



*Village of Hazel Crest, Illinois*

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
APRIL 30, 2004**

**Village of Hazel Crest, Illinois  
Comprehensive Annual Financial Report  
Year Ended April 30, 2004**

Prepared by  
Sandi Budwash  
Accountant

Robert L. Palmer  
Village Manager

Village Finance Department

Village of Hazel Crest, Illinois

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**President**  
William A. Browne

**Clerk**  
Shirley Smith

**Village Manager**  
Robert L. Palmer

## Village of Hazel Crest

**Trustees**  
Vernard L. Alsberry, Jr.  
Jane P. Brown  
Melvyn N. Freed  
Eric D. Leaner  
Susan M. Pate  
Gregory L. Washington

August 2004

Honorable President Browne  
and Board of Trustees  
Village of Hazel Crest  
Hazel Crest, Illinois 60429

### Board Members:

In accordance with State Statutes and local ordinance provisions, we hereby transmit the Comprehensive Annual Financial Report of the Village of Hazel Crest, Illinois, for the fiscal year ended April 30, 2004. Responsibility for both the accuracy of presented data and completeness of the presentation, including all disclosures, rests with the Village.

Management believes that the data as presented is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position, results of operations and cash flows of the Village, as measured by the financial activity of its various fund types and account groups and that all disclosures necessary to enable the reader to gain maximum understanding of the Village's financial affairs have been included.

In developing and evaluating the Village's accounting system, consideration is given to the adequacy of internal accounting controls. We believe the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In accordance with guidelines recommended by the Government Finance Officers Association (GFOA) for Comprehensive Annual Financial Reports, the accompanying report consists of three parts:

1. Introduction Section, including Letter of Transmittal, listing of elected and appointed officials, organizational chart, and the Government Finance Officers Association's Certificate for Excellence in Financial Reporting for the year ended April 30, 2003.
2. Financial Section, including managements' discussion and analysis, government-wide and fund financial statements, notes to the financial statements and supplemental data that are accompanied by an independent auditor's opinion.
3. Statistical Section, including a number of unaudited Tables and data depicting the financial history of the Village for the past ten years, information on overlapping governments, demographics, and other miscellaneous information.

## REPORTING ENTITY

A presentation of general governmental functions of the Village of Hazel Crest refers to operations directly supervised or controlled by the Village of Hazel Crest Municipal Corporation. The operations include police and fire protection, water supply, sanitary and storm sewer collections, public works operations, commuter parking facilities operations and maintenance, road and bridge maintenance, community economic development, community relations, civil defense and general administrative services.

The following units of government are schools or special purpose districts that serve the entire community or a part hereof not included in the accompanying financial statements because they are autonomous of the Village and report to separately elected boards. The Village of Hazel Crest exerts no direct or indirect control or authority over these boards:

- Grande Prairie Public Library District
- Hazel Crest Park District
- Prairie Hills School District #144
- Hazel Crest School District #152 ½
- Flossmoor School District #161
- Homewood School District #153
- Hillcrest High School District #228
- Homewood-Flossmoor School District #223
- Thornwood School District #205
- Metropolitan Water Reclamation District

State law requires that the financial statements of the Village of Hazel Crest be audited by Certified Public Accountants. This requirement has been complied with and the Auditor's opinion is included in the Financial Section of this report.

The Village of Hazel Crest's government concluded fiscal year ended April 30, 2004 in sound financial condition.

## ECONOMIC CONDITION AND OUTLOOK

Economic conditions stabilized during the fiscal year. This year's General Fund shows a \$134,466 fund balance increase, as opposed to last year's increase of \$478,352. Most of the variation is a result of the Village closing two funds last year (Civil Defense and IMRF) into the General Fund totaling \$239,876. The Firefighter's Union contract was signed on July 15, 2003. Approximately \$52,000 in retroactive earnings was paid out in Fiscal 2004. Fire personnel costs increased \$152,492 or 15%. Negotiations are in process for the Police Union contract. Their settlement may have a material affect on the financial statements next year.

Fiscal year 2004 Sales Tax revenue of \$654,447 decreased \$53,923 or 8% less than 2003 sales tax revenue of \$708,370 due to economic conditions. Fiscal year 2004 income tax revenue of \$1,057,397 decreased \$25,938 or 2% less than 2003 income tax revenue of \$1,083,335. Fiscal year 2004 utility tax revenue of \$1,360,115 increased \$171,588 or 14% more than 2003 utility tax revenue of \$1,188,527 since the State of Illinois has taken over collection of utility tax. The Village has no control over the amount or timing of these receipts.

Interest rates continue to decline causing the Village to receive \$17,844 less in interest income this year in the General Fund. The \$35,254 received is a 34% decline from last year's interest of \$53,098.

Communities in Cook County continue to use the prior year Assessed Value to determine their Tax Levy. Public Act 89-1 established a 5% limit on the increase in extensions from the prior Levy Year to the current Levy Year. Further, this law limited the increase in extensions to the lower of 5% or the change in the Consumer Price Index. The actual increase for the 2003 levy was limited to 2.4%.

The Village has five TIF Districts. The Village's oldest TIF District known as the Palmer Lake Business Park includes Gierczyk Development, Access Systems, Homewood Industries, Southwest Community Services, Midwestern Telecommunications, J. P. Ruklic Screw, Benefit Administration Systems, Sound Castle and Graycor Services as corporate residents. Outstanding notes total \$1,064,123. The remaining outstanding notes will be repaid from TIF property tax receipts of approximately \$1,000,000 annually. A surplus distribution of \$755,000 in March 2004 was made from the TIF to the Cook County Treasurer to distribute to the appropriate taxing bodies in accordance with the percentage that each taxing body's tax rate bears on the overall tax bill. Surplus distributions are made when there are unobligated monies.

The Village has four other established TIF districts. The 183<sup>rd</sup> Street TIF was established to redevelop French Village by aiding in securing tenants and promoting landscaping and remodeling. The 170<sup>th</sup> Street TIF was established to fill vacancies in the business district, help existing businesses to expand, develop parking and pedestrian access and institute infrastructure and landscaping improvements. The 167<sup>th</sup> Street TIF was established to develop vacant parcels, assist with the Mi-Jack expansion and assist in infrastructure improvements along Kedzie. The Cherry Creek TIF remains inactive.

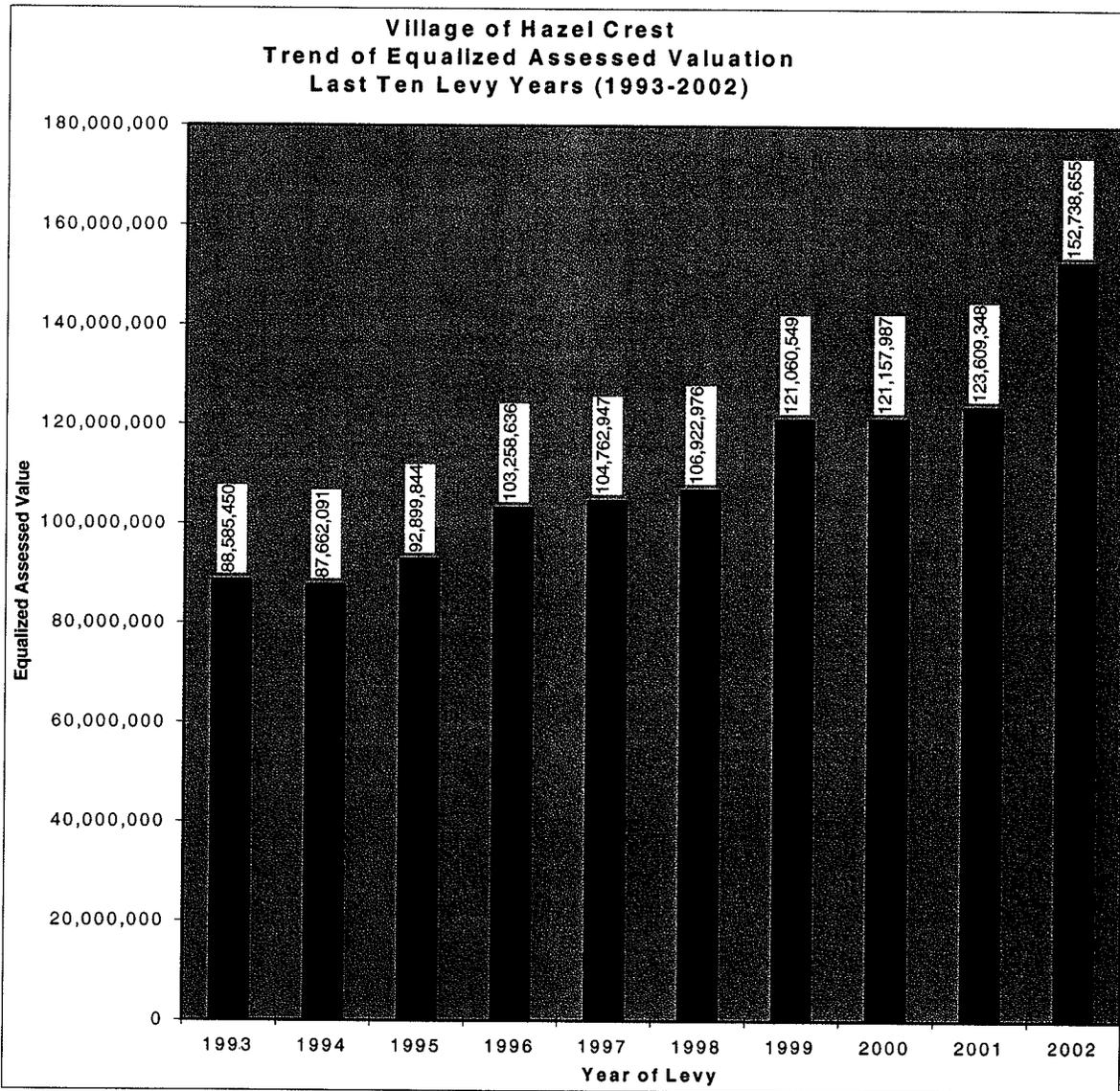
#### MAJOR INITIATIVES

CDBG funds for \$70,000 were used for repaving Shea from 170<sup>th</sup> to 171<sup>st</sup> and 168<sup>th</sup> from Trapet to Shea in Fiscal 2004. The westbound side of 183<sup>rd</sup> Street will be repaired with a grant funded by both the state of Illinois and the Federal government. Work began this spring. The Village's share of the work is 30%. The eastbound side will be done in 2005.

The Village continues to operate a state licensed municipal composting landfill. The compost facility serves residents by allowing the drop-off of yard waste and making available finished compost to be used as a soil additive. Sales in Fiscal 2004 were \$6,283 reflecting an 11% decrease over the \$7,080 collected in Fiscal 2003. A wood burner is also being operated to minimize costs for tree trimming and removal.

Over the last ten years there was a 72% increase in Equalized Assessed Value. The following tables illustrate this trend.

YEAR OF LEVY	% INCREASE (DECREASE)
1993	2.9%
1994	-1.1%
1995	6.0%
1996	11.2%
1997	1.5%
1998	2.1%
1999	13.2%
2000	.9%
2001	2.0%
2002	23.6%



The challenges of financing services and maintaining infrastructure in the Village continue to dominate the budget process. Fiscal responsibilities, as well as increasing the revenue base, continue to be the priority of the Village Board of Trustees. The Village remains committed to meeting its prescribed fiscal controls.

**FINANCIAL INFORMATION**

**Internal Accounting System and Budgetary Controls.**

In evaluating the Village's account system, the adequacy of internal accounting controls were analyzed and found to provide reasonable assurances related to:

1. Safeguarding of assets against losses from unauthorized use or disposition, and

2. The reliability of financial records for preparing financial statements and maintaining accountability for assets.

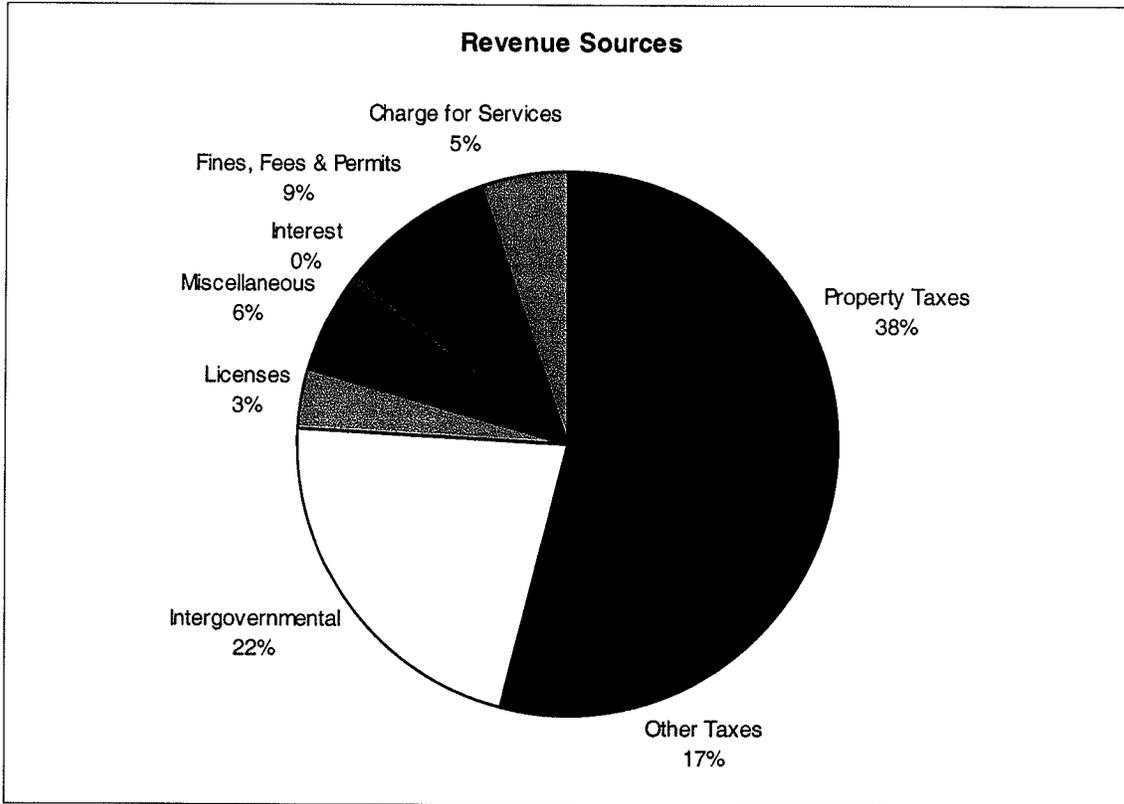
The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed benefits likely to be derived and (2) evaluation of cost and benefits requires evaluation and judgment by management. All internal evaluations occur within the above framework. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

## GENERAL GOVERNMENTAL FUNCTIONS

### GENERAL FUND

Fiscal 2004 General Fund revenues increased \$104,377 over Fiscal 2003 due to increases of ambulance and sticker fee rates and collection of more court fines, utility taxes and building permits. Revenues actually earned were more than revenues budgeted by \$193,203. The changes in General Fund Revenues from 2003 to 2004 are illustrated as follows:

Revenue Source	2003	2003 % of Total	2004	2004 % of Total	Increase/Decrease	
					Amount	%
Property Taxes	\$3,078,863	40%	\$2,920,953	38%	(\$157,910)	(5%)
Other Taxes	1,192,612	15%	1,363,841	17%	171,229	14%
Intergovernmental	1,837,043	23%	1,760,403	22%	(76,640)	(4%)
Licenses	233,887	3%	276,494	3%	42,607	18%
Charges for Services	403,005	5%	409,727	5%	6,722	2%
Fines, Fees & Permits	588,041	7%	743,260	9%	155,219	26%
Interest	53,098	1%	35,254	-	(17,844)	(34%)
Miscellaneous	467,897	6%	448,891	6%	(19,006)	(4%)
Total	\$7,854,446	100%	\$7,958,823	100%	\$104,377	1%



Property tax receipts were 5% lower in fiscal 2004. Tax refunds accounted for most of this reduction. The balance of the decrease is the result of slower real estate tax payment receipts. The 2002 property tax collections were 96.11% and 2003 property tax collections were 40.47% as of April 30, 2004. Only half of the collections have been received for the 2003 levy.

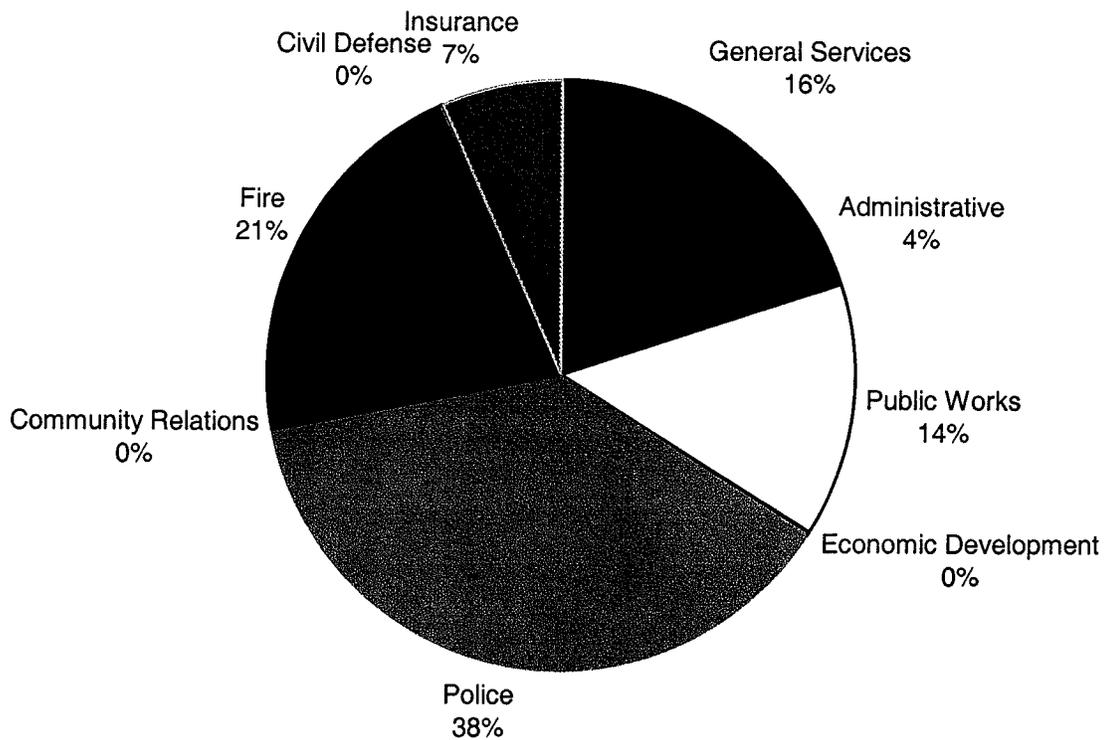
The allocations of Property Tax rate by generic fund type of tax levy for 2003 and the proceeding four fiscal years are as follows:

Purpose	1999	2000	2001	2002	2003
General	\$1.572	\$1.585	\$1.645	\$1.733	1.842
Special Revenue	.479	.509	.481	-0-	-0-
General					
Obligation Debt	.295	.212	.271	.111	.098
Pensions	.204	.331	.337	.310	.321
Totals	\$2.550	\$2.637	\$2.734	\$2.154	\$2.261

Expenditures for the General Fund increased 3% from Fiscal 2003. The percent increase in expenditures by major functions of the Village are shown in the following tabulations:

Expenditure by Function	Amount	Percent of Total	Percent Increase (Decrease) Fiscal 2003-2004
General Services	1,218,834	16%	(8%)
Administrative Office	340,053	4%	16%
Economic Development	20,351	-	(86%)
Community Relations	1,374	-	(84%)
Public Works	1,094,725	14%	11%
Police	2,950,107	38%	(1%)
Fire/Paramedics	1,659,602	21%	22%
Civil Defense	10,627	-	77%
Insurance	528,684	7%	3%
	\$7,824,357	100%	3%

### Expenditure by Function



The unreserved fund balance of the General Fund as of April 30, 2004, was \$3,800,032. When added to the working fund balance of \$759,392, the result is a 6.99-month reserve. The goal of the Village is to have a 6-month reserve.

The State of Illinois created a separate entity to provide retirement, death and disability benefits to certain municipal and school district employees. All full-time Village personnel other than qualifying police and firefighters are enrolled in this retirement fund known as the Illinois Municipal Retirement Fund (IMRF). The plan requires employees enrolled to pay the 4.5% of earnings toward the plan while the Village pays the balance of the amount necessary to pay normal retirement costs for the year. The Village's share includes the unfunded past service retirement costs (amortized over 39 years), the term cost of death and disability, and the program administrative costs. The Village's contribution rate has increased to 8.26% for calendar year 2004 due to market conditions.

The present total IMRF actuarial accrued liability of the Village is \$6,439,789 and is 95.6% funded. Comprehensive IMRF Plan Benefits are available at IMRF OFFICES, 2211 York Road, Oak Brook, IL 60523-2337.

