



*Village of Hazel Crest, Illinois*

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2007

**Village of Hazel Crest, Illinois  
Comprehensive Annual Financial Report  
Year Ended April 30, 2007**

Prepared by  
Teneishae Coleman  
Accountant

Robert L. Palmer  
Village Manager

Village Finance Department

## Village of Hazel Crest, Illinois

### Table of Contents

<b>Introductory Section</b>	
Letter of Transmittal	i – ix
Principal Officials	x
Organization Chart	xi
Certificate of Excellence in Financial Reporting	xii
<b>Financial Section</b>	
Independent Auditor's Report	1 – 2
Management's Discussion and Analysis	3 – 11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	12 – 13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet – Governmental Funds	15
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Assets – Enterprise Fund	19 – 20
Statement of Revenues, Expenses and Changes in Net Assets – Enterprise Fund	21
Statement of Cash Flows – Enterprise Fund	22 – 23
Statement of Fiduciary Net Assets – Pension Trust Funds	24
Statement of Changes in Fiduciary Net Assets – Pension Trust Funds	25
Notes to Basic Financial Statements	26 – 47
Required Supplementary Information	
Schedule of Funding Progress:	
Illinois Municipal Retirement Fund	48
Police Pension Fund	47
Firefighters' Pension Fund	50
Schedule of General Fund Revenues – Budget and Actual	51 – 52
Schedule of General Fund Expenditures – Budget and Actual	53 – 59
Note to Required Supplementary Information	60
Supplemental Data	
Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	62

## Village of Hazel Crest, Illinois

### Table of Contents

---

<b>Financial Section (Continued)</b>	
Supplemental Data	
Governmental Funds	
Combining Balance Sheet – Nonmajor Special Revenue Funds	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	64
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	65
Combining Balance Sheet – Nonmajor Debt Service Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	67
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Nonmajor Debt Service Funds – All Funds for Which Budgets Have Been Adopted	68
Combining Balance Sheet – Nonmajor Capital Projects Funds	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	70
Enterprise Fund	
Schedule of Operating and Nonoperating Revenues, Operating and Nonoperating Expenses and Transfers – Budget and Actual – Waterworks and Sewerage Fund	71
Pension Trust Funds	
Combining Statement of Fiduciary Net Assets – Pension Trust Funds	72
Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds	73
Schedule of Expenditures/Expenses – Budget and Actual	
Motor Fuel Tax Fund	74
Waterworks and Sewerage Fund	75 – 76
Commuter Parking Lot Fund	77
Capital Assets Used in the Operation of Governmental Funds	
Schedule of Capital Assets – by Source	78
Schedule of Capital Assets – by Function and Activity	79
Schedule of Changes in Capital Assets – by Function and Activity	80
Other Schedules	
Schedule of Debt Service Requirements	81
Schedule of Assessed Valuations, Tax Rates, Tax Extensions and Collections	82 – 83

---

## Village of Hazel Crest, Illinois

### Table of Contents

---

<b>Statistical Section</b>	
Net Assets by Component	84
Change in Net Assets	85 – 86
Fund Balances of Governmental Funds	87
Changes in Fund Balances of Governmental Funds	88 – 89
Assessed Value and Actual Value of Taxable Property	90
Property Tax Rates – Direct and Overlapping Governments	91
Principal Property Taxpayers	92
Property Tax Levies and Collections	93
Sales Tax Base and Number of Principal Payers	94
Direct and Overlapping Sales Tax Rates	95
Ratios of Outstanding Debt by Type	96
Ratios of General Bonded Debt Outstanding	97
Direct and Overlapping Governmental Activities Debt	98
Schedule of Legal Debt Margin	99
Demographic and Economic Information	100
Principal Employers	101
Full-Time Equivalent Employees	102
Operating Indicators	103
Capital Asset Statistics	104

---



**Mayor**  
Dr. Robert B. Donaldson

**Clerk**  
Dr. Florine Robinson

**Village Manager**  
Robert L. Palmer

## Village of Hazel Crest

**Trustees**  
Vernard L. Alsberry, Jr.  
Roderick S. Bashir  
Dr. Jane P. Brown  
Lee Fantroy  
Debra J. McGhee  
Elizabeth A. Wakefield-Waldren

October 30, 2007

Honorable Mayor Donaldson and the Board of Trustees  
Village of Hazel Crest  
Hazel Crest, Illinois 60429

Board Members:

In accordance with State Statutes and local ordinance provisions, we hereby transmit the Comprehensive Annual Financial Report of the Village of Hazel Crest, Illinois, for the fiscal year ended April 30, 2007. Responsibility for both the accuracy of presented data and completeness of the presentation, including all disclosures, rests with the Village.

Management believes that the data as presented is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position, results of operations and cash flows of the Village, as measured by the financial activity of its various fund types and account groups and that all disclosures necessary to enable the reader to gain maximum understanding of the Village's financial affairs have been included. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village of Hazel Crest's MD&A can be found immediately following the report of the independent auditors.

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

### BACKGROUND INFORMATION

A presentation of general governmental functions of the Village of Hazel Crest refers to operations directly supervised or controlled by the Village of Hazel Crest Municipal Corporation. The operations include police and fire protection, water supply, sanitary and storm sewer collections, public works operations, commuter parking facilities operations

and maintenance, road and bridge maintenance, community economic development, community relations, civil defense and general administrative services.

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

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

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

The Village of Hazel Crest's government concluded fiscal year ended April 30, 2007 in sound financial condition.

#### ECONOMIC CONDITION AND OUTLOOK

Please refer to Management's Discussion and Analysis, which can be found on page 3 of this report, for specific financial information of the Village's funds.

Communities in Cook County continue to use the prior year Assessed Value to determine their Tax Levy. Public Act 89-1 established a 5% limit on the increase in extensions from the prior Levy Year to the current Levy Year. Further, this law limited the increase in extensions to the lower of 5% or the change in the Consumer Price Index. The actual increase for the 2006 levy was limited to 2.12%.

The Village has five TIF Districts. The Village's oldest TIF District known as the Palmer Lake Business Park includes Gierczyk Development, Access Systems, Homewood Industries, Southwest Community Services, Midwestern Telecommunications, J. P. Ruklic Screw, Benefit Administration Systems, Sound Castle and Graycor Services as corporate residents. Outstanding notes total \$1,028,884. The remaining outstanding notes will be repaid from TIF property tax receipts of approximately \$1,000,000 annually.

The Village has four other established TIF districts. The 183<sup>rd</sup> Street TIF was established to redevelop French Village by aiding in securing tenants and promoting landscaping and remodeling. A \$4.1 million renovation by the developer gave the center a new façade, landscaping, lighting and parking improvements. The 170<sup>th</sup> Street TIF was established to fill vacancies in the business district, help existing businesses to expand, develop parking and pedestrian access and institute infrastructure and landscaping improvements. Planning is ongoing. Businesses will pay upfront for improvements and will be provided a rebate. The Cherry Creek TIF remains inactive. The \$26,550 the TIF owes the general fund will be repaid early in fiscal 2008 by property tax receipts.

## MAJOR INITIATIVES

The viaduct at 171<sup>st</sup> Street East of Wood Street will be lowered at the end Spring of 2007. Its expected completion will be early Spring of 2008.

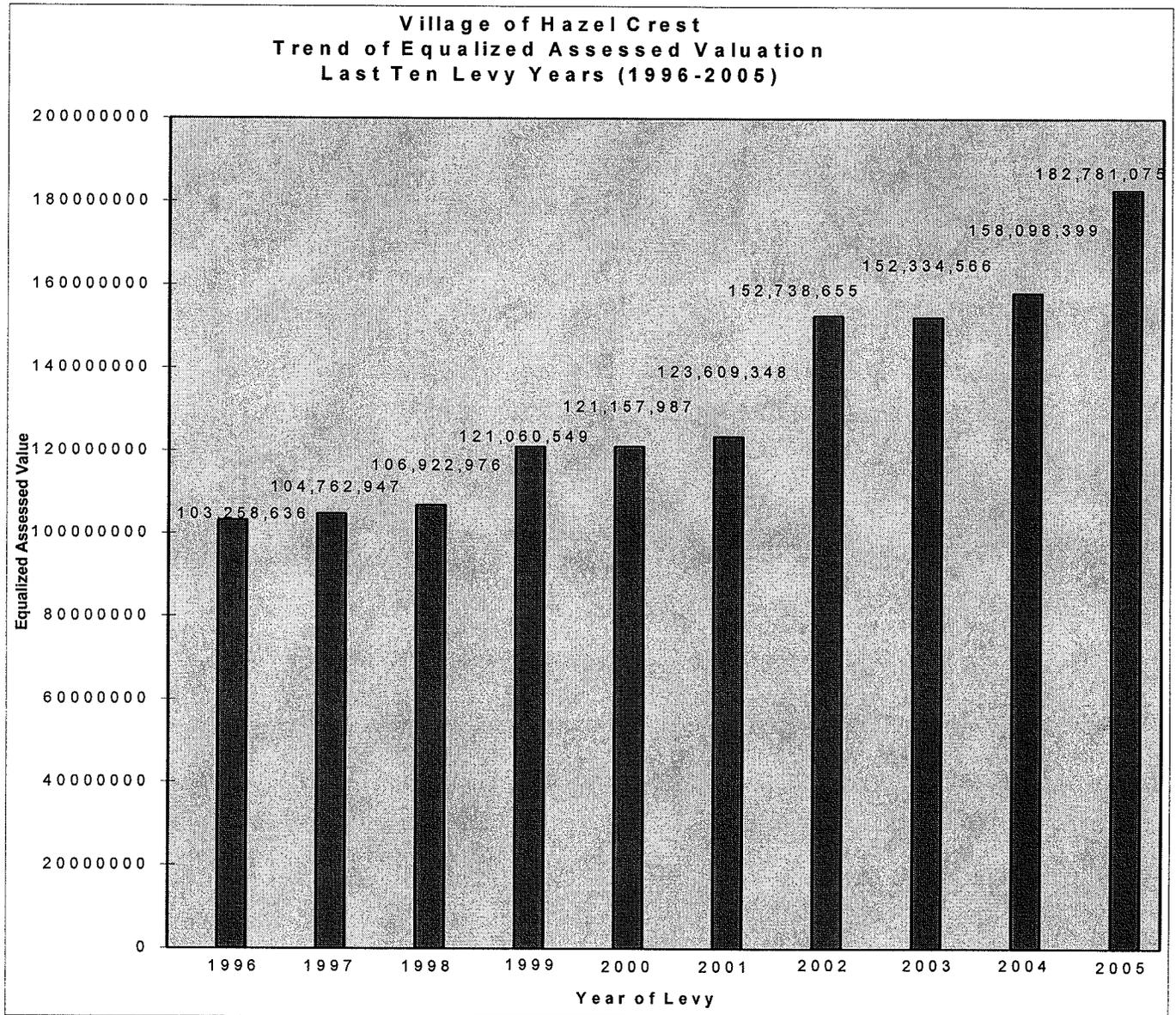
The Village has issued bonds of \$2.1 million for road work in the Village that will be paid back using MFT Funds. Part of the proceeds from these bonds has been used to pay off four existing bonds.

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

Hazel Crest has been participating in E-Com joint dispatch center. The participating Villages are Hazel Crest, Homewood, Flossmoor, and Glenwood. Becoming a participant allows the Village to upgrade dispatch equipment for less money.

Over the last ten years there was a 69% increase in Equalized Assessed Value. The following table illustrates this trend.

# PROPERTY TAXES



The allocations of Property Tax rate by generic fund type of tax levy for 2006 and the proceeding four fiscal years are as follows:

Purpose	2002	2003	2004	2005	2006
General	\$1.733	\$1.842	\$1.865	\$1.784	\$1.563
Special Revenue	.481	-0-	-0-	-0-	-0-
General					
Obligation Debt	.271	.111	.097	.043	.029
Pensions	.337	.310	.331	.334	.351
Totals	\$2.734	\$2.154	\$2.293	\$2.161	\$1.943

#### INTERNAL ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

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

1. Safeguarding of assets against losses from unauthorized use or disposition, and
2. The reliability of financial records for preparing financial statements and maintaining accountability for assets.

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

The challenges of financing services and maintaining infrastructure in the Village continue to dominate the budget process. Fiscal responsibilities, public safety, infrastructure maintenance, economic development, as well as increasing the revenue base, continue to be the priority of the Village Board of Trustees. Three cell tower leases on Village property have been granted bringing in \$63,019 in fiscal 2007. Some user fees have been increased to help offset declining receipts from the State of Illinois and from federal grants. The Village remains committed to meeting its prescribed fiscal controls.

#### ILLINOIS MUNICIPAL RETIREMENT FUND

The State of Illinois created a separate entity to provide retirement, death and disability benefits to certain municipal and school district employees. All full-time Village personnel other than qualifying police and firefighters are enrolled in this retirement fund known as the Illinois Municipal Retirement Fund (IMRF). The plan requires employees

enrolled to pay the 4.5% of earnings toward the plan while the Village pays the balance of the amount necessary to pay normal retirement costs for the year. The Village's share includes the unfunded past service retirement costs (amortized over 39 years), the term cost of death and disability, and the program administrative costs. The Village's contribution rate has decreased to 9.5% due to market conditions over the last five years. The present total IMRF actuarial accrued liability of the Village is \$7,546,898 and is 94.5% funded. Comprehensive IMRF Plan Benefits are available at IMRF OFFICES, 2211 York Road, Oak Brook, IL 60523-2337.

#### DEBT ADMINISTRATION

The ratio of bonded debt to assessed valuation and the amount of bonded debt per capita were useful indicators of the Village's debt position to municipal management, citizens and investors. The data for the Village of Hazel Crest for the 2007 fiscal year is found in the Statistical Section of the report. During the past year \$137,000 of General Obligation Debt was retired as scheduled.

#### CAPITAL ASSETS

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

All capital assets are valued at estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. As of April 30, 2007, net capital assets of the Village amounted to \$25,112,286. Capital assets are depreciated at rates intended to amortize the cost over each assets useful life.

#### TRUST AND AGENCY FUNDS

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

The funding method utilized the entry age normal costs, and assumes an interest rate of 7.0% with salary progress of 5.0%. Mortality rate assumption is based upon the 1971 group annuity and withdrawal rate assumptions are based upon the experience Table. As of April 30, 2006, the unfunded accrued liability was \$15,570,476 (most recent data available).

On an annual basis, the Board requests and receives the amount recommended as the employer contribution for the Police Pension Fund. The Village funded \$391,299 during the fiscal year ending April 30, 2007. Interest and dividends on investments of \$90,139 were earned, appreciation in fair value of investments was \$761,569 and employee contributions totaled \$135,246. During the year \$760,742 was paid out for pensions and refunded contributions, and \$5,071 was paid out for operating expenses and investment expenses. The net assets held in trust for pension benefits at the end of the year increased by \$598,237 to \$11,127,074.

The Firefighters Pension Fund is the direct responsibility of the Hazel Crest Firefighters' Pension Board. As administrators of the Firefighter's Pension Fund, the board is responsible for a variety of tasks identical to those of the Police Pension Fund, including qualification of participants, certification of benefit amounts, and investment of funds. An actuary annually reviews the financial status of these funds and recommends an amount to be provided by the Village, which, together with the employee contributions will assure proper funding of the Firefighters' Pension Fund, given reasonable actuarial assumptions. The funding method utilized the entry age normal cost, and assumes an interest rate of 7.5% with salary progression of 5.5%. Mortality rate assumptions are based on the 1971 group annuity, and withdrawal rate assumptions are based upon the experience Table. As of April 30, 2006 the unfunded accrued liability is \$4,626,656. This amount is being amortized on equal installments over a thirty-nine year period in accordance with State of Illinois Law.

On an annual basis, the Village Board reviews and approves the amount recommended as the employer contribution for the Firefighters Pension Fund. The Village funded \$186,433 during the fiscal year ending April 30, 2007. Interest and dividends on investments amounted to \$159,505, appreciation in fair value amounted to \$111,724 and employee contributions were \$121,712. During the year, \$104,114 was paid out for pensions and refunded contributions and \$2,879 for operating expenses. The net assets held in trust for pension benefits at the end of the year increased by \$475,187 to \$4,331,202.

## CASH MANAGEMENT AND INVESTMENTS

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

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

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

## RISK MANAGEMENT

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members. Further information on this risk management joint venture is provided within the notes of the Financial Statements for the fiscal year ending April 30, 2007.

## CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hazel Crest for its comprehensive annual financial reports (CAFR) for the fiscal year ended April 30, 2006. This was the 25th consecutive year that the government has achieved this prestigious award (fiscal years ended 1982-2006). In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## ACKNOWLEDGMENTS

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert L. Palmer". The signature is fluid and cursive, with a long horizontal stroke at the end.

