5,186,295	4,714,814	4,285,751	(429,063)
NET CHANGE IN FUND BALANCE	(5,186,295)	(5,186,295)	(4,714,814)	(4,233,724)	481,090
FUND BALANCE - BEGINNING				4,621,140	
FUND BALANCE - ENDING				387,416	

VILLAGE OF GLENCOE, ILLINOIS

Combining Balance Sheet

Nonmajor Governmental Funds

February 28, 2011

	Special Revenue		
	Motor Fuel	Enhanced	
	Tax	911	Totals
		System	
ASSETS			
Cash and investments	\$ 467,681	433,783	901,464
Receivables - net of allowances			
Other	16,439	4,914	21,353
TOTAL ASSETS	484,120	438,697	922,817
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	5,818	24,277	30,095
FUND BALANCES			
Reserved for roadway maintenance	478,302	-	478,302
Reserved for public safety	-	414,420	414,420
Total fund balances	478,302	414,420	892,722
TOTAL LIABILITIES AND FUND BALANCES	484,120	438,697	922,817

VILLAGE OF GLENCOE, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds Year Ended February 28, 2011

	Special Revenue		
	Motor Fuel	Enhanced	
	Tax	911	
		System	Totals
REVENUES			
Other taxes	\$ -	150,033	150,033
Intergovernmental	259,938	-	259,938
Interest	1,544	2,158	3,702
Total revenues	261,482	152,191	413,673
EXPENDITURES			
Public safety	-	118,104	118,104
Public works	35,880	-	35,880
Capital outlay	-	21,883	21,883
Total expenditures	35,880	139,987	175,867
NET CHANGE IN FUND BALANCES	225,602	12,204	237,806
FUND BALANCES - BEGINNING	252,700	402,216	654,916
FUND BALANCES - ENDING	478,302	414,420	892,722

VILLAGE OF GLENCOE, ILLINOIS**Motor Fuel Tax - Special Revenue Fund****Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended February 28, 2011**

	<u>Appropriations</u>		<u>Original and Final Budget</u>	<u>Actual</u>	<u>Budget Variance Over (Under)</u>
	<u>Original</u>	<u>Final</u>			
REVENUES					
Intergovernmental					
Allotments	\$ -	-	215,000	259,938	44,938
Interest	-	-	800	1,544	744
Total revenues	-	-	215,800	261,482	45,682
EXPENDITURES					
Public works					
Street maintenance	33,000	33,000	30,000	35,880	5,880
NET CHANGE IN FUND BALANCE	<u>(33,000)</u>	<u>(33,000)</u>	<u>185,800</u>	225,602	<u>39,802</u>
FUND BALANCE - BEGINNING				<u>252,700</u>	
FUND BALANCE - ENDING				<u>478,302</u>	

VILLAGE OF GLENCOE, ILLINOIS**Enhanced 911 System - Special Revenue Fund****Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended February 28, 2011**

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
REVENUES					
Other taxes					
Telephone surcharge	\$ -	-	155,000	150,033	(4,967)
Interest	-	-	3,900	2,158	(1,742)
Total revenues	-	-	158,900	152,191	(6,709)
EXPENDITURES					
Public safety	140,515	140,515	127,741	118,104	(9,637)
Capital outlay	105,600	105,600	96,000	21,883	(74,117)
Total expenditures	246,115	246,115	223,741	139,987	(83,754)
NET CHANGE IN FUND BALANCE	(246,115)	(246,115)	(64,841)	12,204	77,045
FUND BALANCE - BEGINNING				402,216	
FUND BALANCE - ENDING				414,420	

VILLAGE OF GLENCOE, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Year Ended February 28, 2011

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
OPERATING REVENUES					
Charges for services	\$ -	-	1,902,000	2,123,267	221,267
Miscellaneous	-	-	68,204	85,333	17,129
Total operating revenues	-	-	1,970,204	2,208,600	238,396
OPERATING EXPENSES					
Operations					
Water production	1,060,787	1,060,787	964,352	923,216	(41,136)
Water distribution	739,120	739,120	671,927	614,867	(57,060)
Total operations	1,799,907	1,799,907	1,636,279	1,538,083	(98,196)
Less: capital assets capitalized	(33,000)	(33,000)	(30,000)	(19,316)	10,684
	1,766,907	1,766,907	1,606,279	1,518,767	(87,512)
Depreciation	-	-	-	70,785	70,785
Total operating expenses	1,766,907	1,766,907	1,606,279	1,589,552	(16,727)
OPERATING INCOME (LOSS)	(1,766,907)	(1,766,907)	363,925	619,048	255,123
NONOPERATING REVENUES					
Interest income	-	-	2,000	924	(1,076)
CHANGE IN NET ASSETS	(1,766,907)	(1,766,907)	365,925	619,972	254,047
NET ASSETS - BEGINNING				2,085,938	
NET ASSETS - ENDING				2,705,910	

VILLAGE OF GLENCOE, ILLINOIS**Glencoe Golf Club - Enterprise Fund****Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Year Ended February 28, 2011**