#### SPECIAL REVENUE FUNDS

The Village receives revenue from various sources that are restricted by law to expenditures for specific purposes. These are identified as Special Revenue Funds. The Village's Special Revenue Funds include Motor Fuel Tax, 9-1-1, and Working Cash.

Motor Fuel Tax (MFT) revenues are collected by the state on the sale of fuels and distributed based primarily upon a per capita figure. MFT funds are special revenues due to the restrictions to utilize them on transportation projects, related maintenance repairs or improvements. MFT Fund Revenues of \$433,706 in fiscal year 2004 represented a decrease of 3% from the \$446,562 collected in Fiscal 2003. Expenditures were less than revenues during the year by \$77,097 resulting in the current fund balance of \$407,198.

The 9-1-1 Fund was established to receive revenues from a surcharge on the telephone utility expressly allowed by State Law to fund the creation and operation of an Emergency 9-1-1 system. The surcharge was first collected in September of 1989 and for Fiscal 2004 revenues totaled \$128,751 representing an 11% decrease from the \$144,705 collected in Fiscal 2003. Expenditures were less than revenues during Fiscal 2004 resulting in an increase in the fund balance to \$185,289.

The Working Cash Fund was classified as a Trust and Agency Fund in the prior year; however, it was reclassified as a Special Revenue Fund under the new financial reporting model (GASB 34). The Working Cash Fund earned \$7,801 on its cash and cash equivalents during the year ended April 30, 2004.

#### DEBT ADMINISTRATION

The ratio of bonded debt to assessed valuation and the amount of bonded debt per capita were useful indicators of the Village's debt position to municipal management, citizens and investors. The data for the Village of Hazel Crest for the 2004 fiscal year is found in the Statistical Section of the report. During the past year \$172,802 of General Obligation Debt was retired as scheduled. Alternate Revenue Debt has no remaining balance.

The following is a tabulation of General Obligation Bonds issued over the past 10 years:

Date of Issue	Amount	Average Life in Years	Effective Interest Rate	Interest Cost per Dollar Borrowed (Average Life x Rate)
02-01-95	150,000	2.30	6.50	.15
12-30-96	279,000	5.26	1.36	.07
12-12-97	123,000	2.74	1.36	.04
12-01-98	103,000	1.80	1.36	.02
12-01-99	153,000	2.16	1.36	.03
12-01-00	110,000	1.78	1.36	.02
12-01-01	109,000	2.12	1.36	.03
12-01-02	110,000	2.24	1.36	.03

#### CAPITAL PROJECTS FUND

The Village has established a Capital Projects Fund in order to undertake major purchases of equipment and improvements to infrastructure or buildings. Interest revenue for the Capital Projects Fund for Fiscal 2004 was \$1,627. Capital items in Fiscal 2004 were roof repairs to the municipal building and accounting software. The April 30, 2004 fund balance for the Capital Projects fund is \$105,217.

#### CAPITAL ASSETS

Capital Assets are those assets used in the performance of governmental and business-type activities. Capital assets now include infrastructure (roads, bridges, curbs and gutters, street and sidewalks, drainage and lighting systems) under the new reporting model.

All capital assets are valued at estimated historical cost, if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. As of April 30, 2004, net capital assets for governmental activities amounted to \$24,794,299. Net capital assets for business-type activities amounted to \$5,746,030. Capital Assets are depreciated at rates intended to amortize the cost over each assets useful life.

#### WATER AND SEWERAGE FUND

The following table presents key statistical information over the past four years for the water and sewerage system, including net income and Debt Service coverage. A loss of \$435,425 resulted from operations of the Water and Sewerage Fund due to increased water rates passed on to the Village. Water rates will be reviewed in Fiscal 2005 to help offset future losses.

	2004	2003	2002	2001
Number of Metered Accounts	4630	4630	4620	4572
Gross Revenue	2,342,992	2,212,492	2,147,631	2,162,824
Expense	2,778,417	2,566,025	2,253,798	2,241,651
Operating Income (Loss)	(435,425)	(355,033)	(106,167)	(78,827)
Water Billed (in Million Gallons)	466.72	464.59	436.83	438.15
Water Purchased (in Million Gallons)	518.97	541.19	511.08	513.57
Ratio of Water Billed to Pumped	89.93	85.85	91.15	85.31
Revenue per 1,000 Gallons Pumped	4.51	4.09	4.20	4.21
Revenue per 1,000 Gallons Billed	5.02	4.76	4.61	4.93

## PENSION TRUST FUNDS

The Police Pension Fund is the direct responsibility of the Hazel Crest Police Pension Board. As administrators of the Police Pension Fund, the Board is responsible for a variety of tasks including qualifications of participants, certification of benefit amounts and investment of funds. An actuary annually reviews the financial status of this fund and recommends the amount to be provided by the Village. This amount together with employee contributions will assure proper funding of the Police Pension Fund given reasonable actuarial assumptions.

The funding method utilized the entry age normal costs, and assumes an interest rate of 7.0% with salary progress of 5.0%. Mortality rate assumption is based upon the 1971 group annuity and withdrawal rate assumptions are based upon the experience Table. As of April 30, 2003, the unfunded accrued liability was \$2,884,032. This amount is being amortized on equal installments over a thirty-nine year period in accordance with State of Illinois Law.

On an annual basis, the Board requests and receives the amount recommended as the employer contribution for the Police Pension Fund. The Village funded \$301,728 during the fiscal year ending April 30, 2004. The Police Pension Fund earned \$54,126 in interest and dividends on investments recognized, \$462,929 appreciation in fair value of investments and recognized employee contributions totaling \$147,313. During the year, \$380,631 was paid out for pension benefits and refunded contributions, and \$18,992 was paid out for operating expenses and investment expenses. The net assets held in trust for pension benefits at the end of the year increased by \$566,473 to \$9,751,406.

The Firefighters Pension Fund is the direct responsibility of the Hazel Crest Firefighters' Pension Board. As administrators of the Firefighter's Pension Fund, the board is responsible for a variety of tasks identical to those of the Police Pension Fund, including qualification of participants, certification of benefit amounts, and investment of funds. An actuary annually reviews the financial status of these funds and recommends an amount to be provided by the Village, which, together with the employee contributions will assure proper funding of the Firefighters' Pension Fund, given reasonable actuarial assumptions. The funding method utilized the entry age normal cost, and assumes an interest rate of 7.5% with salary progression of 5.5%. Mortality rate assumptions are based on the 1971 group annuity, and withdrawal rate assumptions are based upon the experience Table. As of April 30, 2003, the unfunded accrued liability is \$562,361.

On an annual basis, the Village Board reviews and approves the amount recommended as the employer contribution for the Firefighters Pension Fund. The Village funded \$139,821 during the fiscal year ending April 30, 2004. Interest and dividends on investments amounted to \$67,825, appreciation in fair value amounted to \$177,511 and employee contributions were \$61,485. A total of \$73,529 was paid out for pension benefits and refunded contributions and \$3,783 for operating expenses. The net assets held in trust for pension benefits at the end of the year increased by \$369,330 to \$3,108,833.

## CASH MANAGEMENT AND INVESTMENTS

The Village's cash management and investment procedures are guided by the Revised Village of Hazel Crest Investment Policy adopted by the Board of Trustees March 23, 1999. Specific objectives are established by this policy and are listed below in their order of importance.

- Safety of principal
- Liquidity to meet operating requirements
- Maximum rate of return while maintaining safety of principal
- Avoidance of conflict of interest
- Local investments if all else is similar

The Cash Management Policy provides that upon receipt, and prior to distribution for expenditure or investment purposes, all cash is promptly deposited in an insured Cash Management account or in the Illinois Public Treasurers' Investment Pool. Cash temporarily idle was invested in the Illinois Metropolitan Investment Fund, the Public Funds Investment Account and the Illinois Public Treasurers' Investment Pool. The Village's Investment Policy provides that investments or deposits in banks in excess of the \$100,000 FDIC insurance are secured by U. S. Government Securities in the Village's name and kept in safekeeping at a separate financial institution. All other investments are in the Village's name and are not pledged or subject to repurchase agreements.

## RISK MANAGEMENT

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois that 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. Further information on this risk management joint venture is provided within the notes of the Financial Statements for the fiscal year ending April 30, 2004.

## CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hazel Crest for its comprehensive annual financial reports (CAFR) for the fiscal year ended April 30, 2003. This was the 22nd consecutive year that the government has achieved this prestigious award (fiscal years ended 1982-2003). In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

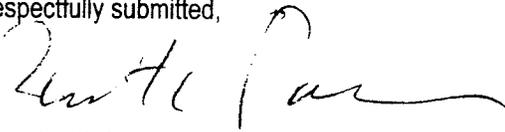
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### ACKNOWLEDGMENTS

Preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire office staff. Our appreciation is extended to all members of the Village Board for their interest and support in planning and conducting financial operations of the Village in a responsible and progressive manner.

This report evidences the significant progress the Village of Hazel Crest has made toward developing responsible financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert L. Palmer", written over a horizontal line.

Robert L. Palmer, Village Manager

**Village of Hazel Crest, Illinois**

**Principal Officials**

**April 30, 2004**

**President**

**William A. Browne**

**Village Board of Trustees**

**Eric Leaner**

**Jane P. Brown**

**Melvyn N. Freed**

**Gregory L. Washington**

**Susan Pate**

**Vernard Alsberry, Jr.**

**Village Manager**

**Robert L. Palmer**

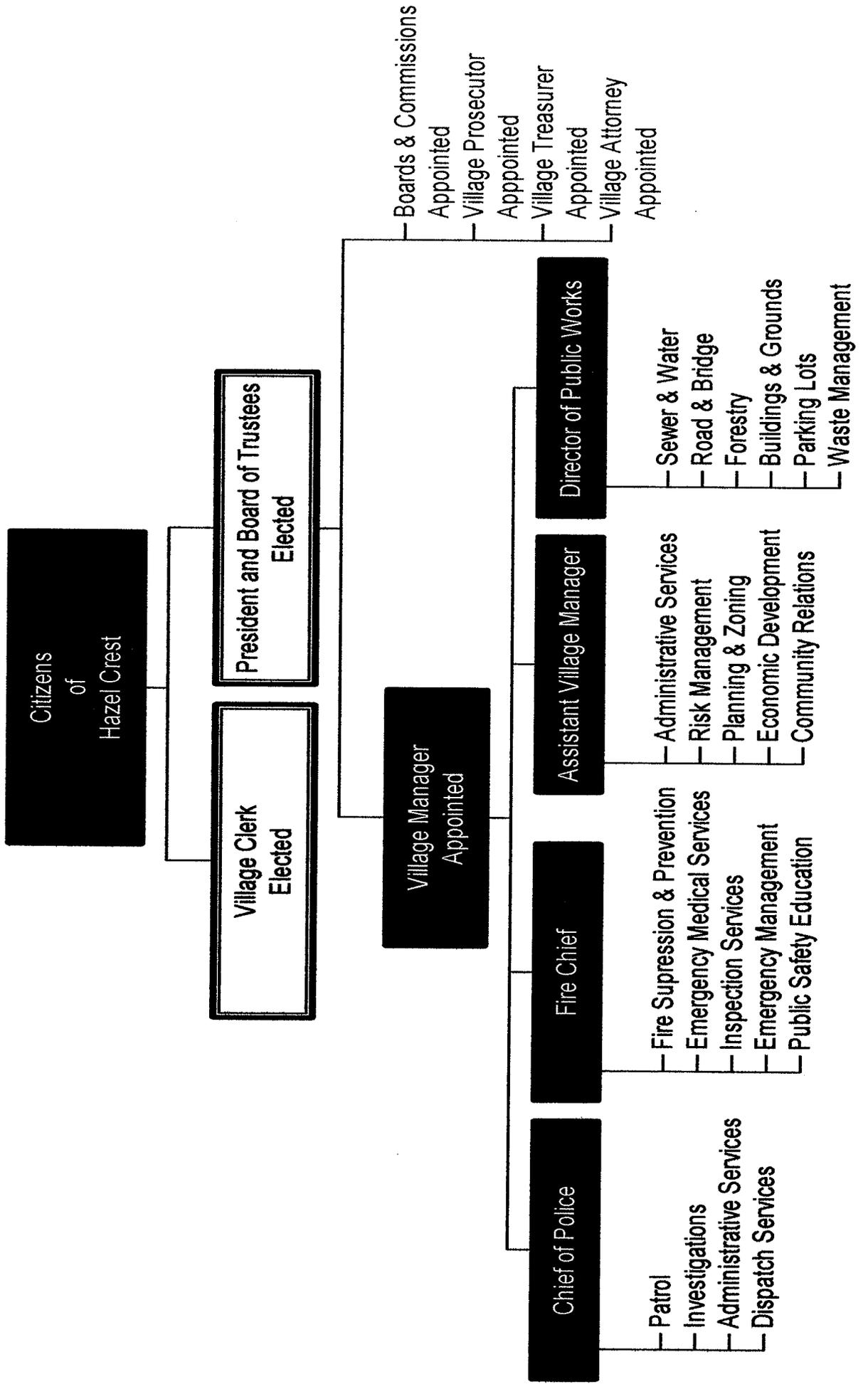
**Village Clerk**

**Shirley Smith**

**Village Attorney**

**John Murphey of  
Rosenthal, Murphey, Coblenz and Janega**

# Village of Hazel Crest Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Hazel Crest,  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
April 30, 2003

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

# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Honorable President and  
Members of the Board of Trustees  
Village of Hazel Crest, Illinois  
Hazel Crest, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hazel Crest, Illinois, as of and for the year ended April 30, 2004, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Hazel Crest, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hazel Crest, Illinois, as of April 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, in fiscal year 2004 the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

The required supplementary information which includes management's discussion and analysis (pages 3 - 10), pension related schedules (pages 46 - 48) and budgetary schedules (pages 49 - 57) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Hazel Crest, Illinois. The combining and individual fund financial statements and other schedules listed in the table of contents as supplementary data are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

Mokena, Illinois  
June 16, 2004

## Management's Discussion and Analysis

The management of the Village of Hazel Crest (the "Village") is providing this overview and analysis of the financial activities of the Village for fiscal year ended April 30, 2004. Please read it in conjunction with the Transmittal Letter and the Financial Statements in this report.

### Financial Highlights

The assets of the Village exceeded its liabilities at the close of fiscal year 2004 by \$29,773,008. Of this amount, \$4,978,709 may be used to meet the government's ongoing obligations. The total long-term debt of the Village decreased by \$312,843 during the fiscal year. This decrease is made up of principal payments on debt, offset by the new note payable for the sewer vacuum truck. At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,800,032 or 49% of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis is intended to be an introduction to the Village's basic financial statements. This is the first year the basic financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary and statistical information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements provide a broad overview of the Village's finances in a manner similar to a private-sector business. For the first time, the government's current financial resources are combined and consolidated with capital assets and long term obligations using the accrual basis of accounting.

The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. In the future, the increase or decrease in net assets may be a useful indicator of whether the Village's financial position is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as they occur, regardless of the timing of cash flow. Therefore, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods. The costs of various governmental services and any subsidy to business activities are presented.

Both of these government-wide financial statements distinguish the functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). The Village's governmental activities include general services, public works, and public safety. Property, sales, utility and income taxes pay for most of those activities. The Village's business-type activities include water and sewer operations and a municipal parking operation.

The government-wide financial statements include only the financial activities of the Village. There are no component units.

**Fund financial statements.** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Village funds are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The Village maintains 20 individual governmental funds. This year, information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for two major funds: general fund and the Palmer Lake TIF fund. Data from the other 18 governmental funds are combined into a single, aggregated presentation. Previously, funds were reported by fund type. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report.

The Village adopts an annual appropriated budget for 18 of its funds. A budgetary comparison statement has been provided where appropriate to demonstrate compliance with this budget.

One type of proprietary fund is an enterprise fund. The Village maintains two enterprise funds to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Those two functions are a municipal parking operation and sewer and water operations. Sewer and water operations are considered to be a major fund of the Village.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions.

### Government-wide Financial Analysis

The following table is the condensed Village of Hazel Crest Statement of Net Assets as of April 30, 2004.

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$8,675,116	\$511,645	\$9,186,761
Capital assets	24,794,299	5,746,030	30,540,329
Total assets	33,469,415	6,257,675	39,727,090
Long-term liabilities	1,525,681	142,737	1,668,418
Other liabilities	2,170,726	924,833	3,095,559
Total liabilities	3,696,407	1,067,570	4,763,977
Net assets:			
Invested in capital assets, net of debt	24,794,299	5,564,530	30,358,829
Unrestricted	4,978,709	(374,425)	4,604,284
Total net assets	\$29,773,008	\$5,190,105	\$34,963,113

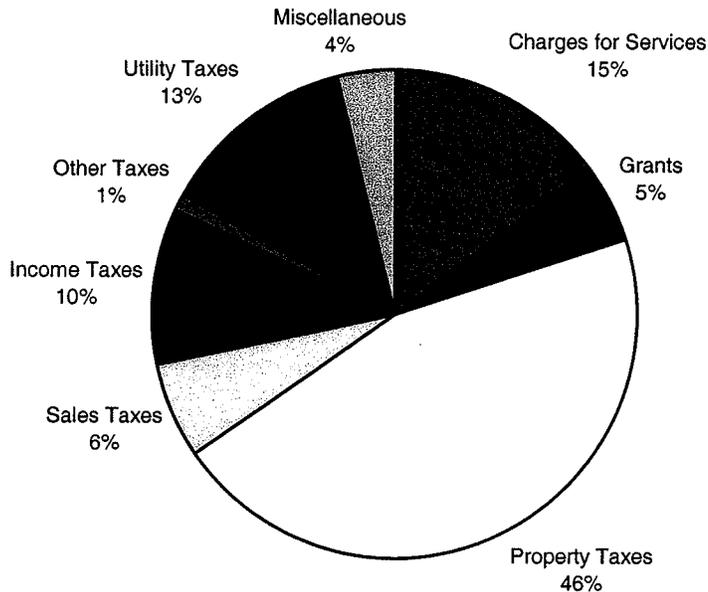
87% of the Village's net assets are invested in capital assets that are used to provide services to the citizens of the Village. Although they are reported net of debt, it should be noted that the resources needed to repay any debt must be provided from other sources since they cannot be liquidated to repay liabilities. It is the 13% unrestricted net asset amount that can be used to meet the ongoing obligations of the Village. The Village management has determined that unrestricted net assets of 6 months of governmental expenditures would ensure the Village is able to continue providing services to its citizens at the current level and is currently meeting that benchmark. The Village has a deficit for unrestricted net assets for its business type activities. Due to recent increases in water rates, the sewer and water fund continues to operate at a deficit. The aging sewer and water infrastructure in the Village and annual increases in the rate at which the Village purchases its water will continue to negatively affect this fund. Water rates will be reviewed in the next fiscal year to determine if another increase should be implemented.

The following table is the condensed Village of Hazel Crest Statement of Changes in Net Assets for the Fiscal Year Ended April 30, 2004.

	Governmental Activities	Business-type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	\$1,513,095	\$2,380,300	\$3,893,395
Operating grants and contributions	552,487	-	552,487
General revenues:			
Property taxes	4,706,739	-	4,706,739
Other taxes	3,196,008	-	3,196,008
Grants not restricted to specific programs			
Other	395,803	807	396,610
Total revenues	10,364,132	2,381,107	12,745,239
Expenses:			
General services	2,494,204	-	2,424,204
Public works	1,406,264	-	1,406,264
Public safety	4,705,363	-	4,705,363
Interest expense	110,784	-	110,784
Surplus distribution	755,000	-	755,000
Sewer and water	-	2,778,417	2,778,417
Municipal parking	-	38,851	38,851
Total expenses	9,471,615	2,817,268	12,288,883
Increase in net assets	892,517	(436,161)	456,356
Net assets May 1, 2003	28,880,491	5,626,266	34,506,757
Net assets April 30, 2004	\$29,773,008	\$5,190,105	\$34,963,113

The following charts summarize how governmental activities are funded.

### Revenues by Source - Governmental Activities



46% of governmental activities are funded by property tax. This strong reliance on property tax and the property tax caps limit Village spending. The Village has continued to provide the same level of services for its residents by continuing to adhere to its prescribed fiscal controls. The challenges presented by limited revenue have been met through sound budget planning. Each year this becomes more challenging.

Business type activities are to be funded through charges for related services. This year the waterworks and sewerage activity had expenses for \$435,425 more than its revenues. \$181,500 of that was for the purchase of a sewer vacuum truck. It is anticipated this truck will help prolong the life of the Village's aging sewer system. The commuter parking lot had expenses for \$1,543 more than its revenues this year due to a capital improvement.

### Financial Analysis of the Government's Funds

Governmental funds provide information on near term inflows, outflows and balances of spendable resources. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$6,588,390, an increase of \$621,129 from the prior year. Of this increase, \$520,113 came from the Village's TIF Districts. The remainder of the increase came primarily from the general fund. The general fund balance represents 49% of total general fund expenditures. Nothing is reserved.