*Robert L. Palmer*

Robert L. Palmer, Village Manager

**Village of Hazel Crest, Illinois**

**Principal Officials**

**April 30, 2007**

**Mayor**

**Dr. Robert Donaldson**

**Village Board of Trustees**

**Roderick Bashir**

**Lee Fantroy**

**Debra McGhee**

**Dr. Jane Brown**

**Elizabeth A. Wakefield-Waldren**

**Vernard Alsberry, Jr.**

**Village Manager**

**Robert L. Palmer**

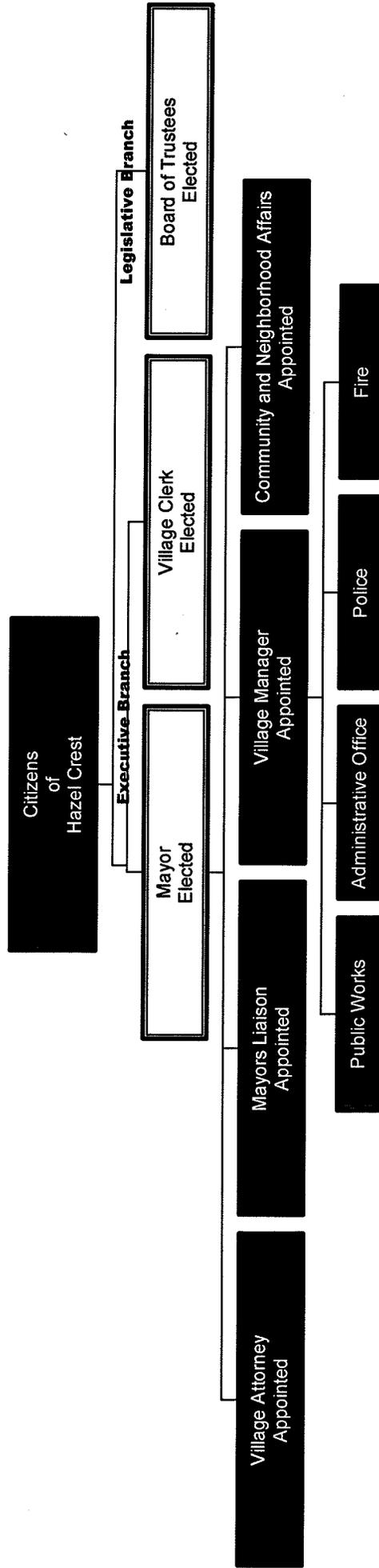
**Village Clerk**

**Dr. Florine Robinson**

**Village Attorney**

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

Village of Hazel Crest Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Hazel Crest  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
April 30, 2006

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



President

Executive Director

# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Honorable 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, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Hazel Crest, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hazel Crest, Illinois, as of April 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information which includes management's discussion and analysis (pages 3 - 11), pension related schedules (pages 48 - 50) and budgetary schedules (pages 51 - 59) 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  
October 30, 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, 2007. 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 \$30,566,340. Of this amount, \$4,698,217 may be used to meet the government's ongoing obligations. The total net assets decreased by \$1,038,575, which was due largely in part to water and sewer expenses exceeding revenues, the increase in the pension obligation, and depreciation of the Village's capital assets. Also, aging infrastructure in the Village has increased maintenance and repair costs. Total long-term debt of the Village increased by \$1,855,446 during the fiscal year. General obligation debt of \$187,000 was repaid in fiscal year 2007, along with \$37,106 in notes payable and \$392,710 in tax increment notes payable. At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,465,514 or 32 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 three major funds: the General fund, the Palmer Lake TIF fund and the Capital Projects fund. Data from the other 13 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report.

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, 2007.

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$13,734,866	\$562,074	\$14,296,940
Noncurrent assets	20,669,322	4,496,830	25,166,152
Total assets	34,404,188	5,058,904	39,463,092
Long-term liabilities	3,765,449	10,159	3,775,608
Other liabilities	3,804,977	1,316,167	5,121,144
Total liabilities	7,570,426	1,326,326	8,896,752
Net assets:			
Restricted	21,371,293	4,496,830	25,868,123
Unrestricted (deficit)	5,462,469	-764,252	4,698,217
Total net assets	\$26,833,762	\$3,732,578	\$30,566,340

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

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$9,801,538	\$690,617	\$10,492,155
Noncurrent 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	1,954,148
Other liabilities	2,180,373	1,464,595	3,644,968
Total liabilities	4,118,753	1,480,363	5,599,116
Net assets:			
Restricted	21,850,030	4,812,536	26,662,566
Unrestricted (deficit)	5,682,785	-742,436	4,940,349
Total net assets	\$27,532,815	\$4,070,100	\$31,602,915

Approximately 83 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 17 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 Activities for the Fiscal Year Ended April 30, 2007.

	Governmental Activities	Business-type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	\$2,147,361	\$2,141,465	\$4,288,826
Operating grants and contributions	710,921	-	710,921
Developer contributions related to capital	57,080	-	57,080
General revenues:			
Property taxes	5,407,741	-	5,407,741
TIF rebate	225,328	-	225,328
Other taxes	3,874,429	-	3,874,429
Other	460,429	4,649	465,078
Total revenues	12,883,289	2,146,114	15,029,403
Expenses:			
General services	5,660,422	-	5,660,422
Public works	2,333,101	-	2,333,101
Public safety	5,230,464	-	5,230,464
Interest expense	358,355	-	358,355
Waterworks and sewerage	-	2,475,858	2,475,858
Municipal parking	-	7,778	7,778
Total expenses	13,582,342	2,483,636	16,065,978
(Decrease) in net assets	-699,053	-337,522	-1,036,575
Net assets May 1, 2006	27,532,815	4,070,100	31,602,915
Net assets April 30, 2007	\$26,833,762	\$3,732,578	\$30,566,340

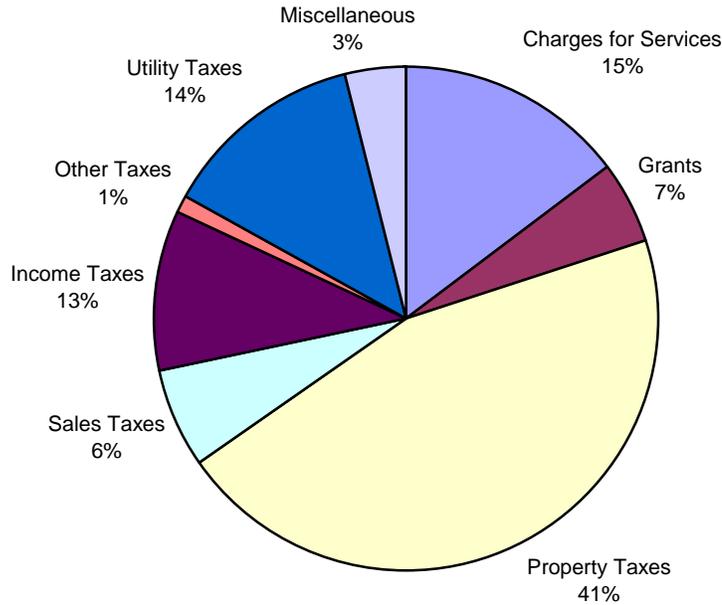
The following table is the condensed Village of Hazel Crest Statement of Activities for the Fiscal Year Ended April 30, 2006.

	Governmental Activities	Business-type Activities	Total Primary Government
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
Other	344,822	4,943	349,765
Total revenues	10,260,599	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 chart summarizes 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 \$372,849 more than its revenues. The commuter parking lot had revenues for \$35,327 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 \$10,376,051, an increase of \$2,388,287 from the prior year. The unreserved general fund balance represents 41 percent of total general fund expenditures.

## Management's Discussion and Analysis

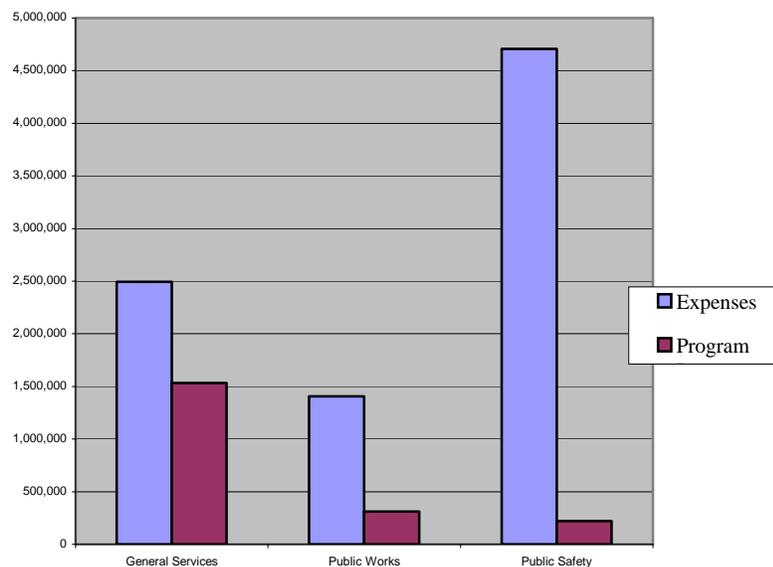
Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the sewer and water fund were \$(894,599) and \$130,347 for the commuter parking lot fund. The cause of sewer and water fund's negative balance is that it owes the general fund \$991,824. Repayment will be gradual and over several years to avoid drastic changes in services or fees.

### *General Fund Budgetary Highlights*

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

Actual general revenues were higher than budgeted revenues by \$258,585. This was mainly due to higher interest earnings, offset by less property taxes received than anticipated. Actual general expenditures exceeded budgeted expenditures by \$166,488 in the current year.

**% Function is Funded by Program Revenues**



This year's General Fund shows a \$99,860 fund balance increase, as opposed to last year's increase of \$26,576. The Village continually tries to keep expenditure increases in line with revenue increases.

Fiscal year 2007 sales tax revenue of \$694,475 increased \$114,460 or 20% more than 2006 sales tax revenue of \$580,015. Fiscal year 2007 income tax revenue of \$1,475,612 increased \$126,732 or 9% more than 2006 income tax revenue of \$1,348,880. Fiscal year 2007 utility tax revenue of \$1,312,692 decreased \$147,698 significantly less than 2006 utility tax revenue of \$1,460,390. The Village has no control over the amount or timing of these receipts. Fiscal year ambulance fee receipts of \$264,837 decreased \$68,678 or 54% less than 2006 ambulance fee receipts of \$313,515 due to decreased fees imposed.

Interest rates have begun to increase causing the Village to receive \$58,793 more in interest income this year in the General Fund. The \$191,587 received is a 44% increase from last year's interest of \$134,794.

## Management's Discussion and Analysis

Fiscal 2007 General Fund revenues increased \$1,434,961 over Fiscal 2006 in total due to increased income tax receipts, and higher property tax receipts. Revenues actually earned were greater than revenues budgeted by \$33,257.

Expenditures for the General Fund increased \$1,397,688 or 17% from Fiscal 2006. The percent increase in expenditures by major functions of the Village are shown in the following tabulations:

Expenditure by Function	2006 Amount	Percent of Total	2007 Amount	Percent of Total	Increase (Decrease) Amount	%
General Services	1,707,488	21%	2,851,120	30%	1,143,632	0%
Administrative Office	295,837	4%	281,233	3%	(14,604)	0%
Economic Development	16,703	-	18,240	-	1,537	0%
Community Relations	39,303	-	-	-	(39,303)	0%
Public Works	1,033,578	13%	988,992	10%	(44,586)	0%
Police	3,090,304	37%	3,098,001	32%	7,697	0%
Fire/Paramedics	1,685,418	20%	1,865,654	19%	180,236	0%
Civil Defense	3,303	-	3,282	-	(21)	0%
Insurance	374,126	5%	537,226	6%	163,100	0%
	8,246,060	100%	9,643,748	100%	1,397,688	0%

The unreserved fund balance of the General Fund as of April 30, 2007 was \$3,465,514. When added to the working cash fund balance of \$832,320, the result is a 5.6-month reserve. The goal of the Village is to have a 6-month reserve.

### *Special Revenue Fund Highlights*

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

Motor Fuel Tax (MFT) revenues are collected by the state on the sale of fuels and distributed based primarily upon a per capita figure. MFT funds are special revenues due to the restrictions to utilize them on transportation projects, related maintenance repairs or improvements. MFT Fund revenues of \$497,583 in fiscal year 2007 represented an increase of 9% from the \$456,308 collected in Fiscal 2006. Expenditures were less than revenues during the year by \$230,531 resulting in the current fund balance of \$755,837.

The 9-1-1 Fund was established to receive revenues from a surcharge on the telephone utility expressly allowed by State Law to fund the creation and operation of an Emergency 9-1-1 system. The surcharge was first collected in September of 1989 and for Fiscal 2007 revenues totaled \$155,987 representing a 20% increase from the \$130,262 collected in Fiscal 2006. Expenditures were greater than revenues during Fiscal 2007 resulting in a decrease in the fund balance to \$37,152.

### *Other Fund Highlights*

The Village has established a Capital Projects Fund in order to undertake major purchases of equipment and improvements to infrastructure or buildings. Interest revenue for the Capital Projects Fund for Fiscal 2007 was \$8,285. The April 30, 2007 fund balance for the Capital Projects fund was \$1,738,220. Bond proceeds were deposited in this fund during the current year of \$1,943,271 and are to be used for various capital projects.

## Management's Discussion and Analysis

### *Waterworks and Sewerage Fund Highlights*

Fiscal year 2007 water revenue of \$2,103,009 declined \$675,519 or 24% from fiscal year 2006 revenue of \$2,778,528. The following table presents key statistical information over the past four years for the water and sewerage system, including net income and debt service coverage. A loss of \$372,849 resulted from operations of the Water and Sewerage Fund for fiscal year 2007. Water rates will be reviewed in Fiscal 2008 to help offset future losses by passing increases.

	2007	2006	2005	2004
Number of Metered Accounts	4630	4630	4630	4630
Gross Revenue	2,103,009	2,778,528	2,255,059	2,342,992
Expense	2,475,858	3,268,363	2,888,214	2,778,415
Operating (Loss)	(372,849)	(489,835)	(633,155)	(435,423)

### *Capital Asset and Debt Administration*

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2007, amounts to \$25,112,286, 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.

At the end of the current year, the Village had total bond debt of \$2,105,000, general obligation debt certificates of \$627,000, notes payable of \$39,333, and tax incremental finance notes of \$1,028,884. More details on the Village's long term debt obligations can be found in Note 6 of the financial statements.

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

The Village has completed one year of being a Home Rule Authority. As a result, we have implemented a gas tax of three cents per gallon and an additional 1% sales tax. The budget for 2008 reflects these changes as we anticipate collecting full year revenue from the above stated sources. We also have two residential developments of LaRon Chris Estates located at 175<sup>th</sup> Street just west of Kedzie and also 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 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.

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, which has been initiated in fiscal year 2007. A Tax Incremental Financing District is already in place and the Village rezoned the area delineated within the TIF District to promote the Transit Oriented Development Plan. Transit Oriented Development (TOD) focuses on development in and around transit stations, serving the commuter and the local community. The Hazel Crest Metra Electric Station would be the focal point for this development. The area is obviously a collection point for commuters arriving by bus, auto and on foot to board the train to Chicago. The goal of the TOD plan is to redevelop the area to serve these commuters as well as the local community, with convenient services.

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

In efforts to make the Village of Hazel Crest "Senior Friendly," we have instituted a full range of Senior Services. We offer transportation through the village for seniors that will provide accessibility for all residents 65 years of age and older. Additionally, we provide lunches during the week for all seniors in the community.

