



Village of Hazel Crest, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2005

**Village of Hazel Crest, Illinois
Comprehensive Annual Financial Report
Year Ended April 30, 2005**

Prepared by
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Accountant

Robert L. Palmer
Village Manager

Village Finance Department

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For the fiscal year ended April 30, 2005
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INTRODUCTORY SECTION



Mayor

Dr. Robert B. Donaldson

Clerk

Dr. Florine Robinson

Village Manager

Robert L. Palmer

Village of Hazel Crest

Trustees

Vernard L. Alsberry, Jr.

Dr. Jane P. Brown

Lee Fantroy

Eric D. Leaner

Susan M. Pate

Elizabeth A. Wakefield-Waldren

November 7, 2005

Honorable President Donaldson 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, 2005. 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, which includes this letter of transmittal, a list of elected and appointed officials, the Village's organizational chart, and the Government Finance Officers Association's Certificate for Excellence in Financial Reporting for the year ended April 30, 2004.
2. Financial Section, which includes the basic financial statements as well as the auditor's unqualified opinion on the basic financial statements, and the management's Discussion and Analysis (MD&A), which is a narrative introduction, overview and analysis of the basic financial statements.
3. Statistical Section, which includes 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.

(Continued)

This is the second year the Village is reporting under the Governmental Accounting Standards Board (GASB) new Governmental Financial Reporting Model, generally referred to as GASB 34. By providing a broader, government-wide perspective while maintaining the traditional features, the annual reports are easier to understand and more useful to stakeholders, such as investors and creditors. As a result of GASB 34, the Village now provides information about the cost of delivering services on a full accrual basis including the cost of depreciating fixed assets.

GOVERNMENT PROFILE

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, municipal parking facility 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, Illinois be audited by independent 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, 2005, in sound financial condition.

ECONOMIC CONDITION AND OUTLOOK

Economic conditions improved during the fiscal year. This year's General Fund shows a \$70,639 fund balance increase, as opposed to last year's increase of \$359,823. The Village has continued to keep expenditure increases in line with revenue increases.

(Continued)

The Police Union contract was signed on September 28, 2004. \$270,845 in retroactive earnings was paid out in Fiscal 2005. The budget was amended to accommodate the retro amounts paid. Police personnel costs increased \$595,173 or 24%. Only 8% was due to fiscal 2005 increased labor costs. The balance was a result of the retro paid out. Negotiations are in process for the new Police Union contract that will begin May 1, 2005. Public works employees have also voted to unionize and their contract is currently being negotiated. Both contract settlements may have a material affect on the financial statements next year.

Fiscal year 2005 sales tax revenue of \$603,416 increased \$6,816 or 1% more than 2004 sales tax revenue of \$596,600. Fiscal year 2005 income tax revenue of \$1,217,052 increased \$84,876 or 8% more than 2004 income tax revenue of \$1,132,176. Fiscal year 2005 utility tax revenue of \$1,321,900 decreased \$9,054 slightly less than 2004 utility tax revenue of \$1,330,954. The Village has no control over the amount or timing of these receipts. Fiscal year ambulance fee receipts of \$305,459 increased \$107,466 or 54% more than 2004 ambulance fee receipts of \$197,993 due to increased fees imposed.

Interest rates have begun to increase causing the Village to receive \$8,547 more in interest income this year in the General Fund. The \$43,801 received is a 24% increase from last year's interest of \$35,254.

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 2004 levy was limited to 1.9%.

The Village has five Tax Incremental Financing (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 \$994,463. The remaining outstanding notes will be repaid from TIF property tax receipts of approximately \$1,000,000 annually. A surplus distribution of \$550,000 in April 2005 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 183rd Street TIF was established to redevelop French Village by aiding in securing tenants and promoting landscaping and remodeling. A \$4.1 million renovation by the developer gave the center a new façade, landscaping, lighting and parking improvements. The 170th 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. Planning is ongoing. Businesses will pay upfront for improvements and will be provided a rebate. The 167th Street TIF was established to develop vacant parcels, assist with the Mi-Jack expansion and assist in infrastructure improvements along Kedzie. Mi-Jack has completed a 45,000 square foot expansion. The expansion has added 25 jobs to the 325 already employed. The Cherry Creek TIF remains inactive. The \$15,277 the TIF owes the general fund will be repaid early in fiscal 2006 by property tax receipts.

(Continued)

Other commercial development is evident in the Village. A \$3 million expansion by South Suburban Hospital has been completed for its emergency department. The hospital is planning a \$20 million project to replace its current intensive care unit and relocate its rehabilitation and therapy services. A three story 54,000 square foot medical office building has opened at 177th and Kedzie.

MAJOR INITIATIVES

The westbound side of 183rd Street was repaired with a grant funded by both the state of Illinois and the Federal government. The Village's share of the work is 30%. The eastbound side will be completed in the next fiscal year. The Illinois Tollway is widening the tollway that cuts through the Village and construction will continue for the next year. The bridge over the tollway connecting the Village is being reconstructed and is expected to be completed in spring of 2006. The viaduct at 171st Street East of Wood Street will be lowered in the near future.

Implementation of new financial software has been completed in Fiscal 2005.

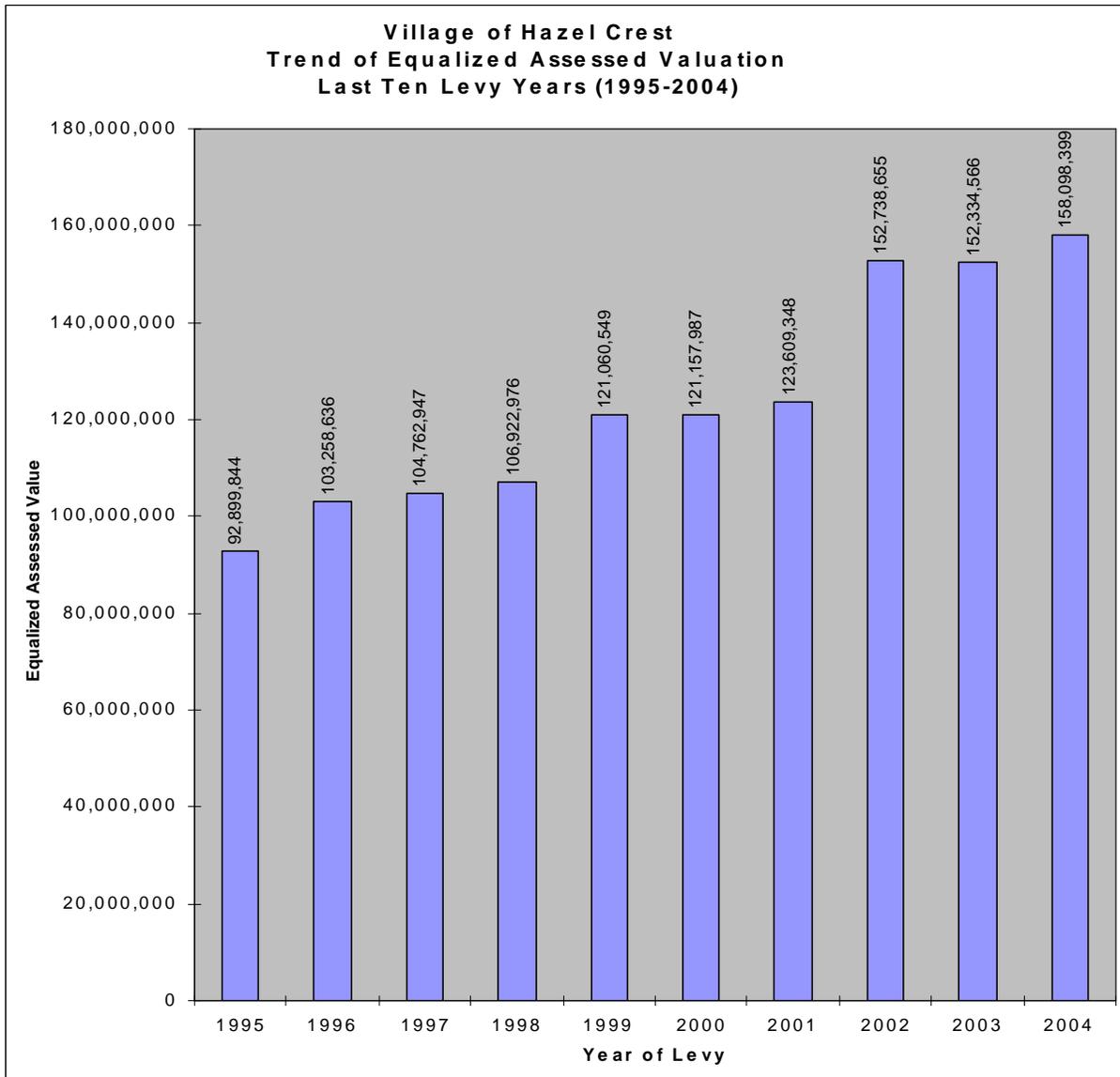
The Village is continuing its local housing adjudication court. Better control of property maintenance and better enforcement of the garbage ordinance have resulted.

Hazel Crest will be a participant of the E-Com joint dispatch center scheduled to open in Fiscal 2006. The participating Villages are Hazel Crest, Homewood, Flossmoor, and Glenwood. Becoming a participant allows the Village to upgrade dispatch equipment for less money.

The Village financed a new fire pumper through the SSMMA Bond Bank. Also included in this debt certificate were the costs for roof repair on the municipal center and a salt dome.

(Continued)

Over the last ten years there was a 70% increase in Equalized Assessed Value. The following table illustrates this trend.



The challenges of financing services and maintaining infrastructure in the Village continue to dominate the budget process. Fiscal responsibilities, public safety, infrastructure maintenance, economic development, as well as increasing the revenue base, continue to be the priority of the Village Board of Trustees. Three cell tower leases on Village property have been granted bringing in \$28,360 in fiscal 2005. Some user fees have been increased to help offset declining receipts from the State of Illinois and from federal grants. Local Law Enforcement Grants and COPS grants have been eliminated by the Bush administration. The Village remains committed to meeting its prescribed fiscal controls.

(Continued)

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.

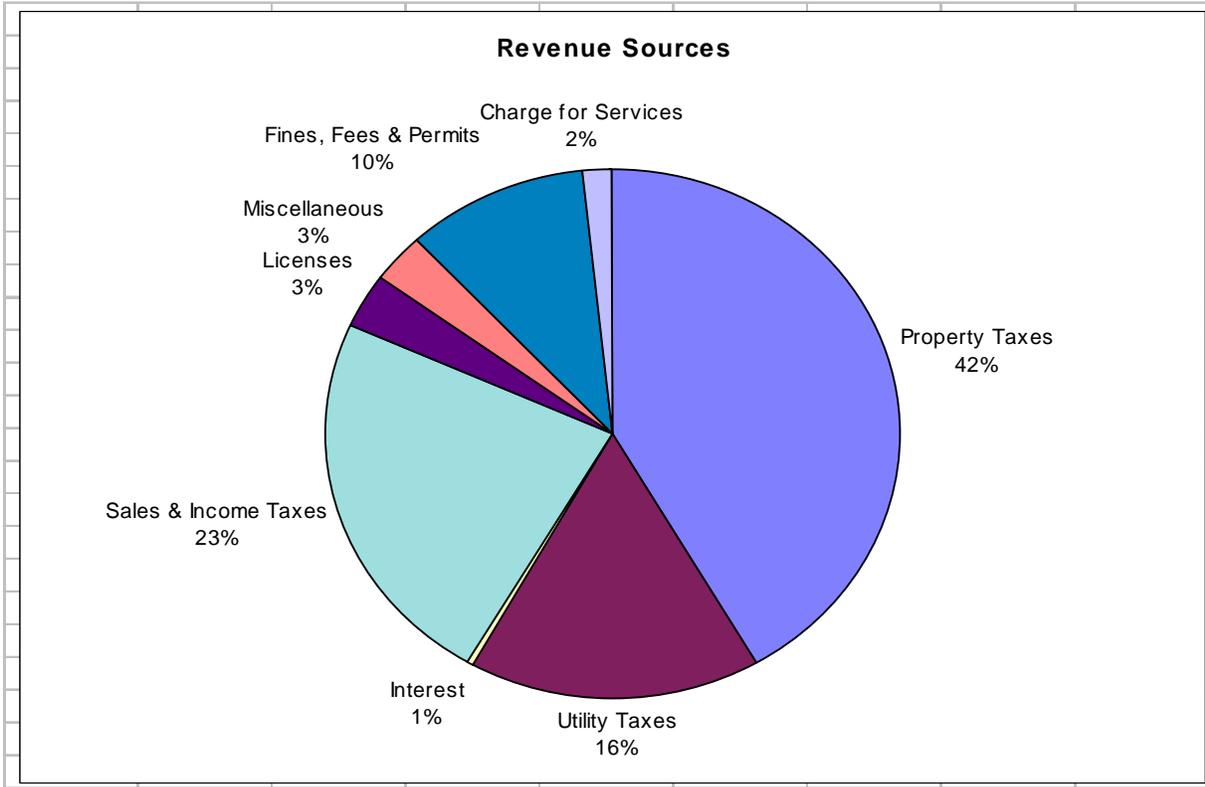
GENERAL GOVERNMENTAL FUNCTIONS

General Fund

Fiscal 2005 General Fund revenues increased \$442,069 over Fiscal 2004 due to increased income tax receipts, higher ambulance fees and higher property tax receipts. Revenues actually earned were greater than revenues budgeted by \$372,441. The changes in General Fund Revenues from 2004 to 2005 are illustrated as follows:

Revenue Source	2004	2004	2005	2005	Increase/(Decrease)	
		% of Total		% of Total	Amount	%
Property Taxes	\$3,083,118	41%	\$3,363,465	42%	\$280,347	9%
Utility Taxes	1,334,680	18%	1,326,368	16%	(8,312)	-1%
Sales & Income	1,777,335	22%	1,872,946	23%	95,611	6%
Licenses	276,494	4%	272,063	3%	(4,431)	-2%
Charges for Services	144,727	2%	140,906	2%	(3,821)	-3%
Fines, Fees & Permits	743,310	10%	833,717	10%	90,407	12%
Interest	35,254	-	43,801	1%	8,547	24%
Miscellaneous	<u>260,182</u>	3%	<u>243,903</u>	3%	<u>(16,279)</u>	-6%
Totals	<u>\$7,655,100</u>	100%	<u>\$8,097,169</u>	100%	<u>\$442,069</u>	6%

(Continued)



The allocations of Property Tax rate by generic fund type of tax levy for 2004 and the proceeding four fiscal years are as follows:

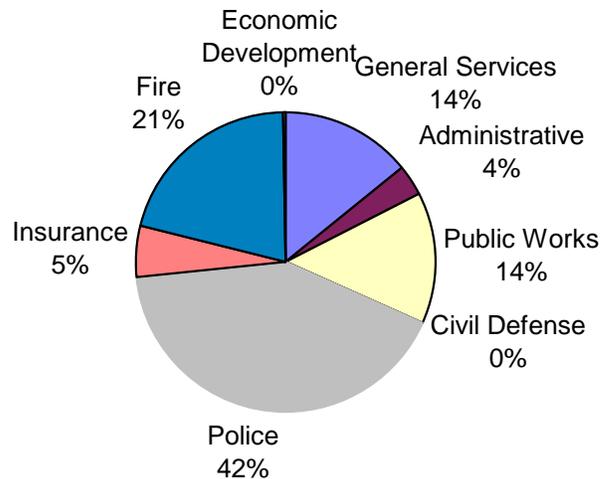
Purpose	2000	2001	2002	2003	2004
General	\$1.585	\$1.645	\$1.733	\$1.842	1.772
Special Revenue	.509	.481	-0-	-0-	-0-
General					
Obligation Debt	.212	.271	.111	.098	.043
Pensions	.331	.337	.310	.321	.332
Totals	\$2.637	\$2.734	\$2.154	\$2.261	\$2.147

(Continued)

Expenditures for the General Fund increased \$767,254 or 11% from Fiscal 2004. The percent increase in expenditures by major functions of the Village is shown in the following tabulations:

Expenditure by Function	2004 Amount	Percent of Total	2005 Amount	Percent of Total	Increase/(Decrease) Amount	%
General Services	\$998,656	14%	\$1,129,074	14%	\$130,418	13%
Administrative Office	305,547	5%	282,058	4%	(23,489)	-8%
Economic Development	20,351	-	22,465	-	2,114	10%
Community Relations	1,374	-	-	-	(1,374)	-100%
Public Works	1,023,205	14%	1,133,727	14%	110,522	11%
Police	2,781,952	39%	3,344,942	42%	562,990	21%
Fire/Paramedics	1,641,298	21%	1,674,395	21%	60,097	4%
Civil Defense	10,626	-	5,362	-	(5,264)	-50%
Insurance	<u>503,268</u>	7%	<u>434,508</u>	5%	<u>(68,760)</u>	14%
Totals	<u>\$7,259,277</u>	100%	<u>\$8,026,531</u>	100%	<u>\$767,254</u>	11%

Expenditure by Function



The unreserved fund balance of the General Fund as of April 30, 2005, was \$3,584,443. When added to the working fund balance of \$767,142, the result is a 6-month reserve that meets the Village's goal.

(Continued)

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 9.4% due to market conditions over the last five years.

The present total IMRF actuarial accrued liability of the Village is \$7,188,149 and is 92.21% 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 and 9-1-1.

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 \$455,462 in fiscal year 2005 represented an increase of 5% from the \$433,706 collected in Fiscal 2004. Expenditures were less than revenues during the year by \$118,959 resulting in the current fund balance of \$526,158.

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 2005 revenues totaled \$150,438 representing a 17% increase from the \$128,751 collected in Fiscal 2004. Expenditures were less than revenues during Fiscal 2005 resulting in an increase in the fund balance of \$44,957 to \$230,246.

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 2005 fiscal year is found in the Statistical Section of the report. During the past year \$84,000 of General Obligation Debt was retired as scheduled.

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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)
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 2005 was \$2,938 and \$76,623 was transferred into the fund from the excess in closed debt service funds. Receipts of \$60,000 for a parcel of land sold to the tollway and a \$988 reimbursement for Emily Court street repairs were added to this fund in 2005. There were no capital items in Fiscal 2005. The April 30, 2005 fund balance for the Capital Projects fund is \$245,766.

CAPITAL ASSETS

Capital Assets are those fixed assets used in the performance of general governmental functions. Capital assets include infrastructure (roads, bridges, curbs and gutters, street and sidewalks, drainage and lighting systems).

All capital assets are valued at estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. As of April 30, 2005, net capital assets of the Village amounted to \$23,447,641. Capital assets are depreciated at rates intended to amortize the cost over each assets useful life.

(Continued)

Water and Sewerage Fund

Fiscal year 2005 water revenue of \$2,255,059 declined \$87,933 or 4% from fiscal year 2004 revenue of \$2,342,992. 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 (\$633,155) resulted from operations of the Water and Sewerage Fund. Water rates will be reviewed in Fiscal 2006 to help offset future losses.

<u>Fiscal year ended April 30,</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Number of Metered Accounts	4630	4630	4630	4620
Gross Revenue	\$2,255,059	\$2,342,992	\$2,212,492	\$2,147,631
Expense	<u>2,888,214</u>	<u>2,671,820</u>	<u>2,567,525</u>	<u>2,253,798</u>
Operating Income (Loss)	<u>\$(633,155)</u>	<u>\$(328,828)</u>	<u>\$(355,033)</u>	<u>\$(106,167)</u>

Trust and Agency 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, 2004, the unfunded accrued liability was \$3,244,295. 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 Police Pension Board requests and receives the amount recommended as the employer contribution for the Police Pension Fund. The Village funded \$322,242 during the fiscal year ending April 30, 2005. \$86,124 in interest and dividends on investments was earned, \$210,749 appreciation in fair value of investments occurred and employee contributions totaled \$183,968. During the year \$366,535 was paid out for pensions and refunded contributions. \$18,518 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 \$418,031 to \$10,249,952.

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, 2004, the unfunded accrued liability is \$602,652.

(Continued)

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 \$152,670 during the fiscal year ending April 30, 2005. Interest and dividends on investments amounted to \$73,451, appreciation in fair value amounted to \$57,417 and employee contributions were \$107,585. \$89,300 was paid out for pensions and refunded contributions and \$4,948 for operating expenses. The net assets held in trust for pension benefits at the end of the year increased by \$296,875 to \$3,445,199.

