



Village of Hazel Crest, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2014

Village of Hazel Crest, Illinois

**Comprehensive Annual Financial Report
Year Ended April 30, 2014**

Prepared by
Marlo Kemp
Village Manager and Finance Director

Village of Hazel Crest, Illinois

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Village President

Vernard L. Alsberry, Jr.

Clerk

Mary E. Grant

Village Manager

Marlo V. Kemp

Village of Hazel Crest

Trustees

Roderick S. Bashir
Dr. Jane P. Brown
Patricia Jackson
Debra J. McGhee
Kevin Moore Sr.
Susan M. Pate

December 22, 2014

Honorable Village President Alsberry 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 (the Village), for the fiscal year ended April 30, 2014. 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 the 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, 2014 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.

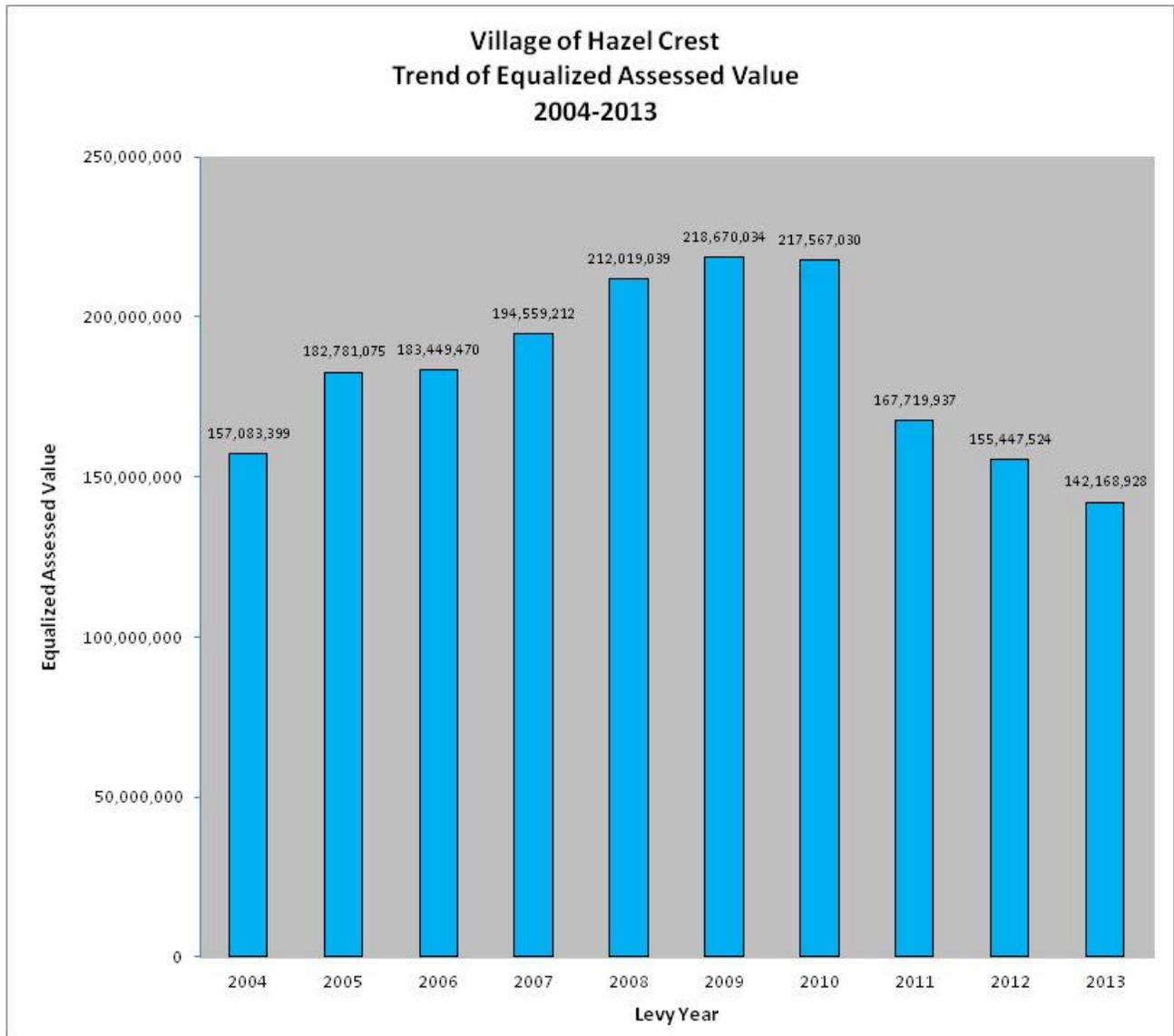
The Village has four established TIF districts. The 183rd Street TIF was established to redevelop French Village by aiding in securing tenants and promoting landscaping and remodeling. The 170th Street TIF was established to initiate Transit Oriented Development (T.O.D.) for the train station and its surrounding areas, 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 is one of the participating municipalities in the E-COM joint dispatch center along with Homewood, Flossmoor, Glenwood, Riverdale, and South Holland. Participating with other municipalities allows the Village to upgrade dispatch equipment through economies of scale.

Over the last ten years there has been a 10.5% decrease in Equalized Assessed Value (EAV); the first six of the ten years saw a 39.2% increase compared to the 2004 EAV, while the last four years saw a 35.0% decrease from the 2009 EAV. The following table illustrates this trend:



PROPERTY TAXES

The allocations of Property Tax rate by generic fund type of tax levy for Levy Year 2013 and the preceding four levy years are as follows:

Purpose	2009	2010	2011	2012	2013
General	\$1.728	\$2.138	\$2.845	\$3.598	\$4.159
GO Debt	.146	.173	.225	.478	.200
Pensions	.452	.476	.717	.438	.484
Totals	\$2.326	\$2.789	\$3.787	\$4.514	\$4.834

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 2014 fiscal year is found in the Statistical Section

of the report. During the past year \$564,299 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 \$416,037 during the fiscal year ended April 30, 2014.

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 when combined 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 \$79,241 during the fiscal year ended April 30, 2014.

REVENUE RECOGNITION

In the governmental funds, 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). All other funds recognize revenue on the full accrual basis (when earned).

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, 2013. This was the 32nd consecutive year that the government has achieved this prestigious award (fiscal years ended 1982-2013). 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.

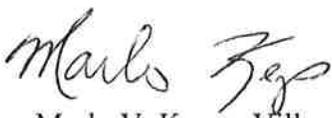
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 Village Board members for their interest in planning and conducting the financial operations of the Village in a responsible and progressive manner.

This report continues the efforts made by the Village to ensure that its financial operations are captured accurately and responsibly.

Respectfully submitted,

A handwritten signature in cursive script that reads "Marlo V. Kemp".

Marlo V. Kemp, Village Manager

Village of Hazel Crest, Illinois

Principal Officials

April 30, 2014

President

Vernard Alsberry, Jr.

Village Board of Trustees

Jane Brown

Roderick S. Bashir

Debra J. McGhee

Kevin Moore, Sr.

Susan M. Pate

Pat Jackson

Village Manager

Marlo Kemp

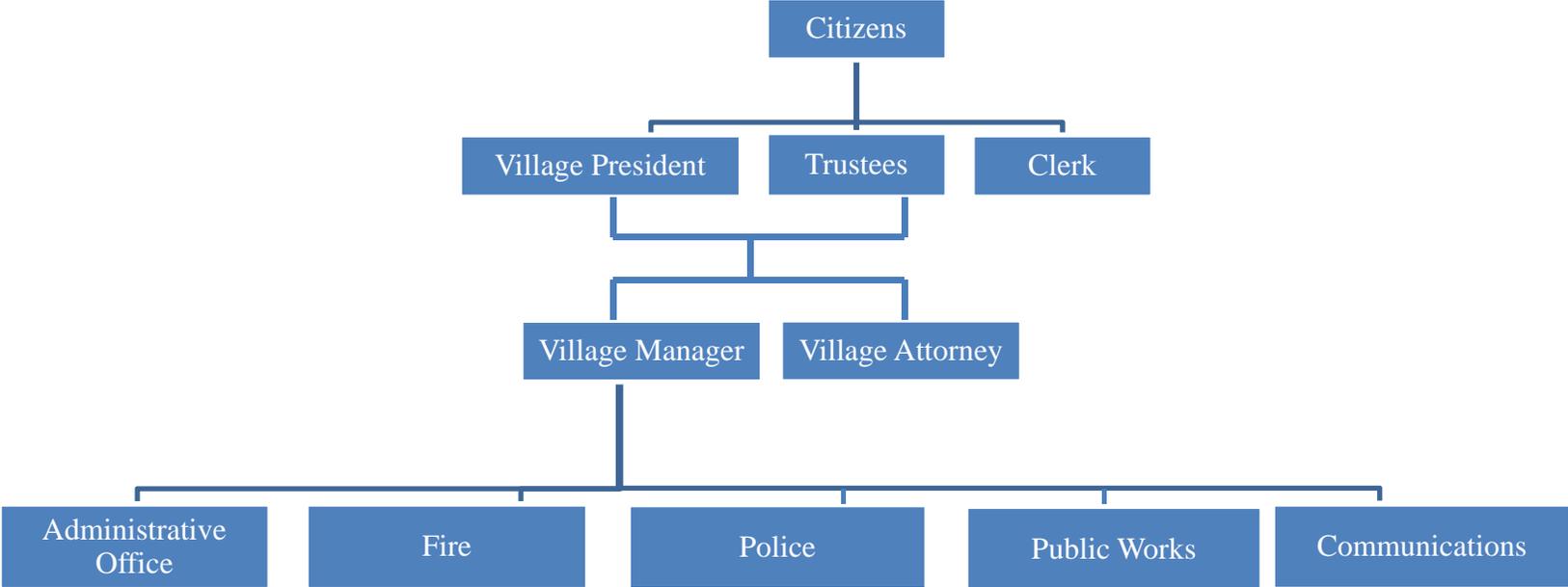
Village Clerk

Mary E. Grant

Village Attorney

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

Village of Hazel Crest Organizational Chart





Government Finance Officers Association

**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, 2013

Executive Director/CEO



Independent Auditor's Report

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

Report on the Financial Statements

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 (the Village), as of and for the year ended April 30, 2014, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 – 11), budgetary schedules (pages 55 – 64) and pension and OPEB related information (pages 51 – 54) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The Supplementary Information consisting of combining and individual fund statements and schedules and debt requirement schedules, and the Introductory and Statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund statements and schedules and debt requirement schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

McGladrey LLP

Chicago, Illinois
December 22, 2014

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, 2014. 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 \$20,522,471. Of this amount, \$77,789 is unrestricted and may be used to meet the government's ongoing obligations. The total net assets decreased by \$1,427,093, driven primarily by the \$802,826 increase in OPEB costs and the \$542,460 increase in pension obligations. Total long-term debt of the Village decreased by \$488,190 during the fiscal year. General obligation debt of \$140,000 and notes payable of \$502,215 were repaid in fiscal year 2014, net of a new capital lease being issued in fiscal year 2014 with a balance of \$154,025 at April 30, 2014. At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,170,892 or 34.7% of total general fund expenditures and transfers.

Overview of the Financial Statements

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

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

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

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

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

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable

Management's Discussion and Analysis

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 11 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 three major funds: the General fund, the 183rd Street TIF fund, and the Hazel Crest Proper TIF fund. Data from the other eight 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 5 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.

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.

Management's Discussion and Analysis

Government-Wide Financial Analysis

The following table is the condensed Village of Hazel Crest Statement of Net Position as of April 30, 2014:

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 15,323,082	\$ 1,648,254	\$ 16,971,336
Capital and other noncurrent assets	12,917,611	2,784,034	15,701,645
Total assets	<u>28,240,693</u>	<u>4,432,288</u>	<u>32,672,981</u>
Current liabilities	1,410,983	465,455	1,876,438
Long-term liabilities	6,961,268	27,113	6,988,381
Total liabilities	<u>6,961,268</u>	<u>27,113</u>	<u>6,988,381</u>
Deferred Inflows of Resources			
Deferred property tax levy	<u>3,285,691</u>	-	<u>3,285,691</u>
Net position:			
Net invested in capital assets	11,296,586	2,784,034	14,080,620
Restricted for various purposes	6,364,062	-	6,364,062
Unrestricted	(1,077,897)	1,155,686	77,789
Total net position	<u>\$ 16,582,751</u>	<u>\$ 3,939,720</u>	<u>\$ 20,522,471</u>

The following table is the condensed Village of Hazel Crest Statement of Net Position as of April 30, 2013:

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 15,060,633	\$ 1,232,406	\$ 16,293,039
Capital and other noncurrent assets	14,003,415	2,742,083	16,745,498
Total assets	<u>29,064,048</u>	<u>3,974,489</u>	<u>33,038,537</u>
Current liabilities	1,632,153	390,258	2,022,411
Long-term liabilities	5,679,364	26,783	5,706,147
Total liabilities	<u>5,679,364</u>	<u>26,783</u>	<u>5,706,147</u>
Deferred Inflows of Resources			
Deferred property tax levy	<u>3,360,415</u>	-	<u>3,360,415</u>
Net position:			
Net invested in capital assets	11,865,192	2,742,083	14,607,275
Restricted for various purposes	6,616,980	-	6,616,980
Unrestricted	(90,056)	815,365	725,309
Total net position	<u>\$ 18,392,116</u>	<u>\$ 3,557,448</u>	<u>\$ 21,949,564</u>

Management's Discussion and Analysis

Approximately 68.6% of the Village's net position 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 unrestricted net position amount that can be used to meet the ongoing obligations of the Village. The Village management has determined that unrestricted net position 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. The dramatic decrease in unrestricted net assets is due to the segregation of Capital Projects funds into its own sub-category. The Village continues to manage its expenditures and revenues with an eye towards increasing the unrestricted fund amount to the desired level.

The water and sewer fund is no longer operating at a deficit mainly due to passing along rate increases to water users. In previous years, the unrestricted net assets of the business-type activities was a net deficit, however, due to increases over the past several years the fund now has positive unrestricted net position.

