



Village of Hazel Crest, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED APRIL 30, 2013

Village of Hazel Crest, Illinois

**Comprehensive Annual Financial Report
Year Ended April 30, 2013**

Prepared by
James Whigham, Sr.
Village Manager

Marlo Kemp
Village Finance Director

Village of Hazel Crest, Illinois

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**Village President**

Vernard L. Alsberry, Jr.

Clerk

Mary E. Grant

Village Manager

James Whigham Sr.

Village of Hazel Crest

October 15, 2013

Trustees

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

Honorable Village President Alsberry and the Board of Trustees
Village of Hazel Crest
Hazel Crest, Illinois 60429

Board Members:

In accordance with State Statutes and local ordinance provisions, we hereby transmit the Comprehensive Annual Financial Report of the Village of Hazel Crest, Illinois, for the fiscal year ended April 30, 2013. Responsibility for both the accuracy of presented data and completeness of the presentation, including all disclosures, rests with the Village.

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

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

BACKGROUND INFORMATION

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

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

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

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

The Village of Hazel Crest's government concluded fiscal year ended April 30, 2013 in sound financial condition.

ECONOMIC CONDITION AND OUTLOOK

Communities in Cook County continue to use the prior year Assessed Value to determine their Tax Levy. Public Act 89-1 established a 5% limit on the increase in extensions from the prior Levy Year to the current Levy Year, without holding what is known as a "Truth in Taxation" hearing.

The Village recently dissolved its oldest TIF District, the Palmer Lake Business Park. Tax collections for the Palmer Lake TIF ceased in December 2012; and all unexpended funds were remitted to the Cook County Treasurer for distribution to the appropriate taxing bodies on April 30, 2013.

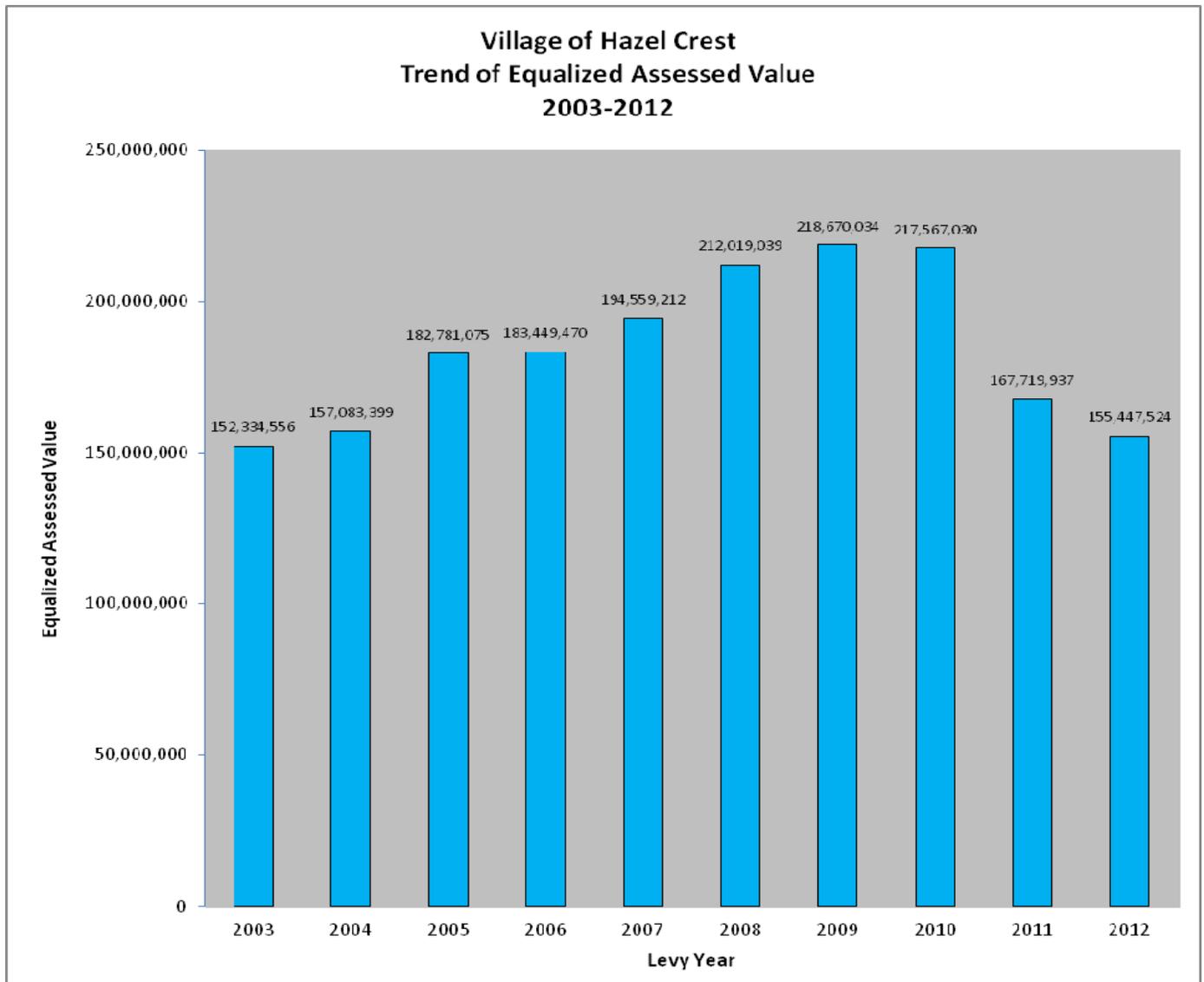
The Village has four remaining established TIF districts. The 183rd Street TIF was established to redevelop French Village by aiding in securing tenants and promoting landscaping and remodeling. The 170th Street TIF was established to initiate Transit Oriented Development (T.O.D.) for the train station and its surrounding areas, develop parking and pedestrian access and institute infrastructure and landscaping improvements. The Cherry Creek TIF remains essentially inactive, although there is an approved Planned Unit Development (P.U.D.) proposal for this site. Along 167th Street a TIF was created to promote development and promote expansion of Mi-Jack products.