	<u>Appropriations</u>		<u>Original and Final Budget</u>	<u>Actual</u>	<u>Budget Variance Over (Under)</u>
	<u>Original</u>	<u>Final</u>			
OPERATING REVENUES					
Charges for services	\$ -	-	1,477,979	1,610,359	132,380
Miscellaneous	-	-	-	59,590	59,590
Total operating revenues	-	-	1,477,979	1,669,949	191,970
OPERATING EXPENSES					
Operations	-	-	1,697,200	1,688,323	(8,877)
Less: capital assets capitalized	-	-	-	(340,832)	(340,832)
Total operations	-	-	1,697,200	1,347,491	(349,709)
Depreciation	-	-	41,200	59,349	18,149
Total operating expenses	-	-	1,738,400	1,406,840	(331,560)
OPERATING INCOME (LOSS)	-	-	(260,421)	263,109	523,530
NONOPERATING REVENUES (EXPENSES)					
Disposal of capital assets	-	-	-	(5,658)	(5,658)
Interest income	-	-	5,145	6,295	1,150
	-	-	5,145	637	(4,508)
CHANGE IN NET ASSETS	-	-	(255,276)	263,746	519,022
NET ASSETS - BEGINNING				1,296	
NET ASSETS - ENDING				265,042	

VILLAGE OF GLENCOE, ILLINOIS

Pension Trust Funds

Combining Statement of Net Plan Assets February 28, 2011

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and cash equivalents	\$ 1,693,887	65,479	1,759,366
Investments			
U.S. government and agency obligations	10,805,504	-	10,805,504
Mutual funds	11,086,322	-	11,086,322
Receivables - net of allowances			
Accrued interest	116,171	-	116,171
Other	29,722	-	29,722
Total assets	23,731,606	65,479	23,797,085
LIABILITIES			
Accounts payable	31,170	-	31,170
NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS			
(A schedule of funding progress is presented following the notes to the financial schedules.)	23,700,436	65,479	23,765,915

VILLAGE OF GLENCOE, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Plan Assets Year Ended February 28, 2011

	Police Pension	Firefighters' Pension	Totals
ADDITIONS			
Contributions - employer			
Taxes	\$ 1,740,339	2,375	1,742,714
Contributions - plan members	300,868	-	300,868
Total contributions	2,041,207	2,375	2,043,582
Investment income			
Interest earned	613,178	1,547	614,725
Net change in fair value	1,933,920	-	1,933,920
	2,547,098	1,547	2,548,645
Less investment expenses	(49,482)	(56)	(49,538)
Net investment income	2,497,616	1,491	2,499,107
Total additions	4,538,823	3,866	4,542,689
DEDUCTIONS			
Pensions and refunds	1,487,958	111,231	1,599,189
Miscellaneous			
Contractual professional services	8,429	405	8,834
Total deductions	1,496,387	111,636	1,608,023
CHANGE IN NET ASSETS	3,042,436	(107,770)	2,934,666
NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS			
BEGINNING	20,658,000	173,249	20,831,249
ENDING	23,700,436	65,479	23,765,915

SUPPLEMENTAL SCHEDULES

VILLAGE OF GLENCOE, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Bonds of 2005

February 28, 2011

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2010	\$ 190,000	32,988	222,988	2011	16,494	2011	16,494
2011	195,000	26,812	221,812	2012	13,406	2012	13,406
2012	205,000	20,474	225,474	2013	10,237	2013	10,237
2013	210,000	13,812	223,812	2014	6,906	2014	6,906
2014	215,000	6,988	221,988	2015	3,494	2015	3,494
Total	1,015,000	101,074	1,116,074		50,537		50,537

VILLAGE OF GLENCOE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2009

February 28, 2011

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2010	\$ -	166,008	166,008	2011	83,004	2011	83,004
2011	945,000	166,008	1,111,008	2012	83,004	2012	83,004
2012	980,000	147,108	1,127,108	2013	73,554	2013	73,554
2013	1,015,000	127,508	1,142,508	2014	63,754	2014	63,754
2014	1,050,000	107,208	1,157,208	2015	53,604	2015	53,604
2015	1,090,000	84,894	1,174,894	2016	42,447	2016	42,447
2016	1,135,000	60,370	1,195,370	2017	30,185	2017	30,185
2017	1,185,000	31,994	1,216,994	2018	15,997	2018	15,997
Total	7,400,000	891,098	8,291,098		445,549		445,549

VILLAGE OF GLENCOE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2009A

February 28, 2011

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2010	\$ 1,615,000	48,450	1,663,450	2011	24,225	2011	24,225

VILLAGE OF GLENCOE, ILLINOIS

Long-Term Debt Requirements

Promissory Note Payable of 1999 - Library Discretely Presented Component Unit February 28, 2011

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 FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2012	\$ 29,712	16,137	45,849
2013	31,108	14,741	45,849
2014	32,524	13,325	45,849
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	374,162	92,092	466,254

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF GLENCOE, ILLINOIS

Net Assets by Component - Last Eight Fiscal Years
February 28, 2011 (Unaudited)

See Following Page

VILLAGE OF GLENCOE, ILLINOIS

Net Assets by Component - Last Eight Fiscal Years February 28, 2011 (Unaudited)