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 Illinois Public Treasurers' Investment Pool and certificates of deposit. 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, 2005.

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, 2004. This was the 23rd consecutive year that the government has achieved this prestigious award (fiscal years ended 1982-2004). 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.

(Continued)

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,

Robert L Palmer

Robert L. Palmer, Village Manager

(Concluded)

Village of Hazel Crest, Illinois

Principal Officials

April 30, 2005

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

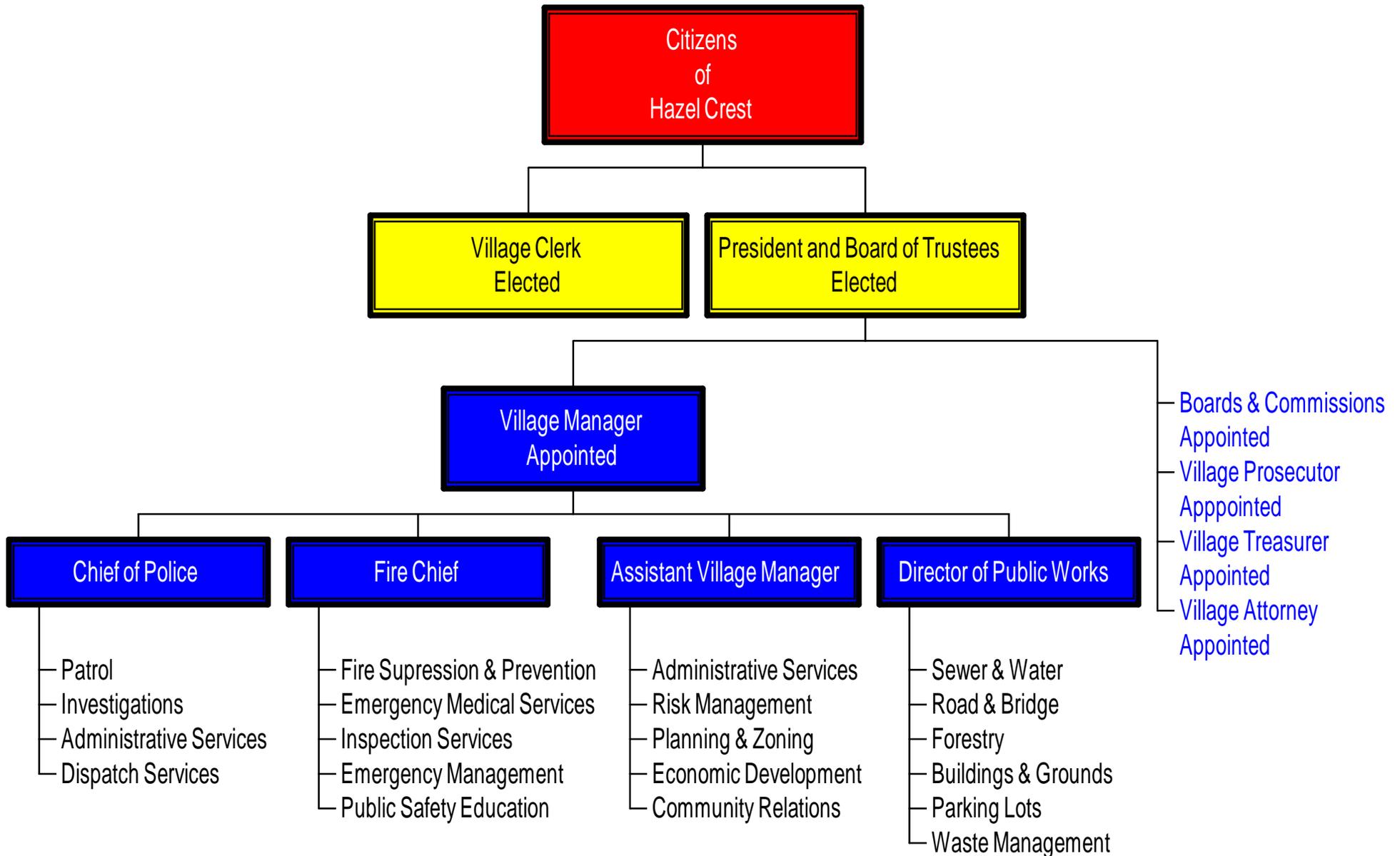
Village Clerk

Shirley Smith

Village Attorney

**John Murphey of
Rosenthal, Murphey, Coblentz 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, 2004

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.



Nancy L. Zielke

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

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, 2005, 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, 2005, 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.

The management's discussion and analysis on pages 2a-i, pension related schedules on page 37-38 and budgetary schedules on pages 39-46, 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 Village of Hazel Crest, Illinois' basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables 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.

S. P. King & Associates, LLC

S. P. King & Associates, LLC
Calumet City, IL
September 30, 2005

MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND IL CPA SOCIETY

VILLAGE OF HAZEL CREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Hazel Crest, Illinois

Management's Discussion and Analysis (Unaudited)

For the year ended April 30, 2005

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, 2005. Please read it in conjunction with the transmittal letter at the front of this report and the Village's financial statements, which follows this section.

Financial Highlights

The governmental assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$31,083,652 (*net assets*). Of this amount, \$4,265,665 (*unrestricted net assets*) may be used to meet the government's ongoing obligations. The total net assets decreased by (\$1,521,929) due to sewer and water expenses exceeding its revenues and depreciation expense for infrastructure. Aging infrastructure in the Village has increased maintenance and repairs costs for the sewer and water fund. The total long-term debt of the Village increased by \$477,451 during the fiscal year. Government obligation debt of \$84,000 was repaid in fiscal 2005 and a new debt certificate was issued for \$727,000. The debt certificate was issued to finance a fire truck, roof repair and a salt dome. \$88,746 was repaid on the note payable for the sewer and water vacuum truck. \$69,661 of the tax incremental notes for Palmer Lake was also repaid. At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,995,372 or 50% of total general fund expenditures, an increase of \$70,639 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to be an introduction to the Village's basic financial statements. 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. 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. An 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

Village of Hazel Crest, Illinois

Management's Discussion and Analysis (Unaudited)

For the year ended April 30, 2005

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 16 individual governmental funds, 2 enterprise funds and 2 fiduciary funds. Information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for three major funds: the General fund, the 2005 Debt Certificate Fund and the Palmer Lake TIF Fund. Data from the other 13 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report. Two debt service funds were closed in Fiscal 2005. The 1993 Fire Pumper Debt Service and the 1997 Alternative Revenue Bond Debt Service were closed and the net fund balance of \$76,623 was transferred to the Capital Project fund at the Board's direction. There was no activity in the Community Development Block Grant (CDBG) Fund. The 1996 Capital Projects Debt Service Fund will be closed in fiscal 2006.

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 the municipal parking facility and waterworks and sewerage funds. The waterworks and sewerage fund is considered to be a major fund of the Village.

Village of Hazel Crest, Illinois
Management's Discussion and Analysis (Unaudited)
For the year ended April 30, 2005

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 statements 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 and internal service funds are presented immediately following the required supplementary information on pensions.

Infrastructure Assets. The Village's infrastructure (roads, bridges, storm sewers, water mains, etc.) are valued and reported in the government-wide financial statements. The Village has elected to depreciate these assets over their useful lives. Further information on infrastructure assets is provided within the notes to financial statements for the fiscal year ending April 30, 2005.

Government-wide Financial Analysis

80% 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 10% unrestricted and 10% restricted net assets 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. As a result of water rates not keeping pace with increased costs, 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 need to be reviewed in the next fiscal year to determine if another increase should be implemented.

The prior year net assets was restated to \$2,083,981 due to the correction of certain transactions. The activities included understated revenues, overstated expenses and retirement of assets.

Village of Hazel Crest, Illinois
Management's Discussion and Analysis (Unaudited)
For the year ended April 30, 2005

The following table is the condensed comparative Village of Hazel Crest Statement of Net Assets.

	Governmental Activities 2005	Governmental Activities (As restated) 2004	Business type Activities 2005	Business type Activities 2004	Total Primary Government 2005	Total Primary Government (As restated) 2004
Current and other assets	\$ 10,451,892	\$ 9,417,183	\$ (435,649)	\$ (155,643)	\$ 10,016,243	\$ 9,261,540
Capital assets	23,447,641	24,794,299	5,300,669	5,746,031	28,748,310	30,540,330
Total assets	\$ 33,899,533	\$ 34,211,482	\$ 4,865,020	\$ 5,590,388	\$ 38,764,553	\$ 39,801,870
Long-term liabilities	\$ 1,924,316	\$ 1,406,034	\$ 101,906	\$ 142,737	\$ 2,026,222	\$ 1,548,771
Other liabilities	891,566	833,036	206,177	257,545	1,097,743	1,090,581
Total liabilities	2,815,882	2,239,070	308,083	400,282	3,123,965	2,639,352
Invested in capital assets, net of debt	23,447,641	24,794,299	5,207,915	5,564,530	28,655,556	30,358,829
Restricted	3,370,345	2,132,074	-	-	3,370,345	2,132,074
Unrestricted	4,265,665	5,046,039	(650,978)	(374,424)	3,614,687	4,671,615
Total net assets	\$ 31,083,651	\$ 31,972,412	\$ 4,556,937	\$ 5,190,106	\$ 35,640,588	\$ 37,162,518

Village of Hazel Crest, Illinois
Management's Discussion and Analysis (Unaudited)
For the year ended April 30, 2005

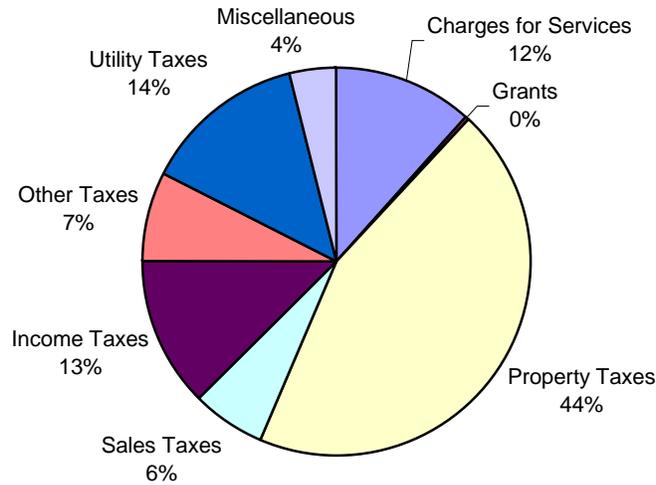
The following table is the condensed comparative Village of Hazel Crest Statement of Changes in Net Assets.

	Governmental Activities 2005	Governmental Activities (As restated) 2004	Business type Activities 2005	Business type Activities 2004	Total Primary Government 2005	Total Primary Government (As restated) 2004
Revenues:						
Programs						
Charges for services	\$ 1,246,686	\$ 1,291,868	\$ 2,294,363	\$ 2,380,300	\$ 3,541,049	\$ 3,672,168
Grants and Contributions	26,458	122,410	-	-	26,458	122,410
General						
Property taxes	4,297,505	4,868,904	-	-	4,297,505	4,868,904
Utility taxes	3,755,845	3,510,810	-	-	3,755,845	3,510,810
Miscellaneous	373,969	266,417	1,323	807	375,292	267,224
Total revenues	\$ 9,700,463	\$ 10,060,409	\$ 2,295,686	\$ 2,381,107	\$ 11,996,149	\$ 12,441,516
Expenses:						
General services	\$ 3,304,713	\$ 6,262,720	\$ -	\$ -	\$ 3,304,713	\$ 6,262,720
Public works	1,248,505	1,397,223	-	-	1,248,505	1,397,223
Public safety	5,268,721	4,629,354	-	-	5,268,721	4,629,354
Economic development	595,955	903,448	-	-	595,955	903,448
Interest	55,905	110,784	-	-	55,905	110,784
Waterworks and sewerage	-	-	2,888,214	2,778,417	2,888,214	2,778,417
Municipal parking	-	-	40,640	38,851	40,640	38,851
Total expenses	10,473,799	13,303,529	2,928,854	2,817,268	13,402,653	16,120,797
Increase in net assets	(773,336)	(3,243,120)	(633,168)	(436,161)	(1,406,504)	(3,679,281)
Beginning net assets	31,856,988	35,215,532	5,190,105	5,626,266	37,047,093	40,841,798
Ending net assets	\$ 31,083,652	\$ 31,972,412	\$ 4,556,937	\$ 5,190,105	\$ 35,640,589	\$ 37,162,517

Village of Hazel Crest, Illinois
Management's Discussion and Analysis (Unaudited)
For the year ended April 30, 2005

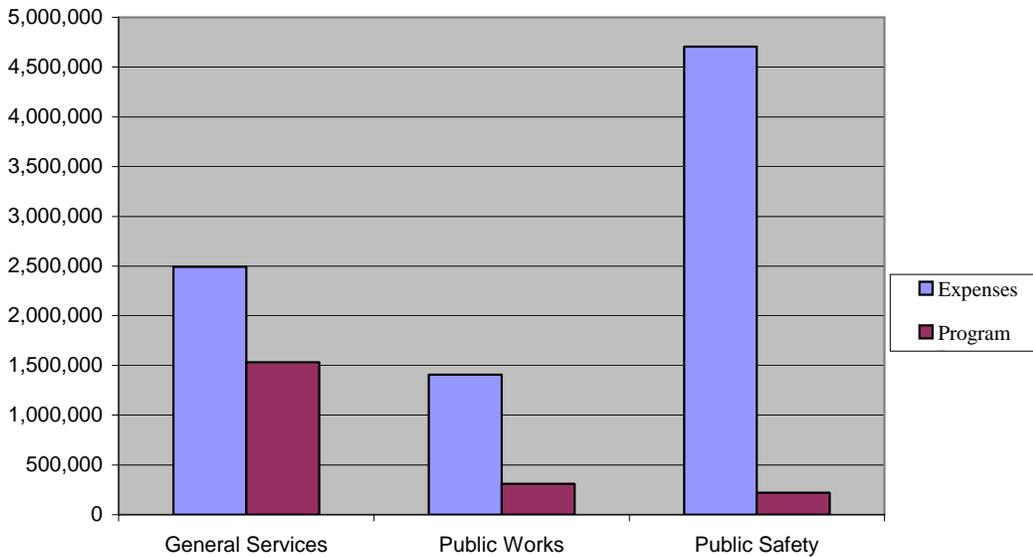
The following charts summarize how governmental activities are funded.

Revenues by Source - Governmental Activities



As illustrated here, 44% 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 budgeting and spending controls. Each year this becomes more challenging.

Relationship of Expenses and Revenue by Major Function



Village of Hazel Crest, Illinois
Management's Discussion and Analysis (Unaudited)
For the year ended April 30, 2005

Business type activities are to be funded through charges for related services. This year the waterworks and sewerage activity expenses exceeded revenues by (\$633,155), while the municipal parking facility missed having a breakeven year by \$13.

Financial Analysis of the Governmental 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 \$7,881,900 an increase of \$1,265,588 from the prior year. \$727,000 of this increase came from the 2005 Debt Certificate borrowings. The general fund's fund balance remaining at April 30, 2005, covers 45% of annual fund expenditures, exclusive of amounts restricted for prepaid expenses.

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the waterworks and sewerage fund were (\$732,478) and \$81,499 for the municipal parking facility fund. The cause of sewer and water fund's negative balance is that it owes the general fund \$975,628. Repayment will be gradual and over several years to avoid drastic changes in services or fees.

General Fund Budgetary Highlights

One amendment was made to the original budget. Due to the settlement of the police union contract, the budget was increased by \$270,845. This was necessary to allow for payment of retroactive salary due police union employees. During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates. There was no need to draw down the fund balance.

Actual general revenues were higher than budgeted revenues by \$372,441. \$217,052 of this was a result of higher than expected receipt of income tax; \$62,359 from increased ambulance fees, while \$96,900 was a result of higher than expected utility tax receipts.

Actual spending was less than budgeted expenditures by \$262,489 resulting in the \$70,639 net increase (change) in General Fund balance.

Capital Asset and Debt Administration

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2005 amounts to \$28,655,557 net of related debt. 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. More details on the Village's capital assets can be found in note 5 of the financial statements.

Village of Hazel Crest, Illinois
Management's Discussion and Analysis (Unaudited)
For the year ended April 30, 2005

Major capital assets added during the fiscal year included: \$42,773 for a driveway at the fire station, and \$19,786 for a new police squad car. Four vehicles were retired during the year. Retired vehicles included two police squads and two public works trucks. In addition to the capital spending by the Village, \$60,000 was received from the Illinois Tollway to cover the cost to widen the right-of-way while the tollway work in process.

At the end of the current year the Village debt amounted to \$1,907,462, consisting of: general obligation bonds of \$186,000, a debt certificate of \$727,000 and TIF notes of \$994,462. General Obligation Debt decreased by \$84,000 during the fiscal year. Outstanding TIF notes were reduced by \$69,661. More details on outstanding debt can be found in note 6 of the financial statements.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8.625% of its total assessed valuation. The current calculated debt limit for the Village \$13,236,996 is significantly higher than the Village's outstanding general obligation debt. Further information on long term obligations is provided in note 6 within the notes to financial statements for the fiscal year ending April 30, 2005.

Economic Factors and Next Year's Budget

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 expanded its emergency room and ICU facility. The total assessed value of property in the Village should increase to reflect this private development, resulting in a slight increase in property tax revenue in the future.

In the far northeastern portion of the Village, in the Hazel Crest Proper area, the lowering of the 171st viaduct is anticipated to be a trigger for the Transit Oriented Development Plan. A Tax Increment Financing district is already in place and the Village rezoned the area delineated within the TIF District to promote the Transit Oriented Development Plan. Transit Oriented Development (TOD) focuses on development in and around transit stations, serving the commuter and the local community. The Hazel Crest Metra Electric Station would be the focal point for this development. The area is obviously a collection point for commuters arriving by bus, auto and on foot to board the train to Chicago. The goal of the TOD plan is to redevelop the area to serve these commuters as well as the local community, with convenient services.

Several smaller developments have been proposed within the Village. For example, an outlet building has been proposed at the Hazel Crest Center (175th and Kedzie). This building would house two businesses, both related to financial services.

Residents of the Stonebridge Condominiums located on 175th Street are continuing their discussions with a developer who is proposing to build townhomes on the property north of their existing buildings.

Village of Hazel Crest, Illinois
Management's Discussion and Analysis (Unaudited)
For the year ended April 30, 2005

On the Cherry Creek TIF site, the Village has fielded a number of inquiries for this approximately 25-acre site. The Village has entertained thoughts of a Senior Citizen housing complex that would be an attractive addition to the area. The site lends itself to being a "gated community" with access from 175th Street.

Other potential development areas lie along 167th Street and 177th Street. On 167th Street the Village wishes to encourage light industrial or manufacturing that can be labor intensive and yet a compliment to the existing industry. Along 177th Street, the emphasis has been on institutional with a number of uses relating to Advocate South Suburban Hospital or the medical field in general. Interest and the demand for development of this type in this location is still strong.

In late summer 2005, a small subdivision was approved for the north side of 175th Street, sponsored by the Full Gospel Christian Assembly Church. The church has further expansion plans for property they own on the north side of 175th Street.

The French Village Shopping Center is in the process of re-tenanting their property. It is anticipated that the Big Apple Pancake House will be up and running by the end of 2005. Other tenants are unknown at this time. The Grenoble Square Shopping Center is fully occupied with the exception of the former Denny's on one of the outlots. The property has recently been put in the hands of a new broker and it is anticipated that interest in the building should increase. Fountainbleau Court Shopping Center is under new ownership and is completely occupied.

The Village anticipates that the Stonecreek Condominium Development will be completed by late 2005, with all properties sold and occupied and landscaping complete.

With the added retail development, along with some manufacturing, and residential development, it is anticipated that the Village will benefit from additional sales tax revenue and property tax revenue in the coming year.