MAJOR INITIATIVES

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

Hazel Crest is one of the participating municipalities in the E-Com joint dispatch center along with Homewood, Flossmoor, Glenwood, Riverdale, and South Holland. Participating with other municipalities allows the Village to upgrade dispatch equipment through economies of scale.

Over the last ten years there has been a 2.0% increase in Equalized Assessed Value; the first eight of the ten years saw a 42.8% increase, while the last year saw a 28.6% decrease. The following table illustrates this trend:



PROPERTY TAXES

The allocations of Property Tax rate by generic fund type of tax levy for Levy Year 2012 and the preceding four levy years are as follows:

Purpose	2008	2009	2010	2011	2012
General	\$1.886	\$1.728	\$2.138	\$2.845	\$3.598
GO Debt	.163	.146	.173	.225	.478
Pensions	.414	.452	.476	.717	.438
Totals	\$2.463	\$2.326	\$2.789	\$3.787	\$4.514

INTERNAL ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

In evaluating the Village's account system, the adequacy of internal accounting controls were analyzed and found to provide reasonable assurances related to the reliability of financial records for preparing financial statements and maintaining accountability for assets.

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

The challenges of financing services and maintaining infrastructure in the Village continue to dominate the budget process. Fiscal responsibilities, public safety, infrastructure maintenance, economic development leading to increasing the revenue base, continue to be the priority of the Village Board of Trustees. The Village remains committed to meeting its prescribed fiscal controls.

ILLINOIS MUNICIPAL RETIREMENT FUND

The State of Illinois created a separate entity to provide retirement, death and disability benefits to certain municipal and school district employees. All full-time Village personnel other than qualifying police and firefighters are enrolled in this retirement fund known as the Illinois Municipal Retirement Fund (IMRF). The plan requires employees enrolled to pay 4.5% of earnings toward the plan while the Village pays the balance of the amount necessary to pay normal retirement costs for the year. Comprehensive IMRF Plan Benefits are available at IMRF OFFICES, 2211 York Road, Oak Brook, IL 60523-2337.

DEBT ADMINISTRATION

The ratio of bonded debt to assessed valuation and the amount of bonded debt per capita were useful indicators of the Village's debt position to municipal management, citizens and investors. The data for the Village of Hazel Crest for the 2013 fiscal year is found in the Statistical Section of the report. During the past year \$246,608 of General Obligation Debt was retired as scheduled.

CAPITAL ASSETS

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

All capital assets are valued at estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Capital assets are depreciated at rates intended to amortize the cost over each assets useful life.

TRUST AND AGENCY FUNDS

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

On an annual basis, the Board requests and receives the amount recommended as the employer contribution for the Police Pension Fund. The Village funded \$702,107 during the fiscal year ending April 30, 2013.

The Firefighters' Pension Fund is the direct responsibility of the Hazel Crest Firefighters' Pension Board. As administrators of the Firefighters' Pension Fund, the Board is responsible for a variety of tasks identical to those of the Police Pension Fund, including qualification of participants, certification of benefit amounts, and investment of funds. An actuary annually reviews the financial status of these funds and recommends an amount to be provided by the Village, which when combined with the employee contributions, will assure proper funding of the Firefighters' Pension Fund, given reasonable actuarial assumptions.