	2004	2005	2006
GOVERNMENTAL ACTIVITIES			
Invested in capital assets - net of related debt	\$ 57,407,371	58,245,710	59,064,321
Restricted	731,125	770,752	2,154,179
Unrestricted	1,956,108	1,600,820	756,591
TOTAL GOVERNMENTAL ACTIVITIES	60,094,604	60,617,282	61,975,091
BUSINESS-TYPE ACTIVITIES			
Invested in capital assets - net of related debt	4,677,612	4,784,283	4,789,017
Unrestricted	(601,866)	(900,226)	(735,329)
TOTAL BUSINESS-TYPE ACTIVITIES	4,075,746	3,884,057	4,053,688
PRIMARY GOVERNMENT			
Invested in capital assets - net of related debt	62,084,983	63,029,993	63,853,338
Restricted	731,125	770,752	2,154,179
Unrestricted	1,354,242	700,594	21,262
TOTAL PRIMARY GOVERNMENT	64,170,350	64,501,339	66,028,779

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2004.

2007	2008	2009	2010	2011
60,467,319	66,372,675	68,481,254	66,567,750	66,206,059
1,893,544	503,862	518,814	654,916	1,316,599
1,712,589	2,041,779	2,423,358	3,225,221	3,766,260
64,073,452	68,918,316	71,423,426	70,447,887	71,288,918
4,831,297	2,692,694	2,996,915	3,206,293	3,430,650
(915,159)	(1,096,968)	(1,160,828)	(1,119,059)	(459,698)
3,916,138	1,595,726	1,836,087	2,087,234	2,970,952
65,298,616	69,065,369	71,478,169	69,774,043	69,636,709
1,893,544	503,862	518,814	654,916	1,316,599
797,430	944,811	1,262,530	2,106,162	3,306,562
67,989,590	70,514,042	73,259,513	72,535,121	74,259,870

VILLAGE OF GLENCOE, ILLINOIS

Changes in Net Assets - Last Eight Fiscal Years
February 28, 2011 (Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011
EXPENSES								
Governmental activities								
Administration and finance	\$ 2,409,069	2,405,068	2,344,865	2,527,874	3,330,243	3,546,692	2,161,110	2,210,625
Public safety	5,850,900	6,151,278	6,751,092	6,775,465	6,668,913	6,745,762	7,022,845	7,308,147
Public works	5,439,224	5,751,672	5,902,698	6,218,328	6,888,667	5,460,694	9,118,339	8,492,940
Interest on long-term debt	566,226	604,943	610,169	528,793	457,828	401,833	408,322	254,387
Total governmental activities expenses	14,265,419	14,912,961	15,608,824	16,050,460	17,345,651	16,154,981	18,710,616	18,266,099
Business-type activities								
Water	1,342,428	1,502,012	1,630,146	1,623,620	1,708,594	1,786,861	1,784,162	1,589,552
Glencoe golf club	1,544,323	1,357,076	1,533,215	1,525,447	1,400,874	1,349,099	1,312,568	1,412,498
Total business-type activities net assets	2,886,751	2,859,088	3,163,361	3,149,067	3,109,468	3,135,960	3,096,730	3,002,050
TOTAL PRIMARY GOVERNMENT EXPENSES	17,152,170	17,772,049	18,772,185	19,199,527	20,455,119	19,290,941	21,807,346	21,268,149
PROGRAM REVENUES								
Governmental activities								
Charges for services								
Administration and finance	271,154	279,602	296,215	363,441	47,456	47,881	51,286	62,559
Public safety	694,222	602,813	646,965	634,342	314,919	402,149	344,396	381,330
Public works	2,113,601	2,704,597	2,896,803	2,714,606	2,841,840	2,234,229	1,662,405	2,344,329
Operating grants/contributions	276,813	251,158	254,722	252,464	-	-	-	-
Capital grants/contributions	141,592	1,100	26,100	148,624	247,856	230,888	220,432	259,938
Total governmental activities program revenues	3,497,382	3,839,270	4,120,805	4,113,477	3,452,071	2,915,147	2,278,519	3,048,156
Business-type activities								
Charges for services								
Water	1,526,427	1,410,903	1,890,416	1,510,576	1,689,359	1,799,604	1,721,484	2,208,600
Glencoe golf club	1,252,252	1,155,251	1,419,755	1,463,804	1,581,936	1,555,899	1,617,380	1,669,949
Total business-type activities program revenues	2,778,679	2,566,154	3,310,171	2,974,380	3,271,295	3,355,503	3,338,864	3,878,549
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	6,276,061	6,405,424	7,430,976	7,087,857	6,723,366	6,270,650	5,617,383	6,926,705