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. 170th Place, Hazel Crest, IL 60426.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF NET ASSETS

APRIL 30, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,022,188	\$ 81,646	\$ 6,103,835
Receivables, net:			
Property taxes	2,079,989	-	2,079,989
Accounts	271,314	458,333	729,647
Intergovernmental	636,844	-	636,844
Prepaid expenses	465,929	-	465,929
Internal balances	975,628	(975,628)	-
Total current assets	10,451,892	(435,649)	10,016,243
Capital assets:			
Land and land improvements	968,624	428,380	1,397,004
Buildings and building improvements	2,427,449	472,519	2,899,969
Machinery and equipment	4,106,823	1,721,560	5,828,384
Distribution system	-	10,614,397	10,614,397
Infrastructure	118,815,943	-	118,815,943
Less accumulated depreciation	(102,871,198)	(7,936,187)	(110,807,386)
Total net capital assets	23,447,641	5,300,669	28,748,310
TOTAL ASSETS	\$ 33,899,533	\$ 4,865,020	\$ 38,764,553
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 374,312	\$ 36,037	\$ 410,350
Refundable deposits	92,412	149,485	241,898
Deferred revenue	57,734	-	57,734
Portion due or payable within one year			
Bonds and debt certificate	99,000	-	99,000
Compensated absences	268,108	20,655	288,763
Total current liabilities	891,566	206,177	1,097,744
Long-term liabilities:			
Portion due or payable after one year			
Note payable	-	92,754	92,754
Bonds, tax incremental notes and debt certificate	1,808,463	-	1,808,463
Compensated absences	115,853	9,152	125,005
Total long-term liabilities	1,924,316	101,906	2,026,222
TOTAL LIABILITIES	2,815,882	308,083	3,123,966
NET ASSETS			
Invested in capital assets, net of related debt	23,447,641	5,207,915	28,655,557
Restricted	3,370,345	-	3,370,345
Unrestricted (deficit)	4,265,665	(650,978)	3,614,686
TOTAL NET ASSETS	\$ 31,083,651	\$ 4,556,937	\$ 35,640,588

The accompanying notes are an integral part of these financial statements.

VILLAGE OF HAZEL CREST, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2005

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
Primary government						
Governmental activities:						
General services	\$ 1,928,503	\$ 523,511	\$ -	\$ (1,404,992)	\$ -	\$ (1,404,992)
Administrative office	283,839	-	-	(283,839)	-	(283,839)
Public safety - police	3,487,116	151,521	-	(3,335,595)	-	(3,335,595)
Public safety - fire	1,781,605	305,459	-	(1,476,146)	-	(1,476,146)
Public works	2,340,877	266,195	-	(2,074,682)	-	(2,074,682)
Economic development	595,955	-	26,458	(569,496)	-	(569,496)
Interest on long-term debt	55,906	-	-	(55,906)	-	(55,906)
Total Government Activities	<u>10,473,799</u>	<u>1,246,686</u>	<u>26,458</u>	<u>(9,200,656)</u>	<u>-</u>	<u>(9,200,656)</u>
Business-type activities:						
Waterworks and sewerage	2,888,214	2,255,059	-	-	(633,155)	(633,155)
Municipal parking facility	40,640	39,304	-	-	(1,336)	(1,336)
Total Business-type activities	<u>2,928,854</u>	<u>2,294,363</u>	<u>-</u>	<u>-</u>	<u>(634,491)</u>	<u>(634,491)</u>
Total Primary Government	<u>\$ 13,402,654</u>	<u>\$ 3,541,049</u>	<u>\$ 26,458</u>	<u>\$ (9,200,656)</u>	<u>\$ (634,491)</u>	<u>\$ (9,835,147)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				\$ 4,258,627	\$ -	\$ 4,258,627
Property taxes, levied for debt service				38,878	-	38,878
Personal property replacement taxes				24,019	-	24,019
State income tax				1,217,052	-	1,217,052
Municipal sales tax				603,416	-	603,416
Utility tax				1,321,900	-	1,321,900
Motor fuel tax				589,458	-	589,458
Interest earnings				85,666	1,323	86,989
Miscellaneous				288,303	-	288,303
Total general revenues and special items				<u>8,427,319</u>	<u>1,323</u>	<u>8,428,642</u>
Change in net assets				(773,336)	(633,168)	(1,406,505)
NET ASSETS - MAY 1, 2004 - as restated				<u>31,856,988</u>	<u>5,190,105</u>	<u>37,047,093</u>
NET ASSETS - APRIL 30, 2005				<u>\$ 31,083,652</u>	<u>\$ 4,556,937</u>	<u>\$ 35,640,588</u>

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

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FUND FINANCIAL STATEMENTS

VILLAGE OF HAZEL CREST, ILLINOIS

BALANCE SHEET GOVERNMENTAL FUNDS APRIL 30, 2005

(With comparative totals for April 30, 2004)

	Major Funds				TOTAL	
	2005		Palmer Lake		GOVERNMENTAL FUNDS	
	General	Debt Certificate	Tax Incremental Financing District	Non-Major Funds	2005	2004
ASSETS						
Cash and cash equivalents	\$ 2,231,116	\$ 727,000	\$ 606,240	\$ 2,457,832	\$ 6,022,188	\$ 5,395,241
Receivables:						
Property taxes	2,041,855	-	-	38,134	2,079,989	2,004,416
Accounts	250,183	-	-	21,131	271,314	239,802
Intergovernmental	601,668	-	-	35,176	636,844	638,252
Due from other funds	990,906	-	-	-	990,906	1,950,151
Prepaid expenses	410,929	-	-	55,000	465,929	385,176
TOTAL ASSETS	<u>\$ 6,526,656</u>	<u>\$ 727,000</u>	<u>\$ 606,240</u>	<u>\$ 2,607,274</u>	<u>\$ 10,467,170</u>	<u>\$ 10,613,038</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	370,506	-	-	3,807	374,312	353,278
Deposits	92,412	-	-	-	92,412	74,232
Due to other funds	143,393	-	-	15,277	158,670	1,499,850
Deferred revenue	1,924,974	-	-	34,903	1,959,877	2,069,366
TOTAL LIABILITIES	<u>2,531,284</u>	<u>-</u>	<u>-</u>	<u>53,987</u>	<u>2,585,271</u>	<u>3,996,726</u>
FUND BALANCES						
Reserved:						
Prepays	410,929	-	-	55,000	465,929	385,176
Debt service	-	727,000	-	291,907	1,018,907	369,139
Palmer Lake TIF	-	-	606,240	-	606,240	509,563
Motor fuel fund				526,158	526,158	407,198
Capital projects fund				753,111	753,111	460,998
Unreserved:						
General fund	3,584,443	-	-	-	3,584,443	3,539,557
Special revenue fund	-	-	-	927,111	927,111	944,681
TOTAL FUND BALANCES	<u>3,995,372</u>	<u>727,000</u>	<u>606,240</u>	<u>2,553,287</u>	<u>7,881,899</u>	<u>6,616,312</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 6,526,656</u>	<u>\$ 727,000</u>	<u>\$ 606,240</u>	<u>\$ 2,607,274</u>	<u>\$ 10,467,170</u>	<u>\$ 10,613,038</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF HAZEL CREST, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2005

Total fund balance - governmental funds	\$	7,881,899
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as net assets in governmental funds. The cost of the assets is \$126,318,839 less the accumulated depreciation of (\$102,871,198) is:</p>		23,447,641
<p>Property tax receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds:</p>		1,902,143
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.</p> <p style="padding-left: 40px;">Bonds payable</p>		(1,858,384)
<p>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:</p>		
<p>Accreted interest on tax incremental financing notes</p>	(49,079)	
<p>Compensated absences</p>	(383,962)	(433,041)
<p>Amounts receivable from or payable to fiduciary funds are considered interfund balances in the fund financial statements, but are not reported as internal balances in the government-wide statement of net assets. The balance consist of:</p>		
<p style="padding-left: 20px;">Interfund payable to:</p>		
<p>Police pension fund</p>	97,366	
<p>Firefighters' pension fund</p>	46,027	143,393
Total net assets governmental activities	\$	31,083,651

The accompanying notes are an integral part of these financial statements.

VILLAGE OF HAZEL CREST, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2005
(With comparative totals for April 30, 2004)

	Major Funds				TOTAL	
	2005		Palmer Lake		GOVERNMENTAL FUNDS	
	General	Debt Certificate	Tax Incremental Financing District	Non-Major Funds	2005	2004
REVENUES						
Charges for services	\$ 140,906	\$ -	\$ -	\$ -	\$ 140,906	\$ 144,727
Licenses	272,063	-	-	-	272,063	276,494
Program:						
Intergovernmental	1,872,946	-	-	589,458	2,462,404	2,401,600
Fines, fees and permits	833,717	-	-	-	833,717	743,310
General:						
Property taxes	3,363,465	-	776,380	231,474	4,371,320	4,841,473
Other taxes	1,326,368	-	-	-	1,326,368	1,334,680
Interest	43,801	-	12,525	29,339	85,666	57,944
Miscellaneous	243,903	-	-	66,390	310,293	260,182
Total Revenues	<u>8,097,169</u>	<u>-</u>	<u>788,906</u>	<u>916,661</u>	<u>9,802,735</u>	<u>10,060,409</u>
EXPENDITURES						
General Services	1,113,860	-	-	352,265	1,466,126	1,318,958
Administrative office	267,939	-	-	-	267,939	270,652
Public works	1,011,076	-	-	-	1,011,076	921,411
Public safety - police	3,292,034	-	-	-	3,292,034	2,710,318
Public safety - fire	1,623,963	-	-	-	1,623,963	1,538,252
Economic development	21,286	-	692,229	-	713,515	774,451
Insurance	434,508	-	-	-	434,508	503,268
Community relations	-	-	-	-	-	1,374
Civil defense	5,362	-	-	-	5,362	6,014
Debt Service:						
Principal	-	-	-	84,000	84,000	445,585
Interest and fees	-	-	-	6,827	6,827	13,519
Capital outlay	256,503	-	-	89,719	346,222	674,121
Other expenditures	-	-	-	12,577	12,577	-
Total Expenditures	<u>8,026,530</u>	<u>-</u>	<u>692,229</u>	<u>545,388</u>	<u>9,264,147</u>	<u>9,177,923</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	70,639	-	96,677	371,273	538,589	882,486
OTHER FINANCING SOURCES (USES)						
Sale of debt certificate	-	727,000	-	-	727,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>727,000</u>	<u>-</u>	<u>-</u>	<u>727,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	70,639	727,000	96,677	371,273	1,265,589	882,486
FUND BALANCE - MAY 1, - as restated	3,924,733	-	509,563	2,182,016	6,616,312	5,733,826
FUND BALANCE - APRIL 30,	<u>\$ 3,995,372</u>	<u>\$ 727,000</u>	<u>606,240</u>	<u>\$ 2,553,289</u>	<u>\$ 7,881,900</u>	<u>\$ 6,616,312</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF HAZEL CREST, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2005

Total net change in fund balances-governmental funds	\$ 1,265,589
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$1,409,219) exceeds capital outlays \$182,545 in the period.	(1,226,672)
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however issuing debt increases long-term liabilities and does not affect the statement of activities.	
Debt certificate issued	(727,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	202,739
Because some property taxes will not be collected for several months after the Village's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues decreased by this amount this year.	(102,273)
In the statement of activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation earned (\$383,961) exceeded the amount used (\$223,576) by:	(160,385)
Some expenses reported in the statement of activities do not require the use of current financial resources as expenditures in the governmental funds. These activities consists of:	
Accreted interest on tax incremental financing notes	(49,079)
Net pension obligations	23,745
Change in net assets of governmental activities	\$ <u>(2,038,925)</u>
Net change in net assets	(773,336)

The accompanying notes are an integral part of these financial statements.

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PROPRIETARY FUND

VILLAGE OF HAZEL CREST, ILLINOIS
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED APRIL 30, 2005
(With comparative totals for April 30, 2004)

	ENTERPRISE		TOTALS	
	Waterworks and Sewerage	Other Enterprise Fund	2005	2004
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 81,646	\$ 81,646	\$ 76,391
Accounts receivable	458,333	-	458,333	435,254
Total current assets	<u>458,333</u>	<u>81,646</u>	<u>539,979</u>	<u>511,645</u>
Noncurrent assets				
Capital assets				
Land	71,509	48,828	120,337	120,337
Land improvements	45,000	263,042	308,042	308,042
Buildings	472,519	-	472,519	472,519
Machinery and equipment	1,721,560	-	1,721,560	1,721,560
Distribution system	10,614,397	-	10,614,397	10,614,397
Less accumulated depreciation	<u>(7,860,782)</u>	<u>(75,406)</u>	<u>(7,936,187)</u>	<u>(7,490,825)</u>
Total noncurrent assets	<u>5,064,204</u>	<u>236,465</u>	<u>5,300,669</u>	<u>5,746,030</u>
TOTAL ASSETS	<u>\$ 5,522,537</u>	<u>\$ 318,111</u>	<u>\$ 5,840,648</u>	<u>\$ 6,257,675</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 35,890	\$ 148	\$ 36,037	48,866
Deposits	149,485	-	149,485	145,624
Due to other funds	975,628	-	975,628	667,288
Compensated absences	20,655	-	20,655	18,004
Current portion - note payable	-	-	-	45,051
Total current liabilities	<u>1,181,658</u>	<u>148</u>	<u>1,181,806</u>	<u>924,833</u>
Noncurrent liabilities:				
Compensated absences	9,152	-	9,152	6,288
Long-term portion - payable	<u>92,754</u>	<u>-</u>	<u>92,754</u>	<u>136,449</u>
Total noncurrent liabilities	<u>101,906</u>	<u>-</u>	<u>101,906</u>	<u>142,737</u>
TOTAL LIABILITIES	<u>1,283,564</u>	<u>148</u>	<u>1,283,711</u>	<u>1,067,570</u>
NET ASSETS				
Invested in capital assets, net of related debt	4,971,451	236,465	5,207,915	5,564,530
Unrestricted	<u>(732,478)</u>	<u>81,499</u>	<u>(650,979)</u>	<u>(374,425)</u>
TOTAL NET ASSETS	<u>4,238,973</u>	<u>317,964</u>	<u>4,556,937</u>	<u>5,190,105</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,522,537</u>	<u>\$ 318,111</u>	<u>\$ 5,840,648</u>	<u>\$ 6,257,675</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF HAZEL CREST, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUND
 FOR THE YEAR ENDED APRIL 30, 2005
 (With comparative totals for April 30, 2004)

	ENTERPRISE		TOTALS	
	Waterworks and Sewerage	Other Enterprise Fund	2005	2004
	OPERATING REVENUES			
Charges for services	\$ 2,255,059	\$ 38,490	\$ 2,293,549	\$ 2,380,300
Miscellaneous	-	814	814	-
Total Operating Revenues	2,255,059	39,304	2,294,363	2,380,300
OPERATING EXPENSES				
Personnel	819,281	-	819,281	772,069
Maintenance	133,484	28	133,512	114,781
Contractual services	1,086,832	2,866	1,089,698	1,044,652
Commodities	277,172	30,000	307,172	308,493
Capital expenses	131,343	2,485	133,828	91,475
Depreciation	440,102	5,261	445,363	379,003
Total Operating Expenses	2,888,214	40,640	2,928,854	2,710,473
Operating Income (Loss)	(633,155)	(1,336)	(634,491)	(330,173)
Nonoperating Income (Expense):				
Gain (Loss) on disposal of assets	-	-	-	(106,795)
Interest income	-	1,323	1,323	807
NET INCOME (LOSS)	(633,155)	(13)	(633,168)	(436,161)
NET ASSETS - MAY 1	4,872,128	317,977	5,190,105	5,626,266
NET ASSETS - APRIL 30	\$ 4,238,973	\$ 317,964	\$ 4,556,937	\$ 5,190,105

The accompanying notes are an integral part of these financial statements.

VILLAGE OF HAZEL CREST, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED APRIL 30,

	ENTERPRISE			
	Waterworks and Sewerage	Other Enterprise Fund	2005	2004
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,228,997	\$ 38,490	\$ 2,267,487	\$ 2,380,300
Payments to suppliers	(1,827,924)	(35,372)	(1,863,296)	(1,790,672)
Internal activity - receipts from other funds	308,340	-	308,340	99,266
Payments to employees	(615,230)	-	(615,230)	(601,295)
Other receipts	-	814	814	-
Net Cash Flows From Operating Activities	<u>94,183</u>	<u>3,932</u>	<u>98,115</u>	<u>87,599</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on note	(88,746)	-	(88,746)	-
Interest paid on note	(5,437)	-	(5,437)	-
Capital assets purchased	-	-	-	(246,662)
Retired assets	-	-	-	(21,605)
Other receipts (payments)	-	-	-	181,500
Net Cash Flows From Capital and Related Financing Activities	<u>(94,183)</u>	<u>-</u>	<u>(94,183)</u>	<u>(86,767)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	-	1,323	1,323	807
Net Cash Flows From Investing Activities	<u>-</u>	<u>1,323</u>	<u>1,323</u>	<u>807</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	-	5,255	5,255	1,639
BALANCES - BEGINNING OF YEAR	-	76,391	76,391	74,752
BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 81,646</u>	<u>\$ 81,646</u>	<u>\$ 76,391</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (633,155)	\$ (1,336)	\$ (634,491)	\$ (436,968)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and amortization	440,102	5,261	445,363	379,003
Interest paid on note	5,437	-	5,437	-
Change in Assets and Liabilities:				
(Increase) Decrease In:				
Accounts receivable	(23,079)	-	(23,079)	-
Increase (Decrease) In:				
Accounts payable	(12,837)	7	(12,830)	-
Accrued payroll	5,515	-	5,515	-
Due to other funds	308,340	-	308,340	-
Deposits and deferrals	3,860	-	3,860	-
Net Cash Provided by Operating Activities	<u>\$ 94,183</u>	<u>\$ 3,932</u>	<u>\$ 98,115</u>	<u>\$ (57,965)</u>

The accompanying notes are an integral part of these financial statements.

FIDUCIARY FUNDS

VILLAGE OF HAZEL CREST, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
APRIL 30, 2005
(with comparative totals for April 30, 2004)

	2005	2004
ASSETS		
Cash and cash equivalents	\$ 3,304,402	\$ 3,600,470
Receivable:		
Interest	11,681	11,630
Due from other funds	143,393	120,973
Investments at fair value:		
US government obligations	4,817,052	6,773,961
Other investments	5,418,263	2,473,616
Total Assets	13,694,791	12,980,650
LIABILITIES		
Due to other funds	-	765
NET ASSETS		
Net Assets Held in Trust for Pension Benefits	\$ 13,694,791	\$ 12,979,885

These accompanying notes are an integral part of these financial statements.

VILLAGE OF HAZEL CREST, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2005
(With comparative totals for the year ended April 30, 2004)

	2005	2004
ADDITIONS:		
Contributions		
Employer	\$ 474,912	\$ 424,539
Employee	291,553	208,798
Total contributions	766,465	633,337
Investment earnings:		
Net increase in fair value of investments	268,167	640,440
Dividends	22,773	28,385
Interest	136,803	93,566
Total investment earnings	427,743	762,391
Total additions	1,194,207	1,395,728
DEDUCTIONS:		
Pension benefits	455,835	454,160
Investment expense	15,048	13,845
Administrative expenses	8,418	8,930
Total deductions	479,301	476,935
Change in net assets	714,906	918,793
Net Assets Held in Trust for Pensions:		
NET ASSETS - MAY 1	12,979,885	12,061,092
NET ASSETS - APRIL 30	\$ 13,694,791	\$ 12,979,885

The accompanying notes are an integral part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

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, public works, 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.

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

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 Financing 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 administered by the Village and accounted for in the general fund include general services, public works and public safety.

2005 Bond Fund – This fund was used as a result of a debt certificate. The proceeds from the debt certificate is to be used to purchase a new fire pumper engine, fund the repairing and/or replacement of the roof at the municipal, center and constructing, acquiring and equipping a salt dome.

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

The Village administers the following major proprietary fund:

Waterworks and Sewerage Fund – This 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.

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 1. Summary of Significant Accounting Policies (Continued)

(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.

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 that are carried at contract value, which approximates fair value.

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 1. Summary of Significant Accounting Policies (Continued)

(d) Assets, Liabilities, and Net Assets or Equity (Continued)

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.

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.

