



Village of Hazel Crest, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2011

Village of Hazel Crest, Illinois

**Comprehensive Annual Financial Report
Year Ended April 30, 2011**

Prepared by
James Whigham, Sr.
Village Manager

Village Finance Department

Village of Hazel Crest, Illinois

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**Mayor**

Dr. Robert B. Donaldson

Village of Hazel Crest**Clerk**

Mary E. Grant

December 13, 2011

Trustees

Roderick S. Bashir
Dr. Jane P. Brown
Debra J. McGhee
Kevin Moore Sr.
Susan M. Pate
Benjamin A. Ramsey

Village Manager

James L. Whigham Sr.

Honorable Mayor Donaldson and the 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, 2011. 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 opinion units and that all disclosures necessary to enable the reader to gain maximum understanding of the Village's financial affairs have been included. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village of Hazel Crest's MD&A can be found immediately following the report of the independent auditors.

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.

BACKGROUND INFORMATION

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

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

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

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

The Village of Hazel Crest's government concluded fiscal year ended April 30, 2011 in sound financial condition.

ECONOMIC CONDITION AND OUTLOOK

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, without holding what is known as a "Truth in Taxation" hearing.

The Village has five TIF Districts. The Village's oldest TIF District is known as the Palmer Lake Business Park.

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. The 170th Street TIF was established to initiate Transit Oriented Development (T.O.D.) in and around the train station and to develop parking and pedestrian access and institute infrastructure and landscaping improvements. The Cherry Creek TIF remains essentially inactive, although there is an approved Planned Unit Development (P.U.D.) proposal for this site. Along 167th Street a TIF was created to promote development and promote expansion of Mi-Jack products.

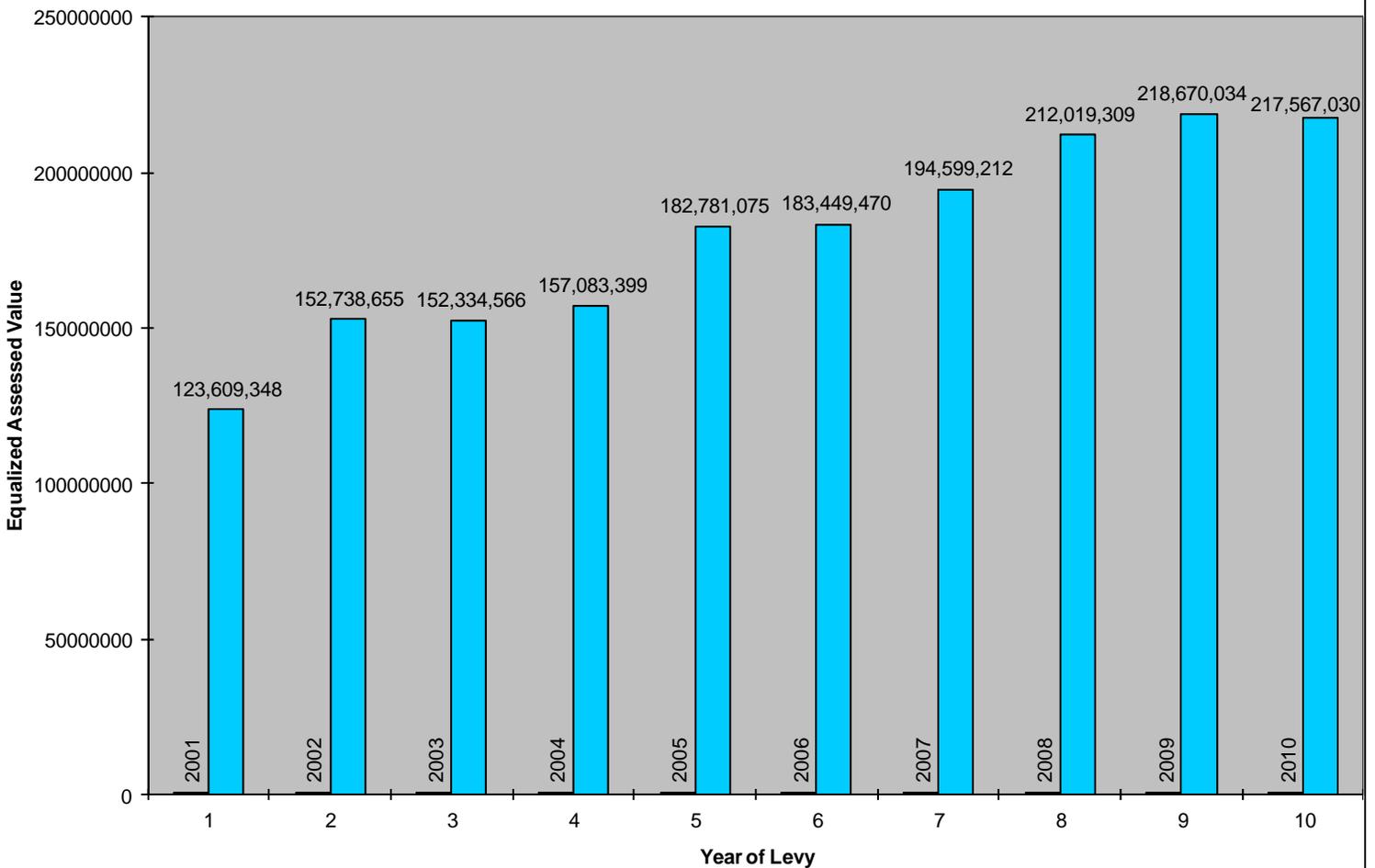
MAJOR INITIATIVES

The Village is continuing its local housing adjudication court. Better control of property maintenance and better enforcement of the garbage ordinance has resulted. The administrative adjudication process has been expanded to include minor traffic offenses, quasi criminal offenses and business licensing infractions.

Hazel Crest has been participating in the E-Com joint dispatch center. The participating Villages are Hazel Crest, Homewood, Flossmoor, Glenwood, Riverdale, and South Holland. Becoming a participant allows the Village to upgrade dispatch equipment through economies of scale.

Over the last ten years there has been a 76% increase in Equalized Assessed Value. The following table illustrates this trend:

**Village of Hazel Crest
Trend of Equalized Assessed Valuation
Last Ten Years (2000-2009)**



PROPERTY TAXES

The allocations of Property Tax rate by generic fund type of tax levy for 2010 and the proceeding four fiscal years are as follows:

Purpose	2006	2007	2008	2009	2010
General	\$1.720	\$1.828	\$1.886	\$1.728	\$2.138
General Obligation Debt	.012	.015	.163	.146	.173
Pensions	.349	.347	.414	.452	.476
Totals	\$2.081	\$2.190	\$2.463	2.326	2.789

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 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 provide reasonable assurance of proper recording of financial transactions.

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 leading to increasing the revenue base, continue to be the priority of the Village Board of Trustees. The Village remains committed to meeting its prescribed fiscal controls.

ILLINOIS MUNICIPAL RETIREMENT FUND

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 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. Comprehensive IMRF Plan Benefits are available at IMRF OFFICES, 2211 York Road, Oak Brook, IL 60523-2337.

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 2011 fiscal year is found in the Statistical Section of the report. During the past year \$190,000 of General Obligation Debt was retired as scheduled.

CAPITAL ASSETS

Capital assets are those 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. Capital assets are depreciated at rates intended to amortize the cost over each assets useful life.

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.

On an annual basis, the Board requests and receives the amount recommended as the employer contribution for the Police Pension Fund. The Village funded \$726,161 during the fiscal year ending April 30, 2011.

The Firefighters' Pension Fund is the direct responsibility of the Hazel Crest Firefighters' Pension Board. As administrators of the Firefighters' 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.

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 \$335,358 during the fiscal year ending April 30, 2011.

REVENUE RECOGNITION

The Village recognizes revenues 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. 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).

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, 2010. This was the 29th consecutive year that the government has achieved this prestigious award (fiscal years ended 1982-2010). In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENTS

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

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

Respectfully submitted,

James L. Whigham, Sr.

James L. Whigham, Sr., Village Manager

Village of Hazel Crest, Illinois

Principal Officials

April 30, 2011

Mayor

Dr. Robert B. Donaldson

Village Board of Trustees

Jane Brown

Roderick S. Bashir

Debra J. McGhee

Kevin Moore, Sr.

Susan M. Pate

Benjamin A. Ramsey

Village Manager

James Whigham, Sr.

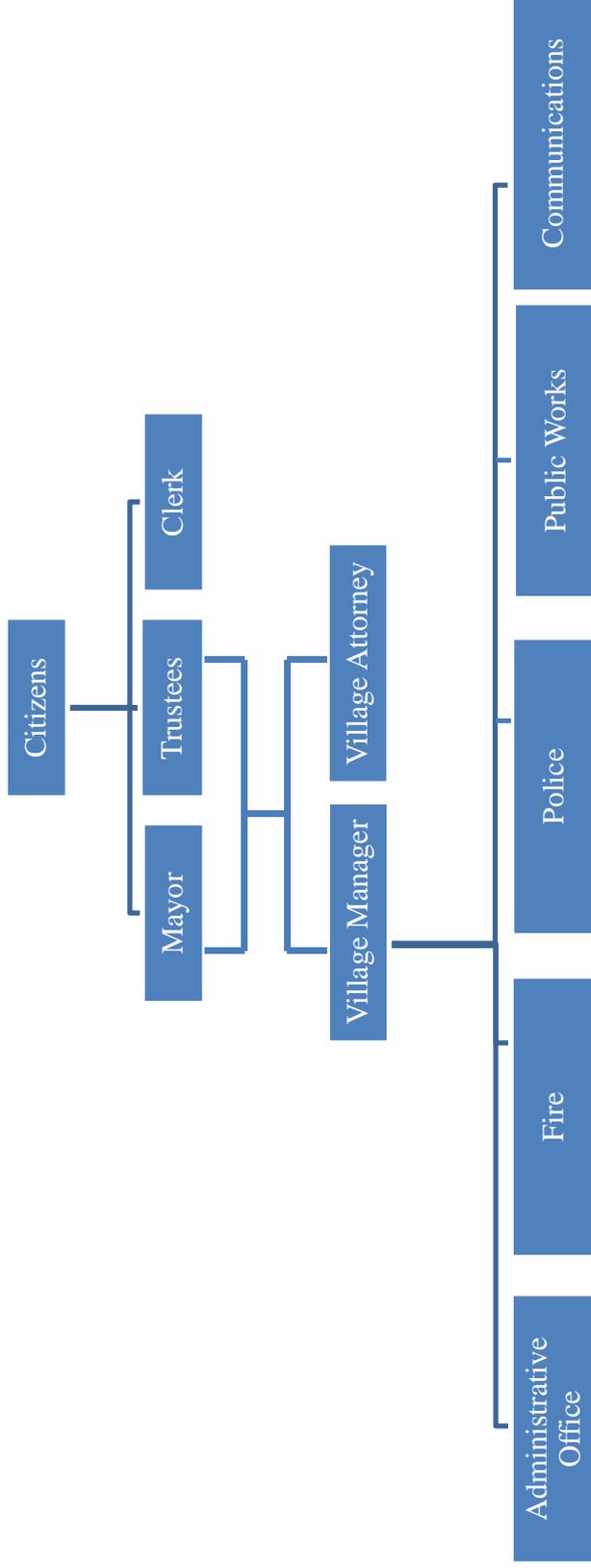
Village Clerk

Mary E. Grant

Village Attorney

**Michael T. Del Gado
Del Gado & Associates**

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, 2010

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



President

Executive Director



Independent Auditor's Report

To the Honorable Mayor 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, 2011, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and 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, 2011, 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 required supplementary information which includes management's discussion and analysis (pages 3 - 11), pension and postemployment healthcare plan related schedules (pages 52 - 55) and budgetary schedules (pages 56 - 64) is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

McGladrey & Pullen, LLP

Chicago, Illinois
December 13, 2011

Basic Financial Statements

Government-Wide Financial Statements

Management's Discussion and Analysis

The management of the Village of Hazel Crest (the "Village") is providing this overview and analysis of the financial activities of the Village for fiscal year ended April 30, 2011. Please read it in conjunction with the Transmittal Letter and the Financial Statements in this report.

Financial Highlights

The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$22,947,560. Of this amount, \$5,255,752 may be used to meet the government's ongoing obligations. The total net assets decreased by \$2,811,314 which was due largely in part to a decrease in property tax revenue, an increase in pension costs, and salary increments from labor contracts. Also, aging infrastructure in the Village has increased maintenance and repair costs. Total long-term debt of the Village decreased by \$233,334 during the fiscal year. General obligation debt of \$190,000 was repaid in fiscal year 2011. At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,720,288 or 15 percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to be an introduction to the Village's basic financial statements. 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 modified accrual basis of accounting.

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

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

Both of these government-wide financial statements distinguish the functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). The Village's governmental activities include general services, public works, and public safety. Property, sales, utility and income taxes pay for most of those activities. The Village's business-type activities include water and sewer operations and a municipal parking operation. The government-wide financial statements include only the financial activities of the Village. There are no component units.

Management's Discussion and Analysis

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 proprietary funds and 2 fiduciary funds. Information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for four major funds: the General fund, the Palmer Lake TIF fund, the 183rd Street TIF fund, and the Hazel Crest Proper TIF fund. Data from the other 8 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.

The Village adopts an annual appropriated budget for 9 of its funds. No budgets were prepared for any TIF funds, the Community Development Block Grant Fund, or the Capital Projects fund. A budgetary comparison statement has been provided where appropriate to demonstrate compliance with this budget.

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

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

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

Management's Discussion and Analysis

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.

Government-Wide Financial Analysis

The following table is the condensed Village of Hazel Crest Statement of Net Assets as of April 30, 2011:

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 12,249,807	\$ 787,803	\$ 13,037,610
Capital assets	16,700,423	3,142,751	19,843,174
Noncurrent assets	37,294	-	37,294
Total assets	<u>28,987,524</u>	<u>3,930,554</u>	<u>32,918,078</u>
Long-term liabilities	4,042,731	682,695	4,725,426
Other liabilities	4,802,051	443,041	5,245,092
Total liabilities	<u>8,844,782</u>	<u>1,125,736</u>	<u>9,970,518</u>
Net assets:			
Invested in capital assets	14,011,120	3,142,751	17,153,871
Restricted for MFT allotments	517,937	-	517,937
Restricted for compost closure	20,000	-	20,000
Unrestricted (deficit)	5,593,685	(337,933)	5,255,752
Total net assets	<u>\$ 20,142,742</u>	<u>\$ 2,804,818</u>	<u>\$ 22,947,560</u>

The following table is the condensed Village of Hazel Crest Statement of Net Assets as of April 30, 2010:

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 12,454,979	\$ 747,481	\$ 13,202,460
Capital assets	18,115,455	3,408,764	21,524,219
Noncurrent assets	41,437	-	41,437
Total assets	<u>30,611,871</u>	<u>4,156,245</u>	<u>34,768,116</u>
Long-term liabilities	3,491,826	1,023,607	4,515,433
Other liabilities	4,114,942	378,867	4,493,809
Total liabilities	<u>7,606,768</u>	<u>1,402,474</u>	<u>9,009,242</u>
Net assets:			
Invested in capital assets	14,899,778	3,408,764	18,308,542
Restricted for MFT allotments	500,617	-	500,617
Restricted for compost closure	20,000	-	20,000
Unrestricted (deficit)	7,584,708	(654,993)	6,929,715
Total net assets	<u>\$ 23,005,103</u>	<u>\$ 2,753,771</u>	<u>\$ 25,758,874</u>

Management's Discussion and Analysis

Approximately 86 percent 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 14 percent unrestricted net asset amount that can be used to meet the ongoing obligations of the Village. The Village management has determined that unrestricted net assets of 3 to 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. The water and sewer fund is no longer operating at a deficit mainly due to recent year's rate increases.

The following table is the condensed Village of Hazel Crest Statement of Activities for the Fiscal Year Ended April 30, 2011:

	Governmental Activities	Business-type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	\$ 2,229,088	\$ 2,861,749	\$ 5,090,837
Operating grants and contributions	488,569	80,000	568,569
Capital grants and contributions	280,156	-	280,156
General revenues:			
Property taxes	5,936,179	-	5,936,179
TIF rebate	180,101	-	180,101
Other taxes	3,552,478	-	3,552,478
Other	521,032	-	521,032
Total revenues	13,187,603	2,941,749	16,129,352
Expenses:			
General services	7,378,579	-	7,378,579
Public works	1,326,554	-	1,326,554
Public safety	7,250,107	-	7,250,107
Interest expense	94,724	-	94,724
Waterworks and sewerage	-	2,845,464	2,845,464
Municipal parking	-	45,238	45,238
Total expenses	16,049,964	2,890,702	18,940,666
(Decrease) in net assets	(2,862,361)	51,047	(2,811,314)
Net assets May 1, 2010	23,005,103	2,753,771	25,758,874
Net assets April 30, 2011	\$ 20,142,742	\$ 2,804,818	\$ 22,947,560

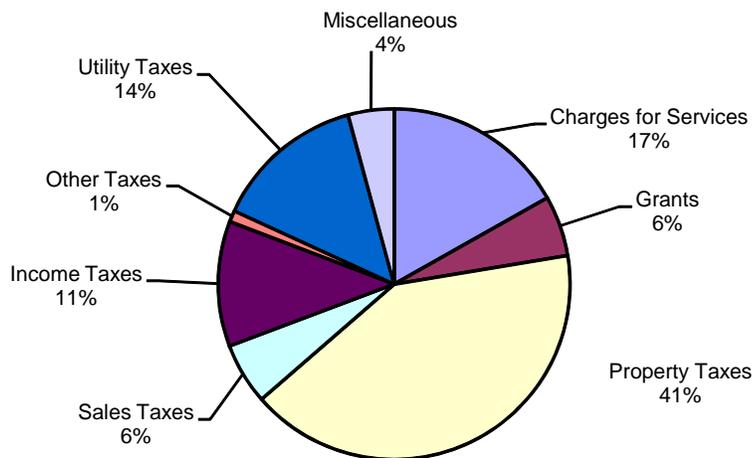
Management's Discussion and Analysis

The following table is the condensed Village of Hazel Crest Statement of Activities for the Fiscal Year Ended April 30, 2010.