Other major developments are as follows:

- Revision of comprehensive plan with grant from State Department of Commerce and Economic Development (Last revision in 1985)
- Reinstitution of Local Cable Programming and Chamber of Commerce
- Summer Youth Employment Program
- Village Drive and Edgewater Repaving (70% Grant Funds)
- MFT Bond Issue (Street Paving)
- Bike Path Construction with grant funds (167<sup>th</sup> and Kedzie to Rockwell)
- Beginning third year with E-Com Emergency Dispatch Center
- Water System Improvements

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, 2007

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 9,354,918	\$ 130,443	\$ 9,485,361
Receivables:			
Property taxes	2,277,555	-	2,277,555
TIF rebate	225,328	-	225,328
Accounts	261,348	431,631	692,979
Intergovernmental	955,280	-	955,280
Prepays	656,294	-	656,294
Unamortized bond discount and issuance costs	4,143	-	4,143
<b>Total current assets</b>	<u>13,734,866</u>	<u>562,074</u>	<u>14,296,940</u>
Capital assets, not being depreciated	2,634,732	120,337	2,755,069
Capital assets, net of accumulated depreciation	17,980,724	4,376,493	22,357,217
Unamortized bond discount and issuance costs	53,866	-	53,866
<b>Total noncurrent assets</b>	<u>20,669,322</u>	<u>4,496,830</u>	<u>25,166,152</u>
Total Assets	<u>\$ 34,404,188</u>	<u>\$ 5,058,904</u>	<u>\$ 39,463,092</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Assets - Continued  
April 30, 2007

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
General obligation bonds	\$ 140,000	\$ -	\$ 140,000
General obligation debt certificates	50,000	-	50,000
Compensated absences	220,972	16,203	237,175
Note payable	39,333	-	39,333
Accounts payable	1,722,621	90,014	1,812,635
Deposits	84,862	163,232	248,094
Internal balances	(1,046,718)	1,046,718	-
Employer contribution payable	208,456	-	208,456
Deferred revenue	2,385,451	-	2,385,451
<b>Total current liabilities</b>	<b>3,804,977</b>	<b>1,316,167</b>	<b>5,121,144</b>
Noncurrent			
General obligation bonds	1,965,000	-	1,965,000
General obligation debt certificates	577,000	-	577,000
Tax incremental revenue notes	1,028,884	-	1,028,884
Compensated absences	144,844	10,159	155,003
Net pension obligation	49,721	-	49,721
<b>Total noncurrent liabilities</b>	<b>3,765,449</b>	<b>10,159</b>	<b>3,775,608</b>
Total liabilities	7,570,426	1,326,326	8,896,752
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 20,615,456	\$ 4,496,830	\$ 25,112,286
Restricted for MFT allotments	755,837	-	755,837
Unrestricted (deficit)	5,462,469	(764,252)	4,698,217
Total net assets	\$ 26,833,762	\$ 3,732,578	\$ 30,566,340

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Activities  
Year Ended April 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Developer Contributions Related to Capital	Governmental Activities	Business-Type Activities	
Governmental activities:							
General services	\$ 5,660,422	\$ 1,792,161	\$ 438,367	\$ -	\$ (3,429,894)	\$ -	\$ (3,429,894)
Public works	2,333,101	89,728	-	57,080	(2,186,293)	-	(2,186,293)
Public safety	5,230,464	265,472	272,554	-	(4,692,438)	-	(4,692,438)
Interest expense	358,355	-	-	-	(358,355)	-	(358,355)
Total governmental activities	13,582,342	2,147,361	710,921	57,080	(10,666,980)	-	(10,666,980)
Business-type activities:							
Waterworks and sewerage	2,475,858	2,103,009	-	-	-	(372,849)	(372,849)
Commuter parking lot	7,778	38,456	-	-	-	30,678	30,678
Total business-type activities	2,483,636	2,141,465	-	-	-	(342,171)	(342,171)
Total	\$ 16,065,978	\$ 4,288,826	\$ 710,921	\$ 57,080	(10,666,980)	(342,171)	(11,009,151)
General revenues							
Taxes:							
Property					5,407,741	-	5,407,741
TIF rebate					225,328	-	225,328
Replacement					35,116	-	35,116
Sales					694,475	-	694,475
Income					1,475,612	-	1,475,612
Utility taxes and other					1,669,226	-	1,669,226
Interest					301,286	4,649	305,935
Miscellaneous					159,143	-	159,143
Total general revenues					9,967,927	4,649	9,972,576
Change in net assets					(699,053)	(337,522)	(1,036,575)
Net assets:							
May 1, 2006					27,532,815	4,070,100	31,602,915
April 30, 2007					\$ 26,833,762	\$ 3,732,578	\$ 30,566,340

See Notes to Financial Statements.

## **Fund Financial Statements**

Village of Hazel Crest, Illinois

Balance Sheet - Governmental Funds  
April 30, 2007

	General Fund	Tax Increment Financing District Palmer Lake Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and equivalents	\$ 3,538,293	\$ 987,070	\$ 1,896,420	\$ 2,933,135	\$ 9,354,918
Receivables					
Property taxes	2,212,323	-	-	65,232	2,277,555
TIF rebate	225,328	-	-	-	225,328
Accounts	261,348	-	-	-	261,348
Intergovernmental	902,935	-	-	52,345	955,280
Due from other funds	1,156,153	1,039,180	-	905,150	3,100,483
Prepays	656,294	-	-	-	656,294
<b>Total assets</b>	<b>\$ 8,952,674</b>	<b>\$ 2,026,250</b>	<b>\$ 1,896,420</b>	<b>\$ 3,955,862</b>	<b>\$ 16,831,206</b>
<b>Liabilities</b>					
Accounts payable	\$ 409,621	\$ 1,250,000	\$ -	\$ 63,000	\$ 1,722,621
Deposits	84,862	-	-	-	84,862
Due to other funds	1,807,706	-	158,200	87,859	2,053,765
Employer contributions payable	208,456	-	-	-	208,456
Deferred revenue	2,320,221	-	-	65,230	2,385,451
<b>Total liabilities</b>	<b>4,830,866</b>	<b>1,250,000</b>	<b>158,200</b>	<b>216,089</b>	<b>6,455,155</b>
<b>Fund Balances</b>					
Reserved for prepaids	656,294	-	-	-	656,294
Reserved for debt service	-	-	-	725,229	725,229
Unreserved:					
General fund	3,465,514	-	-	-	3,465,514
Special revenue funds	-	-	-	1,625,309	1,625,309
Capital projects funds	-	776,250	1,738,220	1,389,235	3,903,705
<b>Total fund balances</b>	<b>4,121,808</b>	<b>776,250</b>	<b>1,738,220</b>	<b>3,739,773</b>	<b>10,376,051</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,952,674</b>	<b>\$ 2,026,250</b>	<b>\$ 1,896,420</b>	<b>\$ 3,955,862</b>	<b>\$ 16,831,206</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, 2007**

---

Total fund balances-governmental funds	\$ 10,376,051
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.	20,615,456
Discounts and costs related to issuance of bonds are reductions in the governmental funds in the year of issuance but are capitalized and amortized over the life of the bond issue on the Statement of Net Assets.	58,009
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	(39,333)
Compensated absences	(365,816)
General obligation debt certificates	(627,000)
General obligation bonds	(2,105,000)
Tax incremental revenue notes	(1,028,884)
Net pension obligation	(49,721)
Net assets of governmental activities	<u>\$ 26,833,762</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, 2007

	General Fund	Tax Increment Financing District Palmer Lake Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Charges for services	\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000
Licenses	225,746	-	-	-	225,746
Intergovernmental	2,234,536	-	-	604,565	2,839,101
Fines, fees and permits	1,743,490	-	-	-	1,743,490
Property taxes	3,424,670	1,236,923	-	716,815	5,378,408
TIF rebate	225,328	-	-	-	225,328
Other taxes	1,669,226	-	-	-	1,669,226
Interest	191,587	-	-	109,699	301,286
Miscellaneous	327,269	-	8,285	18,070	353,624
<b>Total revenues</b>	<b>10,131,852</b>	<b>1,236,923</b>	<b>8,285</b>	<b>1,449,149</b>	<b>12,826,209</b>
Expenditures					
Current:					
General services	2,851,120	-	-	399,613	3,250,733
Administrative office	281,233	-	-	-	281,233
Public works	988,992	-	-	-	988,992
Police	3,098,001	-	-	-	3,098,001
Fire	1,865,654	-	-	-	1,865,654
Economic development	18,240	1,778,869	-	3,150	1,800,259
Insurance	537,226	-	-	-	537,226
Civil defense	3,282	-	-	-	3,282
Debt service:					
Principal	37,106	-	-	187,000	224,106
Interest and fees	4,587	-	-	40,778	45,365
Capital outlay	346,551	-	1,125	38,243	385,919
<b>Total expenditures</b>	<b>10,031,992</b>	<b>1,778,869</b>	<b>1,125</b>	<b>668,784</b>	<b>12,480,770</b>
Excess revenues or (expenditures)	99,860	(541,946)	7,160	780,365	345,439
Other financing sources (uses):					
Bond proceeds, net of discount and issuance costs	-	-	1,943,271	99,577	2,042,848
<b>Net change in fund balance</b>	<b>99,860</b>	<b>(541,946)</b>	<b>1,950,431</b>	<b>879,942</b>	<b>2,388,287</b>
Fund balances (deficit):					
May 1, 2006	4,021,948	1,318,196	(212,211)	2,859,831	7,987,764
<b>April 30, 2007</b>	<b>\$ 4,121,808</b>	<b>\$ 776,250</b>	<b>\$ 1,738,220</b>	<b>\$ 3,739,773</b>	<b>\$ 10,376,051</b>

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, 2007**

---

Net change in fund balances-total governmental funds	\$ 2,388,287
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	123,306
Depreciation	(1,414,960)
Certain increases in infrastructure in the Statement of Activities are the result of capital contributions, which are not reflected in the governmental funds	
	57,080
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:	
General obligation bonds payable	(2,042,848)
Discounts on issuance of bonds are reductions in the governmental funds in the year of issuance but are capitalized and amortized over the life of the bond issue on the Statement of Net Assets.	
	(4,143)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	
	579,710
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
(Increase) in compensated absences	(59,880)
Decrease in notes payable	37,106
(Increase) in net pension obligation	(49,721)
(Increase) in accreted interest on tax incremental financing notes	(312,990)
	<hr/>
Change in net assets of governmental activities	<u>\$ (699,053)</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Assets - Enterprise Funds  
April 30, 2007

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
<b>Assets</b>			
Current			
Cash and equivalents	\$ -	\$ 130,443	\$ 130,443
Accounts receivable	431,631	-	431,631
<b>Total current assets</b>	<b>431,631</b>	<b>130,443</b>	<b>562,074</b>
Noncurrent			
Capital assets (net of accumulated depreciation)			
Land	71,509	48,828	120,337
Land improvements	12,750	177,114	189,864
Buildings	187,460	-	187,460
Distribution system	3,452,874	-	3,452,874
Machinery and equipment	546,295	-	546,295
<b>Total noncurrent assets</b>	<b>4,270,888</b>	<b>225,942</b>	<b>4,496,830</b>
Total assets	\$ 4,702,519	\$ 356,385	\$ 5,058,904

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Assets - Enterprise Fund - Continued  
 April 30, 2007

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
<b>Liabilities</b>			
Current			
Accounts payable	\$ 89,918	\$ 96	\$ 90,014
Deposits	163,232	-	163,232
Due to other funds	1,046,718	-	1,046,718
Compensated absences	16,203	-	16,203
<b>Total current liabilities</b>	<b>1,316,071</b>	<b>96</b>	<b>1,316,167</b>
Noncurrent			
Compensated absences	10,159	-	10,159
<b>Total noncurrent liabilities</b>	<b>10,159</b>	<b>-</b>	<b>10,159</b>
Total liabilities	1,326,230	96	1,326,326
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 4,270,888	\$ 225,942	\$ 4,496,830
Unrestricted (deficit)	(894,599)	130,347	(764,252)
Total net assets	\$ 3,376,289	\$ 356,289	\$ 3,732,578

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, 2007

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Operating revenues, charges for services	\$ 2,103,009	\$ 38,456	\$ 2,141,465
Operating expenses:			
Operations	2,046,469	2,517	2,048,986
Depreciation	429,389	5,261	434,650
<b>Total operating expenses</b>	<b>2,475,858</b>	<b>7,778</b>	<b>2,483,636</b>
<b>Operating (loss) income</b>	<b>(372,849)</b>	<b>30,678</b>	<b>(342,171)</b>
Nonoperating revenues, interest income	-	4,649	4,649
<b>Net (loss) income</b>	<b>(372,849)</b>	<b>35,327</b>	<b>(337,522)</b>
Net assets:			
May 1, 2006	3,749,138	320,962	4,070,100
April 30, 2007	\$ 3,376,289	\$ 356,289	\$ 3,732,578

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows – Enterprise Funds  
Year Ended April 30, 2007

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Cash flows from operating activities			
Cash received for services	\$ 2,270,776	\$ 38,456	\$ 2,309,232
Payments to employees	(599,541)	-	(599,541)
Payments to suppliers	(1,516,215)	(2,566)	(1,518,781)
<b>Net cash provided by operating activities</b>	<b>155,020</b>	<b>35,890</b>	<b>190,910</b>
Cash flows from noncapital financing activities			
Acquisition of capital assets	(71,634)	-	(71,634)
(Decrease) in due to other funds,	(83,386)	(1,315)	(84,701)
<b>Net cash (used in) noncapital financing activities</b>	<b>(155,020)</b>	<b>(1,315)</b>	<b>(156,335)</b>
Cash flows from investing activities			
Cash receipts from interest income,			
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>4,649</b>	<b>4,649</b>
<b>Net increase in cash and equivalents</b>	<b>-</b>	<b>39,224</b>	<b>39,224</b>
Cash and equivalents:			
May 1, 2006	-	91,219	91,219
April 30, 2007	\$ -	\$ 130,443	\$ 130,443

(Continued)

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows – Enterprise Funds - Continued  
Year Ended April 30, 2007

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Reconciliation of operating (loss) Income to net cash provided by operating activities			
Operating (loss) income	\$ (372,849)	\$ 30,678	\$ (342,171)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities			
Depreciation	429,389	5,261	434,650
Changes in assets and liabilities:			
Accounts receivable	167,767	-	167,767
Deposits	9,698	-	9,698
Accounts payable	(23,657)	(49)	(23,706)
Note payable	(47,310)	-	(47,310)
Compensated absences payable	(8,018)	-	(8,018)
Total adjustments	527,869	5,212	533,081
Net cash provided by operating activities	\$ 155,020	\$ 35,890	\$ 190,910

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Combined Statement of Fiduciary Net Assets - Pension Trust Funds  
April 30, 2007

---

**Assets**

Cash and cash equivalents	\$	553,861
Investments		
Certificates of deposit		850,898
U.S. treasury notes		6,642,970
U.S. government agencies		2,101,625
Insurance contracts		2,280,413
Money market mutual funds		2,807,303
Interest receivable		18,390
Employer contribution receivable		<u>208,456</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>15,463,916</u></u></b>

**Liabilities**

Accounts payable	\$	<u>5,640</u>
------------------	----	--------------

<b>Held in trust for pension benefits</b>	<b>\$</b>	<b><u><u>15,458,276</u></u></b>
---	-----------	---------------------------------

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, 2007

---

**Additions**

Contributions:

Employer	\$ 577,732
Plan members	256,958
<b>Total contributions</b>	<u>834,690</u>

Investment income:

Net appreciation in fair value of investments	873,293
Dividends	78,269
Interest	171,375
Gain on sale of securities	4,306
Less investment expense	(15,703)
<b>Net investment income</b>	<u>1,111,540</u>

**Total additions**

1,946,230

**Deductions**

Benefits	864,856
Administrative expenses	7,950
<b>Total deductions</b>	<u>872,806</u>

**Net increase**

1,073,424

Net assets held in trust for pension benefits:

May 1, 2006 14,384,852

April 30, 2007 \$ 15,458,276

See Notes to Financial Statements.

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

---

#### 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

---

#### 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, Tax Incremental Financing District Palmer Lake Fund and the Capital Projects 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.

**Capital Projects Fund** – This fund is used to account for capital developments and construction within the Village.

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

---

#### **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

---

#### 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

---

#### 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

---

#### 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, 2006, the Village adopted the provisions of GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section – an amendment of NCGA Statement 1*. This Statement amends certain provisions of NCGA Statement 1 that guide the preparation of the Statistical Section.

Effective May 1, 2006, the Village adopted the provisions of GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No. 34*. This Statement required that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets.

Effective May 1, 2006, the Village adopted the provisions of GASB Statement No. 47, *Accounting for Termination Benefits*. This Statement is to account for termination benefits other than those provided through an existing defined benefit OPEB Plan.

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

---

#### **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.
- i) 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.

##### *(b) Budget Overexpenditures*

The following funds overexpended their budgets by the following amounts during the year ended April 30, 2007:

Major Fund	
General Fund	\$ 166,488
Capital Projects	1,125

#### **Note 3. Cash and Investments**

##### *Deposits*

##### *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of April 30, 2007 the carrying amount of the Village's deposits was \$5,758,699, with bank balances totaling \$5,876,184. Of the Village's deposits, \$3,321,432 were not insured or collateralized at April 30, 2007.

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

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

##### Investments

As of April 30, 2007, the Village had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes	\$ 6,642,970	\$ -	\$ 3,006,430	\$ 2,398,596	\$ 1,237,944
U.S. agencies - FFCB	51,132	-	51,132	-	-
U.S. agencies - FHLB	307,734	-	158,731	149,003	-
U.S. agencies - FHLMC	353,725	-	48,988	49,000	255,737
U.S. agencies - FNMA	384,613	-	97,715	-	286,898
U.S. agencies - GNMA	1,004,421	-	316,871	687,550	-
Insurance Contracts	2,280,413	-	2,280,413	-	-
Money Market Mutual Funds	2,807,303	2,807,303	-	-	-
Illinois Funds	5,131,422	5,131,422	-	-	-
	<u>\$ 18,963,733</u>	<u>\$ 7,938,725</u>	<u>\$ 5,960,280</u>	<u>\$ 3,284,149</u>	<u>\$ 1,780,579</u>

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

*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, 2007, 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, U.S. Agencies - GNMA, Insurance Contracts, Money Market Mutual Funds, and Illinois Funds. These investments are 35.0%, 5.3%, 12.0%, 14.8%, and 27.1%, respectively, of the Village's total investments.