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 1. Summary of Significant Accounting Policies (Continued)

(d) Assets, Liabilities, and Net Assets or Equity (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:

	Estimated Useful Lives
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.

Governmental funds report deferred revenue for revenues that have been received but not yet earned as of the current period. At April 30, 2005, the various components of deferred revenue reported in the fund financial statements are as follows:

Deferred property taxes	\$1,902,143
Deposits	<u>57,734</u>
Total	<u>\$1,959,877</u>

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.

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 1. Summary of Significant Accounting Policies (Continued)

(d) Assets, Liabilities, and Net Assets or Equity (Continued)

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.

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.

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.

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 2. Stewardship, Compliance and Accountability (Continued)

(a) Budgetary Information (Continued)

- 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) 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.
- f) Public hearings are conducted by the Village to obtain taxpayer comments.
- g) Subsequently, the budget is legally enacted through passage of an ordinance.
- h) Formal budgetary integration is employed as a management control device during the year for the general, special revenue, debt service and capital projects funds.
- i) 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.
- j) Budgetary authority lapses at year-end.
- k) 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.
- l) Budgeted amounts are as originally adopted with one exception. The police salary budget was increased by the Board due to retroactive payments due upon completion of the police union contract.

(b) Budget Overexpenditures

The following funds overexpended their budgets for the year ended April 30, 2005:

Major Fund	
Waterworks and Sewerage Fund	\$305,081
Non-major Fund	
"911" Emergency Services	681

(c) Deficit Fund Balances

As of April 30, 2005, the following fund had a deficit fund balance:

Fund	Amount	Intended Financing
Capital Projects:		
Tax Incremental Finance District - Cherry Creek	\$15,277	Property taxes

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

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, 2005, the carrying amount of the Village's deposits totaled \$2,032,313, with the bank balances totaling \$3,013,731. Of the bank balances \$1,241,623 was covered by federal depository insurance or collateralized with securities held by the Village or its agent in the Village's name, and \$1,045,111 was collateralized with securities held in the pledging bank's trust department or by its agent in the Village's name. The \$727,000 debt certificate proceeds were held by the bond issuer.

(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 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	\$ 4,845,586	\$ -	\$ -	\$ 4,845,586
Investments which are not subject to risk categorization:				
Illinois Funds				7,219,374
I.M.E.T. Municipal Funds				1,097,172
Mutual Funds				2,023,376
Money Markets				221,306
Insurance contracts				2,203,425
				\$ 17,610,239

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 3. Cash and Investments (Continued)

The above deposits of \$2,032,313, cash of \$1,000, and investments of \$17,610,239 totaling \$19,643,552 are reported in the financial statements as follows:

Governmental and business-type activities:		
Cash and cash equivalents		\$ 6,103,835
Fiduciary funds:		
Cash and cash equivalents		3,304,402
Investments at fair value:		
US government obligations	4,817,052	
Other investments	5,418,263	
Total investments		10,235,315
Subtotal		13,539,717
Total		\$ 19,643,552

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. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by the 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.

A reduction for collection losses based on historical collection experience has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after the year end is not considered to pay current liabilities and is, therefore, shown as deferred revenue.

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

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, 2004	Additions	Retirements	Balance, April 30, 2005
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	-	20,088	173,982
	<u>2,653,828</u>	<u>-</u>	<u>20,088</u>	<u>2,633,740</u>
Capital assets being depreciated:				
Land improvements	226,080	42,773	-	268,853
Buildings	2,427,452	-	-	2,427,452
Machinery and equipment	4,186,164	19,786	99,128	4,106,822
Streets	107,767,249	89,718	(99,898)	107,956,865
Sidewalks	4,672,041	30,268	-	4,702,309
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>123,701,580</u>	<u>182,545</u>	<u>(770)</u>	<u>123,884,895</u>
Less accumulated depreciation for:				
Land improvements	190,229	5,368	-	195,597
Buildings	104,907	52,944	-	157,851
Machinery and equipment	3,009,704	258,535	99,128	3,169,111
Streets	90,154,823	1,035,585	-	91,190,408
Sidewalks	4,672,041	3,027	-	4,675,068
Storm sewers	2,789,534	45,263	-	2,834,797
Manholes	141,615	2,495	-	144,110
Hydrants	114,321	1,914	-	116,235
Valves	34,793	574	-	35,367
Streetlights	349,140	3,514	-	352,654
	<u>101,561,107</u>	<u>1,409,219</u>	<u>99,128</u>	<u>102,871,198</u>
Capital assets being depreciated, net:				
Land improvements	35,851	37,405	-	73,256
Buildings	2,322,545	(52,944)	-	2,269,601
Machinery and equipment	1,176,460	(238,749)	-	937,711
Streets	17,612,426	(945,867)	(99,898)	16,566,661
Sidewalks	-	27,241	-	27,241
Storm sewers	852,732	(45,263)	-	807,469
Manholes	46,198	(2,495)	-	43,703
Hydrants	26,919	(1,914)	-	25,005
Valves	7,607	(574)	-	7,033
Streetlights	59,735	(3,514)	-	56,221
Total capital assets being depreciated, net	<u>22,140,473</u>	<u>(1,226,674)</u>	<u>(99,898)</u>	<u>20,813,901</u>
Governmental activities capital assets, net	<u>\$ 24,794,301</u>	<u>\$ (1,226,674)</u>	<u>\$ (79,810)</u>	<u>\$ 23,447,641</u>

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

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, 2004	Additions	Retirements	Balance, April 30, 2005
Business-type activities				
Capital assets not being depreciated,				
Land	\$ 120,337	\$ -	\$ -	\$ 120,337
Capital assets being depreciated:				
Land improvements	308,042	-	-	308,042
Buildings	472,519	-	-	472,519
Machinery and equipment	1,721,560	-	-	1,721,560
Distribution system	10,614,397	-	-	10,614,397
	<u>13,116,518</u>	<u>-</u>	<u>-</u>	<u>13,116,518</u>
Less accumulated depreciation for:				
Land improvements	95,645	7,511	-	103,156
Buildings	245,763	13,099	-	258,862
Machinery and equipment	991,022	72,861	-	1,063,883
Distribution system	6,158,398	351,892	-	6,510,290
	<u>7,490,828</u>	<u>445,363</u>	<u>-</u>	<u>7,936,191</u>
Capital assets being depreciated, net:				
Land improvements	212,397	(7,511)	-	204,886
Buildings	226,757	(13,099)	-	213,658
Machinery and equipment	730,538	(72,861)	-	657,677
Distribution system	4,456,003	(351,892)	-	4,104,111
Total capital assets being depreciated, net	<u>5,625,695</u>	<u>(445,363)</u>	<u>-</u>	<u>5,180,332</u>
Business-type activities capital assets, net	<u>\$ 5,746,032</u>	<u>\$ (445,363)</u>	<u>\$ -</u>	<u>\$ 5,300,669</u>

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 5. Capital Assets (Continued)
Governmental Activities Depreciation Charged to Functions / Programs

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General services	\$ 21,422
Public works (Including infrastructure)	1,173,480
Public safety	<u>214,317</u>
Total depreciation expense - governmental activities	<u><u>\$ 1,409,219</u></u>
Business-type activities:	
Waterworks and sewerage	\$ 440,102
Municipal parking facility	<u>5,261</u>
Total depreciation expense - business-type activities	<u><u>\$ 445,363</u></u>

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, 2005:

	Outstanding Debt as of May 1, 2004	Additions	Reductions	Outstanding Debt as of April 30, 2005	Due within one year
General obligation bonds	\$ 270,000	\$ -	\$ 84,000	\$ 186,000	\$ 49,000
Debt Certificate	-	727,000	-	727,000	50,000
Tax incremental revenue notes	1,064,123	49,079	118,740	994,462	-
Compensated absences	379,487	329,127	324,653	383,961	268,108
	<u>\$ 1,713,610</u>	<u>\$ 1,105,206</u>	<u>\$ 527,393</u>	<u>\$ 2,291,423</u>	<u>\$ 367,108</u>

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 6. Long-Term Obligations (Continued)
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, 2005:

	Outstanding Debt as of May 1, 2004	Additions	Reductions	Outstanding Debt as of April 30, 2005	Due within one year
Compensated absences	\$ 24,292	\$ 5,515	\$ -	\$ 29,807	\$ 20,655
Note payable	181,500	-	88,746	92,754	-
	<u>\$ 205,792</u>	<u>\$ 5,515</u>	<u>\$ 88,746</u>	<u>\$ 122,561</u>	<u>\$ 20,655</u>

Outstanding long term debt as of April 30, 2005, consists of the following:

General obligation bonds:

General obligation bonds, series 1997 dated December 12, 1997. Principal is due in annual installments of \$14,000 in 2006. Interest is variable. \$ 14,000

General obligation bonds, series 1998 dated December 1, 1998. Principal is due in annual installments of \$3,000 in 2006 and \$3,000 in 2007. Interest is variable. 6,000

General obligation bonds, series 1999 dated December 1, 1999. Principal is due in annual installments of \$11,000 in 2006, \$13,000 in 2007 and \$14,000 in 2008. Interest is variable. 38,000

General obligation bonds, series 2000 dated December 1, 2000. Principal is due in annual installments of \$6,000 in 2006, \$7,000 in 2007, \$8,000 in 2008 and \$8,000 in 2009. Interest is variable. 29,000

General obligation bonds, series 2001 dated December 1, 2001. Principal is due in annual installments of \$7,000 in 2006, \$7,000 in 2007, \$8,000 in 2008, \$9,000 in 2009 and \$10,000 in 2010. Interest is variable. 41,000

General obligation bonds, series 2002 dated December 1, 2002. Principal is due in annual installments of \$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. 58,000

Total general obligation bonds 186,000

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 6. Long-Term Obligations (Continued)

Debt Certificate, series 2005 dated April 25, 2005. Principal is due in annual installments of \$50,000 in years 2006 - 2018, and \$27,000 in year 2019. Interest is variable. \$ 727,000

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. 994,462

Note for the purchase of a sewer and water truck dated October 7, 2003. Principal is due in annual installments of \$45,437 in 2007, and \$47,317 in 2008. Interest is at a rate of 3.93%. 92,754

Compensated absences, governmental activities 383,961
 Compensated absences, business-type activities 29,807

Total long-term obligations \$ 2,413,984

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:

Interest on the variable-rate general obligation bonds is paid at American National corporate rate and is reset weekly. The interest rate was 2.17% at April 30, 2005.

The obligation to pay the balance of compensated absences and net pension obligation will be funded through the general fund.

Fiscal year ending April 30,	Governmental		Business-Type	
	General Obligation Bonds		Note Payable	
	Principal	Interest	Principal	Interest
2006	\$ 49,000	\$ 1,925	\$ -	\$ -
2007	38,000	1,386	45,437	1,907
2008	39,000	968	47,317	-
2009	27,000	539	-	-
2010	21,000	363	-	-
2011	12,000	132	-	-
Totals	<u>\$ 186,000</u>	<u>\$ 5,313</u>	<u>\$ 92,754</u>	<u>\$ 1,907</u>

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 6. Long-Term Obligations (Continued)

The legal debt margin of the Village as of April 30, 2005, was determined as follows:

Assessed Valuation*	<u>\$ 153,472,417</u>
Legal Debt Limit - 8.625% of Assessed Valuation	\$ 13,236,996
Amount of debt applicable to debt limit:	
General obligation bonds	<u>186,000</u>
Legal debt margin	<u>\$ 13,050,996</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 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 2005 was 8.64 percent of base payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded 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, 2004, was 28 years.

For April 30, 2005, the Village's annual pension cost of \$180,491 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2002, 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 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 with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 7. Pension and Retirement Plan Commitments (Continued)

<u>Trend Information</u>			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/05	\$ 191,642	100%	\$ -
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 2004 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, 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, 2004 was 23% 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, 2004, were as follows:

Annual required contribution	\$ 316,858
Interest on net pension obligation	5,611
Adjustment to annual requirement contribution	(3,532)
Annual pension cost	<u>318,937</u>
Contributions made	<u>301,728</u>
(Decrease) in net pension obligation	17,209
Net pension obligation, beginning of year	<u>80,156</u>
Net pension obligation, end of year	<u>\$ 97,365</u>

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 7. Pension and Retirement Plan Commitments (Continued)

The annual required contribution for the year ended April 30, 2004, was determined as part of the April 30, 2004, 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, 2004, was 29 years.

Membership in the plan consisted of the following as of April 30, 2004:

Retirees and beneficiaries receiving benefits	10
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	15
Active nonvested plan members	15
	40

Condensed financial information for the fund for the fiscal year ended April 30, 2005, is reported below:

Statement of Fiduciary Net Assets
Police Pension Trust Fund

Assets:

Cash and cash equivalents	\$ 3,304,402
Investments	6,847,194
Other assets	97,996

Total assets	\$ 10,249,592
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Liabilities:

	\$ -
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Net assets:

Net assets held in trust for pension benefits	\$ 10,249,592
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Statement of Changes in Fiduciary Net Assets
Police Pension Trust Fund

Additions:

Contributions	\$ 506,210
Investment income	296,874

Total additions	803,084
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Deductions:

Pension benefits	366,535
Other deductions	18,518

Total deductions	385,053
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Net Increase	418,031
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Net assets held in trust for pensions:

Net assets - May 1, 2004	9,831,561
Net assets - April 30, 2005	\$ 10,249,592

More detailed information is found on pages 71 -72 of the financial statements.

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 7. Pension and Retirement Plan) Commitments (Continued)

Firefighters' Pension Plan

Fire-sworn personnel are covered by the Firefighters' Pension Plan, 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, 2004, was 23% 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, 2004, were as follows:

Annual required contribution	\$ 145,133
Interest on net pension obligation	2,962
Adjustment to annual requirement contribution	<u>(1,738)</u>
Annual pension cost	146,357
Contributions made	<u>139,821</u>
Increase in net pension obligation	6,536
Net pension obligation, beginning of year	<u>39,491</u>
Net pension obligation, end of year	<u><u>\$ 46,027</u></u>

The required contribution for the year ended April 30, 2004, was determined as part of the April 30, 2004, 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, 2004, was 29 years.

Membership in the plan consisted of the following as of April 30, 2004:

Retirees and beneficiaries receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	4
Active nonvested plan members	<u>10</u>
	<u>17</u>

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 7. Pension and Retirement Plan) Commitments (Continued)

Firefighters' Pension Plan (Continued)

Condensed financial information for the fund for the fiscal year ended April 30, 2005, is reported below:

Statement of Fiduciary Net Assets
Firefighters' Pension Trust Fund

Assets:	
Investments	\$ 3,388,122
Other assets	57,077
Total assets	<u>\$ 3,445,199</u>
Liabilities:	
	\$ -
Net assets:	
Net assets held in trust for pension benefits	<u>\$ 3,445,199</u>

Statement of Changes in Fiduciary Net Assets
Firefighters' Pension Trust Fund

Additions:	
Contributions	\$ 260,254
Investment income	130,869
Total additons	<u>391,123</u>
Deductions:	
Pension benefits	89,300
Other deductions	4,948
Total deductions	<u>94,248</u>
Net Increase	296,875
Net assets held in trust for pensions:	
Net assets - May 1, 2004	3,148,324
Net assets - April 30, 2005	<u>\$ 3,445,199</u>

More detailed information is found on pages 71 -72 of the financial statements.

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

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), 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 \$14,000. 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, 2005.

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 10. Other Fund Disclosures (FFS Level Only)

Other information related to individual funds includes the following:

Balances due to/from other funds as of April 30, 2005, consist of the following:

Due to the general fund from the waterworks and sewerage fund representing obligations paid on their behalf.	\$ 975,628
Due to the police pension fund from the general fund representing life to date net pension obligation.	97,366
Due to the firefighters' pension fund from the general fund representing life to date net pension obligation.	46,027
Due to the general fund from the Cherry creek TIF fund representing obligations paid on their behalf.	15,277
Total	<u>\$ 1,134,298</u>

Summary of balances due from other funds reported in the fund financial statements.

Due to other funds, Balance Sheet - Proprietary funds	\$ 975,628
Due from other funds, Statement of Fiduciary Assets and Liabilities - fiduciary funds	143,393
Due to other funds, Combining Balance Sheet - Non-major funds	15,277
Total	<u>\$ 1,134,298</u>

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 under 65 years of age meet that eligibility requirement. As of January 1, 2004, the Village pays 92.5 percent of the monthly premium cost for each retiree and 25 percent of the monthly premium costs of the dependent coverage. Eight (8) retirees over 65 years of age have their supplemental coverage reimbursed by the Village restricted to a maximum amount of 92.5 percent of normal single coverage for the employee and 25% for dependents. 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 \$45,249 were recognized for postretirement health care.

Note 12. Reclassification

Categories have been reclassified for the purpose of disclosure in this report that is consistent with the standard of reporting for local governments. The category changes have not effected the financial position or results of operations for the Village. Changes to fiscal year ended 2004, have been incorporated into this report as follows:

<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>
TIF surplus	Property taxes	\$ 92,207
TIF surplus distribution	Economic development	550,000

(Continued)

VILLAGE OF HAZEL CREST, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005

Note 13. Prior period adjustment

In the governmental statement of revenues, expenditures and changes in fund balances, the prior year financial statements were restated due to the correction of certain transactions. Adjustments included the following:

Overstatement of revenue	\$ (74,779)
Overstatement of expenses	<u>102,701</u>
Net increase in net assets	\$ <u>27,922</u>

In the government-wide statement of activities, the prior year net assets were restated to \$2,083,981 due to the correction of certain transactions. Adjustments included the following:

Understatement of revenue	\$1,928,409
Overstatement of expenses	275,558
Retirements of assets	<u>(119,986)</u>
Net increase in net assets	\$ <u>2,083,981</u>

Note 14. 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, 2006.

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 ending 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.

GASB Statement No. 44, *Economic Condition Reporting*, will be effective for the Village beginning with its year ending April 30, 2007. This statement will provide guidance on the tables and narrative explanations in the statistical section.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions*; will be effective for the Village beginning with its year ending April 30, 2009. The objective of this Statement is to improve the faithfulness of representations and usefulness of information included in the financial reports of state and local governmental employers regarding other post employment benefits (OPEB). GASB 43 and 45 include provisions to coordinate disclosures to avoid duplication when a government that participates in an OPEB plan also reports the plan as a fiduciary fund or component unit, or when separately issued plan report is publicly available.