The following chart summarizes how governmental activities are funded.

	Governmental Activities	Business-type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	\$ 2,370,990	\$ 2,743,759	\$ 5,114,749
Operating grants and contributions	648,961	-	648,961
General revenues:			
Property taxes	7,659,961	-	7,659,961
TIF rebate	94,694	-	94,694
Other taxes	3,602,165	-	3,602,165
Other	425,880	-	425,880
Total revenues	<u>14,802,651</u>	<u>2,743,759</u>	<u>17,546,410</u>
Expenses:			
General services	6,762,100	-	6,762,100
Public works	2,600,659	-	2,600,659
Public safety	6,030,645	-	6,030,645
Interest expense	138,541	-	138,541
Sewer and water	-	2,886,506	2,886,506
Municipal parking	-	46,241	46,241
Total expenses	<u>15,531,945</u>	<u>2,932,747</u>	<u>18,464,692</u>
(Decrease) in net assets	(729,294)	(188,988)	(918,282)
Net assets May 1, 2009	23,734,397	2,942,759	26,677,156
Net assets April 30, 2010	<u>\$ 23,005,103</u>	<u>\$ 2,753,771</u>	<u>\$ 25,758,874</u>

Revenues by Source - Governmental Activities



Management's Discussion and Analysis

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

Business-type activities are to be funded through charges for related services. This year the waterworks and sewerage activity had revenues for \$61,250 more than its expenditures. The commuter parking lot had expenses of \$10,203 more than its revenue this year.

Financial Analysis of the Government's Funds

Governmental funds provide information on near term inflows, outflows and balances of spendable resources. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$8,524,131, a decrease of \$1,098,297 from the prior year. The unreserved general fund balance represents 15 percent of total general fund expenditures.

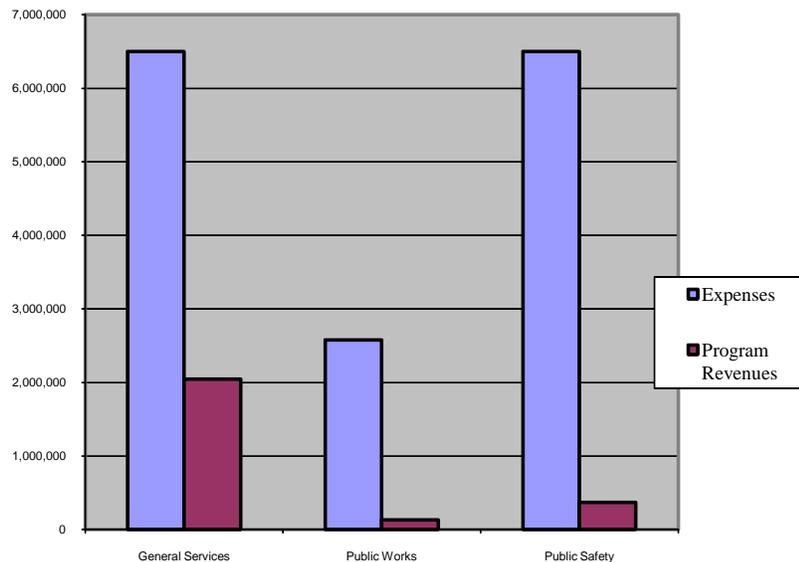
Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the waterworks and sewerage fund were \$(458,284) and \$120,351 for the commuter parking lot fund. The waterworks and sewerage fund negative balance has improved over the prior year mainly due to the rate increases over the past few years.

General Fund Budgetary Highlights

No significant amendments were made to the original budget. During the year, revenues were less than budgetary estimates and expenditures were less than budgetary estimates.

Actual general revenues were lower than budgeted revenues by \$306,123. This was mainly due to less income taxes received than anticipated. Actual general expenditures were higher than budgeted expenditures by \$93,865 in the current year.

% Function is Funded by Program Revenues



Management's Discussion and Analysis

This year's General Fund shows a \$360,558 fund balance decrease, as opposed to last year's decrease of \$712,263. The Village continually tries to keep expenditure increases in line with revenue increases.

Fiscal year 2011 sales tax revenue of \$499,732 decreased \$23,050 or 4 percent less than 2010 sales tax revenue of \$522,782. Fiscal year 2011 income tax revenue of \$1,477,268 increased \$511,783 or 53 percent more than 2010 income tax revenue of \$965,485. Fiscal year 2011 utility tax revenue of \$1,147,933 decreased \$38,941 or 3 percent less than 2010 utility tax revenue of \$1,186,874. The Village has no control over the amount or timing of these receipts. Fiscal year 2011 ambulance fee receipts of \$326,466 decreased \$19,916 or 6 percent less than 2010 ambulance fee receipts of \$346,382.

The Village received \$4,995 less in interest income this year in the General Fund. The \$21,466 received is a 19 percent decrease from last year's interest of \$26,461.

Expenditures for the General Fund decreased \$16,735 from Fiscal 2010. The percent decrease in expenditures by major functions of the Village are shown in the following tabulations:

Expenditure by Function	2010 Amount	Percent of Total	2011 Amount	Percent of Total	Increase (Decrease) Amount	%
General Services	3,287,203	28%	3,538,255	31%	248,052	8%
Communications and Community Relations	166,068	1%	136,819	1%	(29,249)	-18%
Administrative Office	301,474	3%	235,829	2%	(65,645)	-22%
Capital Outlay	105,187	1%	165,442	1%	60,255	57%
Public Works	1,319,377	11%	1,121,609	10%	(197,768)	-15%
Police	3,541,723	31%	3,605,888	31%	64,165	2%
Fire/Paramedics	2,209,529	19%	1,784,998	15%	(424,531)	-19%
Inspection	-	-	419,388	4%	419,388	100%
Civil Defense	3,048	-	-	-	(3,048)	-100%
Insurance	655,732	6%	564,732	5%	(91,000)	-14%
	11,589,341		11,572,606			

The unreserved fund balance of the General Fund as of April 30, 2011 was \$1,720,288.

Special Revenue Fund Highlights

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 Fund includes the Motor Fuel Tax Fund.

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 \$727,051 in fiscal year 2011 represented an increase of 17 percent from the \$621,502 collected in Fiscal 2010. Expenditures were more than revenues during the year by \$17,320 resulting in the current fund balance of \$517,937.

Management's Discussion and Analysis

Other Fund Highlights

The Village has established a Capital Projects Fund in order to undertake major purchases of equipment and improvements to infrastructure or buildings. The April 30, 2011 fund balance for the Capital Projects fund was \$368,235.

The Village has established Tax Incremental Financing (TIF) District funds to account for incremental property taxes of the TIF Districts and the use of those funds. The Village has five TIF funds of which three were considered major funds in fiscal year 2011. This year's Palmer Lake TIF District fund shows a \$904,901 fund balance decrease, as opposed to last year's increase of \$289,532. This year's decrease is mainly due to the large TIF surplus distribution exceeding the current year property tax receipts.

Waterworks and Sewerage Fund Highlights

Fiscal year 2011 water revenue of \$2,906,714 increased \$196,518 or 7 percent from fiscal year 2010 revenue of \$2,710,196. The following table presents key statistical information over the past five years for the water and sewerage system. A gain of \$61,250 resulted from operations of the Water and Sewerage Fund for fiscal year 2011.

	2011	2010	2009	2008	2007
Number of Metered Accounts (estimate)	4630	4630	4630	4630	4630
Gross Revenue	\$2,906,714	\$2,710,196	\$2,462,475	\$2,268,814	\$2,103,009
Expense	\$2,845,464	\$2,886,506	\$2,798,922	\$2,714,028	\$2,475,858
Operating Income (Loss)	\$61,250	\$(176,310)	\$(336,447)	\$(445,214)	\$(372,849)

Capital Asset and Debt Administration

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2011, amounts to \$19,843,174, net of depreciation. This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, streets, sidewalks, storm sewers, manholes, hydrants, valves, streetlights and the water distribution system. More details on the Village's capital assets can be found in Note 4 of the financial statements.

At the end of the current year, the Village had total bond debt of \$1,540,000, general obligation debt certificates of \$427,000, notes payable of \$655,399, and tax incremental finance notes of \$66,904. More details on the Village's long-term debt obligations can be found in Note 5 of the financial statements.

Economic Factors and Next Year's Budget

The Village has completed five years of being a Home Rule Authority. As a result, we have implemented a gas tax of three cents per gallon and an additional 1 percent sales tax. A small retail development has been built in the Hazel Crest Proper area and should provide some additional convenience shopping in the 10,000 square foot center.

Management's Discussion and Analysis

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, which was initiated in fiscal year 2007. A Tax Incremental 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.

In efforts to make the Village of Hazel Crest "Senior Friendly," we have instituted a full range of Senior Services. The Village offers transportation for seniors 60 years of age and older, as well as physically challenged individuals.

Other major developments are as follows:

- Local Cable Programming, Hazelnut Festival and Chamber of Commerce Reinstitution
- Beginning fourth year with E-Com Emergency Dispatch Center
- Water System Improvements

Requests for Information

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

Village of Hazel Crest, Illinois

Statement of Net Assets
April 30, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 6,374,972	\$ 120,788	\$ 6,495,760
Receivables:			
Property taxes	3,464,051	-	3,464,051
TIF rebate	160,082	-	160,082
Accounts	508,011	667,015	1,175,026
Intergovernmental	949,646	-	949,646
Prepays	788,902	-	788,902
Unamortized bond discount and issuance costs	4,143	-	4,143
Total current assets	<u>12,249,807</u>	<u>787,803</u>	<u>13,037,610</u>
Noncurrent			
Capital assets, not being depreciated	2,794,975	120,337	2,915,312
Capital assets, net of accumulated depreciation	13,905,448	3,022,414	16,927,862
Unamortized bond discount and issuance costs	37,294	-	37,294
Total noncurrent assets	<u>16,737,717</u>	<u>3,142,751</u>	<u>19,880,468</u>
Total assets	<u>\$ 28,987,524</u>	<u>\$ 3,930,554</u>	<u>\$ 32,918,078</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Assets - Continued
April 30, 2011

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
General obligation bonds	\$ 125,000	\$ -	\$ 125,000
General obligation debt certificates	50,000	-	50,000
Tax incremental revenue notes	66,904	-	66,904
Notes payable	75,438	-	75,438
Compensated absences	295,437	14,601	310,038
Accounts payable	477,523	151,945	629,468
Accrued expenses	122,504	-	122,504
Accrued interest	31,100	-	31,100
Deposits	100,432	219,495	319,927
Unearned revenue	3,457,713	57,000	3,514,713
Total current liabilities	4,802,051	443,041	5,245,092
Noncurrent			
Internal balances	(658,642)	658,642	-
General obligation bonds	1,415,000	-	1,415,000
General obligation debt certificates	377,000	-	377,000
Notes payable	579,961	-	579,961
Other postemployment benefits	1,975,642	-	1,975,642
Compensated absences	214,062	24,053	238,115
Pension obligation	139,708	-	139,708
Total noncurrent liabilities	4,042,731	682,695	4,725,426
Total liabilities	8,844,782	1,125,736	9,970,518
Net Assets			
Invested in capital assets, net of related debt	14,011,120	3,142,751	17,153,871
Restricted for MFT allotments	517,937	-	517,937
Restricted for compost closure	20,000	-	20,000
Unrestricted (deficit)	5,593,685	(337,933)	5,255,752
Total net assets	\$ 20,142,742	\$ 2,804,818	\$ 22,947,560

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Activities
Year Ended April 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General services	\$ 7,378,579	\$ 1,768,310	\$ 113,751	\$ -	\$ (5,496,518)	\$ -	\$ (5,496,518)
Public works	1,326,554	34,525	374,818	280,156	(637,055)	-	(637,055)
Public safety	7,250,107	426,253	-	-	(6,823,854)	-	(6,823,854)
Interest expense	94,724	-	-	-	(94,724)	-	(94,724)
Total governmental activities	16,049,964	2,229,088	488,569	280,156	(13,052,151)	-	(13,052,151)
Business-type activities:							
Waterworks and sewerage	2,845,464	2,826,714	80,000	-	-	61,250	61,250
Commuter parking lot	45,238	35,035	-	-	-	(10,203)	(10,203)
Total business-type activities	2,890,702	2,861,749	80,000	-	-	51,047	51,047
Total	\$ 18,940,666	\$ 5,090,837	\$ 568,569	\$ 280,156	(13,052,151)	51,047	(13,001,104)
General revenues							
Taxes:							
Property					5,936,179	-	5,936,179
Replacement					35,185	-	35,185
Sales					499,732	-	499,732
Income					1,362,862	-	1,362,862
Utility and other					1,654,699	-	1,654,699
TIF rebate					180,101	-	180,101
Interest					21,466	-	21,466
Miscellaneous					499,566	-	499,566
Total general revenues					10,189,790	-	10,189,790
Change in net assets					(2,862,361)	51,047	(2,811,314)
Net assets:							
May 1, 2010					23,005,103	2,753,771	25,758,874
April 30, 2011					\$ 20,142,742	\$ 2,804,818	\$ 22,947,560

See Notes to Financial Statements.

Fund Financial Statements

Village of Hazel Crest, Illinois

Balance Sheet - Governmental Funds
April 30, 2011

	General Fund	Tax Incremental Financing District Palmer Lake Fund	Tax Incremental Financing District 183rd Street Fund	Tax Incremental Financing District Hazel Crest Proper	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and equivalents	\$ 955,796	\$ 298,433	\$ 1,541,892	\$ 1,496,458	\$ 2,082,393	\$ 6,374,972
Receivables:						
Property taxes	3,249,587	-	-	-	214,464	3,464,051
TIF rebate	160,082	-	-	-	-	160,082
Accounts	483,565	-	-	19,500	4,946	508,011
Intergovernmental	892,844	-	-	-	56,802	949,646
Due from other funds	64,235	-	-	-	-	64,235
Advance to/from other funds	658,642	-	-	-	-	658,642
Prepays	788,902	-	-	-	-	788,902
Total assets	\$ 7,253,653	\$ 298,433	\$ 1,541,892	\$ 1,515,958	\$ 2,358,605	\$ 12,968,541
Liabilities						
Accounts payable	\$ 397,941	\$ -	\$ -	\$ 19,500	\$ 60,082	\$ 477,523
Accrued expenses	122,504	-	-	-	-	122,504
Deposits	100,432	-	-	-	-	100,432
Due to other funds	-	-	-	-	64,235	64,235
Deferred revenue	3,444,944	-	-	-	234,772	3,679,716
Total liabilities	4,065,821	-	-	19,500	359,089	4,444,410
Fund Balances						
Reserved for prepaids	788,902	-	-	-	-	788,902
Reserved for advances	658,642	-	-	-	-	658,642
Reserved for compost closure	20,000	-	-	-	-	20,000
Reserved for debt service	-	-	-	-	190,280	190,280
Unreserved:						
General fund	1,720,288	-	-	-	-	1,720,288
Special revenue funds	-	-	-	-	517,937	517,937
Capital projects funds	-	298,433	1,541,892	1,496,458	1,352,511	4,689,294
Debt service fund	-	-	-	-	(61,212)	(61,212)
Total fund balances	3,187,832	298,433	1,541,892	1,496,458	1,999,516	8,524,131
Total liabilities and fund balances	\$ 7,253,653	\$ 298,433	\$ 1,541,892	\$ 1,515,958	\$ 2,358,605	\$ 12,968,541

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
April 30, 2011

Total fund balances-governmental funds	\$ 8,524,131
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Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	16,700,423
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Discounts and costs related to issuance of bonds are reductions in the governmental funds in the year of issuance but are capitalized and amortized over the life of the bond issue on the Statement of Net Assets.	41,437
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State income tax revenue is deferred in the fund financial statements because it is not available but is recognized as revenue in the government-wide financial statements	222,003
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Some liabilities reported in the Statement of Net Assets do not
require the use of current financial resources and, therefore, are
not reported as liabilities in governmental funds. These
activities consist of:

Compensated absences	(509,499)
General obligation debt certificates	(427,000)
General obligation bonds	(1,540,000)
Accrued interest	(31,100)
Notes payable	(655,399)
Other postemployment benefits	(1,975,642)
Tax incremental revenue notes	(66,904)
Pension obligation	(139,708)

Net assets of governmental activities	<u>\$ 20,142,742</u>
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See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended April 30, 2011

