

**Village of Hazel Crest, Illinois  
Comprehensive Annual Financial Report  
Year Ended April 30, 2006**

Prepared by  
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Accountant

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Village Manager

Village Finance Department

## Village of Hazel Crest, Illinois

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**Village of Hazel Crest, Illinois**

**Principal Officials**

**April 30, 2006**

**Mayor**

**Dr. Robert Donaldson**

**Village Board of Trustees**

**Eric Leaner**

**Lee Fantroy**

**Susan Pate**

**Dr. Jane Brown**

**Elizabeth A. Wakefield-Waldren**

**Vernard Alsberry, Jr.**

**Village Manager**

**Robert L. Palmer**

**Village Clerk**

**Dr. Florine Robinson**

**Village Attorney**

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

# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hazel Crest, Illinois, as of and for the year ended April 30, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Hazel Crest, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 12, the 2005 financial statements have been restated to correct the accounting for fixed assets and property tax revenue.

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, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

*McGladrey & Pullen, LLP*

Mokena, Illinois  
March 2, 2007

## **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, 2006. 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 \$27,532,815. Of this amount, \$5,682,785 may be used to meet the government's ongoing obligations. The total net assets decreased by \$942,385, and was due largely in part to water and sewer expenses exceeding revenues. Aging infrastructure in the Village has increased maintenance and repair costs. The total long-term debt of the Village increased by \$538,210 during the fiscal year. General obligation debt for \$99,000 was repaid in fiscal year 2006, along with \$41,693 in notes payable. At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,021,948 or 47 percent of total general fund expenditures.

### *Overview of the Financial Statements*

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

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

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

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

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

## Management's Discussion and Analysis

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

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

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

The Village maintains 16 individual governmental funds, 2 enterprise funds and 2 fiduciary funds. Information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for two major funds: general fund and the Palmer Lake TIF fund. Data from the other 14 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 12 of its funds. No budgets were prepared for any TIF, the Working Cash Fund, the Community Development Block Grant Fund, or the 2005 Debt Certificate Fund. A budgetary comparison statement has been provided where appropriate to demonstrate compliance with this budget.

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

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

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

## Management's Discussion and Analysis

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

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

### *Government-wide Financial Analysis*

The following table is the condensed Village of Hazel Crest Statement of Net Assets as of April 30, 2006.

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>
Current and other assets	\$ 9,801,538	\$ 690,617	\$10,492,155
Capital assets	21,850,030	4,859,846	26,709,876
Total assets	31,651,568	5,550,463	37,202,031
Long-term liabilities	1,938,380	15,768	1,327,148
Other liabilities	2,180,373	1,464,595	3,644,968
Total liabilities	4,118,753	1,480,363	4,972,116
Net assets:			
Invested in capital assets, net of debt	21,850,030	4,812,536	26,662,566
Unrestricted	5,682,785	(742,436)	4,940,349
Total net assets	\$27,532,815	\$4,070,100	\$31,602,915

79 percent of the Village's net assets are invested in capital assets that are used to provide services to the citizens of the Village. Although they are reported net of debt, it should be noted that the resources needed to repay any debt must be provided from other sources since they cannot be liquidated to repay liabilities. It is the 21 percent unrestricted net asset amount that can be used to meet the ongoing obligations of the Village. The Village management has determined that unrestricted net assets of 6 months of governmental expenditures would ensure the Village is able to continue providing services to its citizens at the current level and is currently meeting that benchmark. The Village has a deficit for unrestricted net assets for its business type activities. Despite increases in water rates, the sewer and water fund continues to operate at a deficit. The aging sewer and water infrastructure in the Village and annual increases in the rate at which the Village purchases its water will continue to negatively affect this fund. Water rates will be reviewed in the next fiscal year to determine if another increase should be implemented.

## Management's Discussion and Analysis

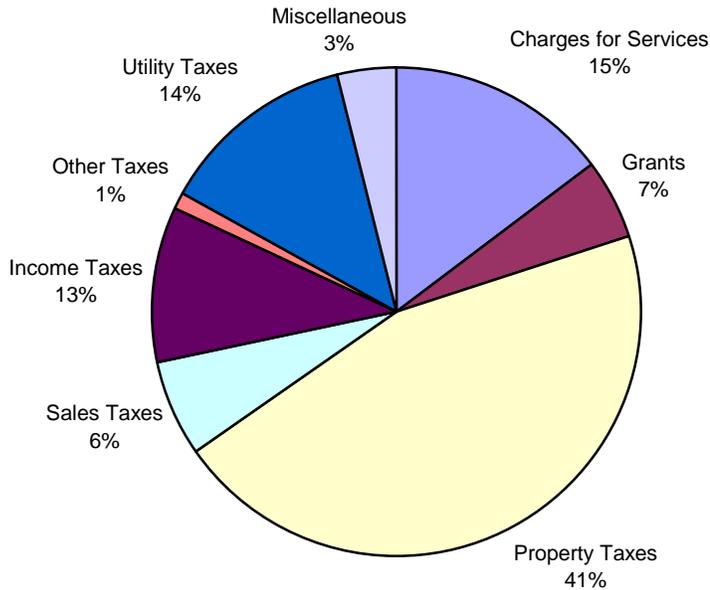
The following table is the condensed Village of Hazel Crest Statement of Changes in Net Assets for the Fiscal Year Ended April 30, 2006.

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>
Revenues:			
Program revenues:			
Charges for services	\$ 1,558,933	\$ 2,814,814	\$ 4,373,747
Operating grants and contributions	688,915	-	688,915
General revenues:			
Property taxes	4,243,737	-	4,243,737
Other taxes	3,424,192	-	3,424,192
Grants not restricted to specific programs	-	-	-
Other	344,822	4,943	349,765
Total revenues	10,269,599	2,819,757	13,080,356
Expenses:			
General services	3,143,886	-	3,143,886
Public works	2,338,699	-	2,338,699
Public safety	5,080,102	-	5,080,102
Interest expense	153,460	-	153,460
Sewer and water	-	3,268,363	3,268,363
Municipal parking	-	38,231	38,231
Total expenses	10,716,147	3,306,594	14,022,741
(Decrease) in net assets	(455,548)	(486,837)	(942,385)
Net assets May 1, 2005	27,988,363	4,556,937	32,545,300
Net assets April 30, 2006	\$27,532,815	\$ 4,070,100	\$31,602,915

## Management's Discussion and Analysis

The following charts summarize how governmental activities are funded.

### Revenues by Source - Governmental Activities



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

Business type activities are to be funded through charges for related services. This year the waterworks and sewerage activity had expenses for \$489,835 more than its revenues. The commuter parking lot had revenues for \$2,998 more than its expenses this year

### *Financial Analysis of the Government's Funds*

Governmental funds provide information on near term inflows, outflows and balances of spendable resources. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$7,987,764, an increase of \$105,864 from the prior year. The general fund balance represents 47 percent of total general fund expenditures. Nothing is reserved.

## Management's Discussion and Analysis

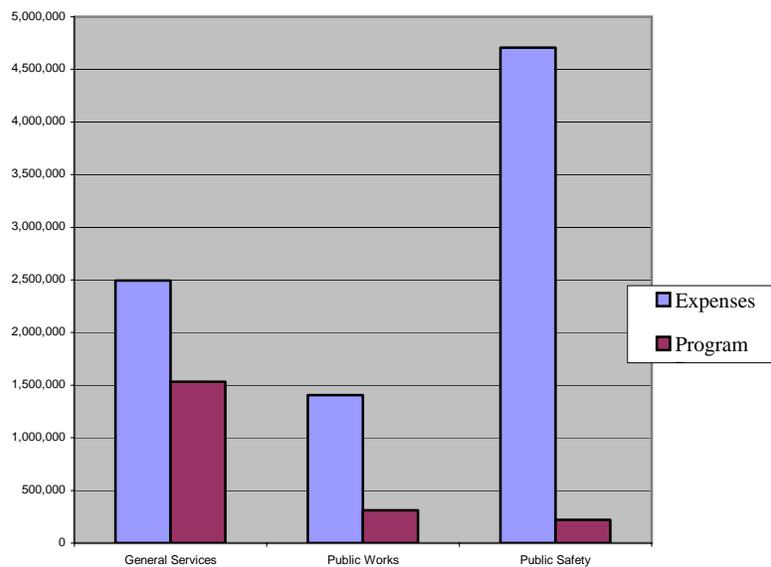
Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the sewer and water fund were \$(832,195) and \$89,759 for the commuter parking lot fund. The cause of sewer and water fund's negative balance is that it owes the general fund \$1,080,971. Repayment will be gradual and over several years to avoid drastic changes in services or fees.

### *General Fund Budgetary Highlights*

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

Actual general revenues were lower than budgeted revenues by \$112,712. This was mainly due to less property tax receipts than anticipated.

**% Function is Funded by Program Revenues**



Actual general expenditures exceeded budgeted expenditures by \$239.

## Management's Discussion and Analysis

### *Capital Asset and Debt Administration*

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2006, amounts to \$26,709,876, 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 5 of the financial statements.

Major capital assets added during the fiscal year included \$467,500 for a fire truck, \$145,719 for roof replacement, and \$117,782 for six new vehicles. Four vehicles were retired during the year.

At the end of the current year, the Village had total bond debt of \$137,000, general obligation debt certificates of \$677,000, notes payable of \$76,439, and tax incremental finance notes of \$1,108,604.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8.625% of its total assessed valuation. The current debt limit for the Village of \$15,764,868 is significantly higher than the Village's outstanding general obligation debt.

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

The Village's most significant changes are the new designation as a Home Rule entity. Home Rule Authority is likely to bring a review of almost every action the Village takes in the coming year and beyond. The budget for 2007 will reflect these changes as we anticipate revenue from a newly instituted sales tax of 1% and a 3 cents a gallon gasoline tax.

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

Several smaller developments have been completed within the Village. For example, an outlet building has been built at the Hazel Crest Center (175<sup>th</sup> and Kedzie). This building houses two businesses, both related to financial services.

Just west of 175<sup>th</sup> Street and Governors Highway, on the Cherry Creek TIF site, the Village has approved a development for this 25-acre site. The Village has approved a plan for a Senior Citizen housing complex that would be an attractive addition to the area. The site lends itself to being a "gated community" with access from 175<sup>th</sup> Street.

A new multi-story medical building located on 177<sup>th</sup> Street has opened its doors and is being occupied. A small retail development has been approved for the Hazel Crest Proper area and should provide some additional convenience shopping in the 10,000 square foot center.

## **Management's Discussion and Analysis**

A small subdivision is in the process of being constructed on the north side of 175<sup>th</sup> Street, west of Kedzie, sponsored by the Full Gospel Christian Assembly Church. Another small subdivision is also being completed on 175<sup>th</sup> Street just west of Governors Highway.

The French Village Shopping Center continues to re-tenant their property. The Big Apple Pancake House Restaurant is operating with a steady stream of clientele. Other tenants have moved into the center as well. The Grenoble Square Shopping Center is fully occupied with the exception of the former Denny's on the out lot. The property has recently been put in the hands of a new broker and it is anticipated that interest in the building should increase. Fountainbleau Court Shopping Center is under new ownership and is completely occupied.

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

### **Requests for Information**

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

Village of Hazel Crest, Illinois

Statement of Net Assets  
April 30, 2006

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 6,183,259	\$ 91,219	\$ 6,274,478
Receivables:			
Property taxes	2,045,881	-	2,045,881
Accounts	149,445	599,398	748,843
Intergovernmental	831,909	-	831,909
Prepays	591,044	-	591,044
Capital assets, not being depreciated	2,633,740	120,337	2,754,077
Capital assets, net of accumulated depreciation	19,216,290	4,739,509	23,955,799
Total assets	<u>\$ 31,651,568</u>	<u>\$ 5,550,463</u>	<u>\$ 37,202,031</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Assets - Continued  
April 30, 2006

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
General obligation bonds	\$ 38,000	\$ -	\$ 38,000
General obligation debt certificates	50,000		50,000
Compensated absences	241,493	18,612	260,105
Note payable	37,106	47,310	84,416
Accounts payable	365,530	113,720	479,250
Deposits	76,362	153,534	229,896
Internal balances	(728,379)	1,131,419	403,040
Deferred revenue	2,100,261	-	2,100,261
<b>Total current liabilities</b>	<u>2,180,373</u>	<u>1,464,595</u>	<u>3,644,968</u>
Noncurrent			
General obligation bonds	99,000	-	99,000
General obligation debt certificates	627,000		
Tax incremental revenue notes	1,108,604	-	1,108,604
Compensated absences	64,443	15,768	80,211
Note payable	39,333	-	39,333
<b>Total noncurrent liabilities</b>	<u>1,938,380</u>	<u>15,768</u>	<u>1,327,148</u>
Total liabilities	<u>\$ 4,118,753</u>	<u>\$ 1,480,363</u>	<u>\$ 4,972,116</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 21,850,030	\$ 4,812,536	\$ 26,662,566
Unrestricted	5,682,785	(742,436)	4,940,349
Total net assets	<u>\$ 27,532,815</u>	<u>\$ 4,070,100</u>	<u>\$ 31,602,915</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Activities  
Year Ended April 30, 2006

Functions/Programs	Expenses	Program Revenues		Net (Expense), Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General services	\$ 3,143,886	\$ 1,204,390	\$ 435,908	\$ (1,503,588)	\$ -	\$ (1,503,588)
Public works	2,338,699	14,873	-	(2,323,826)	-	(2,323,826)
Public safety	5,080,102	339,670	253,007	(4,487,425)	-	(4,487,425)
Interest expense	153,460	-	-	(153,460)	-	(153,460)
Total governmental activities	10,716,147	1,558,933	688,915	(8,468,299)	-	(8,468,299)
Business-type activities:						
Waterworks and sewerage	3,268,363	2,778,528	-	-	(489,835)	(489,835)
Commuter parking lot	38,231	36,286	-	-	(1,945)	(1,945)
Total business-type activities	3,306,594	2,814,814	-	-	(491,780)	(491,780)
Total	\$ 14,022,741	\$ 4,373,747	\$ 688,915	(8,468,299)	(491,780)	(8,960,079)
General revenues						
Taxes:						
Property				4,243,737	-	4,243,737
Replacement				34,907	-	34,907
Sales				580,015	-	580,015
Income				1,348,880	-	1,348,880
Utility				1,460,390	-	1,460,390
Interest				200,128	4,943	205,071
Miscellaneous				144,694	-	144,694
Total general revenues, contributions and transfers				8,012,751	4,943	8,017,694
Change in net assets				(455,548)	(486,837)	(942,385)
Net assets:						
May 1, 2005 (as restated)				27,988,363	4,556,937	32,545,300
April 30, 2006				\$ 27,532,815	\$ 4,070,100	\$ 31,602,915

See Notes to Financial Statements

## **Fund Financial Statements**

Village of Hazel Crest, Illinois

Balance Sheet - Governmental Funds  
April 30, 2006

	General Fund	Tax Increment Financing District Palmer Lake Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and equivalents	\$ 2,550,202	\$ 987,071	\$ 2,645,986	\$ 6,183,259
Receivables				
Property taxes	2,016,872	-	29,009	2,045,881
Accounts	149,445	-	-	149,445
Intergovernmental	777,959	-	53,950	831,909
Due from other funds	1,298,030	331,125	330,521	1,959,676
Prepays	591,044	-	-	591,044
<b>Total assets</b>	<b>\$ 7,383,552</b>	<b>\$ 1,318,196</b>	<b>\$ 3,059,466</b>	<b>\$ 11,761,214</b>
<b>Liabilities</b>				
Accounts payable	\$ 361,810	\$ -	\$ 3,720	\$ 365,530
Deposits	76,362	-	-	76,362
Due to other funds	852,180	-	379,117	1,231,297
Deferred revenue	2,071,252	-	29,009	2,100,261
<b>Total liabilities</b>	<b>3,361,604</b>	<b>-</b>	<b>411,846</b>	<b>3,773,450</b>
<b>Fund Balances</b>				
Reserved for debt service	-	-	760,224	760,224
Unreserved:				
General fund	4,021,948	-	-	4,021,948
Special revenue funds	-	-	1,366,700	1,366,700
Capital projects funds	-	1,318,196	520,696	1,838,892
<b>Total fund balances</b>	<b>4,021,948</b>	<b>1,318,196</b>	<b>2,647,620</b>	<b>7,987,764</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,383,552</b>	<b>\$ 1,318,196</b>	<b>\$ 3,059,466</b>	<b>\$ 11,761,214</b>

See Notes to Financial Statements.