The following table is the condensed Village of Hazel Crest Statement of Activities for the Fiscal Year Ended April 30, 2014:

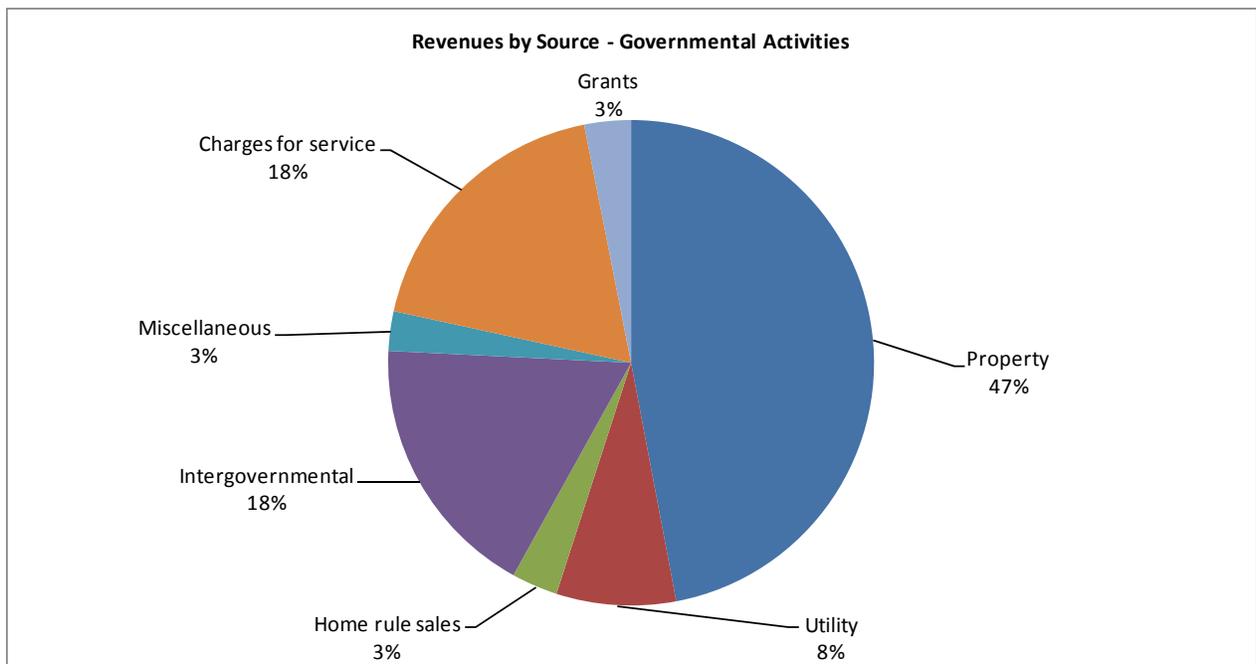
	Governmental Activities	Business-type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	\$ 2,449,000	\$ 3,916,683	\$ 6,365,683
Operating grants and contributions	410,693	213,166	623,859
General revenues:			
Property taxes	6,229,648	-	6,229,648
Other taxes	3,865,982	-	3,865,982
Other	294,089	-	294,089
Total revenues	<u>13,249,412</u>	<u>4,129,849</u>	<u>17,379,261</u>
Expenses:			
General services	4,478,889	-	4,478,889
Public works	3,033,161	-	3,033,161
Public safety	7,451,356	-	7,451,356
Interest expense	95,371	-	95,371
Waterworks and sewerage	-	3,702,921	3,702,921
Municipal parking	-	44,656	44,656
Total expenses	<u>15,058,777</u>	<u>3,747,577</u>	<u>18,806,354</u>
Increase (decrease) in net position	(1,809,365)	382,272	(1,427,093)
Net position May 1, 2013	18,392,116	3,557,448	21,949,564
Net position April 30, 2014	<u>\$ 16,582,751</u>	<u>\$ 3,939,720</u>	<u>\$ 20,522,471</u>

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, 2013.

	Governmental Activities	Business-type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	\$ 2,391,601	\$ 3,484,914	\$ 5,876,515
Operating grants and contributions	458,912	5,000	463,912
General revenues:			
Property taxes	7,352,990	-	7,352,990
Other taxes	3,913,999	-	3,913,999
Other	437,801	-	437,801
Total revenues	<u>14,555,303</u>	<u>3,489,914</u>	<u>18,045,217</u>
Expenses:			
General services	6,385,248	-	6,385,248
Public works	2,954,804	-	2,954,804
Public safety	6,546,830	-	6,546,830
Interest expense	81,855	-	81,855
Waterworks and sewerage	-	3,094,713	3,094,713
Municipal parking	-	43,236	43,236
Total expenses	<u>15,968,737</u>	<u>3,137,949</u>	<u>19,106,686</u>
Increase (decrease) in net position	(1,413,434)	351,965	(1,061,469)
Net position May 1, 2012	19,805,550	3,205,483	23,011,033
Net position April 30, 2013	<u>\$ 18,392,116</u>	<u>\$ 3,557,448</u>	<u>\$ 21,949,564</u>

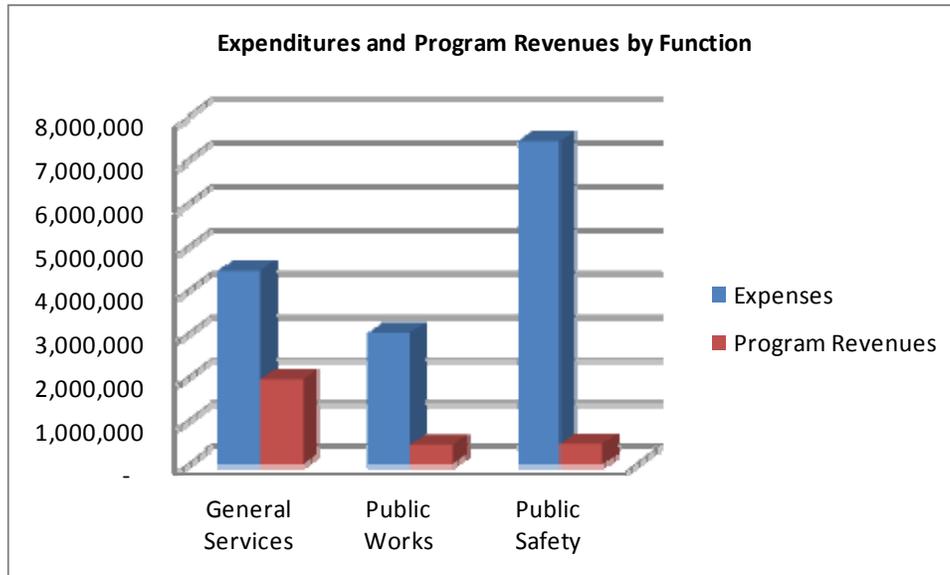
The following chart summarizes how governmental activities are funded for the year ended April 30, 2014.



Management's Discussion and Analysis

47% 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, resulting in an improved fiscal outlook for the Village.

The following table shows expenditures by function and related programming revenues. As shown, all governmental functions rely significantly on general revenues to help fund expenditures.



Business-type activities are to be funded through charges for related services. This year, water and sewerage revenues exceeded its expenses by \$400,320 due to a 15% increase in rates passed on from the city of Chicago. The commuter parking lot had expenses of \$18,048 more than its revenue this year due to declining commuter parking revenues.

Financial Analysis of the Government's Funds

Governmental funds provide information on near term inflows, outflows and balances of spendable resources. Unassigned 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 \$10,980,854, an increase of \$417,155 from the prior year. The unassigned fund balance of the total governmental funds represents 31% of total governmental fund expenditures.

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the waterworks and sewerage fund was \$1,059,878, due to rate increases, but the bulk of the unrestricted amount was comprised of receivables. After several years of negative balances, the waterworks and sewerage fund has returned to a positive balance, allowing the Village to proactively address water-related infrastructure issues without the need to borrow funds. The unrestricted net assets of the commuter parking lot fund were \$95,808. This figure has declined from the prior year due to erosion of parking revenue.

Management's Discussion and Analysis

General Fund Budgetary Highlights

No significant amendments were made to the original budget. Actual general fund revenues were higher than budgeted revenues by \$543,592, with greater than expected Intergovernmental and Fines/Fees revenues offsetting lower than budgeted Property Tax revenues. Actual general expenditures were higher than budgeted expenditures by \$446,061, driven by increases in Police salaries. The Village has placed emphasis on crime reduction by increasing its police presence, which led to increased overtime for officers.

This year's General Fund shows a \$759,488 fund balance increase, improving on last year's increase of \$579,426. The Village continually tries to keep expenditure increases in line with revenue increases.

In fiscal year 2014, sales tax revenue of \$556,992 increased by \$49,510 (9.8%) compared to 2013 sales tax revenue of \$507,482. However, income tax revenue of \$1,593,906 decreased by \$160,568 (-9.2%) compared to the prior year's \$1,754,474 in revenue. Utility tax revenue of \$1,053,466 decreased by \$29,298 (-2.7%) compared to the 2013 utility tax revenue of \$1,082,764. The Village has no control over the amount or timing of these receipts. Fiscal year 2014 ambulance fee receipts of \$400,777 increased by \$30,765 (8.3%) compared to 2013 ambulance fee receipts of \$370,012. The Village received \$9,238 in interest income this year in the General Fund, a consequence of low interest rates. With interest rates remaining low, the Village assumed that no interest would be received for budgeting purposes.

Expenditures for the General Fund decreased \$194,129 from the prior year, due to passage of a state law that allowed for longer amortization of unfunded pension obligations, reducing the amount required for Police and Fire Pension contributions. The percent increases in expenditures by major functions of the Village are shown in the following tabulations:

Expenditure by Function	2013 Amount	Percent of Total	2014 Amount	Percent of Total	Increase (Decrease) Amount	%
General Services	\$3,939,758	33%	\$3,262,588	27%	\$(677,170)	-17%
Communications and Community Relations	74,548	1%	74,540	1%	(8)	0%
Administrative Office	338,125	3%	252,410	2%	(85,715)	-25%
Capital Outlay	139,227	1%	162,222	1%	22,995	17%
Public Works	1,072,313	9%	1,211,079	10%	138,766	13%
Police	3,770,662	31%	4,106,351	35%	335,689	9%
Fire/Paramedics	1,729,844	14%	1,704,701	14%	(25,143)	-1%
Inspection	396,299	3%	515,626	4%	119,327	30%
Insurance	597,739	5%	574,869	5%	(22,870)	-4%
	\$12,058,515		\$11,864,386		(184,129)	

The unassigned fund balance of the General Fund as of April 30, 2014 was \$4,170,892.

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 \$434,692 in fiscal year 2014 represented an increase of 7.8% over the \$403,113 collected in Fiscal 2013. Revenues exceeded expenditures during the year by \$87,795 resulting in the current fund balance of \$1,011,606.

Management's Discussion and Analysis

Other Major Fund Highlights

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. Of the four TIF funds, two were considered major funds in fiscal year 2014, Hazel Crest Proper TIF and 183rd Street TIF. The 183rd Street TIF had a fund balance decrease of \$92,888 due to refund of property taxes and no surplus distribution in FY 2014.

Waterworks and Sewerage Fund Highlights

Fiscal year 2014, water revenues totaled \$4,103,241, an increase of \$643,534 (18.6%) over the prior year, driven by a 15% increase in water rates passed on from the city of Chicago. Expenses for the year totaled \$3,702,921, an increase of \$608,208 (19.7%) over the prior year. A net gain of \$400,320 resulted from operations of the Water and Sewerage Fund for fiscal year 2014. The following table presents key statistical information over the past five years for the Water and Sewerage system.

	2014	2013	2012	2011	2010
Number of Metered Accounts (estimate)	4630	4630	4630	4630	4630
Gross Revenue	\$4,103,241	\$3,459,707	\$3,076,296	\$2,906,714	\$2,710,196
Expense	\$3,702,921	\$3,094,713	\$2,666,383	\$2,845,464	\$2,886,506
Operating Income (Loss)	\$400,320	\$364,994	\$409,913	\$61,250	\$(176,310)

Capital Asset and Debt Administration

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2014, amounts to \$15,701,645, 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 general obligation bond debt of \$1,140,000, general obligation debt certificates of \$327,000 and \$154,025 in capital leases. 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 continues to attract new businesses into its boundaries, providing both increased convenience for its residents and a fiscal benefit to the Village. Several franchises have opened stores in the Village and others have expressed interest in doing so. With help from incentives offered by the State of Illinois, the Village was able to convince Mi-Jack Products, Inc., one of its largest employers, to keep Hazel Crest as its corporate headquarters; indeed, Mi-Jack has begun to expand its operations in the area.

The lowering of the 171st Street viaduct in the Hazel Crest Proper area 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 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 will be the focal point for this development. The area is a nexus 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.

Management's Discussion and Analysis

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 sixth year with E-Com Emergency Dispatch Center
- Water Station 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, Marlo V. Kemp, 3000 W. 170th Place, Hazel Crest, IL 60429.

Village of Hazel Crest, Illinois

Statement of Net Position
April 30, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 9,920,625	\$ 711,103	\$ 10,631,728
Receivables:			
Property taxes	3,468,319	-	3,468,319
Accounts	441,018	937,151	1,378,169
Intergovernmental	957,805	-	957,805
Prepays	535,315	-	535,315
Total current assets	<u>15,323,082</u>	<u>1,648,254</u>	<u>16,971,336</u>
Noncurrent			
Capital assets, not being depreciated	2,794,975	120,337	2,915,312
Capital assets, net of accumulated depreciation	10,122,636	2,663,697	12,786,333
Total noncurrent assets	<u>12,917,611</u>	<u>2,784,034</u>	<u>15,701,645</u>
Total assets	<u>\$ 28,240,693</u>	<u>\$ 4,432,288</u>	<u>\$ 32,672,981</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Position - Continued
April 30, 2014

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
General obligation bonds	\$ 145,000	\$ -	\$ 145,000
General obligation debt certificates	50,000	-	50,000
Capital lease	36,799	-	36,799
Compensated absences	242,696	21,208	263,904
Accounts payable	626,220	139,757	765,977
Accrued expenses	17,316	-	17,316
Deposits	144,030	247,490	391,520
Unearned revenue	148,922	57,000	205,922
Total current liabilities	1,410,983	465,455	1,876,438
Noncurrent			
General obligation bonds	995,000	-	995,000
General obligation debt certificates	277,000	-	277,000
Capital lease	117,226	-	117,226
Other postemployment benefits	4,513,347	-	4,513,347
Compensated absences	209,659	27,113	236,772
Pension obligation	849,036	-	849,036
Total noncurrent liabilities	6,961,268	27,113	6,988,381
Total liabilities	8,372,251	492,568	8,864,819
Deferred Inflows of Resources			
Deferred property tax levy	3,285,691	-	3,285,691
Net Position			
Net investment in capital assets	11,296,586	2,784,034	14,080,620
Restricted:			
Compost closure	20,000	-	20,000
Debt service	342,390	-	342,390
Capital projects	4,990,066	-	4,990,066
MFT projects	1,011,606	-	1,011,606
Unrestricted (deficit)	(1,077,897)	1,155,686	77,789
Total net position	\$ 16,582,751	\$ 3,939,720	\$ 20,522,471

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Activities
Year Ended April 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General services	\$ 4,478,889	\$ 1,958,722	\$ -	\$ -	\$ (2,520,167)	\$ -	\$ (2,520,167)
Public works	3,033,161	25,623	410,693	-	(2,596,845)	-	(2,596,845)
Public safety	7,451,356	464,655	-	-	(6,986,701)	-	(6,986,701)
Interest expense	95,371	-	-	-	(95,371)	-	(95,371)
Total governmental activities	15,058,777	2,449,000	410,693	-	(12,199,084)	-	(12,199,084)
Business-type activities:							
Waterworks and sewerage	3,702,921	3,890,075	213,166	-	-	400,320	400,320
Commuter parking lot	44,656	26,608	-	-	-	(18,048)	(18,048)
Total business-type activities	3,747,577	3,916,683	213,166	-	-	382,272	382,272
Total	\$ 18,806,354	\$ 6,365,683	\$ 623,859	\$ -	(12,199,084)	382,272	(11,816,812)
General revenues							
Taxes:							
Property					6,229,648	-	6,229,648
Utility					1,053,466	-	1,053,466
Home rule sales					407,771	-	407,771
Other					54,859	-	54,859
Intergovernmental					2,349,886	-	2,349,886
Interest					9,238	-	9,238
Miscellaneous					284,851	-	284,851
Total general revenues					10,389,719	-	10,389,719
Change in net position					(1,809,365)	382,272	(1,427,093)
Net position:							
May 1, 2013					18,392,116	3,557,448	21,949,564
April 30, 2014					\$ 16,582,751	\$ 3,939,720	\$ 20,522,471

See Notes to Financial Statements.