	General Fund	Tax Incremental Financing District Palmer Lake Fund	Tax Incremental Financing District 183rd Street Fund	Tax Incremental Financing District Hazel Crest Proper	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 4,687,017	\$ 545,034	\$ 177,080	\$ 183,703	\$ 343,345	\$ 5,936,179
Other taxes	1,519,668	-	-	-	-	1,519,668
Intergovernmental	2,147,216	-	-	19,500	469,069	2,635,785
Fines, fees and permits	833,211	-	-	-	-	833,211
Licenses	312,691	-	-	-	-	312,691
Charges for services	1,048,661	-	-	-	-	1,048,661
TIF rebate	180,101	-	-	-	-	180,101
Interest	21,466	-	-	-	-	21,466
Capital contributions	-	-	-	-	280,156	280,156
Miscellaneous	462,017	-	-	-	72,077	534,094
Total revenues	11,212,048	545,034	177,080	203,203	1,164,647	13,302,012
Expenditures:						
Current:						
General services	3,538,255	1,294,500	10,000	32,382	292,227	5,167,364
Administrative office	235,829	-	-	-	-	235,829
Communications and community relations	136,819	-	-	-	-	136,819
Insurance	564,378	-	-	-	-	564,378
Public works	1,121,609	-	-	-	-	1,121,609
Police	3,605,888	-	-	-	-	3,605,888
Fire	1,784,998	-	-	-	-	1,784,998
Inspection	419,388	-	-	-	-	419,388
Debt service:						
Principal	-	-	-	15,769	247,163	262,932
Interest and fees	-	-	-	-	93,717	93,717
Capital outlay	165,442	155,435	-	-	686,510	1,007,387
Total expenditures	11,572,606	1,449,935	10,000	48,151	1,319,617	14,400,309
Net change in fund balance	(360,558)	(904,901)	167,080	155,052	(154,970)	(1,098,297)
Fund balances:						
May 1, 2010	3,548,390	1,203,334	1,374,812	1,341,406	2,154,486	9,622,428
April 30, 2011	\$ 3,187,832	\$ 298,433	\$ 1,541,892	\$ 1,496,458	\$ 1,999,516	\$ 8,524,131

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
April 30, 2011**

Total fund balances-governmental funds	\$ 8,524,131
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Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	16,700,423
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Some liabilities reported in the Statement of Net Assets do not
require the use of current financial resources and, therefore, are
not reported as liabilities in governmental funds. These
activities consist of:

Compensated absences	(509,499)
General obligation debt certificates	(427,000)
General obligation bonds	(1,540,000)
Accrued interest	(31,100)
Notes payable	(655,399)
Other postemployment benefits	(1,975,642)
Tax incremental revenue notes	(66,904)
Pension obligation	(139,708)

Net assets of governmental activities	<u>\$ 20,142,742</u>
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See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Assets - Proprietary Funds

April 30, 2011

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Assets			
Current			
Cash and equivalents	\$ 119	\$ 120,669	\$ 120,788
Accounts receivable	667,015	-	667,015
Total current assets	667,134	120,669	787,803
Noncurrent			
Capital assets (net of accumulated depreciation)			
Land	71,509	48,828	120,337
Land improvements	3,750	156,071	159,821
Buildings	136,754	-	136,754
Machinery and equipment	403,799	-	403,799
Distribution system	2,322,040	-	2,322,040
Total noncurrent assets	2,937,852	204,899	3,142,751
Total assets	\$ 3,604,986	\$ 325,568	\$ 3,930,554

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Assets - Proprietary Funds (Continued)

April 30, 2011

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Liabilities			
Current			
Accounts payable	\$ 151,627	\$ 318	\$ 151,945
Deposits	219,495	-	219,495
Deferred revenue	57,000	-	57,000
Compensated absences	14,601	-	14,601
Total current liabilities	442,723	318	443,041
Noncurrent			
Advances to/from other funds	658,642	-	658,642
Compensated absences	24,053	-	24,053
Total noncurrent liabilities	682,695	-	682,695
Total liabilities	1,125,418	318	1,125,736
Net Assets			
Invested in capital assets	2,937,852	204,899	3,142,751
Unrestricted (deficit)	(458,284)	120,351	(337,933)
Total net assets	\$ 2,479,568	\$ 325,250	\$ 2,804,818

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended April 30, 2011

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Operating revenues:			
Charges for services	\$ 2,719,029	\$ 35,035	\$ 2,754,064
Intergovernmental	80,000	-	80,000
Fines and fees	104,600	-	104,600
Other	3,085	-	3,085
Total operating revenues	2,906,714	35,035	2,941,749
Operating expenses:			
Operations	2,438,536	39,977	2,478,513
Depreciation	406,928	5,261	412,189
Total operating expenses	2,845,464	45,238	2,890,702
Operating income (loss)	61,250	(10,203)	51,047
Net assets:			
May 1, 2010	2,418,318	335,453	2,753,771
April 30, 2011	<u>\$ 2,479,568</u>	<u>\$ 325,250</u>	<u>\$ 2,804,818</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows - Proprietary Funds
Year Ended April 30, 2011

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Cash flows from operating activities			
Cash received for services	\$ 2,929,500	\$ 35,035	\$ 2,964,535
Payments to employees	(447,249)	-	(447,249)
Payments to suppliers	(1,990,555)	(39,847)	(2,030,402)
Net cash provided by (used in) operating activities	491,696	(4,812)	486,884
Cash flows from noncapital financing activities			
Decrease in due to other funds	(345,585)	-	(345,585)
Cash flows from capital financing activities			
Acquisition of capital assets	(146,176)	-	(146,176)
Net (decrease) in cash and equivalents	(65)	(4,812)	(4,877)
Cash and equivalents:			
May 1, 2010	184	125,481	125,665
April 30, 2011	\$ 119	\$ 120,669	\$ 120,788

(Continued)

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows – Proprietary Funds (Continued)

Year Ended April 30, 2011

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 61,250	\$ (10,203)	\$ 51,047
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	406,928	5,261	412,189
Changes in assets and liabilities:			
Accounts receivable	(45,199)	-	(45,199)
Deposits	10,985	-	10,985
Accounts payable	17,066	130	17,196
Deferred revenue	57,000	-	57,000
Compensated absences	(16,334)	-	(16,334)
Total adjustments	430,446	5,391	435,837
Net cash provided by (used in) operating activities	\$ 491,696	\$ (4,812)	\$ 486,884

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Combined Statement of Fiduciary Net Assets
Pension Trust Funds
April 30, 2011

Assets

Cash and cash equivalents	\$ 912,221
Investments	
Certificates of deposit	2,013,332
U.S. Treasury notes	7,506,161
U.S. Government agencies	1,395,419
Municipal bonds	298,264
Insurance contracts	1,496,099
Money market mutual funds	5,007,363
Prepays	2,968
Interest receivable	<u>23,653</u>
Total assets	18,655,480
Liabilities , accounts payable	<u>8,330</u>
Net assets held in trust for pension benefits	<u><u>\$ 18,647,150</u></u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

**Combined Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year Ended April 30, 2011**

Additions

Contributions:

Employer	\$ 1,061,479
Plan members	283,013
Total contributions	<u>1,344,492</u>

Investment income:

Net appreciation in fair value of investments	1,230,273
Dividends	37,218
Interest	169,878
Less investment expense	(27,204)
Net investment income	<u>1,410,165</u>

Total additions	<u>2,754,657</u>
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Deductions

Benefits	1,169,897
Administrative expenses	32,051
Total deductions	<u>1,201,948</u>

Net increase	1,552,709
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Net assets held in trust for pension benefits:

May 1, 2010	<u>17,094,441</u>
April 30, 2011	<u>\$ 18,647,150</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Activities

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 council-manager form of government and provides a full range of services including public safety, roads, planning, zoning, and general administrative services.

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

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.

Government-Wide and Fund Financial Statements

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

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

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

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

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

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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, Tax Incremental Financing District Palmer Lake Fund, Tax Incremental Financing District 183rd Street Fund, and Tax Incremental Financing District Hazel Crest Proper. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major proprietary fund – Waterworks and Sewerage Fund. The remaining proprietary fund is reported as a nonmajor proprietary fund.

The Village administers the following major governmental funds:

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

Tax Incremental 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.

Tax Incremental Financing District 183rd Street Fund – This fund is used to account for incremental property taxes of the tax incremental financing district in the 183rd Street Development and the use of those funds.

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

The Village administers the following major proprietary fund:

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Assets, Liabilities, and Net Assets or Equity

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.

Investments

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

Prepaid Items

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

Capital Assets

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

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

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

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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:

	<u>Estimated Useful Lives</u>
Land improvements	15 - 30 years
Buildings	40 - 50 years
Machinery and equipment	10 - 20 years
Streets	30 years
Sidewalks	10 years
Storm Sewers	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.

Unearned / 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.

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.

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.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

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.

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. Cash and Investments

Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of April 30, 2011, the carrying amount of the Village's deposits was \$918,152 with bank balances totaling \$2,094,442. All of the Village's deposits were insured or collateralized at April 30, 2011. The Village also had \$1,250 of petty cash on hand at April 30, 2011.

As of April 30, 2011, the Village had \$6,488,579 with Illinois Funds, which are considered to mature in less than one year because the weighted average maturity of the pool is less than one year.

The Illinois Funds Investment Pool is not registered with the SEC. The pool is sponsored by the Treasurer of the State of Illinois, in accordance with State law. The fair value of the position in the pool is the same as the value of the pool shares.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Investments

As of April 30, 2011, the Village had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury notes	\$ 7,506,161	\$ -	\$ 5,055,031	\$ 2,451,130	\$ -
U.S. Agencies - FHLB	288,736	-	189,050	99,686	-
U.S. Agencies - FNMA	693	693	-	-	-
U.S. Agencies - GNMA	1,105,990	8,319	-	87,281	1,010,390
Municipal bonds	298,264	-	-	133,119	165,145
Insurance contracts	1,496,099	-	1,496,099	-	-
Certificates of deposit	2,013,332	463,312	1,550,020	-	-
Money market mutual funds	5,007,363	5,007,363	-	-	-
	<u>\$ 17,716,638</u>	<u>\$ 5,479,687</u>	<u>\$ 8,290,200</u>	<u>\$ 2,771,216</u>	<u>\$ 1,175,535</u>

Interest Rate Risk. The Village's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest in investments as allowed by Illinois Compiled Statutes. As of April 30, 2011, the Village's investments in U.S. Government agencies, municipal bonds, and certificates of deposit were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Village's investments in the Illinois Funds were rated AAA by Standard & Poor's. The money market mutual funds and insurance contracts were not rated. The Village's investment policy does not address credit risk.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Concentration of Credit Risk. Concentration of credit risk is the Village's risk when more than 5 percent of the Village's investments are with a single issuer. The Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over concentration in a specific issuer or class of securities. The diversification can be by type of investment, number of institutions invested in, and length of maturity. More than 5 percent of the Village's investments are in U.S. Agencies-GNMA, Insurance Contracts, Money Market Mutual Funds, and Certificates of Deposit. These investments are 6.2%, 8.4%, 28.3%, and 11.4% respectively, of the Village's total investments.

Custodial Credit Risk Investments. For an investment, this is the risk that in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The U.S. Treasury Notes, U.S. agency securities, insurance contracts, municipal bonds, and certificates of deposit are held by the Village's agent in the Village's name. The Illinois Funds Investment Pool and Money Market Mutual Funds are not subject to custodial credit risk. The Village's investment policy does not address custodial credit risk for investments.

The previously discussed deposits of \$919,402, Illinois Funds of \$6,488,579 and investments of \$17,716,638 totaling \$25,124,619 are reported in the financial statements as follows:

Governmental and business-type activities,	
Cash and cash equivalents	\$ 6,495,760
Fiduciary Funds:	
Cash and cash equivalents	912,221
Investments:	
Certificates of deposit	2,013,332
U.S. Treasury notes	7,506,161
U.S. Government agencies	1,395,419
Municipal bonds	298,264
Insurance contracts	1,496,099
Money market mutual funds	<u>5,007,363</u>
Total	<u>\$ 25,124,619</u>

Note 3. 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 (3%) 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 available to pay current liabilities and is, therefore, shown as deferred revenue.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 4. Capital Assets

Governmental Activities

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

	Balance May 1, 2010	Additions	Retirements	Balance April 30, 2011
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 860,013	\$ -	\$ -	\$ 860,013
Right of way	1,760,980	-	-	1,760,980
Easements/open land	173,982	-	-	173,982
	<u>2,794,975</u>	-	-	<u>2,794,975</u>
Capital assets being depreciated:				
Land improvements	237,748	-	-	237,748
Buildings	2,658,408	-	-	2,658,408
Machinery and equipment	5,095,764	93,906	-	5,189,670
Streets	107,920,640	-	-	107,920,640
Sidewalks	5,179,861	-	-	5,179,861
Storm sewers	3,683,721	-	-	3,683,721
Manholes	189,109	-	-	189,109
Hydrants	290,146	-	-	290,146
Valves	42,497	-	-	42,497
Streetlights	409,393	-	-	409,393
	<u>125,707,287</u>	<u>93,906</u>	-	<u>125,801,193</u>
Less accumulated depreciation for:				
Land improvements	194,563	4,774	-	199,337
Buildings	1,688,638	58,102	-	1,746,740
Machinery and equipment	3,528,871	295,207	-	3,824,078
Streets	96,439,470	1,041,303	-	97,480,773
Sidewalks	4,775,093	50,783	-	4,825,876
Storm sewers	3,065,259	46,299	-	3,111,558
Manholes	156,716	2,528	-	159,244
Hydrants	129,661	5,835	-	135,496
Valves	38,244	576	-	38,820
Streetlights	370,292	3,531	-	373,823
	<u>110,386,807</u>	<u>1,508,938</u>	-	<u>111,895,745</u>
Capital assets being depreciated, net:				
Land improvements	43,185	(4,774)	-	38,411
Buildings	969,770	(58,102)	-	911,668
Machinery and equipment	1,566,893	(201,301)	-	1,365,592
Streets	11,481,170	(1,041,303)	-	10,439,867
Sidewalks	404,768	(50,783)	-	353,985
Storm sewers	618,462	(46,299)	-	572,163
Manholes	32,393	(2,528)	-	29,865
Hydrants	160,485	(5,835)	-	154,650
Valves	4,253	(576)	-	3,677
Streetlights	39,101	(3,531)	-	35,570
Total capital assets being depreciated, net	<u>15,320,480</u>	<u>(1,415,032)</u>	-	<u>13,905,448</u>
Governmental activities capital assets, net	<u>\$ 18,115,455</u>	<u>\$ (1,415,032)</u>	<u>\$ -</u>	<u>\$ 16,700,423</u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 4. 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, 2010	Additions	Retirements	Balance April 30, 2011
Business-type activities				
Capital assets not being depreciated,				
Land	\$ 120,337	\$ -	\$ -	\$ 120,337
Capital assets being depreciated:				
Land improvements	308,042	-	-	308,042
Buildings	472,520	-	-	472,520
Machinery and equipment	1,851,005	-	-	1,851,005
Distribution system	10,672,249	146,176	-	10,818,425
	<u>13,303,816</u>	<u>146,176</u>	<u>-</u>	<u>13,449,992</u>
Less accumulated depreciation for:				
Land improvements	140,710	7,511	-	148,221
Buildings	323,173	12,593	-	335,766
Machinery and equipment	1,378,266	68,940	-	1,447,206
Distribution system	8,173,240	323,145	-	8,496,385
	<u>10,015,389</u>	<u>412,189</u>	<u>-</u>	<u>10,427,578</u>
Capital assets being depreciated, net:				
Land improvements	167,332	(7,511)	-	159,821
Buildings	149,347	(12,593)	-	136,754
Machinery and equipment	472,739	(68,940)	-	403,799
Distribution system	2,499,009	(176,969)	-	2,322,040
Total capital assets being depreciated, net	<u>3,288,427</u>	<u>(266,013)</u>	<u>-</u>	<u>3,022,414</u>
Business-type activities capital assets, net	<u>\$ 3,408,764</u>	<u>\$ (266,013)</u>	<u>\$ -</u>	<u>\$ 3,142,751</u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Depreciation Charged to Functions / Activities

Depreciation was charged to functions/activities as follows:

Governmental activities:

General services	\$ 42,569
Public works	1,408,430
Public safety	57,939
Total depreciation expense - governmental activities	<u>\$ 1,508,938</u>

Business-type activities:

Waterworks and sewerage	\$ 406,928
Commuter parking lot	5,261
Total depreciation expense - business-type activities	<u>\$ 412,189</u>

Note 5. 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, 2011:

	Outstanding Obligations as of May 1, 2010	Additions	Reductions	Outstanding Obligations as of April 30, 2011	Due within one year
General obligation bonds	\$ 1,680,000	\$ -	\$ 140,000	\$ 1,540,000	\$ 125,000
General obligation debt certificates	477,000	-	50,000	427,000	50,000
Tax incremental revenue notes	330,061	-	263,157	66,904	66,904
Notes payable	728,616	-	73,217	655,399	75,438
Compensated absences	549,873	430,228	470,602	509,499	295,437
Net pension obligation	163,152	48,664	72,108	139,708	-
Other postemployment benefits	1,152,116	995,242	171,716	1,975,642	-
	<u>\$ 5,080,818</u>	<u>\$ 1,474,134</u>	<u>\$ 1,240,800</u>	<u>\$ 5,314,152</u>	<u>\$ 612,779</u>

Compensated absences, net pension obligation, and other postemployment benefits are typically liquidated by the General Fund.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 5. 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, 2011:

	Outstanding Obligations as of May 1, 2010	Additions	Reductions	Outstanding Obligations as of April 30, 2011	Due within one year
Compensated absences	\$ 54,988	\$ 22,016	\$ 38,350	\$ 38,654	\$ 14,601

Outstanding obligations for both governmental and business-type activities as of April 30, 2011 consist of the following:

General obligation bonds:

General obligation bonds, Series 2006 dated December 1, 2006. Principal is due in semi-annual installments on June 1 and December 1 in varying amounts through 2021. Interest is due in semi-annual installments on June 1 and December 1 at rates from 3.7% to 3.85%. \$ 1,540,000

General obligation debt certificates:

General obligation debt certificates, series 2005 dated April 26, 2005. Principal due in annual installments of \$50,000 through 2019 and \$27,000 in 2020. Interest is variable. 427,000

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 (3.25% at April 30, 2011) plus 2% and is paid with the notes as incremental property taxes become available. All notes still outstanding on June 27, 2011 will be canceled. 66,904

Notes payable:

Note payable due in annual installments on December 31 in the amount of \$15,769 through 2017. The note is interest free. 110,388

Notes payable due in semi-annual installments on June 30 and December 31 in varying amounts through 2013 with a final balloon payment in 2014. Interest is 3.83%. 545,011

Compensated absences, governmental activities 509,499

Compensated absences, business-type activities 38,654

Net pension obligation 139,708

Other postemployment benefits 1,975,642

Total long-term obligations \$ 5,352,806

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

The future debt service requirements to amortize the outstanding debt that has stated principal and interest maturities are as follows:

Fiscal Year	Governmental Activities					
	General Obligation Bonds		Debt Certificates		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 125,000	\$ 57,850	\$ 50,000	\$ 16,226	\$ 75,438	\$ 20,300
2013	135,000	53,225	50,000	14,326	77,745	17,993
2014	140,000	48,230	50,000	12,426	439,135	17,080
2015	145,000	43,050	50,000	10,526	15,769	-
2016	150,000	37,685	50,000	8,626	15,769	-
2017	155,000	32,135	50,000	6,726	15,769	-
2018	160,000	26,400	50,000	4,826	15,774	-
2019	170,000	20,320	50,000	2,926	-	-
2020	175,000	13,860	27,000	1,026	-	-
2021	185,000	7,123	-	-	-	-
	<u>\$ 1,540,000</u>	<u>\$ 339,878</u>	<u>\$ 427,000</u>	<u>\$ 77,634</u>	<u>\$ 655,399</u>	<u>\$ 55,374</u>

Interest on the variable-rate general obligation bonds is paid at the Bank of New York corporate rate and is reset weekly. The interest rate was 0.50 percent at April 30, 2011.

Note 6. Pension and Retirement Plan Commitments

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

Illinois Municipal Retirement Fund

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for fiscal year 2011 was 9.48 percent of annual covered payroll. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

The Village's annual pension cost and net pension obligation to the plan for fiscal year 2011 were as follows:

Annual required contribution	\$ 249,960
Interest on net pension obligation	1,982
Adjustment to annual requirement contribution	<u>1,417</u>
Annual pension cost	253,359
Contributions made	<u>204,695</u>
Increase in net pension obligation	48,664
Net pension obligation, beginning of year	<u>25,350</u>
Net pension obligation, end of year	<u><u>\$ 74,014</u></u>

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
04/30/11	\$ 204,695	100 %
04/30/10	230,861	100
04/30/09	213,385	100

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 43.13 percent funded. The actuarial accrued liability for benefits was \$7,213,630 and the actuarial value of assets was \$3,111,573, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,102,057. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$2,268,797 and the ratio of the UAAL to the covered payroll was 181 percent. In conjunction with the December 2010 actuarial valuation, the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. In 2011, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Sheriff's Law Enforcement Personnel

Plan Description. The Village's defined benefit pension plan for Sheriff's Law Enforcement Personnel (SLEP) employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Village's regular plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for fiscal year 2011 was 12.44 percent of annual covered payroll. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year 2011, the Village's annual pension cost of \$12,531 for the Regular plan was equal to the Village's required and actual contributions.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	
04/30/11	\$ 12,531	100	%
04/30/10	-	100	
04/30/09	-	100	

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of the Village's SLEP plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's SLEP plan's overfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on a open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the SLEP's plan was 219.96 percent funded. The actuarial accrued liability for benefits was \$24,537 and the actuarial value of assets was \$53,971, resulting in an overfunded actuarial accrued liability (UAAL) of \$29,434. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$100,093. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Plan

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

Covered employees are currently required to contribute 9.91 percent 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, 2010 was 37.59 percent 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 most recent actuarial valuation date was April 30, 2010.

The Village's annual pension cost and net pension obligation/asset to the Plan for the year ended April 30, 2011, were as follows:

Annual required contribution	\$ 610,555
Interest on net pension obligation	-
Adjustment to annual requirement contribution	115,566
Annual pension cost	<u>726,121</u>
Contributions made	<u>726,121</u>
Decrease in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ -</u></u>

The annual required contribution for the year ended April 30, 2011, was determined as part of the April 30, 2010, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0 percent investment rate of return, (b) projected salary increases of 5.0 percent, (c) 3.0 percent per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0 percent. 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, 2010, was 23 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/11	\$ 726,121	\$ 726,121	100.0 %	\$ -
04/30/10	577,767	651,237	112.7	-
04/30/09	463,583	469,211	101.2	73,470

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

The funded status of the Police Pension Plan as of April 30, 2010, the most recent actuarial valuation, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
4/30/2010	\$ 11,902,693	\$ 20,013,788	\$ 8,111,095	59.5 %	\$ 1,732,405	468.2 %

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability.

Membership in the plan consisted of the following as of April 30, 2010:

Retirees and beneficiaries receiving benefits	20
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	12
Active nonvested plan members	16
	49
	49

Firefighters' Pension Plan

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

Covered employees are required to contribute 9.455 percent 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, 2010, was 23.40 percent 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 most recent actuarial valuation date was April 30, 2010.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2011, were as follows:

Annual required contribution	\$ 252,915
Interest on net pension obligation	10,335
Adjustment to annual requirement contribution	-
Annual pension cost	<u>263,250</u>
Contributions made	<u>335,358</u>
Decrease in net pension obligation	(72,108)
Net pension obligation, beginning of year	<u>137,802</u>
Net pension obligation, end of year	<u><u>\$ 65,694</u></u>

The annual required contribution for the year ended April 30, 2011, was determined as part of the April 30, 2010, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.5 percent investment rate of return, (b) projected salary increases of 5.5 percent, and (c) 3.0 percent per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0 percent. 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, 2010, was 23 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/11	\$ 263,250	\$ 335,358	127.4 %	\$ 65,694
04/30/10	239,740	274,745	114.6	137,802
04/30/09	280,664	200,012	71.3	172,807

The funded status of the Firefighters' Pension Plan as of April 30, 2010, the most recent actuarial valuation, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
04/30/2010	\$ 5,191,747	\$ 6,727,510	\$ 1,535,763	77.2 %	\$ 1,173,806	130.8 %

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Membership in the plan consisted of the following as of April 30, 2010:

Retirees and beneficiaries receiving benefits	5
Terminated plan members entitled to but not yet receiving benefits	2
Active vested plan members	4
Active nonvested plan members	15
	26
	26

Combining Statement of Fiduciary Net Assets

Pension Trust Funds

April 30, 2011

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 906,908	\$ 5,313	\$ 912,221
Investments:			
Certificates of deposit	300,026	1,713,306	2,013,332
U.S. Treasury notes	7,506,161	-	7,506,161
U.S. Government agencies	8,319	1,387,100	1,395,419
Municipal bonds	-	298,264	298,264
Insurance contracts	1,496,099	-	1,496,099
Money market mutual funds	2,558,449	2,448,914	5,007,363
Prepays	-	2,968	2,968
Interest receivable	-	23,653	23,653
	12,775,962	5,879,518	18,655,480
Total assets			
Liabilities , accounts payable	5,330	3,000	8,330
	12,770,632	5,876,518	18,647,150
Net assets held in trust for pension benefits	\$ 12,770,632	\$ 5,876,518	\$ 18,647,150

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Combining Statement of Changes in Fiduciary Net Assets

Pension Trust Funds

Year Ended April 30, 2011

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 726,121	\$ 335,358	\$ 1,061,479
Plan members	178,528	104,485	283,013
Total contributions	904,649	439,843	1,344,492
Investment income:			
Net appreciation in fair value of investments	887,834	342,439	1,230,273
Dividends	37,218	-	37,218
Interest	35,536	134,342	169,878
Less investment expense	(16,566)	(10,638)	(27,204)
Net investment income	944,022	466,143	1,410,165
Total additions	1,848,671	905,986	2,754,657
Deductions			
Benefits	967,038	202,859	1,169,897
Administrative expenses	13,694	18,357	32,051
Total deductions	980,732	221,216	1,201,948
Net increase	867,939	684,770	1,552,709
Net assets held in trust for pension benefits:			
May 1, 2010	11,902,693	5,191,748	17,094,441
April 30, 2011	\$ 12,770,632	\$ 5,876,518	\$ 18,647,150

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 7. Risk Management

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

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

The Village purchases commercial insurance to cover its employees for health 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 8. Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. The Plan allows eligible employees to defer a portion of their compensation up to \$13,000. Such accruals accumulate on a tax-deferred basis until the employee withdraws the funds. There were no contributions to the plan by the Village for the year ended April 30, 2011.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 9. Other Fund Disclosures (FFS Level Only)

(a) Due To/From Other Funds

Individual fund interfund receivable and payable balances as of April 30, 2011, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>
General Fund	
Nonmajor Governmental Fund, Limited Tax Bonds	<u>\$ 64,235</u>

<u>Fund</u>	<u>Due To Other Funds</u>
Nonmajor Governmental Fund, Limited Tax Bonds	
General Fund	<u>\$ 64,235</u>

Interfund due to/from other funds reflect operating loans which are expected to be repaid in the following fiscal year.

(b) Advances To/From Other Funds

<u>Fund</u>	<u>Advances From Other Funds</u>
General Fund	
Waterworks and Sewerage Fund	<u>\$ 658,642</u>

<u>Fund</u>	<u>Advances To Other Funds</u>
Waterworks and Sewerage Fund	
General Fund	<u>\$ 658,642</u>

Advances to/from other funds reflect operating loans which are not expected to be repaid in the following fiscal year.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 9. Other Fund Disclosures (FFS Level Only) (Continued)

(c) Deficit Fund Balance

The Limited Bond Fund had a deficit fund balance of \$61,212 for the year ended April 30, 2011. The Village plans to eliminate this deficit with future property tax revenues.

Note 10. Postemployment Healthcare Plan

Plan Description. The Village provides postretirement healthcare benefits to all employees with a minimum of 20 years of service who retire from the Village that were in the plan prior to retiring. This is a single-employer plan. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements. Retirees receive coverage under the Village's health plan with an employer contribution rate of 92.5 percent of the premiums for the coverage elected by the employee and 25 percent of the premiums for coverage elected by dependents. For fiscal year 2011, the Village contributed \$171,716 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Village's net OPEB obligation at April 30, 2011 is included as a liability on the Statement of Net Assets as "other postemployment benefits." The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2011, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	\$ 1,011,081
Interest on net OPEB obligation	51,845
Adjustment to annual required contribution	(67,684)
Annual OPEB cost (expense)	<u>995,242</u>
Contributions made	<u>171,716</u>
Increase in net OPEB obligation	823,526
Net OPEB obligation, beginning of year	<u>1,152,116</u>
Net OPEB obligation, end of year	<u><u>\$ 1,975,642</u></u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 10. Postemployment Healthcare Plan (Continued)

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/11	\$ 995,242	17.3 %	\$ 1,975,642
04/30/10	727,595	23.1	1,152,116
04/30/09	727,595	18.6	592,390

Funded Status and Funding Progress. As of April 30, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$9,566,603, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of (\$9,566,603). The covered payroll (annual payroll of active employees covered by the plan) was \$6,381,866 and the ratio of the UAAL to the covered payroll was 149.9 percent.

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

Actuarial Methods and Assumptions. In the April 30, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2011 was 30 years.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 11. New Governmental Accounting Standards

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be effective for the Village beginning with its year ending April 30, 2012. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, will be effective for the Village with its year ended April 30, 2013. This statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit plans.

GASB Statement No. 59, *Financial Instrument Omnibus*, will be effective for the Village with its year ended April 30, 2012. This statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, will be effective for the Village beginning with its year ending April 30, 2013. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, will be effective for the Village beginning with its year ending April 30, 2014. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the Village beginning with its year ending April 30, 2013. This Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that was previously included in certain other non-GASB literature issued before November 30, 1989.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will be effective for the Village with its year ended April 30, 2013. This statement standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 11. New Governmental Accounting Standards (Continued)

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*, will be effective for the Village with its year ended April 30, 2013. This statement enhances comparability and improves financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these statements on its financial statements.

Required Supplementary Information

Village of Hazel Crest, Illinois

**Required Supplementary Information
Schedule of Funding Progress - Illinois Municipal Retirement Fund**

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)
12/31/2010	\$ 3,111,573	\$ 7,213,630	\$ 4,102,057	43.13 %	\$ 2,268,797	180.80 %
12/31/2009	7,393,630	9,858,170	2,464,540	75.00	2,564,900	96.09
12/31/2008	6,852,050	8,555,244	1,703,194	80.09	2,333,668	72.98

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$3,593,958. On a market basis, the funded ratio would be 49.82 percent.

Schedule of Funding Progress – Sheriff’s Law Enforcement Personnel

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Overfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Overfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2010	\$ 53,971	\$ 24,537	\$ (29,434)	219.96 %	\$ 100,093	(29.41)
12/31/2009	-	-	-	-	-	-
12/31/2008	-	-	-	-	-	-

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$56,198. On a market basis, the funded ratio would be 229.03 percent.

Village of Hazel Crest, Illinois

**Required Supplementary Information
Police Pension Fund**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Underfunded AAL as a Percentage of Covered Payroll [(b-a)/c]
04/30/2010	\$ 11,902,693	\$ 20,013,788	\$ 8,111,095	59.5 %	\$ 1,732,405	468.2 %
04/30/2009	11,086,258	18,815,504	7,729,246	58.9	1,676,956	460.9
04/30/2008	11,690,207	18,219,673	6,529,466	64.2	1,619,428	403.2

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
04/30/2010	\$ 610,555	118.9 %
04/30/2009	565,393	115.2
04/30/2008	564,962	101.2
04/30/2007	461,857	103.3
04/30/2006	353,143	124.2
04/30/2005	337,456	119.2

Village of Hazel Crest, Illinois

**Required Supplementary Information
Firefighters' Pension Fund**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) Underfunded AAL as a Percentage of Covered Payroll [(b-a)/c]
04/30/2010	\$ 5,191,747	\$ 6,727,510	\$ 1,535,763	77.2 %	\$ 1,173,806	130.8 %
04/30/2009	4,341,352	6,172,319	1,830,967	70.3	1,164,144	157.3
04/30/2008	4,766,552	5,629,187	862,635	84.7	1,100,717	78.4

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
04/30/2010	\$ 252,915	132.6 %
04/30/2009	239,740	114.6
04/30/2008	280,664	71.3
04/30/2007	220,970	87.7
04/30/2006	178,105	48.4
04/30/2005	157,120	122.3

Village of Hazel Crest, Illinois

**Required Supplementary Information
Postemployment Healthcare Plan**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
04/30/2011	\$ -	\$ 9,566,603	\$ 9,566,603	-	\$ 6,381,866	149.9 %
04/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
04/30/2009	-	7,771,099	7,771,099	-	6,725,389	115.5

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
04/30/2011	\$ 1,011,081	17.0 %
04/30/2010	727,595	23.1
04/30/2009	727,595	18.6

N/A - The Village did not have actuarial valuations performed in this year

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Revenues
 Budget and Actual
 Year Ended April 30, 2011

	Original and Final Budget	Actual	Over (Under) Budget
Property taxes	\$ 4,925,435	\$ 4,687,017	\$ (238,418)
Other taxes:			
Utility	1,200,000	1,147,933	(52,067)
Home rule fuel tax	75,000	74,520	(480)
Home rule sales tax	310,000	295,852	(14,148)
Amusement	4,000	1,363	(2,637)
Total other taxes	1,589,000	1,519,668	(69,332)
Intergovernmental:			
Replacement	30,000	35,185	5,185
Sales	550,000	499,732	(50,268)
Income tax	1,320,000	1,477,268	157,268
E-Com revenue	-	135,031	135,031
Total intergovernmental	1,900,000	2,147,216	247,216
Fines, fees and permits:			
Vehicle licences penalties	18,500	15,526	(2,974)
Illinois red speed	120,000	19,482	(100,518)
Overweight Truck Enforcement	81,000	-	(81,000)
Finance charges	300	187	(113)
Plan reviews	20,000	15,641	(4,359)
Franchise fees	28,000	69,422	41,422
Circuit court fines	107,000	76,327	(30,673)
Ambulance fees	330,000	326,466	(3,534)
Inspections	162,391	100,712	(61,679)
Cable television franchise fees	118,000	120,991	2,991
Contractor registration	86,400	47,500	(38,900)
Alarm violations	5,000	3,978	(1,022)
Refuse removal penalties	35,000	36,979	1,979
Total fines, fees and permits	1,111,591	833,211	(278,380)