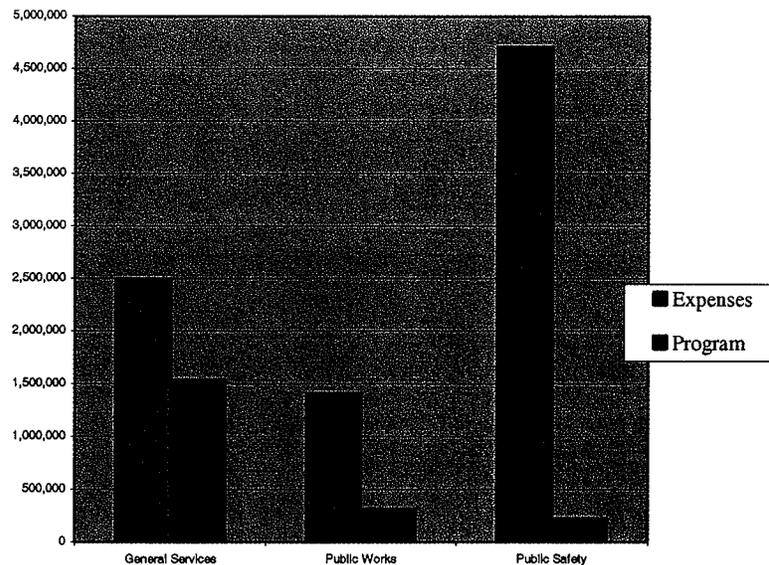
Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the sewer and water fund were (\$450,677) and 76,252 for the commuter parking lot fund. The cause of sewer and water fund's negative balance is that it owes the general fund \$667,288. Repayment will be gradual and over several years to avoid drastic changes in services or fees.

### General Fund Budgetary Highlights

No amendments were made to the original budget. During the year, revenues exceeded budgetary estimates and expenditures were more than budgetary estimates. There was no need to draw down the fund balance.

Actual general revenues were higher than budgeted revenues by \$193,203. Approximately, \$48,000 of this was a result of increased ambulance fees, \$70,000 was a result of increased fees for building permits and inspections, and \$46,500 was a result of increased court fines. With reductions in sales and income tax receipts, the Village chose to make increases in its fees to cover the shortfall. Fortunately, the shortfall in property tax collections was offset by increased utility tax collections.

**% Function is Funded by Program Revenues**



Actual general expenditures exceeded budgeted expenditures by \$85,218. Almost all of that was caused by the retroactive amounts paid and new salaries resulting from the fire fighters contract signed in July 2003.

The Village is currently in negotiations with the police union. When that contract is agreed to, the Village may exceed its budget in that department in fiscal 2005.

### **Capital Asset and Debt Administration**

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2004 amounts to \$30,540,329, net of depreciation. This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, streets, sidewalks, storm sewers, manholes, hydrants, valves, streetlights and the water distribution system. Previously, the Village's infrastructure (roads, bridges, storm sewers, water mains) had not been reported or depreciated in governmental financial statements. These assets have now been valued and reported in the government-wide financial statements. The Village has elected to depreciate these assets over their useful lives.

Major capital assets added during the fiscal year included \$180,070 for roof replacement for the municipal building and fire station, \$11,515 for the garage floor in the fire station, \$184,710 for seven new vehicles, \$181,500 for a sewer vacuum truck and \$24,889 for a burner box for the compost facility. Four vehicles were retired during the year.

At the end of the current year, the Village had total bond debt of \$270,000 and tax incremental finance notes of \$1,064,123. Debt decreased by \$348,320 during the fiscal year. The 1993 debt certificate for the fire pumper and the 1997 alternate revenue bond for the aerial fire truck were paid in full during fiscal 2004. The retirement of these two debt issues will allow the Village to finance the purchase of another fire truck in the near future. Outstanding tax incremental finance notes were reduced by \$169,518.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8.625% of its total assessed valuation. The current debt limit for the Village of \$13,173,709 is significantly higher than the Village's outstanding general obligation debt.

### **Economic Factors and Next Year's Budget**

The Village is currently in negotiations with the police union. Those negotiations may have a significant effect on salary costs. The settlement will include retroactive payments back to May 1, 2002.

The Village's largest employer, Mi-Jack Products, Inc. added a 45,000 square foot building to its 32-acre facility and Advocate South Suburban Hospital is expanding its emergency room and ICU facility. The total assessed value of property in the Village should increase with these improvements.

## **Requests for Information**

This financial report is designed to provide a general overview of the Village of Hazel Crest's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Hazel Crest Village Manager Robert L Palmer, 3000 W. 170<sup>th</sup> Place, Hazel Crest, IL 60426.

## Basic Financial Statements

**Government-Wide Financial Statements**

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Village of Hazel Crest, Illinois

Statement of Net Assets  
April 30, 2004

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 5,395,242	\$ 76,391	\$ 5,471,633
Receivables:			
Property taxes	2,004,416	-	2,004,416
Accounts	239,802	435,254	675,056
Intergovernmental	650,480	-	650,480
Prepays	385,176	-	385,176
Capital assets, not being depreciated	2,653,828	120,337	2,774,165
Capital assets, net of accumulated depreciation	22,140,471	5,625,693	27,766,164
Total assets	<u>\$ 33,469,415</u>	<u>\$ 6,257,675</u>	<u>\$ 39,727,090</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Assets - Continued  
 April 30, 2004

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
General obligation bonds	\$ 84,000	\$ -	\$ 84,000
Compensated absences	223,576	18,004	241,580
Note payable	-	45,051	45,051
Accounts payable	353,278	48,866	402,144
Deposits	74,232	145,624	219,856
Internal balances	(666,726)	667,288	562
Deferred revenue	2,102,366	-	2,102,366 ×
<b>Total current liabilities</b>	<b>2,170,726</b>	<b>924,833</b>	<b>3,095,559</b>
Noncurrent			
General obligation bonds	186,000	-	186,000
Tax incremental revenue notes	1,064,123	-	1,064,123
Compensated absences	155,911	6,288	162,199
Pension obligations	119,647	-	119,647 ×
Note payable	-	136,449	136,449
<b>Total noncurrent liabilities</b>	<b>1,525,681</b>	<b>142,737</b>	<b>1,668,418</b>
<b>Total liabilities</b>	<b>3,696,407</b>	<b>1,067,570</b>	<b>4,763,977</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	24,794,299	5,564,530	30,358,829
Unrestricted	4,978,709	(374,425)	4,604,284
<b>Total net assets</b>	<b>\$ 29,773,008</b>	<b>\$ 5,190,105</b>	<b>\$ 34,963,113</b>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Activities  
Year Ended April 30, 2004

Functions/Programs	Program Revenues			Net (Expense), Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General services	\$ 2,494,204	\$ 1,102,818	\$ 429,952	\$ (961,434)	\$ -	\$ (961,434)
Public works	1,406,264	188,224	122,535	(1,095,505)	-	(1,095,505)
Public safety	4,705,363	222,053	-	(4,483,310)	-	(4,483,310)
Interest expense	110,784	-	-	(110,784)	-	(110,784)
Surplus distribution	755,000	-	-	(755,000)	-	(755,000)
Total governmental activities	9,471,615	1,513,095	552,487	(7,406,033)	-	(7,406,033)
Business-type activities:						
Waterworks and sewerage	2,778,417	2,342,992	-	-	(435,425)	(435,425)
Commuter parking lot	38,851	37,308	-	-	(1,543)	(1,543)
Total business-type activities	2,817,268	2,380,300	-	-	(436,968)	(436,968)
Total	\$ 12,288,883	\$ 3,893,395	\$ 552,487	(7,406,033)	(436,968)	(7,843,001)
General revenues						
Taxes:						
Property				4,706,739	-	4,706,739
Replacement				21,128	-	21,128
Sales				654,447	-	654,447
Income				1,057,397	-	1,057,397
Utility				1,360,115	-	1,360,115
Franchise				102,921	-	102,921
Interest				57,943	807	58,750
Miscellaneous				337,860	-	337,860
Total general revenues, contributions and transfers				8,298,550	807	8,299,357
Change in net assets				892,517	(436,161)	456,356
Net assets:						
May 1, 2003				28,880,491	5,626,266	34,506,757
April 30, 2004				\$ 29,773,008	\$ 5,190,105	\$ 34,963,113

See Notes to Financial Statements

**Fund Financial Statements**

Village of Hazel Crest, Illinois

Balance Sheet - Governmental Funds  
April 30, 2004

	General Fund	Tax Increment Financial District Palmer Lake Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and equivalents	\$ 3,985,013	\$ -	\$ 1,410,229	\$ 5,395,242
Receivables				
Property taxes	1,918,174	-	86,242	2,004,416
Accounts	217,763	-	22,039	239,802
Intergovernmental	615,805	-	34,675	650,480
Due from other funds	691,513	509,796	845,620	2,046,929
Prepays	385,176	-	-	385,176
<b>Total assets</b>	<b>\$ 7,813,444</b>	<b>\$ 509,796</b>	<b>\$ 2,398,805</b>	<b>\$ 10,722,045</b>
<b>Liabilities</b>				
Accounts payable	\$ 344,126	\$ 233	\$ 8,919	\$ 353,278
Compensated absences	223,576	-	-	223,576
Deposits	74,232	-	-	74,232
Due to other funds	1,355,354	-	24,849	1,380,203
Deferred revenue	2,016,124	-	86,242	2,102,366
<b>Total liabilities</b>	<b>4,013,412</b>	<b>233</b>	<b>120,010</b>	<b>4,133,655</b>
<b>Fund Balances</b>				
Reserved for debt service	-	-	369,139	369,139
Unreserved:				
General fund	3,800,032	-	-	3,800,032
Special revenue funds	-	-	1,351,879	1,351,879
Capital projects funds	-	509,563	557,777	1,067,340
<b>Total fund balances</b>	<b>3,800,032</b>	<b>509,563</b>	<b>2,278,795</b>	<b>6,588,390</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,813,444</b>	<b>\$ 509,796</b>	<b>\$ 2,398,805</b>	<b>\$ 10,722,045</b>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets  
April 30, 2004

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Total fund balances-governmental funds	\$ 6,588,390
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.	24,794,299
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:	
Compensated absences	(155,911)
Pension obligations	(119,647)
General obligation bonds	(270,000)
Tax incremental revenue notes	<u>(1,064,123)</u>
Net assets of governmental activities	<u>\$ 29,773,008</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Governmental Funds  
 Year Ended April 30, 2004

	General Fund	Tax Increment Financial District Palmer Lake Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Program:				
Charges for services	\$ 409,727	\$ -	\$ -	\$ 409,727
Licenses	276,494	-	-	276,494
Intergovernmental	1,760,403	-	624,265	2,384,668
Fines, fees and permits	743,260	-	-	743,260
General:				
Property taxes	2,920,953	1,074,806	683,549	4,679,308
Other taxes	1,363,841	-	-	1,363,841
Interest	35,254	5,903	16,786	57,943
Miscellaneous	448,891	-	-	448,891
<b>Total revenues</b>	<b>7,958,823</b>	<b>1,080,709</b>	<b>1,324,600</b>	<b>10,364,132</b>
<b>Expenditures</b>				
Current:				
General services	1,205,536	-	333,600	1,539,136
Administrative office	305,158	-	-	305,158
Public works	992,931	-	-	992,931
Police	2,878,473	-	-	2,878,473
Fire	1,583,556	-	-	1,583,556
Economic development	19,451	-	-	19,451
Insurance	528,684	-	-	528,684
Community relations	1,374	-	-	1,374
Civil defense	6,014	-	-	6,014
Debt service:				
Principal	-	266,783	178,802	445,585
Interest and fees	-	-	13,519	13,519
Capital outlay	303,180	61,122	309,820	674,122
Surplus distribution	-	755,000	-	755,000
<b>Total expenditures</b>	<b>7,824,357</b>	<b>1,082,905</b>	<b>835,741</b>	<b>9,743,003</b>
<b>Excess revenues or (expenditures)</b>	<b>134,466</b>	<b>(2,196)</b>	<b>488,859</b>	<b>621,129</b>
<b>Fund balances:</b>				
May 1, 2003	3,665,566	511,759	1,789,936	5,967,261
April 30, 2004	\$ 3,800,032	\$ 509,563	\$ 2,278,795	\$ 6,588,390

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended April 30, 2004

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Net change in fund balances-total governmental funds	\$ 621,129
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets.	
Capital outlay	336,022
Depreciation	(361,338)
Retirement of capital assets are not reflected in the governmental funds, but are a reduction in net assets in the Statement of Net Assets.	(74,876)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	445,585
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Decrease in compensated absences	6,251
Decrease in pension obligations	17,009
(Increase) in accreted interest on tax incremental financing notes	(97,265)
Change in net assets of governmental activities	<u>\$ 892,517</u>

See Notes to Financial Statements.

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Village of Hazel Crest, Illinois

Statement of Net Assets - Enterprise Funds  
 April 30, 2004

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
<b>Assets</b>			
Current			
Cash and equivalents	\$ -	\$ 76,391	\$ 76,391
Accounts receivable	435,254	-	435,254
<b>Total current assets</b>	<b>435,254</b>	<b>76,391</b>	<b>511,645</b>
Noncurrent			
Capital assets (net of accumulated depreciation)			
Land	71,509	48,828	120,337
Land improvements	19,500	192,897	212,397
Buildings	226,757	-	226,757
Distribution system	4,456,001	-	4,456,001
Machinery and equipment	730,538	-	730,538
<b>Total noncurrent assets</b>	<b>5,504,305</b>	<b>241,725</b>	<b>5,746,030</b>
<b>Total assets</b>	<b>\$ 5,939,559</b>	<b>\$ 318,116</b>	<b>\$ 6,257,675</b>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Assets - Enterprise Fund - Continued  
 April 30, 2004

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
<b>Liabilities</b>			
Current			
Accounts payable	\$ 48,727	\$ 139	\$ 48,866
Deposits	145,624	-	145,624
Due to other funds	667,288	-	667,288
Compensated absences	18,004	-	18,004
Note payable	45,051	-	45,051
<b>Total current liabilities</b>	<b>924,694</b>	<b>139</b>	<b>924,833</b>
Noncurrent			
Compensated absences	6,288	-	6,288
Note payable	136,449	-	136,449
<b>Total noncurrent liabilities</b>	<b>142,737</b>	<b>-</b>	<b>142,737</b>
<b>Total liabilities</b>	<b>1,067,431</b>	<b>139</b>	<b>1,067,570</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	5,322,805	241,725	5,564,530
Unrestricted	(450,677)	76,252	(374,425)
<b>Total net assets</b>	<b>\$ 4,872,128</b>	<b>\$ 317,977</b>	<b>\$ 5,190,105</b>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Revenues, Expenses, and Changes in Net Assets - Enterprise Funds

Enterprise Funds

Year Ended April 30, 2004

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Operating revenues, charges for services	\$ 2,342,992	\$ 37,308	\$ 2,380,300
Operating expenses:			
Operations	2,401,786	36,479	2,438,265
Depreciation	376,631	2,372	379,003
<b>Total operating expenses</b>	<b>2,778,417</b>	<b>38,851</b>	<b>2,817,268</b>
<b>Operating (loss)</b>	<b>(435,425)</b>	<b>(1,543)</b>	<b>(436,968)</b>
Nonoperating revenues (expenses), interest income	-	807	807
<b>Net (loss)</b>	<b>(435,425)</b>	<b>(736)</b>	<b>(436,161)</b>
Net assets:			
May 1, 2003	5,307,553	318,713	5,626,266
April 30, 2004	\$ 4,872,128	\$ 317,977	\$ 5,190,105

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows – Enterprise Funds  
Year Ended April 30, 2004

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Cash flows from operating activities			
Cash received for services	\$ 2,342,992	\$ 37,308	\$ 2,380,300
Payments to employees	(601,295)	-	(601,295)
Payments to suppliers	(1,754,196)	(36,476)	(1,790,672)
<b>Net cash (used in) provided by     operating activities</b>	<b>(12,499)</b>	<b>832</b>	<b>(11,667)</b>
Cash flows from noncapital financing activities			
Increase in due to other funds,			
<b>Net cash flows from noncapital     financing activities</b>	<b>99,266</b>	<b>-</b>	<b>99,266</b>
Cash flows from capital and related financing activities			
Capital assets purchased	(246,662)	-	(246,662)
Retired assets	(21,605)	-	(21,605)
Note proceeds	181,500	-	181,500
<b>Net cash flows from capital and related     financing activities</b>	<b>(86,767)</b>	<b>-</b>	<b>(86,767)</b>
Cash flows from investing activities			
Cash receipts from interest income,			
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>807</b>	<b>807</b>
<b>Net increase in cash and equivalents</b>	<b>-</b>	<b>1,639</b>	<b>1,639</b>
Cash and equivalents:			
May 1, 2003	-	74,752	74,752
April 30, 2004	\$ -	\$ 76,391	\$ 76,391

(Continued)

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows – Enterprise Funds - Continued  
 Year Ended April 30, 2004

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Reconciliation of operating (loss) to net cash (used in) provided by operating activities			
Operating (loss)	\$ (435,425)	\$ (1,543)	\$ (436,968)
Adjustments to reconcile operating (loss) to net cash (used in) provided by operating activities			
Depreciation	376,631	2,372	379,003
Retired assets	21,838		21,838
Loss of disposition of capital assets	106,597	198	106,795
Changes in assets and liabilities			
Accounts receivable	(42,199)	-	(42,199)
Deposits	20,467	-	20,467
Accounts payable	(57,804)	(195)	(57,999)
Compensated absences payable	(2,604)	-	(2,604)
Total adjustments	422,926	2,375	425,301
Net cash (used in) provided by operating activities	\$ (12,499)	\$ 832	\$ (11,667)

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Combined Statement of Fiduciary Net Assets - Pension Trust Funds  
April 30, 2004

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**Assets**

Cash and cash equivalents	\$ 3,600,470
Interest receivable	11,630
Internal balances	562
Investments	<u>9,247,577</u>
<b>Total assets</b>	<b><u><u>\$ 12,860,239</u></u></b>

**Held in trust for pension benefits** **\$ 12,860,239**

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Combined Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2004

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**Additions**

Contributions:

Employer	\$ 441,549
Plan members	208,798
<b>Total contributions</b>	<u>650,347</u>

Investment income:

Net appreciation in fair value of investments	640,440
Dividends	28,385
Interest	93,566
Less investment expense	(13,845)
<b>Net investment income</b>	<u>748,546</u>

**Total additions** 1,398,893

**Deductions**

Benefits	454,160
Administrative expenses	8,930
<b>Total deductions</b>	<u>463,090</u>

**Net increase** 935,803

Net assets held in trust for pension benefits:

May 1, 2003	<u>11,924,436</u>
April 30, 2004	<u>\$ 12,860,239</u>

See Notes to Financial Statements.

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

The Village of Hazel Crest, Illinois, is located in Cook County, Illinois and was first incorporated in 1912 under the provisions of the constitution and general statutes of the State of Illinois. The Village operates under a mayor-trustee form of government and provides a full range of services including public safety, roads, planning, zoning, and general administrative services.

The accounting policies of the Village of Hazel Crest conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

##### **(a) Financial Reporting Entity**

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Based upon the application criteria, no component units have been included within the reporting entity.

##### **(b) Government-wide and Fund Financial Statements**

**Government-wide Financial Statements:** The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

**Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net assets** consist of net assets that do not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

Village of Hazel Crest, Illinois

Notes to Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**(b) Government-wide and Fund Financial Statements (Continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general services, public safety etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

**Fund Financial Statements:** Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund and Tax Incremental Financial District Palmer Lake Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise fund – Waterworks and Sewerage Fund. The remaining enterprise fund is reported as a nonmajor enterprise fund.

The Village administers the following major governmental funds:

**General Fund** – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general services, public works and public safety.

**Tax Incremental Financial District Palmer Lake Fund** – This fund is used to account for incremental property taxes of the tax incremental financial district in the Palmer Lake Development and the use of those funds.

The Village administers the following major proprietary fund:

**Waterworks and Sewerage Fund** –accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees.

**(c) Measurement Focus and Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Village of Hazel Crest, Illinois

Notes to Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**(c) Measurement Focus and Basis of Accounting and Financial Statement Presentation (Continued)**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes).

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

**(d) Assets, liabilities, and net assets or equity**

**1. Cash and Cash Equivalents**

The Village considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

**2. Investments**

Investments are reported at fair value. Fair value is based on quoted market prices, except for insurance contracts which are carried at contract value, which approximates fair value.

**3. Interfund Receivables, Payables and Activity**

The Village has the following types of transactions between funds:

**Loans**—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

Village of Hazel Crest, Illinois

Notes to Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Reimbursements**—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers**—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

**4. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**5. Capital Assets**

Capital assets which include land and improvements, streets, sidewalks, buildings, storm sewers, sanitary sewers, water distribution system and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$10,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Village of Hazel Crest, Illinois

Notes to Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Land improvements	15 - 30 years
Buildings	40 - 50 years
Machinery and equipment	10 - 20 years
Streets	30 years
Sidewalks	10 years
Storm	40 years
Manholes	40 years
Hydrants	40 years
Valves	40 years
Streetlights	30 years
Distribution system	40 - 60 years

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

**6. Deferred Revenue**

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

**7. Compensated Absences**

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement.