On an annual basis, the Village Board reviews and approves the amount recommended as the employer contribution for the Firefighters' Pension Fund. The Village funded \$355,585 during the fiscal year ended April 30, 2013.

REVENUE RECOGNITION

The Village recognizes revenues as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes).

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hazel Crest for its comprehensive annual financial reports (CAFR) for the fiscal year ended April 30, 2012. This was the 31st consecutive year that the government has achieved this prestigious award (fiscal years ended 1982-2012). In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENTS

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

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

Respectfully submitted,



Marlo V. Kemp, Chief Financial Officer

Village of Hazel Crest, Illinois

Principal Officials

April 30, 2013

President

Vernard Alsberry, Jr.

Village Board of Trustees

Jane Brown

Roderick S. Bashir

Debra J. McGhee

Kevin Moore, Sr.

Susan M. Pate

Pat Jackson

Village Manager

James Whigham, Sr.

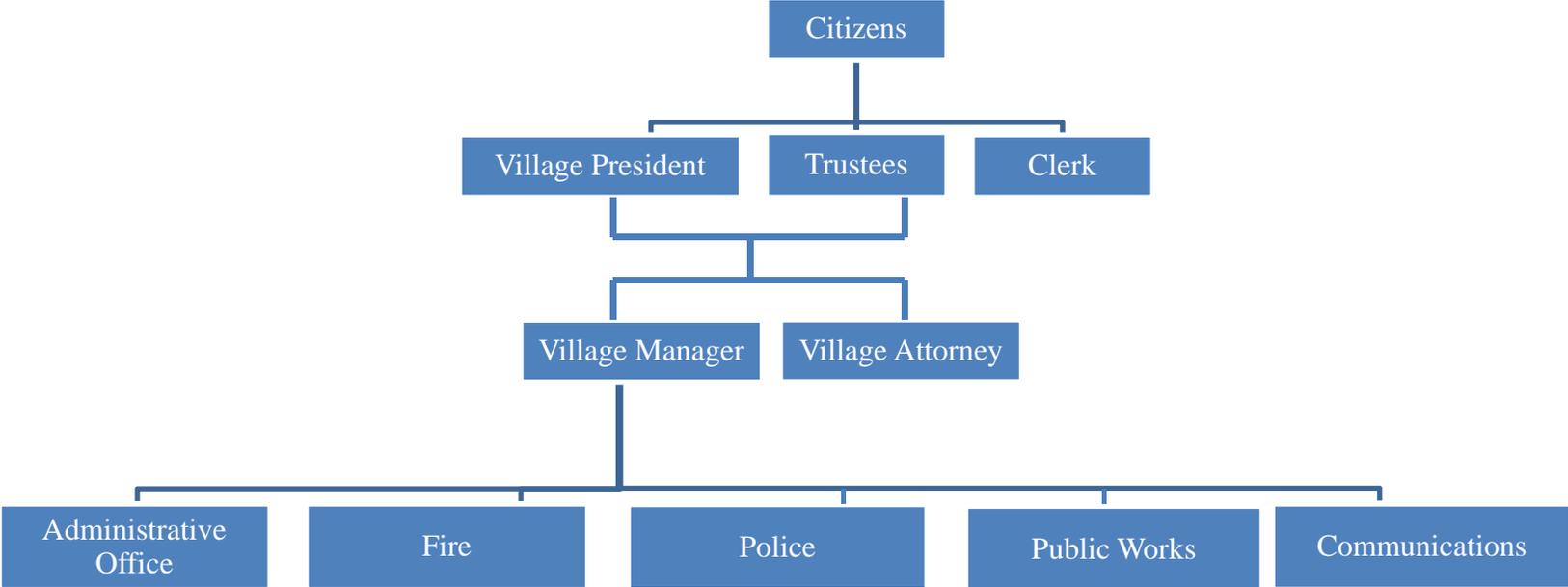
Village Clerk

Mary E. Grant

Village Attorney

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

Village of Hazel Crest Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Hazel Crest
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2012

Executive Director/CEO

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hazel Crest, Illinois, as of and for the year ended April 30, 2013, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hazel Crest, Illinois, as of April 30, 2013, and the respective changes in financial position and cash flows, where applicable, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 – 11), budgetary schedules (pages 56 – 65) and pension and OPEB related information (pages 52 – 55) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

