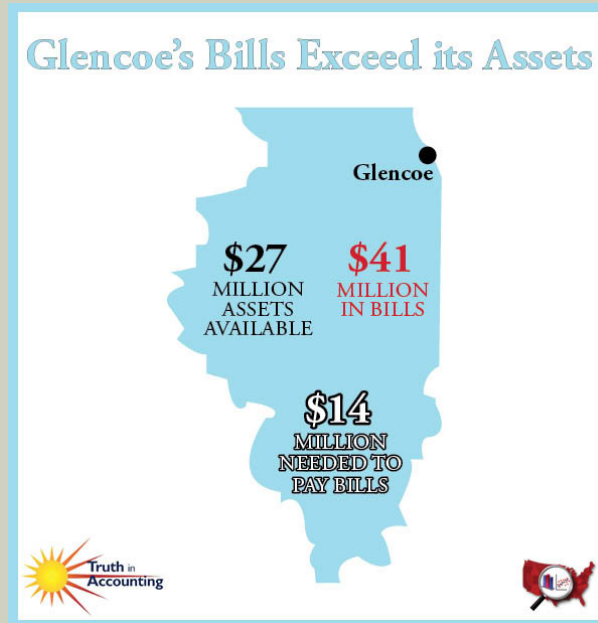


WHAT IS GLENCOE HIDING?



Once these hidden debts are counted, Glencoe's balance sheet doesn't look so great. In fact, the village is sinking in debt. One of the reasons Glencoe is in this precarious financial position is village officials use antiquated accounting rules to report Glencoe's financial condition.

Truth in Accounting's detailed analysis discovered a total of \$21 million of retirement benefits are owed, but not funded. Because of the confusing way the village does its accounting, instead of reporting this debt on the village's balance sheet, Glencoe reports \$2 million of retirement assets. If this debt is included, Glencoe has a \$14 million shortfall, which effectively represents compensation and other costs that have been pushed into the future.

GLENCOE'S BILLS EXCEED ITS ASSETS



THE FINANCIAL STATE OF GLENCOE

The Village's Bills Exceed Its Assets

Assets	\$115,193,755
Less: <i>Capital Assets</i>	\$86,413,247
<i>Restricted Assets</i>	\$1,403,431
Assets Available to Pay Bills	\$27,377,077
Less: Bills	\$41,053,410
Money Needed to Pay Bills	\$13,676,333
Each Taxpayer's Share of Debt	\$4,900

Glencoe has \$115 million in assets, but most of these assets are not available to pay village bills.

The \$86 million of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of \$1 million of the assets is restricted by law or contract.

That leaves \$27 million of the village's assets available to pay \$41 million of bills as they come due.

The \$14 million shortfall represents compensation and other costs incurred in prior years that should have been paid in those prior years. Instead these costs have been shifted to future taxpayers.

Each Taxpayer's share of the village's debt is \$4,900.



Truth in Accounting is committed to educating and empowering citizens with understandable, reliable and transparent government financial information.

We call on governments to truthfully balance their budgets by including all real and certain expenses when incurred not when paid.

To be knowledgeable participants in their government and its budget process, citizens need to be provided with truthful and transparent financial information.

www.TruthInAccounting.org

www.StateDataLab.org

The Bills Glencoe Has Accumulated

Bonds	\$14,450,000
Other Liabilities	\$19,725,389
Less: Debt Related to Capital Assets	\$13,687,196
Unfunded Pension Benefits	\$18,494,947
Unfunded Retirees' Health Care Benefits	\$2,070,270
Bills	\$41,053,410

Despite the balanced budget requirement, the village has accumulated bonds of \$14 million and other liabilities of \$20 million. The calculation of assets available to pay bills does not include capital assets, so \$14 million of related debt is removed from the calculation of village bills.

Unfunded employees' retirement benefits represent 50% of village bills. These unfunded liabilities have accumulated because village employees have been promised \$18 million of pension benefits and \$2 million of retirees' health care benefits, but the village has not adequately funded them.

Unless these pension and retirees' health care benefits are renegotiated, future taxpayers will be burdened with paying for these benefits without receiving any corresponding government services or benefits.

None of the Village's Retirement Liabilities Are Reported

Unreported Retirement Liabilities	\$20,565,217
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A detailed study of Glencoe's actuaries' schedules found retirement benefits totaling \$21 million have been promised, but not funded. Instead of reporting this debt on the village's balance sheet, Glencoe reports \$2 million of retirement assets. This means the village balance sheet assets are overstated by \$2 million.

Data is derived from the village of Glencoe's February 28, 2014 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

Number of taxpayers is based on an estimation of the village's population with a federal tax liability.