**8. Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets.

In the fund financial statements, governmental funds recognize bond issuance costs during the year the bonds are sold. 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.

**Note 1. Summary of Significant Accounting Policies (Continued)**

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

**9. Fund Equity**

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. Designated fund balances, if any, represent tentative plans for future use of financial resources.

**10. Capital Contributions**

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers.

**(e) Accounting Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

**(f) New Accounting Pronouncements**

Effective May 1, 2003, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*. These Statements establish new financial reporting requirements and significantly change the format and content of the Village's financial statements. They require new information and restructure much of the information that the Village has presented in the past.

Effective May 1, 2003, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*. This Statement modifies, establishes, and rescinds certain financial statement note disclosures.

Effective May 1, 2003, the Village adopted the provisions of Governmental Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Effective May 1, 2003, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 41, *Budgetary Comparison Schedule – Perspective Differences*.

Village of Hazel Crest, Illinois

Notes to Financial Statements

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**Note 2. Stewardship, Compliance and Accountability**

**(a) Budgetary Information**

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The Village Manager submits to the Village Board of Trustees a proposed operating budget ordinance, which serves as a budget, for the fiscal year commencing the following May 1. The operating budget ordinance includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the Village to obtain taxpayer comments.
- c) Subsequently, the budget is legally enacted through passage of an ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general, special revenue, debt service and capital projects funds.
- e) Budgets for the general, special revenue, debt service and the capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- f) Budgetary authority lapses at year-end.
- g) State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. Legal budgetary control is maintained at fund level.
- h) Budgeted amounts are as originally adopted.

**(b) Budget Overexpenditures**

The following funds overexpended their budgets for the year ended April 30, 2004:

Major Fund		
General Fund	\$	85,218
Waterworks and Sewerage Fund		155,063
Nonmajor Fund		
1997 Capital Projects		320

**(c) Deficit Fund Balances**

As of April 30, 2004, the following funds had deficit fund balances:

Fund	Amount	Intended Financing
Debt Service:		
1993 Fire Pumper	\$ 2,294	General fund
2002 GO Limited Tax Bonds	1,718	Property taxes
Capital Projects:		
Tax Incremental Finance 167th Street	2,513	Property taxes
Tax Incremental Finance District - Cherry Creek	16,057	Property taxes

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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#### Note 3. Cash and Investments

The Village's investment policy is to establish cash management and investment guidelines for Village officials responsible for the stewardship of public funds. The Village has established specific objectives to meet their guidelines.

The Village deposits and invests all its monies in investments allowed by Illinois State Statutes. The Statutes authorize the Village to make deposits in commercial banks and savings and loan institutions, and make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in other investments as allowed by Illinois Compiled Statutes.

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

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

#### (a) Deposits

As of April 30, 2004, the carrying amount of the Village's deposits totaled \$4,097,161, with the bank balances totaling \$4,311,576. Of the bank balances \$1,134,513 was covered by federal depository insurance or collateralized with securities held by the Village or its agent in the Village's name, and \$3,177,063 was collateralized with securities held in the pledging bank's trust department or by its agent in the Village's name.

#### (b) Investments

The Village's investments are categorized as listed below to give an indication of the level of risk assumed by the Village at year-end. Category 1 includes securities that are insured and registered or the securities are held by the Village or its agent in the Village's name. Category 2 includes uninsured and unregistered, with the securities held by the counterparty's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered, with the securities held by the counterparty or by its trust department or agent but not in the Village's name.

	Category			
	1	2	3	
U.S. government securities	\$ 4,575,960	\$ -	\$ -	\$ 4,575,960
Investments which are not subject to risk categorization:				
Illinois Funds				4,814,054
I.M.E.T. Municipal Funds				1,086,088
Mutual Funds				1,532,462
Money Markets				93,795
Insurance contracts				2,119,160
				<u>\$ 14,221,519</u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

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**Note 3. Cash and Investments (continued)**

The above deposits of \$4,097,161, cash of \$1,000, and investments of \$14,221,519 totaling \$18,319,680 are reported in the financial statements as follows:

Governmental and business-type activities,	
Cash and cash equivalents	\$ 5,471,633
Fiduciary Funds:	
Cash and cash equivalents	3,600,470
Investments	9,247,577
Subtotal	<u>12,848,047</u>
<b>Total</b>	<b><u>\$ 18,319,680</u></b>

**Note 4. Property Taxes**

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board of Trustees. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Cook County and issued on or about February 1 and July 1, and are payable in two installments which become due on or about March 1 and August 1. The County collects such taxes and periodically remits them to the Village.

The 2002 property tax assessment, which was levied in December 2002, is to finance the budget for the fiscal year beginning May 1, 2003 and the revenue to be produced from that assessment is to be recognized during that period, provided the "available" criteria has been met. "Available" means when due or receivable within the current period, and collected within that fiscal period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For governmental fund types property taxes collected in advance of the fiscal year for which they are levied are recorded as deferred revenue and recognized as revenue in the year for which they are levied except for employee pension taxes which are recognized as revenue in the year in which they are received. Property taxes accounted for in the enterprise fund are recognized as revenue at the time they are levied. A reduction for collection losses based on historical collection experience has been provided to reduce the property taxes receivable to the estimated collectable amount.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 5. Capital Assets

Governmental Activities

A summary of the changes in capital assets for governmental activities of the Village is as follows:

	Balance May 1, 2003	Additions	Retirements	Balance, April 30, 2004
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 699,770	\$ -	\$ -	\$ 699,770
Right of way	1,759,988	-	-	1,759,988
Easements/open land	194,070	-	-	194,070
	<u>2,653,828</u>	<u>-</u>	<u>-</u>	<u>2,653,828</u>
Capital assets being depreciated:				
Land improvements	226,078	-	-	226,078
Buildings	2,235,867	191,585	-	2,427,452
Machinery and equipment	4,116,603	144,437	74,876	4,186,164
Streets	107,767,249	-	-	107,767,249
Sidewalks	4,672,041	-	-	4,672,041
Storm sewers	3,642,266	-	-	3,642,266
Manholes	187,813	-	-	187,813
Hydrants	141,240	-	-	141,240
Valves	42,400	-	-	42,400
Streetlights	408,875	-	-	408,875
	<u>123,440,432</u>	<u>336,022</u>	<u>74,876</u>	<u>123,701,578</u>
Less accumulated depreciation for:				
Land improvements	185,336	4,893	-	190,229
Buildings	29,182	75,725	-	104,907
Machinery and equipment	2,728,984	280,720	-	3,009,704
Streets	90,154,823	-	-	90,154,823
Sidewalks	4,672,041	-	-	4,672,041
Storm sewers	2,789,534	-	-	2,789,534
Manholes	141,615	-	-	141,615
Hydrants	114,321	-	-	114,321
Valves	34,793	-	-	34,793
Streetlights	349,140	-	-	349,140
	<u>101,199,769</u>	<u>361,338</u>	<u>-</u>	<u>101,561,107</u>
Capital assets being depreciated, net:				
Land improvements	40,742	(4,893)	-	35,849
Buildings	2,206,685	115,860	-	2,322,545
Machinery and equipment	1,387,619	(136,283)	74,876	1,326,212
Streets	17,612,426	-	-	17,612,426
Sidewalks	-	-	-	-
Storm sewers	852,732	-	-	852,732
Manholes	46,198	-	-	46,198
Hydrants	26,919	-	-	26,919
Valves	7,607	-	-	7,607
Streetlights	59,735	-	-	59,735
Total capital assets being depreciated, net	<u>22,240,663</u>	<u>(25,316)</u>	<u>74,876</u>	<u>22,140,471</u>
Governmental activities capital assets, net	<u>\$ 24,894,491</u>	<u>\$ (25,316)</u>	<u>\$ 74,876</u>	<u>\$ 24,794,299</u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 5. Capital Assets (continued)

**Business-Type Activities**

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Balance, May 1, 2003	Additions	Retirements	Balance, April 30, 2004
Business-type activities				
Capital assets not being depreciated,				
Land	\$ 120,337	\$ -	\$ -	\$ 120,337
Capital assets being depreciated:				
Land improvements	327,486	-	19,444	308,042
Buildings	489,132	-	16,612	472,520
Machinery and equipment	1,723,317	246,662	248,419	1,721,560
Distribution system	10,761,398	-	147,001	10,614,397
	<u>13,301,333</u>	<u>246,662</u>	<u>431,476</u>	<u>13,116,519</u>
Less accumulated depreciation for:				
Land improvements	109,613	7,444	21,412	95,645
Buildings	246,496	13,245	13,978	245,763
Machinery and equipment	1,117,224	72,564	198,766	991,022
Distribution system	5,962,936	273,177	77,717	6,158,396
	<u>7,436,269</u>	<u>366,430</u>	<u>311,873</u>	<u>7,490,826</u>
Capital assets being depreciated, net:				
Land improvements	217,873	(7,444)	(1,968)	212,397
Buildings	242,636	(13,245)	2,634	226,757
Machinery and equipment	606,093	174,098	49,653	730,538
Distribution system	4,798,462	(273,177)	69,284	4,456,001
	<u>5,865,064</u>	<u>(119,768)</u>	<u>119,603</u>	<u>5,625,693</u>
Total capital assets being depreciated, net	<u>5,865,064</u>	<u>(119,768)</u>	<u>119,603</u>	<u>5,625,693</u>
Business-type activities capital assets, net	<u>\$ 5,985,401</u>	<u>\$ (119,768)</u>	<u>\$ 119,603</u>	<u>\$ 5,746,030</u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

**Note 5. Capital Assets (continued)**

**Governmental Activities Depreciation Charged to Functions / Programs**

Depreciation was charged to functions/programs as follows:

Governmental activities:

General services	\$ 3,614
Public works	346,884
Public safety	10,840
	<hr/>
<b>Total depreciation expense - governmental activities</b>	<b>\$ 361,338</b>

Business-type activities:

Waterworks and sewerage	\$ 376,631
Commuter parking lot	2,372
	<hr/>
<b>Total depreciation expense - business-type activities</b>	<b>\$ 379,003</b>

**Note 6. Long-Term Obligations**

**Governmental Activities**

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2004:

	Outstanding Debt as of May 1, 2003	Additions	Reductions	Outstanding Debt as of April 30, 2004	Due within one year
General obligation bonds	\$ 386,000	\$ -	\$ 116,000	\$ 270,000	\$ 84,000
General obligation debt certificates	56,802	-	56,802	-	-
Alternate revenue bonds	6,000	-	6,000	-	-
Tax incremental revenue notes	1,233,641	97,265	266,783	1,064,123	-
Compensated absences	162,162	223,576	6,251	379,487	223,576
Pension obligations:					
Police	88,206	-	8,050	80,156	-
Firefighters	48,450	-	8,959	39,491	-
	<hr/>				
	<b>\$ 1,981,261</b>	<b>\$ 320,841</b>	<b>\$ 468,845</b>	<b>\$ 1,833,257</b>	<b>\$ 307,576</b>

**Business-Type Activities**

The following is a summary of long-term obligation activity for the Village associated with business-type activities for the year ended April 30, 2004:

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Long-Term Obligations (continued)

	Outstanding Debt as of May 1, 2003	Additions	Reductions	Outstanding Debt as of April 30, 2004	Due within one year
Compensated absences	\$ 26,896	\$ 29,568	\$ 32,172	\$ 24,292	\$ 18,004
Note payable	-	181,500	-	181,500	45,051
	<u>\$ 26,896</u>	<u>\$ 211,068</u>	<u>\$ 32,172</u>	<u>\$ 205,792</u>	<u>\$ 63,055</u>

Outstanding debt as of April 30, 2004, consists of the following:

General obligation bonds:

General obligation bonds, series 1996 dated December 30, 1996. Principal of \$38,000 is due in 2005. Interest is variable.	\$ 38,000
General obligation bonds, series 1997 dated December 12, 1997. Principal is due in annual installments of \$13,000 in 2005 and \$14,000 in 2006. Interest is variable.	27,000
General obligation bonds, series 1998 dated December 1, 1998. Principal is due in annual installments of \$3,000 in 2005, \$3,000 in 2006 and \$3,000 in 2007. Interest is variable.	9,000
General obligation bonds, series 1999 dated December 1, 1999. Principal is due in annual installments of \$11,000 in 2005, \$11,000 in 2006, \$13,000 in 2007 and \$14,000 in 2008. Interest is variable.	49,000
General obligation bonds, series 2000 dated December 1, 2000. Principal is due in annual installments of \$6,000 in 2005, \$6,000 in 2006, \$7,000 in 2007, \$8,000 in 2008 and \$8,000 in 2009. Interest is variable.	35,000
General obligation bonds, series 2001 dated December 1, 2001. Principal is due in annual installments of \$6,000 in 2005, \$7,000 in 2006, \$7,000 in 2007, \$8,000 in 2008, \$9,000 in 2009 and \$10,000 in 2010. Interest is variable.	47,000
General obligation bonds, series 2002 dated December 1, 2002. Principal is due in annual installments of \$7,000 in 2005, \$8,000 in 2006, \$8,000 in 2007, \$9,000 in 2008, \$10,000 in 2009, \$11,000 in 2010 and \$12,000 in 2011. Interest is variable.	65,000
<b>Total general obligation bonds</b>	<u>270,000</u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Long-Term Obligations (continued)

Tax incremental revenue notes:

Tax incremental revenue notes, payable solely from incremental property taxes from the Tax Incremental Finance District, provide for retirement of interest and principal to be paid annually. Repayments are limited to amounts paid in property taxes that year by the note holder. Interest is at the prime rate (4% at April 30, 2004) plus 2% and is paid with the notes as incremental property taxes become available. Additions to tax incremental revenue notes for the fiscal year ended April 30, 2004 resulted from accrued interest on the notes earned during the fiscal year. All notes still outstanding on June 27, 2011 will be canceled.

	1,064,123
Note for the purchase of a sewer and water truck dated October 7, 2003. Principal is due in annual installments of \$45,051 in 2005, \$43,696 in 2006, \$45,437 in 2007, and \$47,216 in 2008. Interest is at a rate of 3.93%.	181,500
Compensated absences, governmental activities	379,487
Compensated absences, business-type activities	24,292
Pension obligations	119,647
<b>Total long-term obligations</b>	<b>\$ 2,039,049</b>

The future debt service requirements to amortize the outstanding debt other than compensated absences, pension obligation and tax incremental revenue notes which are only repaid if the note holder pays property tax for an equivalent amount and if incremental property taxes are received by the Village that year, are as follows:

Fiscal year	Governmental		Business-Type	
	General Obligation Bonds		Note Payable	
	Principal	Interest	Principal	Interest
2005	\$ 84,000	\$ 2,640	\$ 45,051	\$ 5,437
2006	49,000	1,925	43,696	3,696
2007	38,000	1,386	45,437	1,885
2008	39,000	968	47,316	-
2009	27,000	539	-	-
2010	21,000	363	-	-
2011	12,000	132	-	-
	\$ 270,000	\$ 7,953	\$ 181,500	\$ 11,018

Interest on the variable-rate general obligation bonds is paid at the Bank of New York corporate rate and is reset weekly. The interest rate was 1.1% at April 30, 2004.

Village of Hazel Crest, Illinois

Notes to Financial Statements

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**Note 6. Long-Term Obligations (continued)**

The legal debt margin of the Village as of April 30, 2004, was determined as follows:

Assessed Valuation*	<u>\$ 152,738,655</u>
Legal Debt Limit - 8.625% of Assessed Valuation	\$ 13,173,709
Amount of debt applicable to debt limit:	
General obligation bonds	<u>270,000</u>
Legal debt margin	<u>\$ 12,903,709</u>

\* Estimated

**Note 7. Pension and Retirement Plan Commitments**

Substantially all Village employees are covered under one of the following employee retirement plans.

**Illinois Municipal Retirement Fund**

The Village's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent-multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The weighted employer rate for fiscal year 2004 was 6.05 percent of base payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2003, was 10 years.

For April 30, 2004, the Village's annual pension cost of \$130,230 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2001, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year depending on age and service, and (d) post retirement benefit

Village of Hazel Crest, Illinois

Notes to Financial Statements

**Note 7. Pension and Retirement Plan Commitments (continued)**

increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The assumptions used for the 2003 actuarial valuation were based on the 1999-2001 experience study.

<u>Trend Information</u>			
<u>Fiscal Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
04/30/04	\$ 130,230	100%	\$ -
04/30/03	106,063	100%	-
04/30/02	125,213	100%	-

The actuarial assumptions used to determine the actuarial accrued liability for 2003 are based on the 1999-2001 Experience Study. The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For regular members, fewer normal and early retirements are expected to occur.

**Police Pension Plan**

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The plan does not issue a separate stand alone financial report.

Covered employees are currently required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year ended April 30, 2003 was 19.29% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2003 were as follows:

Annual required contribution	\$ 285,928
Interest on net pension obligation	6,174
Adjustment to annual requirement contribution	<u>(3,794)</u>
Annual pension cost	288,308
Contributions made	<u>296,358</u>
(Decrease) in net pension obligation	(8,050)
Net pension obligation, beginning of year	<u>88,206</u>
Net pension obligation, end of year	<u><u>\$ 80,156</u></u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

**Note 7. Pension and Retirement Plan Commitments (continued)**

The annual required contribution for the year ended April 30, 2003, was determined as part of the April 30, 2003 actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.0%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2003, was 30 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/03	\$ 288,308	\$ 296,358	102.8%	\$ 80,156
04/30/02	281,905	262,263	93.0%	88,206
04/30/01	259,133	262,929	101.5%	68,564
04/30/00	241,366	242,139	100.3%	72,360
04/30/99	240,578	212,830	88.5%	73,133

Membership in the plan consisted of the following as of April 30, 2003:

Retirees and beneficiaries receiving benefits	9
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	15
Active nonvested plan members	15
	15
	39

**Firefighters' Pension Plan**

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The plan does not issue a separate stand-alone report.

Covered employees are required to contribute 8.455% of their salary to the Firefighters' Pension Plan. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year ended April 30, 2003 was 19.62% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2003 were as follows:

Annual required contribution	\$ 118,896
Interest on net pension obligation	3,634
Adjustment to annual requirement contribution	(2,081)
Annual pension cost	<u>120,449</u>
Contributions made	<u>129,408</u>
Increase in net pension obligation	(8,959)
Net pension obligation, beginning of year	<u>48,450</u>
Net pension obligation, end of year	<u><u>\$ 39,491</u></u>

The required contribution for the year ended April 30, 2003, was determined as part of the April 30, 2003, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.5% investment rate of return, (b) projected salary increases of 5.5%, and (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2003, was 30 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/03	\$ 120,449	\$ 129,408	107.4%	\$ 39,491
04/30/02	113,845	107,048	94.0%	48,450
04/30/01	113,520	102,812	90.6%	41,653
04/30/00	90,414	88,656	98.1%	30,945
04/30/99	91,936	84,651	92.1%	29,187

Village of Hazel Crest, Illinois

Notes to Financial Statements

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**Note 7. Pension and Retirement Plan Commitments (continued)**

Membership in the plan consisted of the following as of April 30, 2003:

Retirees and beneficiaries receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	4
Active nonvested plan members	9
	<hr/>
	15
	<hr/> <hr/>

**Note 8. Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The Village is a member of the Intergovernmental Risk Management Agency (IRMA) which is a public entity risk pool. The Village pays annual premiums to IRMA for its workers' compensation, general liability and property coverage. The Cooperative agreement provides that IRMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$399,000 per occurrence for workers' compensation and \$999,000 per occurrence for general liability and property.

One representative from each member serves on the IRMA board, and each board member has one vote on the board. None of its members have any direct equity interest in IRMA.

The Village purchases commercial insurance to cover its employees for health and accident claims.

The Village has not had significant reductions in insurance coverage from the previous year nor did settlements exceed insurance coverage in any of the last three years.

**Note 9. Deferred Compensation Plan**

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. The Plan allows eligible employees to defer a portion of their compensation up to \$13,000. Such accruals accumulate on a tax deferred basis until the employee withdraws the funds. There were no contributions to the plan by the Village for the year ended April 30, 2004.

Village of Hazel Crest, Illinois

Notes to Financial Statements

**Note 10. Other Fund Disclosures (FFS Level Only)**

Other information related to individual funds includes the following:

Individual fund interfund receivable and payable balances as of April 30, 2004, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>
General Fund	
Nonmajor Governmental Funds	\$ 24,849
Waterworks and Sewerage Fund	667,288
Firefighters' Pension Fund	765
Tax Incremental Finance District Palmer Lake	
General Fund	509,796
Nonmajor Governmental Funds	
General Fund	845,620
Police Pension Fund	
General Fund	1,327
Total	<u>\$ 2,049,645</u>

<u>Fund</u>	<u>Due To Other Funds</u>
General Fund	
Nonmajor Governmental Funds	\$ 845,620
Tax Incremental Finance District Palmer Lake	509,796
Police Pension Fund	1,327
Nonmajor Governmental Funds	
General Fund	24,849
Waterworks and Sewerage Fund	
General Fund	667,288
Firefighters' Pension Fund	
General Fund	765
Total	<u>\$ 2,049,645</u>

Interfund debt reflects operating loans which are expected to be repaid in the following fiscal year.