McGladrey LLP

Chicago, Illinois
October 15, 2013

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, 2013. 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 \$21,949,564. Of this amount, \$725,309 is unrestricted and may be used to meet the government's ongoing obligations. The total net position decreased by \$1,061,469 which was due largely to increases in the total liability of the governmental units. The drivers for the increased liability are the \$908,931 increase in OPEB costs and the \$361,388 increase in Notes payable. Total long-term debt of the Village decreased by \$262,746 during the fiscal year. General obligation debt of \$185,000 was repaid in fiscal year 2013. At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,513,120 or 29.1% of total general fund expenditures.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. In the future, the increase or decrease in net position 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 position changed during the most recent fiscal year. All changes in net position 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 12 individual governmental funds, 2 proprietary funds and 2 fiduciary funds. Information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for four major funds: the General fund, the Palmer Lake TIF fund, the 183rd Street TIF fund, and the Hazel Crest Proper TIF fund. Data from the other 8 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report.

The Village adopts an annual appropriated budget for 7 of its funds. No budgets were prepared for any TIF funds, the Community Development Block Grant Fund, or the Capital Projects fund. A budgetary comparison statement has been provided where appropriate to demonstrate compliance with this budget.

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

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

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

Management's Discussion and Analysis

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

Government-Wide Financial Analysis

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

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 15,060,633	\$ 1,232,406	\$ 16,293,039
Capital assets	13,974,407	2,742,083	16,716,490
Noncurrent assets	29,008	-	29,008
Total assets	<u>29,064,048</u>	<u>3,974,489</u>	<u>33,038,537</u>
Long-term liabilities	5,679,364	26,783	5,706,147
Other liabilities	4,992,568	390,258	5,382,826
Total liabilities	<u>10,671,932</u>	<u>417,041</u>	<u>11,088,973</u>
Net position:			
Invested in capital assets	11,865,192	2,742,083	14,607,275
Restricted for various purposes	6,616,980	-	6,616,980
Unrestricted	(90,056)	815,365	725,309
Total net position	<u>\$ 18,392,116</u>	<u>\$ 3,557,448</u>	<u>\$ 21,949,564</u>

The following table is the condensed Village of Hazel Crest Statement of Net Position as of April 30, 2012:

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 13,955,766	\$ 922,996	\$ 14,878,762
Capital assets	15,349,482	2,984,413	18,333,895
Noncurrent assets	33,151	-	33,151
Total assets	<u>29,338,399</u>	<u>3,907,409</u>	<u>33,245,808</u>
Long-term liabilities	5,057,375	226,804	5,284,179
Other liabilities	4,475,474	475,122	4,950,596
Total liabilities	<u>9,532,849</u>	<u>701,926</u>	<u>10,234,775</u>
Net position:			
Invested in capital assets	12,977,521	2,984,413	15,961,934
Restricted for various purposes	6,719,150	-	6,719,150
Unrestricted	108,879	221,070	329,949
Total net position	<u>\$ 19,805,550</u>	<u>\$ 3,205,483</u>	<u>\$ 23,011,033</u>

Management's Discussion and Analysis

Approximately 67% of the Village's net position is invested in capital assets that are used to provide services to the citizens of the Village. Although they are reported net of debt, it should be noted that the resources needed to repay any debt must be provided from other sources since they cannot be liquidated to repay liabilities. It is the unrestricted net position that can be used to meet the ongoing obligations of the Village. The Village management has determined that unrestricted net position of 3 to 6 months of governmental expenditures would ensure the Village is able to continue providing services to its citizens at the current level. The dramatic decrease in unrestricted net position is due to the segregation of Capital Projects funds into its own sub-category. The Village continues to manage its expenditures and revenues with an eye towards increasing the unrestricted fund amount to the desired level.

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

The following table is the condensed Village of Hazel Crest Statement of Activities for the Fiscal Year Ended April 30, 2013:

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

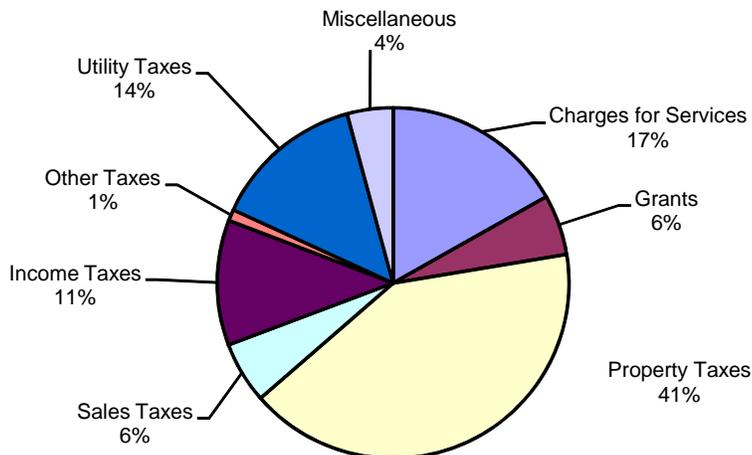
Management's Discussion and Analysis

The following table is the condensed Village of Hazel Crest Statement of Activities for the Fiscal Year Ended April 30, 2012.