NET (EXPENSE) REVENUE								
Governmental activities	\$ (10,768,037)	(11,073,691)	(11,488,019)	(11,936,983)	(13,893,580)	(13,239,834)	(16,432,097)	(15,217,943)
Business-type activities	(108,072)	(292,934)	146,810	(174,687)	161,827	219,543	242,134	876,499
TOTAL PRIMARY GOVERNMENT								
NET (EXPENSE) REVENUE	(10,876,109)	(11,366,625)	(11,341,209)	(12,111,670)	(13,731,753)	(13,020,291)	(16,189,963)	(14,341,444)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS								
Governmental activities								
Taxes								
Property and replacement	8,070,995	8,312,438	8,688,541	9,372,165	9,378,310	10,091,906	10,591,945	10,782,099
Sales	1,198,586	1,345,758	1,558,775	1,879,556	1,955,323	1,668,937	1,576,372	1,748,726
Utility	1,259,825	1,254,067	1,403,087	1,340,479	1,435,857	1,487,638	1,296,223	1,338,875
Income	535,039	571,557	666,731	727,609	797,387	810,043	699,419	690,864
Other	307,334	40,665	34,593	34,879	481,603	446,897	584,016	586,188
Interest	96,558	76,904	305,010	541,030	490,280	208,112	183,375	106,902
Miscellaneous	308,333	86,573	189,091	139,626	943,857	1,031,411	525,208	805,320
Transfers - internal activity	(69,504)	(91,593)	-	-	-	-	-	-
Total governmental activities	11,707,166	11,596,369	12,845,828	14,035,344	15,482,617	15,744,944	15,456,558	16,058,974
Business-type activities								
Interest	5,985	9,652	22,821	37,137	35,867	20,818	9,013	7,219
Contributions	60,000	-	-	-	-	-	-	-
Transfers - internal activity	69,504	91,593	-	-	-	-	-	-
Total business-type activities	135,489	101,245	22,821	37,137	35,867	20,818	9,013	7,219
TOTAL PRIMARY GOVERNMENT								
	11,842,655	11,697,614	12,868,649	14,072,481	15,518,484	15,765,762	15,465,571	16,066,193
CHANGES IN NET ASSETS								
Governmental activities	939,129	522,678	1,357,809	2,098,361	1,589,037	2,505,110	(975,539)	841,031
Business-type activities	27,417	(191,689)	169,631	(137,550)	197,694	240,361	251,147	883,718
TOTAL PRIMARY GOVERNMENT								
CHANGES IN NET ASSETS	966,546	330,989	1,527,440	1,960,811	1,786,731	2,745,471	(724,392)	1,724,749

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2004.

VILLAGE OF GLENCOE, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
February 28, 2011 (Unaudited)**

	2002 (1)	2003	2004
GENERAL FUND			
Reserved	\$ 178,539	547,763	966,646
Unreserved	3,410,503	2,780,788	2,327,178
TOTAL GENERAL FUND	3,589,042	3,328,551	3,293,824
ALL OTHER GOVERNMENTAL FUNDS			
Reserved	339,854	249,148	777,941
Unreserved, reported in			
Special revenue - garbage fund	284,519	408,969	184,847
Capital projects fund	51,167	-	-
Nonmajor governmental funds	1,666,652	262,470	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	2,342,192	920,587	962,788

Data Source: Village Records

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

2005	2006	2007	2008	2009	2010	2011
1,423,180	1,419,786	1,387,696	1,697,345	1,777,706	1,855,477	1,779,760
1,592,212	2,180,462	2,864,292	2,142,474	2,080,214	2,099,722	2,550,922
3,015,392	3,600,248	4,251,988	3,839,819	3,857,920	3,955,199	4,330,682
820,237	2,204,904	1,933,353	640,460	7,990,698	5,340,310	1,413,807
64,072	118,379	152,420	278,342	174,296	184,847	229,865
-	-	-	-	-	-	-
(152,471)	-	-	-	-	-	-
731,838	2,323,283	2,085,773	918,802	8,164,994	5,525,157	1,643,672

VILLAGE OF GLENCOE, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years February 28, 2011 (Unaudited)

	2002	2003	2004
REVENUES			
Property taxes	\$ 7,688,998	7,880,092	8,012,846
Other taxes	2,766,277	2,907,235	3,358,933
Intergovernmental	243,059	249,778	284,153
Licenses, permits and fees	1,171,142	1,242,438	1,475,667
Charges for services	599,241	597,950	683,737
Fines and forfeitures	103,667	121,246	117,514
Interest	375,402	154,236	96,558
Miscellaneous	2,078,864	2,666,886	1,244,644
Total revenues	15,026,650	15,819,861	15,274,052
EXPENDITURES			
Administration and finance	3,434,466	2,040,836	2,328,162
Public safety	4,820,606	5,104,005	5,398,707
Public works	3,914,784	5,477,178	4,581,598
Pension cost	355,014	399,250	-
Capital outlay	3,490,173	887,212	569,014
Debt service			
Principal retirement	1,605,400	3,013,500	1,736,000
Interest and fiscal charges	772,055	822,834	698,041
Total expenditures	18,392,498	17,744,815	15,311,522
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,365,848)	(1,924,954)	(37,470)
OTHER FINANCING SOURCES (USES)			
Debt issuance	10,068,237	-	4,975,000
Discount on debt issuance	-	-	-
Premium on debt issuance	-	-	-
Payment to escrow agent	-	-	(4,945,922)
Transfers in	145,451	510,913	353,755
Transfers out	(145,451)	(510,913)	(423,259)
	10,068,237	-	(40,426)
NET CHANGE IN FUND BALANCES	6,702,389	(1,924,954)	(77,896)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	16.48%	25.20%	16.68%