**Village of Hazel Crest, Illinois**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets  
April 30, 2006**

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Total fund balances-governmental funds	\$ 7,987,764
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,850,030
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:	
Notes payable	(76,439)
Compensated absences	(305,936)
General obligation debt certificates	(677,000)
General obligation bonds	(137,000)
Tax incremental revenue notes	<u>(1,108,604)</u>
Net assets of governmental activities	<u>\$ 27,532,815</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Governmental Funds  
 Year Ended April 30, 2006

	General Fund	Tax Increment Financing District Palmer Lake Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Program:				
Charges for services	\$ 404,075	\$ -	\$ -	\$ 404,075
Licenses	269,234	-	-	269,234
Intergovernmental	1,993,809	-	657,046	2,650,855
Fines, fees and permits	797,308	-	-	797,308
General:				
Property taxes	3,148,550	762,145	303,035	4,213,730
Other taxes	1,460,390	-	-	1,460,390
Interest	134,794	-	65,334	200,128
Miscellaneous	260,403	-	4,476	264,879
Total revenues	8,468,563	762,145	1,029,891	10,260,599
Expenditures				
Current:				
General services	1,707,488	-	606,648	2,314,136
Administrative office	295,837	-	-	295,837
Public works	1,033,578	-	-	1,033,578
Police	3,090,304	-	-	3,090,304
Fire	1,685,418	-	-	1,685,418
Economic development	16,703	50,189	2,023	68,915
Insurance	374,126	-	-	374,126
Community relations	39,303	-	-	39,303
Civil defense	3,303	-	-	3,303
Debt service:				
Principal	41,693	-	99,000	140,693
Interest and fees	-	-	39,318	39,318
Capital outlay	272,366	-	915,570	1,187,936
Total expenditures	8,560,119	50,189	1,662,559	10,272,867
Excess revenues or (expenditures)	(91,556)	711,956	(632,668)	(12,268)
Other financing sources:				
Installment note proceeds	118,132	-	-	118,132
Net change in fund balance	26,576	711,956	(632,668)	105,864
Fund balances:				
May 1, 2005	3,995,372	606,240	3,280,288	7,881,900
April 30, 2006	\$ 4,021,948	\$ 1,318,196	\$ 2,647,620	\$ 7,987,764

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, 2006**

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Net change in fund balances-total governmental funds	\$ 105,864
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	865,859
Depreciation	(1,408,473)
Retirement of capital assets is not reflected in the governmental funds, but is a reduction in net assets in the Statement of Net Assets.	
	(5,242)
Some capital additions were financed through the issuance of long-term debt. In governmental funds, long-term debt is considered other financing sources, but in the statement of net assets, debt is reported as a liability. In the current period, proceeds were received from:	
Installment notes payable	(118,132)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	
	99,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Decrease in compensated absences	78,025
Decrease in notes payable	41,693
(Increase) in accreted interest on tax incremental financing notes	(114,142)
Change in net assets of governmental activities	<u>\$ (455,548)</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Assets - Enterprise Funds  
April 30, 2006

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
<b>Assets</b>			
Current			
Cash and equivalents	\$ -	\$ 91,219	\$ 91,219
Accounts receivable	599,398	-	599,398
<b>Total current assets</b>	<b>599,398</b>	<b>91,219</b>	<b>690,617</b>
Noncurrent			
Capital assets (net of accumulated depreciation)			
Land	71,509	48,828	120,337
Land improvements	15,000	182,375	197,375
Buildings	200,559	-	200,559
Distribution system	3,756,759	-	3,756,759
Machinery and equipment	584,816	-	584,816
<b>Total noncurrent assets</b>	<b>4,628,643</b>	<b>231,203</b>	<b>4,859,846</b>
Total assets	\$ 5,228,041	\$ 322,422	\$ 5,550,463

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Assets - Enterprise Fund - Continued  
April 30, 2006

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
<b>Liabilities</b>			
Current			
Accounts payable	\$ 113,575	\$ 145	\$ 113,720
Deposits	153,534	-	153,534
Due to other funds	1,130,104	1,315	1,131,419
Compensated absences	18,612	-	18,612
Note payable	47,310	-	47,310
<b>Total current liabilities</b>	<b>1,463,135</b>	<b>1,460</b>	<b>1,464,595</b>
Noncurrent			
Compensated absences	15,768	-	15,768
Note payable	-	-	-
<b>Total noncurrent liabilities</b>	<b>15,768</b>	<b>-</b>	<b>15,768</b>
Total liabilities	<b>\$ 1,478,903</b>	<b>\$ 1,460</b>	<b>\$ 1,480,363</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 4,581,333	\$ 231,203	\$ 4,812,536
Unrestricted	(832,195)	89,759	(742,436)
Total net assets	<b>\$ 3,749,138</b>	<b>\$ 320,962</b>	<b>\$ 4,070,100</b>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

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

Enterprise Funds  
Year Ended April 30, 2006

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Operating revenues, charges for services	\$ 2,778,528	\$ 36,286	\$ 2,814,814
Operating expenses:			
Operations	2,832,803	32,970	2,865,773
Depreciation	435,560	5,261	440,821
<b>Total operating expenses</b>	<b>3,268,363</b>	<b>38,231</b>	<b>3,306,594</b>
<b>Operating (loss)</b>	<b>(489,835)</b>	<b>(1,945)</b>	<b>(491,780)</b>
Nonoperating revenues (expenses), interest income	-	4,943	4,943
<b>Net income (loss)</b>	<b>(489,835)</b>	<b>2,998</b>	<b>(486,837)</b>
Net assets:			
May 1, 2005	4,238,973	317,964	4,556,937
April 30, 2006	\$ 3,749,138	\$ 320,962	\$ 4,070,100

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows – Enterprise Funds  
Year Ended April 30, 2006

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Cash flows from operating activities			
Cash received for services	\$ 2,778,528	\$ 36,286	\$ 2,814,814
Payments to employees	(613,453)	-	(613,453)
Payments to suppliers	(2,319,551)	(32,970)	(2,352,521)
<b>Net cash (used in) provided by operating activities</b>	<b>(154,476)</b>	<b>3,316</b>	<b>(151,160)</b>
Cash flows from noncapital financing activities			
Increase in due to other funds, <b>Net cash provided by noncapital financing activities</b>	<b>154,476</b>	<b>1,315</b>	<b>155,791</b>
Cash flows from investing activities			
Cash receipts from interest income, <b>Net cash provided by investing activities</b>	<b>-</b>	<b>4,943</b>	<b>4,943</b>
<b>Net increase in cash and equivalents</b>	<b>-</b>	<b>9,574</b>	<b>9,574</b>
Cash and equivalents:			
May 1, 2005	-	81,645	81,645
April 30, 2006	\$ -	\$ 91,219	\$ 91,219

(Continued)

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows – Enterprise Funds - Continued  
Year Ended April 30, 2006

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Reconciliation of operating (loss) to net cash (used in) provided by operating activities			
Operating (loss)	\$ (489,835)	\$ (1,945)	\$ (491,780)
Adjustments to reconcile operating (loss) to net cash (used in) provided by operating activities			
Depreciation	435,560	5,261	440,821
Changes in assets and liabilities:			
Accounts receivable	(141,065)	-	(141,065)
Deposits	4,050	-	4,050
Accounts payable	77,685	-	77,685
Note payable	(45,444)	-	(45,444)
Compensated absences payable	4,573	-	4,573
Total adjustments	335,359	5,261	340,620
Net cash (used in) provided by operating activities	\$ (154,476)	\$ 3,316	\$ (151,160)

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Combined Statement of Fiduciary Net Assets - Pension Trust Funds  
April 30, 2006

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**Assets**

Cash and investments	\$ 13,974,936
Interest receivable	11,591
Internal balances	<u>403,040</u>
<b>Total assets</b>	<b><u><u>\$ 14,389,567</u></u></b>

**Liabilities**

Accounts payable	<u>\$ 4,715</u>
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<b>Held in trust for pension benefits</b>	<b><u><u>\$ 14,384,852</u></u></b>
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See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Combined Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2006

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**Additions**

Contributions:

Employer	\$ 532,413
Plan members	260,682
<b>Total contributions</b>	<u>793,095</u>

Investment income:

Net appreciation in fair value of investments	280,268
Dividends	51,577
Interest	192,969
Gain on sale of securities	25,007
Less investment expense	<u>(15,536)</u>
<b>Net investment income</b>	<u>534,285</u>

**Total additions**

1,327,380

**Deductions**

Benefits	624,640
Administrative expenses	<u>12,679</u>
<b>Total deductions</b>	<u>637,319</u>

**Net increase**

690,061

Net assets held in trust for pension benefits:

May 1, 2005 13,694,791

April 30, 2006 \$ 14,384,852

See Notes to Financial Statements.

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

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

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

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

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

The Village administers the following major governmental funds:

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

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

The Village administers the following major proprietary fund:

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

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

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

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

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

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

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

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

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

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

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

##### *(d) Assets, Liabilities, and Net Assets or Equity*

#### **1. Cash and Cash Equivalents**

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

#### **2. Investments**

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

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

The Village has the following types of transactions between funds:

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

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

##### *(d) Assets, Liabilities, and Net Assets or Equity (continued)*

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

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

#### 4. Prepaid Items

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

#### 5. Capital Assets

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

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

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

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

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

##### *(d) Assets, Liabilities, and Net Assets or Equity (continued)*

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

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

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

#### 6. Deferred Revenue

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

#### 7. Compensated Absences

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

#### 8. Long-Term Obligations

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

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

##### *(d) Assets, Liabilities, and Net Assets or Equity (continued)*

In the fund financial statements, governmental funds recognize bond issuance costs during the year the bonds are sold. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

#### 9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances, if any, represent tentative plans for future use of financial resources.

##### *(e) Accounting Estimates*

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

##### *(f) New Accounting Pronouncements*

Effective May 1, 2005, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*. This Statement amends certain provisions of Statement No. 3.

Effective May 1, 2005, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement requires the Village to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

##### (a) Budgetary Information

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

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

##### (b) Budget Overexpenditures

The following funds overexpended their budgets for the year ended April 30, 2006:

Major Fund		
General Fund	\$	(239)
Waterworks and Sewerage Fund		(947,098)
Nonmajor Fund		
Motor Fuel Tax		18,467
911		(256,439)

##### (c) Deficit Fund Balances

As of April 30, 2006, the following funds had deficit fund balances:

Fund	Amount	Intended Financing
Capital Projects:		
Capital Projects fund	\$ (212,211)	Property taxes

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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#### Note 3. Cash and Investments

For the year ended April 30, 2006, the Village adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3.*

#### *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, 2006 the carrying amount of the Village's deposits was \$4,138,944, with bank balances totaling \$4,603,473. Of the Village's deposits, \$1,883,245 were not insured or collateralized at April 30, 2006.

#### **Investments**

As of April 30, 2006, 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	\$ 5,097,786	\$ -	\$ 2,035,112	\$ 2,187,059	\$ 875,615
U.S. agencies - FFCB	50,405	-	50,405	-	-
U.S. agencies - FHLB	370,234	-	156,397	144,687	69,150
U.S. agencies - FHLMC	96,151	-	48,216	47,935	-
U.S. agencies - FNMA	174,419	-	96,061	-	78,358
U.S. agencies - GNMA	642,499	-	351,142	291,357	-
Insurance Contracts	2,336,082	-	2,336,082	-	-
Money Market Mutual Funds	2,382,303	2,382,303	-	-	-
Illinois Funds	4,960,591	4,960,591	-	-	-
	<u>\$ 16,110,470</u>	<u>\$ 7,342,894</u>	<u>\$ 5,073,415</u>	<u>\$ 2,671,038</u>	<u>\$ 1,023,123</u>

The Illinois Funds are shown as maturing in less than one year because the weighted average maturity of the pool is less than one year.

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

*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.

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

*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, 2006, the Village's investments in U.S. Government agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Village's investments in the Illinois Funds were rated AAA by Standard & Poor's. The Money Market Mutual Funds 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, Insurance Contracts, Money Market Mutual Funds, and Illinois Funds. These investments are 31.6%, 14.5%, 14.8%, and 30.8%, respectively, of the Village's total investments.

*Custodial Credit Risk* – 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, and insurance contracts are held by the Village's agent in the Village's name. The Illinois Funds Investment Pool, Money Market Mutual Funds, and Equity Mutual Funds are not subject to custodial credit risk. The Village's investment policy does not address custodial credit risk for investments.