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REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF HAZEL CREST, ILLINOIS
Required Supplementary Information
Police Pension Fund
Trend Information (Unaudited)
April 30, 2005

Fiscal Year Ending	Annual Pension Cost (APC)	Employer's Annual Contributions	Percentage of APC Contributed	Net Pension Obligation
04/30/04	\$ 318,937	\$ 301,728	94.6%	\$ 97,366
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

Firefighters' Pension Fund
Trend Information (Unaudited)
April 30, 2005

Fiscal Year Ending	Annual Pension Cost (APC)	Employer's Annual Contributions	Percentage of APC Contributed	Net Pension Obligation
04/30/04	\$ 146,357	\$ 139,821	95.5%	\$ 46,027
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
Required Supplementary Information
Illinois Municipal Retirement Fund
Schedule of Funding Progress (Unaudited)
APRIL 30, 2005

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)
12/31/2004	\$ 6,628,540	\$ 7,188,149	\$ 559,609	92.21%	\$ 2,185,119	25.61%
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 (Unaudited)
APRIL 30, 2005

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]
4/30/2004	\$ 9,751,405	\$ 12,995,700	\$ 3,244,295	75.0%	\$ 1,502,471	215.9%
4/30/2003	9,184,933	12,068,965	2,884,032	76.1%	1,536,538	187.7%
4/30/2002	8,872,790	11,645,608	2,772,818	76.2%	1,414,507	196.0%
4/30/2001	8,504,926	10,938,745	2,433,819	77.8%	1,341,854	181.4%
4/30/2000	7,811,759	10,034,838	2,223,079	77.8%	1,373,918	161.8%
4/30/1999	7,420,612	9,350,551	1,929,939	79.4%	1,308,700	147.5%
4/30/1998	7,040,488	8,813,155	1,772,667	79.9%	1,324,645	133.8%
4/30/1997	6,373,266	8,340,500	1,967,234	76.4%	1,309,438	150.2%

Firefighters' Pension Fund

Schedule of Funding Progress (Unaudited)
APRIL 30, 2005

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]
4/30/2004	\$ 3,108,833	\$ 3,711,485	\$ 602,652	83.8%	\$ 758,001	79.5%
4/30/2003	2,739,503	3,301,864	562,361	83.0%	659,670	85.2%
4/30/2002	2,632,913	3,209,573	576,660	82.0%	627,603	91.9%
4/30/2001	2,611,971	2,721,994	110,023	96.0%	618,682	17.8%
4/30/2000	2,532,911	2,337,503	(195,408)	108.4%	679,111	(28.8)%
4/30/1999	2,255,082	2,054,524	(200,558)	109.8%	596,056	(33.6)%
4/30/1998	2,049,686	1,898,685	(151,001)	108.0%	577,035	(26.2)%
4/30/1997	1,678,461	1,723,527	45,066	97.4%	568,513	7.9%

REQUIRED SUPPLEMENTARY INFORMATION
VILLAGE OF HAZEL CREST, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Original and **Final Budget	Actual (GAAP Basis)		
REVENUES				
Charges for services:				
911 Salary reimbursement	\$ 60,000	\$ 60,000	\$ -	\$ 58,200
Motor fuel tax equipment rental	80,906	80,906	-	86,527
Total service charges	140,906	140,906	-	144,727
Licenses:				
Liquor	6,770	7,588	818	7,763
Vehicles	217,765	210,924	(6,841)	218,538
Business	49,400	52,931	3,531	49,598
Pet	785	620	(165)	595
Total licenses	274,720	272,063	(2,657)	276,494
Intergovernmental:				
Road and bridge - county	32,000	28,459	(3,541)	27,431
Replacement	18,500	24,019	5,519	21,128
Sales	676,000	603,416	(72,584)	596,600
Income tax	1,000,000	1,217,052	217,052	1,132,176
Total intergovernmental	1,726,500	1,872,946	146,446	1,777,335
Fines, fees and permits:				
Building permits	65,500	116,553	51,053	119,757
Circuit court fees	115,000	151,521	36,521	136,488
Ambulance fees	243,100	305,459	62,359	197,993
Cash in lieu	-	-	-	8,214
Zoning board fees	1,200	1,750	550	2,000
Inspections	167,500	138,873	(28,627)	162,426
Alarm violations	12,000	6,243	(5,758)	10,625
Finance charges	2,960	2,726	(234)	2,836
Cable television franchise fees	100,000	110,542	10,542	102,921
Other fines, fees and permits	36,525	50	(36,475)	50
Total fines, fees and permits	743,785	833,717	89,932	743,310
Property taxes	3,170,459	3,363,465	193,006	3,083,118
Other taxes:				
Utility	1,225,000	1,321,900	96,900	1,330,954
Amusement	3,000	4,468	1,468	3,726
Total other taxes	1,228,000	1,326,368	98,368	1,334,680

REQUIRED SUPPLEMENTARY INFORMATION
VILLAGE OF HAZEL CREST, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Original and **Final Budget	Actual (GAAP Basis)		
Interest	\$ 45,100	\$ 43,801	\$ (1,299)	\$ 35,254
Other revenue:				
Municipal center leases	11,820	11,495	(325)	11,900
Cellular tower rental	36,000	28,360	(7,640)	11,867
Compost fees and sales	9,100	8,892	(208)	6,283
IRMA refund	51,000	32,932	(18,068)	36,449
Advertising	-	-	-	70
State and county grants	28,955	26,458	(2,497)	55,435
State highway maintenance	18,718	11,830	(6,888)	18,611
Outside services	24,000	12,099	(11,901)	12,865
Sidewalk - tree replacement	900	821	(79)	904
Miscellaneous	214,765	111,016	(103,749)	105,798
Total other revenue	<u>395,258</u>	<u>243,903</u>	<u>(151,355)</u>	<u>260,182</u>
TOTAL REVENUES	<u>7,724,728</u>	<u>8,097,169</u>	<u>372,441</u>	<u>7,655,100</u>
EXPENDITURES				
General Services				
Personnel:				
Salaries	326,000	165,138	160,862	138,172
FICA	24,939	12,279	12,660	11,543
IMRF	26,928	12,861	14,067	4,319
Employee insurance	75,421	66,424	8,997	62,939
Total personnel	<u>453,288</u>	<u>256,702</u>	<u>196,586</u>	<u>216,973</u>
Maintenance:				
Maintenance building grounds	4,800	7,893	(3,093)	14,307
Maintenance equipment	6,750	9,285	(2,535)	14,157
Total maintenance	<u>11,550</u>	<u>17,178</u>	<u>(5,628)</u>	<u>28,464</u>
Contractual services:				
Payroll fees	6,300	6,329	(29)	6,103
FSA expenses	1,600	1,385	215	1,430
CDBG contractual services	-	1,150	(1,150)	-
Telephone	45,000	47,920	(2,920)	42,890
Fire Pension contributions	155,746	152,670	3,076	130,862
Police pension contributions	335,041	322,242	12,799	293,678
Utilities	4,600	3,865	735	3,842
Travel	-	-	-	166

REQUIRED SUPPLEMENTARY INFORMATION
VILLAGE OF HAZEL CREST, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Original and **Final Budget	Actual (GAAP Basis)		
Villager	\$ 39,000	\$ 41,467	\$ (2,467)	\$ 36,950
Legal	65,000	70,755	(5,755)	80,656
Accounting	40,000	35,659	4,341	32,316
Consultants	22,350	19,997	2,353	22,048
Training and conferences	2,000	2,457	(457)	809
Dues and subscriptions	9,900	12,700	(2,800)	13,516
Tuition reimbursements	2,000	381	1,619	1,480
Total contractual services	<u>728,537</u>	<u>718,977</u>	<u>9,560</u>	<u>666,746</u>
Commodities:				
Other supplies	11,200	16,092	(4,892)	15,057
Board and commissions	5,000	6,205	(1,205)	6,306
Recruitment/testing	20,000	19,959	41	15,146
Bad debts (net of recovery)	25,000	43,137	(18,137)	-
Bank service charges	6,800	6,145	655	6,680
Sundry	3,000	4,240	(1,240)	6,803
Employee banquet	-	-	-	3,557
Miscellaneous expense	750	25,226	(24,476)	19,626
Total commodities	<u>71,750</u>	<u>121,003</u>	<u>(49,253)</u>	<u>73,175</u>
Capital outlay:				
Buildings	15,700	12,650	3,050	5,171
Improvements other than building	2,000	2,276	(276)	1,344
Equipment	600	288	312	6,783
Total capital outlay	<u>18,300</u>	<u>15,214</u>	<u>3,086</u>	<u>13,298</u>
Total General Services	<u>1,283,425</u>	<u>1,129,074</u>	<u>154,351</u>	<u>998,656</u>
Administrative Office				
Personnel:				
Salaries	220,376	193,786	26,590	179,633
FICA	16,859	15,461	1,398	14,811
IMRF	18,203	17,505	698	11,497
Employee Insurance	16,524	25,528	(9,004)	34,649
Total personnel	<u>271,962</u>	<u>252,280</u>	<u>19,682</u>	<u>240,590</u>
Maintenance:				
Maintenance equipment	17,914	12,597	5,317	19,508
Total maintenance	<u>17,914</u>	<u>12,597</u>	<u>5,317</u>	<u>19,508</u>

REQUIRED SUPPLEMENTARY INFORMATION
VILLAGE OF HAZEL CREST, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Original and **Final Budget	Actual (GAAP Basis)		
Contractual services:				
Postage	\$ 7,000	\$ -	\$ 7,000	\$ 931
Training and conference	1,000	585	415	-
Printing	12,500	831	11,669	8,165
Total contractual services	<u>20,500</u>	<u>1,417</u>	<u>19,083</u>	<u>9,096</u>
Commodities:				
Office supplies	5,500	1,646	3,854	1,323
Sundry	-	-	-	135
Total commodities	<u>5,500</u>	<u>1,646</u>	<u>3,854</u>	<u>1,458</u>
Capital outlay:				
Equipment	16,350	14,119	2,231	34,895
Total capital outlay	<u>16,350</u>	<u>14,119</u>	<u>2,231</u>	<u>34,895</u>
Total Administrative Office	<u>332,226</u>	<u>282,058</u>	<u>50,168</u>	<u>305,547</u>
Public Works				
Personnel:				
Salaries	599,204	551,487	47,717	513,414
FICA	45,839	45,685	154	43,480
IMRF	53,928	52,554	1,374	36,395
Employee insurance	126,868	76,922	49,946	100,541
Total personnel	<u>825,839</u>	<u>726,648</u>	<u>99,191</u>	<u>693,830</u>
Maintenance:				
Building and grounds	2,500	2,388	112	2,732
Equipment	95,000	120,383	(25,383)	86,237
Other	27,500	25,508	1,992	13,414
Trees	3,200	2,896	304	2,960
Streets	5,000	5,097	(97)	4,644
Total maintenance	<u>133,200</u>	<u>156,271</u>	<u>(23,071)</u>	<u>109,987</u>
Contractual services:				
Garbage disposal	7,600	7,267	333	8,554
Communications	700	1,561	(861)	1,379
Utilities	12,000	17,788	(5,788)	14,398
Traffic Signals	11,000	12,232	(1,232)	11,990
Rental	3,000	2,323	677	3,256
Travel	100	40	60	182
Printing	500	899	(399)	432
Consultants	38,550	45,264	(6,714)	40,555
Training and conferences	4,200	263	3,937	733
Dues and subscriptions	800	755	45	624
Total contractual services	<u>78,450</u>	<u>88,392</u>	<u>(9,942)</u>	<u>82,103</u>

REQUIRED SUPPLEMENTARY INFORMATION
VILLAGE OF HAZEL CREST, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Original and **Final Budget	Actual (GAAP Basis)		
Commodities:				
Office Supplies	\$ 3,000	\$ 3,683	\$ (683)	\$ 3,206
Other supplies	3,000	2,516	484	2,927
Uniforms	5,100	4,790	310	4,708
Gas and oil	20,000	28,515	(8,515)	20,390
Sundry	-	261	(261)	3,772
Miscellaneous expense	-	-	-	488
Total commodities	<u>31,100</u>	<u>39,765</u>	<u>(8,665)</u>	<u>35,491</u>
Capital outlay:				
Bldg & perm improvements	7,500	6,941	559	-
Improvements other than building	125,230	98,362	26,868	40,989
Equipment	21,400	17,348	4,052	60,805
Total capital outlay	<u>154,130</u>	<u>122,651</u>	<u>31,479</u>	<u>101,794</u>
Total Public Works	<u>1,222,719</u>	<u>1,133,727</u>	<u>88,992</u>	<u>1,023,205</u>
Public Safety				
Police Department:				
Personnel:				
Salaries	2,443,939	2,543,237	(99,298)	1,984,204
FICA	166,242	190,808	(24,566)	161,759
IMRF	28,270	29,208	(938)	20,042
Employee insurance	387,933	321,291	66,642	323,366
Total personnel	<u>3,026,384</u>	<u>3,084,544</u>	<u>(58,160)</u>	<u>2,489,371</u>
Maintenance:				
Maintenance equipment	41,228	40,575	653	46,679
Total maintenance	<u>41,228</u>	<u>40,575</u>	<u>653</u>	<u>46,679</u>
Contractual services:				
Communications	28,600	28,266	334	29,903
Printing	2,900	3,139	(239)	2,870
Consultants	23,600	23,590	10	35,513
Training and conferences	14,820	15,933	(1,113)	18,731
Dues and subscriptions	1,000	987	13	697
Total contractual services	<u>70,920</u>	<u>71,915</u>	<u>(995)</u>	<u>87,714</u>
Commodities:				
Office supplies	3,000	2,555	445	2,650
Other supplies	8,140	8,346	(206)	10,290
Uniforms	17,920	18,548	(628)	18,201
Canine supplies	1,500	695	805	947
Prisoner needs	1,100	1,010	90	1,121

REQUIRED SUPPLEMENTARY INFORMATION
VILLAGE OF HAZEL CREST, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Original and **Final Budget	Actual (GAAP Basis)		
Gas and oil	\$ 50,000	\$ 57,943	\$ (7,943)	\$ 46,301
Animal control	4,500	3,718	782	4,141
Sundry	4,000	2,185	1,815	2,674
Miscellaneous expense	-	-	-	229
Total commodities	<u>90,160</u>	<u>94,999</u>	<u>(4,839)</u>	<u>86,554</u>
Capital outlay:				
Building	7,250	9,025	(1,775)	725
Equipment	45,700	43,883	1,817	70,909
Total capital outlay	<u>52,950</u>	<u>52,908</u>	<u>42</u>	<u>71,634</u>
Total police	<u>3,281,642</u>	<u>3,344,942</u>	<u>(63,300)</u>	<u>2,781,952</u>
Fire Department:				
Personnel:				
Salaries	1,203,000	1,232,670	(29,670)	1,117,324
FICA	92,030	91,469	561	86,737
IMRF	10,963	12,345	(1,382)	8,326
Employee insurance	210,900	114,750	96,150	138,737
Total personnel	<u>1,516,893</u>	<u>1,451,234</u>	<u>65,659</u>	<u>1,351,124</u>
Maintenance:				
Buildings and grounds	15,800	18,886	(3,086)	19,851
Equipment	12,700	9,927	2,773	12,791
Total maintenance	<u>28,500</u>	<u>28,813</u>	<u>(313)</u>	<u>32,642</u>
Contractual services:				
Communications	1,700	3,643	(1,943)	1,319
Rental	7,350	7,099	251	8,432
Postage	7,750	4,154	3,596	6,785
Printing	4,500	4,937	(437)	3,665
Fire Prevention	1,000	709	291	2,556
Legal	250	-	250	-
Consultants	45,682	73,746	(28,064)	79,962
Training and conferences	7,700	10,266	(2,566)	8,653
Dues and subscriptions	5,265	6,542	(1,277)	6,020
Total contractual services	<u>81,197</u>	<u>111,095</u>	<u>(29,898)</u>	<u>117,392</u>

REQUIRED SUPPLEMENTARY INFORMATION
VILLAGE OF HAZEL CREST, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Original and **Final Budget	Actual (GAAP Basis)		
Commodities:				
Office supplies	\$ 4,000	\$ 5,257	\$ (1,257)	\$ 6,638
Other supplies	5,772	6,479	(707)	6,152
Uniforms	900	9,426	(8,526)	13,867
Gas and oil	9,750	10,045	(295)	5,949
Sundry	250	149	101	2,438
Miscellaneous expense	-	1,464	(1,464)	2,050
Total commodities	<u>20,672</u>	<u>32,821</u>	<u>(12,149)</u>	<u>37,094</u>
Capital outlay:				
Building	2,500	2,750	(250)	22,155
Improvements other than building	-	-	-	2,700
Equipment	39,835	47,682	(7,847)	51,191
Total capital outlay	<u>42,335</u>	<u>50,432</u>	<u>(8,097)</u>	<u>76,046</u>
Total fire	<u>1,689,597</u>	<u>1,674,395</u>	<u>15,202</u>	<u>1,614,298</u>
Total public safety	<u>4,971,239</u>	<u>5,019,337</u>	<u>(48,098)</u>	<u>4,396,250</u>
Economic development				
Contractual services:				
Economic development incentive	18,000	15,313	2,687	9,510
Consultants	5,500	5,152	348	7,667
Training and conferences	600	-	600	479
Dues and subscriptions	640	489	151	1,400
Total contractual services	<u>24,740</u>	<u>20,954</u>	<u>3,786</u>	<u>19,056</u>
Commodities:				
Special projects	400	277	123	157
Office supplies	-	30	(30)	-
170th Street project	-	-	-	17
Other supplies	-	25	(25)	-
Sundry	-	-	-	3
Miscellaneous expense	-	-	-	218
Total commodities	<u>400</u>	<u>332</u>	<u>68</u>	<u>395</u>
Capital outlay:				
Equipment	1,100	1,179	(79)	900
Total capital outlay	<u>1,100</u>	<u>1,179</u>	<u>(79)</u>	<u>900</u>
Total economic development	<u>26,240</u>	<u>22,465</u>	<u>3,775</u>	<u>20,351</u>
Insurance				
Personnel:				
State unemployment insurance	7,575	6,275	1,300	9,504
Workers' compensation	174,000	154,039	19,962	170,892
Total personnel	<u>181,575</u>	<u>160,314</u>	<u>21,262</u>	<u>180,396</u>

REQUIRED SUPPLEMENTARY INFORMATION
VILLAGE OF HAZEL CREST, ILLINOIS
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Original and **Final Budget	Actual (GAAP Basis)		
Contractual services:				
Insurance	\$ 174,000	\$ 179,454	\$ (5,454)	\$ 198,737
Total contractual services	<u>174,000</u>	<u>179,454</u>	<u>(5,454)</u>	<u>198,737</u>
Commodities:				
Risk management	48,599	35,154	13,445	58,611
Loss fund	48,590	42,826	5,764	56,621
Uniforms	18,070	16,760	1,310	8,903
Total commodities	<u>115,259</u>	<u>94,740</u>	<u>20,519</u>	<u>124,135</u>
Total Insurance	<u>470,834</u>	<u>434,508</u>	<u>36,326</u>	<u>503,268</u>
Community relations				
Commodities:				
Awards	-	-	-	328
Seminar	-	-	-	9
Special programs	-	-	-	136
Promotional items	-	-	-	901
Total community relations	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,374</u>
Civil defense				
Maintenance:				
Maintenance equipment	2,300	2,171	129	1,980
Total maintenance	<u>2,300</u>	<u>2,171</u>	<u>129</u>	<u>1,980</u>
Contractual services:				
Communications	-	319	(319)	738
Dues and subscriptions	1,100	1,164	(64)	2,914
Training and conferences	1,750	1,708	42	360
Total contractual services	<u>2,850</u>	<u>3,191</u>	<u>(341)</u>	<u>4,012</u>
Commodities:				
Sundry	-	-	-	22
Total commodities	<u>-</u>	<u>-</u>	<u>-</u>	<u>22</u>
Capital outlay:				
Building	-	-	-	1,529
Equipment	-	-	-	3,083
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,612</u>
Total civil defense	<u>5,150</u>	<u>5,362</u>	<u>(212)</u>	<u>10,626</u>
TOTAL EXPENDITURES	<u>8,311,833</u>	<u>8,026,530</u>	<u>285,303</u>	<u>7,259,277</u>
Net change in fund balance	(587,105)	70,639		395,823
FUND BALANCE - MAY 1, - as restated	3,924,733	3,924,733		3,528,910
FUND BALANCE - APRIL 30,	<u>\$ 3,337,628</u>	<u>\$ 3,995,372</u>		<u>\$ 3,924,733</u>

**There was a budget amendment to police salaries to increase the final budget by \$270,845.

OTHER SUPPLEMENTARY INFORMATION

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NON – MAJOR GOVERMENTAL FUNDS

VILLAGE OF HAZEL CREST, ILLINOIS
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
AS OF APRIL 30, 2005
(With comparative totals for the year ended April 30, 2004)

	SPECIAL	DEBT	CAPITAL	TOTALS	
	REVENUE	SERVICE	PROJECTS	2005	2004
	FUND	FUND	FUND		
ASSETS					
Cash	\$ 1,415,524	\$ 289,137	\$ 753,171	\$ 2,457,832	\$ 1,410,229
Receivables:					
Property taxes	-	38,134	-	38,134	86,242
Accounts receivable	21,131	-	-	21,131	22,039
Intergovernmental	35,176	-	-	35,176	34,675
Due from other funds	-	-	-	-	748,841
Prepaid expenses	55,000	-	-	55,000	-
TOTAL ASSETS	<u>\$ 1,526,832</u>	<u>\$ 327,271</u>	<u>\$ 753,171</u>	<u>\$ 2,607,274</u>	<u>\$ 2,302,026</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 3,286	\$ 461	\$ 60	\$ 3,807	\$ 8,919
Deferred revenue	-	34,903	-	34,903	86,242
Due to other funds	-	-	15,277	15,277	24,849
TOTAL LIABILITIES	<u>3,286</u>	<u>35,364</u>	<u>15,337</u>	<u>53,987</u>	<u>120,010</u>
FUND BALANCE					
Reserved for:					
Debt service	-	291,907	-	291,907	369,139
Prepays	55,000	-	-	55,000	-
Capital projects	-	-	753,111	753,111	460,998
Motor fuel	526,158	-	-	526,158	407,198
Unreserved	942,388	-	(15,277)	927,111	944,681
TOTAL FUND BALANCE	<u>1,523,546</u>	<u>291,907</u>	<u>737,835</u>	<u>2,553,287</u>	<u>2,182,016</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,526,832</u>	<u>\$ 327,271</u>	<u>\$ 753,171</u>	<u>\$ 2,607,274</u>	<u>\$ 2,302,026</u>