Data Source: Village Records

2005	2006	2007	2008	2009	2010	2011
8,247,208	8,594,668	9,278,894	9,280,168	9,967,799	10,479,497	10,665,204
3,561,205	4,072,998	4,388,782	4,768,312	4,537,622	4,009,429	4,227,284
251,158	254,722	252,464	247,856	230,888	220,432	259,938
2,078,579	2,097,259	1,810,162	2,125,768	1,491,828	1,205,211	1,304,857
667,683	921,206	999,781	946,155	989,595	960,919	1,599,683
109,425	94,655	105,824	132,292	202,836	151,006	137,942
76,904	305,010	541,030	490,280	208,112	183,376	106,902
535,070	626,115	771,884	943,857	1,031,411	525,208	805,320
15,527,232	16,966,633	18,148,821	18,934,688	18,660,091	17,735,078	19,107,130
2,284,502	2,340,785	2,504,428	3,067,285	3,493,435	2,121,416	2,057,316
5,713,119	6,208,800	6,459,216	6,945,078	7,149,458	7,306,828	7,593,311
4,954,437	4,818,429	5,196,688	5,826,135	4,567,300	5,065,840	5,470,308
-	-	-	-	-	-	-
628,011	911,724	1,058,519	2,086,233	1,015,403	3,078,301	4,848,415
1,816,300	1,821,600	2,042,000	2,187,400	2,235,000	2,230,000	2,325,000
548,652	524,206	473,740	401,697	335,202	313,061	318,782
15,945,021	16,625,544	17,734,591	20,513,828	18,795,798	20,115,446	22,613,132
(417,789)	341,089	414,230	(1,579,140)	(135,707)	(2,380,368)	(3,506,002)
-	1,850,000	-	-	7,400,000	3,890,000	-
-	(14,788)	-	-	-	-	-
-	-	-	-	-	148,551	-
-	-	-	-	-	(4,200,741)	-
60,301	-	-	106,719	-	-	345,998
(151,894)	-	-	(106,719)	-	-	(345,998)
(91,593)	1,835,212	-	-	7,400,000	(162,190)	-
(509,382)	2,176,301	414,230	(1,579,140)	7,264,293	(2,542,558)	(3,506,002)
15.92%	14.62%	15.08%	14.06%	14.63%	13.23%	13.44%

VILLAGE OF GLENCOE, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years (in Thousands) February 28, 2011 (Unaudited)

Tax Levy Year	Real Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2000	\$ 405,129	\$ 153	\$ 405,282	1.8893	\$ 1,215,846	33.333%
2001	511,231	160	511,391	1.5466	1,534,173	33.333%
2002	553,078	191	553,269	1.4623	1,659,807	33.333%
2003	554,225	206	554,431	1.5178	1,663,293	33.333%
2004	743,395	232	743,627	1.1771	2,230,881	33.333%
2005	801,783	219	802,002	1.1537	2,406,006	33.333%
2006	805,287	218	805,505	1.1890	2,416,516	33.333%
2007	1,109,035	239	1,109,274	0.9034	3,327,823	33.333%
2008	1,159,463	262	1,159,724	0.9208	3,479,175	33.333%
2009	1,238,758	314	1,239,072	0.8740	3,717,216	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, 2011 (Unaudited)**

See Following Page

VILLAGE OF GLENCOE, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Levy Years February 28, 2011 (Unaudited)

	2000	2001	2002
VILLAGE DIRECT RATES			
General	0.8954	0.7571	0.7337
Bonds and interest	0.5893	0.4501	0.4124
Garbage	0.1677	0.1548	0.1340
Police pension	0.1365	0.1145	0.1121
Fire pension	0.0089	0.0075	0.0036
IMRF	0.0262	0.0098	0.0163
Social security	0.0653	0.0528	0.0502
Limited bonds	-	-	-
Total direct rates	1.8893	1.5466	1.4623
OVERLAPPING RATES			
Public library	0.3150	0.2660	0.2540
High School District #203	1.9360	1.6110	1.9350
Grade School District #35	3.3790	2.8250	2.6960
Cook County	0.8930	0.8130	0.7510
Metro Water Recl. Dist.	0.4150	0.4010	0.3710
Park District	0.5660	0.4730	0.4520
Community College #535	0.2130	0.1860	0.1790
Other	0.0770	0.0950	0.0600
TOTAL DIRECT AND OVERLAPPING TAX RATE	9.6833	8.2166	8.1603
VILLAGE PERCENT OF TOTAL TAX RATE	19.5%	18.8%	17.9%

Data Source: Office of the County Clerk

2003	2004	2005	2006	2007	2008	2009
0.7558	0.6510	0.6391	0.6785	0.5279	0.5362	0.5700
0.4250	0.3238	0.2842	0.2700	0.2060	0.2211	0.2050
0.1102	0.0947	0.0927	0.0964	0.0604	0.0592	-
0.1396	0.1076	0.1079	0.1147	0.0855	0.0839	0.0800
-	-	-	-	0.0023	-	-
0.0301	-	-	-	-	-	-
0.0571	-	-	-	-	-	-
-	-	0.0298	0.0294	0.0213	0.0204	0.0190
1.5178	1.1771	1.1537	1.1890	0.9034	0.9208	0.8740
0.2670	0.2080	0.2050	0.2150	0.1640	0.1650	0.1570
1.7990	1.6210	1.5770	1.6620	1.2990	1.2900	1.2370
2.8010	2.5630	2.5100	2.6370	1.9970	1.9970	1.9010
0.7180	0.6530	0.5930	0.5570	0.4990	0.4660	0.4640
0.3610	0.3470	0.3150	0.2840	0.2630	0.2520	0.2610
0.4880	0.3950	0.3870	0.5590	0.4200	0.4170	0.3980
0.1860	0.1610	0.1580	0.1660	0.1410	0.1400	0.1400
0.0610	0.0480	0.0663	0.0560	0.0540	0.0420	0.0410
8.1988	7.1731	6.9650	7.3250	5.7404	5.6898	5.4730
18.5%	16.4%	16.6%	16.2%	15.7%	16.2%	16.0%