The above deposits of \$4,138,944 and investments of \$16,110,470 totaling \$20,249,414 are reported in the financial statements as follows:

Governmental and business-type activities,	
Cash and cash equivalents	\$ 6,274,478
Fiduciary Funds:	
Cash and cash equivalents	<u>13,974,936</u>
<b>Total</b>	<u><u>\$ 20,249,414</u></u>

#### Note 4. Property Taxes

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

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

**Note 5. Capital Assets**

*Governmental Activities*

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

	Balance May 1, 2005	Additions	Retirements	Balance, April 30, 2006
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 699,770	\$ -	\$ -	\$ 699,770
Right of way	1,759,988	-	-	1,759,988
Easements/open land	173,982	-	-	173,982
	<u>2,633,740</u>	<u>-</u>	<u>-</u>	<u>2,633,740</u>
Capital assets being depreciated:				
Land improvements	237,748	-	-	237,748
Buildings	2,427,379	145,719	-	2,573,098
Machinery and equipment	4,206,642	597,172	94,315	4,709,499
Streets	107,856,967	97,211	-	107,954,178
Sidewalks	4,702,309	25,757	-	4,728,066
Storm sewers	3,642,266	-	-	3,642,266
Manholes	187,813	-	-	187,813
Hydrants	141,240	-	-	141,240
Valves	42,400	-	-	42,400
Streetlights	408,875	-	-	408,875
	<u>123,853,639</u>	<u>865,859</u>	<u>94,315</u>	<u>124,625,183</u>
Less accumulated depreciation for:				
Land improvements	164,282	6,319	-	170,601
Buildings	1,426,891	56,991	-	1,483,882
Machinery and equipment	3,149,681	246,976	89,073	3,307,584
Streets	91,190,408	1,038,825	-	92,229,233
Sidewalks	4,675,068	5,603	-	4,680,671
Storm sewers	2,834,797	45,263	-	2,880,060
Manholes	144,110	2,495	-	146,605
Hydrants	116,235	1,914	-	118,149
Valves	35,367	573	-	35,940
Streetlights	352,654	3,514	-	356,168
	<u>104,089,493</u>	<u>1,408,473</u>	<u>89,073</u>	<u>105,408,893</u>
Capital assets being depreciated, net:				
Land improvements	73,466	(6,319)	-	67,147
Buildings	1,000,488	88,728	-	1,089,216
Machinery and equipment	1,056,961	350,196	5,242	1,412,399
Streets	16,666,559	(941,614)	-	15,724,945
Sidewalks	27,241	20,154	-	47,395
Storm sewers	807,469	(45,263)	-	762,206
Manholes	43,703	(2,495)	-	41,208
Hydrants	25,005	(1,914)	-	23,091
Valves	7,033	(573)	-	6,460
Streetlights	56,221	(3,514)	-	52,707
Total capital assets being depreciated, net	<u>19,764,146</u>	<u>(542,614)</u>	<u>5,242</u>	<u>19,216,290</u>
Governmental activities capital assets, net	<u>\$ 22,397,886</u>	<u>\$ (542,614)</u>	<u>\$ 5,242</u>	<u>\$ 21,850,030</u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

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

*Business-Type Activities*

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

	Balance, May 1, 2005	Additions	Retirements	Balance, April 30, 2006
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	1,721,560	-	-	1,721,560
Distribution system	10,614,397	-	-	10,614,397
	<u>13,116,519</u>	<u>-</u>	<u>-</u>	<u>13,116,519</u>
Less accumulated depreciation for:				
Land improvements	103,154	7,511	-	110,665
Buildings	258,862	13,099	-	271,961
Machinery and equipment	1,063,883	72,861	-	1,136,744
Distribution system	6,510,290	347,350	-	6,857,640
	<u>7,936,189</u>	<u>440,821</u>	<u>-</u>	<u>8,377,010</u>
Capital assets being depreciated, net:				
Land improvements	204,888	(7,511)	-	197,377
Buildings	213,658	(13,099)	-	200,559
Machinery and equipment	657,677	(72,861)	-	584,816
Distribution system	4,104,107	(347,350)	-	3,756,757
	<u>5,180,330</u>	<u>(440,821)</u>	<u>-</u>	<u>4,739,509</u>
Total capital assets being depreciated, net	<u>5,180,330</u>	<u>(440,821)</u>	<u>-</u>	<u>4,739,509</u>
Business-type activities capital assets, net	<u>\$ 5,300,667</u>	<u>\$ (440,821)</u>	<u>\$ -</u>	<u>\$ 4,859,846</u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

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

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

Depreciation was charged to functions/programs as follows:

Governmental activities:

General services	\$ 17,749
Public works	1,262,496
Public safety	<u>128,228</u>

**Total depreciation expense - governmental activities** \$ 1,408,473

Business-type activities:

Waterworks and sewerage	\$ 435,560
Commuter parking lot	<u>5,261</u>

**Total depreciation expense - business-type activities** \$ 440,821

**Note 6. Long-Term Obligations**

*Governmental Activities*

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2006:

	Outstanding Debt as of May 1, 2005	Additions	Reductions	Outstanding Debt as of April 30, 2006	Due within one year
General obligation bonds	\$ 186,000	\$ -	\$ 49,000	\$ 137,000	\$ 38,000
General obligation debt certificates	727,000	-	50,000	677,000	50,000
Tax incremental revenue notes	994,462	114,142	-	1,108,604	-
Note payable	-	118,132	41,693	76,439	37,106
Compensated absences	383,961	305,936	383,961	305,936	241,493
	<u>\$ 2,291,423</u>	<u>\$ 538,210</u>	<u>\$ 524,654</u>	<u>\$ 2,304,979</u>	<u>\$ 366,599</u>

**Village of Hazel Crest, Illinois**

**Notes to Financial Statements**

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

*Business-Type Activities*

The following is a summary of long-term obligation activity for the Village associated with business-type activities for the year ended April 30, 2006:

	Outstanding Debt as of May 1, 2005	Additions	Reductions	Outstanding Debt as of April 30, 2006	Due within one year
Compensated absences	\$ 29,807	\$ 34,380	\$ 29,807	\$ 34,380	\$ 18,612
Note payable	92,754	-	45,444	47,310	47,310
	<u>\$ 122,561</u>	<u>\$ 34,380</u>	<u>\$ 75,251</u>	<u>\$ 81,690</u>	<u>\$ 65,922</u>

Outstanding debt as of April 30, 2006, consists of the following:

General obligation bonds:

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

General obligation bonds, series 1999 dated December 1, 1999. Principal is due in annual installments of \$13,000 in 2007 and \$14,000 in 2008. Interest is variable. 27,000

General obligation bonds, series 2000 dated December 1, 2000. Principal is due in annual installments of \$7,000 in 2007, \$8,000 in 2008 and \$8,000 in 2009. Interest is variable. 23,000

General obligation bonds, series 2001 dated December 1, 2001. Principal is due in annual installments of \$7,000 in 2007, \$8,000 in 2008, \$9,000 in 2009 and \$10,000 in 2010. Interest is variable. 34,000

General obligation bonds, series 2002 dated December 1, 2002. Principal is due in annual installments of \$8,000 in 2007, \$9,000 in 2008, \$10,000 in 2009, \$11,000 in 2010 and \$12,000 in 2011. Interest is variable. 50,000

**Total general obligation bonds** 137,000

General obligation debt certificates:

General obligation debt certificates, series 2005 dated April 26, 2005. Principal due in annual installments of \$50,000 through 2019 and \$27,000 in 2010. Interest is variable. 677,000

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

Tax incremental revenue notes:

Tax incremental revenue notes, payable solely from incremental property taxes from the Tax Incremental Finance District, provide for retirement of interest and principal to be paid annually. Repayments are limited to amounts paid in property taxes that year by the note holder. Interest is at the prime rate (7.75% at April 30, 2006) plus 2% and is paid with the notes as incremental property taxes become available. Additions to tax incremental revenue notes for the fiscal year ended April 30, 2004 resulted from accrued interest on the notes earned during the fiscal year. All notes still outstanding on June 27, 2011 will be canceled.

\$ 1,108,604

Note for the purchase of a sewer and water truck dated October 7, 2003. Principal is due in annual installments of \$47,310 in 2007. Interest is at a rate of 3.93%.

47,310

Note for the purchase of vehicles dated April 6, 2006. Principal is due in annual installments of \$37,106 in 2007 and \$39,333 in 2008. Interest is at a rate of 6.00%.

76,439

Compensated absences, governmental activities

305,936

Compensated absences, business-type activities

34,380

#### Total long-term obligations

\$ 2,386,669

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

Fiscal Year	Governmental				Business-Type			
	General Obligation Bonds		Debt Certificates		Note Payable		Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 38,000	\$ 2,394	\$ 50,000	\$ 12,863	\$ 37,106	\$ 4,586	\$ 47,310	\$ -
2008	39,000	3,344	50,000	23,826	39,333	2,360	-	-
2009	27,000	1,862	50,000	21,926	-	-	-	-
2010	21,000	1,254	50,000	20,026	-	-	-	-
2011	12,000	456	50,000	18,126	-	-	-	-
2012	-	-	50,000	16,226	-	-	-	-
2013	-	-	50,000	14,326	-	-	-	-
2014	-	-	50,000	12,426	-	-	-	-
2015	-	-	50,000	10,526	-	-	-	-
2016	-	-	50,000	8,626	-	-	-	-
2017	-	-	50,000	6,726	-	-	-	-
2018	-	-	50,000	4,826	-	-	-	-
2019	-	-	50,000	2,926	-	-	-	-
2020	-	-	27,000	1,026	-	-	-	-
	<u>\$ 137,000</u>	<u>\$ 9,310</u>	<u>\$ 677,000</u>	<u>\$ 174,401</u>	<u>\$ 76,439</u>	<u>\$ 6,946</u>	<u>\$ 47,310</u>	<u>\$ -</u>

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

Interest on the variable-rate general obligation bonds is paid at the Bank of New York corporate rate and is reset weekly. The interest rate was 1.1% at April 30, 2006.

The legal debt margin of the Village as of April 30, 2006, was determined as follows:

Assessed Valuation	<u>\$ 182,781,075</u>
Legal Debt Limit - 8.625% of Assessed Valuation	\$ 15,764,868
Amount of debt applicable to debt limit:	
General obligation bonds	<u>137,000</u>
Legal debt margin	<u>\$ 15,627,868</u>

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

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

##### Illinois Municipal Retirement Fund

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

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The weighted employer rate for fiscal year 2006 was 9.60 percent of base payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2005, was 27 years.

For April 30, 2006, the Village's annual pension cost of \$213,128 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2003, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year depending on age and service, and (d) post retirement benefit

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study.

<u>Trend Information</u>			
<u>Fiscal Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
04/30/06	\$ 213,128	100%	\$ -
04/30/05	191,642	100%	-
04/30/04	130,230	100%	-
04/30/03	106,063	100%	-
04/30/02	125,213	100%	-

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 Experience Study. The principal changes were:

- The 1994 Group Annuity Mortality was implemented.
- For regular members, fewer normal and more early retirements are expected to occur.

#### Police Pension Plan

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

Covered employees are currently required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year ended April 30, 2005 was 25.53% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2005, were as follows:

Annual required contribution	\$ 335,041
Interest on net pension obligation	6,816
Adjustment to annual requirement contribution	(4,401)
Annual pension cost	<u>337,456</u>
Contributions made	<u>402,398</u>
(Decrease) in net pension obligation	(64,942)
Net pension obligation, beginning of year	<u>97,365</u>
Net pension obligation, end of year	<u>\$ 32,423</u>

**Village of Hazel Crest, Illinois**

**Notes to Financial Statements**

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

The annual required contribution for the year ended April 30, 2005, was determined as part of the April 30, 2005, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.0%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2005, was 28 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/05	\$ 337,456	\$ 402,248	119.2%	\$ 32,423
04/30/04	318,937	301,714	94.6%	97,365
04/30/03	288,308	296,358	102.8%	80,156
04/30/02	281,905	262,263	93.0%	88,206
04/30/01	259,133	262,929	101.5%	68,564
04/30/00	241,366	242,139	100.3%	72,360
04/30/99	240,578	212,830	88.5%	73,133

Membership in the plan consisted of the following as of April 30, 2005:

Retirees and beneficiaries receiving benefits	12
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	14
Active nonvested plan members	14
	40

**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% 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, 2005, was 24.7% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2005, were as follows:

Annual required contribution	\$ 155,746
Interest on net pension obligation	3,452
Adjustment to annual requirement contribution	(2,078)
Annual pension cost	<u>157,120</u>
Contributions made	<u>192,161</u>
Increase in net pension obligation	(35,041)
Net pension obligation, beginning of year	<u>46,027</u>
Net pension obligation, end of year	<u><u>\$ 10,986</u></u>

The required contribution for the year ended April 30, 2005, was determined as part of the April 30, 2005, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.5% investment rate of return, (b) projected salary increases of 5.5%, and (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2005, was 28 years.

#### Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/05	\$ 157,120	\$ 192,161	122.3%	\$ 10,986
04/30/04	146,357	139,771	95.5%	46,027
04/30/03	120,449	129,408	107.4%	39,491
04/30/02	113,845	107,048	94.0%	48,450
04/30/01	113,520	102,812	90.6%	41,653
04/30/00	90,414	88,656	98.1%	30,945
04/30/99	91,936	84,651	92.1%	29,187

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

Membership in the plan consisted of the following as of April 30, 2005:

Retirees and beneficiaries receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	2
Active vested plan members	3
Active nonvested plan members	11
	<hr/>
	18
	<hr/> <hr/>

#### Note 8. Risk Management

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

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

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

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

#### Note 9. Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. The Plan allows eligible employees to defer a portion of their compensation up to \$13,000. Such accruals accumulate on a tax-deferred basis until the employee withdraws the funds. There were no contributions to the plan by the Village for the year ended April 30, 2006.

**Village of Hazel Crest, Illinois**

**Notes to Financial Statements**

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

Other information related to individual funds includes the following:

Individual fund interfund receivable and payable balances as of April 30, 2006, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>
General Fund	
Nonmajor Governmental Funds	\$ 215,744
Waterworks and Sewerage Fund	1,080,971
Nonmajor Enterprise Fund	1,315
Tax Incremental Finance District Palmer Lake	
General Fund	331,125
Nonmajor Governmental Funds	
General Fund	118,015
Waterworks and Sewerage Fund	49,133
Nonmajor Governmental Funds	163,373
Fire Pension Fund	
General Fund	121,320
Police Pension Fund	
General Fund	281,720
Total	<u>\$ 2,362,716</u>
<u>Fund</u>	<u>Due To Other Funds</u>
General Fund	
Nonmajor Governmental Funds	\$ 118,015
Tax Incremental Finance District Palmer Lake	331,125
Police Pension Fund	281,720
Firefighters' Pension Fund	121,320
Nonmajor Governmental Funds	
General Fund	215,744
Nonmajor Governmental Funds	163,373
Waterworks and Sewerage Fund	
General Fund	1,080,971
Nonmajor Governmental Funds	49,133
Nonmajor Enterprise Fund	
General Fund	1,315
Total	<u>\$ 2,362,716</u>

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

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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#### Note 11. Postretirement Health Care Benefits

In addition to the pension benefits described in Note 7 and by authorization of the Village Board, the Village provides postretirement health care benefits to all employees with a minimum of 20 years of service who retire from the Village that were in the health plan prior to retiring. Currently, eight (8) retirees meet that eligibility requirement. Prior to January 1, 2004, the Village paid 100 percent of the amount of monthly premium costs for each retiree and 25 percent of the monthly premium costs of the dependent coverage if the retiree elects. As of January 1, 2004, the Village paid 92.5 percent of the monthly premium cost for each retiree and 25 percent of the monthly premium costs of the dependent coverage. Employer contributions are funded on a pay-as-you-go basis and are recognized as the premiums come due on each retiree. During the year, expenditures of approximately \$53,500 were recognized for postretirement health care.