Fund Financial Statements

Village of Hazel Crest, Illinois

Balance Sheet - Governmental Funds
April 30, 2014

	General 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	\$ 3,639,026	\$ 2,055,013	\$ 1,632,544	\$ 2,594,042	\$ 9,920,625
Receivables:					
Property taxes	3,328,808	-	-	139,511	3,468,319
Accounts	441,018	-	-	-	441,018
Intergovernmental	933,557	-	-	24,248	957,805
Prepays	535,315	-	-	-	535,315
Total assets	\$ 8,877,724	\$ 2,055,013	\$ 1,632,544	\$ 2,757,801	\$ 15,323,082
Liabilities					
Accounts payable	\$ 572,144	\$ -	\$ -	\$ 54,076	\$ 626,220
Accrued expenditures	17,316	-	-	-	17,316
Unearned revenue	148,922	-	-	-	148,922
Deposits	144,030	-	-	-	144,030
Total liabilities	882,412	-	-	54,076	936,488
Deferred Inflows of Resources					
Deferred property tax levy	3,269,105	-	-	136,635	3,405,740
Fund Balances					
Nonspendable	535,315	-	-	-	535,315
Restricted:					
Compost closure	20,000	-	-	-	20,000
Debt service	-	-	-	342,390	342,390
Capital projects	-	2,055,013	1,632,544	1,302,509	4,990,066
MFT projects	-	-	-	1,011,606	1,011,606
Unassigned	4,170,892	-	-	(89,415)	4,081,477
Total fund balances	4,726,207	2,055,013	1,632,544	2,567,090	10,980,854
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,877,724	\$ 2,055,013	\$ 1,632,544	\$ 2,757,801	\$ 15,323,082

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
April 30, 2014**

Total fund balances-governmental funds	\$ 10,980,854
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	12,917,611
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A portion of property 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.	120,049
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Some liabilities reported in the Statement of Net Position 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	(452,355)
General obligation debt certificates	(327,000)
General obligation bonds	(1,140,000)
Capital leases	(154,025)
Other postemployment benefits	(4,513,347)
Pension obligation	<u>(849,036)</u>

Net position of governmental activities	<u>\$ 16,582,751</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, 2014

	General Fund	Tax Incremental Financing District 183rd Street Fund	Tax Incremental Financing District Hazel Crest Proper	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes (refunds)	\$ 6,158,802	\$ (76,238)	\$ 28,006	\$ 418,359	\$ 6,528,929
Other taxes	1,516,096	-	-	-	1,516,096
Intergovernmental	2,349,886	-	-	379,335	2,729,221
Fines, fees and permits	1,001,437	-	-	-	1,001,437
Licenses	175,942	-	-	-	175,942
Charges for services	1,172,033	-	-	-	1,172,033
Interest	9,238	-	-	-	9,238
Miscellaneous	390,440	-	-	23,999	414,439
Total revenues	12,773,874	(76,238)	28,006	821,693	13,547,335
Expenditures:					
Current:					
General services	3,262,588	16,000	16,000	458,702	3,753,290
Administrative office	252,410	-	-	-	252,410
Communications and community relations	74,540	-	-	-	74,540
Insurance	574,869	-	-	-	574,869
Public works	1,211,079	-	-	-	1,211,079
Police	4,106,351	-	-	-	4,106,351
Fire	1,704,701	-	-	-	1,704,701
Inspection	515,626	650	-	-	516,276
Debt service:					
Principal	-	-	78,850	564,299	643,149
Interest and fees	-	-	-	87,686	87,686
Capital outlay	162,222	-	-	43,607	205,829
Total expenditures	11,864,386	16,650	94,850	1,154,294	13,130,180
Excess (deficiency) of revenues over (under) expenditures	909,488	(92,888)	(66,844)	(332,601)	417,155
Other financing sources (uses)					
Proceeds from debt issuances	-	-	-	327,000	327,000
Payment to bond escrow agent	-	-	-	(327,000)	(327,000)
Transfers in	-	-	-	150,000	150,000
Transfers out	(150,000)	-	-	-	(150,000)
Total other financing sources (uses)	(150,000)	-	-	150,000	-
Net change in fund balances	759,488	(92,888)	(66,844)	(182,601)	417,155
Fund balances:					
May 1, 2013	3,966,719	2,147,901	1,699,388	2,749,691	10,563,699
April 30, 2014	\$ 4,726,207	\$ 2,055,013	\$ 1,632,544	\$ 2,567,090	\$ 10,980,854

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2014**

Net change in fund balances-total governmental funds	\$ 417,155
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets	
Capital outlay	335,797
Depreciation	(1,392,593)
A portion of property taxes are reported in the Statement of Activities that were not available and year-end and therefore are not reported in the governmental funds.	
	(267,924)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
	683,683
Interest payments are recorded as an expenditure in the governmental funds when paid, but is recorded when incurred on the Statement of Activities. There was additional interest recorded in the Statement of Activities in the current year.	
	(6,751)
Issuance of a capital lease is recorded as a liability in the Statement of Net Assets, but is recorded as revenue in the governmental funds.	
	(195,493)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
(Increase) in compensated absences	(37,953)
(Increase) in other postemployment benefits	(802,826)
(Increase) in pension obligation	<u>(542,460)</u>
Change in net position of governmental activities	<u><u>\$ (1,809,365)</u></u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Position - Proprietary Funds
April 30, 2014

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Assets			
Current			
Cash and equivalents	\$ 615,042	\$ 96,061	\$ 711,103
Accounts receivable	937,151	-	937,151
Total current assets	1,552,193	96,061	1,648,254
Noncurrent			
Capital assets, not being depreciated	71,509	48,828	120,337
Capital assets, net of accumulated depreciation	2,523,408	140,289	2,663,697
Total noncurrent assets	2,594,917	189,117	2,784,034
Total assets	\$ 4,147,110	\$ 285,178	\$ 4,432,288

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Position - Proprietary Funds (Continued)

April 30, 2014

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Liabilities			
Current			
Accounts payable	\$ 139,504	\$ 253	\$ 139,757
Deposits	247,490	-	247,490
Deferred revenue	57,000	-	57,000
Compensated absences	21,208	-	21,208
Total current liabilities	465,202	253	465,455
Noncurrent			
Compensated absences	27,113	-	27,113
Total noncurrent liabilities	27,113	-	27,113
Total liabilities	492,315	253	492,568
Net Position			
Invested in capital assets	2,594,917	189,117	2,784,034
Unrestricted	1,059,878	95,808	1,155,686
Total net position	\$ 3,654,795	\$ 284,925	\$ 3,939,720

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended April 30, 2014

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Operating revenues:			
Charges for services	\$ 3,755,960	\$ 26,608	\$ 3,782,568
Fines and fees	134,115	-	134,115
Total operating revenues	3,890,075	26,608	3,916,683
Operating expenses:			
Operations	3,401,162	39,395	3,440,557
Depreciation	301,759	5,261	307,020
Total operating expenses	3,702,921	44,656	3,747,577
Operating income (loss)	187,154	(18,048)	169,106
Nonoperating revenues			
Intergovernmental	213,166	-	213,166
Change in net position	400,320	(18,048)	382,272
Net position:			
May 1, 2013	3,254,475	302,973	3,557,448
April 30, 2014	<u>\$ 3,654,795</u>	<u>\$ 284,925</u>	<u>\$ 3,939,720</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows - Proprietary Funds
Year Ended April 30, 2014

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Cash flows from operating activities			
Cash received for services	\$ 3,797,317	\$ 26,608	\$ 3,823,925
Payments to employees	(800,849)	-	(800,849)
Payments to suppliers	(2,529,538)	(39,555)	(2,569,093)
Net cash provided by (used in) operating activities	466,930	(12,947)	453,983
Cash flows from noncapital financing activities	213,166	-	213,166
Cash flows from capital financing activities			
Acquisition of capital assets	(348,972)	-	(348,972)
Net increase (decrease) in cash and equivalents	331,124	(12,947)	318,177
Cash and equivalents:			
May 1, 2013	283,918	109,008	392,926
April 30, 2014	\$ 615,042	\$ 96,061	\$ 711,103

(Continued)

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows – Proprietary Funds (Continued)

Year Ended April 30, 2014

	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)	\$ 187,154	\$ (18,048)	\$ 169,106
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	301,759	5,261	307,020
Changes in assets and liabilities:			
Accounts receivable	(97,671)	-	(97,671)
Deposits	4,913	-	4,913
Accounts payable	64,471	(160)	64,311
Compensated absences	6,304	-	6,304
Total adjustments	279,776	5,101	284,877
Net cash provided by (used in) operating activities	\$ 466,930	\$ (12,947)	\$ 453,983

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Combined Statement of Fiduciary Net Position
Pension Trust Funds
April 30, 2014

Assets

Cash and cash equivalents	\$ 1,307,911
Investments	
U.S. Treasury notes	6,022,773
U.S. Government agencies	851,849
Corporate bonds	661,692
Insurance contracts	803,887
Fixed income	3,562,300
Equity mutual funds	7,990,048
Prepays	517
Interest receivable	20,858

Total assets

21,221,835

Liabilities, accounts payable

8,296

Net position held in trust for pension benefits

\$ 21,213,539

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

**Combined Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2014**

Additions

Contributions:

Employer	\$ 495,278
Plan members	298,844
Total contributions	<u>794,122</u>

Investment income:

Net appreciation in fair value of investments	693,016
Dividends	71,571
Interest	330,464
Less investment expense	(33,306)
Net investment income	<u>1,061,745</u>

Total additions	<u>1,855,867</u>
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Deductions

Benefits	1,443,331
Administrative expenses	46,873
Total deductions	<u>1,490,204</u>

Net increase	365,663
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Net position held in trust for pension benefits:

May 1, 2013	<u>20,847,876</u>
April 30, 2014	<u>\$ 21,213,539</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 and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Financial benefit or financial burden is created if any one of the following relationships exists:

- (1) The primary government is legally entitled to or has access to the component unit's resources.
- (2) The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.
- (3) The primary government is obligated in some manner for the other component unit's debt.

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 Position 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 Position presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation plus unspent bond proceeds to be used for future capital projects, reduced by outstanding balances for bonds, other debt and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Unrestricted net position consists of net position that does 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.

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 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 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.

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 Position 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 Position 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 position.

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 Position or Equity (Continued)

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position 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 Revenue and Deferred Inflows of Resources

The Village reports both deferred inflows of resources and unearned revenues on its financial statements. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period for the governmental funds. Additionally, deferred inflows of resources arise when revenues associated with imposed nonexchange revenue transactions (property taxes) are received or reported as a receivable before the period for which they are levied. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the Village has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

The Village defers revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report unearned 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.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 Position.

In the fund financial statements, 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

Within governmental fund types, the Village's fund balances are reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints place on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's President and Board of Trustees. The Village passes formal resolutions to commit their fund balances. As of April 30, 2014, the Village had no committed fund balances.

Assigned – includes amounts that are constrained by the Village's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's President and Board of Trustees; or b) a body or official to which the President and Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's President and Board of Trustees has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, and capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. As of April 30, 2014, the Village had no assigned fund balances.

Unassigned – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

In the General Fund, it is the Village's policy to consider restricted resources to have been spent first when an expenditure is incurred for with both restricted and unrestricted (i.e. committed, assigned, or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

In other governmental funds (special revenue, debt service and capital projects), it is the Village's policy to consider restricted resources to have been spent last. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Village first utilizes any assigned amounts, followed by committed and then restricted amounts.

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.

Recently Issued Accounting Pronouncements

The Government Accounting Standards Board (GASB) has issued Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65), which was adopted by the Village for the year ended April 30, 2014. GASB 65 now establishes accounting and financial reporting standards that reclassify, as deferred outflows or resources or deferred inflow of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. In accordance with GASB 65, the Village now reports both deferred inflows or resources and deferred outflows of resources on its financial statements.

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, 2014, the carrying amount of the Village's deposits was \$1,853,165 with bank balances totaling \$1,127,719. All of the Village's deposits were insured or collateralized at April 30, 2014. The Village also had \$1,460 of petty cash on hand at April 30, 2014.

The Illinois Funds

The Village had \$8,250,102 invested with the Illinois Funds at April 30, 2014. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price the investment could be sold for.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Illinois Metropolitan Investment Fund

The Village had \$1,564,912 invested with the Illinois Municipal Metropolitan Investment Fund (IMET) at April 30, 2014. IMET is not registered with the SEC. Oversight for IMET is provided by the IMET Board. The Board is responsible for policy formulation, as well as policy and administration oversight. The fair value of the positions in the pool is the same as the value of the pool shares. See Note 12 on page 50 for more information relating to the value of IMET.

Investments

As of April 30, 2014, 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	\$ 6,022,773	\$ 499,805	\$ 3,934,066	\$ 1,588,902	\$ -
U.S. Agencies - FHLB	844,134	-	750,445	-	93,689
U.S. Agencies - GNMA	7,715	-	-	7,715	-
Insurance Contracts	803,887	-	803,887	-	-
Corporate Bonds	661,692	-	-	-	661,692
Fixed Income	3,562,300	574,203	1,373,517	527,594	1,086,986
	<u>\$ 11,902,501</u>	<u>\$ 1,074,008</u>	<u>\$ 6,861,915</u>	<u>\$ 2,124,211</u>	<u>\$ 1,842,367</u>

The Village also has equity mutual fund investments totaling \$7,990,048, which is not included in the schedule above.

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, 2014, 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 AAAM 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.

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. Treasury Notes and Mutual Funds in which they represent 30% and 58% respectively, of the Village's total investments.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

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 \$1,853,165, petty cash of \$1,460, Illinois Funds of \$8,250,102, IMET of \$1,564,912 and investments of \$19,892,550 total \$31,832,188 and are reported in the financial statements as follows:

Governmental activities,	
Cash and cash equivalents	\$ 9,920,625
Business-type activities,	
Cash and cash equivalents	711,103
Fiduciary Funds:	
Cash and cash equivalents	1,307,911
Investments:	
U.S. Treasury notes	6,022,773
U.S. Government agencies	851,849
Corporate bonds	661,692
Insurance contracts	803,887
Fixed Income	3,562,300
Equity mutual funds	7,990,048
	<hr/>
Total	\$ 31,832,188

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 inflows of resources.