VILLAGE OF GLENCOE, ILLINOIS

Sales Tax Revenue by Category - Last Ten Calendar Years February 28, 2011 (Unaudited)

	2001	2002	2003
Food	\$ 124,014	128,927	124,683
Drinking and eating places	25,651	41,280	36,453
Apparel	85,917	83,003	83,719
Furniture and H.H. and radio	14,484	18,399	14,246
Lumber, building hardware	6,262	5,414	6,746
Automobile and filling stations	28,823	204,879	504,290
Drugs and miscellaneous retail	189,051	194,449	210,339
Agriculture and all others	69,771	61,101	59,711
Manufacturers	-	-	-
TOTAL	543,973	737,452	1,040,187
NUMBER OF TAXPAYERS	347	364	340

Data Source: Illinois Department of Revenue

2004	2005	2006	2007	2008	2009	2010
133,639	142,656	143,013	143,256	157,876	140,400	144,455
43,803	44,046	43,008	59,340	49,425	42,347	43,178
88,180	106,642	124,218	116,685	94,592	56,161	59,754
11,666	11,134	7,772	9,762	9,623	5,628	5,032
9,691	5,603	900	-	-	-	-
635,175	724,428	1,159,324	1,161,425	1,003,135	910,510	1,063,457
220,417	227,409	234,603	242,877	201,428	164,585	178,503
81,516	95,153	95,815	91,866	94,179	128,631	130,586
-	-	-	667	832	1,280	1,683
1,224,087	1,357,071	1,808,653	1,825,878	1,611,090	1,449,542	1,626,648
335	362	370	378	334	290	293

VILLAGE OF GLENCOE, ILLINOIS

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

February 28, 2011 (Unaudited)

	Village Total	Percent of Total	Surrounding Total (1)	Percent of Total
General merchandise	\$ -	0.00%	\$ 21,175,212	9.36%
Food	1,382,918	10.46%	29,666,380	13.12%
Drinking and eating places	428,531	3.24%	16,400,196	7.25%
Apparel	898,872	6.80%	17,311,099	7.65%
Furniture and H.H. and radio	107,744	0.81%	17,060,001	7.54%
Lumber, building hardware	34,616	0.26%	8,588,095	3.80%
Automobile and filling stations	7,395,446	55.92%	61,917,066	27.38%
Drugs and miscellaneous retail	2,063,661	15.60%	29,546,955	13.06%
Agriculture and all others	908,330	6.87%	21,264,911	9.40%
Manufacturers	4,462	0.03%	3,250,713	1.44%
TOTAL	13,224,580	100.00%	226,180,628	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 Year and Nine Years Ago February 28, 2011 (Unaudited)

Taxpayer	Tax Year 2009			Tax Year 2000		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Skokie Country Club	\$ 5,750,102	1	0.46%	\$ 3,222,693	2	1.01%
Lakeshore Country Club	5,438,988	2	0.44%	3,500,035	1	0.93%
United Investors Management	4,048,157	3	0.33%			
Individual - Real Property	3,932,064	4	0.32%	2,432,834	3	0.70%
Individual - Real Property	3,520,393	5	0.28%			
Individual - Real Property	3,483,332	6	0.28%			
Individual - Real Property	3,141,196	7	0.25%			
Three Waukegan Rd. LLC	2,893,113	8	0.23%			
Individual - Real Property	2,482,901	9	0.20%			
Individual - Real Property	2,385,913	10	0.19%			
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>37,076,159</u>		<u>2.99%</u>	<u>15,093,132</u>		<u>4.36%</u>

Data Source: Office of the County Clerk

Note: Tax Year 2009 is the latest data available.

VILLAGE OF GLENCOE, ILLINOIS

Property Tax Levies and Collections - Last Ten Levy Years February 28, 2011 (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
2000	\$ 7,659,830	\$ 7,608,823	99.33%	\$ 12,604	\$ 7,621,427	99.50%
2001	7,911,223	7,881,505	99.62%	(68,150)	7,813,355	98.76%
2002	8,094,313	8,043,516	99.37%	(19,729)	8,023,787	99.13%
2003	8,415,313	8,240,448	97.92%	117,502	8,357,950	99.32%
2004	8,750,840	8,585,407	98.11%	162,093	8,747,500	99.96%
2005	9,252,813	9,150,094	98.89%	24,276	9,174,370	99.15%
2006	9,577,459	9,266,110	96.75%	57,090	9,323,200	97.35%
2007	10,021,420	9,910,709	98.90%	14,311	9,925,020	99.04%
2008	10,681,063	10,465,186	97.98%	-	10,465,186	97.98%
2009	10,837,522	10,665,203	98.41%	-	10,665,203	98.41%