	Governmental Activities	Business-type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	\$ 2,398,754	\$ 3,053,393	\$ 5,452,147
Operating grants and contributions	490,318	57,000	547,318
Capital grants and contributions	26,223	-	26,223
General revenues:			
Property taxes	7,205,421	-	7,205,421
Other taxes	3,462,469	-	3,462,469
Other	518,191	-	518,191
Total revenues	14,101,376	3,110,393	17,211,769
Expenses:			
General services	5,998,536	-	5,998,536
Public works	2,592,617	-	2,592,617
Public safety	5,766,476	-	5,766,476
Interest expense	80,939	-	80,939
Waterworks and sewerage	-	2,666,383	2,666,383
Municipal parking	-	43,345	43,345
Total expenses	14,438,568	2,709,728	17,148,296
Increase (decrease) in net position	(337,192)	400,665	63,473
Net position May 1, 2011	20,142,742	2,804,818	22,947,560
Net position April 30, 2012	\$ 19,805,550	\$ 3,205,483	\$ 23,011,033

The following chart summarizes how governmental activities are funded for the year ended April 30, 2013.

Revenues by Source - Governmental Activities

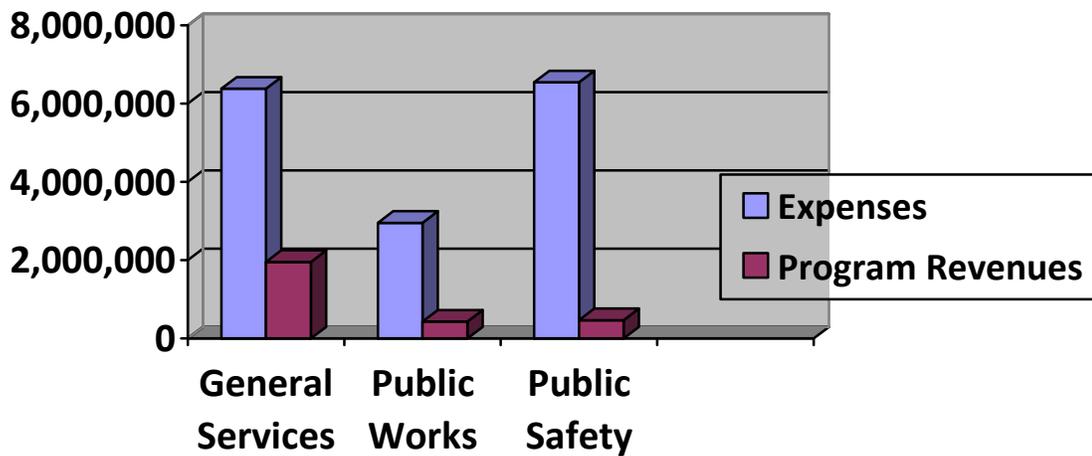


Management's Discussion and Analysis

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

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

Expenses and Program Revenues by Function



Business-type activities are to be funded through charges for related services. This year, water and sewerage revenues exceeded its expenses by \$364,994. The commuter parking lot had expenses of \$13,029 more than its revenue this year.

Financial Analysis of the Government's Funds

Governmental funds provide information on near term inflows, outflows and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$10,563,699, an increase of \$476,881 from the prior year. The unassigned general fund balance represents 29% of total general fund expenditures.

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the waterworks and sewerage fund was \$706,771 and \$108,594 for the commuter parking lot fund. After several years of negative balances, the waterworks and sewerage fund has returned to a positive balance, enhancing the Village's ability to proactively address infrastructure issues.

General Fund Budgetary Highlights

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

Management's Discussion and Analysis

Actual general fund revenues were higher than budgeted revenues by \$1,140,928. This was mainly due to greater property taxes and infrastructures received than anticipated. Actual general expenditures were higher than budgeted expenditures by \$563,552 in the current year.

This year's General Fund shows a \$579,426 fund balance increase, improving on last year's increase of \$199,642. The Village continually tries to keep expenditure increases in line with revenue increases.