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

---

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

*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 \$5,758,699 and investments of \$18,963,733 totaling \$24,722,432 are reported in the financial statements as follows:

Governmental and business-type activities,	
Cash and cash equivalents	\$ 9,485,361
Fiduciary Funds:	
Cash and cash equivalents	553,861
Investments:	
Certificates of Deposit	850,898
U.S. Treasury Notes	6,642,970
U.S. Government Agencies	2,101,625
Insurance Contracts	2,280,413
Money Market Mutual Funds	<u>2,807,303</u>
<b>Total</b>	<u><u>\$ 24,722,431</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, 2006	Additions	Retirements	Balance, April 30, 2007
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 699,770	\$ -	\$ -	\$ 699,770
Right of way	1,759,988	992	-	1,760,980
Easements/open land	173,982	-	-	173,982
	<u>2,633,740</u>	<u>992</u>	<u>-</u>	<u>2,634,732</u>
Capital assets being depreciated:				
Land improvements	237,748	-	-	237,748
Buildings	2,573,098	-	-	2,573,098
Machinery and equipment	4,709,499	121,448	-	4,830,947
Streets	107,954,178	(33,538)	-	107,920,640
Sidewalks	4,728,066	47,492	-	4,775,558
Storm sewers	3,642,266	41,455	-	3,683,721
Manholes	187,813	1,296	-	189,109
Hydrants	141,240	626	-	141,866
Valves	42,400	97	-	42,497
Streetlights	408,875	518	-	409,393
	<u>124,625,183</u>	<u>179,394</u>	<u>-</u>	<u>124,804,577</u>
Less accumulated depreciation for:				
Land improvements	170,601	6,319	-	176,920
Buildings	1,483,882	57,800	-	1,541,682
Machinery and equipment	3,307,584	244,319	-	3,551,903
Streets	92,229,233	1,041,305	-	93,270,538
Sidewalks	4,680,671	10,353	-	4,691,024
Storm sewers	2,880,060	46,300	-	2,926,360
Manholes	146,605	2,528	-	149,133
Hydrants	118,149	1,929	-	120,078
Valves	35,940	576	-	36,516
Streetlights	356,168	3,531	-	359,699
	<u>105,408,893</u>	<u>1,414,960</u>	<u>-</u>	<u>106,823,853</u>
Capital assets being depreciated, net:				
Land improvements	67,147	(6,319)	-	60,828
Buildings	1,089,216	(57,800)	-	1,031,416
Machinery and equipment	1,401,915	(122,871)	-	1,279,044
Streets	15,724,945	(1,074,843)	-	14,650,102
Sidewalks	47,395	37,139	-	84,534
Storm sewers	762,206	(4,845)	-	757,361
Manholes	41,208	(1,232)	-	39,976
Hydrants	23,091	(1,303)	-	21,788
Valves	6,460	(479)	-	5,981
Streetlights	52,707	(3,013)	-	49,694
Total capital assets being depreciated, net	<u>19,216,290</u>	<u>(1,235,566)</u>	<u>-</u>	<u>17,980,724</u>
Governmental activities capital assets, net	<u>\$ 21,850,030</u>	<u>\$ (1,234,574)</u>	<u>\$ -</u>	<u>\$ 20,615,456</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, 2006	Additions	Retirements	Balance, April 30, 2007
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	36,300	-	1,757,860
Distribution system	10,614,397	35,334	-	10,649,731
	<u>13,116,519</u>	<u>71,634</u>	<u>-</u>	<u>13,188,153</u>
Less accumulated depreciation for:				
Land improvements	110,665	7,511	-	118,176
Buildings	271,961	13,099	-	285,060
Machinery and equipment	1,136,744	74,821	-	1,211,565
Distribution system	6,857,640	339,219	-	7,196,859
	<u>8,377,010</u>	<u>434,650</u>	<u>-</u>	<u>8,811,660</u>
Capital assets being depreciated, net:				
Land improvements	197,377	(7,511)	-	189,866
Buildings	200,559	(13,099)	-	187,460
Machinery and equipment	584,816	(38,521)	-	546,295
Distribution system	3,756,757	(303,885)	-	3,452,872
	<u>4,739,509</u>	<u>(363,016)</u>	<u>-</u>	<u>4,376,493</u>
Total capital assets being depreciated, net	<u>4,739,509</u>	<u>(363,016)</u>	<u>-</u>	<u>4,376,493</u>
Business-type activities capital assets, net	<u>\$ 4,859,846</u>	<u>\$ (363,016)</u>	<u>\$ -</u>	<u>\$ 4,496,830</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	\$ 17,643
Public works	1,269,840
Public safety	<u>127,477</u>

<b>Total depreciation expense - governmental activities</b>	<b><u><u>\$ 1,414,960</u></u></b>
---	-----------------------------------

Business-type activities:

Waterworks and sewerage	\$ 429,389
Commuter parking lot	<u>5,261</u>

<b>Total depreciation expense - business-type activities</b>	<b><u><u>\$ 434,650</u></u></b>
--	---------------------------------

**Note 6. Long-Term Obligations**

*Governmental Activities*

During the year ended April 30, 2007, the Village issued \$2,105,000 of General Obligation Bonds for the purpose of refunding a portion of the 1999, 2000, 2001 and 2002 General Obligation Bonds as well as for financing operations of the Village.

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2007:

	Outstanding Debt as of May 1, 2006	Additions	Reductions	Outstanding Debt as of April 30, 2007	Due within one year
General obligation bonds	\$ 137,000	\$ 2,105,000	\$ 137,000	\$ 2,105,000	\$ 140,000
General obligation debt certificates	677,000	-	50,000	627,000	50,000
Tax incremental revenue notes	1,108,604	312,990	392,710	1,028,884	-
Note payable	76,439	-	37,106	39,333	39,333
Compensated absences	305,936	365,816	305,936	365,816	220,972
Net pension obligation	-	49,721	-	49,721	-
	<u>\$ 2,304,979</u>	<u>\$ 2,833,527</u>	<u>\$ 922,752</u>	<u>\$ 4,215,754</u>	<u>\$ 450,305</u>

**Village of Hazel Crest, Illinois**

**Notes to Financial Statements**

---

**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, 2007:

	Outstanding Debt as of May 1, 2006	Additions	Reductions	Outstanding Debt as of April 30, 2007	Due within one year
Compensated absences	\$ 34,380	\$ 26,362	\$ 34,380	\$ 26,362	\$ 16,203
Note payable	47,310	-	47,310	-	-
	<u>\$ 81,690</u>	<u>\$ 26,362</u>	<u>\$ 81,690</u>	<u>\$ 26,362</u>	<u>\$ 16,203</u>

Outstanding debt as of April 30, 2007, consists of the following:

General obligation bonds:

General obligation bonds, Series 2006 dated December 1, 2006. Principal is due in semi-annual installments on June 1 and December 1 in varying amounts through 2021. Interest is due in semi-annual installments on June 1 and December 1 at rates from 3.7 to 3.85 percent. \$ 2,105,000

General obligation debt certificates:

General obligation debt certificates, series 2005 dated April 26, 2005. Principal due in annual installments of \$50,000 through 2019 and \$27,000 in 2020. Interest is variable. 627,000

**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 (8.25% at April 30, 2007) 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, 2007 resulted from accrued interest on the notes earned during the fiscal year. All notes still outstanding on June 27, 2011 will be canceled.

\$ 1,028,884

Note for the purchase of vehicles dated April 6, 2006. Final principal installment of \$39,333 is due in 2008. Interest is at a rate of 6.00%.

39,333

Compensated absences, governmental activities

365,816

Compensated absences, business-type activities

26,362

Net pension obligation

49,721

**Total long-term obligations**

\$ 4,242,116

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	General Obligation Bonds		Governmental Debt Certificates		Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 140,000	\$ 78,755	\$ 50,000	\$ 23,826	\$ 39,333	\$ 2,360
2009	145,000	73,575	50,000	21,926	-	-
2010	140,000	68,210	50,000	20,026	-	-
2011	140,000	63,030	50,000	18,126	-	-
2012	125,000	57,850	50,000	16,226	-	-
2013	135,000	53,225	50,000	14,326	-	-
2014	140,000	48,230	50,000	12,426	-	-
2015	145,000	43,050	50,000	10,526	-	-
2016	150,000	37,685	50,000	8,626	-	-
2017	155,000	32,135	50,000	6,726	-	-
2018	160,000	26,400	50,000	4,826	-	-
2019	170,000	20,320	50,000	2,926	-	-
2020	175,000	13,860	27,000	1,026	-	-
2021	185,000	7,123	-	-	-	-
	<u>\$ 2,105,000</u>	<u>\$ 623,448</u>	<u>\$ 627,000</u>	<u>\$ 161,538</u>	<u>\$ 39,333</u>	<u>\$ 2,360</u>

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

---

#### 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 3.8% at April 30, 2007.

#### 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 2007 was 9.87 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, 2006, was 26 years.

For April 30, 2007, the Village's annual pension cost of \$199,034 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 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 2006 actuarial valuation were based on the 2002-2004 experience study.

##### Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/07	\$ 199,034	100%	\$ -
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%	-

## Village of Hazel Crest, Illinois

### Notes to Financial Statements

---

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

##### Police Pension Plan

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

Covered employees are currently required to contribute 9.91% 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, 2006 was 26.97% 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/asset to the Plan for the year ended April 30, 2006, were as follows:

Annual required contribution	\$ 352,378
Interest on net pension obligation	2,270
Adjustment to annual requirement contribution	(1,505)
Annual pension cost	<u>353,143</u>
Contributions made	<u>438,711</u>
(Decrease) in net pension obligation	(85,568)
Net pension obligation, beginning of year	<u>32,423</u>
Net pension asset, end of year	<u><u>\$ (53,145)</u></u>

**Village of Hazel Crest, Illinois**

**Notes to Financial Statements**

---

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

The annual required contribution for the year ended April 30, 2006, was determined as part of the April 30, 2006, 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, 2006, was 27 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/06	\$ 353,143	\$ 438,711	124.2%	\$ (53,145)
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, 2006:

Retirees and beneficiaries receiving benefits	13
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	12
Active nonvested plan members	13
	39
	39

**Firefighters' Pension Plan**

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

Covered employees are required to contribute 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, 2006, was 9.05% 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, 2006, were as follows:

Annual required contribution	\$ 177,790
Interest on net pension obligation	824
Adjustment to annual requirement contribution	(509)
Annual pension cost	<u>178,105</u>
Contributions made	<u>86,225</u>
Increase in net pension obligation	91,880
Net pension obligation, beginning of year	<u>10,986</u>
Net pension obligation, end of year	<u><u>\$ 102,866</u></u>

The required contribution for the year ended April 30, 2006, was determined as part of the April 30, 2006, 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, 2006, was 27 years.

#### Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/06	\$ 178,105	\$ 86,225	48.4%	\$ 102,866
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

---

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

Membership in the plan consisted of the following as of April 30, 2006:

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	14
	<hr/>
	21
	<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, 2007.

**Village of Hazel Crest, Illinois**

**Notes to Financial Statements**

---

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

Other information related to individual funds includes the following:

Individual fund interfund receivable and payable balances as of April 30, 2007, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>
General Fund	
Nonmajor Governmental Funds	\$ 205,878
Waterworks and Sewerage Fund	950,275
Tax Incremental Finance District Palmer Lake	
General Fund	1,039,180
Nonmajor Governmental Funds	
General Fund	768,526
Waterworks and Sewerage Fund	96,443
Nonmajor Governmental Funds	40,181
Fire Pension Fund	
General Fund	52,088
Police Pension Fund	
General Fund	156,368
Total	<u>\$ 3,308,939</u>
<u>Fund</u>	<u>Due To Other Funds</u>
General Fund	
Nonmajor Governmental Funds	\$ 768,526
Tax Incremental Finance District Palmer Lake	1,039,180
Police Pension Fund	156,368
Firefighters' Pension Fund	52,088
Nonmajor Governmental Funds	
General Fund	205,878
Nonmajor Governmental Funds	40,181
Waterworks and Sewerage Fund	
General Fund	950,275
Nonmajor Governmental Funds	96,443
Total	<u>\$ 3,308,939</u>

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

**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 \$74,000 were recognized for postretirement health care.

**Note 12. 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. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, includes guidance to be used for recognizing other assets and liabilities arising from a sale of specific receivables or future revenues, including residual interests and resource provisions. The disclosures pertaining to future revenues that have been pledged or sold are intended to provide financial statement users with information about which revenues will be unavailable for other purposes and how long they will continue to be so. This Statement will become effective for the year ending April 30, 2008.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. This Statement will become effective for the year ending April 30, 2009.

**Note 12. New Governmental Accounting Standards (continued)**

GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*, more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed on the notes to the financial statement or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This Statement will be effective for the Village beginning with its year ending April 30, 2009.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Asset*, will improve financial reporting by reducing inconsistencies that have developed in accounting and financial reporting for intangible assets. This Statement will be effective for the Village beginning with its year ending April 30, 2011.

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

**Required Supplementary Information**

**Village of Hazel Crest, Illinois**

**Required Supplementary Information  
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)
12/31/2006	\$ 7,130,710	\$ 7,546,898	\$ 416,188	94.5 %	\$ 2,016,340	20.6 %
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 %

The actuarial assumptions used to determine the actuarial accrued liability for 2006 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.

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Police Pension Fund  
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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]
04/30/2006	\$ 10,603,938	\$ 15,570,476	\$ 4,966,538	68.1 %	\$ 1,478,667	335.9 %
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 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]
04/30/2006	\$ 3,871,161	\$ 4,626,656	\$ 755,495	83.7 %	\$ 952,433	79.3 %
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, 2007

	Original and Final Budget	Actual
Charges for services:		
Motor fuel tax equipment rental	\$ 90,000	\$ 90,000
<b>Total service charges</b>	<u>90,000</u>	<u>90,000</u>
Licenses:		
Liquor	6,400	6,245
Vehicles	211,110	202,844
Business	50,000	16,142
Pet	600	515
<b>Total licenses</b>	<u>268,110</u>	<u>225,746</u>
Intergovernmental:		
Road and bridge - County	28,460	29,333
Replacement	25,000	35,116
Sales	607,300	694,475
Income tax	1,251,136	1,475,612
<b>Total intergovernmental</b>	<u>1,911,896</u>	<u>2,234,536</u>
Fines, fees and permits:		
Building permits	115,000	55,972
Circuit court fines	137,000	82,337
Ambulance fees	310,000	264,837
Plan reviews	21,900	23,202
Contractor registration	40,000	32,874
Zoning board fees	1,200	2,869
Inspections	95,000	78,026
Alarm violations	7,500	635
Finance charges	1,200	1,481
Raffle licenses	50	25
Health Ins / Emp Portion	-	70,161
Refuse Removal Revenue	766,000	969,793
Refuse Removal Penalties	30,000	33,915
Cable television franchise fees	124,000	127,363
<b>Total fines, fees and permits</b>	<u>1,648,850</u>	<u>1,743,490</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Revenues  
 Budget and Actual (Continued)  
 Year Ended April 30, 2007

	Original and Final Budget	Actual
Property taxes	\$ 3,526,236	\$ 3,424,670
TIF Rebate	-	225,328
Other taxes:		
Utility	1,413,000	1,312,692
Home Rule Fuel Tax	150,000	92,336
Home Rule Sales Tax	500,000	260,052
Amusement	4,200	4,146
<b>Total other taxes</b>	<b>2,067,200</b>	<b>1,669,226</b>
Interest	110,155	191,587
Miscellaneous:		
Municipal center leases	54,970	76,368
Compost fees and sales	8,000	55
IRMA refund	25,000	2,982
Bad debt recovery	34,000	43,167
State and county grants	1,500	106,356
State highway maintenance	15,000	13,701
Sidewalk/tree replacement	1,000	945
Employee Health Insurance Contributions	-	2,400
Miscellaneous	111,350	81,295
<b>Total miscellaneous</b>	<b>250,820</b>	<b>327,269</b>
<b>Total revenues</b>	<b>\$ 9,873,267</b>	<b>\$ 10,131,852</b>

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual  
 Year Ended April 30, 2007