#### Note 12. Restatements

In the government-wide statement of activities, April 30, 2005 net assets were restated by \$(3,095,289) to arrive at the restated May 1, 2005 net assets. Management concluded that the amount reported for fixed assets did not agree to the Village's detail and that revenue for property taxes was improperly recognized in the government-wide financial statements. This restatement consists of the following:

Net assets, April 30, 2005	\$ 31,083,652
Overstatement of fixed assets	(1,049,775)
Overstatement of revenue	<u>(2,045,514)</u>
Net assets, May 1, 2005 (as restated)	<u>\$ 27,988,363</u>

#### Note 13. New Governmental Accounting Standards

GASB Statement No. 43, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*, will be effective for the Village beginning with its year ending April 30, 2009. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*, will be effective for the Village beginning with its year ending April 30, 2010. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information in the financial reports of state and local governments. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, will be effective for the Village beginning with its year ending April 30, 2007. This statement requires that limitations on the use of net assets imposed by legislation be reported as restricted net assets. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

GASB Statement No. 47, *Accounting for Termination Benefits*, will be effective for the Village in two parts. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of the statement should be implemented simultaneously with the requirements of GASB Statement No. 45. For all other termination benefits, this Statement will be effective for the Village beginning with its year ending April 30, 2007. Management has not yet determined the impact this Statement will have on the financial position and results of operations of the Village.

**Required Supplementary Information**

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Illinois Municipal Retirement Fund  
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) Underfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2005	\$ 6,864,652	\$ 7,217,801	\$ 353,149	95.1 %	\$ 2,306,091	15.3 %
12/31/2004	6,628,540	7,188,149	559,609	92.2 %	2,185,119	25.6 %
12/31/2003	6,156,416	6,439,789	283,373	95.6 %	2,103,914	13.5 %
12/31/2002	6,438,169	6,241,576	(196,593)	103.1 %	2,003,468	(9.8)%
12/31/2001	6,297,483	5,637,921	(659,562)	111.7 %	1,905,428	(34.6)%
12/31/2000	5,635,305	5,102,187	(533,118)	110.4 %	1,876,726	(28.4)%
12/31/1999	4,816,337	4,582,902	(233,435)	105.1 %	1,886,131	(12.4)%
12/31/1998	4,189,944	4,267,103	77,159	98.2 %	1,784,116	4.3 %

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Police Pension Fund  
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Underfunded AAL as a Percentage of Covered Payroll [(b-a)/c]
04/30/2005	\$ 10,249,592	\$ 14,680,224	\$ 4,430,632	69.8 %	\$ 1,575,958	281.1 %
04/30/2004	9,751,405	12,995,700	3,244,295	75.0 %	1,502,471	215.9 %
04/30/2003	9,184,933	12,068,965	2,884,032	76.1 %	1,536,538	187.7 %
04/30/2002	8,872,790	11,645,608	2,772,818	76.2 %	1,414,507	196.0 %
04/30/2001	8,504,926	10,938,745	2,433,819	77.8 %	1,341,854	181.4 %
04/30/2000	7,811,759	10,034,838	2,223,079	77.8 %	1,373,918	161.8 %
04/30/1999	7,420,612	9,350,551	1,929,939	79.4 %	1,308,700	147.5 %
04/30/1998	7,040,488	8,813,155	1,772,667	79.9 %	1,324,645	133.8 %
04/30/1997	6,373,266	8,340,500	1,967,234	76.4 %	1,309,438	150.2 %

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Firefighters' Pension Fund  
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) Underfunded AAL as a Percentage of Covered Payroll [(b-a)/c]
04/30/2005	\$ 3,445,199	\$ 4,191,370	\$ 746,171	82.2 %	\$ 777,994	95.9 %
04/30/2004	3,108,833	3,711,485	602,652	83.8 %	758,001	79.5 %
04/30/2003	2,739,503	3,301,864	562,361	83.0 %	659,670	85.2 %
04/30/2002	2,632,913	3,209,573	576,660	82.0 %	627,603	91.9 %
04/30/2001	2,611,971	2,721,994	110,023	96.0 %	618,682	17.8 %
04/30/2000	2,532,911	2,337,503	(195,408)	108.4 %	679,111	(28.8)%
04/30/1999	2,255,082	2,054,524	(200,558)	109.8 %	596,056	(33.6)%
04/30/1998	2,049,686	1,898,685	(151,001)	108.0 %	577,035	(26.2)%
04/30/1997	1,678,461	1,723,527	45,066	97.4 %	568,513	7.9 %

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Revenues  
 Budget and Actual  
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Charges for services:		
Service charge	\$ 262,600	\$ 265,200
911 Salary reimbursement	30,000	31,000
Motor fuel tax equipment rental	86,527	107,875
<b>Total service charges</b>	<u>379,127</u>	<u>404,075</u>
Licenses:		
Liquor	6,420	6,335
Vehicles	218,975	212,198
Business	55,000	50,261
Pet	700	440
<b>Total licenses</b>	<u>281,095</u>	<u>269,234</u>
Intergovernmental:		
Road and bridge - County	32,000	30,007
Replacement	20,000	34,907
Sales	655,000	580,015
Income tax	1,060,000	1,348,880
<b>Total intergovernmental</b>	<u>1,767,000</u>	<u>1,993,809</u>
Fines, fees and permits:		
Building permits	120,000	77,917
Circuit court fines	136,500	98,468
Ambulance fees	290,000	333,515
Plan reviews	37,000	21,390
Contractor registration	40,000	42,900
Zoning board fees	2,000	140
Inspections	105,000	95,992
Alarm violations	10,000	6,155
Finance charges	3,000	996
Raffle licenses	25	50
Cable television franchise fees	108,000	119,785
<b>Total fines, fees and permits</b>	<u>851,525</u>	<u>797,308</u>

(continued)

**Village of Hazel Crest, Illinois**

**Required Supplementary Information  
Schedule of General Fund Revenues  
Budget and Actual (Continued)  
Year Ended April 30, 2006**

	Original and Final Budget	Actual
Property taxes	\$ 3,286,828	\$ 3,148,550
Other taxes:		
Utility	1,400,000	1,455,732
Amusement	3,700	4,658
<b>Total other taxes</b>	<b>1,403,700</b>	<b>1,460,390</b>
Interest	60,100	134,794
Miscellaneous:		
Municipal center leases	73,200	66,088
Compost fees and sales	10,500	7,355
IRMA refund	32,300	20,457
Bad debt recovery	30,000	27,620
State and county grants	5,500	31,869
State highway maintenance	19,000	13,679
Sidewalk/tree replacement	1,000	1,504
Employee Health Insurance Contributions	81,000	2,538
Miscellaneous	299,400	89,293
<b>Total miscellaneous</b>	<b>551,900</b>	<b>260,403</b>
<b>Total revenues</b>	<b>\$ 8,581,275</b>	<b>\$ 8,468,563</b>

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual  
 Year Ended April 30, 2006

	Original and Final Budget	Actual
General services:		
Personnel:		
Salaries	\$ 334,000	\$ 347,697
FICA	25,550	25,717
IMRF	31,400	29,724
Employee insurance	89,780	106,968
	<u>480,730</u>	<u>510,106</u>
Maintenance:		
Maintenance building/grounds	7,500	8,996
Maintenance equipment	8,325	13,041
	<u>15,825</u>	<u>22,037</u>
Contractual services:		
Payroll fees	6,000	6,712
FSA expenses	-	1,837
CDBG contractual services	-	16,436
Telephone	45,000	58,670
Fire pension contributions	177,790	168,339
Police pension contributions	352,378	364,074
Utilities	4,000	3,312
Travel	100	204
Villager	39,000	39,135
Legal	62,000	94,424
Accounting	33,000	37,325
Consultants	40,200	57,272
Training and conferences	2,000	2,654
Tuition reimbursement	2,000	-
Dues and subscriptions	12,000	12,810
	<u>775,468</u>	<u>863,204</u>
Commodities:		
Other supplies	12,600	17,687
E-Comm	178,000	121,115
Boards and commissions	5,500	22,583
Board projects	-	26,442
Recruitment/testing	10,000	14,820
Bad debts	30,000	78,976
Bank service charges	6,000	5,460
Sundry	4,500	24,576
Miscellaneous expense	500	482
	<u>247,100</u>	<u>312,141</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006

	Original and Final Budget	Actual
General services: (continued)		
Capital outlay:		
Building	\$ 11,300	\$ 8,041
Improvements other than building	2,000	2,309
Equipment	1,000	7,775
	<u>14,300</u>	<u>18,125</u>
<b>Total general services</b>	<u>1,533,423</u>	<u>1,725,613</u>
Administrative office:		
Personnel:		
Salaries	207,040	203,617
FICA	15,320	15,432
IMRF	18,690	16,081
Employee insurance	26,400	22,010
	<u>267,450</u>	<u>257,140</u>
Maintenance, maintenance equipment	<u>21,900</u>	<u>14,386</u>
Contractual services:		
Postage	7,000	11,665
Training and conferences	200	-
Printing	6,050	6,059
	<u>13,250</u>	<u>17,724</u>
Commodities:		
Office supplies	5,500	6,556
Sundry	-	31
	<u>5,500</u>	<u>6,587</u>
Capital outlay:		
Equipment	2,000	370
	<u>2,000</u>	<u>370</u>
<b>Total administrative office</b>	<u>310,100</u>	<u>296,207</u>
Public works:		
Personnel:		
Salaries	614,730	594,138
FICA	51,600	47,736
IMRF	63,400	58,432
Employee insurance	110,000	70,874
	<u>839,730</u>	<u>771,180</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Public works: (continued)		
Maintenance:		
Maintenance building/grounds	\$ 2,500	\$ 2,046
Maintenance/equipment	96,000	110,017
Maintenance/other	25,000	24,761
Maintenance trees	4,000	5,968
Maintenance streets	8,000	4,368
	<u>135,500</u>	<u>147,160</u>
Contractual services:		
Garbage disposal	7,000	8,571
Communications	1,500	1,062
Utilities	12,000	18,828
Traffic signals	11,000	14,321
Rental	2,000	7,759
Printing	1,500	639
Consultants	35,000	15,633
Training and conferences	1,000	320
Dues and subscriptions	750	1,079
	<u>71,750</u>	<u>68,212</u>
Commodities:		
Office supplies	3,200	3,617
Other supplies	3,000	2,700
Uniforms	5,100	3,905
Gas and oil	28,500	34,909
Sundry	1,500	1,895
	<u>41,300</u>	<u>47,026</u>
Capital outlay:		
Building improvements	12,000	8,280
Improvements other than building	49,460	49,156
Equipment	7,800	17,797
	<u>69,260</u>	<u>75,233</u>
<b>Total public works</b>	<u>1,157,540</u>	<u>1,108,811</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Police:		
Personnel:		
Salaries	\$ 2,423,588	\$ 2,351,470
FICA	185,404	175,596
IMRF	26,874	34,232
Employee insurance	324,950	303,483
	<u>2,960,816</u>	<u>2,864,781</u>
Maintenance, maintenance equipment	<u>48,380</u>	<u>61,777</u>
Contractual services:		
Communications	28,600	22,092
Printing	2,500	1,961
Consultants	24,980	13,638
P ticket hearing programs	1,800	-
Training and conferences	17,370	14,686
Dues and subscriptions	1,000	970
	<u>76,250</u>	<u>53,347</u>
Commodities:		
Office supplies	2,800	2,712
Other supplies	6,890	7,826
Uniforms	19,920	18,525
Canine supplies	1,000	1,200
Prisoner needs	900	1,511
Gas and oil	52,500	72,391
Animal control	3,500	3,217
Sundry	2,750	3,017
	<u>90,260</u>	<u>110,399</u>
Capital outlay:		
Building	22,475	140,637
Equipment	60,335	7,287
	<u>82,810</u>	<u>147,924</u>
<b>Total police</b>	<u>3,258,516</u>	<u>3,238,228</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006

Page 5 of 7

	Original and Final Budget	Actual
Fire:		
Personnel:		
Salaries	\$ 1,199,000	\$ 1,263,861
FICA	91,725	95,219
IMRF	11,000	16,226
Employee insurance	207,020	126,061
	<u>1,508,745</u>	<u>1,501,367</u>
Maintenance:		
Maintenance buildings/grounds	20,000	9,650
Maintenance equipment	16,050	22,525
	<u>36,050</u>	<u>32,175</u>
Contractual services:		
Communications	4,000	4,696
Rental	7,300	8,034
Postage	1,200	3,319
Printing	4,250	5,173
Fire prevention	1,500	2,636
Legal	1,500	-
Consultants	54,100	67,522
Training and conferences	14,380	16,235
Dues and subscriptions	5,900	7,305
	<u>94,130</u>	<u>114,920</u>
Commodities:		
Office supplies	4,800	4,905
Other supplies	5,530	8,708
Uniforms	11,000	10,701
Gas and oil	10,000	12,081
Sundry	250	561
	<u>31,580</u>	<u>36,956</u>
Capital outlay		
Building	3,500	7,235
Equipment	15,900	18,602
	<u>19,400</u>	<u>25,837</u>
<b>Total fire</b>	<u>1,689,905</u>	<u>1,711,255</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006

Page 6 of 7

	Original and Final Budget	Actual
Economic development:		
Contractual services:		
Economic development incentive	\$ 15,500	\$ 16,087
Consultants	600	-
Training and conferences	700	349
Dues and subscriptions	1,250	267
	<u>18,050</u>	<u>16,703</u>
Commodities:		
Special projects	400	-
Other supplies	50	-
	<u>450</u>	<u>-</u>
Capital outlay, equipment	<u>2,900</u>	<u>3,270</u>
<b>Total economic development</b>	<u>21,400</u>	<u>19,973</u>
Insurance:		
Personnel:		
State unemployment insurance	6,500	9,287
Workers' compensation	222,000	124,182
	<u>228,500</u>	<u>133,469</u>
Contractual services:		
Insurance	222,000	127,858
Legal	-	486
	<u>222,000</u>	<u>128,344</u>
Commodities:		
Risk management	48,781	44,100
Loss fund	31,500	53,715
Uniforms	13,522	14,498
	<u>93,803</u>	<u>112,313</u>
<b>Total insurance</b>	<u>544,303</u>	<u>374,126</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Community relations:		
Commodities:		
Cable access	\$ -	\$ 1,660
Special programs	-	24,627
Senior center project	-	3,413
Coffees	-	272
Office supplies	-	1,449
Sundry	-	7,667
Maintenance	-	65
Contractual	-	150
	<hr/>	<hr/>
<b>Total community relations</b>	-	39,303
	<hr/>	<hr/>
Civil Defense:		
Maintenance, maintenance equipment	2,000	1,980
	<hr/>	<hr/>
Contractual services:		
Communications	-	129
Training and conferences	1,000	1,194
	<hr/>	<hr/>
	1,000	1,323
	<hr/>	<hr/>
Commodities:		
Building	-	375
Equipment	-	1,232
	<hr/>	<hr/>
	-	1,607
	<hr/>	<hr/>
<b>Total civil defense</b>	3,000	4,910
	<hr/>	<hr/>
<b>Total expenditures</b>	\$ 8,518,187	\$ 8,518,426
	<hr/> <hr/>	<hr/> <hr/>