Fiscal year 2013 sales tax revenue of \$507,482 decreased by \$25,083 (4.7%) compared to 2012 sales tax revenue of \$532,565. Fiscal year 2013 income tax revenue of \$1,754,474 increased by \$393,381 (28.9%) over 2012 income tax revenue of \$1,361,093. Fiscal year 2013 utility tax revenue of \$1,082,764 increased negligibly over the 2012 utility tax revenue of \$1,082,261. The Village has no control over the amount or timing of these receipts. Fiscal year 2013 ambulance fee revenue of \$370,012 decreased \$18,656 (4.8%) compared to 2012 ambulance fee revenue of \$388,688.

The Village received \$12,948 in interest income this year in the General Fund. With interest rates remaining low, the Village assumed that no interest would be received for budgeting purposes.

Expenditures for the General Fund increased \$140,268 from fiscal year 2012. The percent increases in expenditures by major functions of the Village are shown in the following tabulations:

Expenditure by Function	2012 Amount	Percent of Total	2013 Amount	Percent of Total	Increase (Decrease) Amount	%
General Services	\$3,784,832	32%	\$3,939,758	33%	\$154,296	4%
Communications and Community Relations	96,045	1%	74,548	1%	(21,497)	-22%
Administrative Office	279,764	2%	338,125	3%	58,361	21%
Capital Outlay	235,775	2%	139,227	1%	(96,548)	-41%
Public Works	892,664	7%	1,072,313	9%	(228,945)	20%
Police	3,608,182	30%	3,770,662	31%	179,649	5%
Fire/Paramedics	1,770,528	15%	1,729,844	14%	(40,684)	-2%
Inspection	404,485	3%	396,299	3%	(8,186)	-2%
Insurance	845,972	8%	597,739	5%	(248,333)	-29%
	\$11,918,247		\$12,058,515			

The unassigned fund balance of the General Fund as of April 30, 2013 was \$3,513,120.

Special Revenue Fund Highlights

The Village receives revenue from various sources that are restricted by law to expenditures for specific purposes. These are identified as Special Revenue Funds. The Village's Special Revenue Fund includes the Motor Fuel Tax Fund.

Motor Fuel Tax (MFT) revenues are collected by the state on the sale of fuels and distributed based primarily upon a per capita figure. MFT funds are special revenues due to the restrictions to utilize them on transportation projects, related maintenance repairs or improvements. MFT Fund revenues of \$403,113 in fiscal year 2013 represented a decrease of 21 percent from the \$512,446 collected in fiscal year 2012. Revenues exceeded expenditures during the year by \$157,820 resulting in the current fund balance of \$923,811.

Management's Discussion and Analysis

Other Fund Highlights

The Village has established a Capital Projects Fund in order to undertake major purchases of equipment and improvements to infrastructure or buildings. The April 30, 2013 fund balance for the Capital Projects fund was \$368,235.

The Village has established Tax Incremental Financing (TIF) District funds to account for incremental property taxes of the TIF Districts and the use of those funds. With the dissolution of the Palmer Lake TIF during the fiscal year, its unexpended funds were distributed as a surplus to the impacted taxing bodies, resulting in zero fund balance reported. Of the four remaining TIF funds, two were considered major funds in fiscal year 2013. The 183rd Street TIF had a fund balance increase of \$466,810 and no surplus distribution in fiscal year 2013.

Waterworks and Sewerage Fund Highlights

Fiscal year 2013 water revenues totaled \$3,459,707, an increase of \$383,411 (12.4%) over the prior year. Expenses for the year totaled \$3,094,713, an increase of \$428,330 (16.1%) over the prior year. A net gain of \$364,994 resulted from operations of the Water and Sewerage Fund for fiscal year 2013. The following table presents key statistical information over the past five years for the Water and Sewerage system.

	2012	2011	2010	2009	2008
Number of Metered Accounts (estimate)	4630	4630	4630	4630	4630
Gross Revenue	\$3,076,296	\$2,906,714	\$2,710,196	\$2,462,475	\$2,268,814
Expense	\$2,666,383	\$2,845,464	\$2,886,506	\$2,798,922	\$2,714,028
Operating Income (Loss)	\$409,913	\$61,250	\$(176,310)	\$(336,447)	\$(445,214)

Capital Asset and Debt Administration

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2013, amounts to \$16,716,490, net of depreciation. This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, streets, sidewalks, storm sewers, manholes, hydrants, valves, streetlights and the water distribution system. More details on the Village's capital assets can be found in Note 4 of the financial statements.

At the end of the current year, the Village had total bond debt of \$1,280,000, general obligation debt certificates of \$327,000 and notes payable of \$502,215. More details on the Village's long-term debt obligations can be found in Note 5 of the financial statements.