VILLAGE OF HAZEL CREST, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR FUNDS

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative totals for the year ended April 30, 2004)

	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS	
				2005	2004
REVENUES					
Program:					
Intergovernmental	\$ 589,458	\$ -	\$ -	\$ 589,458	\$ 624,265
General:					
Property taxes	-	90,218	141,256	231,474	683,549
Interest	18,791	-	10,548	29,339	16,787
Miscellaneous	5,402	-	60,988	66,390	-
Total Revenues	<u>613,651</u>	<u>90,218</u>	<u>212,792</u>	<u>916,661</u>	<u>1,324,600</u>
EXPENDITURES					
General services	352,265	-	-	352,265	333,600
Debt Services:					
Principal	-	84,000	-	84,000	178,802
Interest and fees	-	6,827	-	6,827	13,519
Other expenditures	-	-	12,577	12,577	-
Capital outlay	89,719	-	-	89,719	309,820
Total Expenditures	<u>441,984</u>	<u>90,827</u>	<u>12,577</u>	<u>545,388</u>	<u>835,741</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	171,667	(609)	200,215	371,273	488,859
OTHER FINANCING SOURCES (USES):					
Operating transfers in/(out)	-	(76,623)	76,623	-	-
Total Other Financing Sources	<u>-</u>	<u>(76,623)</u>	<u>76,623</u>	<u>-</u>	<u>-</u>
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	171,667	(77,232)	276,838	371,273	488,859
FUND BALANCE - MAY 1	1,351,879	369,139	460,998	2,182,016	1,693,157
FUND BALANCE - APRIL 30	<u>\$ 1,523,546</u>	<u>\$ 291,907</u>	<u>\$ 737,836</u>	<u>\$ 2,553,289</u>	<u>2,182,016</u>

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SPECIAL REVENUE FUNDS

VILLAGE OF HAZEL CREST, ILLINOIS
COMBINING BALANCE SHEET
SPECIAL REVENUE FUND
AS OF APRIL 30, 2005
(With comparative actual totals as of April 30, 2004)

	Motor Fuel	911 Emergency	Working	TOTALS	
	Tax	Services	Cash	2005	2004
ASSETS					
Cash	\$ 494,268	\$ 154,115	\$ 767,142	\$ 1,415,524	\$ 1,305,011
Receivables:					
Accounts	-	21,131	-	21,131	22,039
Intergovernmental	35,176	-	-	35,176	31,758
Prepaid expenses	-	55,000	-	55,000	-
TOTAL ASSETS	<u>\$ 529,444</u>	<u>\$ 230,246</u>	<u>\$ 767,142</u>	<u>\$ 1,526,832</u>	<u>\$ 1,358,808</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 3,287	\$ -	\$ -	\$ 3,287	\$ 6,929
TOTAL LIABILITIES	<u>3,287</u>	<u>-</u>	<u>-</u>	<u>3,287</u>	<u>6,929</u>
FUND BALANCE					
Reserved	526,158	55,000	-	581,158	407,198
Unreserved	-	175,246	767,142	942,388	944,681
TOTAL FUND BALANCE	<u>526,158</u>	<u>230,246</u>	<u>767,142</u>	<u>1,523,546</u>	<u>1,351,879</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 529,444</u>	<u>\$ 230,246</u>	<u>\$ 767,142</u>	<u>\$ 1,526,832</u>	<u>\$ 1,358,808</u>

VILLAGE OF HAZEL CREST, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUND

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative totals for the year ended April 30, 2004)

	Motor Fuel	911 Emergency	Working	TOTALS	
	Tax	Services	Cash	2005	2004
REVENUES					
Intergovernmental	\$ 442,344	147,114	\$ -	\$ 589,458	\$ 557,290
Interest	7,716	3,324	7,750	18,791	12,968
Miscellaneous	5,402	-	-	5,402	-
Total Revenues	<u>455,462</u>	<u>150,438</u>	<u>7,750</u>	<u>613,651</u>	<u>570,258</u>
EXPENDITURES					
General services	246,784	105,481	-	352,265	333,600
Capital outlay	89,719	-	-	89,719	109,632
Total Expenditures	<u>336,503</u>	<u>105,481</u>	<u>-</u>	<u>441,984</u>	<u>443,232</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	118,959	44,957	7,750	171,667	127,026
FUND BALANCE - MAY 1	<u>407,198</u>	<u>185,289</u>	<u>759,392</u>	<u>1,351,879</u>	<u>1,224,853</u>
FUND BALANCE - APRIL 30	<u>\$ 526,158</u>	<u>230,246</u>	<u>\$ 767,142</u>	<u>\$ 1,523,546</u>	<u>\$ 1,351,879</u>

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MOTOR FUEL TAX

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Intergovernmental	\$ 432,000	\$ 442,344	\$ 10,344	\$ 429,952
Miscellaneous	-	5,402	5,402	-
Interest income	4,320	7,716	3,396	3,754
Total Revenues	<u>436,320</u>	<u>455,462</u>	<u>19,142</u>	<u>433,706</u>
EXPENDITURES				
General services	316,480	246,784	69,696	246,977
Capital outlay	112,900	89,719	23,181	109,632
Total Expenditures	<u>429,380</u>	<u>336,503</u>	<u>92,877</u>	<u>356,609</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>6,940</u>	118,959	\$ <u>112,019</u>	77,097
FUND BALANCE - MAY 1		<u>407,198</u>		<u>330,101</u>
FUND BALANCE - APRIL 30		\$ <u><u>526,158</u></u>		\$ <u><u>407,198</u></u>

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 911 EMERGENCY SERVICES
 FOR THE YEAR ENDED APRIL 30, 2005
 (With comparative actual totals for year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Intergovernmental	\$ 118,200	\$ 147,114	\$ 28,914	\$ 127,338
Interest	1,500	3,324	1,824	1,413
Total Revenues	119,700	150,438	30,738	128,751
EXPENDITURES				
General services	104,800	105,481	(681)	86,623
Total Expenditures	104,800	105,481	(681)	86,623
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 14,900	44,957	\$ 30,057	42,128
FUND BALANCE - MAY 1		185,289		143,161
FUND BALANCE - APRIL 30		\$ 230,246		\$ 185,289

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL WORKING CASH

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Interest	\$ -	\$ 7,750	\$ 7,750	\$ 7,801
Total Revenues	-	7,750	7,750	7,801
EXPENDITURES				
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	7,750	\$ 7,750	7,801
FUND BALANCE - MAY 1		759,392		751,591
FUND BALANCE - APRIL 30		\$ 767,142		\$ 759,392

DEBT SERVICE FUNDS

VILLAGE OF HAZEL CREST, ILLINOIS
COMBINING BALANCE SHEET
DEBT SERVICE FUND
AS OF APRIL 30, 2005
(With comparative actual totals for April 30, 2004)

	1996		TOTALS	
	Capital Projects	Limited Tax	2005	2004
	<u>Bonds</u>	<u>Bonds</u>		
ASSETS				
Cash	\$ 180,539	\$ 108,598	\$ 289,137	\$ -
Receivables:				
Property taxes	-	38,134	38,134	86,242
Due from other funds	-	-	-	374,025
TOTAL ASSETS	<u>\$ 180,539</u>	<u>\$ 146,732</u>	<u>\$ 327,271</u>	<u>\$ 460,267</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ -	\$ 461	\$ 461	\$ 1,203
Due to general fund	-	-	-	3,683
Deferred revenue	-	34,903	34,903	86,242
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 35,364</u>	<u>\$ 35,364</u>	<u>\$ 91,128</u>
FUND BALANCES				
Reserved	<u>180,539</u>	<u>111,368</u>	<u>291,907</u>	<u>369,139</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 180,539</u>	<u>\$ 146,732</u>	<u>\$ 327,271</u>	<u>\$ 460,267</u>

VILLAGE OF HAZEL CREST, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND
FOR THE YEAR ENDED APRIL 30, 2005
(With comparative totals for the year ended April 30, 2004)

	1993	1996	1997	Limited	TOTALS	
	Fire Pumper Bonds	Capital Projects Bonds	Capital Projects Bonds	Tax Bonds	2005	2004
REVENUES						
Property taxes	\$ -	\$ 23,568	\$ -	\$ 66,650	\$ 90,218	\$ 147,726
Total Revenues		<u>23,568</u>	<u>-</u>	<u>66,650</u>	<u>90,218</u>	<u>147,726</u>
EXPENDITURES						
Debt Services:						
Principal retirement	-	38,000	-	46,000	84,000	178,802
Interest and fees	<u>-</u>	<u>771</u>	<u>-</u>	<u>6,056</u>	<u>6,827</u>	<u>13,519</u>
Total Expenditures	<u>-</u>	<u>38,771</u>	<u>-</u>	<u>52,056</u>	<u>90,827</u>	<u>192,321</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(15,203)	-	14,594	(609)	(44,595)
OTHER FINANCING SOURCES (USES):						
Operating transfers in/(out)	<u>2,294</u>	<u>-</u>	<u>(78,917)</u>	<u>-</u>	<u>(76,623)</u>	<u>-</u>
Total Other Financing Sources	<u>2,294</u>	<u>-</u>	<u>(78,917)</u>	<u>-</u>	<u>(76,623)</u>	<u>-</u>
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	2,294	(15,203)	(78,917)	14,594	(77,232)	(44,595)
FUND BALANCE - MAY 1	<u>(2,294)</u>	<u>195,742</u>	<u>78,917</u>	<u>96,774</u>	<u>369,139</u>	<u>413,734</u>
FUND BALANCE - APRIL 30	<u>\$ -</u>	<u>\$ 180,539</u>	<u>\$ -</u>	<u>\$ 111,368</u>	<u>\$ 291,907</u>	<u>\$ 369,139</u>

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
1993 FIRE PUMPER

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 31,355
Total Revenues	-	-	-	31,355
EXPENDITURES				
Debt Service:				
Principal retirement	-	-	-	56,802
Interest and fees	-	-	-	3,124
Total Expenditures	-	-	-	59,926
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ -	-	\$ -	(28,571)
OTHER FINANCING SOURCES (USES):				
Operating transfers in/(out)		2,294		-
Total Other Financing Sources		2,294		-
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)		2,294		-
FUND BALANCE - MAY 1		(2,294)		26,277
FUND BALANCE - APRIL 30	\$ -	-	\$ -	(2,294)

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
1996 CAPITAL PROJECTS

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Property taxes	\$ -	\$ 23,568	\$ 23,568	43,206
Total Revenues	-	23,568	23,568	43,206
EXPENDITURES				
Debt Service:				
Principal retirement	-	38,000	(38,000)	35,000
Interest and fees	-	771	(771)	1,842
Total Expenditures	-	38,771	(38,771)	36,842
EXCESS (DEFICIENCY) OF				
REVENUE OVER EXPENDITURES	\$ -	(15,203)	\$ (15,203)	6,364
FUND BALANCE - MAY 1		195,742		189,378
FUND BALANCE - APRIL 30		\$ 180,539		\$ 195,742

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL 1997 CAPITAL PROJECTS

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt Service:				
Principal retirement	-	-	-	6,000
Interest and fees	-	-	-	830
Total Expenditures	-	-	-	6,830
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ -	-	\$ -	(6,830)
OTHER FINANCING SOURCES (USES):				
Operating transfers (out)		(78,917)		-
Total Other Financing Sources		(78,917)		-
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)		(78,917)		-
FUND BALANCE - MAY 1		78,917		85,747
FUND BALANCE - APRIL 30	\$ -		\$ -	78,917

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL LIMITED TAX BONDS

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Property taxes	\$ 82,687	\$ 66,650	\$ (16,037)	\$ 73,165
Total Revenues	82,687	66,650	(16,037)	73,165
EXPENDITURES				
Debt Service:				
Principal retirement	65,720	46,000	19,720	81,000
Interest and fees	-	6,056	(6,056)	7,723
Total Expenditures	65,720	52,056	13,664	88,723
EXCESS OF REVENUES OVER EXPENDITURES	\$ 16,967	14,594	\$ (2,373)	(15,558)
FUND BALANCE - MAY 1		96,774		112,332
FUND BALANCE - APRIL 30		\$ 111,368		\$ 96,774

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CAPITAL PROJECTS FUNDS

VILLAGE OF HAZEL CREST, ILLINOIS
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED APRIL 30, 2005
(With comparative totals for the year ended April 30, 2004)

	Hazel Crest				Cherry	TOTALS	
	183rd Street	Proper	167th Street	Creek			
	Capital Projects	Tax Increment Financing District	Tax Increment Financing District	Tax Increment Financing District	Tax Increment Financing District		
ASSETS							
Cash	\$ 245,766	\$ 293,580	\$ 209,647	\$ 4,179	\$ -	\$ 753,171	\$ 105,218
Receivables	-	-	-	-	-	-	2,917
Due from other funds	-	-	-	-	-	-	374,816
Total Assets	<u>\$ 245,766</u>	<u>\$ 293,580</u>	<u>\$ 209,647</u>	<u>\$ 4,179</u>	<u>\$ -</u>	<u>\$ 753,171</u>	<u>\$ 482,951</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ 60	\$ 787
Due to other funds	-	-	-	-	15,277	15,277	21,166
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>	<u>15,277</u>	<u>15,337</u>	<u>21,953</u>
FUND BALANCE							
Reserved	245,766	293,580	209,647	4,119	-	753,111	460,998
Unreserved	-	-	-	-	(15,277)	(15,277)	-
Total Fund Balance	<u>245,766</u>	<u>293,580</u>	<u>209,647</u>	<u>4,119</u>	<u>(15,277)</u>	<u>737,835</u>	<u>460,998</u>
TOTAL LIABILITIES AND FUND BALANCE							
FUND BALANCE	<u>\$ 245,766</u>	<u>\$ 293,580</u>	<u>\$ 209,647</u>	<u>\$ 4,179</u>	<u>\$ -</u>	<u>\$ 753,171</u>	<u>\$ 482,951</u>

VILLAGE OF HAZEL CREST, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED APRIL 30, 2005
(With comparative totals for the year ended April 30, 2004)

	Hazel Crest				Cherry	TOTALS	
	183rd Street	Proper	167th Street	Creek			
	Tax Increment	Tax Increment	Tax Increment	Tax Increment			
	Capital	Financing	Financing	Financing	Financing		
	Projects	District	District	District	District	2005	2004
REVENUES							
Taxes:							
Property	\$ -	\$ 7,441	\$ 121,209	\$ 11,808	\$ 798	\$ 141,256	\$ 535,823
Intergovernmental	-	-	-	-	-	-	66,975
Miscellaneous income	60,988	-	-	-	-	60,988	-
Interest	2,938	4,924	2,668	18	-	10,548	3,819
Total Revenues	<u>63,926</u>	<u>12,365</u>	<u>123,877</u>	<u>11,825</u>	<u>798</u>	<u>212,792</u>	<u>606,616</u>
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	200,188
Other expenditures	-	3,088	4,278	5,193	18	12,577	-
Total Expenditures	<u>-</u>	<u>3,088</u>	<u>4,278</u>	<u>5,193</u>	<u>18</u>	<u>12,577</u>	<u>200,188</u>
EXCESS (DEFICIENCY) OF REVENUES							
OVER EXPENDITURES	63,926	9,277	119,599	6,632	780	200,215	406,428
Other Financing Sources (Uses):							
Operating transfer in/(out)	76,623	-	-	-	-	76,623	-
Total other financing sources	<u>76,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,623</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND							
OTHER SOURCES OVER (UNDER)							
EXPENDITURES AND OTHER							
(USES)	140,548	9,277	119,599	6,632	780	276,838	406,428
FUND BALANCE - MAY 1 - as restated	105,217	284,303	90,048	(2,513)	(16,057)	460,998	54,570
FUND BALANCE - APRIL 30	<u>\$ 245,766</u>	<u>\$ 293,580</u>	<u>\$ 209,647</u>	<u>\$ 4,119</u>	<u>\$ (15,277)</u>	<u>\$ 737,836</u>	<u>\$ 460,998</u>

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL COMMUNITY DEVELOPMENT BLOCK GRANT

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 66,975
Total Revenues	-	-	-	66,975
EXPENDITURES				
Capital outlay	-	-	-	66,975
Total Expenditures	-	-	-	66,975
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	-	\$ -	-
FUND BALANCE - MAY 1		-		-
FUND BALANCE - APRIL 30		\$ -		\$ -

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CAPITAL PROJECTS

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUE				
Miscellaneous income	\$ -	\$ 60,988	\$ 60,988	\$ -
Interest	-	2,938	2,938	1,628
Total Revenue	<u>-</u>	<u>63,926</u>	<u>63,926</u>	<u>1,628</u>
EXPENDITURES				
Capital outlay	-	-	-	117,509
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,509</u>
EXCESS OF REVENUE OVER EXPENDITURES				
		63,926	63,926	(115,881)
OTHER FINANCING SOURCES (USES):				
Operating transfers in/(out)	-	76,623	76,623	
Total Other Financing Sources	<u>-</u>	<u>76,623</u>	<u>76,623</u>	<u>-</u>
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)				
	<u>\$ -</u>	<u>140,548</u>	<u>\$ 140,548</u>	<u>(115,881)</u>
FUND BALANCE - MAY 1		105,217		221,098
FUND BALANCE - APRIL 30		<u>\$ 245,766</u>		<u>\$ 105,217</u>

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 183RD STREET TAX INCREMENT FINANCING DISTRICT
 FOR THE YEAR ENDED APRIL 30, 2005
 (With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Property taxes	\$ -	\$ 7,441	\$ 7,441	\$ 396,754
Interest	-	4,924	4,924	1,701
Total Revenues	-	12,365	12,366	398,455
EXPENDITURES				
Operations	-	3,088	(3,088)	-
Capital outlay	-	-	-	5,043
Total Expenditures	-	3,088	(3,088)	5,043
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	9,277	\$ 9,277	393,412
FUND BALANCE - MAY 1 - as restated		284,303		(109,109)
FUND BALANCE - APRIL 30		\$ 293,580		\$ 284,303

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HAZEL CREST PROPER TAX INCREMENT FINANCING DISTRICT
 FOR THE YEAR ENDED APRIL 30, 2005
 (With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Property taxes	\$ -	\$ 121,209	\$ 121,209	\$ 102,273
Interest	-	2,668	2,668	490
Total Revenues	-	123,877	123,877	102,763
EXPENDITURES				
Operations	-	4,278	(4,278)	-
Capital outlay	-	-	-	1,316
Total Expenditures	-	4,278	(4,278)	1,316
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	119,599	119,599	101,447
FUND BALANCE - MAY 1		90,048		(11,399)
FUND BALANCE - APRIL 30		\$ 209,647		\$ 90,048

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 167TH STREET TAX INCREMENT FINANCING DISTRICT
 FOR THE YEAR ENDED APRIL 30, 2005
 (With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Property taxes	\$ -	\$ 11,808	\$ 11,808	\$ 22,033
Interest	-	18	18	-
Total Revenues	-	11,825	11,825	22,033
EXPENDITURES				
Operations	-	5,193	(5,193)	-
Capital outlay	-	-	-	9,262
Total Expenditures	-	5,193	(5,193)	9,262
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	6,632	\$ 6,632	12,771
FUND BALANCE - MAY 1		(2,513)		(15,284)
FUND BALANCE - APRIL 30		\$ 4,119		\$ (2,513)

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CHERRY CREEK TAX INCREMENT FINANCING DISTRICT

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ended April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Property taxes	\$ -	\$ 798	\$ 798	\$ 14,763
Total Revenues	-	798	798	14,763
EXPENDITURES				
Operations	-	18	(18)	-
Capital outlay	-	-	-	84
Total Expenditures	-	18	(18)	84
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	780	\$ 780	14,679
FUND BALANCE - MAY 1		(16,057)		(30,736)
FUND BALANCE - APRIL 30		\$ (15,277)		\$ (16,057)