The Village considers that the first half of the 2013 levy is to be used to finance operations in fiscal 2014. The Village has determined that the second half of the 2013 levy is to be used to finance operations in 2015 and has deferred the corresponding 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, 2013	Additions	Retirements	Balance April 30, 2014
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>-</u>	<u>-</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	5,096,461	301,192	86,207	5,311,446
Streets	107,920,640	-	-	107,920,640
Sidewalks	5,206,356	-	-	5,206,356
Storm sewers	3,683,721	-	-	3,683,721
Manholes	189,109	-	-	189,109
Hydrants	290,146	34,605	-	324,751
Valves	42,497	-	-	42,497
Streetlights	409,393	-	-	409,393
	<u>125,734,479</u>	<u>335,797</u>	<u>86,207</u>	<u>125,984,069</u>
Less accumulated depreciation for:				
Land improvements	208,885	4,774	-	213,659
Buildings	1,857,637	53,913	-	1,911,550
Machinery and equipment	4,095,885	199,058	86,207	4,208,736
Streets	99,568,385	1,043,806	-	100,612,191
Sidewalks	4,930,094	53,432	-	4,983,526
Storm sewers	3,167,220	27,831	-	3,195,051
Manholes	162,182	1,469	-	163,651
Hydrants	144,690	4,597	-	149,287
Valves	39,184	182	-	39,366
Streetlights	380,885	3,531	-	384,416
	<u>114,555,047</u>	<u>1,392,593</u>	<u>86,207</u>	<u>115,861,433</u>
Capital assets being depreciated, net:				
Land improvements	28,863	(4,774)	-	24,089
Buildings	800,771	(53,913)	-	746,858
Machinery and equipment	1,000,576	102,134	-	1,102,710
Streets	8,352,255	(1,043,806)	-	7,308,449
Sidewalks	276,262	(53,432)	-	222,830
Storm sewers	516,501	(27,831)	-	488,670
Manholes	26,927	(1,469)	-	25,458
Hydrants	145,456	30,008	-	175,464
Valves	3,313	(182)	-	3,131
Streetlights	28,508	(3,531)	-	24,977
Total capital assets being depreciated, net	<u>11,179,432</u>	<u>(1,056,796)</u>	<u>-</u>	<u>10,122,636</u>
Governmental activities capital assets, net	<u>\$ 13,974,407</u>	<u>\$ (1,056,796)</u>	<u>\$ -</u>	<u>\$ 12,917,611</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, 2013	Additions	Retirements	Balance April 30, 2014
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	1,950,207	-	-	1,950,207
Distribution system	10,865,805	348,971	-	11,214,776
	<u>13,596,574</u>	<u>348,971</u>	<u>-</u>	<u>13,945,545</u>
Less accumulated depreciation for:				
Land improvements	162,492	5,261	-	167,753
Buildings	360,952	12,593	-	373,545
Machinery and equipment	1,483,589	72,481	-	1,556,070
Distribution system	8,967,795	216,685	-	9,184,480
	<u>10,974,828</u>	<u>307,020</u>	<u>-</u>	<u>11,281,848</u>
Capital assets being depreciated, net:				
Land improvements	145,550	(5,261)	-	140,289
Buildings	111,568	(12,593)	-	98,975
Machinery and equipment	466,618	(72,481)	-	394,137
Distribution system	1,898,010	132,286	-	2,030,296
Total capital assets being depreciated, net	<u>2,621,746</u>	<u>41,951</u>	<u>-</u>	<u>2,663,697</u>
Business-type activities capital assets, net	<u>\$ 2,742,083</u>	<u>\$ 41,951</u>	<u>\$ -</u>	<u>\$ 2,784,034</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	\$ 36,962
Public works	1,301,305
Public safety	54,326
Total depreciation expense - governmental activities	<u>\$ 1,392,593</u>

Business-type activities:

Waterworks and sewerage	\$ 301,759
Commuter parking lot	5,261
Total depreciation expense - business-type activities	<u>\$ 307,020</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, 2014:

	Outstanding Obligations as of May 1, 2013	Additions	Reductions	Outstanding Obligations as of April 30, 2014	Due Within One Year
General obligation bonds	\$ 1,280,000	\$ -	\$ 140,000	\$ 1,140,000	\$ 145,000
General obligation debt certificates	327,000	327,000	327,000	327,000	50,000
Notes payable	502,215	-	502,215	-	-
Capital lease	-	195,493	41,468	154,025	36,799
Compensated absences	414,402	282,887	244,934	452,355	242,696
Net pension obligation	306,576	542,460	-	849,036	-
Other postemployment benefits	3,710,521	1,079,191	276,365	4,513,347	-
	<u>\$ 6,540,714</u>	<u>\$ 2,427,031</u>	<u>\$ 1,531,982</u>	<u>\$ 7,435,763</u>	<u>\$ 474,495</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, 2014:

	Outstanding Obligations as of May 1, 2013	Additions	Reductions	Outstanding Obligations as of April 30, 2014	Due Within One Year
Compensated absences	\$ 42,016	\$ 26,658	\$ 20,354	\$ 48,321	\$ 21,208

Outstanding obligations for both governmental and business-type activities as of April 30, 2014 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%.

\$ 1,140,000

General obligation debt certificates:

General obligation debt certificates, Series 2013 dated December 12, 2013. Principal due in annual installments of \$50,000 through 2019 and \$77,000 in 2020. Interest is 1.86%.

327,000

Capital Leases:

Capital lease dated November 26, 2013. Payments of principal and interest due in annual installments of \$41,468 through November 2017. Effective interest of 2.99%.

154,025

Compensated absences, governmental activities

452,355

Compensated absences, business-type activities

48,321

Net pension obligation

849,036

Other postemployment benefits

4,513,347

Total outstanding obligations

\$ 7,484,084

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		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 145,000	\$ 43,050	\$ 50,000	\$ 6,082	\$ 36,799	\$ 4,669
2016	150,000	37,685	50,000	5,152	37,914	3,554
2017	155,000	32,135	50,000	4,222	39,064	2,404
2018	160,000	26,400	50,000	3,292	40,248	1,220
2019	170,000	20,320	50,000	2,362	-	-
2020	175,000	13,860	77,000	1,432	-	-
2021	185,000	7,123	-	-	-	-
	<u>\$ 1,140,000</u>	<u>\$ 180,573</u>	<u>\$ 327,000</u>	<u>\$ 22,542</u>	<u>\$ 154,025</u>	<u>\$ 11,847</u>

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 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.

Information related to the employer's contributions and three-year trend information is on a fiscal year basis. The actuarial information and schedule of funding progress are on a calendar year basis as that is the year used by IMRF.

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 calendar years 2014 and 2013 was 22.05 and 19.71 percent, respectively, of annual covered payroll. The Village's annual required contribution rate for calendar year 2014 and 2013 was 24.06, respectively. 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 2014 were as follows:

Annual required contribution	\$ 542,181
Interest on net pension obligation	20,482
Adjustment to annual requirement contribution	<u>(14,640)</u>
Annual pension cost	548,023
Contributions made	<u>477,484</u>
Increase in net pension obligation	70,539
Net pension obligation, beginning of year	<u>273,281</u>
Net pension obligation, end of year	<u><u>\$ 343,820</u></u>

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
04/30/14	\$ 548,023	87 %
04/30/13	518,793	72
04/30/12	310,645	83

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, 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, 2011 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, 2013, the most recent actuarial valuation date, the regular plan was 46.09 percent funded. The actuarial accrued liability for benefits was \$6,690,239 and the actuarial value of assets was \$3,083,668, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,606,571. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$2,253,454 and the ratio of the UAAL to the covered payroll was 160 percent.

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 annual required contribution rate for calendar years 2014 and 2013 was 15.08 and 14.89 percent, respectively, 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 2014, the Village's annual pension cost of \$15,804 for the SLEP plan was equal to the Village's required and actual contributions.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
04/30/14	\$ 15,804	100 %
04/30/13	13,851	100
04/30/12	12,754	100

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, 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 underfunded actuarial accrued liability at December 31, 2011 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, 2013, the most recent actuarial valuation date, the SLEP's plan was 59.12 percent funded. The actuarial accrued liability for benefits was \$207,489 and the actuarial value of assets was \$122,667, resulting in an underfunded actuarial accrued liability (UAAL) of \$84,822. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$105,535 and the ratio of the UAAL to covered payroll was 80 percent.

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, 2014 was 39.17 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, 2013.

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2014, were as follows:

Annual required contribution	\$ 654,824
Interest on net pension obligation	1,665
Adjustment to annual requirement contribution	3,116
Annual pension cost	<u>659,605</u>
Contributions made	<u>416,037</u>
Change in net pension obligation	243,568
Net pension obligation, beginning of year	<u>33,295</u>
Net pension obligation, end of year	<u><u>\$ 276,863</u></u>

The annual required contribution for the year ended April 30, 2014 was determined as part of the April 30, 2013, actuarial valuation report using the projected unit credit 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 the current market value of the assets. 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, 2014, was 28 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/14	\$ 659,605	\$ 416,037	63 %	\$ 276,863
04/30/13	735,402	702,107	95	33,295
04/30/12	803,032	803,032	100	-

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, 2013, 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
4/30/2013	\$ 14,234,842	\$ 22,129,237	\$ 7,894,396	64.3 %	\$ 1,791,491	440.7 %

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, 2013:

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	13
	13
	46

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, 2014, was 18.74 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, 2013.

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, 2014, were as follows:

Annual required contribution	\$ 307,594
Interest on net pension obligation	-
Adjustment to annual requirement contribution	-
Annual pension cost	<u>307,594</u>
Contributions made	<u>79,241</u>
Change in net pension obligation	228,353
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ 228,353</u></u>

The annual required contribution for the year ended April 30, 2013, was determined as part of the April 30, 2013, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.25 percent investment rate of return, (b) projected salary increases of 4.0 percent to 12.0 percent, and (c) 4.5 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, 2013, was 28 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/14	\$ 307,594	\$ 79,241	25.8 %	\$ 228,353
04/30/13	355,585	355,585	100.0	-
04/30/12	352,403	418,097	118.6	-

The funded status of the Firefighters' Pension Plan as of April 30, 2014, 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
4/30/2013	\$ 6,809,370	\$ 8,437,979	\$ 1,628,609	80.7 %	\$ 1,149,463	141.7 %

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, 2013:

Retirees and beneficiaries receiving benefits	8
Terminated plan members entitled to but not yet receiving benefits	4
Active vested plan members	6
Active nonvested plan members	11
	11
	29

**Combining Statement of Fiduciary Net Position
Pension Trust Funds
April 30, 2014**

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 1,298,431	\$ 9,480	\$ 1,307,911
Investments:			
U.S. Treasury notes	6,022,773	-	6,022,773
U.S. Government agencies	851,849	-	851,849
Corporate bonds	661,692	-	661,692
Insurance contracts	803,887	-	803,887
Equity mutual funds	4,526,832	3,463,216	7,990,048
Fixed income	-	3,562,300	3,562,300
Prepays	-	517	517
Interest receivable	-	20,858	20,858
	14,165,464	7,056,371	21,221,835
Total assets			
	14,165,464	7,056,371	21,221,835
Liabilities , accounts payable	-	8,296	8,296
	-	8,296	8,296
Net position held in trust for pension benefits	\$ 14,165,464	\$ 7,048,075	\$ 21,213,539

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Combining Statement of Changes in Fiduciary Net Position

Pension Trust Funds

Year Ended April 30, 2014

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 416,037	\$ 79,241	\$ 495,278
Plan members	193,710	105,134	298,844
Total contributions	609,747	184,375	794,122
Investment income:			
Net appreciation in fair value of investments	474,053	218,963	693,016
Dividends	71,571	-	71,571
Interest	82,668	247,796	330,464
Less investment expense	(13,860)	(19,446)	(33,306)
Net investment income	614,432	447,313	1,061,745
Total additions	1,224,179	631,688	1,855,867
Deductions			
Benefits	1,073,860	369,471	1,443,331
Administrative expenses	23,362	23,511	46,873
Total deductions	1,097,222	392,982	1,490,204
Net increase	126,957	238,706	365,663
Net position held in trust for pension benefits:			
May 1, 2013	14,038,507	6,809,369	20,847,876
April 30, 2014	\$ 14,165,464	\$ 7,048,075	\$ 21,213,539

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, 2014.

Note 9. Other Fund Disclosures (FFS Level Only)

Excess of Expenditure Over Budget

The following funds overexpended their budgets during the year ended April 30, 2014 as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
General	\$ 11,418,325	\$ 11,864,386
Waterworks and Sewerage	3,637,755	3,702,921
Commuter Parking Lot	41,900	44,656
Limited Tax Bonds	188,230	210,128

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 10. Postemployment Healthcare Plan

Plan Description. The Village provides postretirement health care benefits to all employees with a minimum of 20 years of service who retire from the Village that were in the 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 2014, the Village contributed \$276,365 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, 2014 is included as a liability on the Statement of Net Position as "other postemployment benefits." The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2014, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	\$ 1,130,203
Interest on net OPEB obligation	166,973
Adjustment to annual required contribution	<u>(217,985)</u>
Annual OPEB cost (expense)	1,079,191
Contributions made	<u>276,365</u>
Increase in net OPEB obligation	802,826
Net OPEB obligation, beginning of year	<u>3,710,521</u>
Net OPEB obligation, end of year	<u><u>\$ 4,513,347</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 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/14	\$ 1,079,191	25.6 %	\$ 4,513,347
04/30/13	1,069,469	15.0	3,710,521
04/30/12	995,242	17.0	2,801,590

Funded Status and Funding Progress. As of April 30, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$10,489,530, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$10,489,530. The covered payroll (annual payroll of active employees covered by the plan) was \$5,673,034 and the ratio of the UAAL to the covered payroll was 184.9 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 health care 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, 2014 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 health care cost trend rate of 8.92 – 10.28 percent initially, reduced by decrements to an ultimate rate of 5 percent. As the plan is unfunded, the actuarial method to determine value of assets is not applicable. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2014 was 30 years.

Note 11. New Governmental Accounting Standards

GASB Statement No. 67, *Financial Reporting for Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2015. This statement builds upon the existing framework for financial reports of defined benefits pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

Note 11. New Governmental Accounting Standards (Continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the Village beginning with its year ended April 30, 2016. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, will be effective for the Village beginning with its year ending April 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statements users to evaluate the nature and financial effects of those transactions.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, will be effective for the Village beginning with its year ended April 30, 2015. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, will be effective for the Village beginning with its year ended April 30, 2016. This Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual basis of financial statements of employers and nonemployer contributing entities.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these statements on its financial statements; however, it is anticipated that GASB 68 will have a significant impact.

Note 12. Illinois Metropolitan Investment Fund

On September 29, 2014, the Illinois Metropolitan Investment Trust (IMET) was informed of defaults on certain loans believed to be guaranteed in its Convenience Fund in the amount of \$50,442,143 caused by fraud on the part of First Farmer's Financial (FFF), a USDA approved lender. As of April 30, 2014, the amount of fraudulent FFF loans in the Convenience Fund was \$37,472,649 or 2.67%. This resulted in a decrease in the value of the Village's IMET investment in the amount of \$22,459 as of April 30, 2014.

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)
12/31/2013	\$ 3,083,668	\$ 6,690,239	\$ 3,606,571	46.09 %	\$ 2,253,454	160.05 %
12/31/2012	2,528,037	7,212,972	4,684,935	35.05	2,113,977	221.62
12/31/2011	2,410,665	6,970,175	4,559,510	34.59	1,995,565	228.48

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$4,570,878. On a market basis, the funded ratio would be 68.32 percent.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of Hazel Crest. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100 percent funded.

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)
12/31/2013	\$ 122,667	\$ 207,489	\$ 84,822	59.12 %	\$ 105,535	80.37 %
12/31/2012	96,984	75,364	(21,620)	128.69	102,907	-
12/31/2011	74,029	49,427	(24,602)	149.77	101,708	-

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$135,695. On a market basis, the funded ratio would be 65.40 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]
4/30/2013	\$ 14,038,508	\$ 22,777,930	\$ 8,739,423	61.6 %	\$ 1,791,491	487.8 %
4/30/2012	13,595,570	20,822,834	7,227,264	65.3	1,835,758	393.7
4/30/2011	12,770,631	20,560,099	7,789,468	62.1	1,783,824	436.7

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
4/30/2013	\$ 659,605	0.631 %
4/30/2012	735,402	0.955
4/30/2011	690,177	116.4
4/30/2010	610,555	118.9
4/30/2009	565,393	115.2
4/30/2008	564,962	101.2

Village of Hazel Crest, Illinois

**Required Supplementary Information
Firefighters' Pension Fund**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) Underfunded AAL as a Percentage of Covered Payroll [(b-a)/c]
4/30/2013	\$ 6,809,370	\$ 8,437,979	\$ 1,628,609	80.7 %	\$ 1,149,463	141.7 %
4/30/2012	6,035,216	7,632,503	1,597,287	79.1	1,189,974	134.2
4/30/2010	5,191,747	6,727,510	1,535,763	77.2	1,173,806	130.8

Information for April 30, 2011 is not available.

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
4/30/2013	\$ 307,594	100.0 %
4/30/2012	119,601	349.6
4/30/2010	252,915	132.6
4/30/2009	239,740	114.6
4/30/2008	280,664	71.3
4/30/2007	220,970	87.7

Information for April 30, 2011 is not available.