Village of Hazel Crest, Illinois

Notes to Financial Statements

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**Note 11. Postretirement Health Care Benefits**

In addition to the pension benefits described in Note 7 and by authorization of the Village Board, the Village provides postretirement health care benefits to all employees with a minimum of 20 years of service who retire from the Village that were in the health plan prior to retiring. Currently, eight (8) retirees meet that eligibility requirement. Prior to January 1, 2004, the Village paid 100 percent of the amount of monthly premium costs for each retiree and 25 percent of the monthly premium costs of the dependent coverage if the retiree elects. As of January 1, 2004, the Village paid 92.5 percent of the monthly premium cost for each retiree and 25 percent of the monthly premium costs of the dependent coverage. Employer contributions are funded on a pay-as-you-go basis and are recognized as the premiums come due on each retiree. During the year, expenditures of approximately \$43,923 were recognized for postretirement health care.

**Note 12. Restatement**

The beginning net assets amount reported in the government-wide Statement of Activities (GWFS) has been restated to reflect the changes required by the transition to GASB No. 34 from the fund balance amount reported on the Statement of Revenues, Expenditures and Changes in Fund Balance (FFS) as follows:

Fund balance, April 30, 2003	
General	\$ 3,665,566
Other governmental funds	2,301,695
	<hr/>
	5,967,261
New standard adjustments:	
Capital assets, net	24,894,491
Long-term liabilities	(1,981,261)
	<hr/>
Governmental activities net assets, April 30, 2003	<u>\$ 28,880,491</u>

**Note 13. New Governmental Accounting Standards**

The Governmental Accounting Standards Board (GASB) recently issued Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, which amends certain provisions of Statement No. 3. The Village is required to implement this statement for the year ending April 30, 2005. Management has not determined the impact this statement will have on the financial position and results of operations of the Village.

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* will be effective for the Village beginning with its year ending April 30, 2006. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

GASB Statement No. 43, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2007. This statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supercedes existing guidance. Management has not yet determined the impact this statement will have on the financial position and results of operations of the Village.

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**Required Supplementary Information**

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Illinois Municipal Retirement Fund  
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) Underfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2003	\$ 6,156,416	\$ 6,439,789	\$ 283,373	95.60%	\$ 2,103,914	13.47%
12/31/2002	6,438,169	6,241,576	(196,593)	103.15%	2,003,468	(9.81)%
12/31/2001	6,297,483	5,637,921	(659,562)	111.70%	1,905,428	(34.61)%
12/31/2000	5,635,305	5,102,187	(533,118)	110.45%	1,876,726	(28.41)%
12/31/1999	4,816,337	4,582,902	(233,435)	105.09%	1,886,131	(12.38)%
12/31/1998	4,189,944	4,267,103	77,159	98.19%	1,784,116	4.32%

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Police Pension Fund  
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Underfunded AAL as a Percentage of Covered Payroll [(b-a)/c]
04/30/2003	\$ 9,184,933	\$ 12,068,965	\$ 2,884,032	76.1%	\$ 1,536,538	187.7%
04/30/2002	8,872,790	11,645,608	2,772,818	76.2%	1,414,507	196.0%
04/30/2001	8,504,926	10,938,745	2,433,819	77.8%	1,341,854	181.4%
04/30/2000	7,811,759	10,034,838	2,223,079	77.8%	1,373,918	161.8%
04/30/1999	7,420,612	9,350,551	1,929,939	79.4%	1,308,700	147.5%
04/30/1998	7,040,488	8,813,155	1,772,667	79.9%	1,324,645	133.8%
04/30/1997	6,373,266	8,340,500	1,967,234	76.4%	1,309,438	150.2%

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Firefighters' Pension Fund  
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) Underfunded AAL as a Percentage of Covered Payroll [(b-a)/c]
04/30/2003	\$ 2,739,503	\$ 3,301,864	\$ 562,361	83.0%	\$ 659,670	85.2%
04/30/2002	2,632,913	3,209,573	576,660	82.0%	627,603	91.9%
04/30/2001	2,611,971	2,721,994	110,023	96.0%	618,682	17.8%
04/30/2000	2,532,911	2,337,503	(195,408)	108.4%	679,111	(28.8)%
04/30/1999	2,255,082	2,054,524	(200,558)	109.8%	596,056	(33.6)%
04/30/1998	2,049,686	1,898,685	(151,001)	108.0%	577,035	(26.2)%
04/30/1997	1,678,461	1,723,527	45,066	97.4%	568,513	7.9%

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Revenues  
 Budget and Actual  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

	2004		2003 Actual
	Original and Final Budget	Actual	
Charges for services:			
Service charge	\$ 265,000	\$ 265,000	\$ 260,000
911 Salary reimbursement	58,172	58,200	56,478
Motor fuel tax equipment rental	86,540	86,527	86,527
<b>Total service charges</b>	<b>409,712</b>	<b>409,727</b>	<b>403,005</b>
Licenses:			
Liquor	6,770	7,763	6,346
Vehicles	223,810	218,538	179,922
Business	47,880	49,598	46,869
Pet	625	595	750
<b>Total licenses</b>	<b>279,085</b>	<b>276,494</b>	<b>233,887</b>
Intergovernmental:			
Road and bridge - County	26,000	27,431	26,122
Replacement	18,500	21,128	19,216
Sales	650,000	654,447	708,370
Income tax	1,022,000	1,057,397	1,083,335
<b>Total intergovernmental</b>	<b>1,716,500</b>	<b>1,760,403</b>	<b>1,837,043</b>
Fines, fees and permits:			
Building permits	63,000	119,757	63,062
Circuit court fines	90,000	136,488	93,685
Ambulance fees	150,000	197,993	177,428
Cash in lieu	19,170	8,214	23,273
Sticker collection fees	-	-	64
Zoning board fees	1,200	2,000	1,200
Inspections	149,150	162,426	112,256
Alarm violations	17,250	10,625	15,720
Finance charges	2,070	2,836	2,478
Cable television franchise fees	102,000	102,921	98,875
<b>Total fines, fees and permits</b>	<b>593,840</b>	<b>743,260</b>	<b>588,041</b>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Revenues  
 Budget and Actual (Continued)  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

	2004		2003 Actual
	Original and Final Budget	Actual	
Property taxes	\$ 3,188,683	\$ 2,920,953	\$ 3,078,863
Other taxes:			
Utility	1,080,000	1,360,115	1,188,527
Amusement	1,500	3,726	4,085
<b>Total other taxes</b>	<b>1,081,500</b>	<b>1,363,841</b>	<b>1,192,612</b>
Interest	73,175	35,254	53,098
Miscellaneous:			
Municipal center leases	11,600	11,900	19,728
Compost fees and sales	4,000	6,283	7,080
IRMA refund	24,000	36,449	24,812
Advertising	5,000	70	10,470
State and county grants	64,125	55,435	175,202
State highway maintenance	18,050	18,611	21,547
Outside services	13,200	12,865	13,749
Sidewalk/tree replacement	900	904	893
Employee Health Insurance Contributions	47,000	59,494	14,318
TIF Surplus	-	129,165	129,286
Miscellaneous	235,250	117,715	50,812
<b>Total miscellaneous</b>	<b>423,125</b>	<b>448,891</b>	<b>467,897</b>
<b>Total revenues</b>	<b>\$ 7,765,620</b>	<b>\$ 7,958,823</b>	<b>\$ 7,854,446</b>

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

Page 1 of 7

	2004		2003 Actual
	Original and Final Budget	Actual	
General services:			
Personnel:			
Salaries	\$ 314,000	\$ 305,127	\$ 294,341
FICA	24,021	23,206	22,224
IMRF	16,642	18,156	14,943
Employee insurance	75,000	73,653	64,493
	<u>429,663</u>	<u>420,142</u>	<u>396,001</u>
Maintenance:			
Maintenance building/grounds	11,500	14,307	13,776
Maintenance equipment	11,170	14,157	7,224
	<u>22,670</u>	<u>28,464</u>	<u>21,000</u>
Contractual services:			
Payroll fees	6,600	6,103	6,253
FSA expenses	1,200	1,430	1,241
CDBG contractual services	-	-	408
Telephone	40,500	42,890	39,804
Fire pension contributions	145,133	139,821	129,408
Police pension contributions	314,127	301,728	296,358
Utilities	3,250	3,842	4,190
Travel	100	166	144
Villager	34,000	36,950	44,741
Legal	70,000	80,656	88,257
Accounting	35,000	32,316	27,410
Consultants	23,300	22,048	28,071
Training and conferences	3,000	809	3,248
Dues and subscriptions	11,400	13,516	11,552
Tuition reimbursements	3,500	1,480	3,500
	<u>691,110</u>	<u>683,755</u>	<u>684,585</u>
Commodities:			
Other supplies	12,000	15,057	11,978
Boards and commissions	6,000	6,306	7,828
Recruitment/testing	12,000	15,146	12,939
Bad debts (net of recoveries)	33,000	-	17,542
Bank service charges	6,000	6,680	6,760
Sundry	6,700	6,803	12,257
Employee banquet	3,500	3,557	3,181
Miscellaneous expense	-	19,626	-
	<u>79,200</u>	<u>73,175</u>	<u>72,485</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

	2004		2003 Actual
	Original and Final Budget	Actual	
General services: (continued)			
Capital outlay:			
Building	\$ 14,500	\$ 5,171	\$ 43,904
Improvements other than building	3,000	1,344	570
Equipment	4,250	6,783	11,253
Vision grant	-	-	100,000
	<u>21,750</u>	<u>13,298</u>	<u>155,727</u>
<b>Total general services</b>	<u>1,244,393</u>	<u>1,218,834</u>	<u>1,329,798</u>
Administrative office:			
Personnel:			
Salaries	215,041	190,923	187,916
FICA	16,451	14,811	13,860
IMRF	11,397	11,497	8,949
Employee insurance	24,532	37,029	29,899
	<u>267,421</u>	<u>254,260</u>	<u>240,624</u>
Maintenance, maintenance equipment	<u>21,400</u>	<u>19,508</u>	<u>18,042</u>
Contractual services:			
Postage	13,250	13,131	12,973
Printing	13,700	12,734	12,828
	<u>26,950</u>	<u>25,865</u>	<u>25,801</u>
Commodities:			
Office supplies	6,000	5,390	5,013
Sundry	300	135	294
	<u>6,300</u>	<u>5,525</u>	<u>5,307</u>
Capital outlay:			
Equipment	20,000	34,895	3,696
	<u>20,000</u>	<u>34,895</u>	<u>3,696</u>
<b>Total administrative office</b>	<u>342,071</u>	<u>340,053</u>	<u>293,470</u>
Public works:			
Personnel:			
Salaries	522,620	570,548	498,726
FICA	39,980	43,480	42,100
IMRF	27,699	36,395	25,732
Employee insurance	106,898	115,415	96,819
	<u>697,197</u>	<u>765,838</u>	<u>663,377</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

Page 3 of 7

	2004		2003 Actual
	Original and Final Budget	Actual	
Public works: (continued)			
Maintenance:			
Maintenance building/grounds	\$ 3,500	\$ 2,732	\$ 2,693
Maintenance/equipment	100,000	86,237	108,359
Maintenance/other	17,200	13,414	9,336
Maintenance trees	3,500	2,960	3,105
Maintenance streets	7,000	4,644	5,527
	<u>131,200</u>	<u>109,987</u>	<u>129,020</u>
Contractual services:			
Garbage disposal	6,000	8,554	6,191
Communications	500	1,379	305
Utilities	10,000	14,398	20,032
Traffic signals	9,000	11,990	10,784
Rental	3,660	3,256	2,976
Travel	100	182	76
Printing	500	432	575
Consultants	25,200	40,555	23,670
Training and conferences	2,000	733	625
Dues and subscriptions	1,000	624	777
	<u>57,960</u>	<u>82,103</u>	<u>66,011</u>
Commodities:			
Office supplies	3,000	3,206	3,046
Other supplies	3,000	2,927	2,805
Uniforms	5,100	4,708	4,369
Gas and oil	20,000	20,390	16,651
Sundry	2,500	3,772	5,770
	<u>33,600</u>	<u>35,003</u>	<u>32,641</u>
Capital outlay:			
Calumet station project & streets	-	-	1,589
Improvements other than building	82,500	40,989	38,165
Equipment	76,050	60,805	44,675
Miscellaneous expenses	-	-	12,573
	<u>158,550</u>	<u>101,794</u>	<u>97,002</u>
<b>Total public works</b>	<u>1,078,507</u>	<u>1,094,725</u>	<u>988,051</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

Page 4 of 7

	2004		2003 Actual
	Original and Final Budget	Actual	
Police:			
Personnel:			
Salaries	\$ 2,179,024	\$ 2,125,587	\$ 2,124,978
FICA	166,695	161,759	161,016
IMRF	18,139	20,042	18,423
Employee insurance	381,391	350,138	343,905
	<u>2,745,249</u>	<u>2,657,526</u>	<u>2,648,322</u>
Maintenance, maintenance equipment	<u>48,805</u>	<u>46,679</u>	<u>46,223</u>
Contractual services:			
Communications	31,850	29,903	27,983
Printing	2,900	2,870	3,022
Consultants	30,660	35,513	31,631
P ticket hearing programs	1,800	-	-
Training and conferences	18,255	18,731	16,136
Dues and subscriptions	1,000	697	955
	<u>86,465</u>	<u>87,714</u>	<u>79,727</u>
Commodities:			
Office supplies	3,000	2,650	2,859
Other supplies	10,895	10,290	8,958
Uniforms	17,920	18,201	17,756
Canine supplies	2,100	947	1,650
Prisoner needs	1,000	1,121	1,051
Gas and oil	45,000	46,301	47,322
Animal control	4,500	4,141	4,765
Sundry	3,000	2,674	3,525
Miscellaneous expense	-	229	-
	<u>87,415</u>	<u>86,554</u>	<u>87,886</u>
Capital outlay:			
Building	700	725	2,918
Equipment	71,205	70,909	106,945
	<u>71,905</u>	<u>71,634</u>	<u>109,863</u>
<b>Total police</b>	<u>3,039,839</u>	<u>2,950,107</u>	<u>2,972,021</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

Page 5 of 7

	2004		2003 Actual
	Original and Final Budget	Actual	
Fire:			
Personnel:			
Salaries	\$ 986,216	\$ 1,151,589	\$ 999,097
FICA	75,446	86,737	76,779
IMRF	5,227	8,326	7,227
Employee insurance	141,500	151,826	144,020
	<u>1,208,389</u>	<u>1,398,478</u>	<u>1,227,123</u>
Maintenance:			
Maintenance buildings/grounds	11,800	19,851	12,069
Maintenance equipment	15,000	12,791	15,680
	<u>26,800</u>	<u>32,642</u>	<u>27,749</u>
Contractual services:			
Communications	2,000	1,319	1,526
Rental	7,500	8,432	7,275
Postage	9,000	6,785	7,700
Printing	6,000	3,665	4,383
Fire prevention	3,000	2,556	1,870
Legal	250	-	26
Consultants	39,650	79,962	42,747
Training and conferences	9,450	8,653	4,005
Dues and subscriptions	4,000	6,020	2,798
	<u>80,850</u>	<u>117,392</u>	<u>72,330</u>
Commodities:			
Office supplies	7,000	6,638	4,014
Other supplies	9,300	6,152	5,018
Uniforms	1,400	13,867	414
Gas and oil	8,750	5,949	6,411
Sundry	500	2,438	423
	<u>26,950</u>	<u>35,044</u>	<u>16,280</u>
Capital outlay			
Building	18,550	22,155	-
Improvements other than building	7,000	2,700	-
Equipment	59,100	51,191	18,146
	<u>84,650</u>	<u>76,046</u>	<u>18,146</u>
<b>Total fire</b>	<u>1,427,639</u>	<u>1,659,602</u>	<u>1,361,628</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

Page 6 of 7

	2004		2003 Actual
	Original and Final Budget	Actual	
Economic development:			
Contractual services:			
Economic development incentive	\$ 17,800	\$ 9,510	\$ 126,780
Consultants	6,200	7,667	5,713
Training and conferences	2,375	479	438
Dues and subscriptions	715	1,400	7,119
	<u>27,090</u>	<u>19,056</u>	<u>140,050</u>
Commodities:			
Special projects	500	157	208
183rd & Kedzie project	3,000	-	-
170th Street project	16,000	17	-
167th Street project	11,000	-	-
Other supplies	250	218	-
Sundry	-	3	40
	<u>30,750</u>	<u>395</u>	<u>248</u>
Capital outlay, equipment	<u>1,950</u>	<u>900</u>	<u>1,990</u>
<b>Total economic development</b>	<u>59,790</u>	<u>20,351</u>	<u>142,288</u>
Insurance:			
Personnel:			
State unemployment insurance	6,000	9,504	1,035
Workers' compensation	204,000	196,308	202,042
	<u>210,000</u>	<u>205,812</u>	<u>203,077</u>
Contractual services:			
Insurance	204,000	198,737	202,042
Consultants	30,000	-	11,379
Training	-	-	69
	<u>234,000</u>	<u>198,737</u>	<u>213,490</u>
Commodities:			
Risk management	37,300	58,611	39,818
Loss fund	25,800	56,621	42,434
Uniforms	23,550	8,903	15,094
	<u>86,650</u>	<u>124,135</u>	<u>97,346</u>
<b>Total insurance</b>	<u>530,650</u>	<u>528,684</u>	<u>513,913</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

	2004		2003 Actual
	Original and Final Budget	Actual	
Community relations:			
Commodities:			
Coffees	\$ -	\$ -	\$ 11
Awards	150	328	186
July 4th	-	-	5,000
Seminar	800	9	120
Special programs	500	136	2,924
Promotional items	600	901	540
<b>Total community relations</b>	<b>2,050</b>	<b>1,374</b>	<b>8,781</b>
Civil Defense:			
Maintenance, maintenance equipment	2,300	1,980	1,541
Contractual services:			
Communications	1,300	738	1,286
Dues and subscriptions	2,600	2,914	2,604
Training and conferences	500	360	426
	4,400	4,012	4,316
Commodities:			
Other supplies	100	-	100
Sundry	100	22	63
	200	22	163
Capital outlay:			
Building	1,300	1,529	-
Equipment	6,000	3,084	-
	7,300	4,613	-
<b>Total civil defense</b>	<b>14,200</b>	<b>10,627</b>	<b>6,020</b>
<b>Total expenditures</b>	<b>\$ 7,739,139</b>	<b>\$ 7,824,357</b>	<b>\$ 7,615,970</b>

## Supplementary Information

**Nonmajor Governmental Funds – Combining Statements**

Village of Hazel Crest, Illinois

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 April 30, 2004

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and equivalents	\$ 1,305,011	\$ -	\$ 105,218	\$ 1,410,229
Receivables:				
Property taxes	-	86,242	-	86,242
Accounts	22,039	-	-	22,039
Intergovernmental	31,758	-	2,917	34,675
Due from other funds	-	374,025	471,595	845,620
<b>Total assets</b>	<b>\$ 1,358,808</b>	<b>\$ 460,267</b>	<b>\$ 579,730</b>	<b>\$ 2,398,805</b>
<b>Liabilities</b>				
Accounts payable	\$ 6,929	\$ 1,203	\$ 787	\$ 8,919
Due to other funds	-	3,683	21,166	24,849
Deferred revenue	-	86,242	-	86,242
<b>Total liabilities</b>	<b>6,929</b>	<b>91,128</b>	<b>21,953</b>	<b>120,010</b>
<b>Fund Balances</b>				
Reserved for debt service	-	369,139	-	369,139
Unreserved	1,351,879	-	557,777	1,909,656
<b>Total liabilities and fund balances</b>	<b>\$ 1,358,808</b>	<b>\$ 460,267</b>	<b>\$ 579,730</b>	<b>\$ 2,398,805</b>

Village of Hazel Crest, Illinois

Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Year Ended April 30, 2004

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Program:				
Intergovernmental	\$ 557,290	\$ -	\$ 66,975	\$ 624,265
General:				
Property taxes	-	147,726	535,823	683,549
Interest	12,968	-	3,818	16,786
Total revenues	<u>570,258</u>	<u>147,726</u>	<u>606,616</u>	<u>1,324,600</u>
<b>Expenditures</b>				
Current,				
General services	333,600	-	-	333,600
Debt service:				
Principal	-	178,802	-	178,802
Interest and fiscal charges		13,519	-	13,519
Capital outlay	109,632	-	200,188	309,820
Total expenditures	<u>443,232</u>	<u>192,321</u>	<u>200,188</u>	<u>835,741</u>
Excess revenues or (expenditures)	127,026	(44,595)	406,428	488,859
Fund balances:				
May 1, 2003	<u>1,224,853</u>	<u>413,734</u>	<u>151,349</u>	<u>1,789,936</u>
April 30, 2004	<u>\$ 1,351,879</u>	<u>\$ 369,139</u>	<u>\$ 557,777</u>	<u>\$ 2,278,795</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 Year Ended April 30, 2004