## Supplementary Information

**Nonmajor Governmental Funds – Combining Statements**

Village of Hazel Crest, Illinois

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 April 30, 2006

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and equivalents	\$ 1,362,209	\$ 642,262	\$ 641,515	\$ 2,645,986
Receivables:				
Property taxes	-	29,009	-	29,009
Intergovernmental	53,950	-	-	53,950
Due from other funds	26,623	212,506	91,392	330,521
Total assets	<u>\$ 1,442,782</u>	<u>\$ 883,777</u>	<u>\$ 732,907</u>	<u>\$ 3,059,466</u>
<b>Liabilities</b>				
Accounts payable	\$ 3,720	\$ -	\$ -	\$ 3,720
Due to other funds	72,362	94,544	212,211	379,117
Deferred revenue	-	29,009	-	29,009
Total liabilities	76,082	123,553	212,211	411,846
<b>Fund Balances</b>				
Reserved for debt service	-	760,224	-	760,224
Unreserved	1,366,700	-	520,696	1,887,396
Total liabilities and fund balances	<u>\$ 1,442,782</u>	<u>\$ 883,777</u>	<u>\$ 732,907</u>	<u>\$ 3,059,466</u>

**Village of Hazel Crest, Illinois**

**Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended April 30, 2006**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Program:				
Intergovernmental	\$ 562,585	\$ -	\$ 94,461	\$ 657,046
General:				
Property taxes	-	60,174	242,861	303,035
Interest	46,268	-	19,066	65,334
Miscellaneous	-	-	4,476	4,476
Total revenues	<u>608,853</u>	<u>60,174</u>	<u>360,864</u>	<u>1,029,891</u>
Expenditures				
Current,				
General services	606,648	-	-	606,648
Debt service:				
Principal	-	99,000	-	99,000
Interest and fiscal charges	-	39,318	-	39,318
Economic development	-	-	2,023	2,023
Capital outlay	159,051	-	756,519	915,570
Total expenditures	<u>765,699</u>	<u>138,318</u>	<u>758,542</u>	<u>1,662,559</u>
Excess revenues or (expenditures)	(156,846)	(78,144)	(397,678)	(632,668)
Fund balances:				
May 1, 2005	1,523,546	1,018,907	737,835	3,280,288
Residual equity transfer	-	(180,539)	180,539	-
April 30, 2006	<u>\$ 1,366,700</u>	<u>\$ 760,224</u>	<u>\$ 520,696</u>	<u>\$ 2,647,620</u>

**Village of Hazel Crest, Illinois**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
Year Ended April 30, 2006**

	Motor Fuel Tax	911	Working Cash	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 567,438	\$ 5,346	\$ 789,425	\$ 1,362,209
Due from other funds	-	26,623	-	26,623
Receivables:				
Intergovernmental	33,950	20,000	-	53,950
<b>Total assets</b>	<b>\$ 601,388</b>	<b>\$ 51,969</b>	<b>\$ 789,425</b>	<b>\$ 1,442,782</b>
<b>Liabilities and Fund Balances</b>				
Liabilities				
Accounts payable	\$ 3,720	\$ -	\$ -	\$ 3,720
Due to other funds	72,362	-	-	72,362
Total liabilities	76,082	-	-	76,082
Fund balances, unreserved	525,306	51,969	789,425	1,366,700
<b>Total liabilities and fund balances</b>	<b>\$ 601,388</b>	<b>\$ 51,969</b>	<b>\$ 789,425</b>	<b>\$ 1,442,782</b>

Village of Hazel Crest, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year Ended April 30, 2006

	Motor Fuel Tax	911	Working Cash	Total
Revenues:				
Intergovernmental	\$ 435,908	\$ 126,677	\$ -	\$ 562,585
Interest	20,400	3,585	22,283	46,268
<b>Total revenues</b>	<u>456,308</u>	<u>130,262</u>	<u>22,283</u>	<u>608,853</u>
Expenditures:				
Current:				
General services	298,109	308,539	-	606,648
Capital outlay	159,051	-	-	159,051
<b>Total expenditures</b>	<u>457,160</u>	<u>308,539</u>	<u>-</u>	<u>765,699</u>
Excess revenues or (expenditures)	(852)	(178,277)	22,283	(156,846)
Fund balances:				
May 1, 2005	<u>526,158</u>	<u>230,246</u>	<u>767,142</u>	<u>1,523,546</u>
April 30, 2006	<u>\$ 525,306</u>	<u>\$ 51,969</u>	<u>\$ 789,425</u>	<u>\$ 1,366,700</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, 2006

	Motor Fuel Tax		911		Total	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:						
Intergovernmental	\$ 472,000	\$ 435,908	\$ 70,000	\$ 126,677	\$ 542,000	\$ 562,585
Interest	5,000	20,400	1,400	3,585	6,400	23,985
<b>Total revenues</b>	<u>477,000</u>	<u>456,308</u>	<u>71,400</u>	<u>130,262</u>	<u>548,400</u>	<u>586,570</u>
Expenditures:						
Current:						
General services	324,127	298,109	52,100	308,539	376,227	606,648
Capital outlay	151,500	159,051	-	-	151,500	159,051
<b>Total expenditures</b>	<u>475,627</u>	<u>457,160</u>	<u>52,100</u>	<u>308,539</u>	<u>527,727</u>	<u>765,699</u>
Excess revenues or (expenditures)	<u>\$ 1,373</u>	(852)	<u>\$ 19,300</u>	(178,277)	<u>\$ 20,673</u>	(179,129)
Fund balances:						
May 1, 2005		<u>526,158</u>		<u>230,246</u>		<u>756,404</u>
April 30, 2006		<u>\$ 525,306</u>		<u>\$ 51,969</u>		<u>\$ 577,275</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 Year Ended April 30, 2006

	Limited Tax Bonds	1996 Capital Projects	2005 Capital Projects	Total
<b>Assets</b>				
Cash	\$ 78,635	\$ -	\$ 563,627	\$ 642,262
Property taxes receivable	29,009	-	-	29,009
Due from other funds	49,133	-	163,373	212,506
<b>Total assets</b>	<b>\$ 156,777</b>	<b>\$ -</b>	<b>\$ 727,000</b>	<b>\$ 883,777</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to general fund	18,506	-	76,038	94,544
Deferred revenue	29,009	-	-	29,009
<b>Total liabilities</b>	<b>47,515</b>	<b>-</b>	<b>76,038</b>	<b>123,553</b>
Fund balances, unreserved and undesignated	109,262	-	650,962	760,224
<b>Total liabilities and fund balances</b>	<b>\$ 156,777</b>	<b>\$ -</b>	<b>\$ 727,000</b>	<b>\$ 883,777</b>

Village of Hazel Crest, Illinois

**Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Debt Service Funds  
Year Ended April 30, 2006**

	Limited Tax Bonds	1996 Capital Projects	2005 Capital Projects	Total
Revenues, property taxes	\$ 60,174	\$ -	\$ -	\$ 60,174
Expenditures, debt service:				
Principal	49,000	-	50,000	99,000
Interest and fees	13,280	-	26,038	39,318
<b>Total expenditures</b>	<b>62,280</b>	<b>-</b>	<b>76,038</b>	<b>138,318</b>
Excess revenues or (expenditures)	(2,106)	-	(76,038)	(78,144)
Fund balances (deficits):				
May 1, 2005	111,368	180,539	727,000	1,018,907
Residual equity transfer	-	(180,539)	-	(180,539)
April 30, 2006	\$ 109,262	\$ -	\$ 650,962	\$ 760,224

Village of Hazel Crest, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 Nonmajor Debt Service Funds - All Funds for Which Budgets Have Been Adopted  
 Year Ended April 30, 2006

	Limited Tax Bonds		1996 Capital Projects		2005 Capital Projects		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues, property taxes	\$ 91,227	\$ 60,174	\$ -	\$ -	\$ -	\$ -	\$ 91,227	\$ 60,174
Expenditures, debt service:								
Principal	49,000	49,000	-	-	-	50,000	49,000	99,000
Interest and fees	15,810	13,280	-	-	-	26,038	15,810	39,318
<b>Total</b> <b>expenditures</b>	<u>64,810</u>	<u>62,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,038</u>	<u>64,810</u>	<u>138,318</u>
Excess revenues or (expenditures)	<u>\$ 26,417</u>	<u>(2,106)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(76,038)</u>	<u>\$ 26,417</u>	<u>(78,144)</u>
Fund balances:								
May 1, 2005		111,368		180,539		727,000		1,018,907
Residual equity transfer		<u>-</u>		<u>(180,539)</u>		<u>-</u>		<u>(180,539)</u>
April 30, 2006		<u>\$ 109,262</u>		<u>\$ -</u>		<u>\$ 650,962</u>		<u>\$ 760,224</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 April 30, 2006

	Capital Projects	Community Development Block Grant	Tax Incremental Finance District 183rd Street	Tax Incremental Finance District Hazel Crest Proper	Tax Incremental Finance District 167th Street	Tax Incremental Finance District Cherry Creek	Total
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 292,576	\$ 267,200	\$ 74,275	\$ 7,464	\$ 641,515
Due from other funds	-	-	-	43,100	39,955	8,337	91,392
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 292,576</b>	<b>\$ 310,300</b>	<b>\$ 114,230</b>	<b>\$ 15,801</b>	<b>\$ 732,907</b>
<b>Liabilities and Fund Balances</b>							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	212,211	-	-	-	-	-	212,211
<b>Total liabilities</b>	<b>212,211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>212,211</b>
Fund Balances, unreserved (deficits)	(212,211)	-	292,576	310,300	114,230	15,801	520,696
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 292,576</b>	<b>\$ 310,300</b>	<b>\$ 114,230</b>	<b>\$ 15,801</b>	<b>\$ 732,907</b>

Village of Hazel Crest, Illinois

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
Year Ended April 30, 2006

	Capital Projects	Community Development Block Grant	Tax Incremental Finance District 183rd Street	Tax Incremental Finance District Hazel Crest Proper	Tax Incremental Finance District 167th Street	Tax Incremental Finance District Cherry Creek	Total
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ 100,930	\$ 110,799	\$ 31,132	\$ 242,861
Intergovernmental	-	94,461	-	-	-	-	94,461
Interest	19,066	-	-	-	-	-	19,066
Miscellaneous	4,476	-	-	-	-	-	4,476
<b>Total revenues</b>	<b>23,542</b>	<b>94,461</b>	<b>-</b>	<b>100,930</b>	<b>110,799</b>	<b>31,132</b>	<b>360,864</b>
Expenditures:							
Economic development	-	-	1,004	277	688	54	2,023
Capital outlay	662,058	94,461	-	-	-	-	756,519
<b>Total expenditures</b>	<b>662,058</b>	<b>94,461</b>	<b>1,004</b>	<b>277</b>	<b>688</b>	<b>54</b>	<b>758,542</b>
Excess revenues or (expenditures)	(638,516)	-	(1,004)	100,653	110,111	31,078	(397,678)
Fund balances (deficits):							
May 1, 2005	245,766	-	293,580	209,647	4,119	(15,277)	737,835
Residual equity transfer	180,539	-	-	-	-	-	180,539
April 30, 2006	\$ (212,211)	\$ -	\$ 292,576	\$ 310,300	\$ 114,230	\$ 15,801	\$ 520,696

Village of Hazel Crest, Illinois

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor Capital Projects Funds - All Funds for Which Budgets Have Been Adopted  
 Year Ended April 30, 2006

	Capital Projects		Community Development Block Grant		Total	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:						
Intergovernmental	\$ -	\$ -	\$ 318,967	\$ 94,461	\$ 318,967	\$ 94,461
Interest	2,600	19,066	-	-	2,600	19,066
Miscellaneous		4,476	-	-	-	4,476
<b>Total revenues</b>	<u>2,600</u>	<u>23,542</u>	<u>318,967</u>	<u>94,461</u>	<u>321,567</u>	<u>118,003</u>
Expenditures, capital outlay	<u>777,000</u>	<u>662,058</u>	<u>318,967</u>	<u>94,461</u>	<u>1,095,967</u>	<u>756,519</u>
Other Financing Sources						
Fund transfers	110,500	-	-	-	110,500	-
Bond transfers	727,000	-	-	-	727,000	-
<b>Total other financing sources</b>	<u>837,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>837,500</u>	<u>-</u>
Excess revenues or (expenditures)	<u>\$ 63,100</u>	<u>(638,516)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (774,400)</u>	<u>(638,516)</u>
Fund balances:						
May 1, 2005		245,766		-		245,766
Residual equity transfer		<u>180,539</u>		<u>-</u>		<u>180,539</u>
April 30, 2006		<u>\$ (212,211)</u>		<u>\$ -</u>		<u>\$ (212,211)</u>

**Major Enterprise Fund**

Village of Hazel Crest, Illinois

Schedule of Operating and Nonoperating Revenues, Operating and Nonoperating Expenses  
and Transfers - Budget and Actual  
Waterworks and Sewerage Fund  
Year Ended April 30, 2006

	Original and Final Budget	Actual
Operating revenues, charges for services	<u>\$ 2,344,000</u>	<u>\$ 2,778,528</u>
Operating expenses:		
Operations	2,321,265	2,832,803
Depreciation	-	435,560
<b>Total operating expenses</b>	<u>2,321,265</u>	<u>3,268,363</u>
<b>Operating (loss)</b>	<u>\$ 22,735</u>	(489,835)
Net assets:		
May 1, 2005		<u>4,238,973</u>
April 30, 2006		<u>\$ 3,749,138</u>

Village of Hazel Crest, Illinois

Combining Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2006

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash and investments	\$ 10,249,433	\$ 3,725,503	\$ 13,974,936
Interest receivable	399	11,192	11,591
Due from other funds	281,720	121,320	403,040
<b>Total assets</b>	<b>\$ 10,531,552</b>	<b>\$ 3,858,015</b>	<b>\$ 14,389,567</b>
<b>Liabilities</b>			
Accounts payable	\$ 2,715	\$ 2,000	\$ 4,715
<b>Net Assets</b>			
Held in trust for pension benefits	10,528,837	3,856,015	14,384,852
<b>Total liabilities and net assets</b>	<b>\$ 10,531,552</b>	<b>\$ 3,858,015</b>	<b>\$ 14,389,567</b>

Village of Hazel Crest, Illinois

**Combining Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2006**

	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 364,074	\$ 168,339	\$ 532,413
Plan members	173,335	87,347	260,682
<b>Total contributions</b>	<u>537,409</u>	<u>255,686</u>	<u>793,095</u>
Investment income:			
Net appreciation in fair value of investments	141,087	139,181	280,268
Dividends	24,583	26,994	51,577
Interest	113,252	79,717	192,969
Gain on sale of securities	12,802	12,205	25,007
Less investment expense	(14,551)	(985)	(15,536)
<b>Net investment income</b>	<u>277,173</u>	<u>257,112</u>	<u>534,285</u>
<b>Total additions</b>	<u>814,582</u>	<u>512,798</u>	<u>1,327,380</u>
<b>Deductions</b>			
Benefits	526,480	98,160	624,640
Administrative expenses	8,857	3,822	12,679
<b>Total deductions</b>	<u>535,337</u>	<u>101,982</u>	<u>637,319</u>
<b>Net increase</b>	279,245	410,816	690,061
Net assets held in trust for pension benefits:			
May 1, 2005	<u>10,249,592</u>	<u>3,445,199</u>	<u>13,694,791</u>
April 30, 2006	<u>\$ 10,528,837</u>	<u>\$ 3,856,015</u>	<u>\$ 14,384,852</u>