Village of Hazel Crest, Illinois

**Required Supplementary Information
Postemployment Healthcare Plan**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued 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]
4/30/2013	\$ -	\$ 10,489,530	\$ 10,489,530	\$ -	\$ 5,673,034	184.9 %
4/30/2012	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2011	-	9,566,603	9,566,603	-	6,381,866	149.9

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
4/30/2014	\$ 1,130,203	24.5 %
4/30/2013	1,011,081	15.9
4/30/2012	1,069,469	15.0
4/30/2011	1,011,081	51.9

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Revenues
 Budget and Actual
 Year Ended April 30, 2014

	Original and Final Budget	Actual	Over (Under) Budget
Property taxes	\$ 6,472,152	\$ 6,158,802	\$ (313,350)
Other taxes:			
Utility	1,110,000	1,053,466	(56,534)
Home rule fuel tax	60,000	53,434	(6,566)
Home rule sales tax	259,000	407,771	148,771
Amusement	500	1,425	925
Total other taxes	1,429,500	1,516,096	86,596
Intergovernmental:			
Property tax road and bridge	33,000	36,403	3,403
Replacement	30,000	34,840	4,840
Sales	475,000	556,992	81,992
Income tax	1,350,000	1,593,906	243,906
E-Com revenue	-	127,745	127,745
Total intergovernmental	1,888,000	2,349,886	461,886
Fines, fees and permits:			
Vehicle license penalties	5,500	12,625	7,125
Illinois red speed	2,000	3,717	1,717
Finance charges	30	-	(30)
Plan reviews	16,000	17,981	1,981
Franchise fees	50,000	65,954	15,954
Building permits	60,000	144,389	84,389
Circuit court fines	75,000	60,136	(14,864)
Ambulance fees	325,000	400,777	75,777
Inspections	100,000	120,033	20,033
Cable television franchise fees	120,000	137,300	17,300
Contractor registration	45,000	38,500	(6,500)
Alarm violations	3,000	25	(2,975)
Total fines, fees and permits	801,530	1,001,437	199,907

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Revenues
 Budget and Actual (Continued)
 Year Ended April 30, 2014

	Original and Final Budget	Actual	Over (Under) Budget
Licenses:			
Raffle licenses	\$ -	\$ 40	\$ 40
Liquor	1,000	4,760	3,760
Vehicles	174,700	160,562	(14,138)
Business	15,000	10,215	(4,785)
Pet	400	365	(35)
Total licenses	<u>191,100</u>	<u>175,942</u>	<u>(15,158)</u>
Charges for services:			
Refuse removal fees	900,000	993,634	93,634
Refuse removal penalties	35,000	38,572	3,572
Commuter parking service charges	35,000	35,000	-
Motor fuel tax equipment rental	96,000	96,000	-
Billboard rental	1,000	7,702	6,702
Crime free class fee	500	1,125	625
Total service charges	<u>1,067,500</u>	<u>1,172,033</u>	<u>104,533</u>
Interest	-	9,238	9,238
TIF rebate	125,000	-	(125,000)
Miscellaneous:			
Employee health insurance contributions	90,000	108,965	18,965
IRMA refund	-	4,268	4,268
Bad debt recovery	-	57,705	57,705
Municipal center leases	110,000	131,146	21,146
State highway maintenance	13,000	24,213	11,213
Sidewalk/tree replacement	-	1,410	1,410
Miscellaneous	42,500	62,733	20,233
Total miscellaneous	<u>255,500</u>	<u>390,440</u>	<u>134,940</u>
Total revenues	<u>\$ 12,230,282</u>	<u>\$ 12,773,874</u>	<u>\$ 543,592</u>

See Note to Required Supplementary Information.

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual
 Year Ended April 30, 2014

	Original and Final Budget	Actual	Over (Under) Budget
General Government:			
General services:			
Personnel:			
Salaries	\$ 400,500	\$ 436,650	\$ 36,150
FICA	30,600	32,466	1,866
IMRF	80,000	85,170	5,170
Employee insurance	67,000	44,811	(22,189)
Retiree insurance	175,000	162,311	(12,689)
FSA expense	3,000	2,012	(988)
Total personnel	756,100	763,420	7,320
Maintenance:			
Maintenance building/grounds	8,000	12,636	4,636
Maintenance equipment	35,000	43,566	8,566
Total maintenance	43,000	56,202	13,202
Contractual services:			
Cleaning services	7,500	7,962	462
Economic development incentives	25,000	16,558	(8,442)
Payroll fees	8,500	8,779	279
Telephone	60,000	67,146	7,146
Utilities	4,000	6,056	2,056
Refuse removal	800,000	882,691	82,691
Police pension contributions	539,258	416,037	(123,221)
Fire pension contributions	121,240	79,241	(41,999)
Travel	300	925	625
Legal	120,000	161,137	41,137
Accounting	45,000	13,455	(31,545)
Consultants	165,000	151,970	(13,030)
Training and conferences	515	295	(220)
Dues and subscriptions	14,000	9,161	(4,839)
Tuition reimbursement	500	-	(500)
E-Com	375,000	454,620	79,620
Contingency	125,000	-	(125,000)
Total contractual services	2,410,813	2,276,033	(134,780)
Commodities:			
Office supplies	27,000	27,095	95
Boards and commissions	4,200	5,323	1,123
Recruitment/testing	7,000	9,302	2,302
Bad debts	42,000	43,575	1,575
Bank service charges	500	726	226
Sundry	2,000	20,652	18,652
Village events	-	6,400	6,400
Miscellaneous expense	6,000	53,860	47,860
Total commodities	88,700	166,933	78,233
Total general services	3,298,613	3,262,588	(36,025)

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2014

	Original and Final Budget	Actual	Over (Under) Budget
General government: (continued)			
Administrative office:			
Personnel:			
Salaries	\$ 185,983	\$ 172,109	\$ (13,874)
FICA	11,577	12,986	1,409
IMRF	37,047	29,354	(7,693)
Employee insurance	16,929	12,544	(4,385)
Total personnel	251,536	226,993	(24,543)
Maintenance:			
Maintenance equipment	10,000	5,881	(4,119)
Contractual services:			
Postage	11,000	14,321	3,321
Printing	5,000	5,175	175
Total contractual services	16,000	19,496	3,496
Commodities:			
Office supplies	-	40	40
Total administrative office	277,536	252,410	(25,126)
Communications and Community Relations:			
Personnel:			
Salaries	21,000	21,543	543
FICA	1,300	1,646	346
Total personnel	22,300	23,189	889
Contractual services:			
Consultants	36,000	39,000	3,000
Equipment	3,000	-	(3,000)
Villager	11,000	9,038	(1,962)
Pace bus	-	1,479	1,479
Total contractual services	50,000	49,517	(483)
Commodities:			
Utilities	-	1,773	1,773
Sundry	500	61	(439)
Total commodities	500	1,834	1,334
Total communications and community relations	72,800	74,540	1,740

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2014

	Original and Final Budget	Actual	Over (Under) Budget
Insurance:			
Personnel:			
State unemployment insurance	\$ 10,000	\$ 11,740	\$ 1,740
Workers' compensation	240,000	258,020	18,020
Total personnel	250,000	269,760	19,760
Contractual services:			
Insurance	270,000	283,551	13,551
Training and conferences	100	12	(88)
Total contractual services	270,100	283,563	13,463
Commodities:			
Risk management	2,340	15,218	12,878
Loss fund	8,000	13	(7,987)
Uniforms	1,578	6,315	4,737
Equipment	4,150	-	(4,150)
Total commodities	16,068	21,546	5,478
Total insurance	536,168	574,869	38,701
Total general government	4,185,117	4,164,407	(20,710)

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2014

	Original and Final Budget	Actual	Over (Under) Budget
Public works:			
Personnel:			
Salaries	\$ 507,377	\$ 522,502	\$ 15,125
FICA	30,336	38,242	7,906
IMRF	97,075	130,869	33,794
Employee insurance	67,486	67,769	283
Total personnel	702,274	759,382	57,108
Maintenance:			
Maintenance building/grounds	4,000	13,901	9,901
Maintenance/equipment	96,000	168,753	72,753
Maintenance/other	17,250	49,784	32,534
Trees	15,000	13,625	(1,375)
Streets	6,500	13,361	6,861
Total maintenance	138,750	259,424	120,674
Contractual services:			
Garbage disposal	2,100	4,541	2,441
Communications	300	293	(7)
Utilities	55,000	60,735	5,735
Traffic signals	20,000	28,388	8,388
Rental	2,300	3,745	1,445
Travel	100	71	(29)
Printing	400	509	109
Consultants	9,000	35,644	26,644
Training and conferences	500	130	(370)
Dues and subscriptions	800	305	(495)
Total contractual services	90,500	134,361	43,861
Commodities:			
Other supplies	1,500	2,130	630
Uniforms	6,000	4,408	(1,592)
Gas and oil	55,000	51,306	(3,694)
Sundry	200	68	(132)
Total commodities	62,700	57,912	(4,788)
Total public works	994,224	1,211,079	216,855

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2014

	Original and Final Budget	Actual	Over (Under) Budget
Public safety:			
Police:			
Personnel:			
Salaries	\$ 2,792,383	\$ 3,104,358	\$ 311,975
FICA	162,493	230,113	67,620
IMRF	48,359	80,871	32,512
Employee insurance	374,577	410,059	35,482
Total personnel	3,377,812	3,825,401	447,589
Maintenance:			
Maintenance equipment	45,000	47,951	2,951
Contractual services:			
Communications	11,000	7,213	(3,787)
Cleaning services	5,400	7,179	1,779
Printing	1,200	2,196	996
Consultants	15,000	15,988	988
Adjudication hearing officer	3,600	3,895	295
Training and conferences	20,400	25,031	4,631
Dues and subscriptions	6,500	16,537	10,037
Total contractual services	63,100	78,039	14,939
Commodities:			
Other supplies	6,500	6,795	295
Uniforms	21,600	31,690	10,090
Prisoner needs	2,500	2,464	(36)
Gas and oil	125,798	106,797	(19,001)
Animal control	3,000	4,791	1,791
Sundry	1,500	2,423	923
Total commodities	160,898	154,960	(5,938)
Total police	3,646,810	4,106,351	459,541
Fire:			
Personnel:			
Salaries	\$ 1,451,311	\$ 1,247,935	\$ (203,376)
FICA	85,933	93,558	7,625
IMRF	5,716	9,181	3,465
Employee insurance	209,527	207,722	(1,805)
Total personnel	1,752,487	1,558,396	(194,091)

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2014

	Original and Final Budget	Actual	Over (Under) Budget
Public Safety: (continued)			
Fire: (continued)			
Maintenance:			
Maintenance buildings/grounds	17,000	8,719	(8,281)
Maintenance equipment	8,805	49,132	40,327
Total maintenance	25,805	57,851	32,046
Contractual services:			
Communications	15,100	3,728	(11,372)
Rental	5,000	1,956	(3,044)
Postage	2,200	776	(1,424)
Printing	5,700	1,501	(4,199)
Fire prevention	1,000	500	(500)
Consultants	47,000	17,596	(29,404)
Training and conferences	42,200	9,607	(32,593)
Dues and subscriptions	11,180	10,107	(1,073)
Total contractual services	129,380	45,771	(83,609)
Commodities:			
Office supplies	-	98	98
Other supplies	14,704	7,004	(7,700)
Uniforms	30,000	20,218	(9,782)
Gas and oil	20,000	15,194	(4,806)
Sundry	500	169	(331)
Total commodities	65,204	42,683	(22,521)
Total fire	1,972,876	1,704,701	(268,175)
Inspection:			
Personnel:			
Salaries	254,234	276,377	22,143
FICA	15,265	20,708	5,443
IMRF	48,847	51,799	2,952
Employee insurance	26,352	27,293	941
Total personnel	344,698	376,177	31,479
Maintenance:			
Grass cutting	20,000	8,855	(11,145)
Maintenance equipment	-	2,079	2,079
Total maintenance	20,000	10,934	(9,066)
Contractual services:			
Consultants	50,000	41,171	(8,829)
Printing	4,000	2,757	(1,243)
Training and conferences	1,000	980	(20)
Legal	-	37	37
Dues and subscriptions	1,000	2,138	1,138
Total contractual services	56,000	47,083	(8,917)
Commodities:			
Sundry	-	79,399	79,399
Uniforms	2,850	2,033	(817)
Total commodities	2,850	81,432	78,582
Total inspection	423,548	515,626	92,078

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2014

	Original and Final Budget	Actual	Over (Under) Budget
Public Safety: (continued)			
Civil Defense:			
Maintenance:			
Maintenance equipment	\$ 1,000	\$ -	\$ (1,000)
Contractual services:			
Communications	550	-	(550)
Training and conference	600	-	(600)
Dues and subscriptions	250	-	(250)
Sundry	750	-	(750)
	<u>2,150</u>	<u>-</u>	<u>(2,150)</u>
Total civil defense	<u>3,150</u>	<u>-</u>	<u>(3,150)</u>
Total public safety	<u>6,046,384</u>	<u>6,326,678</u>	<u>280,294</u>
Capital Outlay:			
General government	34,100	71,836	37,736
Public works	96,240	41,489	(54,751)
Public safety	62,260	48,897	(13,363)
Total capital outlay	<u>192,600</u>	<u>162,222</u>	<u>(30,378)</u>
Total expenditures	<u>\$ 11,418,325</u>	<u>\$ 11,864,386</u>	<u>\$ 446,061</u>

See Note to Required Supplementary Information.

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 7 of its funds. No budgets were prepared for any TIF Funds, the Community Development Block Grant Fund or the Capital Projects Fund.

Supplementary Information

Governmental Funds – Combining Statements

Village of Hazel Crest, Illinois

Nonmajor Governmental Funds
 Combining Balance Sheet
 April 30, 2014

	Special Revenue (MFT)	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	\$ 1,041,434	\$ 250,099	\$ 1,302,509	\$ 2,594,042
Receivables:				
Property taxes	-	139,511	-	139,511
Intergovernmental	24,248	-	-	24,248
Total assets	\$ 1,065,682	\$ 389,610	\$ 1,302,509	\$ 2,757,801
Liabilities				
Accounts payable	\$ 54,076	\$ -	\$ -	\$ 54,076
Deferred Inflows of Resources				
Deferred property tax levy	-	136,635	-	136,635
Fund Balances				
Restricted:				
Debt service	-	342,390	-	342,390
Capital projects	-	-	1,302,509	1,302,509
MFT projects	1,011,606	-	-	1,011,606
Unassigned	-	(89,415)	-	(89,415)
Total fund balances	1,011,606	252,975	1,302,509	2,567,090
Total liabilities, deferred inflows of recourses, and fund balances	\$ 1,065,682	\$ 389,610	\$ 1,302,509	\$ 2,757,801

Village of Hazel Crest, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended April 30, 2014**

	Special Revenue (MFT)	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Property taxes (refunds)	\$ -	\$ 509,894	\$ (91,535)	\$ 418,359
Intergovernmental (refunds)	410,693	-	(31,358)	379,335
Miscellaneous	23,999	-	-	23,999
Total revenues	434,692	509,894	(122,893)	821,693
Expenditures				
Current,				
General services	303,290	-	155,412	458,702
Debt service:				
Principal	-	564,299	-	564,299
Interest and fees	-	87,686	-	87,686
Capital outlay	43,607	-	-	43,607
Total expenditures	346,897	651,985	155,412	1,154,294
Excess (deficiency) of revenues over (under) expenditures	87,795	(142,091)	(278,305)	(332,601)
Other financing sources (uses)				
Proceeds from debt issuances	-	327,000	-	327,000
Payment to bond escrow agent	-	(327,000)	-	(327,000)
Transfers in	-	-	150,000	150,000
Total other financing sources (uses)	-	-	150,000	150,000
Change in fund balances	87,795	(142,091)	(128,305)	(182,601)
Fund balances:				
May 1, 2013	923,811	395,066	1,430,814	2,749,691
April 30, 2014	<u>\$ 1,011,606</u>	<u>\$ 252,975</u>	<u>\$ 1,302,509</u>	<u>\$ 2,567,090</u>