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MAJOR ENTERPRISE FUND

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL WATERWORKS AND SEWERAGE FUND

FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ending April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Charges for services	\$ 2,635,800	\$ 2,255,059	\$ (380,741)	\$ 2,342,992
Total Revenues	2,635,800	2,255,059	(380,741)	2,342,992
EXPENSES				
Personnel:				
Salaries	569,308	620,745	(51,437)	601,295
FICA	43,552	48,329	(4,777)	47,666
IMRF	51,256	53,331	(2,075)	35,813
Employee insurance	108,352	96,876	11,476	87,295
Total personnel	772,468	819,281	(46,813)	772,069
Maintenance:				
Maintenance building/grounds	9,000	3,516	5,484	7,443
Maintenance equipment	26,063	24,688	1,375	25,082
Maintenance utility system	74,000	105,280	(31,280)	82,256
Total maintenance	109,063	133,484	(24,421)	114,781
Contractual Services:				
Communications	750	1,137	(387)	746
Telephone	2,000	3,272	(1,272)	2,438
Water purchases	912,000	992,721	(80,721)	952,630
Utilities	59,000	57,640	1,360	58,269
Rental	1,000	2,562	(1,562)	2,445
Travel	100	-	100	2
Postage	5,000	5,624	(624)	5,524
Printing	2,500	1,878	622	2,265
Legal	400	-	400	-
Consultants	12,000	21,206	(9,206)	17,048
Training and conferences	1,800	289	1,511	233
Dues and subscriptions	350	503	(153)	300
Total contractual services	996,900	1,086,832	(89,932)	1,041,900
Commodities:				
Office supplies	1,000	736	264	868
Other supplies	2,000	1,364	636	2,317
Uniforms	4,300	4,318	(18)	4,811
Gas and oil	22,250	28,433	(6,183)	20,374
Bad debt	10,000	6,844	3,156	15,801
Service charges	250,000	230,000	20,000	230,000
Interest on debt	-	5,437	(5,437)	4,082
Sundry	250	40	210	240
Total commodities	289,800	277,172	12,628	278,493

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL WATERWORKS AND SEWERAGE FUND FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ending April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
Capital Expenses:				
Capital Outlay	209,902	131,343	78,559	334,608
Capitalized property and equipment	(45,000)	-	(45,000)	(246,662)
Depreciation	250,000	440,102	(190,102)	376,631
Total capital expenses	414,902	571,445	(156,543)	464,577
Total Operating Expenses	2,583,133	2,888,214	(305,081)	2,671,820
Operating Income (Loss)	52,667	(633,155)	(685,822)	(328,828)
Nonoperating Income (Loss):				
Gain (loss) on disposal of assets	-	-	-	(106,597)
NET INCOME (LOSS)	\$ 52,667	(633,155)	\$ (685,822)	(435,425)
NET ASSETS - MAY 1		4,872,128		5,307,553
NET ASSETS - APRIL 30		\$ 4,238,973		\$ 4,872,128

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NON - MAJOR ENTERPRISE FUND

VILLAGE OF HAZEL CREST, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL NON-MAJOR ENTERPRISE FUND MUNICIPAL PARKING FACILITY FUND FOR THE YEAR ENDED APRIL 30, 2005

(With comparative actual totals for the year ending April 30, 2004)

	2005		Variance with Final Budget Positive (Negative)	2004 Actual
	Budget	Actual		
REVENUES				
Parking lot fees	\$ 37,500	\$ 38,490	\$ 990	\$ 37,308
Miscellaneous income	-	814	814	-
Total Revenues	37,500	39,304	1,804	37,308
EXPENSES				
Maintenance:				
Maintenance building/grounds	300	28	272	-
Contractual Services:				
Utilities	1,700	1,936	(236)	1,822
Printing	120	116	4	116
Consulting	850	814	36	814
Total contractual services	2,670	2,866	(196)	2,752
Commodities:				
Service charges	30,000	30,000	-	30,000
Capital Expenses:				
Other improvements	3,000	2,485	515	3,529
Depreciation	5,640	5,261	379	2,372
Total capital expenses	8,640	7,746	894	5,901
Total Operating Expenses	41,610	40,640	970	38,653
Operating Income (Loss)	(4,110)	(1,336)	834	(1,345)
Nonoperating Income (Expense):				
Interest Income	750	1,323	573	807
Loss on disposal of assets	-	-	-	(198)
NET INCOME (LOSS)	\$ (3,360)	(13)	\$ 1,408	(736)
NET ASSETS - MAY 1		317,977		318,713
NET ASSETS - APRIL 30		\$ 317,964		\$ 317,977

PENSION TRUST FUNDS

VILLAGE OF HAZEL CREST, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
APRIL 30, 2005
(with comparative totals for April 30, 2004)

	<u>EMPLOYEE RETIREMENT PLAN</u>		<u>TOTALS</u>	
	<u>Police</u>	<u>Firefighters'</u>	<u>2005</u>	<u>2004</u>
ASSETS				
Cash and cash equivalents	\$ 3,304,402	\$ -	\$ 3,304,402	\$ 3,600,470
Receivable:				
Interest	631	11,050	11,681	11,630
Due from other funds	97,365	46,027	143,393	120,973
Investments at fair value:				
US government obligations	3,738,682	1,078,370	4,817,052	6,773,961
Other investments	3,108,511	2,309,752	5,418,263	2,473,616
Total Assets	<u>10,249,592</u>	<u>3,445,199</u>	<u>13,694,791</u>	<u>12,980,650</u>
LIABILITIES				
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>765</u>
NET ASSETS				
Net Assets Held in Trust for Pension Benefits \$	<u>10,249,592</u>	<u>\$ 3,445,199</u>	<u>\$ 13,694,791</u>	<u>\$ 12,979,885</u>

VILLAGE OF HAZEL CREST, ILLINOIS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2005
(With comparative totals for the year ended April 30, 2004)

	EMPLOYEE RETIREMENT PLAN		TOTALS	
	Police	Firefighters'	2005	2004
ADDITIONS:				
Contributions				
Employer	\$ 322,242	\$ 152,670	\$ 474,912	\$ 424,539
Employee	183,968	107,585	291,553	208,798
Total contributions	<u>506,210</u>	<u>260,254</u>	<u>766,465</u>	<u>633,337</u>
Investment earnings:				
Net increase in fair value of investments	210,749	57,417	268,167	640,440
Dividends	16,595	6,177	22,773	28,385
Interest	69,529	67,274	136,803	93,566
Total investment earnings	<u>296,874</u>	<u>130,869</u>	<u>427,743</u>	<u>762,391</u>
Total additions	803,084	391,123	1,194,207	1,395,728
DEDUCTIONS:				
Pension benefits	366,535	89,300	455,835	454,160
Investment expense	12,648	2,400	15,048	13,845
Administrative expenses	5,870	2,548	8,418	8,930
Total deductions	<u>385,053</u>	<u>94,247</u>	<u>479,301</u>	<u>476,935</u>
Change in net assets	418,031	296,875	714,906	918,793
Net Assets Held in Trust for Pensions:				
NET ASSETS - MAY 1	<u>9,831,561</u>	<u>3,148,324</u>	<u>12,979,885</u>	<u>12,061,092</u>
NET ASSETS - APRIL 30	<u>\$ 10,249,592</u>	<u>\$ 3,445,199</u>	<u>\$ 13,694,791</u>	<u>\$ 12,979,885</u>

VILLAGE OF HAZEL CREST, ILLINOIS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Capital Assets - By Source
April 30, 2005

Land and land improvements	\$ 968,624
Buildings	2,427,449
Machinery and equipment	4,106,823
Infrastructure	<u>118,815,943</u>
Total capital assets	<u>\$ 126,318,839</u>
Investment in capital assets from:	
General obligation bonds	\$ 1,730,566
Current revenue	<u>124,588,273</u>
Total investment in capital assets	<u>\$ 126,318,839</u>

VILLAGE OF HAZEL CREST, ILLINOIS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Capital Assets - By Function and Activity
For the year ended April 30, 2005

	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	-	1,954,061	2,963,724
Office	-	6,484	-	-	6,484
Total general services	152,219	1,071,546	166,500	1,954,061	3,344,326
Public works:					
General	-	285,788	673,971	5,462,549	6,422,308
Road and bridge	156,953	50,466	258,851	107,757,067	108,223,337
Forestry	442,000	-	75,357	-	517,357
Waste management	13,500	-	55,479	3,642,266	3,711,245
Total public works	612,453	336,254	1,063,658	116,861,882	118,874,247
Public safety:					
Police	-	-	653,014	-	653,014
Fire	203,952	1,000,938	1,880,105	-	3,084,995
911	-	-	343,546	-	343,546
Civil defense	-	18,711	-	-	18,711
Total public safety	203,952	1,019,649	2,876,665	-	4,100,266
Total capital assets	\$ 968,624	\$ 2,427,449	\$ 4,106,823	\$ 118,815,943	\$ 126,318,839

VILLAGE OF HAZEL CREST, ILLINOIS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes in Capital Assets - By Function and Activity
For the year ended April 30, 2005

	Capital Assets May 1, 2004	Additions	Deletions	Capital Assets April 30, 2005
General services:				
Municipal center	\$ 207,618	\$ -	\$ -	\$ 207,618
General services	3,130,221	-	-	3,130,221
Office	6,484	-	-	6,484
Total general services	3,344,323	-	-	3,344,323
Public works:				
General	6,468,407	30,268	33,355	6,465,320
Road and bridge	108,233,520	89,718	142,910	108,180,328
Forestry	517,357	-	-	517,357
Waste management	3,711,245	-	-	3,711,245
Total public works	118,930,529	119,986	176,265	118,874,250
Public safety:				
Police	676,078	19,786	42,850	653,014
Fire	3,042,222	42,773	-	3,084,995
911	343,546	-	-	343,546
Civil defense	18,711	-	-	18,711
Total public safety	4,080,557	62,559	42,850	4,100,266
Total capital assets	\$ 126,355,409	\$ 182,545	\$ 219,115	\$ 126,318,839

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VILLAGE OF HAZEL CREST, ILLINOIS
Schedule of Debt Service Requirements
April 30, 2005

	Year Ending April 30,	Principal	Interest	Total
Series 1997				
Dated: December 12, 1997				
Authorized issue - \$123,000				
Payable at: American National Bank				
Interest payable monthly at the bank's current	2006	\$ 14,000	\$ 304	\$ 14,304
		<u>\$ 14,000</u>	<u>\$ 304</u>	<u>\$ 14,304</u>
Series 1998				
Dated: December 1, 1998				
Authorized issue - \$103,000				
Payable at: American National Bank				
Interest payable monthly at the bank's current	2006	\$ 3,000	\$ 130	\$ 3,130
variable rate, 2.17 % at April 30, 2005	2007	3,000	65	3,065
		<u>\$ 6,000</u>	<u>\$ 195</u>	<u>\$ 6,195</u>
Series 1999				
Dated: December 1, 1999				
Authorized issue - \$153,000				
Payable at: American National Bank	2006	\$ 11,000	\$ 825	\$ 11,825
Interest payable monthly at the bank's current	2007	13,000	586	13,586
variable rate, 2.17 % at April 30, 2005	2008	14,000	304	14,304
		<u>\$ 38,000</u>	<u>\$ 1,714</u>	<u>\$ 39,714</u>
Series 2000				
Dated: December 1, 2000				
Authorized issue - \$110,000	2006	\$ 6,000	\$ 629	\$ 6,629
Payable at: American National Bank	2007	7,000	499	7,499
Interest payable monthly at the bank's current	2008	8,000	347	8,347
variable rate, 2.17 % at April 30, 2005	2009	8,000	174	8,174
		<u>\$ 29,000</u>	<u>\$ 1,649</u>	<u>\$ 30,649</u>
Series 2001				
Dated: December 1, 2001	2006	\$ 7,000	\$ 890	\$ 7,890
Authorized issue - \$109,000	2007	7,000	738	7,738
Payable at: American National Bank	2008	8,000	586	8,586
Interest payable monthly at the bank's current	2009	9,000	412	9,412
	2010	10,000	217	10,217
		<u>\$ 41,000</u>	<u>\$ 2,843</u>	<u>\$ 43,843</u>
Series 2002				
Dated: December 1, 2002	2006	\$ 8,000	\$ 1,259	\$ 9,259
Authorized issue - \$110,000	2007	8,000	1,085	9,085
Payable at: American National Bank	2008	9,000	911	9,911
Interest payable monthly at the bank's current	2009	10,000	716	10,716
variable rate, 2.17 % at April 30, 2005	2010	11,000	499	11,499
	2011	12,000	260	12,260
		<u>\$ 58,000</u>	<u>\$ 4,731</u>	<u>\$ 62,731</u>

VILLAGE OF HAZEL CREST, ILLINOIS
Schedule of Debt Service Requirements (Continued)
April 30, 2005

	Year Ending April 30,	Principal	Interest	Total
Dated: April 26, 2005	2006	\$ 50,000	\$ 15,776	\$ 65,776
Authorized issue - \$727,000	2007	50,000	14,691	64,691
Payable at: American National Bank	2008	50,000	13,606	63,606
Interest payable monthly at the bank's current	2009	50,000	12,521	62,521
variable rate, 2.17 % at April 30, 2005	2010	50,000	11,436	61,436
	2011	50,000	10,351	60,351
	2012	50,000	9,266	59,266
	2013	50,000	8,181	58,181
	2014	50,000	7,096	57,096
	2015	50,000	6,011	56,011
	2016	50,000	4,926	54,926
	2017	50,000	3,841	53,841
	2018	50,000	2,756	52,756
	2019	50,000	1,671	51,671
	2020	27,000	586	27,586
Note Payable		<u>\$ 727,000</u>	<u>\$ 122,714</u>	<u>\$ 849,714</u>
Dated October 7, 2003				
Authorized issue - \$181,500				
Principal and interest payable May 1 of each year	2007	45,437	1,907	47,344
at 3.93%	2008	47,317	-	47,317
		<u>\$ 92,754</u>	<u>\$ 1,907</u>	<u>\$ 94,661</u>

* Information is estimated due to variable interest rates.

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STATISTICAL SECTION

VILLAGE OF HAZEL CREST, ILLINOIS
Schedule of Assessed Valuations, Tax Rates,
Tax Extensions and Tax Collections
 April 30, 2005

	2004	2003	2002	2001	2000	1999	1998
Assessed valuations*	\$ 158,098,399	\$ 152,738,655	\$ 152,738,655	\$ 123,609,348	\$ 122,157,987	\$ 121,060,549	\$ 106,922,976
Tax rates by fund:							
General:							
Corporate	0.2331	0.2500	0.2046	0.2500	0.2370	0.2261	0.2500
Unemployment	0.0047	0.0041	0.0124	0.0112	0.0030	0.0029	0.0031
Crossing Guards	0.0146	0.0139	0.0164	0.0113	0.0190	0.0181	0.0200
Police Protection	0.0699	0.0750	0.0614	0.0750	0.0711	0.0678	0.0750
Fire Protection	0.3729	0.4000	0.3274	0.4000	0.3792	0.3617	0.4000
Road and Bridge - Village	0.0932	0.1000	0.0818	0.1000	0.0948	0.0904	0.1000
Police Pension	0.2205	0.2265	0.2118	0.2383	0.2361	0.2187	0.2304
Fire Pension	0.1112	0.1053	0.0979	0.0991	0.0948	0.0761	0.0878
Civil Defense	0.0033	0.0096	0.0409	0.0107	0.0147	0.0140	0.0151
Illinois Municipal Retirement	0.3572	0.3726	0.3931	0.4707	0.4940	0.4653	0.4966
Waste Management	0.1326	0.1343	0.1636	0.1534	0.1896	0.1809	0.2000
Paramedics	0.2331	0.2500	0.2046	0.2500	0.2370	0.2261	0.2500
Insurance	0.2383	0.1618	0.1959	0.3722	0.3217	0.3661	0.3961
Auditing	0.0187	0.0237	0.0315	0.0208	0.0331	0.0316	0.0342
Total general	2.1033	2.1268	2.0433	2.4627	2.4251	2.3458	2.5583
Debt Service:							
1993 Fire Pumper	-	-	0.0404	0.0526	0.0559	0.0592	0.0701
1995 Capital Projects	-	-	-	-	-	-	-
1996 Capital Projects	-	0.0288	0.0340	0.1259	0.0633	0.0504	0.0407
1997 G.O. Limited Tax Bond	0.0101	0.0103	0.0104	0.0127	0.0128	0.0129	0.0000
1998 G.O. Limited Tax Bond	0.0022	0.0030	0.0026	0.0038	0.0032	0.0031	0.0712
1999 G.O. Limited Tax Bonds	0.0096	0.0103	0.0104	0.0127	0.0122	0.0785	0.0916
2000 G.O. Limited Tax Bonds	0.0055	0.0059	0.0058	0.0076	0.0641	-	-
2001 G.O. Limited Tax Bonds	0.0070	0.0066	0.0071	0.0558	0.0000	-	-
2002 G.O. Limited Tax Bonds	0.0086	0.0088	-	-	-	-	-
Subtotal	0.0430	0.0737	0.1107	0.2711	0.2115	0.2041	0.2736
Total	2.1463	2.2005	2.1540	2.7338	2.6366	2.5499	2.8319
Tax extensions by fund:							
General:							
Corporate	\$ 368,527	\$ 380,836	\$ 312,504	\$ 309,023	\$ 289,503	\$ 273,682	\$ 267,307
Unemployment	7,430	6,180	18,938	13,797	3,660	3,460	3,306
Crossing Guards	23,082	21,218	25,000	14,024	23,161	21,895	21,385
Police Protection	110,510	114,251	93,751	92,707	86,852	82,105	80,192
Fire Protection	589,548	609,338	500,006	494,437	463,205	437,891	427,692
Road and Bridge - Village	147,347	152,335	125,001	123,609	115,802	109,473	106,923
Police Pension	348,606	345,092	323,551	294,506	288,400	264,753	246,365
Fire Pension	175,805	160,418	149,487	122,463	115,843	92,079	93,890
Civil Defense	5,217	14,626	62,501	13,213	17,915	16,936	16,184
Illinois Municipal Retirement	564,727	567,668	600,391	581,847	603,464	563,353	531,015
Waste Management	209,638	204,661	250,003	189,656	231,604	218,946	213,846
Paramedics	368,527	380,836	312,504	309,023	289,503	273,682	267,307
Insurance	376,748	246,419	299,224	460,100	393,041	443,160	423,476
Auditing	29,564	36,050	48,153	25,750	40,467	38,255	36,556
Total general	3,325,276	3,239,928	3,121,014	3,044,155	2,962,420	2,839,670	2,735,444
Debt Service:							
1993 Fire Pumper	-	-	61,724	65,026	68,331	71,635	74,940
1995 Capital Projects	-	-	-	-	-	-	-
1996 Capital Projects	-	43,292	51,713	156,293	77,366	61,021	42,940
1997 G.O. Limited Tax Bond	15,950	16,061	15,869	16,012	15,641	15,553	77,211
1998 G.O. Limited Tax Bond	3,685	3,953	3,967	4,489	3,910	3,733	97,393
1999 G.O. Limited Tax Bonds	14,942	15,923	15,869	15,519	14,859	95,005	-
2000 G.O. Limited Tax Bonds	8,888	9,423	8,926	9,266	78,332	95,005	-
2001 G.O. Limited Tax Bonds	11,009	10,495	10,909	68,528	-	-	-
2002 G.O. Limited Tax Bonds	13,577	13,151	-	-	-	-	-
Subtotal	68,051	112,298	168,977	335,133	258,439	341,952	292,484
Total	\$ 3,393,327	\$ 3,352,226	\$ 3,289,991	\$ 3,379,288	\$ 3,220,859	\$ 3,181,622	\$ 3,027,928
Collections	\$ 1,382,711	\$ 1,198,171	\$ 1,162,173	\$ 1,324,658	\$ 1,151,749	\$ 1,020,316	\$ 1,296,083
Percent collections	40.75%	95.40%	96.11%	98.38%	97.85%	94.93%	97.96%

* Assessed valuation for 2003 is estimated.