Village of Hazel Crest, Illinois

Schedule of Expenditures - Budget and Actual

Motor Fuel Tax Fund

Year Ended April 30, 2006

	Original and Final Budget	Actual
General services:		
Personnel:		
Salaries	\$ 60,000	\$ 72,259
Maintenance, maintenance streets/alleys	7,000	4,350
Contractual services:		
Utilities	45,000	48,324
Rental	86,527	107,875
Consultants	36,600	42,784
Commodities, salt and slag	29,000	22,517
	<u>264,127</u>	<u>298,109</u>
Capital outlay:		
Improvements other than buildings	151,500	115,083
183rd Street improvements	-	43,968
	<u>151,500</u>	<u>159,051</u>
<b>Total expenditures</b>	<u>\$ 415,627</u>	<u>\$ 457,160</u>

Village of Hazel Crest, Illinois

Schedule of Expenditures - Budget and Actual  
911 Fund  
Year Ended April 30, 2006

	Original and Final Budget	Actual
General services:		
Personnel, salaries	\$ 31,000	\$ 31,000
Maintenance, maintenance - equipment	8,500	91,186
Contractual services:		
Telephone	10,000	13,607
E-com contribution	-	166,973
Training and conferences	-	573
Dues and subscriptions	-	5,200
Commodities:		
Service charges	2,600	-
<b>Total expenditures</b>	<b>\$ 52,100</b>	<b>\$ 308,539</b>

Village of Hazel Crest, Illinois

Schedule of Expenditures - Budget and Actual  
 Capital Projects Fund  
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Capital outlay:		
General services	\$ -	\$ 48,839
Public works department	309,500	145,719
Fire department	467,500	467,500
<b>Total expenditures</b>	<b>\$ 777,000</b>	<b>\$ 662,058</b>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual  
Waterworks and Sewerage Fund  
Year Ended April 30, 2006

	Original and Final Budget	Actual
Operating expenses:		
Personnel:		
Salaries	\$ 586,300	\$ 613,453
FICA	44,852	49,674
IMRF	55,112	58,432
Employee insurance	84,000	98,916
<b>Total personnel</b>	<b>770,264</b>	<b>820,475</b>
Maintenance:		
Maintenance building/grounds	7,500	5,908
Maintenance equipment	25,100	32,947
Maintenance utility system	123,000	69,563
<b>Total maintenance</b>	<b>155,600</b>	<b>108,418</b>
Contractual services:		
Communications	1,500	1,545
Telephone	2,500	3,422
Water purchases	940,000	1,105,995
Utilities	58,000	61,142
Refuse removal	-	390,052
Rental	2,500	-
Postage	5,000	5,519
Printing	2,300	2,093
Consultants	18,000	1,776
Training and conferences	1,000	677
Dues and subscriptions	350	278
<b>Total contractual services</b>	<b>1,031,150</b>	<b>1,572,499</b>
Commodities:		
Office supplies	900	998
Other supplies	2,400	1,646
Uniforms	3,870	4,543
Gas and oil	25,625	34,059
Bad debts	4,500	8,669
Service charges	230,000	230,000
Interest on debt	3,696	3,689
Sundry	250	344
<b>Total commodities</b>	<b>271,241</b>	<b>283,948</b>

(continued)

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual  
Waterworks and Sewerage Fund  
Year Ended April 30, 2006

	Original and Final Budget	Actual
Operating expenses: (continued)		
Capital outlay:		
Building improvements	\$ -	\$ 9,438
Improvements	59,150	-
Equipment	3,600	745
Meters	30,260	37,280
<b>Total capital outlay</b>	<u>93,010</u>	<u>47,463</u>
<b>Total</b>	2,321,265	2,832,803
Depreciation	-	435,560
<b>Total operating expenses</b>	<u>\$ 2,321,265</u>	<u>\$ 3,268,363</u>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual  
 Commuter Parking Lot Fund  
 Year Ended April 30, 2006

	Original and Final Budget	Actual
Operating expenses:		
Maintenance, maintenance building/grounds	\$ -	\$ -
Contractual services:		
Utilities	1,850	1,855
Printing	120	-
Consultants	-	815
<b>Total contractual services</b>	<u>1,970</u>	<u>2,670</u>
Commodities, service charges	<u>30,000</u>	<u>30,000</u>
Other improvements	<u>3,500</u>	<u>300</u>
Total operations	35,470	32,970
Loss on disposition of capital assets		
Depreciation	<u>5,640</u>	<u>5,261</u>
<b>Total operating expenses</b>	<u>\$ 41,110</u>	<u>\$ 38,231</u>

Village of Hazel Crest, Illinois

Capital Assets Used in the Operation of Governmental Funds  
Schedule of Capital Assets -  
By Source  
April 30, 2006

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Land and land improvements	\$ 937,518
Buildings	2,573,098
Machinery and equipment	4,709,499
Infrastructure	<u>119,038,808</u>
<b>Total capital assets</b>	<b><u>\$ 127,258,923</u></b>
Investment in capital assets from:	
General obligation bonds	\$ 1,730,566
Current revenue	<u>125,528,357</u>
<b>Total investment in capital assets</b>	<b><u>\$ 127,258,923</u></b>

Village of Hazel Crest, Illinois

**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Capital Assets -**  
**By Function and Activity**  
**Year Ended April 30, 2006**

	Land and Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Total
General services:					
Municipal center	\$ 27,548	\$ 325,789	\$ 166,500	\$ -	\$ 519,837
General services	93,568	884,921	-	1,954,058	2,932,547
Office	-	6,484	-	-	6,484
<b>Total general services</b>	<b>121,116</b>	<b>1,217,194</b>	<b>166,500</b>	<b>1,954,058</b>	<b>3,458,868</b>
Public works:					
General	-	285,788	673,971	5,462,549	6,422,308
Road and bridge	156,953	50,466	258,851	107,979,933	108,446,203
Forestry	442,000	-	75,357	-	517,357
Waste management	13,500	-	55,479	3,642,268	3,711,247
<b>Total public works</b>	<b>612,453</b>	<b>336,254</b>	<b>1,063,658</b>	<b>117,084,750</b>	<b>119,097,115</b>
Public safety:					
Police	-	-	788,189	-	788,189
Fire	203,949	1,000,939	1,880,107	-	3,084,995
911	-	-	811,045	-	811,045
Civil defense	-	18,711	-	-	18,711
<b>Total public safety</b>	<b>203,949</b>	<b>1,019,650</b>	<b>3,479,341</b>	<b>-</b>	<b>4,702,940</b>
<b>Total capital assets</b>	<b>\$ 937,518</b>	<b>\$ 2,573,098</b>	<b>\$ 4,709,499</b>	<b>\$ 119,038,808</b>	<b>\$ 127,258,923</b>

Village of Hazel Crest, Illinois

**Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes in Capital Assets -  
 By Function and Activity  
 Year Ended April 30, 2006**

	Capital Assets May 1, 2005	Additions	Deletions	Capital Assets April 30, 2006
General services:				
Municipal center	\$ 374,118	\$ 145,719	\$ -	\$ 519,837
General services	2,932,547	-	-	2,932,547
Office	6,484	-	-	6,484
<b>Total general services</b>	<b>3,313,149</b>	<b>145,719</b>	<b>-</b>	<b>3,458,868</b>
Public works:				
General	6,356,308	122,968	56,968	6,422,308
Road and bridge	108,446,203	-	-	108,446,203
Forestry	517,357	-	-	517,357
Waste management	3,711,247	-	-	3,711,247
<b>Total public works</b>	<b>119,031,115</b>	<b>122,968</b>	<b>56,968</b>	<b>119,097,115</b>
Public safety:				
Police	695,864	129,672	37,347	788,189
Fire	2,617,495	467,500	-	3,084,995
911	811,045	-	-	811,045
Civil defense	18,711	-	-	18,711
<b>Total public safety</b>	<b>4,143,115</b>	<b>597,172</b>	<b>37,347</b>	<b>4,702,940</b>
<b>Total capital assets</b>	<b>\$ 126,487,379</b>	<b>\$ 865,859</b>	<b>\$ 94,315</b>	<b>\$ 127,258,923</b>

**Village of Hazel Crest, Illinois**

**Schedule of Debt Service Requirements  
April 30, 2006**

	Year Ending April 30,	Principal	Interest	Total
Series 1998				
Dated: December 1, 1998				
Authorized issue - \$103,000				
Payable at: American National Bank				
Interest payable monthly at the bank's current variable rate, 3.80% at April 30, 2006				
	2007	\$ 3,000	\$ 57	\$ 3,057
Series 1999				
Dated: December 1, 1999				
Authorized issue - \$153,000				
Payable at: American National Bank				
Interest payable monthly at the bank's current variable rate, 3.80% at April 30, 2006				
	2007	\$ 13,000	\$ 513	\$ 13,513
	2008	14,000	523	14,523
		<u>\$ 27,000</u>	<u>\$ 1,036</u>	<u>\$ 28,036</u>
Series 2000				
Dated: December 1, 2000				
Authorized issue - \$110,000				
Payable at: American National Bank				
Interest payable monthly at the bank's current variable rate, 3.80% at April 30, 2006				
	2007	\$ 7,000	\$ 437	\$ 7,437
	2008	8,000	608	8,608
	2009	8,000	304	8,304
		<u>\$ 23,000</u>	<u>\$ 1,349</u>	<u>\$ 24,349</u>
Series 2001				
Dated: December 1, 2001				
Authorized issue - \$109,000				
Payable at: American National Bank				
Interest payable monthly at the bank's current variable rate, 3.80% at April 30, 2006				
	2007	\$ 7,000	\$ 646	\$ 7,646
	2008	8,000	1,026	9,026
	2009	9,000	722	9,722
	2010	10,000	380	10,380
		<u>\$ 34,000</u>	<u>\$ 2,774</u>	<u>\$ 36,774</u>

(continued)

Village of Hazel Crest, Illinois

Schedule of Debt Service Requirements (Continued)  
April 30, 2006

	Year Ending April 30,	Principal	Interest	Total
Series 2002				
Dated: December 1, 2002	2007	\$ 8,000	\$ 741	\$ 8,741
Authorized issue - \$110,000	2008	9,000	1,178	10,178
Payable at: American National Bank	2009	10,000	836	10,836
Interest payable monthly at the bank's current	2010	11,000	874	11,874
variable rate, 3.80% at April 30, 2006	2011	12,000	456	12,456
		<u>\$ 50,000</u>	<u>\$ 4,085</u>	<u>\$ 54,085</u>
Series 2005				
Dated: April 26, 2005	2007	\$ 50,000	\$ 12,863	\$ 62,863
Payable at: American National Bank	2008	50,000	23,826	73,826
Interest payable monthly at the bank's current	2009	50,000	21,926	71,926
variable rate, 3.80% at April 30, 2006	2010	50,000	20,026	70,026
	2011	50,000	18,126	68,126
	2012	50,000	16,226	66,226
	2013	50,000	14,326	64,326
	2014	50,000	12,426	62,426
	2015	50,000	10,526	60,526
	2016	50,000	8,626	58,626
	2017	50,000	6,726	56,726
	2018	50,000	4,826	54,826
	2019	50,000	2,926	52,926
	2020	27,000	1,026	28,026
		<u>\$ 677,000</u>	<u>\$ 174,401</u>	<u>\$ 851,401</u>
Note Payable				
Dated: April 26, 2006	2007	\$ 37,106	\$ 4,586	\$ 41,692
Authorized issue - \$118,132	2008	39,333	2,360	41,693
Payable at: Ford Motor Credit Co.				
Interest payable April 6 each year at 6.00%		<u>\$ 76,439</u>	<u>\$ 6,946</u>	<u>\$ 83,385</u>
Note Payable				
Dated October 7, 2003	2007	\$ 47,310	\$ -	\$ 47,310
Authorized issue - \$181,500				
Principal and interest payable May 1 of each year at 3.93%				

Village of Hazel Crest, Illinois

Schedule of Assessed Valuations, Tax Rates,  
Tax Extensions and Tax Collections  
April 30, 2006

	2005	2004	2003	2002	2001	2000
Assessed valuations*	\$ 182,781,075	\$ 157,083,399	\$ 152,738,655	\$ 152,738,655	\$ 123,609,348	\$ 122,157,987
Tax rates by fund:						
General:						
Corporate	0.2227	0.2347	0.2500	0.2046	0.2500	0.2370
Unemployment	0.0037	0.0048	0.0040	0.0124	0.0112	0.0030
Crossing Guards	0.0130	0.0147	0.0139	0.0164	0.0113	0.0190
Police Protection	0.0668	0.0704	0.0750	0.0614	0.0750	0.0711
Fire Protection	0.3564	0.3754	0.4000	0.3274	0.4000	0.3792
Road and Bridge - Village	0.0876	0.0938	0.1000	0.0818	0.1000	0.0948
Police Pension	0.2472	0.2220	0.2259	0.2118	0.2383	0.2361
Fire Pension	0.1034	0.1120	0.1050	0.0979	0.0991	0.0948
Civil Defense	0.0017	0.0033	0.0096	0.0409	0.0107	0.0147
Illinois Municipal Retirement	0.3345	0.3596	0.3717	0.3931	0.4707	0.4940
Waste Management	0.0310	0.1335	0.1340	0.1636	0.1534	0.1896
Paramedics	0.2190	0.2347	0.2500	0.2046	0.2500	0.2370
Insurance	0.2226	0.2399	0.2331	0.1959	0.3722	0.3217
Auditing	0.0044	0.0189	0.0236	0.0315	0.0208	0.0331
<b>Total general</b>	<b>1.9140</b>	<b>2.1177</b>	<b>2.1958</b>	<b>2.0433</b>	<b>2.4627</b>	<b>2.4251</b>
Debt Service:						
1993 Fire Pumper	-	-	-	0.0404	0.0526	0.0559
1995 Capital Projects	-	-	-	-	-	-
1996 Capital Projects	0.0000	-	0.0270	0.0340	0.1259	0.0633
1997 G.O. Limited Tax Bond	0.0087	0.0101	0.0100	0.0104	0.0127	0.0128
1998 G.O. Limited Tax Bond	0.0020	0.0022	0.0025	0.0026	0.0038	0.0032
1999 G.O. Limited Tax Bonds	0.0082	0.0096	0.0099	0.0104	0.0127	0.0122
2000 G.O. Limited Tax Bonds	0.0049	0.0055	0.0059	0.0058	0.0076	0.0641
2001 G.O. Limited Tax Bonds	0.0047	0.0070	0.0065	0.0071	0.0558	0.0000
2002 G.O. Limited Tax Bonds	0.0000	0.0086	0.0356	-	-	-
<b>Subtotal</b>	<b>0.0285</b>	<b>0.0430</b>	<b>0.0974</b>	<b>0.1107</b>	<b>0.2711</b>	<b>0.2115</b>
<b>Total</b>	<b>1.9425</b>	<b>2.1607</b>	<b>2.2932</b>	<b>2.1540</b>	<b>2.7338</b>	<b>2.6366</b>
Tax extensions by fund:						
General:						
Corporate	\$ 407,053	\$ 368,675	\$ 381,846	\$ 312,504	\$ 309,023	\$ 289,503
Unemployment	6,763	7,540	6,000	18,938	13,797	3,660
Crossing Guards	23,762	23,091	20,600	25,000	14,024	23,161
Police Protection	122,098	110,587	114,554	93,751	92,707	86,852
Fire Protection	651,432	589,691	610,955	500,006	494,437	463,205
Road and Bridge - Village	160,116	147,344	152,739	125,001	123,609	115,802
Police Pension	451,835	348,725	335,041	323,551	294,506	288,400
Fire Pension	188,996	175,933	155,746	149,487	122,463	115,843
Civil Defense	3,107	5,184	14,200	62,501	13,213	17,915
Illinois Municipal Retirement	611,403	564,872	551,134	600,391	581,847	603,464
Waste Management	56,662	209,706	198,700	250,003	189,656	231,604
Paramedics	400,291	368,675	381,847	312,504	309,023	289,503
Insurance	406,871	376,843	345,728	299,224	460,100	393,041
Auditing	8,042	29,689	35,000	48,153	25,750	40,467
<b>Total general</b>	<b>3,498,430</b>	<b>3,326,555</b>	<b>3,304,090</b>	<b>3,121,014</b>	<b>3,044,155</b>	<b>2,962,420</b>
Debt Service:						
1993 Fire Pumper	-	-	-	61,724	65,026	68,331
1995 Capital Projects	-	-	-	-	-	-
1996 Capital Projects	-	-	41,230	51,713	156,293	77,366
1997 G.O. Limited Tax Bond	15,902	15,865	15,295	15,869	16,012	15,641
1998 G.O. Limited Tax Bond	3,656	3,456	3,765	3,967	4,489	3,910
1999 G.O. Limited Tax Bonds	14,988	15,080	15,165	15,869	15,519	14,859
2000 G.O. Limited Tax Bonds	8,956	8,640	8,975	8,926	9,266	78,332
2001 G.O. Limited Tax Bonds	8,591	10,996	9,995	10,909	68,528	-
2002 G.O. Limited Tax Bonds	-	13,509	54,350	-	-	-
<b>Subtotal</b>	<b>52,093</b>	<b>67,546</b>	<b>148,775</b>	<b>168,977</b>	<b>335,133</b>	<b>258,439</b>
<b>Total</b>	<b>\$ 3,550,522</b>	<b>\$ 3,394,101</b>	<b>\$ 3,452,865</b>	<b>\$ 3,289,991</b>	<b>\$ 3,379,288</b>	<b>\$ 3,220,859</b>
Collections	\$ 1,397,129	\$ 3,369,078	\$ 3,198,171	\$ 3,162,173	\$ 3,324,658	\$ 3,151,749
Percent collections	39.35%	99.26%	92.62%	96.11%	98.38%	97.85%