Page 1 of 7

	Original and Final Budget	Actual
General services:		
Personnel:		
Salaries	\$ 486,000	\$ 360,979
FICA	37,180	27,245
IMRF	48,900	30,209
Employee insurance	155,000	114,660
	<u>727,080</u>	<u>533,093</u>
Maintenance:		
Maintenance building/grounds	12,650	11,924
Maintenance equipment	11,700	17,579
	<u>24,350</u>	<u>29,503</u>
Contractual services:		
Payroll fees	6,500	8,641
FSA expenses	2,500	714
Economic Development Incentives	15,000	14,987
Telephone	55,000	57,162
Fire pension contributions	180,090	186,433
Police pension contributions	403,894	391,299
Utilities	4,000	3,050
Refuse Removal / Company	660,000	625,388
Travel	100	667
Villager	43,900	50,491
Legal	72,500	122,056
Accounting	30,000	72,348
Consultants	130,900	125,840
Training and conferences	2,000	8,841
Tuition reimbursement	2,000	1,250
Third Airport Support	10,000	10,000
Dues and subscriptions	12,950	12,125
	<u>1,631,334</u>	<u>1,691,292</u>
Commodities:		
Other supplies	11,500	9,238
E-Comm	271,570	316,789
Boards and commissions	8,000	10,587
Recruitment/testing	14,000	29,121
Bad debts	30,000	52,866
Bank service charges	6,200	6,300
Sundry	11,500	55,456
Miscellaneous expense	116,750	116,875
	<u>469,520</u>	<u>597,232</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2007

	Original and Final Budget	Actual
General services: (continued)		
Capital outlay:		
Building	\$ 20,900	\$ 13,189
Improvements other than building	2,000	7,524
Equipment	29,000	30,846
	<u>51,900</u>	<u>51,559</u>
<b>Total general services</b>	<u>2,904,184</u>	<u>2,902,679</u>
Administrative office:		
Personnel:		
Salaries	145,000	202,462
FICA	11,100	15,406
IMRF	14,600	13,904
Employee insurance	30,000	9,099
	<u>200,700</u>	<u>240,871</u>
Maintenance, maintenance equipment	<u>14,500</u>	<u>11,126</u>
Contractual services:		
Postage	9,200	14,364
Training and conferences	1,000	-
Printing	6,500	7,027
	<u>16,700</u>	<u>21,391</u>
Commodities:		
Office supplies	5,500	7,845
	<u>5,500</u>	<u>7,845</u>
Capital outlay:		
Equipment	3,500	702
	<u>3,500</u>	<u>702</u>
<b>Total administrative office</b>	<u>240,900</u>	<u>281,935</u>
Public works:		
Personnel:		
Salaries	595,000	618,859
FICA	45,518	48,016
IMRF	59,857	57,223
Employee insurance	86,000	64,588
	<u>786,375</u>	<u>788,686</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2007

	Original and Final Budget	Actual
Public works: (continued)		
Maintenance:		
Maintenance building/grounds	\$ 2,500	\$ 2,302
Maintenance/equipment	100,000	101,535
Maintenance/other	30,500	3,373
	<u>133,000</u>	<u>107,210</u>
Contractual services:		
Garbage disposal	10,000	3,341
Communications	1,500	619
Utilities	15,000	16,895
Traffic signals	14,200	11,055
Rental	2,700	3,879
Printing	1,500	1,066
Consultants	25,000	10,373
Training and conferences	1,000	346
Dues and subscriptions	800	150
	<u>71,700</u>	<u>47,724</u>
Commodities:		
Office supplies	3,500	4,414
Other supplies	2,800	2,213
Uniforms	5,100	2,059
Gas and oil	31,900	34,874
Sundry	1,500	1,812
	<u>44,800</u>	<u>45,372</u>
Capital outlay:		
Improvements	71,000	42,107
Equipment	136,510	120,417
	<u>207,510</u>	<u>162,524</u>
<b>Total public works</b>	<u>1,243,385</u>	<u>1,151,516</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2007

	Original and Final Budget	Actual
Police:		
Personnel:		
Salaries	\$ 2,375,723	\$ 2,393,913
FICA	181,743	176,337
IMRF	20,722	23,545
Employee insurance	293,261	305,723
	<u>2,871,449</u>	<u>2,899,518</u>
Maintenance, maintenance equipment	<u>48,977</u>	<u>39,202</u>
Contractual services:		
Communications	22,330	16,957
Printing	3,000	3,364
Consultants	8,250	6,954
P ticket hearing programs	1,800	-
Training and conferences	18,735	18,511
Dues and subscriptions	1,000	3,881
	<u>55,115</u>	<u>49,667</u>
Commodities:		
Office supplies	3,000	3,633
Other supplies	6,650	6,339
Uniforms	23,425	25,308
Canine supplies	1,250	1,385
Prisoner needs	1,100	1,806
Gas and oil	52,500	66,727
Animal control	3,500	2,571
Sundry	2,650	1,845
	<u>94,075</u>	<u>109,614</u>
Capital outlay:		
Principal	-	41,693
Equipment	64,315	32,217
	<u>64,315</u>	<u>73,910</u>
<b>Total police</b>	<u>3,133,931</u>	<u>3,171,911</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2007

	Original and Final Budget	Actual
Fire:		
Personnel:		
Salaries	\$ 1,200,752	\$ 1,340,702
FICA	91,812	101,376
IMRF	13,290	19,147
Employee insurance	185,000	201,089
	<u>1,490,854</u>	<u>1,662,314</u>
Maintenance:		
Maintenance buildings/grounds	16,000	31,128
Maintenance equipment	14,600	33,397
	<u>30,600</u>	<u>64,525</u>
Contractual services:		
Communications	3,700	3,494
Rental	8,350	8,828
Postage	5,000	7,957
Printing	4,700	4,830
Fire prevention	2,500	2,363
Legal	1,000	267
Consultants	54,000	61,075
Training and conferences	18,550	8,764
Dues and subscriptions	8,100	3,607
	<u>105,900</u>	<u>101,185</u>
Commodities:		
Office supplies	5,300	4,822
Other supplies	8,250	3,014
Uniforms	16,000	12,678
Gas and oil	11,000	11,987
Sundry	500	5,129
	<u>41,050</u>	<u>37,630</u>
Capital outlay		
Building	37,000	43,023
Equipment	61,150	56,526
	<u>98,150</u>	<u>99,549</u>
<b>Total fire</b>	<u>1,766,554</u>	<u>1,965,203</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
 Schedule of General Fund Expenditures  
 Budget and Actual (Continued)  
 Year Ended April 30, 2007

Page 6 of 7

	Original and Final Budget	Actual
Economic development:		
Contractual services:		
Economic development incentive	\$ -	\$ 18,190
	<u>-</u>	<u>18,190</u>
Commodities:		
Other supplies	-	50
	<u>-</u>	<u>50</u>
<b>Total economic development</b>	<u>-</u>	<u>18,240</u>
Insurance:		
Personnel:		
State unemployment insurance	10,500	386
Workers' compensation	238,680	234,228
	<u>249,180</u>	<u>234,614</u>
Contractual services:		
Insurance	238,680	243,697
Legal	500	-
	<u>239,180</u>	<u>243,697</u>
Commodities:		
Risk management	49,990	24,437
Loss fund	20,500	29,201
Uniforms	13,000	5,233
	<u>83,490</u>	<u>58,871</u>
Capital outlay, equipment	-	44
<b>Total insurance</b>	<u>571,850</u>	<u>537,226</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information  
Schedule of General Fund Expenditures  
Budget and Actual (Continued)  
Year Ended April 30, 2007

	Original and Final Budget	Actual
Civil Defense:		
Maintenance, maintenance equipment	\$ 2,500	\$ 1,857
Contractual services:		
Communications	500	146
Training and conferences	1,700	1,279
	<u>2,200</u>	<u>1,425</u>
<b>Total civil defense</b>	<u>4,700</u>	<u>3,282</u>
<b>Total expenditures</b>	<u>\$ 9,865,504</u>	<u>\$ 10,031,992</u>

**Village of Hazel Crest, Illinois**

**Note to Required Supplementary Information**

---

**Note 1. Budgetary Basis of Accounting**

The General Fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

## Supplementary Information

**Nonmajor Governmental Funds – Combining Statements**

Village of Hazel Crest, Illinois

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 April 30, 2007

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and equivalents	\$ 1,600,625	\$ 680,352	\$ 652,158	\$ 2,933,135
Receivables:				
Property taxes	-	65,232	-	65,232
Intergovernmental	52,345	-	-	52,345
Due from other funds	32,868	135,205	737,077	905,150
Total assets	<u>\$ 1,685,838</u>	<u>\$ 880,789</u>	<u>\$ 1,389,235</u>	<u>\$ 3,955,862</u>
<b>Liabilities</b>				
Accounts payable	\$ 60,529	\$ 2,471	\$ -	\$ 63,000
Due to other funds	-	87,859	-	87,859
Deferred revenue	-	65,230	-	65,230
Total liabilities	<u>60,529</u>	<u>155,560</u>	<u>-</u>	<u>216,089</u>
<b>Fund Balances</b>				
Reserved for debt service	-	725,229	-	725,229
Unreserved	1,625,309	-	1,389,235	3,014,544
Total fund balances	<u>1,625,309</u>	<u>725,229</u>	<u>1,389,235</u>	<u>3,739,773</u>
Total liabilities and fund balances	<u>\$ 1,685,838</u>	<u>\$ 880,789</u>	<u>\$ 1,389,235</u>	<u>\$ 3,955,862</u>

**Village of Hazel Crest, Illinois**

**Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended April 30, 2007**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Program:				
Intergovernmental	\$ 593,922	\$ -	\$ 10,643	\$ 604,565
General:				
Property taxes	-	67,980	648,835	716,815
Interest	84,473	25,226	-	109,699
Miscellaneous	18,070	-	-	18,070
Total revenues	696,465	93,206	659,478	1,449,149
Expenditures				
Current,				
General services	399,613	-	-	399,613
Debt service:				
Principal	-	187,000	-	187,000
Interest and fiscal charges	-	40,778	-	40,778
Economic development	-	-	3,150	3,150
Capital outlay	38,243	-	-	38,243
Total expenditures	437,856	227,778	3,150	668,784
Excess revenues or (expenditures)	258,609	(134,572)	656,328	780,365
Other Financing Sources (Uses):				
Bond proceeds	-	99,577	-	99,577
Change in fund balance	258,609	(34,995)	656,328	879,942
Fund balances:				
May 1, 2006	1,366,700	760,224	732,907	2,859,831
April 30, 2007	\$ 1,625,309	\$ 725,229	\$ 1,389,235	\$ 3,739,773

**Village of Hazel Crest, Illinois**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
Year Ended April 30, 2007**

	Motor Fuel Tax	911	Working Cash	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 762,602	\$ 5,703	\$ 832,320	\$ 1,600,625
Due from other funds	1,419	31,449	-	32,868
Receivables:				
Intergovernmental	35,205	17,140	-	52,345
<b>Total assets</b>	<b>\$ 799,226</b>	<b>\$ 54,292</b>	<b>\$ 832,320</b>	<b>\$ 1,685,838</b>
<b>Liabilities and Fund Balances</b>				
Liabilities				
Accounts payable	\$ 43,389	\$ 17,140	\$ -	\$ 60,529
Fund balances, unreserved	755,837	37,152	832,320	1,625,309
<b>Total liabilities and fund balances</b>	<b>\$ 799,226</b>	<b>\$ 54,292</b>	<b>\$ 832,320</b>	<b>\$ 1,685,838</b>

Village of Hazel Crest, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 Year Ended April 30, 2007

	Motor Fuel Tax	911	Working Cash	Total
Revenues:				
Intergovernmental	\$ 438,367	\$ 155,555	\$ -	\$ 593,922
Interest	41,146	432	42,895	84,473
Miscellaneous	18,070	-	-	18,070
<b>Total revenues</b>	<b>497,583</b>	<b>155,987</b>	<b>42,895</b>	<b>696,465</b>
Expenditures:				
Current:				
General services	228,809	170,804	-	399,613
Capital outlay	38,243	-	-	38,243
<b>Total expenditures</b>	<b>267,052</b>	<b>170,804</b>	<b>-</b>	<b>437,856</b>
Excess revenues or (expenditures)	230,531	(14,817)	42,895	258,609
Fund balances:				
May 1, 2006	525,306	51,969	789,425	1,366,700
April 30, 2007	\$ 755,837	\$ 37,152	\$ 832,320	\$ 1,625,309

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, 2007

	Motor Fuel Tax		911		Total	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:						
Intergovernmental	\$ 2,431,700	\$ 438,367	\$ -	\$ 155,555	\$ 2,431,700	\$ 593,922
Miscellaneous	-	18,070	-	-	-	18,070
Interest	16,500	41,146	-	432	16,500	41,578
<b>Total revenues</b>	<u>2,448,200</u>	<u>497,583</u>	<u>-</u>	<u>155,987</u>	<u>2,448,200</u>	<u>653,570</u>
Expenditures:						
Current:						
General services	278,000	228,809	-	170,804	278,000	399,613
Capital outlay	2,160,500	38,243	-	-	2,160,500	38,243
<b>Total expenditures</b>	<u>2,438,500</u>	<u>267,052</u>	<u>-</u>	<u>170,804</u>	<u>2,438,500</u>	<u>437,856</u>
Excess revenues or (expenditures)	<u>\$ 9,700</u>	230,531	<u>\$ -</u>	(14,817)	<u>\$ 9,700</u>	215,714
Fund balances:						
May 1, 2006		<u>525,306</u>		<u>51,969</u>		<u>577,275</u>
April 30, 2007		<u>\$ 755,837</u>		<u>\$ 37,152</u>		<u>\$ 792,989</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 Year Ended April 30, 2007

	Limited Tax Bonds	2005 Capital Projects	Total
<b>Assets</b>			
Cash	\$ 78,634	\$ 601,718	\$ 680,352
Property taxes receivable	65,232	-	65,232
Due from other funds	135,205	-	135,205
<b>Total assets</b>	<b>\$ 279,071</b>	<b>\$ 601,718</b>	<b>\$ 880,789</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 2,471	\$ 2,471
Due to general fund	84,027	3,832	87,859
Deferred revenue	65,230	-	65,230
<b>Total liabilities</b>	<b>149,257</b>	<b>6,303</b>	<b>155,560</b>
Fund balances, unreserved	129,814	595,415	725,229
<b>Total liabilities and fund balances</b>	<b>\$ 279,071</b>	<b>\$ 601,718</b>	<b>\$ 880,789</b>

Village of Hazel Crest, Illinois

**Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Debt Service Funds  
Year Ended April 30, 2007**

	Limited Tax Bonds	2005 Capital Projects	Total
Revenues,			
Interest income	\$ -	\$ 25,226	\$ 25,226
Property taxes	67,980	-	67,980
	<u>67,980</u>	<u>25,226</u>	<u>93,206</u>
Expenditures,			
debt service:			
Principal	137,000	50,000	187,000
Interest and fees	10,005	30,773	40,778
<b>Total expenditures</b>	<u>147,005</u>	<u>80,773</u>	<u>227,778</u>
Other Financing Sources:			
Bond proceeds	<u>99,577</u>	-	<u>99,577</u>
Excess revenues or (expenditures)	20,552	(55,547)	(34,995)
Fund balances:			
May 1, 2006	<u>109,262</u>	<u>650,962</u>	<u>760,224</u>
April 30, 2007	<u>\$ 129,814</u>	<u>\$ 595,415</u>	<u>\$ 725,229</u>

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, 2007**

	Limited Tax Bonds		2005 Capital Projects		Total	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:						
Interest income	\$ -	\$ -	\$ -	\$ 25,226	\$ -	\$ 25,226
Property taxes	60,470	67,980	-	-	60,470	67,980
	<u>60,470</u>	<u>67,980</u>	<u>-</u>	<u>25,226</u>	<u>60,470</u>	<u>93,206</u>
Expenditures,						
debt service:						
Principal	138,178	137,000	-	50,000	138,178	187,000
Interest and fees	19,012	10,005	-	30,773	19,012	40,778
	<u>157,190</u>	<u>147,005</u>	<u>-</u>	<u>80,773</u>	<u>157,190</u>	<u>227,778</u>
<b>Total expenditures</b>						
Other financing sources, Bond proceeds		99,577	-	-	-	99,577
		<u>99,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,577</u>
Excess revenues or (expenditures)	<u>\$ (96,720)</u>	20,552	<u>\$ -</u>	(55,547)	<u>\$ (96,720)</u>	(34,995)
Fund balances:						
May 1, 2006		<u>109,262</u>		<u>650,962</u>		<u>760,224</u>
April 30, 2007		<u>\$ 129,814</u>		<u>\$ 595,415</u>		<u>\$ 725,229</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 April 30, 2007

	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	\$ 10,643	\$ 292,576	\$ 267,200	\$ 74,275	\$ 7,464	\$ 652,158
Due from other funds	-	200,728	312,221	197,578	26,550	737,077
<b>Total assets</b>	<b>\$ 10,643</b>	<b>\$ 493,304</b>	<b>\$ 579,421</b>	<b>\$ 271,853</b>	<b>\$ 34,014</b>	<b>\$ 1,389,235</b>
<b>Liabilities and Fund Balances</b>						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances, unreserved (deficits)	10,643	493,304	579,421	271,853	34,014	1,389,235
<b>Total liabilities and fund balances</b>	<b>\$ 10,643</b>	<b>\$ 493,304</b>	<b>\$ 579,421</b>	<b>\$ 271,853</b>	<b>\$ 34,014</b>	<b>\$ 1,389,235</b>