1997	1996	1995
<u>\$ 104,762,947</u>	<u>\$ 103,258,636</u>	<u>\$ 92,899,844</u>
0.2464	0.2303	0.2359
0.0030	0.0056	0.0059
0.0197	0.0184	0.0189
0.0739	0.0691	0.0708
0.3943	0.3684	0.3774
0.0986	0.0921	0.0944
0.1937	0.1724	0.1842
0.0805	0.0799	0.0847
0.0147	0.0102	0.0111
0.4778	0.4191	0.4438
0.1971	0.1835	0.1887
0.2464	0.2303	0.2359
0.4219	0.5443	0.5765
0.0333	0.0335	0.0355
<u>2.5013</u>	<u>2.4571</u>	<u>2.5637</u>
0.0747	0.0197	0.0213
0.0541	0.0590	0.2647
0.0417	0.0963	-
0.1096	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>0.2801</u>	<u>0.1750</u>	<u>0.2860</u>
<u>2.7814</u>	<u>2.6321</u>	<u>2.8497</u>
\$ 258,147	\$ 232,250	\$ 219,155
3,156	5,665	5,459
20,652	18,509	17,532
77,444	69,675	65,747
413,035	371,599	350,648
103,259	92,900	87,662
202,919	173,896	171,160
84,324	80,579	78,720
15,450	10,300	10,300
500,533	422,722	412,412
206,517	185,098	175,324
258,147	232,250	219,155
442,036	548,990	535,600
34,898	33,784	32,960
<u>2,620,517</u>	<u>2,478,217</u>	<u>2,381,834</u>
78,245	19,828	19,828
56,661	59,537	245,950
43,710	97,139	-
114,890	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>293,506</u>	<u>176,504</u>	<u>265,778</u>
<u>\$ 2,914,023</u>	<u>\$ 2,654,721</u>	<u>\$ 2,647,612</u>
<u>\$ 2,751,297</u>	<u>\$ 2,596,959</u>	<u>\$ 2,438,735</u>
<u>94.42%</u>	<u>97.82%</u>	<u>92.11%</u>

VILLAGE OF HAZEL CREST, ILLINOIS
Government-Wide Revenues
April 30, 2005

Year	Program Revenues		General Revenues					Total
	Charges for Services	Operating Grants and Contributions	Property Taxes	Other Taxes	Interest	Miscellaneous		
2004	\$ 3,672,169	\$ 122,410	\$ 4,868,904	\$ 3,510,810	\$ 58,751	\$ 208,473	\$ 12,441,517	
2005	3,541,049	26,458	4,297,505	3,755,845	86,989	288,303	11,996,149	

Note: Information presented for as many years as available.

Source: Village records.

VILLAGE OF HAZEL CREST, ILLINOIS
Government-Wide Expenses by Function
 April 30, 2005

Year	Primary Government					Business-Type Activities		Total
	General Services	Public Works	Public Safety	Interest	Economic Development	Waterworks and Sewerage	Municipal Parking Facility	
2004	\$ 2,089,302	\$ 5,570,641	\$ 4,629,354	\$ 110,784	\$ 903,448	\$ 2,778,417	\$ 38,851	\$ 16,120,797
2005	2,212,343	2,340,877	5,268,720	55,906	595,955	2,888,214	40,640	13,402,655

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
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*	1,829,196	4,406,876	1,379,814	192,321	86,623	1,283,093	9,177,923
*restated 2005	1,868,105	5,024,699	1,470,230	90,827	105,481	704,807	9,264,149

(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
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*	4,841,473	596,600	1,330,954	57,944	743,310	276,494	1,805,000	263,908	9,915,683
*restated									
2005	4,371,320	603,416	1,321,900	85,666	974,621	272,063	1,858,988	314,761	9,802,735

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
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
2003	152,334,566	457,003,698	33.3	2.4598

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.

*2004 tax information not available.

VILLAGE OF HAZEL CREST, ILLINOIS

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

Type of Levy	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Corporate	0.2331	0.2500	0.2046	0.2500	0.2370	0.2261	0.2500	0.2464	0.2303	0.2359
Bond and Interest	0.0430	0.0737	0.0703	0.2185	0.1558	0.1449	0.2035	0.2054	0.1553	0.2647
Garbage	0.1326	0.1343	0.1636	0.1534	0.1896	0.1809	0.2000	0.1971	0.1835	0.1887
Police Pension	0.2205	0.2265	0.2118	0.2383	0.2361	0.2187	0.2304	0.1937	0.1724	0.1842
Fire Pension	0.1112	0.1053	0.0979	0.0991	0.0948	0.0761	0.0878	0.0805	0.0799	0.0847
I.M.R.F.	0.3572	0.3726	0.3931	0.4707	0.4940	0.4653	0.4966	0.4778	0.4191	0.4439
Street and Bridge	0.0932	0.1000	0.0818	0.1000	0.0948	0.0904	0.1000	0.0986	0.0921	0.0944
Fire Protection	0.3729	0.4000	0.3274	0.4000	0.3792	0.3617	0.4000	0.3943	0.3684	0.3774
Police Protection	0.0699	0.0750	0.0614	0.0750	0.0711	0.0678	0.0750	0.0739	0.0691	0.0708
Civil Defense	0.0033	0.0096	0.0409	0.0107	0.0147	0.0140	0.0151	0.0147	0.0102	0.0111
Purchase Agreement	0.0000	0.0000	0.0404	0.0526	0.0559	0.0592	0.0701	0.0747	0.0197	0.0213
Crossing Guards	0.0146	0.0139	0.0164	0.0113	0.0190	0.0181	0.0200	0.0197	0.0184	0.0189
Paramedic Service	0.2331	0.2500	0.2046	0.2500	0.2370	0.2261	0.2500	0.2464	0.2303	0.2359
Insurance	0.2383	0.1618	0.1959	0.3722	0.3217	0.3661	0.3961	0.4219	0.5443	0.5765
Audit	0.0187	0.0237	0.0315	0.0208	0.0331	0.0316	0.0342	0.0333	0.0335	0.0355
Unemployment Insurance	0.0047	0.0041	0.0124	0.0112	0.0030	0.0029	0.0031	0.0030	0.0056	0.0059
Total Village Tax Rates	\$2.1463	\$2.2005	\$2.1540	\$2.7338	\$2.6368	\$2.5499	\$2.8319	\$2.7814	\$2.6321	\$2.8498
	or									
	\$2.146	\$2.201	\$2.154	\$2.734	\$2.637	\$2.550	\$2.832	\$2.782	\$2.633	\$2.850

VILLAGE OF HAZEL CREST, ILLINOIS

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

Tax Levy Year	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Village of Hazel Crest	\$2.2010	\$2.1540	\$2.7340	\$2.6370	\$2.5500	\$2.8320	\$2.7820	\$2.6330	\$2.8500	\$2.9590
County of Cook	0.6300	0.6900	0.7460	0.0824	0.0854	0.9110	0.9190	0.9890	0.9940	0.9930
Cook County Forest Preserve District	0.0590	0.0610	0.0670	0.0690	0.0700	0.0720	0.0740	0.0740	0.0720	0.0730
Suburban TB Sanitarium	0.0040	0.0060	0.0070	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080
Consolidated Elections	0.0290	-	0.0320	-	0.0230	0.0000	0.0270	-	0.0290	-
Bremen Township	0.0530	0.0510	0.0620	0.0630	0.0610	0.0630	0.0610	0.0580	0.0510	0.0490
Bremen Twp. Road & Bridge	0.0370	0.0350	0.0410	0.0400	0.0380	0.0400	0.0390	0.0380	0.0400	0.0390
Bremen Twp. General Assistance	0.0080	0.0060	0.0050	0.0050	0.0030	0.0040	0.0040	0.0040	0.0150	0.0150
Rich Township	0.2110	0.2020	0.2300	0.2230	0.2130	0.2270	0.2220	0.2100	0.2140	0.2070
Rich Twp. Road & Bridge	0.0630	0.0600	0.0680	0.0650	0.0062	0.0650	0.0640	0.0600	0.0610	0.0590
Rich Twp. General Assistance	0.0240	0.0230	0.0260	0.0250	0.0024	0.0240	0.0230	0.0210	0.0210	0.0190
Thornton Township	0.4110	0.1560	0.1710	0.1750	0.2140	0.2320	0.2330	0.1920	0.2090	0.2120
Thornton Twp. Road & Bridge	0.0160	0.0160	0.0180	0.0180	0.0210	0.0220	0.0220	0.0220	0.0240	0.0240
Thornton Twp. General Assistance	0.1000	0.0610	0.0730	0.0740	0.0280	0.0300	0.0300	0.0700	0.0770	0.0780
Metro Water Reclamation District of Chicago	0.3610	0.3710	0.4010	0.0415	0.0419	0.4440	0.4510	0.4920	0.4950	0.4950
So. Cook County Mosquito Abatement	0.0130	0.0110	0.0150	0.0140	0.0130	0.0130	0.0120	0.0110	0.0150	0.0160
Hazel Crest Park District	0.7070	0.6490	0.8140	0.8010	0.7730	0.8730	0.8650	0.8860	0.9410	0.9910
Grande Prairie Pub. Library District	0.3230	0.3080	0.3760	0.3710	0.3560	0.4580	0.4480	0.4400	0.4730	0.3960
School District #144	4.1520	3.9850	4.9610	5.0250	4.3410	4.7100	4.5630	4.5740	4.7870	4.9410
School District #152 1/2	4.5720	2.7260	3.1890	3.0930	2.8580	3.0820	3.0460	2.9220	3.0680	2.9760
School District #152 1/2 School Finance Authority	0.5080	2.0780	-	-	-	-	-	-	-	-
School District #153	4.1440	3.9980	4.5710	4.6270	4.5730	4.8830	4.7610	4.5890	4.8530	4.8420
School District #161	4.2620	4.0810	4.7750	4.7750	4.5390	4.7680	4.7370	4.5530	4.5760	3.7670
Thornton Twp. HSD #205	4.1110	4.6140	5.3780	4.6120	4.4090	4.6250	4.4040	4.5110	4.3380	4.2540
Community HSD #228	3.3280	3.1580	3.8380	3.8900	3.7200	3.9610	4.1960	4.5140	5.3870	4.3610
Homewood Flossmoor Comm. HSD #233	4.3480	4.0830	3.7990	3.8290	3.7050	3.8920	3.8790	3.7600	3.9280	3.8680
So. Suburban Comm. College #510	0.4030	0.3860	0.4540	0.4570	0.4420	0.4700	0.4890	0.4740	0.5060	0.4990
Prairie State Comm. College #515	0.3460	0.3380	0.3790	0.3760	0.3680	0.3970	0.3980	0.3860	0.4140	0.4120

Source: Cook County Clerk

*2004 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
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		152,334,566	270,000	0.18	18.22
2005	14,816		153,472,417	186,000	0.12	12.55

(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

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
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	9,177,923	2.02
2005	84,000	6,826	90,826	9,264,148	0.98

*2004 restated

VILLAGE OF HAZEL CREST, ILLINOIS
Direct and Overlapping General Obligation Bonded Debt
 April 30, 2005

Overlapping Agencies	2003 Equalized Assessed Valuation *	Outstanding Bonds		Applicable to District Percent	Amount
Cook County	\$112,501,444,456	\$2,545,815,000		0.14%	\$ 3,436,850
Cook County Forest Preserve	112,501,444,456	37,355,000		0.14%	50,429
Metropolitan Water Reclamation District	110,266,627,963	1,344,529,104	(1)	0.14%	1,855,450
Hazel Crest Park District	152,334,566	878,000		100.00%	878,000
School Districts:					
#144	230,119,000	11,596,744	(2)	39.05%	4,528,065
#152-1/2	102,188,621	4,393,736	(2)	25.36%	1,114,164
#153	241,146,096	10,069,978		1.15%	115,905
#161	398,468,196	5,558,619	(2)	8.64%	480,265
High School District #205	1,366,713,392	39,902,741	(2)	1.47%	588,166
High School District #228	1,172,871,609	17,050,000		8.24%	1,404,238
High School District #233	630,044,593	18,752,615	(2)	5.67%	1,062,898
Community College District #510	3,253,759,504	23,654,998	(2)(3)	3.60%	851,580
Community College District #515	2,971,162,368	14,070,000		1.20%	168,840
					<u>16,534,853</u>
Total Overlapping General Obligation Bonded Debt					<u>16,534,853</u>
Village of Hazel Crest	152,334,566	186,000		100.00%	<u>186,000</u>
					<u><u>\$ 16,720,853</u></u>

(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		
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
2005*	2,255,059	2,448,112	(193,053)	-	-	-	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	2003 Equalized Assessed Value	Percent of District's Total EAV
David Tessler	Commercial Building	\$ 3,736,031	2.45%
Graycor, Inc.	Commercial building	3,506,891	2.30%
Continental Wingate Assoc	Senior residential living complex and stores	3,178,566	2.09%
Taxpayer of 5049 W. 159th St. (formerly CNC)	Apartments	2,969,191	1.95%
Paradise Properties	Shopping center	1,868,754	1.23%
Manor Care Health 628	Special commercial improvements	1,853,809	1.22%
Gierczyk Development	Commercial building over three stories	1,843,550	1.21%
MI-Jack Products, Inc.	Sell, rent and service heavy industrial equipment	1,764,907	1.16%
GLR Medical PPTY One	Not for profit 2 or 3 story building with retail and/or commercial space	1,588,976	1.04%
Matanky Realty Hazel Crest	Shopping center	1,423,696	0.93%
		<u>\$ 23,734,371</u>	<u>15.58%</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	
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%	(1)
2003	14,816		19,908	34.6	2,135		6.70%	
2004	14,816		19,908	34.6	2,135		6.00%	
2005	14,816		19,908	34.6	2,135		6.10%	

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
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
2005	1	13,110,000	39	1,315,000

Source: Village of Hazel Crest Building Permit Application Forms

(1) May through April

VILLAGE OF HAZEL CREST, ILLINOIS

Miscellaneous Statistics

April 30, 2005

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
Part Time Firefighters	16
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	5,211
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	89
Exempt	8
Part Time	23

Sources: Village Records & 2000 Census

VILLAGE OF HAZEL CREST, ILLINOIS
Insurance Coverage
April 30, 2005

Expiration Date	Company	Annual Coverage	Coverage Premium	Limits
12/31/05	IRMA	Property Liability	\$ 192,330	\$ 250,000,000 per occurrence
12/31/05	IRMA	Automobile Liability		\$ 50,000,000
		Uninsured/Underinsured Motorist		\$ 10,000,000
				\$ 500,000
12/31/05	IRMA	Professional Liability (Police and Fire)		\$ 10,000,000
12/31/05	IRMA	Boiler and Machinery Inc.		\$ 50,000,000
12/31/05	IRMA	Public Officials Bond (President, Village Clerk and Village Treasurer)		Statutory Limits
12/31/05	IRMA	Public Officials and Employee Liability		\$ 10,000,000
		Crime		
	IRMA	Employee Theft (Dishonesty)		\$ 5,000,000
	IRMA	Forgery, Alteration or Counterfeit Currency		\$ 5,000,000
	IRMA	Credit Card Forgery		\$ 5,000,000
	IRMA	Computer Fraud		\$ 5,000,000
	IRMA	Inside Theft, Robbery & Safe Burglary		\$ 2,500,000
	IRMA	Non-Faithful Performance		\$ 2,500,000
12/31/05	IRMA	Workers' Compensation	\$ 192,330	\$ 31,500,000
		Employer's Liability		\$ 1,000,000

Source: Village Records

VILLAGE OF HAZEL CREST, ILLINOIS
Salaries and Surety Bonds of Principal Officers
 April 30, 2005

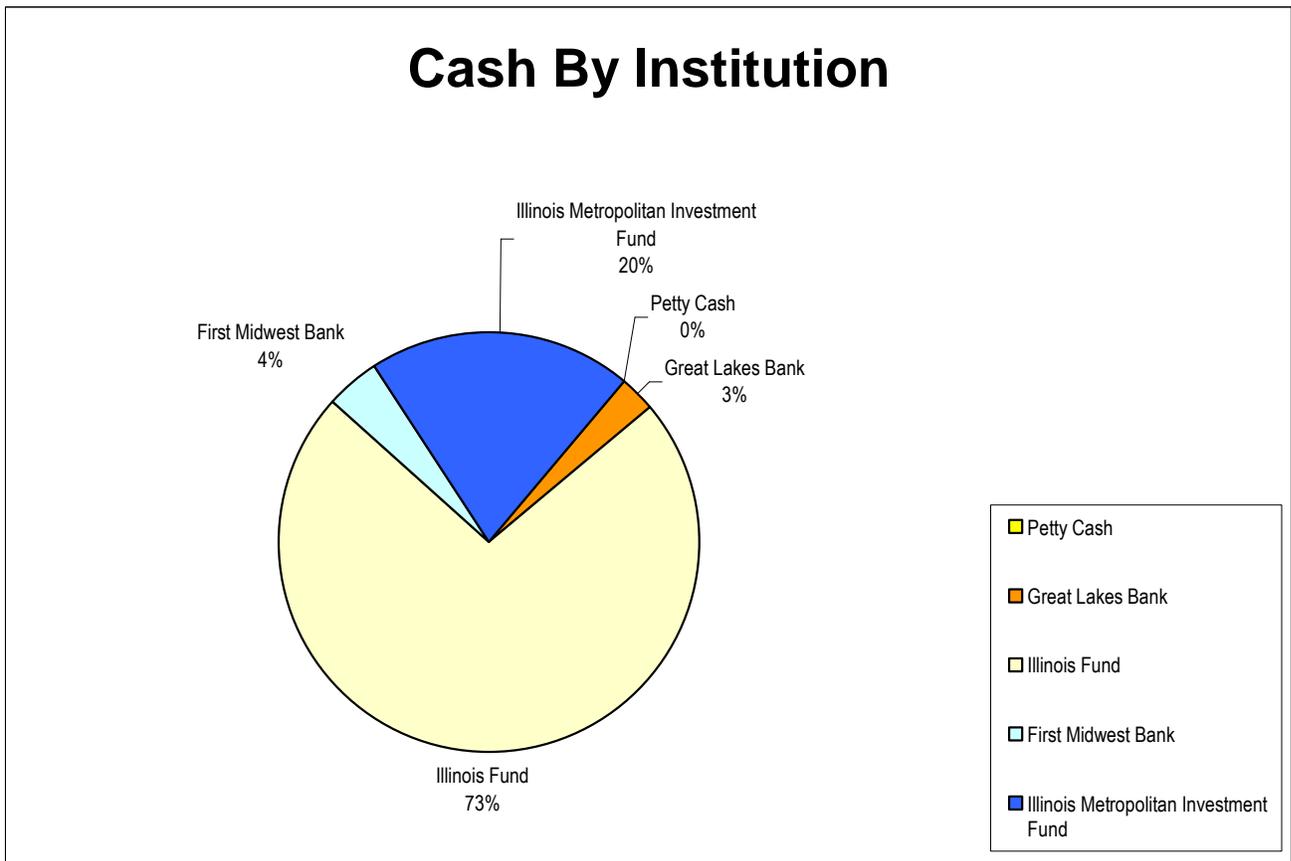
	Annual Salary/Range	Amount of Surety Bond
President	\$ 10,927	(*)
Trustees	4,637	(*)
Village Clerk	3,278	(*)
Village Manager/Treasurer	97,529	(*)
Director Public Works	67,850 - 86,854	(*)
Chief of Police	66,196 - 86,854	(*)
Deputy Chiefs	61,469 - 78,686	
Fire Chief	67,850 - 86,854	(*)
Assistant Fire Chief	58,507 - 74,894	(*)

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, 2005

Bank or Institution	4/30/05 Balance	Interest rate
Petty Cash	\$1,000	
Great Lakes Bank	153,645	.15%-2.46%
Illinois Fund	3,914,971	0.9%-2.9%
First Midwest Bank	210,049	0%-2.9%
Illinois Metropolitan Investment Fund	1,097,172	1.02%-12 mo. avg.
Total/Annual Yield	<u><u>\$5,376,838</u></u>	1.63%



The \$727,000 bond funds are not included in these charts since the funds had not been transferred to the Village's account as of April 30, 2005.

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