Village of Hazel Crest, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
Nonmajor Special Revenue Funds - All Funds for Which Budgets Have Been Adopted
Year Ended April 30, 2014

	MFT	
	Budget	Actual
Revenues:		
Intergovernmental	\$ 380,000	\$ 410,693
Miscellaneous	5,000	23,999
Total revenues	<u>385,000</u>	<u>434,692</u>
Expenditures:		
Current:		
General government	366,000	303,290
Capital outlay	-	43,607
Total expenditures	<u>366,000</u>	<u>346,897</u>
Change in fund balance	<u>\$ 19,000</u>	87,795
Fund balances:		
May 1, 2013		<u>923,811</u>
April 30, 2014		<u>\$ 1,011,606</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet
 Nonmajor Debt Service Funds
 April 30, 2014

	Limited Tax Bonds	Fire Equipment Notes	2005 Capital Projects	Total
Assets				
Cash	\$ (48,950)	\$ (42,459)	\$ 341,508	\$ 250,099
Property taxes receivable	95,594	-	43,917	139,511
Total assets	\$ 46,644	\$ (42,459)	\$ 385,425	\$ 389,610
Liabilities				
	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources				
Deferred property tax levy	93,600	-	43,035	136,635
Fund Balances (deficits)				
Restricted for debt service	-	-	342,390	342,390
Unassigned	(46,956)	(42,459)	-	(89,415)
Total fund balances (deficits)	(46,956)	(42,459)	342,390	252,975
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 46,644	\$ (42,459)	\$ 385,425	\$ 389,610

Village of Hazel Crest, Illinois

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended April 30, 2014

	Limited Tax Bonds	Fire Equipment Notes	2005 Capital Projects	Total
Revenues:				
Property taxes	\$ 195,714	\$ 224,998	\$ 89,182	\$ 509,894
Total revenues	195,714	224,998	89,182	509,894
Expenditures,				
Debt service:				
Principal	140,000	424,299	-	564,299
Interest and fees	70,128	15,359	2,199	87,686
Total expenditures	210,128	439,658	2,199	651,985
Excess (deficiency) of revenues over (under) expenditures	(14,414)	(214,660)	86,983	(142,091)
Other financing sources (uses)				
Proceeds from debt issuances	-	-	327,000	327,000
Payment to bond escrow agent	-	-	(327,000)	(327,000)
Total other financing sources (uses)	-	-	-	-
Change in fund balances	(14,414)	(214,660)	86,983	(142,091)
Fund balances (deficits):				
May 1, 2013	(32,542)	172,201	255,407	395,066
April 30, 2014	\$ (46,956)	\$ (42,459)	\$ 342,390	\$ 252,975

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, 2014

	Limited Tax Bonds		Fire Equipment Notes		2005 Capital Projects		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:								
Property taxes	\$ 188,230	\$ 195,714	\$ 440,665	\$ 224,998	\$ 64,382	\$ 89,182	\$ 693,277	\$ 509,894
Expenditures,								
Debt service:								
Principal	140,000	140,000	423,365	424,299	50,000	-	613,365	564,299
Interest and fees	48,230	70,128	17,080	15,359	18,426	2,199	83,736	87,686
Total expenditures	188,230	210,128	440,445	439,658	68,426	2,199	697,101	651,985
Excess (deficiency) of revenues over (under) expenditures	-	(14,414)	220	(214,660)	(4,044)	86,983	(3,824)	(142,091)
Other financing sources (uses)								
Proceeds from debt issuances	-	-	-	-	-	327,000	-	327,000
Payment to bond escrow agent	-	-	-	-	-	(327,000)	-	(327,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Change in fund balances	<u>\$ -</u>	<u>(14,414)</u>	<u>\$ 220</u>	<u>(214,660)</u>	<u>\$ (4,044)</u>	<u>86,983</u>	<u>\$ (3,824)</u>	<u>(142,091)</u>
Fund balances (deficits):								
May 1, 2013		<u>(32,542)</u>		<u>172,201</u>		<u>255,407</u>		<u>395,066</u>
April 30, 2014		<u>\$ (46,956)</u>		<u>\$ (42,459)</u>		<u>\$ 342,390</u>		<u>\$ 252,975</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 April 30, 2014

	Capital Projects	Tax Incremental Financing District 167th Street	Tax Incremental Financing District Cherry Creek	Total
Assets				
Cash and equivalents	\$ 384,823	\$ 709,102	\$ 208,584	\$ 1,302,509
Liabilities and Fund Balances				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund Balances, restricted for capital projects	384,823	709,102	208,584	1,302,509
Total liabilities and fund balances	\$ 384,823	\$ 709,102	\$ 208,584	\$ 1,302,509

Village of Hazel Crest, Illinois

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended April 30, 2014

	Capital Projects	Community Development Block Grant	Tax Incremental Financing District 167th Street	Tax Incremental Financing District Cherry Creek	Total
Revenues:					
Property taxes (refunds)	\$ -	\$ -	\$ (17,359)	\$ (74,176)	\$ (91,535)
Intergovernmental (refunds)	-	(31,358)	-	-	(31,358)
	-	(31,358)	(17,359)	(74,176)	(122,893)
Expenditures:					
Current,					
General services	133,412	-	16,000	6,000	155,412
Deficiency of revenues over expenditures	(133,412)	(31,358)	(33,359)	(80,176)	(278,305)
Other financing sources					
Transfers in	150,000	-	-	-	150,000
Change in fund balances	16,588	(31,358)	(33,359)	(80,176)	(128,305)
Fund balances:					
May 1, 2013	368,235	31,358	742,461	288,760	1,430,814
April 30, 2014	\$ 384,823	\$ -	\$ 709,102	\$ 208,584	\$ 1,302,509

Major Proprietary Fund

Village of Hazel Crest, Illinois

**Statement of Revenues, Expenses and Changes in Net Position -
Budget and Actual
Waterworks and Sewerage Fund
Year Ended April 30, 2014**

	Original and Final Budget	Actual
Operating revenues:		
Charges for services	\$ 3,984,750	\$ 3,755,960
Intergovernmental	-	213,166
Fines and fees	97,000	134,115
Total operating revenues	<u>4,081,750</u>	<u>4,103,241</u>
Operating expenses:		
Operations	3,637,755	3,401,162
Depreciation	-	301,759
Total operating expenses	<u>3,637,755</u>	<u>3,702,921</u>
Operating income	<u>\$ 443,995</u>	400,320
Net position:		
May 1, 2013		<u>3,254,475</u>
April 30, 2014		<u>\$ 3,654,795</u>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
 Waterworks and Sewerage Fund
 Year Ended April 30, 2014

	Original and Final Budget	Actual
Operating expenses:		
Personnel:		
Salaries	\$ 543,132	\$ 547,716
FICA	30,417	50,557
IMRF	97,335	106,044
Employee insurance	93,701	102,836
Total personnel	764,585	807,153
Maintenance:		
Maintenance building/grounds	48,500	41,793
Maintenance equipment	93,715	71,108
Maintenance utility system	165,000	81,785
Total maintenance	307,215	194,686
Contractual services:		
Communications	4,200	-
Telephone	3,000	4,461
Water purchases	2,314,375	1,889,177
Utilities	64,480	55,525
Rental	2,000	16,766
Travel	250	-
Postage	10,000	8,592
Printing	2,000	1,208
Legal	5,000	2,673
Consultants	30,000	281,068
Training and conferences	1,000	40
Dues and subscriptions	250	537
Total contractual services	2,436,555	2,260,047
Commodities:		
Office supplies	2,500	108
Other supplies	4,400	1,647
Uniforms	3,500	3,913
Gas and oil	55,000	51,651
Bad debts	8,000	27,720
Sundry	1,000	16,661
Total commodities	74,400	101,700

(continued)

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
Waterworks and Sewerage Fund (Continued)
Year Ended April 30, 2014

	Original and Final Budget	Actual
Operating expenses: (continued)		
Capital outlay:		
Improvements	\$ 13,000	\$ 449
Equipment	-	1,739
Meters	42,000	35,388
Total capital outlay	55,000	37,576
Total operations	3,637,755	3,401,162
Depreciation	-	301,759
Total operating expenses	\$ 3,637,755	\$ 3,702,921

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
Commuter Parking Lot Fund
Year Ended April 30, 2014

	Original and Final Budget	Actual
Operating expenses:		
Maintenance	\$ -	\$ 1,725
Utilities	1,400	1,856
Consultants	-	814
Service charge	35,000	35,000
Total operations	36,400	39,395
Depreciation	5,500	5,261
Total operating expenses	<u>\$ 41,900</u>	<u>\$ 44,656</u>

Village of Hazel Crest, Illinois

Schedule of Debt Service Requirements
April 30, 2014

	Year Ending April 30,	Principal	Interest	Total
General Obligation Certificates, Series 2013				
Dated: December 12, 2013	2015	\$ 50,000	\$ 6,082	\$ 56,082
Payable at: Fifth Third Bank	2016	50,000	5,152	55,152
Interest payable annually	2017	50,000	4,222	54,222
interest rate of 1.86%	2018	50,000	3,292	53,292
	2019	50,000	2,362	52,362
	2020	77,000	1,432	78,432
		<u>\$ 327,000</u>	<u>\$ 22,542</u>	<u>\$ 349,542</u>
 General Obligation Bonds, Series 2006				
Dated: December 1, 2006	2015	\$ 145,000	\$ 43,050	\$ 188,050
Authorized issue - \$2,105,000	2016	150,000	37,685	187,685
Payable at: Bank of New York	2017	155,000	32,135	187,135
Interest payable semi-annually at rates	2018	160,000	26,400	186,400
ranging from 3.7 to 3.85%	2019	170,000	20,320	190,320
	2020	175,000	13,860	188,860
	2021	185,000	7,123	192,123
		<u>\$ 1,140,000</u>	<u>\$ 180,573</u>	<u>\$ 1,320,573</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.	78-83
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.	84-91
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.	92-95
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.	96-98
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.	99-100
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

Village of Hazel Crest, Illinois

Net Position by Component
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net investment in capital assets	\$ 23,447,641	\$ 21,850,030	\$ 16,750,186	\$ 15,914,004	\$ 15,492,939	\$ 14,899,778	\$ 14,011,120	\$ 12,977,521	\$ 11,865,192	\$ 11,296,586
Restricted	3,370,345	-	755,837	634,466	732,856	520,617	537,937	6,719,150	6,616,980	6,364,062
Unrestricted	4,265,665	5,682,785	9,327,739	8,775,659	7,508,602	7,584,708	5,593,685	108,879	(90,056)	(1,077,897)
Total Governmental Activities	\$ 31,083,651	\$ 27,532,815	\$ 26,833,762	\$ 25,324,129	\$ 23,734,397	\$ 23,005,103	\$ 20,142,742	\$ 19,805,550	\$ 18,392,116	\$ 16,582,751
Business-type Activities										
Net investment in capital assets	\$ 5,207,915	\$ 4,812,536	\$ 4,496,830	\$ 4,091,062	\$ 3,750,564	\$ 3,408,764	\$ 3,142,751	\$ 2,984,413	\$ 2,742,086	\$ 2,784,034
Unrestricted	(650,978)	(742,436)	(764,252)	(769,741)	(807,805)	(654,993)	(337,933)	221,070	815,365	1,155,686
Total Business-type Activities	\$ 4,556,937	\$ 4,070,100	\$ 3,732,578	\$ 3,321,321	\$ 2,942,759	\$ 2,753,771	\$ 2,804,818	\$ 3,205,483	\$ 3,557,451	\$ 3,939,720
Total										
Net investment in capital assets	\$ 28,655,556	\$ 26,662,566	\$ 21,247,016	\$ 20,005,066	\$ 19,243,503	\$ 18,308,542	\$ 17,153,871	\$ 15,961,934	\$ 14,607,275	\$ 14,080,620
Restricted	3,370,345	-	755,837	634,466	732,856	520,617	537,937	6,719,150	6,616,980	6,364,062
Unrestricted	3,614,687	4,940,349	8,563,487	8,005,918	6,700,797	6,929,715	5,255,752	329,949	725,309	77,789
Total Primary Government	\$ 35,640,588	\$ 31,602,915	\$ 30,566,340	\$ 28,645,450	\$ 26,677,156	\$ 25,758,874	\$ 22,947,560	\$ 23,011,033	\$ 21,949,564	\$ 20,522,471

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

Change in Net Position
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities										
General Government	\$ 2,808,297	\$ 3,143,886	\$ 5,660,422	\$ 7,083,940	\$ 6,411,941	\$ 6,762,100	\$ 7,378,579	\$ 5,998,536	\$ 6,385,248	\$ 4,478,889
Public Safety	5,268,721	5,080,102	5,230,464	5,544,852	6,694,508	6,030,645	7,250,107	5,766,476	6,546,830	7,451,356
Public Works	2,340,877	2,338,699	2,333,101	2,440,638	2,578,377	2,600,659	1,326,554	2,592,617	2,954,804	3,033,161
Interest	55,906	153,460	358,355	288,937	92,565	138,541	94,724	80,939	81,855	95,371
Total Governmental Activities Expenses	10,473,801	10,716,147	13,582,342	15,358,367	15,777,391	15,531,945	16,049,964	14,438,568	15,968,737	15,058,777
Business-type Activities										
Waterworks and Sewerage	2,888,214	3,268,363	2,475,858	2,714,028	2,798,922	2,886,506	2,845,464	2,666,383	3,094,713	3,702,921
Commuter Parking Lot	40,640	38,231	7,778	11,287	75,877	46,241	45,238	43,345	43,236	44,656
Total Business-type Activities Expenses	2,928,854	3,306,594	2,483,636	2,725,315	2,874,799	2,932,747	2,890,702	2,709,728	3,137,949	3,747,577
Total Primary Government Expenses	\$ 13,402,655	\$ 14,022,741	\$ 16,065,978	\$ 18,083,682	\$ 18,652,190	\$ 18,464,692	\$ 18,940,666	\$ 17,148,296	\$ 19,106,686	\$ 18,806,354
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 523,511	\$ 1,204,390	\$ 1,792,161	\$ 1,922,076	\$ 1,940,709	\$ 1,981,729	\$ 1,768,310	\$ 1,868,466	\$ 1,897,372	\$ 1,958,722
Public Safety	456,980	339,670	265,472	395,549	366,130	346,632	426,253	499,411	466,060	464,655
Public Works	266,195	14,873	89,728	11,364	-	42,629	34,525	30,877	28,169	25,623
Operating Grants and Contributions	-	688,915	710,921	771,094	234,864	648,961	488,569	490,318	458,912	410,693
Capital Grants and Contributions	-	-	57,080	-	-	-	280,156	26,223	-	-
Total Governmental Activities Program Revenues	1,246,686	2,247,848	2,915,362	3,100,083	2,541,703	3,019,951	2,997,813	2,915,295	2,850,513	2,859,693
Business-type Activities										
Charges for Services										
Waterworks and Sewerage	2,255,059	2,778,528	2,103,009	2,268,814	2,412,475	2,710,196	2,826,714	3,019,296	3,454,707	3,890,075
Commuter Parking Lot	39,304	36,286	38,456	37,142	32,756	33,563	35,035	34,097	30,207	26,608
Operating Grants and Contributions	-	-	-	-	50,000	-	80,000	57,000	5,000	213,166
Total Business-type Activities Program Revenues	2,294,363	2,814,814	2,141,465	2,305,956	2,495,231	2,743,759	2,941,749	3,110,393	3,489,914	4,129,849
Total Primary Government Program Revenues	\$ 3,541,049	\$ 5,062,662	\$ 5,056,827	\$ 5,406,039	\$ 5,036,934	\$ 5,763,710	\$ 5,939,562	\$ 6,025,688	\$ 6,340,427	\$ 6,989,542
Net (Expense) Revenue										
Governmental Activities	\$ (9,227,115)	\$ (8,468,299)	\$ (10,666,980)	\$ (12,258,284)	\$ (13,235,688)	\$ (12,511,994)	\$ (13,052,151)	\$ (11,523,273)	\$ (13,118,224)	\$ (12,199,084)
Business-type Activities	(634,491)	(491,780)	(342,171)	(419,359)	(379,568)	(188,988)	51,047	400,665	351,965	382,272
Total Primary Government Net (Expense) Revenue	\$ (9,861,606)	\$ (8,960,079)	\$ (11,009,151)	\$ (12,677,643)	\$ (13,615,256)	\$ (12,700,982)	\$ (13,001,104)	\$ (11,122,608)	\$ (12,766,259)	\$ (11,816,812)