Village of Hazel Crest, Illinois

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
Year Ended April 30, 2007

	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	\$ -	\$ 201,148	\$ 269,481	\$ 159,993	\$ 18,213	\$ 648,835
Intergovernmental	10,643	-	-	-	-	10,643
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total revenues</b>	<b>10,643</b>	<b>201,148</b>	<b>269,481</b>	<b>159,993</b>	<b>18,213</b>	<b>659,478</b>
Expenditures:						
Economic development	-	420	360	2,370	-	3,150
Excess revenues or (expenditures)	10,643	200,728	269,121	157,623	18,213	656,328
Fund balances (deficits):						
May 1, 2006	-	292,576	310,300	114,230	15,801	732,907
April 30, 2007	\$ 10,643	\$ 493,304	\$ 579,421	\$ 271,853	\$ 34,014	\$ 1,389,235

**Major Enterprise Fund**

Village of Hazel Crest, Illinois

Schedule of Operating and Nonoperating Revenues, Operating and Nonoperating Expenses - Budget and Actual  
Waterworks and Sewerage Fund  
Year Ended April 30, 2007

	Original and Final Budget	Actual
Operating revenues, charges for services	<u>\$ 2,332,570</u>	<u>\$ 2,103,009</u>
Operating expenses:		
Operations	2,172,538	2,046,469
Depreciation	-	429,389
<b>Total operating expenses</b>	<u>2,172,538</u>	<u>2,475,858</u>
<b>Operating (loss)</b>	<u>\$ 160,032</u>	(372,849)
Net assets:		
May 1, 2006		<u>3,749,138</u>
April 30, 2007		<u>\$ 3,376,289</u>

Village of Hazel Crest, Illinois

Combining Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2007

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>Assets</b>			
Cash and cash equivalents	\$ 519,803	\$ 34,058	\$ 553,861
Investments			
Certificates of deposit	300,026	550,872	850,898
U.S. treasury notes	6,642,970	-	6,642,970
U.S. government agencies	17,478	2,084,147	2,101,625
Insurance contracts	1,517,926	762,487	2,280,413
Money market mutual funds	1,972,212	835,091	2,807,303
Interest receivable	2,991	15,399	18,390
Employer contribution receivable	156,368	52,088	208,456
<b>Total assets</b>	<b>\$ 11,129,774</b>	<b>\$ 4,334,142</b>	<b>\$ 15,463,916</b>
<b>Liabilities</b>			
Accounts payable	\$ 2,700	\$ 2,940	\$ 5,640
<b>Net Assets</b>			
Held in trust for pension benefits	11,127,074	4,331,202	15,458,276
<b>Total liabilities and net assets</b>	<b>\$ 11,129,774</b>	<b>\$ 4,334,142</b>	<b>\$ 15,463,916</b>

Village of Hazel Crest, Illinois

**Combining Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2007**

	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 391,299	\$ 186,433	\$ 577,732
Plan members	135,246	121,712	256,958
<b>Total contributions</b>	<u>526,545</u>	<u>308,145</u>	<u>834,690</u>
Investment income:			
Net appreciation in fair value of investments	761,569	111,724	873,293
Dividends	27,885	50,384	78,269
Interest	62,254	109,121	171,375
Gain on sale of securities	-	4,306	4,306
Less investment expense	(14,203)	(1,500)	(15,703)
<b>Net investment income</b>	<u>837,505</u>	<u>274,035</u>	<u>1,111,540</u>
<b>Total additions</b>	<u>1,364,050</u>	<u>582,180</u>	<u>1,946,230</u>
<b>Deductions</b>			
Benefits	760,742	104,114	864,856
Administrative expenses	5,071	2,879	7,950
<b>Total deductions</b>	<u>765,813</u>	<u>106,993</u>	<u>872,806</u>
<b>Net increase</b>	598,237	475,187	1,073,424
Net assets held in trust for pension benefits:			
May 1, 2006	<u>10,528,837</u>	<u>3,856,015</u>	<u>14,384,852</u>
April 30, 2007	<u>\$ 11,127,074</u>	<u>\$ 4,331,202</u>	<u>\$ 15,458,276</u>

Village of Hazel Crest, Illinois

Schedule of Expenditures - Budget and Actual  
Motor Fuel Tax Fund  
Year Ended April 30, 2007

	Original and Final Budget	Actual
General services:		
Personnel:		
Salaries	\$ 60,000	\$ 52,236
Maintenance, maintenance streets/alleys	7,000	4,224
Contractual services:		
Utilities	80,000	39,746
Rental	90,000	90,000
Consultants	18,000	6,862
Commodities, salt and slag	23,000	35,741
	<u>278,000</u>	<u>228,809</u>
Capital outlay:		
Improvements other than buildings	2,160,500	-
183rd Street improvements	-	38,243
	<u>2,160,500</u>	<u>38,243</u>
<b>Total expenditures</b>	<u>\$ 2,438,500</u>	<u>\$ 267,052</u>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual  
Waterworks and Sewerage Fund  
Year Ended April 30, 2007

	Original and Final Budget	Actual
Operating expenses:		
Personnel:		
Salaries	\$ 560,000	\$ 552,665
FICA	43,000	44,998
IMRF	56,400	57,223
Employee insurance	97,650	96,574
<b>Total personnel</b>	<b>757,050</b>	<b>751,460</b>
Maintenance:		
Maintenance building/grounds	7,000	4,401
Maintenance equipment	26,580	15,331
Maintenance utility system	83,000	64,318
<b>Total maintenance</b>	<b>116,580</b>	<b>84,050</b>
Contractual services:		
Telephone	4,400	2,575
Water purchases	1,060,000	988,688
Utilities	64,000	57,395
Refuse removal	-	-
Rental	600	96
Postage	5,400	5,682
Printing	2,500	551
Legal	-	408
Consultants	10,000	12,564
Training and conferences	750	344
Dues and subscriptions	600	320
<b>Total contractual services</b>	<b>1,148,250</b>	<b>1,068,623</b>
Commodities:		
Office supplies	1,000	1,427
Other supplies	3,700	1,741
Uniforms	4,300	5,626
Gas and oil	33,100	36,453
Bad debts	7,500	37,366
Interest on debt	1,908	-
Sundry	500	-
<b>Total commodities</b>	<b>52,008</b>	<b>82,613</b>

(continued)

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual  
Waterworks and Sewerage Fund  
Year Ended April 30, 2007

	Original and Final Budget	Actual
Operating expenses: (continued)		
Capital outlay:		
Building improvements	\$ 3,300	\$ 3,136
Improvements	59,000	40,810
Equipment	16,500	702
Meters	19,850	15,075
<b>Total capital outlay</b>	<u>98,650</u>	<u>59,723</u>
<b>Total</b>	2,172,538	2,046,469
Depreciation	-	429,389
<b>Total operating expenses</b>	<u>\$ 2,172,538</u>	<u>\$ 2,475,858</u>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual  
Commuter Parking Lot Fund  
Year Ended April 30, 2007

	Original and Final Budget	Actual
Operating expenses:		
Contractual services:		
Utilities	\$ 2,000	\$ 1,704
Consultants	850	813
<b>Total contractual services</b>	<u>2,850</u>	<u>2,517</u>
Other improvements	<u>3,500</u>	-
Total operations	6,350	2,517
Loss on disposition of capital assets		
Depreciation	<u>5,600</u>	<u>5,261</u>
<b>Total operating expenses</b>	<u>\$ 11,950</u>	<u>\$ 7,778</u>

Village of Hazel Crest, Illinois

Capital Assets Used in the Operation of Governmental Funds  
Schedule of Capital Assets -  
By Source  
April 30, 2007

---

Land and land improvements	\$ 937,518
Buildings	2,573,098
Machinery and equipment	4,830,947
Infrastructure	<u>119,097,746</u>
<b>Total capital assets</b>	<b><u><u>\$ 127,439,309</u></u></b>
Investment in capital assets from:	
General obligation bonds	\$ 2,105,000
Current revenue	<u>125,334,309</u>
<b>Total investment in capital assets</b>	<b><u><u>\$ 127,439,309</u></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, 2007**

	Land and Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Total
General services:					
Municipal center	\$ 27,548	\$ 325,789	\$ 203,018	\$ -	\$ 556,355
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>203,018</b>	<b>1,954,058</b>	<b>3,495,386</b>
Public works:					
General	-	285,788	758,901	5,462,549	6,507,238
Road and bridge	156,953	50,466	258,851	108,038,871	108,505,141
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>1,148,588</b>	<b>117,143,688</b>	<b>119,240,983</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>\$ 4,830,947</b>	<b>\$ 119,097,746</b>	<b>\$ 127,439,309</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, 2007**

	Capital Assets May 1, 2006	Additions	Deletions	Capital Assets April 30, 2007
General services:				
Municipal center	\$ 519,837	\$ 36,518	\$ -	\$ 556,355
General services	2,932,547	-	-	2,932,547
Office	6,484	-	-	6,484
<b>Total general services</b>	<b>3,458,868</b>	<b>36,518</b>	<b>-</b>	<b>3,495,386</b>
Public works:				
General	6,422,308	84,930	-	6,507,238
Road and bridge	108,446,203	58,938	-	108,505,141
Forestry	517,357	-	-	517,357
Waste management	3,711,247	-	-	3,711,247
<b>Total public works</b>	<b>119,097,115</b>	<b>143,868</b>	<b>-</b>	<b>119,240,983</b>
Public safety:				
Police	788,189	-	-	788,189
Fire	3,084,995	-	-	3,084,995
911	811,045	-	-	811,045
Civil defense	18,711	-	-	18,711
<b>Total public safety</b>	<b>4,702,940</b>	<b>-</b>	<b>-</b>	<b>4,702,940</b>
<b>Total capital assets</b>	<b>\$ 127,258,923</b>	<b>\$ 180,386</b>	<b>\$ -</b>	<b>\$ 127,439,309</b>

**Village of Hazel Crest, Illinois**

**Schedule of Debt Service Requirements  
April 30, 2007**

	Year Ending April 30,	Principal	Interest	Total
<b>Series 2005</b>				
Dated: April 26, 2005	2008	\$ 50,000	\$ 23,826	\$ 73,826
Payable at: American National Bank	2009	50,000	21,926	71,926
Interest payable monthly at the bank's current	2010	50,000	20,026	70,026
variable rate, 3.80% at April 30, 2006	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>\$ 627,000</u>	<u>\$ 161,538</u>	<u>\$ 788,538</u>
<b>Series 2006</b>				
Dated: December 1, 2006	2008	\$ 140,000	\$ 78,755	\$ 218,755
Authorized issue - \$2,105,000	2009	145,000	73,575	218,575
Payable at: Bank of New York	2010	140,000	68,210	208,210
Interest payable semi-annually at rates	2011	140,000	63,030	203,030
ranging from 3.7 to 3.85%	2012	125,000	57,850	182,850
	2013	135,000	53,225	188,225
	2014	140,000	48,230	188,230
	2015	145,000	43,050	188,050
	2016	150,000	37,685	187,685
	2017	155,000	32,135	187,135
	2018	160,000	26,400	186,400
	2019	170,000	20,320	190,320
	2020	175,000	13,860	188,860
	2021	185,000	7,123	192,123
		<u>\$ 2,105,000</u>	<u>\$ 623,448</u>	<u>\$ 2,728,448</u>
<b>Note Payable</b>				
Dated: April 26, 2006	2008	\$ 39,333	\$ 2,360	\$ 41,693
Authorized issue - \$118,132				
Payable at: Ford Motor Credit Co.				
Interest payable April 6 each year at 6.00%				

Village of Hazel Crest, Illinois

Schedule of Assessed Valuations, Tax Rates,  
Tax Extensions and Tax Collections  
April 30, 2007

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Assessed valuations*	\$ 191,920,129	\$ 182,781,075	\$ 157,083,399	\$ 152,738,655	\$ 152,738,655	\$ 123,609,348	\$ 122,157,987	\$ 121,060,549	\$ 106,922,976	\$ 104,762,947
Tax rates by fund:										
General:										
Corporate	0.2381	0.2227	0.2347	0.2500	0.2046	0.2500	0.2370	0.2261	0.2500	0.2464
Unemployment	0.0036	0.0037	0.0048	0.0040	0.0124	0.0112	0.0030	0.0029	0.0031	0.0030
Crossing Guards	0.0122	0.0130	0.0147	0.0139	0.0164	0.0113	0.0190	0.0181	0.0200	0.0197
Police Protection	0.0714	0.0668	0.0704	0.0750	0.0614	0.0750	0.0711	0.0678	0.0750	0.0739
Fire Protection	0.3810	0.3564	0.3754	0.4000	0.3274	0.4000	0.3792	0.3617	0.4000	0.3943
Road and Bridge - Village	0.0952	0.0876	0.0938	0.1000	0.0818	0.1000	0.0948	0.0904	0.1000	0.0986
Police Pension	0.2286	0.2472	0.2220	0.2259	0.2118	0.2383	0.2361	0.2187	0.2304	0.1937
Fire Pension	0.0956	0.1034	0.1120	0.1050	0.0979	0.0991	0.0948	0.0761	0.0878	0.0805
Civil Defense	0.0018	0.0017	0.0033	0.0096	0.0409	0.0107	0.0147	0.0140	0.0151	0.0147
Illinois Municipal Retirement	0.3178	0.3345	0.3596	0.3717	0.3931	0.4707	0.4940	0.4653	0.4966	0.4778
Waste Management	0.0192	0.0310	0.1335	0.1340	0.1636	0.1534	0.1896	0.1809	0.2000	0.1971
Paramedics	0.2381	0.2190	0.2347	0.2500	0.2046	0.2500	0.2370	0.2261	0.2500	0.2464
Insurance	0.2178	0.2226	0.2399	0.2331	0.1959	0.3722	0.3217	0.3661	0.3961	0.4219
Auditing	0.0177	0.0044	0.0189	0.0236	0.0315	0.0208	0.0331	0.0316	0.0342	0.0333
<b>Total general</b>	<b>1.9381</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>	<b>2.3458</b>	<b>2.5583</b>	<b>2.5013</b>
1993 Fire Pumper	-	-	-	-	0.0404	0.0526	0.0559	0.0592	0.0701	0.0747
1995 Capital Projects	-	-	-	-	-	-	-	-	-	0.0541
1996 Capital Projects	0.0000	0.0000	-	0.0270	0.0340	0.1259	0.0633	0.0504	0.0407	0.0417
1997 G.O. Limited Tax Bond	0.0000	0.0087	0.0101	0.0100	0.0104	0.0127	0.0128	0.0129	0.0000	0.1096
1998 G.O. Limited Tax Bond	0.0000	0.0020	0.0022	0.0025	0.0026	0.0038	0.0032	0.0031	0.0712	-
1999 G.O. Limited Tax Bonds	0.0000	0.0082	0.0096	0.0099	0.0104	0.0127	0.0122	0.0785	0.0916	-
2000 G.O. Limited Tax Bonds	0.0000	0.0049	0.0055	0.0059	0.0058	0.0076	0.0641	-	-	-
2001 G.O. Limited Tax Bonds	0.0000	0.0047	0.0070	0.0065	0.0071	0.0558	0.0000	-	-	-
2002 G.O. Limited Tax Bonds	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2005 G.O. Limited Tax Bonds		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2006 G.O. Limited Tax Bonds		0.0000	0.0086	0.0356	-	-	-	-	-	-
Debt Service:	0.0572	0.0285	0.0430	0.0974	0.1107	0.2711	0.2115	0.2041	0.2736	0.2801
<b>Total</b>	<b>1.9953</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>	<b>2.5499</b>	<b>2.8319</b>	<b>2.7814</b>

Village of Hazel Crest, Illinois

Schedule of Assessed Valuations, Tax Rates,  
Tax Extensions and Tax Collections (continued)  
April 30, 2007