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Revenues
 Budget and Actual (Continued)
 Year Ended April 30, 2011

	Original and Final Budget	Actual	Over (Under) Budget
Licenses:			
Raffle licenses	\$ 25	\$ -	\$ (25)
Liquor	6,620	5,158	(1,462)
Vehicles	221,000	188,824	(32,176)
Business	91,225	44,543	(46,682)
Pet	650	615	(35)
Building permits	73,000	73,551	551
Total licenses	392,520	312,691	(79,829)
Charges for services:			
Refuse removal revenue	909,000	908,036	(964)
Motor fuel tax equipment rental	95,000	95,000	-
Billboard rental	40,800	40,800	-
Crime free class fee	-	4,825	4,825
Total service charges	1,044,800	1,048,661	3,861
TIF rebate	125,000	180,101	55,101
Interest	13,000	21,466	8,466
Miscellaneous:			
Employee health insurance contributions	100,640	90,450	(10,190)
IRMA refund	-	12,253	12,253
Bad debt recovery	-	53,161	53,161
Municipal center leases	130,825	120,868	(9,957)
State highway maintenance	39,000	34,245	(4,755)
Sidewalk/tree replacement	-	280	280
Miscellaneous	146,360	150,760	4,400
Total miscellaneous	416,825	462,017	45,192
Total revenues	\$ 11,518,171	\$ 11,212,048	\$ (306,123)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual
 Year Ended April 30, 2011

	Original and Final Budget	Actual	Over (Under) Budget
General Government:			
General services:			
Personnel:			
Salaries	\$ 249,518	\$ 363,283	\$ 113,765
FICA	19,089	17,531	(1,558)
IMRF	22,956	26,925	3,969
Employee insurance	23,350	25,585	2,235
Retiree insurance	159,577	171,716	12,139
Total personnel	474,490	605,040	130,550
Maintenance:			
Maintenance building/grounds	11,000	8,401	(2,599)
Maintenance equipment	12,500	15,602	3,102
Total maintenance	23,500	24,003	503
Contractual services:			
FSA expense	3,000	569	(2,431)
Cleaning services	16,600	7,782	(8,818)
Economic development incentives	17,000	17,970	970
Payroll fees	8,500	8,460	(40)
Telephone	70,000	79,392	9,392
Utilities	4,000	3,222	(778)
Refuse removal/company	775,000	779,306	4,306
Police pension contributions	707,431	726,078	18,647
Fire pension contributions	324,173	335,358	11,185
Travel	500	243	(257)
Grant Interest Reimbursement	-	(37)	(37)
Legal	75,000	95,477	20,477
Accounting	50,000	48,549	(1,451)
Consultants	184,500	230,651	46,151
Adjudication hearing officer	5,000	-	(5,000)
Training and conferences	500	258	(242)
Dues and subscriptions	9,500	9,499	(1)
Tuition reimbursement	1,000	711	(289)
Total contractual services	2,251,704	2,343,488	91,784
Commodities:			
E-Com	315,000	459,856	144,856
Office Supplies	19,500	16,517	(2,983)
Boards and commissions	7,500	5,839	(1,661)
Recruitment/testing	11,000	12,325	1,325
Bad debts	37,000	34,967	(2,033)
Bank service charges	5,500	851	(4,649)
Sundry	5,000	3,739	(1,261)
Summer youth program	-	296	296
Village events	3,500	14,177	10,677
Trustee expenses	15,000	10,083	(4,917)
Miscellaneous expense	2,500	7,074	4,574
Total commodities	421,500	565,724	144,224
Total general services	3,171,194	3,538,255	367,061

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2011

	Original and Final Budget	Actual	Over (Under) Budget
General government: (continued)			
Administrative office:			
Personnel:			
Salaries	\$ 175,395	\$ 165,697	\$ (9,698)
FICA	13,418	11,801	(1,617)
IMRF	16,136	12,568	(3,568)
Employee insurance	10,310	10,679	369
Total personnel	<u>215,259</u>	<u>200,745</u>	<u>(14,514)</u>
Maintenance:			
Maintenance equipment	<u>21,000</u>	<u>12,606</u>	<u>(8,394)</u>
Contractual services:			
Postage	14,000	12,997	(1,003)
Printing	8,000	5,415	(2,585)
Total contractual services	<u>22,000</u>	<u>18,412</u>	<u>(3,588)</u>
Commodities:			
Office supplies	<u>8,000</u>	<u>4,066</u>	<u>(3,934)</u>
Total administrative office	<u>266,259</u>	<u>235,829</u>	<u>(30,430)</u>
Communications and Community Relations:			
Personnel:			
Salaries	18,200	21,560	3,360
FICA	1,392	1,737	345
Total personnel	<u>19,592</u>	<u>23,297</u>	<u>3,705</u>
Contractual services:			
Consultants	92,400	102,190	9,790
Villager	13,418	7,331	(6,087)
Pace bus	1,200	1,441	241
Total contractual services	<u>107,018</u>	<u>110,962</u>	<u>3,944</u>
Commodities:			
Office supplies	3,350	574	(2,776)
Utilities	900	790	(110)
Sundry	200	1,196	996
Total commodities	<u>4,450</u>	<u>2,560</u>	<u>(1,890)</u>
Total communications and community relations	<u>131,060</u>	<u>136,819</u>	<u>5,759</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2011

	Original and Final Budget	Actual	Over (Under) Budget
Insurance:			
Personnel:			
State unemployment insurance	\$ 20,000	\$ 35,461	\$ 15,461
Workers' compensation	370,000	244,431	(125,569)
Total personnel	<u>390,000</u>	<u>279,892</u>	<u>(110,108)</u>
Contractual services:			
Insurance	370,000	274,074	(95,926)
Training and conferences	2,000	662	(1,338)
Total contractual services	<u>372,000</u>	<u>274,736</u>	<u>(97,264)</u>
Commodities:			
Risk management	40,175	6,303	(33,872)
Loss fund	12,000	1,771	(10,229)
Uniforms	25,980	1,676	(24,304)
Total commodities	<u>78,155</u>	<u>9,750</u>	<u>(68,405)</u>
Total insurance	<u>840,155</u>	<u>564,378</u>	<u>(275,777)</u>
Total general government	<u>4,408,668</u>	<u>4,475,281</u>	<u>66,613</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2011

	Original and Final Budget	Actual	Over (Under) Budget
Public works:			
Personnel:			
Salaries	\$ 496,010	\$ 644,715	\$ 148,705
FICA	32,840	50,022	17,182
IMRF	39,494	65,948	26,454
Employee insurance	73,600	84,785	11,185
Total personnel	641,944	845,470	203,526
Maintenance:			
Maintenance building/grounds	1,750	(666)	(2,416)
Maintenance/equipment	126,500	141,081	14,581
Maintenance/other	13,000	12,624	(376)
Trees	2,000	875	(1,125)
Streets	5,000	4,115	(885)
Total maintenance	148,250	158,029	9,779
Contractual services:			
Garbage disposal	7,000	1,902	(5,098)
Communications	250	687	437
Utilities	14,000	53,490	39,490
Rental	2,000	3,985	1,985
Travel	50	(5)	(55)
Printing	700	584	(116)
Consultants	10,000	9,003	(997)
Training and conferences	-	116	116
Dues and subscriptions	750	432	(318)
Total contractual services	34,750	70,194	35,444
Commodities:			
Office supplies	2,000	1,615	(385)
Other supplies	1,500	1,852	352
Uniforms	7,000	4,615	(2,385)
Gas and oil	39,100	39,805	705
Sundry	500	29	(471)
Total commodities	50,100	47,916	(2,184)
Total public works	875,044	1,121,609	246,565

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2011

	Original and Final Budget	Actual	Over (Under) Budget
Public safety:			
Police:			
Personnel:			
Salaries	\$ 2,768,897	\$ 2,737,745	\$ (31,152)
FICA	210,597	205,556	(5,041)
IMRF	36,742	37,031	289
Employee insurance	416,850	376,746	(40,104)
Total personnel	3,433,086	3,357,078	(76,008)
Maintenance:			
Maintenance equipment	44,300	36,936	(7,364)
Contractual services:			
Communications	11,120	7,440	(3,680)
Cleaning services	-	7,782	7,782
Printing	2,500	1,890	(610)
Consultants	10,675	10,394	(281)
Adjudication hearing officer	3,600	3,150	(450)
Training and conferences	24,119	19,782	(4,337)
Dues and subscriptions	5,000	6,721	1,721
Total contractual services	57,014	57,159	145
Commodities:			
Office supplies	4,500	3,716	(784)
Other supplies	19,100	14,760	(4,340)
Uniforms	27,075	26,949	(126)
Canine supplies	2,500	2,037	(463)
Prisoner needs	2,000	2,196	196
Gas and oil	90,000	98,634	8,634
Animal control	3,300	3,621	321
Sundry	2,000	2,802	802
Total commodities	150,475	154,715	4,240
Total police	3,684,875	3,605,888	(78,987)

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2011

	Original and Final Budget	Actual	Over (Under) Budget
Public Safety: (continued)			
Fire:			
Personnel:			
Salaries	\$ 1,327,259	\$ 1,344,162	\$ 16,903
FICA	101,437	100,646	(791)
IMRF	7,034	2,043	(4,991)
Employee insurance	260,322	216,308	(44,014)
Total personnel	1,696,052	1,663,159	(32,893)
Maintenance:			
Maintenance buildings/grounds	9,000	6,788	(2,212)
Maintenance equipment	53,000	30,702	(22,298)
Total maintenance	62,000	37,490	(24,510)
Contractual services:			
Communications	3,000	143	(2,857)
Rental	9,350	9,207	(143)
Postage	2,000	1,012	(988)
Printing	3,500	1,338	(2,162)
Fire prevention	2,000	-	(2,000)
Consultants	30,000	25,097	(4,903)
Training and conferences	75,532	5,240	(70,292)
Dues and subscriptions	9,500	9,090	(410)
Total contractual services	134,882	51,127	(83,755)
Commodities:			
Office supplies	5,000	2,770	(2,230)
Other supplies	9,410	6,297	(3,113)
Uniforms	10,000	11,967	1,967
Gas and oil	10,000	11,878	1,878
Sundry	500	310	(190)
Total commodities	34,910	33,222	(1,688)
Total fire	1,927,844	1,784,998	(142,846)
Inspection:			
Personnel:			
Salaries	202,935	266,824	63,889
FICA	15,525	20,163	4,638
IMRF	18,670	26,341	7,671
Employee insurance	41,815	31,387	(10,428)
Total personnel	278,945	344,715	65,770
Maintenance:			
Grass cutting	41,000	12,291	(28,709)
Maintenance equipment	-	4,996	4,996
Total maintenance	41,000	17,287	(23,713)
Contractual services:			
Legal	4,500	680	(3,820)
Consultants	47,000	50,412	3,412
Printing	1,500	3,974	2,474
Postage	6,000	1	(5,999)
Total contractual services	59,000	55,067	(3,933)
Commodities:			
Dues and subscriptions	8,400	939	(7,461)
Office supplies	2,000	864	(1,136)
Other supplies	-	15	15
Uniforms	1,000	501	(499)
Gas and oil	5,000	-	(5,000)
Sundry	100	-	(100)
Total commodities	16,500	2,319	(14,181)
Total inspection	395,445	419,388	23,943
Total fire	2,323,289	2,204,386	(118,903)

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2011

	Original and Final Budget	Actual	Over (Under) Budget
Public Safety: (continued)			
Civil Defense:			
Maintenance:			
Maintenance equipment	\$ 3,000	\$ -	\$ (3,000)
Contractual services:			
Communications	1,000	-	(1,000)
Dues and subscriptions	1,000	-	(1,000)
	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total civil defense	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total public safety	<u>6,013,164</u>	<u>5,810,274</u>	<u>(202,890)</u>
Capital Outlay:			
General government	39,665	32,150	(7,515)
Public works	49,700	36,784	(12,916)
Public safety	92,500	96,508	4,008
Total capital outlay	<u>181,865</u>	<u>165,442</u>	<u>(16,423)</u>
Total expenditures	<u>\$ 11,478,741</u>	<u>\$ 11,572,606</u>	<u>\$ 93,865</u>

Village of Hazel Crest, Illinois

Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The original budget was not amended during the current year.

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

- a) Village Manager submits to the Village Board of Trustees a proposed operating budget ordinance, which serves as a budget, for the fiscal year commencing the following May 1. The operating budget ordinance includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the Village to obtain taxpayer comments.
- c) Subsequently, the budget is legally enacted through passage of an ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general, special revenue, debt service and capital projects funds.
- e) Budgets for the general, special revenue, debt service and the capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- f) Budgetary authority lapses at year-end.
- g) State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action.
- h) Budgeted amounts are as originally adopted.
- i) The Village adopts an annual appropriated budget for 5 of its funds. No budgets were prepared for any TIF Funds, the Community Development Block Grant Fund or the Capital Projects Fund.

Excess of Expenditures Over Budget

The following funds overexpended their budgets by the following amounts during the year ended April 30, 2011 as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
General	\$ 11,478,741	\$ 11,572,606
Motor Fuel Tax	341,004	709,731
Commuter Parking Lot	43,500	45,238

Supplementary Information

Governmental Funds – Combining Statements

Village of Hazel Crest, Illinois

Nonmajor Governmental Funds
 Combining Balance Sheet
 April 30, 2011

	Special Revenue (MFT)	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	\$ 541,396	\$ 188,486	\$ 1,352,511	\$ 2,082,393
Receivables:				
Property taxes	-	214,464	-	214,464
Accounts	-	-	4,946	4,946
Intergovernmental	56,802	-	-	56,802
Total assets	\$ 598,198	\$ 402,950	\$ 1,357,457	\$ 2,358,605
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 54,038	\$ 1,098	\$ 4,946	\$ 60,082
Due to other funds	-	64,235	-	64,235
Deferred revenue	26,223	208,549	-	234,772
Total liabilities	80,261	273,882	4,946	359,089
Fund Balances				
Reserved for debt service	-	129,068	-	129,068
Unreserved	517,937	-	1,352,511	1,870,448
Total fund balances	517,937	129,068	1,352,511	1,999,516
Total liabilities and fund balances	\$ 598,198	\$ 402,950	\$ 1,357,457	\$ 2,358,605

Village of Hazel Crest, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended April 30, 2011**

	Special Revenue (MFT)	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ 329,773	\$ 13,572	\$ 343,345
Intergovernmental	374,818	-	94,251	469,069
Capital contributions	280,156	-	-	280,156
Miscellaneous	72,077	-	-	72,077
Total revenues	727,051	329,773	107,823	1,164,647
Expenditures				
Current,				
General services	282,227	-	10,000	292,227
Debt service:				
Principal	-	247,163	-	247,163
Interest and fees	-	93,717	-	93,717
Capital outlay	427,504	-	259,006	686,510
Total expenditures	709,731	340,880	269,006	1,319,617
Change in fund balances	17,320	(11,107)	(161,183)	(154,970)
Fund balances:				
May 1, 2010	500,617	140,175	1,513,694	2,154,486
April 30, 2011	\$ 517,937	\$ 129,068	\$ 1,352,511	\$ 1,999,516

Village of Hazel Crest, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
Nonmajor Special Revenue Funds - All Funds for Which Budgets Have Been Adopted
Year Ended April 30, 2011

	MFT	
	Budget	Actual
Revenues:		
Intergovernmental	\$ 365,000	\$ 374,818
Capital contributions	-	280,156
Miscellaneous	8,000	72,077
Total revenues	<u>373,000</u>	<u>727,051</u>
Expenditures:		
Current:		
General government	341,004	282,227
Capital outlay	-	427,504
Total expenditures	<u>341,004</u>	<u>709,731</u>
Change in fund balance	<u>\$ 31,996</u>	17,320
Fund balances:		
May 1, 2010		<u>500,617</u>
April 30, 2011		<u>\$ 517,937</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet
 Nonmajor Debt Service Funds
 April 30, 2011

	Limited Tax Bonds	Fire Equipment Notes	2005 Capital Projects	Total
Assets				
Cash	\$ -	\$ 22,184	\$ 166,302	\$ 188,486
Property taxes receivable	107,878	47,805	58,781	214,464
Total assets	\$ 107,878	\$ 69,989	\$ 225,083	\$ 402,950
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,098	\$ 1,098
Due to general fund	64,235	-	-	64,235
Deferred revenue	104,855	46,508	57,186	208,549
Total liabilities	169,090	46,508	58,284	273,882
Fund Balances				
Unreserved	(61,212)	-	-	(61,212)
Reserved	-	23,481	166,799	190,280
Total fund balances	(61,212)	23,481	166,799	129,068
Total liabilities and fund balances	\$ 107,878	\$ 69,989	\$ 225,083	\$ 402,950

Village of Hazel Crest, Illinois

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended April 30, 2011**

	Limited Tax Bonds	Fire Equipment Notes	2005 Capital Projects	Total
Revenues:				
Property taxes	\$ 173,906	\$ 67,090	\$ 88,777	\$ 329,773
Total revenues	<u>173,906</u>	<u>67,090</u>	<u>88,777</u>	<u>329,773</u>
Expenditures, debt service:				
Principal	140,000	57,163	50,000	247,163
Interest and fees	63,404	22,807	7,506	93,717
Total expenditures	<u>203,404</u>	<u>79,970</u>	<u>57,506</u>	<u>340,880</u>
Change in fund balances	(29,498)	(12,880)	31,271	(11,107)
Fund balances (deficits):				
May 1, 2010	<u>(31,714)</u>	<u>36,361</u>	<u>135,528</u>	<u>140,175</u>
April 30, 2011	<u>\$ (61,212)</u>	<u>\$ 23,481</u>	<u>\$ 166,799</u>	<u>\$ 129,068</u>