	Motor Fuel Tax	911	Working Cash	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 380,120	\$ 165,499	\$ 759,392	\$ 1,305,011
Receivables:				
Accounts	-	22,039	-	22,039
Intergovernmental	31,758	-	-	31,758
<b>Total assets</b>	<b>\$ 411,878</b>	<b>\$ 187,538</b>	<b>\$ 759,392</b>	<b>\$ 1,358,808</b>
<b>Liabilities and Fund Balances</b>				
Liabilities				
Accounts payable	\$ 4,680	\$ 2,249	\$ -	\$ 6,929
Fund balances, unreserved	407,198	185,289	759,392	1,351,879
<b>Total liabilities and fund balances</b>	<b>\$ 411,878</b>	<b>\$ 187,538</b>	<b>\$ 759,392</b>	<b>\$ 1,358,808</b>

Village of Hazel Crest, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 Year Ended April 30, 2004

	Motor Fuel Tax	911	Working Cash	Total
Revenues:				
Intergovernmental	\$ 429,952	\$ 127,338	\$ -	\$ 557,290
Interest	3,754	1,413	7,801	12,968
<b>Total revenues</b>	<u>433,706</u>	<u>128,751</u>	<u>7,801</u>	<u>570,258</u>
Expenditures:				
Current:				
General services	246,977	86,623	-	333,600
Capital outlay	109,632	-	-	109,632
<b>Total expenditures</b>	<u>356,609</u>	<u>86,623</u>	<u>-</u>	<u>443,232</u>
Excess revenues or (expenditures)	77,097	42,128	7,801	127,026
Fund balances:				
May 1, 2003	<u>330,101</u>	<u>143,161</u>	<u>751,591</u>	<u>1,224,853</u>
April 30, 2004	<u>\$ 407,198</u>	<u>\$ 185,289</u>	<u>\$ 759,392</u>	<u>\$ 1,351,879</u>

Village of Hazel Crest, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual  
Nonmajor Special Revenue Funds - All Funds for Which Budgets Have Been Adopted  
Year Ended April 30, 2004

	Motor Fuel Tax		911		Total	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:						
Intergovernmental	\$ 432,000	\$ 429,952	\$ 112,000	\$ 127,338	\$ 544,000	\$ 557,290
Interest	4,320	3,754	1,500	1,413	5,820	5,167
<b>Total revenues</b>	<u>436,320</u>	<u>433,706</u>	<u>113,500</u>	<u>128,751</u>	<u>549,820</u>	<u>562,457</u>
Expenditures:						
Current:						
General services	263,698	246,977	92,800	86,623	356,498	333,600
Capital outlay	106,428	109,632	31,500	-	137,928	109,632
<b>Total expenditures</b>	<u>370,126</u>	<u>356,609</u>	<u>124,300</u>	<u>86,623</u>	<u>494,426</u>	<u>443,232</u>
Excess revenues or (expenditures)	<u>\$ 66,194</u>	77,097	<u>\$ (10,800)</u>	42,128	<u>\$ 55,394</u>	119,225
Fund balances:						
May 1, 2003		<u>330,101</u>		<u>143,161</u>		<u>473,262</u>
April 30, 2004		<u>\$ 407,198</u>		<u>\$ 185,289</u>		<u>\$ 592,487</u>

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Village of Hazel Crest, Illinois  
 Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 Year Ended April 30, 2004

	1993 Fire Pumper	1996 Capital Projects	1997 Capital Projects	1997		1998		1999		2000		2001		2002		Total	
				G.O. Limited Tax Bonds													
<b>Assets</b>																	
Property taxes receivable	\$ -	\$ 23,858	\$ -	\$ 8,852	\$ 2,191	\$ 8,768	\$ 5,227	\$ 5,817	\$ 31,529	\$ 86,242							
Due from other funds	-	195,947	78,917	53,325	9,260	19,497	7,227	9,852	-	374,025							
<b>Total assets</b>	\$ -	\$ 219,805	\$ 78,917	\$ 62,177	\$ 11,451	\$ 28,265	\$ 12,454	\$ 15,669	\$ 31,529	\$ 460,267							
<b>Liabilities and Fund Balances</b>																	
<b>Liabilities</b>																	
Accounts payable	\$ -	\$ 205	\$ -	\$ 121	\$ 37	\$ 197	\$ 139	\$ 175	\$ 329	\$ 1,203							
Due to general fund	2,294	-	-	-	-	-	-	-	1,389	3,683							
Deferred revenue	-	23,858	-	8,852	2,191	8,768	5,227	5,817	31,529	86,242							
<b>Total liabilities</b>	2,294	24,063	-	8,973	2,228	8,965	5,366	5,992	33,247	91,128							
Fund balances, unreserved and undesignated	(2,294)	195,742	78,917	53,204	9,223	19,300	7,088	9,677	(1,718)	369,139							
<b>Total liabilities and fund balances</b>	\$ -	\$ 219,805	\$ 78,917	\$ 62,177	\$ 11,451	\$ 28,265	\$ 12,454	\$ 15,669	\$ 31,529	\$ 460,267							

Village of Hazel Crest, Illinois

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Debt Service Funds  
Year Ended April 30, 2004

	1993	1996	1997	1997	1998	1999	2000	2001	2002	Total
	Fire	Capital	Capital	G.O. Limited	G.O. Limited	G.O. Limited	G.O. Limited	G.O. Limited	G.O. Limited	
	Pumper	Projects	Projects	Tax Bonds	Tax Bonds	Tax Bonds	Tax Bonds	Tax Bonds	Tax Bonds	
Revenues, property taxes	\$ 31,355	\$ 43,206	\$ -	\$ 14,456	\$ 3,599	\$ 14,395	\$ 8,271	\$ 9,705	\$ 22,739	\$ 147,726
Expenditures, debt service:										
Principal	56,802	35,000	6,000	12,000	3,000	10,000	5,000	6,000	45,000	178,802
Interest and fees	3,124	1,842	830	957	294	1,420	961	1,692	2,399	13,519
<b>Total expenditures</b>	<b>59,926</b>	<b>36,842</b>	<b>6,830</b>	<b>12,957</b>	<b>3,294</b>	<b>11,420</b>	<b>5,961</b>	<b>7,692</b>	<b>47,399</b>	<b>192,321</b>
Excess revenues or (expenditures)	(28,571)	6,364	(6,830)	1,499	305	2,975	2,310	2,013	(24,660)	(44,595)
Fund balances (deficits):										
May 1, 2003	26,277	189,378	85,747	51,705	8,918	16,325	4,778	7,664	22,942	413,734
April 30, 2004	\$ (2,294)	\$ 195,742	\$ 78,917	\$ 53,204	\$ 9,223	\$ 19,300	\$ 7,088	\$ 9,677	\$ (1,718)	\$ 369,139

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Village of Hazel Crest, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 Nonmajor Debt Service Funds - All Funds for Which Budgets Have Been Adopted  
 Year Ended April 30, 2004

	1993 Fire Pumper		1996 Capital Projects		1997 Capital Projects		1997 G.O. Limited Tax Bonds	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues, property taxes	\$ 62,476	\$ 31,355	\$ 42,088	\$ 43,206	\$ 59,916	\$ -	\$ 15,662	\$ 14,456
Expenditures, debt service:								
Principal	56,802	56,802	35,000	35,000	6,000	6,000	12,000	12,000
Interest and fees	3,124	3,124	6,205	1,842	510	830	3,315	957
<b>Total</b> <b>expenditures</b>	<u>59,926</u>	<u>59,926</u>	<u>41,205</u>	<u>36,842</u>	<u>6,510</u>	<u>6,830</u>	<u>15,315</u>	<u>12,957</u>
Excess revenues or (expenditures)	<u>\$ 2,550</u>	(28,571)	<u>\$ 883</u>	6,364	<u>\$ 53,406</u>	(6,830)	<u>\$ 347</u>	1,499
Fund balances:								
May 1, 2003		<u>26,277</u>		<u>189,378</u>		<u>85,747</u>		<u>51,705</u>
April 30, 2004		<u>\$ (2,294)</u>		<u>\$ 195,742</u>		<u>\$ 78,917</u>		<u>\$ 53,204</u>

1998 G.O. Limited Tax Bonds		1999 G.O. Limited Tax Bonds		2000 G.O. Limited Tax Bonds		2001 G.O. Limited Tax Bonds		2002 G.O. Limited Tax Bonds		Total	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
\$ 4,253	\$ 3,599	\$ 15,268	\$ 14,395	\$ 8,833	\$ 8,271	\$ 39,517	\$ 9,705	\$ 32,633	\$ 22,739	\$ 280,646	\$ 147,726
3,000	3,000	10,000	10,000	5,000	5,000	6,000	6,000	60,000	45,000	193,802	178,802
1,020	294	5,015	1,420	3,400	961	4,505	1,692	5,265	2,399	32,359	13,519
4,020	3,294	15,015	11,420	8,400	5,961	10,505	7,692	65,265	47,399	226,161	192,321
<u>233</u>	305	<u>\$ 253</u>	2,975	<u>\$ -</u>	2,310	<u>\$ -</u>	2,013	<u>\$ -</u>	(24,660)	<u>\$ 54,485</u>	(44,595)
	<u>8,918</u>		<u>16,325</u>		<u>4,778</u>		<u>7,664</u>		<u>22,942</u>		<u>413,734</u>
	<u>\$ 9,223</u>		<u>\$ 19,300</u>		<u>\$ 7,088</u>		<u>\$ 9,677</u>		<u>\$ (1,718)</u>		<u>\$ 369,139</u>

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Village of Hazel Crest, Illinois

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 April 30, 2004

	Capital Projects	Community Development Block Grant	Tax Incremental Finance District		Tax Incremental Finance District		Tax Incremental Finance District		Total
			183rd Street	Hazel Crest Proper	167th Street	Cherry Creek			
<b>Assets</b>									
Cash and cash equivalents	\$ 105,217	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,218
Receivables, intergovernmental	-	2,917	-	-	-	-	-	-	2,917
Due from other funds	-	-	381,315	90,280	-	-	-	-	471,595
<b>Total assets</b>	<b>\$ 105,217</b>	<b>\$ 2,918</b>	<b>\$ 381,315</b>	<b>\$ 90,280</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 579,730</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ -	\$ -	\$ 233	\$ 232	\$ 322	\$ -	\$ -	\$ -	\$ 787
Due to other funds	-	2,918	-	-	2,191	16,057	-	-	21,166
<b>Total liabilities</b>	<b>-</b>	<b>2,918</b>	<b>233</b>	<b>232</b>	<b>2,513</b>	<b>16,057</b>	<b>16,057</b>	<b>16,057</b>	<b>21,953</b>
<b>Fund Balances, unreserved (deficits)</b>	<b>105,217</b>	<b>-</b>	<b>381,082</b>	<b>90,048</b>	<b>(2,513)</b>	<b>(16,057)</b>	<b>(16,057)</b>	<b>(16,057)</b>	<b>557,777</b>
<b>Total liabilities and fund balances</b>	<b>\$ 105,217</b>	<b>\$ 2,918</b>	<b>\$ 381,315</b>	<b>\$ 90,280</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 579,730</b>

Village of Hazel Crest, Illinois

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
Year Ended April 30, 2004

	Capital Projects	Community Development Block Grant	Tax Incremental Finance District 183rd Street	Tax Incremental Finance District Hazel Crest Proper	Tax Incremental Finance District 167th Street	Tax Incremental Finance District Cherry Creek	Total
Revenues:							
Property taxes	\$ -	\$ -	\$ 396,754	\$ 102,273	\$ 22,033	\$ 14,763	\$ 535,823
Intergovernmental	-	66,975	-	-	-	-	66,975
Interest	1,627	-	1,701	490	-	-	3,818
<b>Total revenues</b>	<b>1,627</b>	<b>66,975</b>	<b>398,455</b>	<b>102,763</b>	<b>22,033</b>	<b>14,763</b>	<b>606,616</b>
Expenditures:							
Capital outlay	117,508	66,975	5,043	1,316	9,262	84	200,188
<b>Total expenditures</b>	<b>117,508</b>	<b>66,975</b>	<b>5,043</b>	<b>1,316</b>	<b>9,262</b>	<b>84</b>	<b>200,188</b>
Excess revenues or (expenditures)	(115,881)	-	393,412	101,447	12,771	14,679	406,428
Fund balances (deficits):							
May 1, 2003	221,098	-	(12,330)	(11,399)	(15,284)	(30,736)	151,349
April 30, 2004	\$ 105,217	\$ -	\$ 381,082	\$ 90,048	\$ (2,513)	\$ (16,057)	\$ 557,777

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Village of Hazel Crest, Illinois

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor Capital Projects Funds - All Funds for Which Budgets Have Been Adopted  
 Year Ended April 30, 2004

	Capital Projects		Community Development Block Grant		Total	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:						
Intergovernmental	\$ -	\$ -	\$ 70,000	\$ 66,975	\$ 70,000	\$ 66,975
Interest	2,500	1,627	-	-	2,500	1,627
<b>Total revenues</b>	<u>2,500</u>	<u>1,627</u>	<u>70,000</u>	<u>66,975</u>	<u>72,500</u>	<u>68,602</u>
Expenditures, capital outlay	182,000	117,508	70,000	66,975	252,000	184,483
Excess revenues or (expenditures)	<u>\$ (179,500)</u>	<u>(115,881)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (179,500)</u>	<u>(115,881)</u>
Fund balances:						
May 1, 2003		221,098		-		221,098
April 30, 2004	<u>\$</u>	<u>105,217</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>105,217</u>

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**Major Enterprise Fund**

Village of Hazel Crest, Illinois

Schedule of Operating and Nonoperating Revenues, Operating and Nonoperating Expenses  
and Transfers - Budget and Actual  
Waterworks and Sewerage Fund  
Year Ended April 30, 2004  
With Comparative Amounts for 2003

	2004		2003 Actual
	Original and Final Budget	Actual	
Operating revenues, charges for services	\$ 2,267,475	\$ 2,342,992	\$ 2,212,492
Operating expenses:			
Operations	2,266,745	2,401,786	2,210,993
Depreciation	356,609	376,631	355,032
<b>Total operating expenses</b>	<b>2,623,354</b>	<b>2,778,417</b>	<b>2,566,025</b>
<b>Operating (loss)</b>	<b>(355,879)</b>	<b>(435,425)</b>	<b>(353,533)</b>
Net assets:			
May 1, 2003	3,526,093	5,307,553	5,661,084
April 30, 2004	\$ 3,170,214	\$ 4,872,128	\$ 5,307,551

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Village of Hazel Crest, Illinois

Combining Statement of Fiduciary Net Assets  
 Pension Trust Funds  
 April 30, 2004

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>Assets</b>			
Cash and cash equivalents	\$ 3,600,470	\$ -	\$ 3,600,470
Interest receivable	593	11,037	11,630
Due from other funds	1,327	-	1,327
Investments	6,149,016	3,098,561	9,247,577
<b>Total assets</b>	<b>\$ 9,751,406</b>	<b>\$ 3,109,598</b>	<b>\$ 12,861,004</b>
<b>Liabilities</b>			
Due to other funds	\$ -	\$ 765	\$ 765
<b>Net Assets</b>			
Held in trust for pension benefits	9,751,406	3,108,833	12,860,239
<b>Total liabilities and net assets</b>	<b>\$ 9,751,406</b>	<b>\$ 3,109,598</b>	<b>\$ 12,861,004</b>

Village of Hazel Crest, Illinois

Combining Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2004

	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 301,728	\$ 139,821	\$ 441,549
Plan members	147,313	61,485	208,798
<b>Total contributions</b>	<u>449,041</u>	<u>201,306</u>	<u>650,347</u>
Investment income:			
Net appreciation in fair value of investments	462,929	177,511	640,440
Dividends	23,078	5,307	28,385
Interest	31,048	62,518	93,566
Less investment expense	13,845	-	13,845
<b>Net investment income</b>	<u>503,210</u>	<u>245,336</u>	<u>748,546</u>
<b>Total additions</b>	<u>952,251</u>	<u>446,642</u>	<u>1,398,893</u>
<b>Deductions</b>			
Benefits	380,631	73,529	454,160
Administrative expenses	5,147	3,783	8,930
<b>Total deductions</b>	<u>385,778</u>	<u>77,312</u>	<u>463,090</u>
<b>Net increase</b>	566,473	369,330	935,803
Net assets held in trust for pension benefits:			
May 1, 2003	<u>9,184,933</u>	<u>2,739,503</u>	<u>11,924,436</u>
April 30, 2004	<u>\$ 9,751,406</u>	<u>\$ 3,108,833</u>	<u>\$ 12,860,239</u>

Village of Hazel Crest, Illinois

Schedule of Expenditures - Budget and Actual  
 Motor Fuel Tax Fund  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

	2004		2003 Actual
	Original and Final Budget	Actual	
General services:			
Personnel:			
Salaries	\$ 55,000	\$ 46,697	\$ 45,427
FICA	-	-	3,457
IMRF	-	-	2,012
	<u>55,000</u>	<u>46,697</u>	<u>50,896</u>
Maintenance, maintenance streets/alleys	6,750	6,851	3,678
Contractual services:			
Utilities	36,000	45,082	39,796
Rental	86,540	86,527	86,527
Consultants	55,000	32,898	64,852
Commodities, salt and slag	24,408	28,922	27,823
	<u>208,698</u>	<u>200,280</u>	<u>222,676</u>
Capital outlay:			
Improvements other than buildings	106,428	99,463	195,651
Calumet station project	-	10,169	23,538
	<u>106,428</u>	<u>109,632</u>	<u>219,189</u>
<b>Total expenditures</b>	<u>\$ 370,126</u>	<u>\$ 356,609</u>	<u>\$ 492,761</u>

Village of Hazel Crest, Illinois

Schedule of Expenditures - Budget and Actual  
 911 Fund  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

	2004		2003 Actual
	Original and Final Budget	Actual	
General services:			
Personnel, salaries	\$ 58,200	\$ 58,200	\$ 56,478
Maintenance, maintenance - equipment	4,500	3,373	-
Contractual services:			
Telephone	20,000	19,502	20,921
Consultants	1,000	-	-
Training and conferences	2,500	461	888
Dues and subscriptions	600	47	154
Commodities:			
Sundry	1,000	40	1,005
Service charges	5,000	5,000	5,000
	<u>92,800</u>	<u>86,623</u>	<u>84,446</u>
Capital outlay, equipment	<u>31,500</u>	<u>-</u>	<u>36,603</u>
<b>Total expenditures</b>	<u>\$ 124,300</u>	<u>\$ 86,623</u>	<u>\$ 121,049</u>

Village of Hazel Crest, Illinois

Schedule of Expenditures - Budget and Actual  
 Capital Projects Fund  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

	2004		2003 Actual
	Original and Final Budget	Actual	
Capital outlay:			
General services	\$ 90,000	\$ 27,438	\$ 90,000
Fire department	92,000	90,070	-
<b>Total expenditures</b>	<b>\$ 182,000</b>	<b>\$ 117,508</b>	<b>\$ 90,000</b>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual  
 Waterworks and Sewerage Fund  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

	2004		2003 Actual
	Original and Final Budget	Actual	
Operating expenses:			
Personnel:			
Salaries	\$ 616,787	\$ 601,295	\$ 567,868
FICA	47,184	47,666	38,660
IMRF	30,531	35,813	28,777
Employee insurance	120,573	87,295	83,339
<b>Total personnel</b>	<b>815,075</b>	<b>772,069</b>	<b>718,644</b>
Maintenance:			
Maintenance building/grounds	14,500	7,443	8,074
Maintenance equipment	20,700	25,082	27,121
Maintenance utility system	83,000	82,256	73,486
<b>Total maintenance</b>	<b>118,200</b>	<b>114,781</b>	<b>108,681</b>
Contractual services:			
Communications	1,000	746	493
Telephone	1,500	2,438	1,979
Water purchases	821,000	952,630	956,076
Utilities	49,700	58,269	57,995
Rental	2,000	2,445	9,000
Travel	100	2	30
Postage	4,500	5,524	5,212
Printing	2,500	2,265	3,508
Legal	900	-	365
Consultants	12,000	17,048	11,159
Training and conferences	1,500	233	1,686
Dues and subscriptions	350	300	332
<b>Total contractual services</b>	<b>897,050</b>	<b>1,041,900</b>	<b>1,047,835</b>
Commodities:			
Office supplies	800	868	732
Other supplies	2,000	2,317	2,598
Uniforms	5,160	4,811	4,925
Gas and oil	20,000	20,374	16,590
Bad debts	10,000	15,801	18,510
Service charges	230,000	230,000	225,000
Interest on debt	-	4,082	-
Sundry	200	240	41
<b>Total commodities</b>	<b>268,160</b>	<b>278,493</b>	<b>268,396</b>