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Tax extensions by fund:										
General:										
Corporate	\$ 456,962	\$ 407,053	\$ 368,675	\$ 381,846	\$ 312,504	\$ 309,023	\$ 289,503	\$ 273,682	\$ 267,307	\$ 258,147
Unemployment	6,909	6,763	7,540	6,000	18,938	13,797	3,660	3,460	3,306	3,156
Crossing Guards	23,414	23,762	23,091	20,600	25,000	14,024	23,161	21,895	21,385	20,652
Police Protection	137,031	122,098	110,587	114,554	93,751	92,707	86,852	82,105	80,192	77,444
Fire Protection	731,216	651,432	589,691	610,955	500,006	494,437	463,205	437,891	427,692	413,035
Road and Bridge - Village	182,708	160,116	147,344	152,739	125,001	123,609	115,802	109,473	106,923	103,259
Police Pension	438,729	451,835	348,725	335,041	323,551	294,506	288,400	264,753	246,365	202,919
Fire Pension	183,476	188,996	175,933	155,746	149,487	122,463	115,843	92,079	93,890	84,324
Civil Defense	3,455	3,107	5,184	14,200	62,501	13,213	17,915	16,936	16,184	15,450
Illinois Municipal Retirement	609,922	611,403	564,872	551,134	600,391	581,847	603,464	563,353	531,015	500,533
Waste Management	36,849	56,662	209,706	198,700	250,003	189,656	231,604	218,946	213,846	206,517
Paramedics	456,962	400,291	368,675	381,847	312,504	309,023	289,503	273,682	267,307	258,147
Insurance	418,002	406,871	376,843	345,728	299,224	460,100	393,041	443,160	423,476	442,036
Auditing	33,970	8,042	29,689	35,000	48,153	25,750	40,467	38,255	36,556	34,898
<b>Total general</b>	<b>3,719,604</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>	<b>2,839,670</b>	<b>2,735,444</b>	<b>2,620,517</b>
Debt Service:										
1993 Fire Pumper	-	-	-	-	61,724	65,026	68,331	71,635	74,940	78,245
1995 Capital Projects	-	-	-	-	-	-	-	-	-	56,661
1996 Capital Projects	-	-	-	41,230	51,713	156,293	77,366	61,021	42,940	43,710
1997 G.O. Limited Tax Bond	-	15,902	15,865	15,295	15,869	16,012	15,641	15,553	77,211	114,890
1998 G.O. Limited Tax Bond	-	3,656	3,456	3,765	3,967	4,489	3,910	3,733	97,393	-
1999 G.O. Limited Tax Bonds	-	14,988	15,080	15,165	15,869	15,519	14,859	95,005	-	-
2000 G.O. Limited Tax Bonds	-	8,956	8,640	8,975	8,926	9,266	78,332	95,005	-	-
2001 G.O. Limited Tax Bonds	-	8,591	10,996	9,995	10,909	68,528	-	-	-	-
2002 G.O. Limited Tax Bonds	109,778	-	13,509	54,350	-	-	-	-	-	-
<b>Subtotal</b>	<b>109,778</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>341,952</b>	<b>292,484</b>	<b>293,506</b>
<b>Total</b>	<b>\$ 3,829,382</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>	<b>\$ 3,181,622</b>	<b>\$ 3,027,928</b>	<b>\$ 2,914,023</b>
Collections	\$ 1,437,222	\$ 3,233,227	\$ 3,369,078	\$ 3,198,171	\$ 3,162,173	\$ 3,324,658	\$ 3,151,749	\$ 3,020,316	\$ 2,966,083	\$ 2,751,297
Percent collections	37.53%	91.06%	99.26%	92.62%	96.11%	98.38%	97.85%	94.93%	97.96%	94.42%

\* Assessed valuation for 2006 is estimated.

## Statistical Section

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	<b>84-89</b>
These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>90-95</b>
These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	<b>96-99</b>
These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>100-102</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	<b>103-104</b>
These schedules contain information about the Village's operations and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.	

### Sources:

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

**Village of Hazel Crest, Illinois**

**Net Assets by Component  
Last Four Fiscal Years**

	Fiscal Year			
	2004	2005	2006	2007
Governmental Activities				
Invested in Capital Assets Net of Related Debt	\$ 24,794,299	\$ 23,447,641	\$ 21,850,030	\$ 20,615,456
Restricted	-	3,370,345	-	755,837
Unrestricted	4,978,709	4,265,665	5,682,785	5,462,469
<b>Total Governmental Activities</b>	<b>\$ 29,773,008</b>	<b>\$ 31,083,651</b>	<b>\$ 27,532,815</b>	<b>\$ 26,833,762</b>
Business-type Activities				
Invested in Capital Assets Net of Related Debt	\$ 5,564,530	\$ 5,207,915	\$ 4,812,536	\$ 4,496,830
Unrestricted	(374,425)	(650,978)	(742,436)	(764,252)
<b>Total Business-type Activities</b>	<b>\$ 5,190,105</b>	<b>\$ 4,556,937</b>	<b>\$ 4,070,100</b>	<b>\$ 3,732,578</b>
Total				
Invested in Capital Assets Net of Related Debt	\$ 30,358,829	\$ 28,655,556	\$ 26,662,566	\$ 25,112,286
Restricted	-	3,370,345	-	755,837
Unrestricted	4,604,284	3,614,687	4,940,349	4,698,217
<b>Total Primary Government</b>	<b>\$ 34,963,113</b>	<b>\$ 35,640,588</b>	<b>\$ 31,602,915</b>	<b>\$ 30,566,340</b>

Data Source

Audited Financial Statements

**Village of Hazel Crest, Illinois**

**Change in Net Assets  
Last Four Fiscal Years**

	Fiscal Year			
	2004	2005	2006	2007
<b>Expenses</b>				
Governmental Activities				
General Government	\$ 2,494,204	\$ 2,808,297	\$ 3,143,886	\$ 5,660,422
Public Safety	4,705,363	5,268,721	5,080,102	5,230,464
Public Works	1,406,264	2,340,877	2,338,699	2,333,101
Interest	110,784	55,906	153,460	358,355
Surplus Distribution	755,000	-	-	-
Total Governmental Activities Expenses	<u>9,471,615</u>	<u>10,473,801</u>	<u>10,716,147</u>	<u>13,582,342</u>
Business-type Activities				
Water and Sewer	2,778,417	2,888,214	3,268,363	2,475,858
Commuter Parking Lot	38,851	40,640	38,231	7,778
Total Business-type Activities Expenses	<u>2,817,268</u>	<u>2,928,854</u>	<u>3,306,594</u>	<u>2,475,858</u>
Total Primary Government Expenses	<u>\$ 12,288,883</u>	<u>\$ 13,402,655</u>	<u>\$ 14,022,741</u>	<u>\$ 16,058,200</u>
<b>Program Revenues</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 1,102,818	\$ 523,511	\$ 1,204,390	\$ 1,792,161
Public Safety	222,053	456,980	339,670	265,472
Public Works	188,224	266,195	14,873	89,728
Operating Grants and Contributions	552,487	-	688,915	710,921
Developer Contributions to Capital	-	-	-	57,080
Total Governmental Activities Program Revenues	<u>2,065,582</u>	<u>1,246,686</u>	<u>2,247,848</u>	<u>2,915,362</u>
Business-type Activities				
Charges for Services				
Water and Sewer	2,342,992	2,255,059	2,778,528	2,103,009
Commuter Parking Lot	37,308	39,304	36,286	38,456
Total Business-type Activities Program Revenues	<u>2,380,300</u>	<u>2,294,363</u>	<u>2,814,814</u>	<u>2,141,465</u>
Total Primary Government Program Revenues	<u>\$ 4,445,882</u>	<u>\$ 3,541,049</u>	<u>\$ 5,062,662</u>	<u>\$ 5,056,827</u>
Net (Expense) Revenue				
Governmental Activities	\$ (7,406,033)	\$ (9,227,115)	\$ (8,468,299)	\$ (10,666,980)
Business-type Activities	(436,968)	(634,491)	(491,780)	(334,393)
Total Primary Government Net (Expense) Revenue	<u>\$ (7,843,001)</u>	<u>\$ (9,861,606)</u>	<u>\$ (8,960,079)</u>	<u>\$ (11,001,373)</u>

(Continued)

Village of Hazel Crest, Illinois

Change in Net Assets (Continued)  
Last Four Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes				
Property	\$ 4,706,739	\$ 4,297,505	\$ 4,243,737	\$ 5,442,857
Sales	654,447	603,416	580,015	694,475
Income and Use	1,057,397	1,217,052	1,348,880	1,475,612
Utility	1,360,115	1,321,900	1,460,390	1,669,226
Other	124,049	613,477	34,907	-
Interest	57,943	85,666	200,128	301,286
Miscellaneous	337,860	288,303	144,694	159,143
Total Governmental Activities	8,298,550	8,427,319	8,012,751	9,742,599
Business-type Activities				
Interest	807	1,323	4,943	4,649
Total Business-type Activities	807	1,323	4,943	4,649
Total Primary Government	\$ 8,299,357	\$ 8,428,642	\$ 8,017,694	\$ 9,747,248
<b>Change in Net Assets</b>				
Governmental Activities	\$ 892,517	\$ (799,796)	\$ (455,548)	\$ (924,381)
Business-type Activities	(436,161)	(633,168)	(486,837)	(329,744)
Total Primary Government	\$ 456,356	\$ (1,432,964)	\$ (942,385)	\$ (1,254,125)

Data Source

Audited Financial Statements

**Village of Hazel Crest, Illinois**

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 135,946	\$ 149,422	\$ 197,125	\$ 353,520	\$ 294,640	\$ 434,188	\$ -	\$ 410,929	\$ -	\$ 656,294
Designated	241,780	255,355	264,687	289,477	306,690	9,765	-	-	-	-
Unreserved	2,253,003	2,385,818	2,387,611	2,738,384	2,585,884	3,221,613	3,800,032	3,584,443	4,021,948	3,465,514
<b>Total General Fund</b>	<b>\$ 2,630,729</b>	<b>\$ 2,790,595</b>	<b>\$ 2,849,423</b>	<b>\$ 3,381,381</b>	<b>\$ 3,187,214</b>	<b>\$ 3,665,566</b>	<b>\$ 3,800,032</b>	<b>\$ 3,995,372</b>	<b>\$ 4,021,948</b>	<b>\$ 4,121,808</b>
All Other Governmental Funds										
Reserved	\$ 25,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369,139	\$ 2,232,416	\$ 760,224	\$ 725,229
Unreserved, reported in										
Special Revenue Funds	(101,995)	47,827	320,716	575,469	735,681	473,262	1,351,879	927,111	1,366,700	1,625,309
Capital Project Funds	382,545	191,197	260,967	319,821	373,998	413,734	557,777	-	520,696	3,903,705
Debt Service Funds	104,299	418,272	775,203	752,193	1,305,295	663,108	509,563	-	1,318,196	-
<b>Total All Other Governmental Funds</b>	<b>\$ 409,919</b>	<b>\$ 657,296</b>	<b>\$ 1,356,886</b>	<b>\$ 1,647,483</b>	<b>\$ 2,414,974</b>	<b>\$ 1,550,104</b>	<b>\$ 2,788,358</b>	<b>\$ 3,159,527</b>	<b>\$ 3,965,816</b>	<b>\$ 6,254,243</b>

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Taxes	\$ 3,964,775	\$ 4,418,190	\$ 5,202,703	\$ 5,196,234	\$ 4,886,296	\$ 5,302,710	\$ 6,043,149	\$ 5,697,688	\$ 5,674,120	\$ 7,047,634
Licenses	217,155	231,462	245,237	235,306	237,643	233,887	276,494	272,063	269,234	225,746
Intergovernmental	2,107,110	2,462,269	2,607,154	2,580,025	2,681,171	2,479,434	2,384,668	2,462,404	2,650,855	2,839,101
Charges for Services	379,802	368,295	400,880	441,741	419,498	403,005	409,727	140,906	404,075	90,000
Fines, fees and permits	736,250	493,392	515,889	581,065	575,777	588,041	743,260	833,717	797,308	1,743,490
Interest	133,197	108,436	202,729	223,653	115,784	76,251	57,943	85,666	200,128	301,286
Miscellaneous	841,367	781,942	416,955	414,037	1,073,437	579,068	448,891	310,293	264,879	353,624
<b>Total Revenues</b>	<b>8,379,656</b>	<b>8,863,986</b>	<b>9,591,547</b>	<b>9,672,061</b>	<b>9,989,606</b>	<b>9,662,396</b>	<b>10,364,132</b>	<b>9,802,737</b>	<b>10,260,599</b>	<b>12,600,881</b>
<b>Expenditures</b>										
General Government	894,375	1,241,947	1,279,724	1,407,684	1,410,308	1,687,816	1,539,136	1,466,126	2,314,136	3,250,733
Public Safety	3,295,649	3,377,961	3,602,905	3,862,077	3,785,274	3,960,072	4,462,029	4,915,997	4,775,722	4,963,655
Administrative Office	255,043	270,668	266,834	273,806	270,788	293,470	305,158	267,939	295,837	281,233
Public Works	838,045	796,001	821,854	1,035,282	1,697,098	988,051	992,931	1,011,076	1,033,578	988,992
Community Relations	54,046	29,712	23,921	5,180	14,777	8,781	1,374	-	39,303	-
Economic Development	-	95,479	142,116	176,951	142,082	142,288	19,451	713,515	68,915	1,800,259
Civil Defense	-	-	-	-	-	6,020	6,014	5,362	3,303	3,282
Insurance	391,888	583,482	581,747	369,929	520,822	513,913	528,684	434,508	374,126	537,226
Capital Outlay	874,757	1,500,267	672,518	681,381	571,963	523,563	674,122	346,222	1,187,936	385,919
Debt Service										
Principal	668,224	607,088	935,984	510,317	533,943	509,921	445,585	84,000	140,693	224,106
Interest	239,066	378,082	195,670	150,759	88,880	20,608	13,519	6,827	39,318	45,365
Other Charges	486,200	494,684	502,105	486,140	470,028	-	-	12,577	-	-
Surplus Distribution	-	-	-	-	-	-	755,000	-	-	-
<b>Total Expenditures</b>	<b>7,997,293</b>	<b>9,375,371</b>	<b>9,025,378</b>	<b>8,959,506</b>	<b>9,505,963</b>	<b>8,654,503</b>	<b>9,743,003</b>	<b>9,264,149</b>	<b>10,272,867</b>	<b>12,480,770</b>
Excess of Revenues over (under) Expenditures	382,363	(511,385)	566,169	712,555	483,643	1,007,893	621,129	538,588	(12,268)	120,111

(Continued)

**Village of Hazel Crest**

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Other financing Sources (Uses)</b>										
Transfers In	\$ 27,336	\$ 10,814	\$ -	\$ 2,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	(27,336)	(10,814)	-	(2,559)	-	-	-	-	-	-
Proceeds from General Obligation Bond	123,000	103,000	153,000	110,000	109,000	110,000	-	-	-	2,042,848
Proceeds from Installment Note	-	-	99,239	-	-	-	-	-	118,132	-
Proceeds from Tax Incremental Revenue Note	-	878,628	-	-	-	-	-	-	-	-
Sale of Debt Certificate	-	-	-	-	-	-	-	727,000	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>123,000</b>	<b>981,628</b>	<b>252,239</b>	<b>110,000</b>	<b>109,000</b>	<b>110,000</b>	<b>-</b>	<b>727,000</b>	<b>118,132</b>	<b>2,042,848</b>
<b>Net Change in Fund Balances</b>	<b>\$ 505,363</b>	<b>\$ 470,243</b>	<b>\$ 818,408</b>	<b>\$ 822,555</b>	<b>\$ 592,643</b>	<b>\$ 1,117,893</b>	<b>\$ 621,129</b>	<b>\$ 1,265,588</b>	<b>\$ 105,864</b>	<b>\$ 2,162,959</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>12.74%</b>	<b>12.51%</b>	<b>13.55%</b>	<b>7.99%</b>	<b>6.97%</b>	<b>6.52%</b>	<b>5.06%</b>	<b>1.02%</b>	<b>1.98%</b>	<b>2.23%</b>

Data Source

Audited Financial Statements

**Village of Hazel Crest, Illinois**

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

Levy Year	EQUALIZED ASSESSED VALUATION							
	Real Property Equalized Assessed Value	Estimated Actual Value	Ratio of Total Assessed to Estimated Actual Value	Estimated Actual Taxable Value	Commercial		Residential	
					Number of permits	Value (1)	Number of permits	Value (1)
1998	\$ 106,922,976	\$ 321,090,018	33.3000	\$ 963,270,054	8	\$ 7,080,000	5	\$ 8,919,817
1999	121,060,549	363,545,192	33.3000	1,090,635,576	3	475,000	45	7,526,726
2000	122,157,987	366,840,802	33.3000	1,100,522,406	-	-	42	6,920,092
2001	123,609,348	371,199,243	33.3000	1,113,597,729	3	2,950,000	31	4,745,663
2002	152,738,655	458,215,965	33.3000	1,374,647,895	4	549,000	22	3,410,276
2003	152,334,566	457,003,698	33.3000	1,371,011,094	-	-	23	4,085,780
2004	157,083,399	471,250,197	33.3000	1,413,750,591	5	4,887,969	41	3,855,832
2005	182,781,075	548,892,117	33.3000	1,646,676,351	1	13,110,000	39	1,315,000
2006	182,781,075	548,892,117	33.3000	1,646,676,351	-	-	57	2,667,106
2007	182,781,075	548,892,117	33.3000	1,646,676,351	7	1,489,706	34	1,897,417