Village of Hazel Crest, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 Nonmajor Debt Service Funds
 Year Ended April 30, 2011

	Limited Tax Bonds		Fire Equipment Notes		2005 Capital Projects		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:								
Property taxes	\$ 224,039	\$ 173,906	\$ 81,111	\$ 67,090	\$ 110,013	\$ 88,777	\$ 415,163	\$ 329,773
Total revenues	<u>224,039</u>	<u>173,906</u>	<u>81,111</u>	<u>67,090</u>	<u>110,013</u>	<u>88,777</u>	<u>415,163</u>	<u>329,773</u>
Expenditures, debt service:								
Principal	208,210	140,000	82,252	57,163	68,126	50,000	358,588	247,163
Interest and fees	-	63,404	-	22,807	-	7,506	-	93,717
Total expenditures	<u>208,210</u>	<u>203,404</u>	<u>82,252</u>	<u>79,970</u>	<u>68,126</u>	<u>57,506</u>	<u>358,588</u>	<u>340,880</u>
Change in fund balances	<u>\$ 15,829</u>	(29,498)	<u>\$ (1,141)</u>	(12,880)	<u>\$ 41,887</u>	31,271	<u>\$ 56,575</u>	(11,107)
Fund balances (deficits):								
May 1, 2010		<u>(31,714)</u>		<u>36,361</u>		<u>135,528</u>		<u>140,175</u>
April 30, 20101		<u>\$ (61,212)</u>		<u>\$ 23,481</u>		<u>\$ 166,799</u>		<u>\$ 129,068</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 April 30, 2011

	Capital Projects	Community Development Block Grant	Tax Incremental Financing District 167th Street	Tax Incremental Financing District Cherry Creek	Total
Assets					
Cash and cash equivalents	\$ 368,235	\$ -	\$ 696,640	\$ 287,636	\$ 1,352,511
Accounts receivable	-	4,946	-	-	4,946
Total Assets	\$ 368,235	\$ 4,946	\$ 696,640	\$ 287,636	\$ 1,357,457
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 4,946	\$ -	\$ -	\$ 4,946
Fund Balances, unreserved	368,235	-	696,640	287,636	1,352,511
Total liabilities and fund balances	\$ 368,235	\$ 4,946	\$ 696,640	\$ 287,636	\$ 1,357,457

Village of Hazel Crest, Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended April 30, 2011**

	Capital Projects	Community Development Block Grant	Tax Incremental Financing District 167th Street	Tax Incremental Financing District Cherry Creek	Total
Revenues:					
Property taxes	\$ -	\$ -	\$ 13,572	\$ -	\$ 13,572
Intergovernmental	-	94,251	-	-	94,251
Total revenues	-	94,251	13,572	-	107,823
Expenditures:					
Current,					
General services	-	-	10,000	-	10,000
Capital outlay	164,755	94,251	-	-	259,006
Total expenses	164,755	94,251	10,000	-	269,006
Change in fund balances	(164,755)	-	3,572	-	(161,183)
Fund balances:					
May 1, 2010	532,990	-	693,068	287,636	1,513,694
April 30, 2011	\$ 368,235	\$ -	\$ 696,640	\$ 287,636	\$ 1,352,511

Major Proprietary Fund

Village of Hazel Crest, Illinois

Statement of Revenues, Expenses and Changes in Net Assets -
 Budget and Actual
 Waterworks and Sewerage Fund
 Year Ended April 30, 2011

	Original and Final Budget	Actual
<hr/>		
Operating revenues:		
Charges for services	\$ 2,989,500	\$ 2,719,029
Intergovernmental	-	80,000
Fines and fees	102,200	104,600
Other	6,500	3,085
Total operating revenues	<u>3,098,200</u>	<u>2,906,714</u>
Operating expenses:		
Operations	2,614,542	2,438,536
Depreciation	440,000	406,928
Total operating expenses	<u>3,054,542</u>	<u>2,845,464</u>
Operating income (loss)	<u>\$ 43,658</u>	61,250
Net assets:		
May 1, 2010		<u>2,418,318</u>
April 30, 2011		<u>\$ 2,479,568</u>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
 Waterworks and Sewerage Fund
 Year Ended April 30, 2011

	Original and Final Budget	Actual
Operating expenses:		
Personnel:		
Salaries	\$ 602,265	\$ 550,653
FICA	46,074	48,020
IMRF	56,613	46,188
Employee insurance	151,390	90,426
Total personnel	856,342	735,287
Maintenance:		
Maintenance building/grounds	7,000	8,573
Maintenance equipment	41,320	24,034
Maintenance utility system	115,000	101,840
Total maintenance	163,320	134,447
Contractual services:		
Communications	1,000	55
Telephone	2,500	3,601
Water purchases	1,388,385	1,347,743
Utilities	64,000	72,367
Rental	2,000	-
Travel	250	-
Postage	6,000	6,833
Printing	2,100	1,199
Legal	900	3,180
Consultants	20,000	24,343
Training and conferences	1,500	-
Dues and subscriptions	500	152
Total contractual services	1,489,135	1,459,473
Commodities:		
Office supplies	1,300	1,093
Other supplies	4,671	1,849
Uniforms	6,300	4,345
Gas and oil	38,000	39,805
Bad debts	7,000	1,975
Sundry	1,000	20
Total commodities	58,271	49,087

(continued)

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
Waterworks and Sewerage Fund (Continued)
Year Ended April 30, 2011

	Original and Final Budget	Actual
Operating expenses: (continued)		
Capital outlay:		
Improvements	\$ 6,300	\$ 25,443
Equipment	12,674	9,663
Meters	28,500	25,136
Total capital outlay	<u>47,474</u>	<u>60,242</u>
Total operations	2,614,542	2,438,536
Depreciation	<u>440,000</u>	<u>406,928</u>
Total operating expenses	<u>\$ 3,054,542</u>	<u>\$ 2,845,464</u>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
Commuter Parking Lot Fund
Year Ended April 30, 2011

	Original and Final Budget	Actual
Operating expenses:		
Utilities	\$ 2,000	\$ 2,877
Service charge	35,000	35,000
Other improvements	1,000	2,100
Total operations	38,000	39,977
Depreciation	5,500	5,261
Total operating expenses	\$ 43,500	\$ 45,238

Village of Hazel Crest, Illinois

Capital Assets Used in the Operation of Governmental Funds
Schedule of Capital Assets -
By Source
April 30, 2011

Land and land improvements	\$ 1,097,761
Buildings	2,658,408
Machinery and equipment	5,189,670
Infrastructure	<u>119,650,329</u>
Total capital assets	<u><u>\$ 128,596,168</u></u>
Investment in capital assets from:	
General obligation bonds	\$ 1,540,000
Debt certificates	427,000
Notes payable	655,399
Current revenue	<u>125,973,769</u>
Total investment in capital assets	<u><u>\$ 128,596,168</u></u>

Village of Hazel Crest, Illinois

Capital Assets Used in the Operation of Governmental Funds
Schedule of Capital Assets -
By Function and Activity
Year Ended April 30, 2011

	Land and Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Total
General services:					
Municipal center	\$ 27,548	\$ 325,789	\$ 203,018	\$ -	\$ 556,355
General services	253,811	846,146	11,037	1,954,058	3,065,052
Office	-	6,484	-	-	6,484
Total general services	281,359	1,178,419	214,055	1,954,058	3,627,891
Public works:					
General	-	409,873	871,840	5,659,199	6,940,912
Road and bridge	156,953	50,466	258,851	108,394,804	108,861,074
Forestry	442,000	-	75,357	-	517,357
Waste management	13,500	-	55,479	3,642,268	3,711,247
Total public works	612,453	460,339	1,261,527	117,696,271	120,030,590
Public safety:					
Police	-	-	785,951	-	785,951
Fire	203,949	1,000,939	2,117,092	-	3,321,980
911	-	-	811,045	-	811,045
Civil defense	-	18,711	-	-	18,711
Total public safety	203,949	1,019,650	3,714,088	-	4,937,687
Total capital assets	\$ 1,097,761	\$ 2,658,408	\$ 5,189,670	\$ 119,650,329	\$ 128,596,168

Village of Hazel Crest, Illinois

**Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes in Capital Assets -
By Function and Activity
Year Ended April 30, 2011**

	Capital Assets May 1, 2010	Additions	Deletions	Capital Assets April 30, 2011
General services:				
Municipal center	\$ 556,355	\$ -	\$ -	\$ 556,355
General services	3,065,052	-	-	3,065,052
Office	6,484	-	-	6,484
Total general services	3,627,891	-	-	3,627,891
Public works:				
General	6,940,912	-	-	6,940,912
Road and bridge	108,861,074	-	-	108,861,074
Forestry	517,357	-	-	517,357
Waste management	3,711,247	-	-	3,711,247
Total public works	120,030,590	-	-	120,030,590
Public safety:				
Police	713,163	72,788	-	785,951
Fire	3,300,862	21,118	-	3,321,980
911	811,045	-	-	811,045
Civil defense	18,711	-	-	18,711
Total public safety	4,843,781	93,906	-	4,937,687
Total capital assets	\$ 128,502,262	\$ 93,906	\$ -	\$ 128,596,168

Village of Hazel Crest, Illinois

Schedule of Debt Service Requirements
April 30, 2011

	Year Ending April 30,	Principal	Interest	Total
Series 2005				
Dated: April 26, 2005	2012	\$ 50,000	\$ 16,226	\$ 66,226
Payable at: American National Bank	2013	50,000	14,326	64,326
Interest payable monthly at the bank's current	2014	50,000	12,426	62,426
variable rate, 0.50% at April 30, 2011	2015	50,000	10,526	60,526
	2016	50,000	8,626	58,626
	2017	50,000	6,726	56,726
	2018	50,000	4,826	54,826
	2019	50,000	2,926	52,926
	2020	27,000	1,026	28,026
		<u>\$ 427,000</u>	<u>\$ 77,634</u>	<u>\$ 504,634</u>
Series 2006				
Dated: December 1, 2006	2012	\$ 125,000	\$ 57,850	\$ 182,850
Authorized issue - \$2,105,000	2013	135,000	53,225	188,225
Payable at: Bank of New York	2014	140,000	48,230	188,230
Interest payable semi-annually at rates	2015	145,000	43,050	188,050
ranging from 3.7 to 3.85%	2016	150,000	37,685	187,685
	2017	155,000	32,135	187,135
	2018	160,000	26,400	186,400
	2019	170,000	20,320	190,320
	2020	175,000	13,860	188,860
	2021	185,000	7,123	192,123
		<u>\$ 1,540,000</u>	<u>\$ 339,878</u>	<u>\$ 1,879,878</u>
Note Payable				
Dated: January 16, 2009	2012	\$ 59,669	\$ 20,300	\$ 79,970
Authorized issue - \$658,599	2013	61,977	17,993	79,970
Payable at: First Midwest Bank	2014	423,365	17,080	440,445
Principal and interest payable semi-annually				-
interest rate of 3.83%		<u>\$ 545,011</u>	<u>\$ 55,374</u>	<u>\$ 600,385</u>
Note Payable				
Dated: December 29, 2009	2012	\$ 15,769	\$ -	\$ 15,769
Authorized issue - \$127,159	2013	15,769	-	15,769
Payable to: Village of East Hazel Crest	2014	15,769	-	15,769
Principal payable annually	2015	15,769	-	15,769
interest free note	2016	15,769	-	15,769
	2017	15,769	-	15,769
	2018	15,774	-	15,774
		<u>\$ 110,388</u>	<u>\$ -</u>	<u>\$ 110,388</u>

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	82-87
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	88-95
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	96-99
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to help make comparisons over time and with other governments.	100-102
Operating Information These schedules contain information about the Village's operations and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.	103-104

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented Statement 34 in 2004; schedules that present government-wide information include information beginning in that year.

Village of Hazel Crest, Illinois

Net Assets by Component
Last Eight Fiscal Years

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities								
Invested in Capital Assets								
Net of Related Debt	\$ 24,794,299	\$ 23,447,641	\$ 21,850,030	\$ 16,750,186	\$ 15,914,004	\$ 15,492,939	\$ 14,899,778	\$ 14,011,120
Restricted	-	3,370,345	-	755,837	634,466	732,856	520,617	537,937
Unrestricted	4,978,709	4,265,665	5,682,785	9,327,739	8,775,659	7,508,602	7,584,708	5,593,685
Total Governmental Activities	\$ 29,773,008	\$ 31,083,651	\$ 27,532,815	\$ 26,833,762	\$ 25,324,129	\$ 23,734,397	\$ 23,005,103	\$ 20,142,742
Business-type Activities								
Invested in Capital Assets								
Net of Related Debt	\$ 5,564,530	\$ 5,207,915	\$ 4,812,536	\$ 4,496,830	\$ 4,091,062	\$ 3,750,564	\$ 3,408,764	\$ 3,142,751
Unrestricted	(374,425)	(650,978)	(742,436)	(764,252)	(769,741)	(807,805)	(654,993)	(337,933)
Total Business-type Activities	\$ 5,190,105	\$ 4,556,937	\$ 4,070,100	\$ 3,732,578	\$ 3,321,321	\$ 2,942,759	\$ 2,753,771	\$ 2,804,818
Total								
Invested in Capital Assets								
Net of Related Debt	\$ 30,358,829	\$ 28,655,556	\$ 26,662,566	\$ 21,247,016	\$ 20,005,066	\$ 19,243,503	\$ 18,308,542	\$ 17,153,871
Restricted	-	3,370,345	-	755,837	634,466	732,856	520,617	537,937
Unrestricted	4,604,284	3,614,687	4,940,349	8,563,487	8,005,918	6,700,797	6,929,715	5,255,752
Total Primary Government	\$ 34,963,113	\$ 35,640,588	\$ 31,602,915	\$ 30,566,340	\$ 28,645,450	\$ 26,677,156	\$ 25,758,874	\$ 22,947,560

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

Change in Net Assets
Last Eight Fiscal Years

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental Activities								
General Government	\$ 3,249,204	\$ 2,808,297	\$ 3,143,886	\$ 5,660,422	\$ 7,083,940	\$ 6,411,941	\$ 6,762,100	\$ 7,378,579
Public Safety	4,705,363	5,268,721	5,080,102	5,230,464	5,544,852	6,694,508	6,030,645	7,250,107
Public Works	1,406,264	2,340,877	2,338,699	2,333,101	2,440,638	2,578,377	2,600,659	1,326,554
Interest	110,784	55,906	153,460	358,355	288,937	92,565	138,541	94,724
Total Governmental Activities Expenses	9,471,615	10,473,801	10,716,147	13,582,342	15,358,367	15,777,391	15,531,945	16,049,964
Business-type Activities								
Waterworks and Sewerage	2,778,417	2,888,214	3,268,363	2,475,858	2,714,028	2,798,922	2,886,506	2,845,464
Commuter Parking Lot	38,851	40,640	38,231	7,778	11,287	75,877	46,241	45,238
Total Business-type Activities Expenses	2,817,268	2,928,854	3,306,594	2,483,636	2,725,315	2,874,799	2,932,747	2,890,702
Total Primary Government Expenses	\$ 12,288,883	\$ 13,402,655	\$ 14,022,741	\$ 16,065,978	\$ 18,083,682	\$ 18,652,190	\$ 18,464,692	\$ 18,940,666
Program Revenues								
Governmental Activities								
Charges for Services								
General Government	\$ 1,102,818	\$ 523,511	\$ 1,204,390	\$ 1,792,161	\$ 1,922,076	\$ 1,940,709	\$ 1,981,729	\$ 1,768,310
Public Safety	222,053	456,980	339,670	265,472	395,549	366,130	346,632	426,253
Public Works	188,224	266,195	14,873	89,728	11,364	-	42,629	34,525
Operating Grants and Contributions	552,487	-	688,915	710,921	771,094	234,864	648,961	488,569
Capital Grants and Contributions	-	-	-	57,080	-	-	-	280,156
Total Governmental Activities Program Revenues	2,065,582	1,246,686	2,247,848	2,915,362	3,100,083	2,541,703	3,019,951	2,997,813
Business-type Activities								
Charges for Services								
Waterworks and Sewerage	2,342,992	2,255,059	2,778,528	2,103,009	2,268,814	2,412,475	2,710,196	2,826,714
Commuter Parking Lot	37,308	39,304	36,286	38,456	37,142	32,756	33,563	35,035
Operating Grants and Contributions	-	-	-	-	-	50,000	-	80,000
Total Business-type Activities Program Revenues	2,380,300	2,294,363	2,814,814	2,141,465	2,305,956	2,495,231	2,743,759	2,941,749
Total Primary Government Program Revenues	\$ 4,445,882	\$ 3,541,049	\$ 5,062,662	\$ 5,056,827	\$ 5,406,039	\$ 5,036,934	\$ 5,763,710	\$ 5,939,562
Net (Expense) Revenue								
Governmental Activities	\$ (7,406,033)	\$ (9,227,115)	\$ (8,468,299)	\$ (10,666,980)	\$ (12,258,284)	\$ (13,235,688)	\$ (12,511,994)	\$ (13,052,151)
Business-type Activities	(436,968)	(634,491)	(491,780)	(342,171)	(419,359)	(379,568)	(188,988)	51,047
Total Primary Government Net (Expense) Revenue	\$ (7,843,001)	\$ (9,861,606)	\$ (8,960,079)	\$ (11,009,151)	\$ (12,677,643)	\$ (13,615,256)	\$ (12,700,982)	\$ (13,001,104)