(continued)

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual  
 Waterworks and Sewerage Fund  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

	2004		2003 Actual
	Original and Final Budget	Actual	
Operating expenses: (continued)			
Capital outlay:			
Building improvements	\$ -	\$ -	\$ 5,563
Improvements	61,600	38,657	81,608
Equipment	75,400	269,239	42,132
Meters	31,260	26,712	35,587
<b>Total capital outlay</b>	<u>168,260</u>	<u>334,608</u>	<u>164,890</u>
<b>Total</b>	2,266,745	2,541,851	2,308,446
Loss (gain) on disposition of capital assets	-	106,597	(1,500)
Less property and equipment capitalized	-	(246,662)	(95,953)
	2,266,745	2,401,786	2,210,993
Depreciation	356,609	376,631	355,032
<b>Total operating expenses</b>	<u>\$ 2,623,354</u>	<u>\$ 2,778,417</u>	<u>\$ 2,566,025</u>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual  
 Commuter Parking Lot Fund  
 Year Ended April 30, 2004  
 With Comparative Amounts for 2003

	2004		2003 Actual
	Original and Final Budget	Actual	
Operating expenses:			
Maintenance, maintenance building/grounds	\$ 300	\$ -	\$ -
Contractual services:			
Utilities	1,100	1,822	1,385
Printing	75	116	189
Consultants	814	814	814
<b>Total contractual services</b>	<b>1,989</b>	<b>2,752</b>	<b>2,388</b>
Commodities, service charges	30,000	30,000	30,000
Other improvements	4,000	3,529	7,170
Total operations	36,289	36,281	39,558
Loss on disposition of capital assets	-	198	-
Depreciation	5,640	2,372	5,523
<b>Total operating expenses</b>	<b>\$ 41,929</b>	<b>\$ 38,851</b>	<b>\$ 45,081</b>

Village of Hazel Crest, Illinois

Capital Assets Used in the Operation of Governmental Funds

Schedule of Capital Assets -

By Source

April 30, 2004

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Land and land improvements	\$ 925,848
Buildings	2,427,450
Machinery and equipment	4,186,165
Infrastructure	<u>118,815,943</u>
<b>Total capital assets</b>	<b>\$ <u>126,355,406</u></b>
Investment in capital assets from:	
General obligation bonds	\$ 1,730,566
Current revenue	<u>124,624,840</u>
<b>Total investment in capital assets</b>	<b>\$ <u>126,355,406</u></b>

Village of Hazel Crest, Illinois

Capital Assets Used in the Operation of Governmental Funds

Schedule of Capital Assets -

By Function and Activity

Year Ended April 30, 2004

	Land and Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Total
General services:					
Municipal center	\$ 27,548	\$ 180,070	\$ 166,500	\$ -	\$ 374,118
General services	124,671	884,992	-	1,954,058	2,963,721
Office	-	6,484	-	-	6,484
<b>Total general services</b>	<b>152,219</b>	<b>1,071,546</b>	<b>166,500</b>	<b>1,954,058</b>	<b>3,344,323</b>
Public works:					
General	-	285,788	730,247	5,452,369	6,468,404
Road and bridge	156,953	50,466	258,851	107,767,250	108,233,520
Forestry	442,000	-	75,357	-	517,357
Waste management	13,500	-	55,479	3,642,266	3,711,245
<b>Total public works</b>	<b>612,453</b>	<b>336,254</b>	<b>1,119,934</b>	<b>116,861,885</b>	<b>118,930,526</b>
Public safety:					
Police	-	-	676,078	-	676,078
Fire	161,176	1,000,939	1,880,107	-	3,042,222
911	-	-	343,546	-	343,546
Civil defense	-	18,711	-	-	18,711
<b>Total public safety</b>	<b>161,176</b>	<b>1,019,650</b>	<b>2,899,731</b>	<b>-</b>	<b>4,080,557</b>
<b>Total capital assets</b>	<b>\$ 925,848</b>	<b>\$ 2,427,450</b>	<b>\$ 4,186,165</b>	<b>\$ 118,815,943</b>	<b>\$ 126,355,406</b>

Village of Hazel Crest, Illinois

Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes in Capital Assets -  
 By Function and Activity  
 Year Ended April 30, 2004

	Capital Assets May 1, 2003	Additions	Deletions	Capital Assets April 30, 2004
General services:				
Municipal center	\$ 27,548	\$ 180,070	\$ -	\$ 207,618
General services	3,130,221	-	-	3,130,221
Office	6,484	-	-	6,484
<b>Total general services</b>	<u>3,164,253</u>	<u>180,070</u>	<u>-</u>	<u>3,344,323</u>
Public works:				
General	6,416,111	76,002	23,709	6,468,404
Road and bridge	108,233,520	-	-	108,233,520
Forestry	517,357	-	-	517,357
Waste management	3,711,245	-	-	3,711,245
<b>Total public works</b>	<u>118,878,233</u>	<u>76,002</u>	<u>23,709</u>	<u>118,930,526</u>
Public safety:				
Police	670,782	46,463	41,167	676,078
Fire	3,018,735	33,487	10,000	3,042,222
911	343,546	-	-	343,546
Civil defense	18,711	-	-	18,711
<b>Total public safety</b>	<u>4,051,774</u>	<u>79,950</u>	<u>51,167</u>	<u>4,080,557</u>
<b>Total capital assets</b>	<u>\$ 126,094,260</u>	<u>\$ 336,022</u>	<u>\$ 74,876</u>	<u>\$ 126,355,406</u>

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Village of Hazel Crest, Illinois

Schedule of Debt Service Requirements

April 30, 2004

	Year Ending April 30,	Principal	Interest	Total
<b>Series 1996</b>				
Dated: December 30, 1996				
Authorized issue - \$279,000				
Payable at: American National Bank	2005	\$ 38,000	\$ 209	\$ 38,209
Interest payable monthly at the bank's current variable rate, 1.10% at April 30, 2004				
<b>Series 1997</b>				
Dated: December 12, 1997				
Authorized issue - \$123,000				
Payable at: American National Bank	2005	\$ 13,000	\$ 297	\$ 13,297
Interest payable monthly at the bank's current variable rate, 1.10% at April 30, 2004				
	2006	14,000	154	14,154
		<u>\$ 27,000</u>	<u>\$ 451</u>	<u>\$ 27,451</u>
<b>Series 1998</b>				
Dated: December 1, 1998				
Authorized issue - \$103,000				
Payable at: American National Bank	2005	\$ 3,000	\$ 99	\$ 3,099
Interest payable monthly at the bank's current variable rate, 1.10% at April 30, 2004				
	2006	3,000	66	3,066
	2007	3,000	33	3,033
		<u>\$ 9,000</u>	<u>\$ 198</u>	<u>\$ 9,198</u>
<b>Series 1999</b>				
Dated: December 1, 1999				
Authorized issue - \$153,000				
Payable at: American National Bank	2005	\$ 11,000	\$ 539	\$ 11,539
Interest payable monthly at the bank's current variable rate, 1.10% at April 30, 2004				
	2006	11,000	418	11,418
	2007	13,000	297	13,297
	2008	14,000	154	14,154
		<u>\$ 49,000</u>	<u>\$ 1,408</u>	<u>\$ 50,408</u>
<b>Series 2000</b>				
Dated: December 1, 2000				
Authorized issue - \$110,000				
Payable at: American National Bank	2005	\$ 6,000	\$ 385	\$ 6,385
Interest payable monthly at the bank's current variable rate, 1.10% at April 30, 2004				
	2006	6,000	319	6,319
	2007	7,000	253	7,253
	2008	8,000	176	8,176
	2009	8,000	88	8,088
		<u>\$ 35,000</u>	<u>\$ 1,221</u>	<u>\$ 36,221</u>

(continued)

Village of Hazel Crest, Illinois

Schedule of Debt Service Requirements (Continued)  
April 30, 2004

	Year Ending April 30,	Principal	Interest	Total
<b>Series 2001</b>				
Dated: December 1, 2001				
Authorized issue - \$109,000				
Payable at: American National Bank	2005	\$ 6,000	\$ 517	\$ 6,517
Interest payable monthly at the bank's current	2006	7,000	451	7,451
variable rate, 1.10% at April 30, 2004	2007	7,000	374	7,374
	2008	8,000	297	8,297
	2009	9,000	209	9,209
	2010	10,000	110	10,110
		<u>\$ 47,000</u>	<u>\$ 1,958</u>	<u>\$ 48,958</u>
<b>Series 2002</b>				
Dated: December 1, 2002				
Authorized issue - \$110,000				
Payable at: American National Bank	2005	\$ 7,000	\$ 594	\$ 7,594
Interest payable monthly at the bank's current	2006	8,000	517	8,517
variable rate, 1.10% at April 30, 2004	2007	8,000	429	8,429
	2008	9,000	341	9,341
	2009	10,000	242	10,242
	2010	11,000	253	11,253
	2011	12,000	132	12,132
		<u>\$ 65,000</u>	<u>\$ 2,508</u>	<u>\$ 67,508</u>
<b>Note Payable</b>				
Dated October 7, 2003	2005	\$ 45,051	\$ 5,437	\$ 50,488
Authorized issue - \$181,500	2006	43,696	3,696	47,392
Principal and interest payable May 1 of each year	2007	45,437	1,907	47,344
at 3.93%	2008	47,316	-	47,316
		<u>\$ 181,500</u>	<u>\$ 11,040</u>	<u>\$ 192,540</u>

\* Information is undeterminable due to variable interest rates.

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Village of Hazel Crest, Illinois

Schedule of Assessed Valuations, Tax Rates,  
Tax Extensions and Tax Collections  
April 30, 2004

	2003	2002	2001	2000	1999
Assessed valuations*	\$ 152,738,655	\$ 152,738,655	\$ 123,609,348	\$ 122,157,987	\$ 121,060,549
Tax rates by fund:					
General:					
Corporate	0.2500	0.2046	0.2500	0.2370	0.2261
Unemployment	0.0040	0.0124	0.0112	0.0030	0.0029
Crossing Guards	0.0139	0.0164	0.0113	0.0190	0.0181
Police Protection	0.0750	0.0614	0.0750	0.0711	0.0678
Fire Protection	0.4000	0.3274	0.4000	0.3792	0.3617
Road and Bridge - Village	0.1000	0.0818	0.1000	0.0948	0.0904
Police Pension	0.2259	0.2118	0.2383	0.2361	0.2187
Fire Pension	0.1050	0.0979	0.0991	0.0948	0.0761
Civil Defense	0.0096	0.0409	0.0107	0.0147	0.0140
Illinois Municipal Retirement	0.3717	0.3931	0.4707	0.4940	0.4653
Waste Management	0.1340	0.1636	0.1534	0.1896	0.1809
Paramedics	0.2500	0.2046	0.2500	0.2370	0.2261
Insurance	0.2331	0.1959	0.3722	0.3217	0.3661
Auditing	0.0236	0.0315	0.0208	0.0331	0.0316
<b>Total general</b>	<b>2.1958</b>	<b>2.0433</b>	<b>2.4627</b>	<b>2.4251</b>	<b>2.3458</b>
Debt Service:					
Previous years' Capital Projects	-	-	-	-	-
1993 Fire Pumper	-	0.0404	0.0526	0.0559	0.0592
1995 Capital Projects	-	-	-	-	-
1996 Capital Projects	0.0270	0.0340	0.1259	0.0633	0.0504
1997 G.O. Limited Tax Bond	0.0100	0.0104	0.0127	0.0128	0.0129
1998 G.O. Limited Tax Bond	0.0025	0.0026	0.0038	0.0032	0.0031
1999 G.O. Limited Tax Bonds	0.0099	0.0104	0.0127	0.0122	0.0785
2000 G.O. Limited Tax Bonds	0.0059	0.0058	0.0076	0.0641	-
2001 G.O. Limited Tax Bonds	0.0065	0.0071	0.0558	0.0000	-
2002 G.O. Limited Tax Bonds	0.0356	-	-	-	-
<b>Subtotal</b>	<b>0.0974</b>	<b>0.1107</b>	<b>0.2711</b>	<b>0.2115</b>	<b>0.2041</b>
<b>Total</b>	<b>2.2932</b>	<b>2.1540</b>	<b>2.7338</b>	<b>2.6366</b>	<b>2.5499</b>
Tax extensions by fund:					
General:					
Corporate	\$ 381,846	\$ 312,504	\$ 309,023	\$ 289,503	\$ 273,682
Unemployment	6,000	18,938	13,797	3,660	3,460
Crossing Guards	20,600	25,000	14,024	23,161	21,895
Police Protection	114,554	93,751	92,707	86,852	82,105
Fire Protection	610,955	500,006	494,437	463,205	437,891
Road and Bridge - Village	152,739	125,001	123,609	115,802	109,473
Police Pension	335,041	323,551	294,506	288,400	264,753
Fire Pension	155,746	149,487	122,463	115,843	92,079
Civil Defense	14,200	62,501	13,213	17,915	16,936
Illinois Municipal Retirement	551,134	600,391	581,847	603,464	563,353
Waste Management	198,700	250,003	189,656	231,604	218,946
Paramedics	381,847	312,504	309,023	289,503	273,682
Insurance	345,728	299,224	460,100	393,041	443,160
Auditing	35,000	48,153	25,750	40,467	38,255
<b>Total general</b>	<b>3,304,090</b>	<b>3,121,014</b>	<b>3,044,155</b>	<b>2,962,420</b>	<b>2,839,670</b>
Debt Service:					
Previous years' Capital Projects	-	-	-	-	-
1993 Fire Pumper	-	61,724	65,026	68,331	71,635
1995 Capital Projects	-	-	-	-	-
1996 Capital Projects	41,230	51,713	156,293	77,366	61,021
1997 G.O. Limited Tax Bond	15,295	15,869	16,012	15,641	15,553
1998 G.O. Limited Tax Bond	3,765	3,967	4,489	3,910	3,733
1999 G.O. Limited Tax Bonds	15,165	15,869	15,519	14,859	95,005
2000 G.O. Limited Tax Bonds	8,975	8,926	9,266	78,332	95,005
2001 G.O. Limited Tax Bonds	9,995	10,909	68,528	-	-
2002 G.O. Limited Tax Bonds	54,350	-	-	-	-
<b>Subtotal</b>	<b>148,775</b>	<b>168,977</b>	<b>335,133</b>	<b>258,439</b>	<b>341,952</b>
<b>Total</b>	<b>\$ 3,452,865</b>	<b>\$ 3,289,991</b>	<b>\$ 3,379,288</b>	<b>\$ 3,220,859</b>	<b>\$ 3,181,622</b>
Collections	\$ 1,397,249	\$ 3,162,173	\$ 3,324,658	\$ 3,151,749	\$ 3,020,316
Percent collections	40.47%	96.11%	98.38%	97.85%	94.93%

\* Assessed valuation for 2003 is estimated.

	1998	1997	1996	1995	1994
\$	106,922,976	\$ 104,762,947	\$ 103,258,636	\$ 92,899,844	\$ 87,662,091
	0.2500	0.2464	0.2303	0.2359	0.2500
	0.0031	0.0030	0.0056	0.0059	0.0059
	0.0200	0.0197	0.0184	0.0189	0.0200
	0.0750	0.0739	0.0691	0.0708	0.0750
	0.4000	0.3943	0.3684	0.3774	0.4000
	0.1000	0.0986	0.0921	0.0944	0.1000
	0.2304	0.1937	0.1724	0.1842	0.1723
	0.0878	0.0805	0.0799	0.0847	0.0638
	0.0151	0.0147	0.0102	0.0111	0.0052
	0.4966	0.4778	0.4191	0.4438	0.4448
	0.2000	0.1971	0.1835	0.1887	0.2000
	0.2500	0.2464	0.2303	0.2359	0.2500
	0.3961	0.4219	0.5443	0.5765	0.5740
	0.0342	0.0333	0.0335	0.0355	0.0352
	2.5583	2.5013	2.4571	2.5637	2.5962
	-	-	-	-	0.3396
	0.0701	0.0747	0.0197	0.0213	0.0226
	-	0.0541	0.0590	0.2647	-
	0.0407	0.0417	0.0963	-	-
	0.0000	0.1096	-	-	-
	0.0712	-	-	-	-
	0.0916	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	0.2736	0.2801	0.1750	0.2860	0.3622
	2.8319	2.7814	2.6321	2.8497	2.9584
\$	267,307	\$ 258,147	\$ 232,250	\$ 219,155	\$ 221,464
	3,306	3,156	5,665	5,459	5,150
	21,385	20,652	18,509	17,532	17,717
	80,192	77,444	69,675	65,747	66,439
	427,692	413,035	371,599	350,648	354,342
	106,923	103,259	92,900	87,662	88,585
	246,365	202,919	173,896	171,160	151,074
	93,890	84,324	80,579	78,720	55,925
	16,184	15,450	10,300	10,300	4,561
	531,015	500,533	422,722	412,412	389,880
	213,846	206,517	185,098	175,324	177,171
	267,307	258,147	232,250	219,155	221,464
	423,476	442,036	548,990	535,600	503,211
	36,556	34,898	33,784	32,960	30,900
	2,735,444	2,620,517	2,478,217	2,381,834	2,287,883
	-	-	-	-	297,701
	74,940	78,245	19,828	19,828	19,827
	-	56,661	59,537	245,950	-
	42,940	43,710	97,139	-	-
	77,211	114,890	-	-	-
	97,393	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	292,484	293,506	176,504	265,778	317,528
\$	3,027,928	\$ 2,914,023	\$ 2,654,721	\$ 2,647,612	\$ 2,605,411
\$	2,966,083	\$ 2,751,297	\$ 2,596,959	\$ 2,438,735	\$ 2,558,567
	97.96%	94.42%	97.82%	92.11%	98.20%

Village of Hazel Crest, Illinois

Government-Wide Expenses by Function  
April 30, 2004

Year	General Services						Business-Type Activities		Total
		Public Works	Public Safety	Interest	Surplus Distribution	Waterworks and Sewerage	Commuter Parking Lot		
2004	\$ 2,494,204	\$ 1,406,264	\$ 4,705,363	\$ 110,784	\$ 755,000	\$ 2,778,417	\$ 38,851	\$ 12,288,883	

Note: Information presented for as many years as available.

Source: Village records.

Village of Hazel Crest, Illinois

Government-Wide Revenues  
April 30, 2004

Year	Program Revenues			General Revenues				Total
	Charges for Services	Operating Grants and Contributions	Property Taxes	Other Taxes	Interest	Miscellaneous		
2004	\$ 3,893,395	\$ 552,487	\$ 4,706,739	\$ 3,196,008	\$ 58,750	\$ 337,860	\$ 12,745,239	

Note: Information presented for as many years as available.

Source: Village records.

Village of Hazel Crest, Illinois

General Governmental Expenditures by Function  
Last Ten Fiscal Years

Fiscal Year	General Government and Administration (1)	Public Safety (2)	Buildings Highways Streets (3)	Debt Service	Other Special Revenue (4)	Community Development (5)	Totals
1995	\$ 854,134	\$ 2,699,132	\$ 1,123,375	\$ 666,852	\$ 823,158	\$ 774,707	\$ 6,941,358
1996	1,257,785	2,852,367	1,109,764	745,482	434,241	1,005,459	7,405,098
1997	2,067,310	3,135,629	1,925,949	813,593	502,458	1,581,808	10,026,747
1998	1,360,583	3,299,617	1,041,359	907,290	557,095	831,349	7,997,293
1999	1,969,083	3,465,568	1,126,671	297,277	586,033	1,930,739	9,375,371
2000	1,997,906	3,724,479	1,115,880	344,565	572,794	1,269,754	9,025,378
2001	1,876,796	3,871,176	1,292,989	304,444	597,364	1,016,737	8,959,506
2002	2,074,911	3,793,340	1,987,313	290,902	649,497	729,319	9,525,282
2003	2,288,250	4,339,669	1,480,812	292,487	121,049	1,636,647	10,158,914
2004	2,109,296	4,620,336	1,451,334	192,321	86,623	1,283,093	9,743,003

(1) Includes the General Corporate, Office, Insurance, Economic Development and Community Relations of the General Fund.

(2) Includes the Police, Fire and Civil Defense of the General Fund.

(3) Includes the Public Works of the General Fund and M.F.T. Fund.

(4) Includes Special Revenue Fund Types of Illinois Municipal Retirement and 911. From 2003 to date only includes 911 due to closing of the IMRF Fund.

(5) Incorporates Capital Projects, Tax Increment Finance District Fund and Community Development Funds.