\* Assessed valuation for 2003 is estimated.

	1999	1998	1997	1996
\$	121,060,549	\$ 106,922,976	\$ 104,762,947	\$ 103,258,636
	0.2261	0.2500	0.2464	0.2303
	0.0029	0.0031	0.0030	0.0056
	0.0181	0.0200	0.0197	0.0184
	0.0678	0.0750	0.0739	0.0691
	0.3617	0.4000	0.3943	0.3684
	0.0904	0.1000	0.0986	0.0921
	0.2187	0.2304	0.1937	0.1724
	0.0761	0.0878	0.0805	0.0799
	0.0140	0.0151	0.0147	0.0102
	0.4653	0.4966	0.4778	0.4191
	0.1809	0.2000	0.1971	0.1835
	0.2261	0.2500	0.2464	0.2303
	0.3661	0.3961	0.4219	0.5443
	0.0316	0.0342	0.0333	0.0335
	2.3458	2.5583	2.5013	2.4571
	0.0592	0.0701	0.0747	0.0197
	-	-	0.0541	0.0590
	0.0504	0.0407	0.0417	0.0963
	0.0129	0.0000	0.1096	-
	0.0031	0.0712	-	-
	0.0785	0.0916	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	0.2041	0.2736	0.2801	0.1750
	2.5499	2.8319	2.7814	2.6321
\$	273,682	\$ 267,307	\$ 258,147	\$ 232,250
	3,460	3,306	3,156	5,665
	21,895	21,385	20,652	18,509
	82,105	80,192	77,444	69,675
	437,891	427,692	413,035	371,599
	109,473	106,923	103,259	92,900
	264,753	246,365	202,919	173,896
	92,079	93,890	84,324	80,579
	16,936	16,184	15,450	10,300
	563,353	531,015	500,533	422,722
	218,946	213,846	206,517	185,098
	273,682	267,307	258,147	232,250
	443,160	423,476	442,036	548,990
	38,255	36,556	34,898	33,784
	2,839,670	2,735,444	2,620,517	2,478,217
	71,635	74,940	78,245	19,828
	-	-	56,661	59,537
	61,021	42,940	43,710	97,139
	15,553	77,211	114,890	-
	3,733	97,393	-	-
	95,005	-	-	-
	95,005	-	-	-
	-	-	-	-
	-	-	-	-
	341,952	292,484	293,506	176,504
\$	3,181,622	\$ 3,027,928	\$ 2,914,023	\$ 2,654,721
\$	3,020,316	\$ 2,966,083	\$ 2,751,297	\$ 2,596,959
	94.93%	97.96%	94.42%	97.82%

Village of Hazel Crest, Illinois

Government-Wide Expenses by Function

April 30, 2006

Year	General Services	Business-Type Activities						Total
		Public Works	Public Safety	Interest	Surplus Distribution	Waterworks and Sewerage	Commuter Parking Lot	
2004	\$ 2,494,204	\$ 1,406,264	\$ 4,705,363	\$ 110,784	\$ 755,000	\$ 2,778,417	\$ 38,851	\$ 12,288,883
2005	2,212,343	2,340,877	5,268,720	55,906	595,955	2,888,214	40,640	13,402,655
2006	3,143,886	2,338,699	5,080,102	153,460	-	3,268,363	38,231	14,022,741

Note: Information presented for as many years as available.

Source: Village records.

**Village of Hazel Crest, Illinois**

**Government-Wide Revenues  
April 30, 2006**

Year	Program Revenues		General Revenues				Total
	Charges for Services	Operating Grants and Contributions	Property Taxes	Other Taxes	Interest	Miscellaneous	
2004	\$ 3,893,395	\$ 552,487	\$ 4,706,739	\$ 3,196,008	\$ 58,750	\$ 337,860	\$ 12,745,239
2005	3,541,049	26,458	4,297,505	3,755,845	53,656	288,303	11,962,816
2006	4,373,747	688,915	4,243,737	3,424,192	205,071	144,694	13,080,356

Note: Information presented for as many years as available.

Source: Village records.

**Village of Hazel Crest, Illinois**

**General Governmental Expenditures by Function  
Last Ten Fiscal Years**

Fiscal Year	General Government and Administration (1)	Public Safety (2)	Buildings Highways Streets (3)	Debt Service	Other Special Revenue (4)	Community Development (5)	Totals
1997	\$ 2,067,310	\$ 3,135,629	\$ 1,925,949	\$ 813,593	\$ 502,458	\$ 1,581,808	\$ 10,026,747
1998	1,360,583	3,299,617	1,041,359	907,290	557,095	831,349	7,997,293
1999	1,969,083	3,465,568	1,126,671	297,277	586,033	1,930,739	9,375,371
2000	1,997,906	3,724,479	1,115,880	344,565	572,794	1,269,754	9,025,378
2001	1,876,796	3,871,176	1,292,989	304,444	597,364	1,016,737	8,959,506
2002	2,074,911	3,793,340	1,987,313	290,902	649,497	729,319	9,525,282
2003	2,288,250	4,339,669	1,480,812	292,487	121,049	1,636,647	10,158,914
2004	2,109,296	4,620,336	1,451,334	192,321	86,623	1,283,093	9,743,003
2005	1,868,105	5,024,699	1,470,230	90,827	105,481	704,807	9,264,149
2006	2,455,222	4,954,393	1,108,811	180,011	308,539	1,265,891	10,272,867

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

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

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

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

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

**Village of Hazel Crest, Illinois**

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

Fiscal Year	Property Taxes	Retail and Sales Tax	Utility Tax	Interest Income	Fees, Fines and Permits	Licenses	Inter-governmental Revenue	Miscellaneous	Total
1997	\$ 2,846,946	\$ 355,959	\$ 890,577	\$ 178,034	\$ 598,162	\$ 232,666	\$ 1,595,188	\$ 1,129,838	\$ 7,827,370
1998	3,075,656	471,029	889,119	163,237	736,250	217,155	1,636,081	1,221,169	8,409,696
1999	3,514,534	580,500	903,656	134,214	493,392	231,462	1,881,769	1,087,237	8,826,764
2000	4,167,550	519,601	1,035,153	164,420	515,899	245,237	2,087,553	817,835	9,553,248
2001	3,998,481	635,120	1,197,753	281,278	581,065	235,306	1,944,905	855,778	9,729,686
2002	3,818,051	641,341	1,068,245	155,794	575,777	237,643	2,039,830	1,492,935	10,029,616
2003	4,110,098	708,370	1,192,612	114,953	588,041	233,887	1,771,064	982,073	9,701,098
2004	4,679,308	654,447	1,360,115	57,943	743,260	276,494	1,730,221	862,344	10,364,132
2005	4,371,320	603,416	1,321,900	85,666	974,621	272,063	1,858,988	314,761	9,802,735
2006	4,213,730	580,015	1,460,390	200,128	797,308	269,234	2,474,915	264,879	10,260,599

**Village of Hazel Crest, Illinois**

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

Tax Levy Year	Real Property Equalized Assessed Value	Estimated Actual Value	Ratio of Total Assessed to Estimated Actual Value	Equalization Factor
1996	\$ 103,258,636	\$ 310,075,908	33.3	2.1517
1997	104,762,947	314,288,841	33.3	2.1489
1998	106,922,976	321,090,018	33.3	2.1799
1999	121,060,549	363,545,192	33.3	2.2505
2000	122,157,987	366,840,802	33.3	2.2235
2001	123,609,348	371,199,243	33.3	2.3098
2002	152,738,655	458,215,965	33.3	2.4689
2003	152,334,566	457,003,698	33.3	2.4598
2004	157,083,399	471,250,197	33.3	2.2488
2005	182,781,075	548,892,117	33.3	2.1610

Data Source:

Office of the County Clerk

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

**Village of Hazel Crest, Illinois**

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

Levy	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Corporate	0.2227	0.2347	0.2500	0.2046	0.2500	0.2370	0.2261	0.2500	0.2464	0.2303
Bond and Interest	0.0285	0.0433	0.0737	0.0703	0.2185	0.1558	0.1449	0.2035	0.2054	0.1553
Garbage	0.0310	0.1335	0.1343	0.1636	0.1534	0.1896	0.1809	0.2000	0.1971	0.1835
Police Pension	0.2472	0.2220	0.2265	0.2118	0.2383	0.2361	0.2187	0.2304	0.1937	0.1724
Fire Pension	0.1034	0.1120	0.1053	0.0979	0.0991	0.0948	0.0761	0.0878	0.0805	0.0799
I.M.R.F.	0.3345	0.3596	0.3726	0.3931	0.4707	0.4940	0.4653	0.4966	0.4778	0.4191
Street and Bridge	0.0876	0.0938	0.1000	0.0818	0.1000	0.0948	0.0904	0.1000	0.0986	0.0921
Fire Protection	0.3564	0.3754	0.4000	0.3274	0.4000	0.3792	0.3617	0.4000	0.3943	0.3684
Police Protection	0.0668	0.0704	0.0750	0.0614	0.0750	0.0711	0.0678	0.0750	0.0739	0.0691
Civil Defense	0.0017	0.0033	0.0096	0.0409	0.0107	0.0147	0.0140	0.0151	0.0147	0.0102
Purchase Agreement	0.0000	0.0000	0.0000	0.0404	0.0526	0.0559	0.0592	0.0701	0.0747	0.0197
Crossing Guards	0.0130	0.0147	0.0139	0.0164	0.0113	0.0190	0.0181	0.0200	0.0197	0.0184
Paramedic Service	0.2190	0.2347	0.2500	0.2046	0.2500	0.2370	0.2261	0.2500	0.2464	0.2303
Insurance	0.2226	0.2399	0.1618	0.1959	0.3722	0.3217	0.3661	0.3961	0.4219	0.5443
Audit	0.0044	0.0189	0.0237	0.0315	0.0208	0.0331	0.0316	0.0342	0.0333	0.0335
Unemployment Insurance	0.0037	0.0048	0.0041	0.0124	0.0112	0.0030	0.0029	0.0031	0.0030	0.0056
<b>Total Village Tax Rates</b>	\$1.9425	\$2.1610	\$2.2005	\$2.1540	\$2.7338	\$2.6368	\$2.5499	\$2.8319	\$2.7814	\$2.6321
	or									
	\$1.943	\$2.161	\$2.201	\$2.154	\$2.734	\$2.637	\$2.550	\$2.832	\$2.782	\$2.633