(Continued)

Village of Hazel Crest, Illinois

Change in Net Assets (Continued)
Last Eight Fiscal Years

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets								
Governmental Activities								
Taxes:								
Property	\$ 4,706,739	\$ 4,297,505	\$ 4,243,737	\$ 5,442,857	\$ 5,745,652	\$ 5,925,950	\$ 7,688,712	\$ 5,971,364
Sales	654,447	603,416	580,015	694,475	784,883	629,913	522,782	499,732
Income and Use	1,057,397	1,217,052	1,348,880	1,475,612	1,600,594	1,490,817	1,301,894	1,362,862
Utility	1,360,115	1,321,900	1,460,390	1,669,226	1,928,191	2,217,613	1,748,738	1,654,699
Other	124,049	613,477	34,907	-	106,250	125,000	94,694	180,101
Interest	57,943	85,666	200,128	301,286	303,776	104,095	26,464	21,466
Miscellaneous	337,860	288,303	144,694	159,143	279,305	1,152,568	399,416	499,566
Total Governmental Activities	8,298,550	8,427,319	8,012,751	9,742,599	10,748,651	11,645,956	11,782,700	10,189,790
Business-type Activities								
Interest	807	1,323	4,943	4,649	8,102	1,005	-	-
Total Business-type Activities	807	1,323	4,943	4,649	8,102	1,005	-	-
Total Primary Government	\$ 8,299,357	\$ 8,428,642	\$ 8,017,694	\$ 9,747,248	\$ 10,756,753	\$ 11,646,961	\$ 11,782,700	\$ 10,189,790
Change in Net Assets								
Governmental Activities	\$ 892,517	\$ (799,796)	\$ (455,548)	\$ (924,381)	\$ (1,509,633)	\$ (1,589,732)	\$ (729,294)	\$ (2,862,361)
Business-type Activities	(436,161)	(633,168)	(486,837)	(337,522)	(411,257)	(378,563)	(188,988)	51,047
Total Primary Government	\$ 456,356	\$ (1,432,964)	\$ (942,385)	\$ (1,261,903)	\$ (1,920,890)	\$ (1,968,295)	\$ (918,282)	\$ (2,811,314)

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

**Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 294,640	\$ 434,188	\$ -	\$ 410,929	\$ -	\$ 656,294	\$ 1,584,877	\$ 1,753,982	\$ 1,704,824	\$ 1,467,544
Designated	306,690	9,765	-	-	-	-	-	-	-	-
Unreserved	2,585,884	3,221,613	3,800,032	3,584,443	4,021,948	3,465,514	2,485,503	2,506,671	1,843,566	1,720,288
Total General Fund	\$ 3,187,214	\$ 3,665,566	\$ 3,800,032	\$ 3,995,372	\$ 4,021,948	\$ 4,121,808	\$ 4,070,380	\$ 4,260,653	\$ 3,548,390	\$ 3,187,832
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ 369,139	\$ 2,232,416	\$ 760,224	\$ 725,229	\$ 696,856	\$ 46,189	\$ 140,175	\$ 129,068
Unreserved, reported in										
Special Revenue Funds	735,681	473,262	1,351,879	927,111	1,366,700	1,625,309	1,546,933	712,856	500,617	517,937
Capital Project Funds	373,998	413,734	557,777	-	520,696	3,903,705	3,507,955	4,430,236	5,433,246	4,689,294
Debt Service Funds	1,305,295	663,108	509,563	-	1,318,196	-	-	-	-	-
Total All Other Governmental Funds	\$ 2,414,974	\$ 1,550,104	\$ 2,788,358	\$ 3,159,527	\$ 3,965,816	\$ 6,254,243	\$ 5,751,744	\$ 5,189,281	\$ 6,074,038	\$ 5,336,299

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 4,886,296	\$ 5,302,710	\$ 6,043,149	\$ 5,697,688	\$ 5,674,120	\$ 7,047,634	\$ 7,602,794	\$ 7,610,871	\$ 9,230,796	\$ 7,455,847
Licenses	237,643	233,887	276,494	272,063	269,234	225,746	303,028	270,120	249,769	312,691
Intergovernmental	2,681,171	2,479,434	2,384,668	2,462,404	2,650,855	2,839,101	3,179,440	3,216,958	2,343,882	2,635,785
Charges for services	419,498	403,005	409,727	140,906	404,075	90,000	95,564	173,600	141,225	1,048,661
Fines, fees and permits	575,777	588,041	743,260	833,717	797,308	1,743,490	1,839,657	1,766,156	1,830,452	833,211
Interest	115,784	76,251	57,943	85,666	200,128	301,286	303,776	104,095	26,464	21,466
Capital contributions	-	-	-	-	-	-	-	-	-	280,156
Miscellaneous	1,073,437	579,068	448,891	310,293	264,879	353,624	524,475	1,045,858	643,654	714,195
Total Revenues	9,989,606	9,662,396	10,364,132	9,802,737	10,260,599	12,600,881	13,848,734	14,187,658	14,466,242	13,302,012
Expenditures										
General Services	1,410,308	1,687,816	1,539,136	1,466,126	2,314,136	3,250,733	3,686,137	3,864,716	3,733,894	4,167,364
Police and Fire	3,785,274	3,960,072	4,462,029	4,915,997	4,775,722	4,963,655	5,248,561	5,634,480	5,751,252	5,390,886
Administrative Office	270,788	293,470	305,158	267,939	295,837	281,233	333,203	298,151	270,328	235,829
Public Works	1,697,098	988,051	992,931	1,011,076	1,033,578	988,992	1,127,894	1,279,406	1,319,377	1,121,609
Community Relations	14,777	8,781	1,374	-	39,303	-	-	-	166,068	136,819
Economic Development	142,082	142,288	19,451	163,515	68,915	550,259	1,148,226	697,150	806,093	-
Civil Defense	-	6,020	6,014	5,362	3,303	3,282	2,958	5,334	3,048	-
Inspection	-	-	-	-	-	-	-	-	-	419,388
Insurance	520,822	513,913	528,684	434,508	374,126	537,226	724,242	884,655	655,732	564,378
Capital Outlay	571,963	523,563	674,122	346,222	1,187,936	385,919	493,156	1,506,991	523,383	1,007,387
Debt Service										
Principal	533,943	509,921	445,585	84,000	140,693	224,106	229,333	195,000	246,140	262,932
Interest	88,880	20,608	13,519	6,827	39,318	45,365	108,951	92,564	104,590	93,717
Other Charges	470,028	-	-	12,577	-	-	-	-	-	-
Surplus Distribution	-	-	755,000	550,000	-	1,250,000	650,000	760,000	840,000	1,000,000
Total Expenditures	9,505,963	8,654,503	9,743,003	9,264,149	10,272,867	12,480,770	13,752,661	15,218,447	14,419,905	14,400,309
Excess of Revenues over (under)										
Expenditures	483,643	1,007,893	621,129	538,588	(12,268)	120,111	96,073	(1,030,789)	46,337	(1,098,297)

(Continued)

Village of Hazel Crest, Illinois

Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses)										
Transfers (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (904,556)	\$ (79,970)	\$ -
Transfers In	-	-	-	-	-	-	-	904,556	79,970	-
Proceeds from Notes Payable	-	-	-	-	-	-	-	658,599	-	-
Proceeds from General Obligation Bond	109,000	110,000	-	-	-	2,042,848	-	-	-	-
Proceeds from Installment Note	-	-	-	-	118,132	-	-	-	-	-
Sale of Debt Certificate	-	-	-	727,000	-	-	-	-	-	-
Total Other Financing Sources (Uses)	109,000	110,000	-	727,000	118,132	2,042,848	-	658,599	-	-
Net Change in Fund Balances	\$ 592,643	\$ 1,117,893	\$ 621,129	\$ 1,265,588	\$ 105,864	\$ 2,162,959	\$ 96,073	\$ (372,190)	\$ 46,337	\$ (1,098,297)
Debt Service as a Percentage of Noncapital Expenditures	6.97%	6.52%	5.06%	1.02%	1.98%	2.23%	2.55%	2.10%	2.52%	2.66%

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

Schedule of Assessed Valuations, Tax Rates,
Tax Extensions and Tax Collections
April 30, 2011

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Assessed valuations	\$ 217,567,030	\$ 218,670,034	\$ 212,019,309	\$ 194,599,212	\$ 183,449,470	\$ 182,781,075	\$ 157,083,399	\$ 152,738,655	\$ 152,738,655	\$ 123,609,348
Tax rates by fund:										
General:										
Corporate	2.1386	0.3182	0.4492	0.3297	0.2566	0.2227	0.2347	0.2500	0.2046	0.2500
Unemployment	-	0.0034	0.0034	0.0037	0.0039	0.0037	0.0048	0.0040	0.0124	0.0112
Crossing Guards	-	0.0170	0.0170	0.0185	0.0132	0.0130	0.0147	0.0139	0.0164	0.0113
Police Protection	-	0.0824	0.0729	0.0794	0.0770	0.0668	0.0704	0.0750	0.0614	0.0750
Fire Protection	-	0.3886	0.3886	0.4234	0.4105	0.3564	0.3754	0.4000	0.3274	0.4000
Road and Bridge - Village	-	0.0000	0.0000	0.0000	0.1000	0.0876	0.0938	0.1000	0.0818	0.1000
Police Pension	0.3267	0.3251	0.2747	0.2445	0.2463	0.2472	0.2220	0.2259	0.2118	0.2383
Fire Pension	0.1497	0.1490	0.1165	0.1024	0.1030	0.1034	0.1120	0.1050	0.0979	0.0991
Civil Defense	-	0.0014	0.0015	0.0026	0.0020	0.0017	0.0033	0.0096	0.0409	0.0107
Illinois Municipal Retirement	-	0.3109	0.3109	0.3308	0.3425	0.3345	0.3596	0.3717	0.3931	0.4707
Waste Management	-	0.0283	0.0267	0.0265	0.0207	0.0310	0.1335	0.1340	0.1636	0.1534
Paramedics	-	0.2190	0.2186	0.2382	0.2499	0.2190	0.2347	0.2500	0.2046	0.2500
Insurance	-	0.3768	0.2672	0.2911	0.2347	0.2226	0.2399	0.2331	0.1959	0.3722
Auditing	-	0.0267	0.0267	0.0291	0.0191	0.0044	0.0189	0.0236	0.0315	0.0208
Purchase Agreement	0.0844	0.0861	0.0481	0.0547	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total general	2.6995	2.3329	2.2220	2.1746	2.0794	1.9140	2.1177	2.1958	2.0433	2.4627
Debt Service:	0.0882	0.0975	0.1031	0.0146	0.0012	0.0285	0.0430	0.0974	0.1107	0.2711
Total	2.7878	2.4304	2.3251	2.1892	2.0806	1.9425	2.1607	2.2932	2.1540	2.7338

Village of Hazel Crest, Illinois

Schedule of Assessed Valuations, Tax Rates,
Tax Extensions and Tax Collections (Continued)
April 30, 2011

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Tax extensions by fund:										
General:										
Corporate	\$ 4,652,974	\$ 695,906	\$ 952,415	\$ 641,690	\$ 470,731	\$ 407,053	\$ 368,675	\$ 381,846	\$ 312,504	\$ 309,023
Unemployment	-	7,426	7,210	7,210	7,155	6,763	7,540	6,000	18,938	13,797
Crossing Guards	-	37,132	36,050	36,050	24,215	23,762	23,091	20,600	25,000	14,024
Police Protection	-	180,250	154,500	154,500	141,256	122,098	110,587	114,554	93,751	92,707
Fire Protection	-	849,750	824,000	824,000	753,060	651,432	589,691	610,955	500,006	494,437
Road and Bridge - Village	-	-	-	-	183,449	160,116	147,344	152,739	125,001	123,609
Police Pension	710,882	710,882	582,355	475,713	451,836	451,835	348,725	335,041	323,551	294,506
Fire Pension	325,754	325,754	246,932	199,240	188,953	188,996	175,933	155,746	149,487	122,463
Civil Defense	-	3,090	3,090	5,150	3,669	3,107	5,184	14,200	62,501	13,213
Illinois Municipal Retirement	-	679,800	659,200	643,750	628,314	611,403	564,872	551,134	600,391	581,847
Waste Management	-	61,800	56,650	51,500	37,974	56,662	209,706	198,700	250,003	189,656
Paramedics	-	478,950	463,500	463,500	458,440	400,291	368,675	381,847	312,504	309,023
Insurance	-	824,000	566,500	566,500	430,556	406,871	376,843	345,728	299,224	460,100
Auditing	-	58,350	56,650	56,650	35,039	8,042	29,689	35,000	48,153	25,750
Purchase Agreement	183,649	188,284	102,016	106,394	-	-	-	-	-	-
Total general	5,873,259	5,101,374	4,711,068	4,231,847	3,814,648	3,498,430	3,326,555	3,304,090	3,121,014	3,044,155
Debt Service:	191,993	213,182	218,621	28,350	2,201	52,093	67,546	148,775	168,977	335,133
Total	\$ 6,065,252	\$ 5,314,556	\$ 4,929,689	\$ 4,260,197	\$ 3,816,850	\$ 3,550,523	\$ 3,394,101	\$ 3,452,865	\$ 3,289,991	\$ 3,379,288
Collections	\$ 2,420,992	\$ 4,656,632	\$ 4,679,742	\$ 3,812,644	\$ 3,491,033	\$ 3,501,134	\$ 3,369,078	\$ 3,198,171	\$ 3,162,173	\$ 3,324,658
Percent collections	39.92%	87.62%	94.93%	89.49%	91.46%	98.61%	99.26%	92.62%	96.11%	98.38%

Village of Hazel Crest, Illinois

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

Levy Year	EQUALIZED ASSESSED VALUATION							
	Real Property Equalized Assessed Value	Estimated Actual Value	Ratio of Total Assessed to Estimated Actual Value	Estimated Actual Taxable Value	Commercial		Residential	
					Number of Permits	Value (1)	Number of Permits	Value (1)
2002	\$ 152,738,655	\$ 458,215,965	33.3000	\$ 1,374,647,895	4	\$ 549,000	22	\$ 3,410,276
2003	152,334,566	457,003,698	33.3000	1,371,011,094	-	-	23	4,085,780
2004	157,083,399	471,250,197	33.3000	1,413,750,591	5	4,887,969	41	3,855,832
2005	182,781,075	548,892,117	33.3000	1,646,676,351	1	13,110,000	39	1,315,000
2006	183,449,470	550,899,309	33.3000	1,652,697,927	-	-	57	2,667,106
2007	194,599,212	578,444,276	33.3000	1,735,332,828	7	1,489,706	34	1,897,417
2008	212,019,309	636,057,927	33.3000	1,908,173,781	6	8,355,152	38	1,925,744
2009	218,670,034	636,057,927	33.3000	1,908,173,781	10	1,262,384	21	831,607
2010	217,567,030	636,057,927	33.3000	1,908,173,781	16	2,137,193	10	429,585
2011	217,567,030	636,057,927	33.3000	1,908,173,781	13	1,767,904	12	408,288

Data Source

Office of the County Clerks and Township Assessors

Note : Most recent data available

Village of Hazel Crest, Illinois

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

	Levy Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Village Direct Rates										
General Corporate	\$ 2.637	\$ 2.734	\$ 2.154	\$ 2.201	\$ 2.161	\$ 1.943	\$ 2.081	\$ 2.190	\$ 2.326	\$ 2.431
Overlapping Rates										
County of Cook	0.082	0.746	0.690	0.630	0.593	0.533	0.500	0.446	0.415	0.394
Cook County Forest Preserve District	0.069	0.067	0.061	0.059	0.060	0.600	0.570	0.053	0.051	0.049
Suburban TB Sanitarium	0.008	0.007	0.006	0.004	0.001	0.005	0.005	0.263	-	-
Consolidated Elections	-	0.032	-	0.029	-	0.014	-	-	-	0.021
Bremen Township	0.063	0.062	0.051	0.053	0.054	0.049	0.051	0.006	0.049	0.049
Bremen Twp. Road & Bridge	0.040	0.041	0.035	0.037	0.019	0.032	0.033	0.012	0.031	0.031
Bremen Twp. General Assistance	0.005	0.005	0.006	0.008	0.008	0.008	0.008	0.051	0.008	0.008
Rich Township	0.223	0.230	0.202	0.211	0.211	0.193	0.199	0.033	0.191	0.192
Rich Twp. Road & Bridge	0.065	0.068	0.060	0.063	0.063	0.058	0.057	0.008	0.054	0.055
Rich Twp. General Assistance	0.025	0.026	0.023	0.024	0.024	0.022	0.022	0.196	0.022	0.023
Thornton Township	0.175	0.171	0.156	0.411	0.405	0.360	0.374	0.056	0.358	0.367
Thornton Twp. Road & Bridge	0.018	0.018	0.016	0.016	0.016	0.015	0.016	0.022	0.016	0.017
Thornton Twp. General Assistance	0.074	0.073	0.061	0.100	0.098	0.088	0.092	0.372	0.089	0.091
Metro Water Reclamation District of Chicago	0.042	0.401	0.371	0.361	0.347	0.315	0.284	0.016	0.252	0.261
So. Cook County Mosquito Abatement	0.014	0.015	0.011	0.013	0.012	0.010	0.007	0.092	0.009	0.009
Hazel Crest Park District	0.801	0.814	0.649	0.707	0.703	0.644	0.659	0.603	0.569	0.554
Grande Prairie Pub. Library District	0.371	0.376	0.308	0.323	0.312	0.277	0.279	0.273	0.265	0.262
School District #144	5.025	4.961	3.985	4.152	3.935	3.338	3.413	3.299	3.119	3.163
School District #152 1/2	3.093	3.189	2.726	4.572	4.563	4.160	4.335	4.286	4.147	4.267
School District #152 1/2 School Finance Authority	-	-	2.078	0.508	0.490	0.429	0.428	0.410	0.376	0.384
School District #153	4.627	4.571	3.998	4.144	4.118	3.796	3.777	3.671	3.490	3.417
School District #161	4.775	4.775	4.081	4.262	4.238	3.882	3.945	3.806	3.673	3.558
Thornton Twp. HSD #205	4.612	5.378	4.614	4.111	4.117	3.673	3.795	3.741	3.608	3.697
Community HSD #228	3.890	3.838	3.158	3.328	3.331	2.953	3.509	3.412	3.217	3.157
Homewood Flossmoor Comm. HSD #233	3.890	3.799	4.083	4.348	4.345	4.073	4.103	3.966	3.787	3.686
So. Suburban Comm. College #510	0.457	0.454	0.386	0.403	0.400	0.359	0.367	0.362	0.346	0.348
Prairie State Comm. College #515	0.376	0.379	0.338	0.346	0.341	0.292	0.292	0.294	0.280	0.277