Economic Factors and Next Year's Budget

The Village continues to attract new businesses into its boundaries, providing both increased convenience for its residents and a fiscal benefit to the Village. Several franchises have opened stores in the Village and others have expressed interest in doing so. With help from incentives offered by the State of Illinois, the Village was able to convince Mi-Jack Products, Inc., one of its largest employers, to keep Hazel Crest as its corporate headquarters; indeed, Mi-Jack has begun to expand its operations in the area.

Management's Discussion and Analysis

The lowering of the 171st Street viaduct in the Hazel Crest Proper area is anticipated to be a trigger for the Transit Oriented Development Plan, which was initiated in fiscal year 2007. A Tax Incremental Financing District is already in place and the Village rezoned the area delineated within the TIF District to promote the Plan. Transit Oriented Development (TOD) focuses on development in and around transit stations, serving the commuter and the local community. The Hazel Crest Metra Electric Station would be the focal point for this development. The area is a nexus point for commuters arriving by bus, auto and on foot to board the train to Chicago. The goal of the TOD plan is to redevelop the area to serve these commuters as well as the local community, with convenient services.

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

Other major developments are as follows:

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

Requests for Information

This financial report is designed to provide a general overview of the Village of Hazel Crest's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Hazel Crest Chief Financial Officer, Marlo V. Kemp, 3000 W. 170th Place, Hazel Crest, IL 60429.

Village of Hazel Crest, Illinois

Statement of Net Position
April 30, 2013

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 9,137,838	\$ 392,926	\$ 9,530,764
Receivables:			
Property taxes	3,791,921	-	3,791,921
Accounts	506,393	839,480	1,345,873
TIF rebate	232,729	-	232,729
Intergovernmental	954,010	-	954,010
Prepays	433,599	-	433,599
Unamortized bond discount and issuance costs	4,143	-	4,143
Total current assets	15,060,633	1,232,406	16,293,039
Noncurrent			
Capital assets, not being depreciated	2,794,975	120,337	2,915,312
Capital assets, net of accumulated depreciation	11,179,432	2,621,746	13,801,178
Unamortized bond discount and issuance costs	29,008	-	29,008
Total noncurrent assets	14,003,415	2,742,083	16,745,498
Total assets	\$ 29,064,048	\$ 3,974,489	\$ 33,038,537

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Position - Continued
April 30, 2013

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
General obligation bonds	\$ 140,000	\$ -	\$ 140,000
General obligation debt certificates	50,000	-	50,000
Notes payable	439,134	-	439,134
Compensated absences	232,216	15,234	247,450
Accounts payable	545,082	75,447	620,529
Accrued expenses	7,383	-	7,383
Accrued interest	26,400	-	26,400
Deposits	99,045	242,577	341,622
Unearned revenue	3,453,308	57,000	3,510,308
Total current liabilities	4,992,568	390,258	5,382,826
Noncurrent			
General obligation bonds	1,140,000	-	1,140,000
General obligation debt certificates	277,000	-	277,000
Notes payable	63,081	-	63,081
Other postemployment benefits	3,710,521	-	3,710,521
Compensated absences	182,186	26,783	208,969
Pension obligation	306,576	-	306,576
Total noncurrent liabilities	5,679,364	26,783	5,706,147
Total liabilities	10,671,932	417,041	11,088,973
Net Position			
Net investment in capital assets	11,865,192	2,742,083	14,607,275
Restricted:			
Compost closure	20,000	-	20,000
Debt service	395,066	-	395,066
Capital projects	5,278,103	-	5,278,103
MFT projects	923,811	-	923,811
Unrestricted (deficit)	(90,056)	815,365	725,309
Total net position	\$ 18,392,116	\$ 3,557,448	\$ 21,949,564

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Activities
Year Ended April 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General services	\$ 6,385,248	\$ 1,897,372	\$ 55,798	\$ -	\$ (4,432,078)	\$ -	\$ (4,432,078)
Public works	2,954,804	28,169	403,114	-	(2,523,521)	-	(2,523,521)
Public safety	6,546,830	466,060	-	-	(6,080,770)	-	(6,080,770)
Interest expense	81,855	-	-	-	(81,855)	-	(81,855)
Total governmental activities	15,968,737	2,391,601	458,912	-	(13,118,224)	-	(13,118,224)
Business-type activities:							
Waterworks and sewerage	3,094,713	3,454,707	5,000	-	-	364,994	364,994
Commuter parking lot	43,236	30,207	-	-	-	(13,029)	(13,029)
Total business-type activities	3,137,949	3,484,914	5,000	-	-	351,965	351,965
Total	\$ 19,106,686	\$ 5,876,515	\$ 463,912	\$ -	(13,118,224)	351,965	(12,766,259)
General revenues							
Taxes:							
Property					7,352,990	-	7,352,990
Replacement					32,203	-	32,203
Sales					507,482	-	507,482
Income					1,577,304	-	1,577,304
Utility and other					1,564,281	-	1,564,281
Interest					12,948	-	12,948
TIF Rebate					232,729	-	232,729
Miscellaneous					424,853	-	424,853
Total general revenues					11,704,790	-	11,704,790
Change in net position					(1,413,434)	351,965	(1,061,469)
Net position:							
May 1, 2012					19,805,550	3,205,483	23,011,033
April 30, 2013					\$ 18,392,116	\$ 3,557,448	\$ 21,949,564

See Notes to Financial Statements.