**Village of Hazel Crest, Illinois**

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

Tax Levy Year	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Village of Hazel Crest	\$2.1610	\$2.2010	\$2.1540	\$2.7340	\$2.6370	\$2.5500	\$2.8320	\$2.7820	\$2.6330	\$2.8500
County of Cook	0.5930	0.6300	0.6900	0.7460	0.0824	0.0854	0.9110	0.9190	0.9890	0.9940
Cook County Forest Preserve District	0.0600	0.0590	0.0610	0.0670	0.0690	0.0700	0.0720	0.0740	0.0740	0.0720
Suburban TB Sanitarium	0.0010	0.0040	0.0060	0.0070	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080
Consolidated Elections	-	0.0290	-	0.0320	-	0.0230	0.0000	0.0270	-	0.0290
Bremen Township	0.0540	0.0530	0.0510	0.0620	0.0630	0.0610	0.0630	0.0610	0.0580	0.0510
Bremen Twp. Road & Bridge	0.0190	0.0370	0.0350	0.0410	0.0400	0.0380	0.0400	0.0390	0.0380	0.0400
Bremen Twp. General Assistance	0.0080	0.0080	0.0060	0.0050	0.0050	0.0030	0.0040	0.0040	0.0040	0.0150
Rich Township	0.2110	0.2110	0.2020	0.2300	0.2230	0.2130	0.2270	0.2220	0.2100	0.2140
Rich Twp. Road & Bridge	0.0630	0.0630	0.0600	0.0680	0.0650	0.0062	0.0650	0.0640	0.0600	0.0610
Rich Twp. General Assistance	0.0240	0.0240	0.0230	0.0260	0.0250	0.0024	0.0240	0.0230	0.0210	0.0210
Thornton Township	0.4050	0.4110	0.1560	0.1710	0.1750	0.2140	0.2320	0.2330	0.1920	0.2090
Thornton Twp. Road & Bridge	0.0160	0.0160	0.0160	0.0180	0.0180	0.0210	0.0220	0.0220	0.0220	0.0240
Thornton Twp. General Assistance	0.0980	0.1000	0.0610	0.0730	0.0740	0.0280	0.0300	0.0300	0.0700	0.0770
Metro Water Reclamation District of Chicago	0.3470	0.3610	0.3710	0.4010	0.0415	0.0419	0.4440	0.4510	0.4920	0.4950
So. Cook County Mosquito Abatement	0.0120	0.0130	0.0110	0.0150	0.0140	0.0130	0.0130	0.0120	0.0110	0.0150
Hazel Crest Park District	0.7030	0.7070	0.6490	0.8140	0.8010	0.7730	0.8730	0.8650	0.8860	0.9410
Grande Prairie Pub. Library District	0.3120	0.3230	0.3080	0.3760	0.3710	0.3560	0.4580	0.4480	0.4400	0.4730
School District #144	3.9350	4.1520	3.9850	4.9610	5.0250	4.3410	4.7100	4.5630	4.5740	4.7870
School District #152 1/2	4.5630	4.5720	2.7260	3.1890	3.0930	2.8580	3.0820	3.0460	2.9220	3.0680
School District #152 1/2 School Finance Authority	0.4900	0.5080	2.0780	-	-	-	-	-	-	-
School District #153	4.1180	4.1440	3.9980	4.5710	4.6270	4.5730	4.8830	4.7610	4.5890	4.8530
School District #161	4.2380	4.2620	4.0810	4.7750	4.7750	4.5390	4.7680	4.7370	4.5530	4.5760
Thornton Twp. HSD #205	4.1170	4.1110	4.6140	5.3780	4.6120	4.4090	4.6250	4.4040	4.5110	4.3380
Community HSD #228	3.3310	3.3280	3.1580	3.8380	3.8900	3.7200	3.9610	4.1960	4.5140	5.3870
Homewood Flossmoor Comm. HSD #233	4.3450	4.3480	4.0830	3.7990	3.8290	3.7050	3.8920	3.8790	3.7600	3.9280
So. Suburban Comm. College #510	0.4000	0.4030	0.3860	0.4540	0.4570	0.4420	0.4700	0.4890	0.4740	0.5060
Prairie State Comm. College #515	0.3410	0.3460	0.3380	0.3790	0.3760	0.3680	0.3970	0.3980	0.3860	0.4140

Source: Cook County Clerk

\*2003 tax information not available

**Village of Hazel Crest, Illinois**

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

Fiscal Year	Population		Assessed Value (1)	General Long-term Debt (2)	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita
1997	14,049	(3)	\$ 103,258,636	\$ 1,254,363	1.21	89.28
1998	14,152	(4)	104,762,947	1,182,919	1.13	83.59
1999	14,152	(4)	106,922,976	652,759	0.61	46.12
2000	14,152	(4)	121,060,549	630,664	0.52	44.56
2001	14,816	(3)	122,157,987	568,637	0.47	38.38
2002	14,816		123,609,348	505,681	0.41	34.13
2003	14,816		152,738,655	442,802	0.29	29.89
2004	14,816		157,083,399	270,000	0.17	18.22
2005	14,816		182,781,075	186,000	0.10	12.55
2006	14,816		182,781,075 *	137,000	0.07	9.25

(1) Source: Cook County Assessor's Office

(2) Includes long-term general obligation debt

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

(4) Source: Special Census - 1997

\* Estimated 2005 tax levy information not available

**Village of Hazel Crest, Illinois**

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

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service to Governmental Expenditures
1997	\$ 208,745	\$ 68,168	\$ 276,913	\$ 10,026,747	2.76
1998	194,444	64,158	258,602	7,997,293	3.23
1999	237,160	60,117	297,277	9,375,371	3.17
2000	292,095	52,470	344,565	9,025,378	3.82
2001	256,027	48,417	304,444	8,959,506	3.40
2002	261,956	28,946	290,902	9,525,282	3.05
2003	172,879	16,177	189,056	10,158,914	1.86
2004	172,802	12,689	185,491	9,743,003	1.90
2005	84,000	6,826	90,826	9,264,148	0.98

**Village of Hazel Crest, Illinois**

**Direct and Overlapping General Obligation Bonded Debt  
April 30, 2006**

Overlapping Agencies	2005 Equalized Assessed Valuation *	Outstanding Bonds		Applicable to District Percent	Amount
Cook County	\$133,371,713,730	\$3,070,610,000		0.14%	\$ 4,206,736
Cook County Forest Preserve	133,371,713,730	132,855,000		0.14%	182,011
Metropolitan Water Reclamation District	130,586,921,450	1,256,985,305	(1)	0.14%	1,759,779
Hazel Crest Park District	182,781,075	905,000		100.00%	905,000
School Districts:					
#144	307,069,126	4,910,618	(2)	35.65%	1,750,439
#152-1/2	119,355,595	3,993,997	(2)	25.13%	1,003,572
#153	276,876,769	8,409,978	(2)	1.15%	96,462
#161	467,467,986	4,185,467	(2)	8.70%	364,010
High School District #205	1,622,793,909	26,895,295	(2)	1.45%	388,906
High School District #228	1,428,675,898	20,590,000		8.22%	1,692,498
High School District #233	731,409,049	24,074,326	(2)	5.75%	1,384,996
Community College District #510	3,884,632,399	20,659,998	(2)(3)	3.64%	751,404
Community College District #515	3,561,450,036	15,227,040		1.18%	<u>179,527</u>
<b>Total Overlapping General Obligation Bonded Debt</b>					<b>14,665,340</b>
Village of Hazel Crest	182,781,075	137,000	(3)	100.00%	<u>137,000</u>
<b>Total Direct and Overlapping General Obligation Bonded Debt</b>					<b><u>\$ 14,802,340</u></b>

(1) Includes IEPA Revolving Loan Fund Bonds

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

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

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

\* 2004 assessed valuation information not available.

**Village of Hazel Crest, Illinois**

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

Fiscal Year	Operating Revenue	Operating Expenses	Net Revenue	Debt Service Requirements		Total	Revenue Bond Coverage
				Principal	Interest		
1997	\$ 2,132,989	\$ 2,311,792	\$ (178,803)	\$ 235,000	\$ 50,780	\$ 285,780	(0.626)
1998	2,113,690	1,901,578	212,112	250,000	40,448	290,448	0.730
1999	2,202,428	2,076,588	125,840	265,000	18,806	283,806	0.443
2000*	2,205,410	2,199,147	6,263	-	-	-	N/A
2001*	2,162,824	2,241,651	(78,827)	-	-	-	N/A
2002*	2,147,631	2,253,798	(106,167)	-	-	-	N/A
2003*	2,212,492	2,567,525	(355,033)	-	-	-	N/A
2004*	2,342,992	2,778,417	(435,425)	-	-	-	N/A
2005*	2,255,059	2,448,112	(193,053)	-	-	-	N/A
2006*	2,778,528	3,268,363	(489,835)	-	-	-	N/A

(1) Includes Water and Sewerage Revenue Bonds

\* No outstanding Water and Sewerage Revenue Bonds

**Village of Hazel Crest, Illinois**

**Principal Taxpayers**

<b><u>LARGEST TAXPAYERS*</u></b>				
<u>Taxpayer</u>	<u>Type of Business, Property</u>		<u>2005 Equalized Assessed Value</u>	<u>Percent of District's Total EAV</u>
David Tessler	Commercial Building	\$	4,234,597	2.32%
Continental Wingate Assoc	Senior residential living complex and stores		4,171,133	2.28%
Taxpayer of 5049 W. 159th St., Oak Forest	Apartments		4,151,861	2.27%
Graycor Services, LLC	Commercial building		3,918,185	2.14%
Paradise Prp	Shopping center		2,868,595	1.57%
MI-Jack Products, Inc.	Sell, rent and service heavy industrial equipment		2,735,175	1.50%
Hazel Crest Center, LLC	Shopping center		2,575,822	1.41%
South Suburban Office Park, LLC	Commercial condominium units - some with garages		2,412,842	1.32%
GLR Medical PPTY One	Not for profit 2 or 3 story building with retail and/or commercial space		2,263,735	1.24%
Gierczyk Development	Commercial building over three stories		2,248,971	1.23%
			<u>\$ 31,580,916</u>	<u>17.28%</u>

\*Includes only those parcels with 2005 equalized assessed valuations of \$90,000 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.

Source: Cook County Assessor's Office

**Village of Hazel Crest, Illinois**

**Demographic Statistics  
Last Ten Fiscal Years**

Fiscal Year	(1) Population	(1) Per Capita Income	(1) Median Age	(2) School Enrollment	(3) Unemployment Rate
1997	14,049 (4)	\$ 14,112	32.5	1,703	4.70%
1998	14,152 (5)	14,112	32.5	1,784	4.40%
1999	14,152 (5)	14,112	32.5	1,810	4.00%
2000	14,152 (5)	14,112	32.5	1,823	3.90%
2001	14,816	14,112	34.6	1,823	5.00%
2002	14,816	19,908	34.6	2,135	(1) 5.20%
2003	14,816	19,908	34.6	2,135	6.70%
2004	14,816	19,908	34.6	2,135	6.00%
2005	14,816	19,908	34.6	2,135	6.10%
2006	14,816	19,908	34.6	2,135	4.70%

Sources:

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

**Village of Hazel Crest, Illinois**

**Demographic Statistics (Continued)**

Latest data provided based upon U.S. Census Bureau 2001 Census and the Illinois Department of Employment Statistics.

	<u>Population Totals</u>	<u>Families</u>	<u>Male</u>	<u>Female</u>
1980	13,973			
1984	14,138			
1986	13,780	3,478	6,257	7,077
1988	13,580			
1990	13,334			
1997	14,152			
2001	14,816	3,730	6,774	8,042

<u>Population by Age Group</u>			<u>Mean Family Income - \$54,049</u>	
0 - 5	1,034	7%	<u>Per Capita Income</u>	
5 - 9	1,302	8.8%		
10 - 14	1,374	9.3%	1980	\$ 9,197
15 - 17	1,189	8%	1987	\$12,162
18 - 24	804	5.4%	1988	\$13,354
25 - 34	1,780	12%	1990	\$14,112
35 - 44	2,355	15.9%	2000	\$19,908
45 - 54	2,152	14.5%		
55 - 59	769	5.2%		
60 - 64	489	3.3%		
65 - 74	726	4.9%		
75 - 84	562	3.8%		
85+	280	1.9%		

Employment

Occupations: Persons 16 years and over:

Persons 16 years and over:	Professional, Management and Related Service Occupations	32.6%
Employed	Sales and Office	13.9%
Unemployed	Construction, Extraction and Maintenance	31.4%
Labor force	Production, Transportation and Material Moving	6.6%
		15.5%

Average Household Size

2.89

Community Educational Levels:

Persons 25 years old and over  
(by years of school completed)

Average Family Size

3.39

Less than 9 <sup>th</sup> Grade	2.4%
9 <sup>th</sup> through 12 <sup>th</sup> Grade, no diploma	9.3%
High School Graduate	27.0%
Some College, no degree	30.4%
Associate Degree	8.8%
Bachelor's Degree	14.3%
Graduate or Professional Degree	7.8%

**Village of Hazel Crest, Illinois**

**Property Value and Construction  
Last Ten Fiscal Years**

Year	Commercial Construction (1)		Residential Construction (1)	
	Number of Units	Value	Number of Units	Value
1997	3	\$ 700,200	54	\$ 8,784,413
1998	8	7,080,000	5	8,919,817
1999	3	475,000	45	7,526,726
2000	-	-	42	6,920,092
2001	3	2,950,000	31	4,745,663
2002	4	549,000	22	3,410,276
2003	-	-	23	4,085,780
2004	5	4,887,969	41	3,855,832
2005	1	13,110,000	39	1,315,000
2006	-	-	57	2,667,106

Source: Village of Hazel Crest Building Permit Application Forms

(1) May through April

## Village of Hazel Crest, Illinois

### Miscellaneous Statistics

April 30, 2006

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Date of Incorporation	1912
Form of Government	Board/Manager
Areas	3.5 Square Miles
Miles of Streets	58
Number of Street Lights	652
Fire Protection:	
Number of Stations	2
Number of Firefighters (Full-time) and Officers	18
Paid On-call Firefighters	13
Fire Rating	4
Police Protection:	
Number of Stations	1
Number of Police and Officers	25
Education:	
Elementary Attendance Centers	6
Number of Elementary Students	2,180
Number of High School Students	947
Number of College or Graduate School Students	1,033
Municipal Water Department:	
Number of Accounts	5,262
Average Daily Consumption	1.3 MGD
Miles of Water Main	61
Sewers:	
Sanitary Sewers	47 Miles
Storm Sewers	32 Miles
Building Permits Issued	71
Recreation and Culture:	
Number of Parks and Open Space	13 with 150 Acres
Number of Libraries	1
Employees:	
Classified Service	80
Exempt	2
Part Time	21

Sources: Village Records & 2000 Census

**Village of Hazel Crest, Illinois**

**Insurance Coverage  
April 30, 2006**

Expiration Date	Company	Annual Coverage	Coverage Premium	Limits
12/31/06	IRMA	Property Liability	\$ 266,500	\$250,000,000 per occurrence
12/31/06	IRMA	Automobile Liability	\$	10,000,000
		Uninsured/Underinsured Motorist	\$	500,000
12/31/06	IRMA	Police Professional Liability	\$	10,000,000
12/31/06	IRMA	Boiler and Machinery Inc.	\$	50,000,000
12/31/06	IRMA	Public Employees (President, Village Clerk and Village Treasurer)		Statutory Limits
12/31/06	IRMA	Public Officials and Employee Liability	\$	10,000,000
	IRMA	Crime		
	IRMA	Employee Theft (Dishonesty)	\$	5,000,000
	IRMA	Forgery, Alteration or Counterfeit Currency		5,000,000
	IRMA	Credit Card Forgery		5,000,000
	IRMA	Computer Fraud		5,000,000
	IRMA	Inside Theft, Robbery & Safe Burglary		2,500,000
	IRMA	Non-Faithful Performance		2,500,000
12/31/06	IRMA	Workers' Compensation	\$ 266,500	\$ 31,500,000
		Employer's Liability	\$	1,000,000

Source: Village Records

**Village of Hazel Crest, Illinois**

**Salaries and Surety Bonds of Principal Officers  
April 30, 2006**

	Annual Salary/Range	Amount of Surety Bond
President	\$ 11,593	(*)
Trustees	3,183	(*)
Village Clerk	3,478	(*)
Village Manager/Treasurer	104,190	(*)
Director Public Works	69,886 - 89,460	(*)
Chief of Police	69,886 - 89,460	(*)
Deputy Chiefs	63,313 - 80,998	
Fire Chief	69,886 - 89,460	(*)
Fire Prevention Officer	60,262 - 77,141	(*)

Source: Village Records

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

Bank or Institution	4/30/06 Balance	Interest rate
Petty Cash	\$1,000	
Bank Financial	1,977,184	.15%-2.46%
Illinois Fund	2,585,546	0.9%-4.9%
First Midwest Bank	450,116	0%-3.9%
Illinois Metropolitan Investment Fund	1,131,374	1.02%-12 mo. avg.
<b>Total/Annual Yield</b>	<b><u>\$6,145,220</u></b>	<b>1.63%</b>