Data Source

Office of the County Clerks and Township Assessors

Note : Most recent data available

**Village of Hazel Crest, Illinois**

**Property Tax Rates - Direct and Overlapping Governments  
Last Eight Levy Years**

	Levy Year							
	1997	1998	1999	2000	2001	2002	2003	2004
Village Direct Rates								
General Corporate	\$ 2.7820	\$ 2.8320	\$ 2.5500	\$ 2.6370	\$ 2.7340	\$ 2.1540	\$ 2.2010	\$ 2.1610
Overlapping Rates								
County of Cook	0.9190	0.9110	0.0854	0.0824	0.7460	0.6900	0.6300	0.5930
Cook County Forest Preserve District	0.0740	0.0720	0.0700	0.0690	0.0670	0.0610	0.0590	0.0600
Suburban TB Sanitarium	0.0080	0.0080	0.0080	0.0080	0.0070	0.0060	0.0040	0.0010
Consolidated Elections	0.0270	-	0.0230	-	0.0320	-	0.0290	-
Bremen Township	0.0610	0.0630	0.0610	0.0630	0.0620	0.0510	0.0530	0.0540
Bremen Twp. Road & Bridge	0.0390	0.0400	0.0380	0.0400	0.0410	0.0350	0.0370	0.0190
Bremen Twp. General Assistance	0.0040	0.0040	0.0030	0.0050	0.0050	0.0060	0.0080	0.0080
Rich Township	0.2220	0.2270	0.2130	0.2230	0.2300	0.2020	0.2110	0.2110
Rich Twp. Road & Bridge	0.0640	0.0650	0.0062	0.0650	0.0680	0.0600	0.0630	0.0630
Rich Twp. General Assistance	0.0230	0.0240	0.0024	0.0250	0.0260	0.0230	0.0240	0.0240
Thornton Township	0.2230	0.2320	0.2140	0.1750	0.1710	0.1560	0.4110	0.4050
Thornton Twp. Road & Bridge	0.0220	0.0220	0.0210	0.0180	0.0180	0.0160	0.0160	0.0160
Thornton Twp. General Assistance	0.0300	0.0300	0.0280	0.0740	0.0730	0.0610	0.1000	0.0980
Metro Water Reclamation District of Chicago	0.4510	0.4440	0.0419	0.0415	0.4010	0.3710	0.3610	0.3470
So. Cook County Mosquito Abatement	0.0120	0.0130	0.0130	0.0140	0.0150	0.0110	0.0130	0.0120
Hazel Crest Park District	0.8650	0.8730	0.7730	0.8010	0.8140	0.6490	0.7070	0.7030
Grande Prairie Pub. Library District	0.4480	0.4580	0.3560	0.3710	0.3760	0.3080	0.3230	0.3120
School District #144	4.6530	4.7100	4.3410	5.0250	4.9610	3.9850	4.1520	3.9350
School District #152 1/2	3.0460	3.8020	2.8580	3.0930	3.1890	2.7260	4.5720	4.5630
School District #152 1/2 School Finance Authority	-	-	-	-	-	2.0780	0.5080	0.4900
School District #153	4.7610	4.8830	4.5730	4.6270	4.5710	3.9980	4.1440	4.1180
School District #161	4.7370	4.7680	4.5390	4.7750	4.7750	4.0810	4.2620	4.2380
Thornton Twp. HSD #205	4.4040	4.6250	4.4090	4.6120	5.3780	4.6140	4.1110	4.1170
Community HSD #228	4.1960	3.9610	3.7200	3.8900	3.8380	3.1580	3.3280	3.3310
Homewood Flossmoor Comm. HSD #233	3.8790	3.8920	3.7050	3.8900	3.7990	4.0830	4.3480	4.3450
So. Suburban Comm. College #510	0.4890	0.4700	0.4420	0.4570	0.4540	0.3860	0.4030	0.4000
Prairie State Comm. College #515	0.3980	0.3970	0.3680	0.3760	0.3790	0.3380	0.3460	0.3410

Data Source

Cook County Clerk

Note: Most recent data available

**Village of Hazel Crest, Illinois**

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

Taxpayer	2005*			2004		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
David Tessler	\$ 4,234,597	1	2.32%	\$ 3,751,224	2	2.46%
Continental Wingate Assoc	4,171,133	2	2.28%	3,054,355	4	2.00%
Taxpayer of 5049 W 159th St. Oak Forest	4,151,861	3	2.27%	3,049,953	5	2.00%
Graycor Services, LLC	3,918,185	4	2.14%	3,521,153	3	2.31%
Paradise Prp	2,868,595	5	1.57%	-	-	0.00%
MI-Jack Products, Inc.	2,735,175	6	1.50%	1,772,085	8	1.16%
Hazel Crest Center, LLC	2,575,822	7	1.41%	-	-	0.00%
South Suburban Office Park, LLC	2,412,842	8	1.32%	-	-	0.00%
GLR Medical PPTY One	2,263,735	9	1.24%	-	-	0.00%
Gierczyk Development	2,248,971	10	1.23%	1,851,048	7	1.21%
Shop-N-Save LLC	-	-	0.00%	4,152,315	1	2.72%
Great Lake REIT	-	-	0.00%	1,872,493	6	1.23%
Matanky Realty Hazel Crest	-	-	0.00%	1,429,486	9	0.94%
SVM Management	-	-	0.00%	1,295,136	10	0.85%
	<u>\$ 31,580,916</u>		<u>17.28%</u>	<u>\$ 25,749,248</u>		<u>16.86%</u>

Data Source

Office of the County Clerk

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

\* 2005 is the most recent information available

**Village of Hazel Crest, Illinois**

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

Levy Year	Tax Levied	Collected within the Fiscal Year after the Levy	
		Amount	Percentage of Levy
1997	\$ 2,914,023	\$ 2,751,297	94.42%
1998	3,027,928	2,966,083	97.96%
1999	3,181,622	3,020,316	94.93%
2000	3,220,859	3,151,749	97.85%
2001	3,379,288	3,324,658	98.38%
2002	3,289,991	3,162,173	96.11%
2003	3,452,865	3,198,171	92.62%
2004	3,394,101	3,369,078	99.26%
2005	3,550,522	3,233,227	91.06%
2006	3,719,604	1,437,222	38.64%

Data Source

Office of the County Clerk

Note: Most recent date available

**Village of Hazel Crest, Illinois**

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

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Merchandise	\$ 7,237	\$ 213	\$ 3,178	\$ 11,571	\$ 13,046	\$ 15,804	\$ -	\$ 26,444	\$ 25,944	\$ 20,100
Food	104,634	118,906	119,370	148,019	157,747	155,842	162,596	150,153	158,539	150,510
Restaurants	50,252	62,637	63,511	60,840	59,484	71,751	68,764	64,897	66,306	68,906
Apparel	258	166	8	138	599	-	4,922	5,413	4,883	6,282
Furniture & Radio	29,467	58,494	26,418	2,079	2,213	3,091	1,091	-	-	-
Lumber, Building, Hardware	4,347	3,419	1,927	3,045	1,944	-	-	-	-	-
Automobile and Filling Stations	99,002	92,142	105,033	108,441	111,104	107,978	103,204	114,205	111,797	121,248
Drugs and Miscellaneous Retail	45,884	56,364	61,917	68,072	77,287	91,434	98,563	112,184	114,702	127,309
Agriculture and All Others	42,331	45,675	52,552	59,695	61,787	72,479	41,820	35,932	37,517	36,105
Manufacturers	43,847	130,316	67,420	162,045	156,797	167,483	127,589	84,694	72,402	51,428
<b>Total</b>	<b>\$ 427,259</b>	<b>\$ 568,332</b>	<b>\$ 501,334</b>	<b>\$ 623,945</b>	<b>\$ 642,008</b>	<b>\$ 685,862</b>	<b>\$ 608,549</b>	<b>\$ 593,922</b>	<b>\$ 592,090</b>	<b>\$ 581,888</b>
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	2.00%
Village home rule sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

**Village of Hazel Crest, Illinois**

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

Fiscal Year	Village Direct Rate	State Rate
1998	1.00%	5.00%
1999	1.00%	5.00%
2000	1.00%	5.00%
2001	1.00%	5.00%
2002	1.00%	5.00%
2003	1.00%	5.00%
2004	1.00%	5.00%
2005	1.00%	5.00%
2006	1.00%	5.00%
2007	2.00%	5.00%

Data Source

Per Illinois Department of Revenue  
Local Tax Allocation Office

**Village of Hazel Crest, Illinois**

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

Fiscal Year Ended	Governmental Activities						Business-Type Activities	Total Primary Government	Ratio of Total Outstanding Debt To Equalized Assessed Valuation*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	General Obligation Debt Certificates	Alternative Revenue Bonds	Tax Incremental Revenue Notes	Revenue Bonds	Note Payable	Note Payable			
1998	\$ 383,000	\$ 341,919	\$ 458,000	\$ 1,357,097	\$ 265,000	\$ -	\$ -	\$ 2,805,016	0.90%	198.21
1999	368,000	284,759	396,000	1,865,797	-	-	-	2,914,556	0.91%	205.95
2000	403,000	227,664	279,000	1,321,147	-	-	-	2,230,811	0.61%	157.63
2001	398,000	170,637	195,000	1,411,857	-	-	-	2,175,494	1.46%	146.83
2002	392,000	113,681	105,000	1,358,501	-	-	-	1,969,182	2.06%	132.91
2003	386,000	56,802	6,000	1,233,641	-	-	-	1,682,443	1.71%	113.56
2004	270,000	-	-	1,064,123	-	-	45,051	1,379,174	1.44%	93.09
2005	186,000	727,000	-	994,462	-	-	-	1,907,462	1.22%	128.74
2006	137,000	677,000	-	1,108,604	-	76,439	47,310	2,046,353	2.26%	138.12
2007	2,105,000	627,000	-	1,028,884	-	39,333	-	3,800,217	1.98%	256.49

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

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

**Village of Hazel Crest, Illinois**

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

Fiscal Year	General Obligation Bonds	Estimated Actual Taxable Value of Property*	Per Capita
1998	\$ 383,000	0.81%	\$ 27.06 <sup>2</sup>
1999	368,000	0.84%	26.00 <sup>3</sup>
2000	403,000	0.72%	28.48 <sup>3</sup>
2001	398,000	0.58%	28.12 <sup>2</sup>
2002	392,000	1.69%	27.70 <sup>3</sup>
2003	386,000	1.43%	27.28 <sup>3</sup>
2004	270,000	1.23%	19.08 <sup>3</sup>
2005	186,000	1.04%	13.14 <sup>3</sup>
2006	137,000	1.81%	9.68 <sup>3</sup>
2007	2,105,000	1.60%	148.74 <sup>3</sup>

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

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

Per Capita:

1 - Special Census

2 - Federal Census

3 - Estimate

**Village of Hazel Crest, Illinois**

**Direct and Overlapping Governmental Activities Debt  
As of April 30, 2007**

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Hazel Crest*	Village of Hazel Crest Share of Debt
Cook County	\$ 3,070,610,000	0.14%	\$ 4,298,854
Cook County Forest Preserve	132,855,000	0.14%	185,997
Metropolitan Water Reclamation District	1,256,985,305	0.14%	1,759,779
Hazel Crest Park District	905,000	100.00%	905,000
School Districts:			
#144	4,910,618	35.65%	1,750,635
#152 1/2	3,993,997	25.13%	1,003,691
#153	8,409,978	1.15%	96,715
#161	4,185,467	8.70%	364,136
High School District #205	26,895,295	1.45%	389,982
High School District #228	20,590,000	8.22%	1,692,498
High School District #233	24,074,326	5.75%	1,384,274
Community College District #510	20,659,998	3.64%	752,024
Community College District #515	15,227,040	1.18%	179,679
Subtotal, overlapping debt	<u>4,590,302,024</u>		<u>14,763,264</u>
Village of Hazel Crest direct debt	<u>\$ 2,105,000</u>	100.00%	<u>\$ 2,105,000</u>
Total direct and overlapping debt	<u><u>\$ 4,592,407,024</u></u>		<u><u>\$ 16,868,264</u></u>

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

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

**Village of Hazel Crest, Illinois**

**Schedule of Legal Debt Margin**

**April 30, 2007**

---

The Village is a home rule municipality.

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

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

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

**Village of Hazel Crest, Illinois**

**Demographic and Economic Information  
Last Ten Fiscal Years**

Fiscal Year	Population		Equalized Assessed Value (EAV)		Per Capita EAV	Unemployment Rate	Per Capita Income
1997	14,049 (A)	\$	103,258,636	\$	7,350	4.7%	\$ 14,112
1998	14,152 (A)		104,762,947		7,403	4.4%	14,112
1999	14,152 (A)		106,922,976		7,555	4.0%	14,112
2000	14,152 (A)		121,060,549		8,554	3.9%	14,112
2001	14,816 (A)		122,157,987		8,245	5.0%	14,112
2002	14,816 (A)		123,609,348		8,343	5.2%	19,908
2003	14,816 (A)		152,738,655		10,309	6.7%	19,908
2004	14,816 (A)		157,083,399		10,602	6.0%	19,908
2005	14,816 (A)		182,781,075		12,337	6.1%	19,908
2006	14,816 (E)		182,781,075		12,337	4.7%	19,908

Note: 2006 information is not yet available

(A) Actual

(E) Estimate

Note: Personal Income data not available

**Village of Hazel Crest, Illinois**

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

Employer	2006			2004*		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Advocate South Suburban Hospital	1400	1	9.45%	1200	1	8.10%
MI-Jack Products, Inc.	500	2	3.37%	500	2	3.37%
In-Terminal Services Corp.	350	3	2.36%	50	5	0.34%
Lanco International	350	4	2.36%	-	-	0.00%
Illinois Brick	55	5	0.37%	55	3	0.37%
Alpha Construction	50	6	0.34%	50	4	0.34%
Best Homes	50	7	0.34%	50	6	0.34%
AB&D Custom Furniture	30	8	0.20%	-	-	0.00%
Bank Financial	25	9	0.17%	25	9	0.17%
McBride Engineering	18	10	0.12%	-	-	0.00%
Lewis Rail Service				38	7	0.26%
Mid-K Distributors				30	8	0.20%
Allied Drywall Material & Marketing Corp				26	10	0.18%

Data Source

Illinois Services Directory and Illinois Manufacturers Directory

\* Most recent accessible data.

**Village of Hazel Crest, Illinois**

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

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Full-Time-Equivalent Employees as of April 30										
General Government										
Administration / Office	7	8	7	7	8	8	8	8	7	7
Public Safety										
Police	39	38	37	34	36	39	39	39	33	33
Fire	15	15	17	16	16	16	17	17	21	22
Public Works										
Public Works Administration	23	22	22	21	21	22	22	22	19	19
Total	84	83	83	78	81	85	86	86	80	81

Data Source

Village Finance Department

Note: Valuing Pool employees full-time-equivalence considered immaterial because most employees are part-time and all employees are seasonal for no more than three months.

**Village of Hazel Crest, Illinois**

**Operating Indicators  
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Community Development										
Building permits issued	652	410	410	53	53	52	46	46	71	41
Public Safety										
Police										
Physical arrests	554	443	480	351	389	278	438	368	352	275
Parking violations	2,119	2,143	2,636	1,236	1,958	2,459	2,188	2,614	2,084	1,626
Traffic violations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	415	333
Public Works										
Streets										
Street resurfacing (miles)	-	-	-	0.25	1.15	0.64	0.25	0.44	2.00	6.19
Potholes repaired	680	380	450	620	630	570	720	430	620	580
Recreation and Culture										
Parks	13	13	13	13	13	13	13	13	13	13
Open space (acres)	150	150	150	150	150	150	150	150	150	150
Water										
New Connections (tap-ons)	0	0	0	0	0	0	0	0	24	10
Average daily consumption*	1.4	1.45	1.464	1.248	1.236	1.275	1.278	1.278	1.3	1.43
Sewers										
Sanitary Sewers (miles)	42	45	47	47	47	47	47	47	47	50
Storm Sewers(miles)	27	30	32	32	32	32	32	32	32	34

\* (thousands of gallons)

Data Source

Various village departments

**Village of Hazel Crest, Illinois**

**Capital Asset Statistics**

**Last Ten Fiscal Years**

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic Patrol Areas	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets										
Streets (miles)	54	55	56	56	56	56	56	56	58	57.00
Streetlights	650	650	650	650	650	650	650	650	652	654
Recreation and Culture										
Number of Parks and Open Space	13	13	13	13	13	13	13	13	13	13
Number of Libraries	1	1	1	1	1	1	1	1	1	1
Number of Volumes	85,661	85,661	87,000	87,000	N/A	N/A	N/A	N/A	N/A	N/A
Water										
Water mains (miles)	56	58	60	60	60	60	60	60	61	63
Wastewater										
Sanitary sewers (miles)	42	45	47	47	47	47	47	47	47	50
Storm Sewers (miles)	27	30	32	32	32	32	32	32	32	34

Data Source

Various village departments