(Continued)

Village of Hazel Crest, Illinois

Change in Net Position (Continued)
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Taxes:										
Property	\$ 4,297,505	\$ 4,243,737	\$ 5,442,857	\$ 5,745,652	\$ 5,925,950	\$ 7,688,712	\$ 5,971,364	\$ 7,237,110	\$ 7,352,990	\$ 6,229,648
Sales	603,416	580,015	694,475	784,883	629,913	522,782	499,732	532,565	507,482	407,771
Income and Use	1,217,052	1,348,880	1,475,612	1,600,594	1,490,817	1,301,894	1,362,862	1,316,260	1,577,304	2,349,886
Utility	1,321,900	1,460,390	1,669,226	1,928,191	2,217,613	1,748,738	1,654,699	1,581,955	1,564,281	1,053,466
Other	613,477	34,907	-	106,250	125,000	94,694	180,101	-	264,932	54,859
Interest	85,666	200,128	301,286	303,776	104,095	26,464	21,466	9,988	12,948	9,238
Miscellaneous	288,303	144,694	159,143	279,305	1,152,568	399,416	499,566	508,203	424,853	284,851
Total Governmental Activities	8,427,319	8,012,751	9,742,599	10,748,651	11,645,956	11,782,700	10,189,790	11,186,081	11,704,790	10,389,719
Business-type Activities										
Interest	1,323	4,943	4,649	8,102	1,005	-	-	-	-	-
Total Business-type Activities	1,323	4,943	4,649	8,102	1,005	-	-	-	-	-
Total Primary Government	\$ 8,428,642	\$ 8,017,694	\$ 9,747,248	\$ 10,756,753	\$ 11,646,961	\$ 11,782,700	\$ 10,189,790	\$ 11,186,081	\$ 11,704,790	\$ 10,389,719
Change in Net Assets										
Governmental Activities	\$ (799,796)	\$ (455,548)	\$ (924,381)	\$ (1,509,633)	\$ (1,589,732)	\$ (729,294)	\$ (2,862,361)	\$ (337,192)	\$ (1,413,434)	\$ (1,809,365)
Business-type Activities	(633,168)	(486,837)	(337,522)	(411,257)	(378,563)	(188,988)	51,047	400,665	351,965	382,272
Total Primary Government	\$ (1,432,964)	\$ (942,385)	\$ (1,261,903)	\$ (1,920,890)	\$ (1,968,295)	\$ (918,282)	\$ (2,811,314)	\$ 63,473	\$ (1,061,469)	\$ (1,427,093)

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707,052	\$ 433,599	\$ 535,315
Restricted for Compost										
Closure	-	-	-	-	-	-	-	20,000	20,000	20,000
Unassigned	-	-	-	-	-	-	-	2,660,241	3,513,120	4,170,892
Reserved	410,929	-	656,294	1,584,877	1,753,982	1,704,824	1,467,544	-	-	-
Unreserved	3,584,443	4,021,948	3,465,514	2,485,503	2,506,671	1,843,566	1,720,288	-	-	-
Total General Fund	\$ 3,995,372	\$ 4,021,948	\$ 4,121,808	\$ 4,070,380	\$ 4,260,653	\$ 3,548,390	\$ 3,187,832	\$ 3,387,293	\$ 3,966,719	\$ 4,726,207
All Other Governmental Funds										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375	\$ 375	\$ -
Restricted for										
Debt Service	-	-	-	-	-	-	-	293,344	395,066	342,390
Capital Projects	-	-	-	-	-	-	-	5,639,815	5,278,103	4,990,066
MFT	-	-	-	-	-	-	-	765,991	923,811	1,011,606
Unassigned, debt service	-	-	-	-	-	-	-	-	-	(89,415)
Reserved	2,232,416	760,224	725,229	696,856	46,189	140,175	129,068	-	-	-
Unreserved, reported in										
Special Revenue Funds	927,111	1,366,700	1,625,309	1,546,933	712,856	500,617	517,937	-	-	-
Capital Project Funds	-	520,696	3,903,705	3,507,955	4,430,236	5,433,246	4,689,294	-	-	-
Debt Service Funds	-	1,318,196	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 3,159,527	\$ 3,965,816	\$ 6,254,243	\$ 5,751,744	\$ 5,189,281	\$ 6,074,038	\$ 5,336,299	\$ 6,699,525	\$ 6,597,355	\$ 6,254,647

Data Source

Audited Financial Statements

2012 was the first year the Village complied with GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, which changes the presentation of fund balances.

Village of Hazel Crest, Illinois

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 5,697,688	\$ 5,674,120	\$ 7,047,634	\$ 7,602,794	\$ 7,610,871	\$ 9,230,796	\$ 7,455,847	\$ 8,719,809	\$ 8,416,550	\$ 8,045,025
Licenses	272,063	269,234	225,746	303,028	270,120	249,769	312,691	251,558	190,553	175,942
Intergovernmental	2,462,404	2,650,855	2,839,101	3,179,440	3,216,958	2,343,882	2,635,785	2,498,638	2,865,818	2,729,221
Charges for services	140,906	404,075	90,000	95,564	173,600	141,225	1,048,661	1,089,393	1,100,996	1,172,033
Fines, fees and permits	833,717	797,308	1,743,490	1,839,657	1,766,156	1,830,452	833,211	942,538	1,018,533	1,001,437
Interest	85,666	200,128	301,286	303,776	104,095	26,464	21,466	9,988	12,948	9,238
Capital contributions	-	-	-	-	-	-	280,156	-	-	-
Miscellaneous	310,293	264,879	353,624	524,475	1,045,858	643,654	714,195	607,381	779,102	414,439
Total Revenues	9,802,737	10,260,599	12,600,881	13,848,734	14,187,658	14,466,242	13,302,012	14,119,305	14,384,500	13,547,335
Expenditures										
General Services	1,466,126	2,314,136	3,250,733	3,686,137	3,864,716	3,733,894	4,167,364	3,039,460	4,399,543	3,753,290
Police and Fire	4,915,997	4,775,722	4,963,655	5,248,561	5,634,480	5,751,252	5,390,886	5,378,710	5,500,506	5,811,052
Administrative Office	267,939	295,837	281,233	333,203	298,151	270,328	235,829	279,764	338,125	252,410
Public Works	1,011,076	1,033,578	988,992	1,127,894	1,279,406	1,319,377	1,121,609	892,664	1,072,313	1,211,079
Community Relations	-	39,303	-	-	-	166,068	136,819	96,045	74,548	74,540
Economic Development	163,515	68,915	550,259	1,148,226	697,150	806,093	-	-	-	-
Civil Defense	5,362	3,303	3,282	2,958	5,334	3,048	-	-	-	-
Inspection	-	-	-	-	-	-	419,388	404,485	396,299	516,276
Insurance	434,508	374,126	537,226	724,242	884,655	655,732	564,378	845,972	597,739	574,869
Capital Outlay	346,222	1,187,936	385,919	493,156	1,506,991	523,383	1,007,387	285,539	185,988	205,829
Debt Service										
Principal	84,000	140,693	224,106	229,333	195,000	246,140	262,932	250,438	262,746	643,149
Interest	6,827	39,318	45,365	108,951	92,564	104,590	93,717	83,539	79,812	87,686
Other Charges	12,577	-	-	-	-	-	-	-	-	-
Surplus Distribution	550,000	-	1,250,000	650,000	760,000	840,000	1,000,000	1,000,000	1,000,000	-
Total Expenditures	9,264,149	10,272,867	12,480,770	13,752,661	15,218,447	14,419,905	14,400,309	12,556,616	13,907,619	13,130,180
Excess of Revenues over (under) Expenditures	538,588	(12,268)	120,111	96,073	(1,030,789)	46,337	(1,098,297)	1,562,689	476,881	417,155

(Continued)

Village of Hazel Crest, Illinois

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Transfers (Out)	\$ -	\$ -	\$ -	\$ -	\$ (904,556)	\$ (79,970)	\$ -	\$ -	\$ -	\$ (150,000)
Transfers In	-	-	-	-	904,556	79,970	-	-	-	150,000
Proceeds from Notes Payable	-	-	-	-	658,599	-	-	-	-	-
Proceeds from General Obligation Bond	-	-	2,042,848	-	-	-	-	-	-	-
Proceeds from Installment Note	-	118,132	-	-	-	-	-	-	-	-
Proceeds of Debt Certificate	727,000	-	-	-	-	-	-	-	-	327,000
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	(327,000)
Total Other Financing Sources (Uses)	727,000	118,132	2,042,848	-	658,599	-	-	-	-	-
Net Change in Fund Balances	\$ 1,265,588	\$ 105,864	\$ 2,162,959	\$ 96,073	\$ (372,190)	\$ 46,337	\$ (1,098,297)	\$ 1,562,689	\$ 476,881	\$ 417,155
Debt Service as a Percentage of Noncapital Expenditures	1.02%	1.98%	2.23%	2.55%	2.10%	2.52%	2.66%	2.72%	2.72%	5.65%

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

Schedule of Assessed Valuations, Tax Rates,
Tax Extensions and Tax Collections
Last Ten Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Assessed valuations	\$ 142,168,928	\$ 155,447,524	\$ 167,719,937	\$ 217,567,030	\$ 218,670,034	\$ 212,019,309	\$ 194,599,212	\$ 183,449,470	\$ 182,781,075	\$ 157,083,399
Tax rates by fund:										
General:										
Corporate	0.8604	3.5977	2.8448	2.1386	0.4149	0.4378	0.2935	0.2566	0.2227	0.2347
Unemployment	-	-	-	-	0.0044	0.0033	0.0033	0.0039	0.0037	0.0048
Crossing Guards	-	-	-	-	0.0221	0.0166	0.0165	0.0132	0.0130	0.0147
Police Protection	-	-	-	-	0.1075	0.0710	0.0707	0.0770	0.0668	0.0704
Fire Protection	-	-	-	-	0.5066	0.3787	0.3768	0.4105	0.3564	0.3754
Road and Bridge - Village	-	-	-	-	0.0000	0.0000	0.0000	0.1000	0.0876	0.0938
Police Pension	0.0771	0.3573	0.4762	0.3267	0.4239	0.2677	0.2175	0.2463	0.2472	0.2220
Firefighters' Pension	0.0210	0.0803	0.2410	0.1497	0.1942	0.1135	0.0911	0.1030	0.1034	0.1120
Civil Defense	-	-	-	-	0.0018	0.0014	0.0024	0.0020	0.0017	0.0033
Illinois Municipal Retirement	-	-	-	-	0.4053	0.3030	0.2944	0.3425	0.3345	0.3596
Waste Management	-	-	-	-	0.0368	0.0260	0.0236	0.0207	0.0310	0.1335
Paramedics	-	-	-	-	0.2856	0.2130	0.2120	0.2499	0.2190	0.2347
Insurance	-	-	-	-	0.4913	0.2604	0.2591	0.2347	0.2226	0.2399
Auditing	-	-	-	-	0.0348	0.0260	0.0259	0.0191	0.0044	0.0189
Purchase Agreement	-	0.3509	0.1067	0.0844	0.1123	0.0469	0.0487	0.0000	0.0000	0.0000
Total general	0.9585	4.3862	3.6687	2.6994	3.0415	2.1653	1.9355	2.0794	1.9140	2.1177
Debt Service:	0.0415	0.1271	0.1178	0.0882	0.0975	0.1005	0.0130	0.0012	0.0285	0.0430
Total	1.0000	4.5133	3.7865	2.7876	3.1390	2.2658	1.9485	2.0806	1.9425	2.1607

Village of Hazel Crest, Illinois

Schedule of Assessed Valuations, Tax Rates,
Tax Extensions and Tax Collections (Continued)
Last Ten Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tax extensions by fund:										
General:										
Corporate	\$ 5,912,068	\$ 5,592,482	\$ 4,771,304	\$ 4,652,974	\$ 695,906	\$ 952,415	\$ 641,690	\$ 571,149	\$ 470,731	\$ 407,053
Unemployment	-	-	-	-	7,426	7,210	7,210	6,422	7,155	6,763
Crossing Guards	-	-	-	-	37,132	36,050	36,050	32,109	24,215	23,762
Police Protection	-	-	-	-	180,250	154,500	154,500	137,582	141,256	122,098
Fire Protection	-	-	-	-	849,750	824,000	824,000	733,250	753,060	651,432
Road and Bridge - Village	-	-	-	-	-	-	-	-	183,449	160,116
Police Pension	530,104	555,436	798,641	710,882	710,882	582,355	475,713	423,253	451,836	451,835
Fire Pension	144,200	124,877	404,145	325,754	325,754	246,932	199,240	177,280	188,953	188,996
Civil Defense	-	-	-	-	3,090	3,090	5,150	4,670	3,669	3,107
Illinois Municipal Retirement	-	-	-	-	679,800	659,200	643,750	572,900	628,314	611,403
Waste Management	-	-	-	-	61,800	56,650	51,500	45,925	37,974	56,662
Paramedics	-	-	-	-	478,950	463,500	463,500	412,550	458,440	400,291
Insurance	-	-	-	-	824,000	566,500	566,500	504,207	430,556	406,871
Auditing	-	-	-	-	58,350	56,650	56,650	50,401	35,039	8,042
Purchase Agreement	-	545,461	197,636	183,649	188,284	102,016	106,394	-	-	-
Total general	6,586,372	6,818,256	6,171,726	5,873,259	5,101,374	4,711,068	4,231,847	3,671,698	3,814,648	3,498,430
Debt Service:	284,827	197,642	179,014	191,993	213,182	218,621	28,350	25,298	52,093	67,546
Total	\$ 6,871,199	\$ 7,015,898	\$ 6,350,740	\$ 6,065,252	\$ 5,314,556	\$ 4,929,689	\$ 4,260,197	\$ 3,696,996	\$ 3,866,741	\$ 3,565,976
Collections	\$ 3,199,096	\$ 6,281,320	\$ 5,889,724	\$ 5,795,494	\$ 5,143,255	\$ 4,679,742	\$ 3,812,644	\$ 3,491,033	\$ 3,501,134	\$ 3,369,078
Percent collections	46.56%	89.53%	92.74%	95.55%	96.78%	94.93%	89.49%	94.43%	90.54%	94.48%