**Village of Hazel Crest, Illinois**

**Governmental Revenues by Source  
Last Ten Fiscal Years**

Fiscal Year	Property Taxes	Retail and Sales Tax	Utility Tax	Interest Income	Fees, Fines and Permits	Licenses	Inter-governmental Revenue	Miscellaneous	Total
1995	\$ 2,775,663	\$ 435,984	\$ 733,006	\$ 141,049	\$ 553,366	\$ 188,401	\$ 1,335,120	\$ 1,066,934	\$ 7,229,523
1996	2,832,946	379,587	841,009	185,561	552,071	232,136	1,602,724	1,100,897	7,726,931
1997	2,846,946	355,959	890,577	178,034	598,162	232,666	1,595,188	1,129,838	7,827,370
1998	3,075,656	471,029	889,119	163,237	736,250	217,155	1,636,081	1,221,169	8,409,696
1999	3,514,534	580,500	903,656	134,214	493,392	231,462	1,881,769	1,087,237	8,826,764
2000	4,167,550	519,601	1,035,153	164,420	515,899	245,237	2,087,553	817,835	9,553,248
2001	3,998,481	635,120	1,197,753	281,278	581,065	235,306	1,944,905	855,778	9,729,686
2002	3,818,051	641,341	1,068,245	155,794	575,777	237,643	2,039,830	1,492,935	10,029,616
2003	4,110,098	708,370	1,192,612	114,953	588,041	233,887	1,771,064	982,073	9,701,098
2004	4,679,308	654,447	1,360,115	57,943	743,260	276,494	1,730,221	862,344	10,364,132

Village of Hazel Crest, Illinois

Assessed and Estimated Actual Value of Taxable Property  
Last Ten Levy Years

Tax Levy Year	Real Property Equalized Assessed Value	Estimated Actual Value	Ratio of Total Assessed to Estimated Actual Value	Equalization Factor
1993	\$ 88,585,450	\$ 295,255,305	33.3	2.1407
1994	87,662,091	262,933,566	33.3	2.1135
1995	92,899,844	278,699,532	33.3	2.1243
1996	103,258,636	310,075,908	33.3	2.1517
1997	104,762,947	314,288,841	33.3	2.1489
1998	106,922,976	321,090,018	33.3	2.1799
1999	121,060,549	363,545,192	33.3	2.2505
2000	122,157,987	366,840,802	33.3	2.2235
2001	123,609,348	371,199,243	33.3	2.3098
2002	152,738,655	458,215,965	33.3	2.4689

Data Source:

Office of the County Clerk

Assessed values are established by Cook County and equalized by the State of Illinois to approximate one-third of market value.

\*2003 tax information not available.

Village of Hazel Crest, Illinois

Property Tax Rates  
Per \$100 of Assessed Valuation  
Last Ten Levy Years

Levy	2003*	2002	2001	2000	1999	1998	1997	1996	1995	1994
Corporate	0.2500	0.2046	0.2500	0.2370	0.2261	0.2500	0.2464	0.2303	0.2359	0.2500
Bond and Interest	0.0974	0.0703	0.2185	0.1558	0.1449	0.2035	0.2054	0.1553	0.2647	0.3396
Garbage	0.1340	0.1636	0.1534	0.1896	0.1809	0.2000	0.1971	0.1835	0.1887	0.2000
Police Pension	0.2259	0.2118	0.2383	0.2361	0.2187	0.2304	0.1937	0.1724	0.1842	0.1723
Fire Pension	0.1050	0.0979	0.0991	0.0948	0.0761	0.0878	0.0805	0.0799	0.0847	0.0638
I.M.R.F.	0.3717	0.3931	0.4707	0.4940	0.4653	0.4966	0.4778	0.4191	0.4439	0.4448
Street and Bridge	0.1000	0.0818	0.1000	0.0948	0.0904	0.1000	0.0986	0.0921	0.0944	0.1000
Fire Protection	0.4000	0.3274	0.4000	0.3792	0.3617	0.4000	0.3943	0.3684	0.3774	0.4000
Police Protection	0.0750	0.0614	0.0750	0.0711	0.0678	0.0750	0.0739	0.0691	0.0708	0.0750
Civil Defense	0.0096	0.0409	0.0107	0.0147	0.0140	0.0151	0.0147	0.0102	0.0111	0.0052
Purchase Agreement	0.0000	0.0404	0.0526	0.0559	0.0592	0.0701	0.0747	0.0197	0.0213	0.0226
Crossing Guards	0.0139	0.0164	0.0113	0.0190	0.0181	0.0200	0.0197	0.0184	0.0189	0.0200
Paramedic Service	0.2500	0.2046	0.2500	0.2370	0.2261	0.2500	0.2464	0.2303	0.2359	0.2500
Insurance	0.2331	0.1959	0.3722	0.3217	0.3661	0.3961	0.4219	0.5443	0.5765	0.5740
Audit	0.0236	0.0315	0.0208	0.0331	0.0316	0.0342	0.0333	0.0335	0.0355	0.0352
Unemployment Insurance	0.0040	0.0124	0.0112	0.0030	0.0029	0.0031	0.0030	0.0056	0.0059	0.0059
<b>Total Village Tax Rates</b>	\$2.2932	\$2.1540	\$2.7338	\$2.6368	\$2.5499	\$2.8319	\$2.7814	\$2.6321	\$2.8498	\$2.9584
	or									
	<u>\$2.293</u>	<u>\$2.154</u>	<u>\$2.734</u>	<u>\$2.637</u>	<u>\$2.550</u>	<u>\$2.832</u>	<u>\$2.782</u>	<u>\$2.633</u>	<u>\$2.850</u>	<u>\$2.959</u>

\* Estimate

Village of Hazel Crest, Illinois

Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Levy Years \*

Tax Levy Year	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Village of Hazel Crest	\$2.1540	\$2.7340	\$2.6370	\$2.5500	\$2.8320	\$2.7820	\$2.6330	\$2.8500	\$2.9590	\$2.7950
County of Cook	0.6900	0.7460	0.0824	0.0854	0.9110	0.9190	0.9890	0.9940	0.9930	0.9710
Cook County Forest Preserve District	0.0610	0.0670	0.0690	0.0700	0.0720	0.0740	0.0740	0.0720	0.0730	0.0720
Suburban TB Sanitarium	0.0060	0.0070	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080
Consolidated Elections	-	0.0320	-	0.0230	0.0000	0.0270	-	0.0290	-	0.0220
Bremen Township	0.0510	0.0620	0.0630	0.0610	0.0630	0.0610	0.0580	0.0510	0.0490	0.0450
Bremen Twp. Road & Bridge	0.0350	0.0410	0.0400	0.0380	0.0400	0.0390	0.0380	0.0400	0.0390	0.0370
Bremen Twp. General Assistance	0.0060	0.0050	0.0050	0.0030	0.0040	0.0040	0.0040	0.0150	0.0150	0.0150
Rich Township	0.2020	0.2300	0.2230	0.2130	0.2270	0.2220	0.2100	0.2140	0.2070	0.1920
Rich Twp. Road & Bridge	0.0600	0.0680	0.0650	0.0062	0.0650	0.0640	0.0600	0.0610	0.0590	0.0570
Rich Twp. General Assistance	0.0230	0.0260	0.0250	0.0024	0.0240	0.0230	0.0210	0.0210	0.0190	0.0180
Thornton Township	0.1560	0.1710	0.1750	0.2140	0.2320	0.2330	0.1920	0.2090	0.2120	0.1970
Twp. Road & Bridge	0.0160	0.0180	0.0180	0.0210	0.0220	0.0220	0.0220	0.0240	0.0240	0.0230
wp. General Assistance	0.0610	0.0730	0.0740	0.0280	0.0300	0.0300	0.0700	0.0770	0.0780	0.0720
Metro water Reclamation District of Chicago	0.3710	0.4010	0.0415	0.0419	0.4440	0.4510	0.4920	0.4950	0.4950	0.4710
So. Cook County Mosquito Abatement	0.0110	0.0150	0.0140	0.0130	0.0130	0.0120	0.0110	0.0150	0.0160	0.0150
Hazel Crest Park District	0.6490	0.8140	0.8010	0.7730	0.8730	0.8650	0.8860	0.9410	0.9910	0.7610
Grande Prairie Pub. Library District	0.3080	0.3760	0.3710	0.3560	0.4580	0.4480	0.4400	0.4730	0.3960	0.3780
School District #144	3.9850	4.9610	5.0250	4.3410	4.7100	4.5630	4.5740	4.7870	4.9410	3.4410
School District #152 1/2	2.7260	3.1890	3.0930	2.8580	3.0820	3.0460	2.9220	3.0680	2.9760	2.7570
School District #152 1/2 School Finance Authority	2.0780	-	-	-	-	-	-	-	-	-
School District #153	3.9980	4.5710	4.6270	4.5730	4.8830	4.7610	4.5890	4.8530	4.8420	4.2580
School District #161	4.0810	4.7750	4.7750	4.5390	4.7680	4.7370	4.5530	4.5760	3.7670	3.4270
Thornton Twp. HSD #205	4.6140	5.3780	4.6120	4.4090	4.6250	4.4040	4.5110	4.3380	4.2540	4.0360
Community HSD #228	3.1580	3.8380	3.8900	3.7200	3.9610	4.1960	4.5140	5.3870	4.3610	3.6200
Homewood Flossmoor Comm. HSD #233	4.0830	3.7990	3.8290	3.7050	3.8920	3.8790	3.7600	3.9280	3.8680	3.4880
So. Suburban Comm. College #510	0.3860	0.4540	0.4570	0.4420	0.4700	0.4890	0.4740	0.5060	0.4990	0.4660
Prairie State Comm. College #515	0.3380	0.3790	0.3760	0.3680	0.3970	0.3980	0.3860	0.4140	0.4120	0.3890

Source: Cook County Clerk

\*2003 tax information not available

Village of Hazel Crest, Illinois

Ratio of Net General Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita Last Ten Fiscal Years

Fiscal Year	Population		Assessed Value (1)	General Long-term Debt (2)	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita
1995	13,653	(3)	\$ 87,662,091	\$ 910,547	1.04	66.69
1996	13,653	(3)	92,899,844	651,108	0.70	47.69
1997	14,049	(3)	103,258,636	1,254,363	1.21	89.28
1998	14,152	(4)	104,762,947	1,182,919	1.13	83.59
1999	14,152	(4)	106,922,976	652,759	0.61	46.12
2000	14,152	(4)	121,060,549	630,664	0.52	44.56
2001	14,816	(3)	122,157,987	568,637	0.47	38.38
2002	14,816		123,609,348	505,681	0.41	34.13
2003	14,816		152,738,655	442,802	0.29	29.89
2004	14,816		152,738,655 *	270,000	0.18	18.22

(1) Source: Cook County Assessor's Office

(2) Includes long-term general obligation debt

(3) Source: U.S. Census Bureau Data

(4) Source: Special Census - 1997

\* Estimated 2004 tax levy information not available

Village of Hazel Crest, Illinois

Ratio of Annual Debt Service Expenditures for General  
Bonded Debt to Total Governmental Fund Expenditures  
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service to Governmental Expenditures
1995	\$ 235,298	\$ 57,925	\$ 293,223	\$ 6,941,358	4.22
1996	259,439	44,580	304,019	7,405,098	4.11
1997	208,745	68,168	276,913	10,026,747	2.76
1998	194,444	64,158	258,602	7,997,293	3.23
1999	237,160	60,117	297,277	9,375,371	3.17
2000	292,095	52,470	344,565	9,025,378	3.82
2001	256,027	48,417	304,444	8,959,506	3.40
2002	261,956	28,946	290,902	9,525,282	3.05
2003	172,879	16,177	189,056	10,158,914	1.86
2004	172,802	12,689	185,491	9,743,003	1.90

Village of Hazel Crest, Illinois

Direct and Overlapping General Obligation Bonded Debt  
 April 30, 2004

Overlapping Agencies	2002 Equalized Assessed Valuation *	Outstanding Bonds		Applicable to District Percent	Amount
Cook County	\$105,085,213,002	\$2,613,960,000		0.15%	\$ 3,816,382
Cook County Forest Preserve	105,085,213,002	39,460,000		0.15%	57,612
Metropolitan Water Reclamation District	102,837,365,186	1,426,285,270	(1)	0.15%	2,125,165
Hazel Crest Park District	152,738,655	935,000		100.00%	935,000
School Districts:					
#144	233,325,508	9,674,312	(2)	39.02%	3,775,304
#152-1/2	105,504,270	4,608,032	(2)	24.80%	1,142,562
#153	244,477,278	8,840,000		1.15%	101,572
#161	402,127,917	6,299,977	(2)	8.29%	522,142
High School District #205	1,405,520,656	57,037,741	(2)	1.45%	828,758
High School District #228	1,181,964,419	16,160,000		8.27%	1,337,078
High School District #233	636,679,223	19,712,055	(2)	5.44%	1,072,336
Community College District #510	3,313,991,836	25,034,998	(2)(3)	3.58%	896,003
Community College District #515	2,938,017,946	14,845,000		1.18%	174,874
<b>Total Overlapping General Obligation Bonded Debt</b>					<b>16,784,788</b>
Village of Hazel Crest	152,738,655	270,000	(3)	100.00%	270,000
<b>Total Direct and Overlapping General Obligation Bonded Debt</b>					<b>\$ 17,054,788</b>

(1) Includes IEPA Revolving Loan Fund Bonds

(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds

(3) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds

Sources: Offices of the Cook County Clerk, Comptroller and Treasurer of the Metropolitan Water Reclamation District

\* 2003 assessed valuation information not available.

Village of Hazel Crest, Illinois

Schedule of Revenue Bond Coverage (1)  
 Water and Sewerage Revenue Bonds  
 Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expenses	Net Revenue	Debt Service Requirements		Total	Revenue Bond Coverage
				Principal	Interest		
1995	\$ 1,992,821	\$ 2,145,437	\$ (152,616)	\$ 195,000	\$ 77,735	\$ 272,735	(0.560)
1996	2,055,060	2,261,558	(206,498)	215,000	64,256	279,256	(0.739)
1997	2,132,989	2,311,792	(178,803)	235,000	50,780	285,780	(0.626)
1998	2,113,690	1,901,578	212,112	250,000	40,448	290,448	0.730
1999	2,202,428	2,076,588	125,840	265,000	18,806	283,806	0.443
2000*	2,205,410	2,199,147	6,263	-	-	-	N/A
2001*	2,162,824	2,241,651	(78,827)	-	-	-	N/A
2002*	2,147,631	2,253,798	(106,167)	-	-	-	N/A
2003*	2,212,492	2,567,525	(355,033)	-	-	-	N/A
2004*	2,342,992	2,778,417	(435,425)	-	-	-	N/A

(1) Includes Water and Sewerage Revenue Bonds

\* No outstanding Water and Sewerage Revenue Bonds

**Village of Hazel Crest, Illinois**

**Principal Taxpayers**

Taxpayer	Type of Business, Property	2002 Equalized Assessed Value	Percent of District's Total EAV
Shop-N-Save LLC	Shopping center	\$ 4,152,312	2.72%
David Tessler	Commercial Building	3,751,224	2.46%
Graycor, Inc.	Commercial building	3,521,153	2.31%
Continental Wingate Assoc	Senior residential living complex and stores	3,054,355	2.00%
Taxpayer of 5049 W. 159th St. (formerly CNC)	Apartments	3,049,953	2.00%
Great Lake REIT (formerly Advocate Health)	Not for profit with minor improvement	1,872,493	1.23%
Gierczyk Development	Commercial building over three stories	1,851,048	1.21%
MI-Jack Products, Inc.	Sell, rent and service heavy industrial equipment	1,772,085	1.16%
Matanky Realty Hazel Crest	Shopping center	1,429,486	0.94%
SVM Management	Two or three story apartments	1,295,136	0.85%
		<u>\$ 25,749,245</u>	<u>16.88%</u>

Source: Cook County Assessor's Office

Village of Hazel Crest, Illinois

Demographic Statistics  
Last Ten Fiscal Years

Fiscal Year	(1) Population	(1) Per Capita Income	(1) Median Age	(2) School Enrollment	(3) Unemployment Rate
1995	13,653 (4)	\$ 14,112	32.5	1,719	5.60%
1996	13,653 (4)	14,112	32.5	1,723	5.50%
1997	14,049 (4)	14,112	32.5	1,703	4.70%
1998	14,152 (5)	14,112	32.5	1,784	4.40%
1999	14,152 (5)	14,112	32.5	1,810	4.00%
2000	14,152 (5)	14,112	32.5	1,823	3.90%
2001	14,816	14,112	34.6	1,823	5.00%
2002	14,816	19,908	34.6	2,135 (1)	5.20%
2003	14,816	19,908	34.6	2,135	6.70%
2004	14,816	19,908	34.6	2,135	6.00%

Sources:

- (1) Census Bureau
- (2) Provided by School District #152-1/2, 144 and St. Anne's for Hazel Crest
- (3) U.S. Department of Labor Statistics - Chicago Metro
- (4) July 1994 Census estimate
- (5) Special Census - 1997



Village of Hazel Crest, Illinois

Property Value and Construction  
Last Ten Fiscal Years

Year	Commercial Construction (1)		Residential Construction (1)	
	Number of Units	Value	Number of Units	Value
1995	8	\$ 3,776,510	68	\$ 8,505,377
1996	8	1,633,053	38	5,936,000
1997	3	700,200	54	8,784,413
1998	8	7,080,000	5	8,919,817
1999	3	475,000	45	7,526,726
2000	-	-	42	6,920,092
2001	3	2,950,000	31	4,745,663
2002	4	549,000	22	3,410,276
2003	-	-	23	4,085,780
2004	5	4,887,969	41	3,855,832

Source: Village of Hazel Crest Building Permit Application Forms

(1) May through April

## Village of Hazel Crest, Illinois

### Miscellaneous Statistics

April 30, 2004

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Date of Incorporation	1912
Form of Government	Board/Manager
Areas	3.5 Square Miles
Miles of Streets	56
Number of Street Lights	650
Fire Protection:	
Number of Stations	2
Number of Firefighters (Full-time) and Officers	14
Paid On-call Firefighters	11
Fire Rating	4
Police Protection:	
Number of Stations	1
Number of Police and Officers	30
Education :	
Elementary Attendance Centers	6
Number of Elementary Students	2,135
Number of High School Students	959
Number of College or Graduate School Students	1,033
Municipal Water Department:	
Number of Accounts	5,132
Average Daily Consumption	1.278 MGD
Miles of Water Main	60
Sewers:	
Sanitary Sewers	47 Miles
Storm Sewers	32 Miles
Building Permits Issued	46
Recreation and Culture:	
Number of Parks and Open Space	13 with 150 Acres
Number of Libraries	1
Employees:	
Classified Service	88
Exempt	8
Part Time	20

Sources: Village Records & 2000 Census

Village of Hazel Crest, Illinois

Insurance Coverage  
April 30, 2004

Expiration Date	Company	Annual Coverage	Coverage Premium	Limits
12/31/04	IRMA/Travelers	Property Liability	\$ 173,016	\$250,000,000 per occurrence
12/31/04	IRMA/Travelers	Automobile Liability	\$	10,000,000
		Uninsured/Underinsured Motorist	\$	500,000
12/31/04	IRMA/Travelers	Police Professional Liability	\$	10,000,000
12/31/04	IRMA/Travelers	Boiler and Machinery Inc.	\$	50,000,000
12/31/04	IRMA/Travelers	Public Employees (President, Village Clerk and Village Treasurer)		Statutory Limits
12/31/04	IRMA/Travelers	Public Officials and Employee Liability	\$	10,000,000
	Travelers	Crime		
	Travelers	Employee Theft (Dishonesty)	\$	5,000,000
	Travelers	Forgery, Alteration or Counterfeit Currency		5,000,000
	Travelers	Credit Card Forgery		5,000,000
	Travelers	Computer Fraud		5,000,000
	Travelers	Inside Theft, Robbery & Safe Burglary		2,500,000
	Travelers	Non-Faithful Performance		2,500,000
12/31/04	IRMA/Travelers	Workers' Compensation	\$ 173,016	\$ 30,000,000
		Employer's Liability	\$	10,000,000

Source: Village Records

Village of Hazel Crest, Illinois

Salaries and Surety Bonds of Principal Officers  
April 30, 2004

	Annual Salary/Range	Amount of Surety Bond
President	\$ 10,609	(*)
Trustees	4,502	(*)
Village Clerk	3,183	(*)
Village Manager/Treasurer	94,328	(*)
Director Public Works	65,874 - 84,325	(*)
Chief of Police	65,874 - 84,325	(*)
Deputy Chiefs	59,679 - 76,394	
Fire Chief	65,874 - 84,325	(*)
Fire Prevention Officer	56,803 - 72,713	(*)

Source: Village Records

(\*) Included in Public Officials and Employees Liability with Blanket Statutory Limits

Village of Hazel Crest, Illinois

Cash, By Bank or Institution  
April 30, 2004

Bank or Institution	4/30/04 Balance	Annual Yield
Petty Cash	\$1,000	
Great Lakes Bank	306,079	.15%-1.1%
Illinois Fund/Firststar Bank	4,814,054	0.91%
Charter One Bank	2,856,569	1.11%
First Midwest Bank	8,313	noninterest bearing
Illinois Metropolitan Investment Fund	1,086,088	1.04%-12 mo. avg.
<b>Total</b>	<b><u>\$9,072,103</u></b>	<b>1.09%</b>