Data Source

Cook County Clerk

Note: Most recent data available

Village of Hazel Crest, Illinois

**Principal Property Taxpayers
Current Year and One Year Ago**

Taxpayer	2009			2008*		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Continental Wingate Assoc.	\$ 4,319,282	1	1.98%	\$ 4,748,845	3	2.24%
Taxpayer of 5049 W 159th St. Oak Forest	4,051,268	2	1.85%	3,839,171	5	1.81%
Imperial Real Estate	3,601,791	3	1.65%	4,846,977	2	2.29%
Paradise Prop	3,177,701	4	1.45%	3,940,616	4	1.86%
Co Marvin Poer & Comp	2,785,853	5	1.27%	2,462,218	9	1.16%
Manor Care Health 628	2,700,687	6	1.24%	2,232,586	10	1.05%
GLR Medical PPTY One	2,552,396	7	1.17%	2,481,469	8	1.17%
Hazel Crest Center, LLC	2,109,831	8	0.96%	2,568,903	7	1.21%
Bansi D. Sharma	1,862,765	9	0.85%	2,462,218	N/A	1.16%
Lillie Kinnard	1,545,491	10	0.71%	2,232,586	N/A	1.05%
	<u>\$ 28,707,065</u>		<u>13.13%</u>	<u>\$ 31,815,589</u>		<u>0.1500599</u>

Data Source

Cook County Clerk's and Assessor's Offices

* Includes only those parcels with 2008 equalized assessed valuations of \$130,000 and over as recorded in the Assessor's office. They were compiled from a meticulous page by page search of a listing of such records. It is possible, however, that certain parcels may have been overlooked.

Note - Information for period nine years prior to the current period is not available.

Village of Hazel Crest, Illinois

**Property Tax Levies and Collections
Last Ten Levy Years**

Levy Year	Tax Levied	Collected within the Fiscal Year after the Levy	
		Amount	Percentage of Levy
2001	\$ 3,379,288	\$ 3,324,658	98.38%
2002	3,289,991	3,162,173	96.11%
2003	3,452,865	3,369,078	97.57%
2004	3,394,101	3,369,078	99.26%
2005	3,550,523	3,501,134	98.61%
2006	3,816,850	3,491,033	91.46%
2007	4,260,197	3,812,644	89.49%
2008	4,929,689	4,679,742	94.93%
2009	5,314,556	4,656,632	87.62%
2010	6,065,252	2,420,992	39.92%

Data Source

Office of the County Clerk

Note: Most recent date available

Village of Hazel Crest, Illinois

**Sales Tax Base and Number of Principal Payers
Taxable Sales by Category
Last Ten Calendar Years**

	Calendar Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Merchandise	\$ 13,046	\$ 15,804	\$ -	\$ 26,444	\$ 25,944	\$ 20,100	\$ 22,026	\$ 22,255	\$ 29,928	\$ 36,998
Food	157,747	155,842	162,596	150,153	158,539	150,510	148,691	146,394	125,173	104,331
Restaurants	59,484	71,751	68,764	64,897	66,306	68,906	75,413	71,169	54,798	54,986
Apparel	599	-	4,922	5,413	4,883	6,282	10,156	6,683	7,294	8,563
Furniture & Radio	2,213	3,091	1,091	-	-	-	-	1,550	1,714	514
Lumber, Building, Hardware	1,944	-	-	-	-	-	-	-	-	-
Automobile and Filling Stations	111,104	107,978	103,204	114,205	111,797	121,248	241,375	100,336	85,350	97,822
Drugs and Miscellaneous Retail	77,287	91,434	98,563	112,184	114,702	127,309	134,769	147,940	144,041	137,896
Agriculture and All Others	61,787	72,479	41,820	35,932	37,517	36,105	45,461	37,885	21,157	19,016
Manufacturers	156,797	167,483	127,589	84,694	72,402	51,428	101,356	121,553	56,175	11,375
Total	\$ 642,008	\$ 685,862	\$ 608,549	\$ 593,922	\$ 592,090	\$ 581,888	\$ 779,247	\$ 655,765	\$ 525,630	\$ 471,501
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule sales tax rate	N/A	N/A	N/A	N/A	N/A	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

Village of Hazel Crest, Illinois

**Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

Fiscal Year	Village Direct Rate	State Rate
2002	1.00%	6.25%
2003	1.00%	6.25%
2004	1.00%	6.25%
2005	1.00%	6.25%
2006	1.00%	6.25%
2007	1.00%	6.25%
2008	1.00%	6.25%
2009	1.00%	6.25%
2010	1.00%	6.25%
2011	1.00%	6.25%

Data Source

Per Illinois Department of Revenue
Local Tax Allocation Office

Village of Hazel Crest, Illinois

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended	Governmental Activities					Business-Type Activities	Total Primary Government	Ratio of Total Outstanding Debt To Equalized Assessed Valuation*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	General Obligation Debt Certificates	Alternative Revenue Bonds	Tax Incremental Revenue Notes	Note Payable	Note Payable			
2002	\$ 392,000	\$ 113,681	\$ 105,000	\$ 1,358,501	\$ -	\$ -	\$ 1,969,182	1.59%	132.91
2003	386,000	56,802	6,000	1,233,641	-	-	1,682,443	1.10%	113.56
2004	270,000	-	-	1,064,123	-	45,051	1,379,174	0.91%	93.09
2005	186,000	727,000	-	994,462	-	-	1,907,462	1.21%	128.74
2006	137,000	677,000	-	1,108,604	76,439	47,310	2,046,353	1.12%	138.12
2007	2,105,000	627,000	-	1,028,884	39,333	-	3,800,217	2.07%	266.70
2008	1,965,000	577,000	-	1,028,884	-	-	3,570,884	1.83%	252.11
2009	1,820,000	527,000	-	622,695	658,599	-	3,628,294	1.71%	257.44
2010	1,680,000	477,000	-	330,061	728,616	-	3,215,677	1.47%	228.47
2011	1,540,000	427,000	-	66,904	655,399	-	2,689,303	1.24%	192.15

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

* See the Schedule of Demographic and Economic Statistics for equalized assessed valuation of property and population data.
Personal income information is not available.

Village of Hazel Crest, Illinois

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Estimated Actual Taxable Value of Property*	Per Capita
2002	\$ 392,000	1.69%	27.70 ³
2003	386,000	1.43%	27.28 ³
2004	270,000	1.23%	19.08 ³
2005	186,000	1.04%	13.14 ³
2006	137,000	1.81%	9.68 ³
2007	2,105,000	1.60%	148.74 ³
2008	1,965,000	1.60%	138.85 ³
2009	1,820,000	1.60%	128.60 ³
2010	1,680,000	1.60%	118.71 ³
2011	1,540,000	1.60%	108.82 ³

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

* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property for property value data.

Per Capita:

1 - Special Census

2 - Federal Census

3 - Estimate

Village of Hazel Crest, Illinois

**Direct and Overlapping Governmental Activities Debt
As of April 30, 2011**

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Hazel Crest*	Village of Hazel Crest Share of Debt
Cook County	\$ 3,499,615,000	0.123%	\$ 4,304,526
Cook County Forest Preserve	101,935,000	0.123%	125,380
Metropolitan Water Reclamation District	1,945,659,620 (1)	0.125%	2,432,075
Hazel Crest Park District	940,000	100.000%	940,000
School Districts:			
#144	28,580,000 (2)(3)	33.541%	9,586,018
#152 1/2	2,847,965 (2)	28.687%	816,996
#153	9,894,550 (2)	1.374%	135,951
#161	1,311,167 (2)	8.210%	107,647
High School District #205	52,945,568 (2)	1.576%	834,422
High School District #228	31,930,000	7.931%	2,532,368
High School District #233	16,046,290 (2)	5.559%	892,013
Community College District #510	16,944,286 (2)	3.699%	626,769
Community College District #515	13,277,040 (2)	1.157%	153,615
Subtotal, overlapping debt	<u>5,721,926,486</u>		<u>23,487,781</u>
Village of Hazel Crest direct debt	<u>\$ 1,540,000</u>	100.00%	<u>\$ 1,540,000</u>
Total direct and overlapping debt	<u><u>\$ 5,723,466,486</u></u>		<u><u>\$ 25,027,781</u></u>

(1) Includes IEPA Revolving Loan Fund Bonds

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

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

* Determined by ratio of assessed valuation of property subject to taxation in the Village of Hazel Crest to valuation of property subject to taxation in overlapping unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village of Hazel Crest. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Village of Hazel Crest, Illinois

Schedule of Legal Debt Margin

April 30, 2011

The Village is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 in aggregate of one percent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

To date the General Assembly has set no limits for home rule municipalities.

Village of Hazel Crest, Illinois

Demographic and Economic Information

Last Ten Fiscal Years

Fiscal Year	Calendar Year	Population		Equalized Assessed Value (EAV)	Per Capita EAV	Unemployment Rate	Per Capita Income**
2001	2000	14,816	(A)	\$ 217,567,030	\$ 14,685	8.3%	\$ 14,112
2002	2001	14,816	(A)	123,609,348	8,343	10.1%	19,908
2003	2002	14,816	(A)	152,738,655	10,309	10.3%	19,908
2004	2003	14,816	(A)	152,334,566	10,282	9.5%	19,908
2005	2004	14,816	(A)	157,083,399	10,602	9.1%	19,908
2006	2005	14,249	(A)	182,781,075	12,828	6.8%	19,908
2007	2006	14,164	(E)	183,449,470	12,952	6.9%	19,908
2008	2007	14,094	(E)	194,599,212	13,807	7.7%	19,908
2009	2008	14,075	(E)	212,019,309	15,064	9.6%	19,908
2010	2009	13,996	(E)	218,670,034	15,624	15.3%	22,706
2011	2010	14,100	(E)(O)	217,567,030	15,430	15.7%	22,706

** 2000 Census Income is shown in 1999 dollars

(A) Actual

(E) Estimate

(E)(O) Most recent information as of the date of this report

Village of Hazel Crest, Illinois

**Principal Employers
Current Year and One Year Ago**

Employer	2010		
	Employees	Rank	% of Total Village Population*
Advocate South Suburban Hospital	1,400 ⁽²⁾	1	9.93%
MI-Jack Products, Inc.	450 ⁽³⁾	2	3.19%
Lanco International	350 ⁽²⁾⁽³⁾	3	2.48%
Meany Electrical Engineering Co., Inc.	150 ⁽²⁾	4	1.06%
Alloy Sling Chains Inc.	100 ⁽³⁾	5	0.71%
Hazel Crest Park District (inc. part-time and seasonal)	13-62 ⁽⁴⁾	6	0.44%
ASC Industries	80 ⁽¹⁾	7	0.57%
Gideon's 300 Security Services	60 ⁽²⁾	8	0.43%
Alpha Construction	50 ⁽³⁾	9	0.35%
Brandt Energy Services	30 ⁽²⁾	10	0.21%
Concrete Specialties	23 ⁽¹⁾	11	0.16%
McBride Engineering	21 ⁽²⁾	12	0.15%

*2010 Estimated population by the US Census is 14,100.

Note: Number of employees shown in 2011 directories are actually 2010 number of employees

Data Source

- ⁽¹⁾ 2011 Illinois Manufacturers Directory
- ⁽²⁾ 2011 Illinois Services Directory
- ⁽³⁾ 2011 Harris Illinois Industrial Directory
- ⁽⁴⁾ Phone canvass of employers

Employer	2009		
	Employees	Rank	% of Total Village Population*
Advocate South Suburban Hospital	1,400 ⁽²⁾	1	9.95%
MI-Jack Products, Inc.	500 ⁽¹⁾	2	3.55%
In-Terminal Services Corp.	350 ⁽²⁾	3	2.49%
Lanco International	350 ⁽²⁾⁽³⁾	4	2.49%
Meany Electrical Engineering Co., Inc.	150 ⁽²⁾	5	1.07%
Alloy Sling Chains Inc.	100 ⁽³⁾	6	0.71%
Hazel Crest Park District (inc. part-time and seasonal)	12-72 ⁽⁴⁾	7	0.51%
Illinois Brick	55 ⁽¹⁾	8	0.39%
Best Homes	55 ⁽³⁾	9	0.39%
Alpha Construction	50 ⁽³⁾	10	0.36%
Interstate Scaffolding, Inc.	30 ⁽²⁾	11	0.21%
Bank Financial	25 ⁽²⁾	12	0.18%
Hill Concrete Products, Inc.	23 ⁽¹⁾	13	0.16%
McBride Engineering	21 ⁽²⁾	14	0.15%
AB&D Custom Furniture	15 ⁽¹⁾	15	0.11%

*2009 Estimated population by the US Census is 14,075.

Note: Number of employees shown in 2010 directories are actually 2009 number of employees

Data Source

- ⁽¹⁾ 2010 Illinois Manufacturers Directory
- ⁽²⁾ 2010 Illinois Services Directory
- ⁽³⁾ 2010 Harris Illinois Industrial Directory

Note - Information for the period nine years prior to the current period is not available.

Village of Hazel Crest, Illinois

**Full-Time Equivalent Employees
Last Ten Fiscal Years**

Full-Time-Equivalent Employees as of April 30

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Administration / Office	8	8	8	8	7	7	8	4	5	5
Public Safety										
Police	36	39	39	39	33	33	32	34	36	34
Fire	16	16	17	17	21	22	23	20	22	17
Inspection services	-	-	-	-	-	-	-	-	-	4
Public Works										
Public Works Administration	21	22	22	22	19	19	20	21	21	15
Total	81	85	86	86	80	81	83	79	84	75

Data Source

Village Finance Department

Village of Hazel Crest, Illinois

**Operating Indicators
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Community Development										
Building permits issued	53	52	46	46	71	41	44	31	26	25
Public Safety										
Police										
Physical arrests	389	278	438	368	352	275	374	360	309	356
Parking violations	1,958	2,459	2,188	2,614	2,084	1,626	2,491	2,800	2,928	1,677
Traffic violations	N/A	N/A	N/A	N/A	415	333	705	689	718	583
Public Works										
Streets										
Street resurfacing (miles)	1.15	0.64	0.25	0.44	2.00	6.19	5.60	2.25	1.25	2.50
Potholes repaired	630	570	720	430	620	580	725	650	675	600
Recreation and Culture										
Parks										
Open space (acres)	13	13	13	13	13	13	13	13	13	13
Open space (acres)	150	150	150	150	150	150	150	150	150	150
Water										
New Connections (tap-ons)	-	-	-	-	24	10	5	1	1	-
Average daily consumption*	1.24	1.28	1.28	1.28	1.30	1.43	1.41	1.36	1.40	-
Sewers										
Sanitary Sewers (miles)	47	47	47	47	47	50	50	50	50	50
Storm Sewers (miles)	32	32	32	32	32	34	34	34	34	34

* (thousands of gallons)

Data Source

Various village departments

Village of Hazel Crest, Illinois

Capital Asset Statistics

Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic Patrol Areas	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets										
Streets (miles)	56	56	56	56	58	57	58	58	56	56
Streetlights	650	650	650	650	652	654	654	654	650	652
Recreation and Culture										
Number of Parks and Open Space	13	13	13	13	13	13	13	13	13	13
Number of Libraries	1	1	1	1	1	1	1	1	1	1
Number of Volumes	N/A									
Water										
Water mains (miles)	60	60	60	60	61	63	63	63	60	60
Wastewater										
Sanitary sewers (miles)	47	47	47	47	47	50	50	50	50	50
Storm Sewers (miles)	32	32	32	32	32	34	34	34	34	34

Data Source

Various village departments