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)
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	548,343,225	33.3000	1,645,029,675	1	13,110,000	39	1,315,000
2006	183,449,470	550,348,410	33.3000	1,651,045,230	-	-	57	2,667,106
2007	194,599,212	583,797,636	33.3000	1,751,392,908	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	656,010,102	33.3000	1,968,030,306	10	1,262,384	21	831,607
2010	217,567,030	652,701,090	33.3000	1,958,103,270	16	2,137,193	10	429,585
2011	167,719,937	503,159,811	33.3000	1,509,479,433	13	1,767,904	12	408,288
2012	155,447,524	466,342,572	33.3000	1,399,027,716	13	1,767,904	12	408,288
2013	142,168,928	426,506,784	33.3000	1,279,520,352	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**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Village Direct Rates										
General Corporate	\$ 2.161	\$ 1.943	\$ 2.081	\$ 2.190	\$ 2.326	\$ 2.431	\$ 2.788	\$ 3.787	\$ 4.514	\$ 4.834
Overlapping Rates										
County of Cook	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560
Cook County Forest Preserve District	0.060	0.600	0.570	0.053	0.051	0.049	0.051	0.058	0.063	0.069
Suburban TB Sanitarium	0.001	0.005	0.005	0.263	-	-	0.000	0.000	0.000	0.000
Consolidated Elections	-	0.014	-	-	-	0.021	0.000	0.025	0.000	0.031
Bremen Township	0.054	0.049	0.051	0.006	0.049	0.049	0.051	0.061	0.070	0.078
Bremen Twp. Road & Bridge	0.019	0.032	0.033	0.012	0.031	0.031	0.032	0.039	0.045	0.050
Bremen Twp. General Assistance	0.008	0.008	0.008	0.051	0.008	0.008	0.009	0.012	0.014	0.016
Rich Township	0.211	0.193	0.199	0.033	0.191	0.192	0.202	0.258	0.292	0.304
Rich Twp. Road & Bridge	0.063	0.058	0.057	0.008	0.054	0.055	0.058	0.074	0.085	0.094
Rich Twp. General Assistance	0.024	0.022	0.022	0.196	0.022	0.023	0.026	0.034	0.039	0.046
Thornton Township	0.405	0.360	0.374	0.056	0.358	0.367	0.387	0.442	0.513	0.517
Thornton Twp. Road & Bridge	0.016	0.015	0.016	0.022	0.016	0.017	0.018	0.023	0.027	0.030
Thornton Twp. General Assistance	0.098	0.088	0.092	0.372	0.089	0.091	0.096	0.129	0.153	0.214
Metro Water Reclamation District of Chicago	0.347	0.315	0.284	0.016	0.252	0.261	0.274	0.320	0.370	0.417
So. Cook County Mosquito Abatement	0.012	0.010	0.007	0.092	0.009	0.009	0.010	0.012	0.014	0.016
Hazel Crest Park District	0.703	0.644	0.659	0.603	0.569	0.554	0.567	0.714	0.816	0.925
Grande Prairie Pub. Library District	0.312	0.277	0.279	0.273	0.265	0.262	0.271	0.357	0.409	0.455
School District #144	3.935	3.338	3.413	3.299	3.119	3.163	3.350	4.139	4.677	5.185
School District #152 1/2	4.563	4.160	4.335	4.286	4.147	4.267	4.477	5.434	6.025	7.649
School District #152 1/2 School Finance Authority	0.490	0.429	0.428	0.410	0.376	0.384	0.388	0.460	0.000	0.000
School District #153	4.118	3.796	3.777	3.671	3.490	3.417	3.378	4.515	5.151	5.580
School District #161	4.238	3.882	3.945	3.806	3.673	3.558	3.648	4.650	5.221	5.742
Thornton Twp. HSD #205	4.117	3.673	3.795	3.741	3.608	3.697	3.871	4.903	5.425	5.908
Community HSD #228	3.331	2.953	3.509	3.412	3.217	3.157	3.200	3.877	4.377	4.795
Homewood Flossmoor Comm. HSD #233	4.345	4.073	4.103	3.966	3.787	3.686	3.723	4.676	5.351	5.830
So. Suburban Comm. College #510	0.400	0.359	0.367	0.362	0.346	0.348	0.361	0.450	0.511	0.559
Prairie State Comm. College #515	0.341	0.292	0.292	0.294	0.280	0.277	0.293	0.357	0.410	0.439
Average Rate	11.936	11.080	11.766	11.078	10.657	10.737	11.387	14.313	16.411	17.990

Data Source

Cook County Clerk

Note: Most recent data available

Village of Hazel Crest, Illinois

**Principal Property Taxpayers
Current Year and Eight Years Ago**

Taxpayer	2013			2005*		
	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.	\$ 2,808,345	1	1.98%	\$ 4,171,133	2	2.28%
RMS Properties	2,661,450	2	1.87%	N/A	N/A	N/A
Imperial Real Estate	2,530,611	3	1.78%	N/A	N/A	N/A
GLR Medical PPTY One	2,049,088	4	1.44%	2263735	9	1.23%
Matrix Realty Group	1,980,544	5	1.39%	N/A	N/A	N/A
Manor Care Health 628	1,880,460	6	1.32%	N/A	N/A	N/A
5049 W 159th Street Apartments	1,772,663	7	1.25%	4,151,861	3	2.27%
Lille Kinnard	1,659,242	8	1.17%	N/A	N/A	N/A
Hazel Crest Center LLC	1,618,791	9	1.14%	2,065,949	N/A	N/A
Mi Jack Products Inc.	1,341,879	10	0.94%	\$ 2,735,175	6	1.50%
David Tessler	N/A	N/A	N/A	\$ 4,234,597	1	2.32%
Graycor Services, LLC	N/A	N/A	N/A	\$ 3,918,185	4	2.14%
Paradise Prp	N/A	N/A	N/A	\$ 2,868,595	5	1.57%
Hazel Crest Center, LLC	N/A	N/A	N/A	\$ 2,575,822	7	1.41%
South Suburban Office Park, LLC	N/A	N/A	N/A	\$ 2,412,842	8	1.32%
Gierczyk Development	N/A	N/A	N/A	2,248,971	10	1.23%
	<u>\$ 20,303,073</u>		<u>14.28%</u>	<u>\$ 33,646,865</u>		<u>17.27%</u>

Data Source

Cook County Clerk's and Assessor's Offices

* Includes only those parcels with 2013 equalized assessed valuations of \$83,000 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, eight years prior presented.

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
2004	\$ 3,394,101	\$ 3,369,078	99.26%
2005	3,816,850	3,501,134	91.73%
2006	4,260,197	3,491,033	81.95%
2007	4,929,689	3,812,644	77.34%
2008	5,314,556	4,679,742	88.06%
2009	6,065,252	4,656,632	76.78%
2010	6,350,740	5,682,444	89.48%
2011	6,162,113	5,889,724	95.58%
2012	7,015,898	6,281,320	89.53%
2013	6,871,199	3,199,096	46.56%

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**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Merchandise	\$ 26,444	\$ 25,944	\$ 20,100	\$ 22,026	\$ 22,255	\$ 29,928	\$ 36,998	\$ 38,793	\$ 39,645	\$ 37,922
Food	150,153	158,539	150,510	148,691	146,394	125,173	104,331	83,360	51,916	60,226
Restaurants	64,897	66,306	68,906	75,413	71,169	54,798	54,986	55,495	50,217	55,559
Apparel	5,413	4,883	6,282	10,156	6,683	7,294	8,563	4,060	2,771	2,217
Furniture & Radio	-	-	-	-	1,550	1,714	514	1,611	-	1,810
Automobile and Filling Stations	114,205	111,797	121,248	241,375	100,336	85,350	97,822	104,149	94,952	94,197
Drugs and Miscellaneous Retail	112,184	114,702	127,309	134,769	147,940	144,041	137,896	139,027	135,425	132,755
Agriculture and All Others	35,932	37,517	36,105	45,461	37,885	21,157	19,016	25,271	16,936	7,737
Manufacturers	84,694	72,402	51,428	101,356	121,553	56,175	11,375	66,977	80,587	130,074
Total	\$ 593,922	\$ 592,090	\$ 581,888	\$ 779,247	\$ 655,765	\$ 525,630	\$ 471,501	\$ 518,743	\$ 472,449	\$ 522,497
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	1.00%	1.00%	1.00%	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
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%
2012	1.00%	6.25%
2013	1.00%	6.25%
2014	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	Capital Lease	Tax Incremental Revenue Notes	Note Payable	Note Payable			
2005	\$ 186,000	\$ 727,000	\$ -	\$ 994,462	\$ -	\$ -	\$ 1,907,462	0.98%	128.74
2006	137,000	677,000	-	1,108,604	76,439	47,310	2,046,353	0.97%	143.61
2007	2,105,000	627,000	-	1,028,884	39,333	-	3,800,217	1.74%	268.30
2008	1,965,000	577,000	-	1,028,884	-	-	3,570,884	1.64%	253.36
2009	1,820,000	527,000	-	622,695	658,599	-	3,628,294	2.16%	257.78
2010	1,680,000	477,000	-	330,061	728,616	-	3,215,677	2.07%	229.76
2011	1,540,000	427,000	-	66,904	655,399	-	2,689,303	1.60%	190.73
2012	1,415,000	377,000	-	-	579,961	-	2,371,961	1.41%	168.22
2013	1,280,000	327,000	-	-	502,215	-	2,109,215	1.36%	148.81
2014	1,140,000	327,000	154,025	-	-	-	1,621,025	1.14%	114.16

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
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	0.90%	138.85 ³
2009	1,820,000	0.86%	128.60 ³
2010	1,680,000	0.77%	118.71 ³
2011	1,540,000	0.71%	108.82 ³
2012	1,415,000	0.84%	99.99 ³
2013	1,280,000	0.82%	90.45 ³
2014	1,140,000	0.80%	80.55 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, 2014**

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Hazel Crest*	Village of Hazel Crest Share of Debt
Cook County	\$3,572,060,000	0.113%	\$ 4,036,428
Cook County Forest Preserve	124,455,000 (3)	0.113%	140,634
Metropolitan Water Reclamation District	2,458,515,565 (1)	0.115%	2,827,293
Hazel Crest Park District	855,000	100.000%	855,000
School Districts:			
#144	49,844,017 (2)	31.755%	15,827,968
#152 1/2	10,009,784 (2)	30.507%	3,053,685
#153	12,829,884 (2)	0.918%	117,778
#161	9,540,000 (2)	8.022%	765,299
High School District #205	38,829,962 (2)	1.628%	632,152
High School District #228	38,485,000	7.159%	2,755,141
High School District #233	36,090,000	4.934%	1,780,681
Community College District #510	12,437,219 (2)	3.563%	443,138
Community College District #515	<u>9,942,040 (2)</u>	1.067%	<u>106,082</u>
Subtotal, overlapping debt	<u>6,373,893,471</u>		<u>33,341,278</u>
Village of Hazel Crest direct debt	<u>\$ 1,140,000</u>	<u>100.00%</u>	<u>\$ 1,140,000</u>
Total direct and overlapping debt	<u><u>\$ 6,375,033,471</u></u>		<u><u>\$ 34,481,278</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

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

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, 2014

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**
2005	2004	14,816	(A)	\$ 194,599,212	\$ 13,134	9.1%	\$ 19,908
2006	2005	14,249	(A)	212,019,309	14,880	6.8%	19,908
2007	2006	14,164	(A)	218,670,034	15,438	6.9%	19,908
2008	2007	14,094	(A)	217,567,030	15,437	7.7%	19,908
2009	2008	14,075	(A)	167,719,937	11,916	9.6%	19,908
2010	2009	13,996	(A)	155,447,524	11,107	15.3%	22,706
2011	2010	14,100	(E)	167,719,937	11,895	15.7%	22,853
2012	2011	14,100	(E)	167,719,937	11,895	15.0%	23,389
2013	2012	14,174	(E)	155,447,524	10,967	13.4%	23,389
2014	2013	14,200	(E)	142,168,928	10,012	15.8%	21,803

** U.S. Census Bureau - past 12 months (2011) dollars, 2007-2011

(A) Actual

(E) Estimate

Village of Hazel Crest, Illinois

**Principal Employers
Current Year and Eight Years Ago**

2014			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total Village Population*</u>
Advocate South Suburban Hospital	1,400 ⁽²⁾	1	9.86%
Lanco International/Mi-Jack Inc.	350 ⁽¹⁾	2	2.46%
Meany Electrical Engineering Co. Inc.	150 ⁽²⁾	3	1.06%
Village of Hazel Crest (includes Full & Part-time)	106 ⁽³⁾	4	0.75%
All Area Taxi	100 ⁽⁵⁾	5	0.70%
Waterford Estates Retirement	100 ⁽⁵⁾	5	0.70%
ASC Industries	70 ⁽¹⁾	6	0.49%
School District 144 (2 Schools)	61 ⁽⁶⁾	7	0.43%
Gideon's 300 Security Services	60 ⁽²⁾	8	0.42%
School District 152.5 (2 Schools)	54 ⁽⁶⁾	9	0.38%
Hazel Crest Park District (inc. Full, Part-time and Seasonal)	52 ⁽⁴⁾	10	0.37%
Alpha Construction	50 ⁽⁴⁾	11	0.44%

*2014 population provided by the Village of Hazel Crest is 14,075.

*2013 Estimated population by the US Census Bureau is 14,200, most recent available.

Note: Number of employees shown in 2014 directories are actually 2013 number of employees

Data Sources:

- ⁽¹⁾ 2014 Illinois Manufacturers Directory
- ⁽²⁾ 2014 Illinois Services Directory
- ⁽³⁾ Village Financial Reports
- ⁽⁴⁾ Phone canvass of employers
- ⁽⁵⁾ ReferenceUSA.com
- ⁽⁶⁾ Company/Organization Website

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

2006			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total Village Population*</u>
Advocate South Suburban Hospital	1,300	1	9.18%
Mi-Jack Products, Inc.	500	2	3.53%
In-Terminal Services Corp.	350	3	2.47%
Lanco International	350	4	2.47%
Illinois Brick	55	5	0.39%
Alpha Construction Co.	50	10	0.18%
Best Homes	50	6	0.35%
Bank Financial	25	9	0.18%
Hill Concrete Products, Inc.	23	9	0.16%
McBride Engineering	21	10	0.15%

*2006 Estimated population by the US Census Bureau is 14,016.

Note: Number of employees shown in 2006 directories are actually 2005 number of employees

Data Sources: Village Financial Report

Village of Hazel Crest, Illinois

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administration / Office	8	7	7	8	4	5	5	8	5	6
Public Safety										
Police	39	33	33	32	34	36	34	36	32	36
Fire	17	21	22	23	20	22	17	19	17	18
Inspection services	-	-	-	-	-	-	4	4	6	6
Public Works										
Public Works Administration	22	19	19	20	21	21	15	15	14	16
Total	86	80	81	83	79	84	75	82	74	82

Data Source

Village Finance Department

Village of Hazel Crest, Illinois

**Operating Indicators
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Community Development										
Building permits issued	46	71	41	44	31	26	25	41	34	75
Public Safety										
Police										
Physical arrests	368	352	275	374	360	309	356	329	95	417
Parking violations	2,614	2,084	1,626	2,491	2,800	2,928	1,677	2,332	398	1,545
Traffic violations	N/A	415	333	705	689	718	583	1,099	349	774
Public Works										
Streets										
Street resurfacing (miles)	0.44	2.00	6.19	5.60	2.25	1.25	2.50	2.00	0.75	0.50
Potholes repaired	430	620	580	725	650	675	600	592	1,200	1,320
Recreation and Culture										
Parks										
Open space (acres)	13	13	13	13	13	13	13	13	13	13
Water										
New Connections (tap-ons)	-	24	10	5	1	1	-	-	-	-
Average daily consumption*	1.28	1.30	1.43	1.41	1.36	1.40	1.40	1.41	1.30	1.34
Sewers										
Sanitary Sewers (miles)										
Storm Sewers (miles)	47	47	50	50	50	50	50	50	50	50
Storm Sewers (miles)										
	32	32	34	34	34	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	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	58	57	58	58	56	56	56	58	58
Streetlights	650	652	654	654	654	650	652	652	660	660
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water										
Water mains (miles)	60	61	63	63	63	60	60	60	60	60
Wastewater										
Sanitary sewers (miles)	47	47	50	50	50	50	50	50	50	50
Storm Sewers (miles)	32	32	34	34	34	34	34	34	34	34

Data Source

Various village departments