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, 2011 (Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Installment Contract Certificates	General Obligation Bonds			
2002	\$ 18,684,000	\$ 1,357,800	\$ 940,000	\$ 20,981,800	2.72%	\$ 2,394.64
2003	17,028,300	-	540,000	17,568,300	2.28%	2,005.06
2004	15,667,300	-	130,000	15,797,300	2.05%	1,802.93
2005	13,851,000	-	-	13,851,000	1.80%	1,580.80
2006	13,879,400	-	-	13,879,400	1.80%	1,584.04
2007	11,837,400	-	-	11,837,400	1.53%	1,350.99
2008	9,650,000	-	-	9,650,000	1.25%	1,101.35
2009	14,815,000	-	-	14,815,000	1.92%	1,690.82
2010	12,355,000	-	-	12,355,000	1.60%	1,410.07
2011	10,030,000	-	-	10,030,000	1.30%	1,149.83

Data Source: Village Records

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

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

VILLAGE OF GLENCOE, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years February 28, 2011 (Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita
2002	\$ 20,002,800	\$ 302,723	\$ 19,700,077	4.86%	\$ 2,248.35
2003	16,995,000	199,884	16,795,116	3.28%	1,916.81
2004	15,640,000	216,082	15,423,918	2.79%	1,760.32
2005	13,830,000	188,573	13,641,427	2.46%	1,556.89
2006	13,879,400	246,335	13,633,065	1.83%	1,555.93
2007	11,837,400	312,900	11,524,500	1.44%	1,315.28
2008	9,650,000	87,809	9,562,191	1.19%	1,091.33
2009	14,815,000	46,323	14,768,677	1.33%	1,685.54
2010	12,355,000	19,923	12,335,077	1.06%	1,407.79
2011	10,030,000	69,464	9,960,536	0.80%	1,141.87

Data Source: Village Records

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

(1) See the Schedule of Assessed Value and Actual Value of Taxable property for property value data.

VILLAGE OF GLENCOE, ILLINOIS

Schedule of Direct and Overlapping Governmental Activities Debt February 28, 2011 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Glencoe	\$ 10,030,000	100.000%	\$ 10,030,000
Overlapping Units			
County of Cook, including Forest Preserve Dist.	3,601,550,000	0.696%	25,066,788
Metropolitan Water Reclamation District	1,961,973,643	0.710%	13,930,013
High School District #203	21,124,474	17.771%	3,754,030
Glencoe Park District	12,800,000	99.141%	12,690,048
Winnetka Park District	2,185,000	1.712%	37,407
School District #35	19,360,000	100.000%	19,360,000
School District #36	55,732,565	2.027%	1,129,699
Sunset Ridge School District #29	1,278,345	1.522%	19,456
Oakton Community College #535	-	4.345%	-
	5,676,004,027		75,987,442
	5,686,034,027		86,017,442

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, 2011 (Unaudited)

	2002	2003	2004
Legal debt limit	\$ 40,528,200	51,139,128	55,326,812
Total net debt applicable to limit	20,002,800	16,995,000	15,640,000
Legal debt margin	20,525,400	34,144,128	39,686,812
Total net debt applicable to the limit as a percentage of debt limit	49.36%	33.23%	28.27%

Data Source: Village Records

2005	2006	2007	2008	2009	2010	2011
55,443,083	74,339,533	80,200,173	80,550,540	110,927,434	115,972,458	123,907,246
13,830,000	13,865,000	11,837,400	9,650,000	14,815,000	12,355,000	10,030,000
41,613,083	60,474,533	68,362,773	70,900,540	96,112,434	103,617,458	113,877,246
24.94%	18.65%	14.76%	11.98%	13.36%	10.65%	8.09%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	\$ 1,239,072,464
Legal debt margin	<u>10.00%</u>
Debt limit	123,907,246
Debt applicable to limit	
General obligation bonds	<u>10,030,000</u>
LEGAL DEBT MARGIN	<u><u>113,877,246</u></u>

VILLAGE OF GLENCOE, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years February 28, 2011 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2002	8,762	\$ 771,572,958	\$ 88,059	3.60%
2003	8,762	771,572,958	88,059	4.40%
2004	8,762	771,572,958	88,059	4.30%
2005	8,762	771,572,958	88,059	3.90%
2006	8,762	771,572,958	88,059	3.60%
2007	8,762	771,572,958	88,059	2.70%
2008	8,762	771,572,958	88,059	2.92%
2009	8,762	771,572,958	88,059	4.25%
2010	8,762	771,572,958	88,059	6.50%
2011	8,723	901,609,280	103,360	6.65%

Data Source: Illinois Department of Employment Security (IDES)

VILLAGE OF GLENCOE, ILLINOIS

Principal Employers - Current Year and Nine Years Ago February 28, 2011 (Unaudited)

Employer	Business	Rank	2011		Rank	2002	
			# of Employees	% of Total Village Employment		# of Employees	% of Total Village Employment
Cook County Forest Preserve District	Chicago Botanic Garden	1	284	3.26%		N/A	N/A
Glencoe Park District	Park District	2	255	2.92%	1	250	2.85%
Glencoe School District #35	Elementary School Dist.	3	230	2.64%	2	200	2.28%
Village of Glencoe	Municipal Corporation	4	94	1.08%	3	104	1.19%
Coldwell Banker	Realtor	5	85	0.97%	5	70	0.80%
AutoHaus on Edens	Auto Dealership	6	70	0.80%		N/A	N/A
Carmax	Auto Dealership	7	63	0.72%		N/A	N/A
Optima, Inc.	Real Estate Development	8	45	0.52%		N/A	N/A
Grand Foods Center	Food Store	9	40	0.46%	6	45	0.51%
Fields Infinity	Auto Dealership	10	40	0.46%		N/A	N/A
Harris Bank - Glencoe	Bank				4	75	0.86%

Note: Not all information to provide the top 10 employers for 2002 is available. All available information has been presented.

VILLAGE OF GLENCOE, ILLINOIS

Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years February 28, 2011 (Unaudited)

	2002	2003	2004
GENERAL GOVERNMENT			
Village Manager	4	4	4
Finance	4	5	5
PUBLIC SAFETY			
Police			
Officers	35	35	35
Civilians	10	10	10
PUBLIC WORKS			
Administration	11	11	11
Community Development	2	2	2
Engineer	1	1	1
Mechanic	3	4	4
Maintenance Equipment Operator	23	23	23
Water Plant Operator	4	4	4
TOTAL	97	99	99

Data Source: Fiscal Year 2002 Pay Plan and Fiscal Year 2011 Pay Plan

2005	2006	2007	2008	2009	2010	2011
4	3	3	3	4	4	4
5	5	5	5	5	5	5
35	35	36	36	36	35	35
10	10	10	10	10	10	9
12	12	12	12	12	11	11
2	2	2	2	2	2	2
1	1	1	1	1	1	1
4	4	4	4	4	4	4
23	23	23	20	20	21	21
4	4	4	4	4	4	4
100	99	100	97	98	97	96

VILLAGE OF GLENCOE, ILLINOIS

Operating Indicators by Function/Program - Last Ten Calendar Years February 28, 2011 (Unaudited)

	2001	2002	2003
PUBLIC SAFETY			
Police			
Physical arrests	15	162	191
Parking violations	5,993	7,099	6,630
Traffic violations	606	1,190	1,650
Fire			
Emergency responses	2,348	2,197	2,236
Fires extinguished	24	39	29
PUBLIC WORKS			
Street resurfacing/repairs (square feet)	34,000	38,000	35,574
WATER			
New connections	38	42	53
Water main breaks	17	22	55
Average daily consumption	1,629,000	1,629,000	1,629,000

Data Source: Various Village Departments

2004	2005	2006	2007	2008	2009	2010
205	155	152	150	202	174	197
5,962	6,307	5,215	5,113	6,525	4,235	4,029
1,609	999	1,589	1,631	1,453	1,975	1,672
2,052	2,280	2,281	2,280	2,320	2,115	1,931
26	34	24	11	38	13	11
17,510	22,023	52,425	22,324	18,131	12,810	15,334
54	52	52	33	32	21	12
33	44	32	34	17	29	21
1,935,800	1,935,800	1,935,800	1,818,000	1,681,000	1,458,000	1,554,000

VILLAGE OF GLENCOE, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Calendar Years February 28, 2011 (Unaudited)

	2001	2002	2003
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

2004	2005	2006	2007	2008	2009	2010
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, 2011 (Unaudited)

<u>Insured</u>	<u>Description of Coverage</u>	<u>Limits</u>	<u>Expiration Date of Policy</u>
Village of Glencoe	General liability	\$ 10,000,000	01/01/12
	Police professionals		
	Employee benefits (fire/paramedic)		
	Professional liability		
	Abuse/molestation		
	Auto liability	10,000,000	01/01/12
	Uninsured/underinsured motorist	500,000	01/01/12
	Public officials' liability	10,000,000	01/01/12
	Workers' compensation	151,500,000	01/01/12
	Employer's liability	1,000,000	01/01/12
	First party property - all risk	250,000,000	01/01/12
	Flood zone A	3,500,000	01/01/12
	Contingent business interruption (sales tax)	5,000,000	01/01/12
	Schedules emergency vehicles-agreed value	Scheduled	01/01/12
	Boiler/machinery	50,000,000	01/01/12
	Crime	Blanket per occurrence	
	Employee theft	5,000,000	01/01/12
	Forgery, alteration and counterfeit	5,000,000	01/01/12
	Credit card forgery	5,000,000	01/01/12
	Computer fraud	5,000,000	01/01/12
	Non-faithful performance	2,500,000	01/01/12
	Public officials' bonds		
	Mayor/president, treasurer, clerk	Blanket	01/01/12
	Special district trustees	Statutory limits	01/01/12
	<u>Yearly Aggregates</u>		
	Member aggregate cap (applies to general/ auto liability and public officials' liability loss fund payments only)	6,000,000	01/01/12
	Agency aggregate cap	75,677,979	01/01/12

The above coverages are all provided through membership in IRMA.