Fund Financial Statements

Village of Hazel Crest, Illinois

Balance Sheet - Governmental Funds
April 30, 2013

	General Fund	Tax Incremental Financing District Palmer Lake Fund	Tax Incremental Financing District 183rd Street Fund	Tax Incremental Financing District Hazel Crest Proper	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and equivalents	\$ 2,491,808	\$ -	\$ 2,147,901	\$ 1,699,388	\$ 2,798,741	\$ 9,137,838
Receivables:						
Property taxes	3,361,418	-	-	-	430,503	3,791,921
Accounts	506,393	-	-	-	-	506,393
TIF Rebate	232,729	-	-	-	-	232,729
Intergovernmental	929,762	-	-	-	24,248	954,010
Prepays	433,599	-	-	-	-	433,599
Total assets	\$ 7,955,709	\$ -	\$ 2,147,901	\$ 1,699,388	\$ 3,253,492	\$ 15,056,490
Liabilities						
Accounts payable	\$ 466,678	\$ -	\$ -	\$ -	\$ 78,404	\$ 545,082
Accrued expenditures	7,383	-	-	-	-	7,383
Deposits	99,045	-	-	-	-	99,045
Deferred revenue	3,415,884	-	-	-	425,397	3,841,281
Total liabilities	3,988,990	-	-	-	503,801	4,492,791
Fund Balances						
Nonspendable	433,599	-	-	-	-	433,599
Restricted:						
Compost closure	20,000	-	-	-	-	20,000
Debt service	-	-	-	-	395,066	395,066
Capital projects	-	-	2,147,901	1,699,388	1,430,814	5,278,103
MFT projects	-	-	-	-	923,811	923,811
Unassigned	3,513,120	-	-	-	-	3,513,120
Total fund balances	3,966,719	-	2,147,901	1,699,388	2,749,691	10,563,699
Total liabilities and fund balances	\$ 7,955,709	\$ -	\$ 2,147,901	\$ 1,699,388	\$ 3,253,492	\$ 15,056,490

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
April 30, 2013**

Total fund balances-governmental funds	\$ 10,563,699
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,974,407
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Discounts and costs related to issuance of bonds are reductions in the governmental funds in the year of issuance but are capitalized and amortized over the life of the bond issue on the Statement of Net Position.	33,151
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A portion of property tax revenue is deferred in the fund financial statements because it is not available but is recognized as revenue in the government-wide financial statements.	387,973
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Some liabilities reported in the Statement of Net Position do not require the use of
current financial resources and, therefore, are not reported as liabilities in governmental
funds. These activities consist of:

Compensated absences	(414,402)
General obligation debt certificates	(327,000)
General obligation bonds	(1,280,000)
Accrued interest	(26,400)
Notes payable	(502,215)
Other postemployment benefits	(3,710,521)
Pension obligation	(306,576)

Net position of governmental activities	<u>\$ 18,392,116</u>
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See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended April 30, 2013

	General Fund	Tax Incremental Financing District Palmer Lake Fund	Tax Incremental Financing District 183rd Street Fund	Tax Incremental Financing District Hazel Crest Proper	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 5,588,805	\$ 318,667	\$ 476,810	\$ 54,342	\$ 493,627	\$ 6,932,251
Other taxes	1,484,299	-	-	-	-	1,484,299
Intergovernmental	2,462,705	-	-	-	403,113	2,865,818
Fines, fees and permits	1,018,533	-	-	-	-	1,018,533
Licenses	190,553	-	-	-	-	190,553
Charges for services	1,100,996	-	-	-	-	1,100,996
Interest	12,948	-	-	-	-	12,948
TIF Rebate	232,729	-	-	-	-	232,729
Miscellaneous	546,373	-	-	-	-	546,373
Total revenues	12,637,941	318,667	476,810	54,342	896,740	14,384,500
Expenditures:						
Current:						
General services	3,939,758	1,231,253	10,000	10,000	208,532	5,399,543
Administrative office	338,125	-	-	-	-	338,125
Communications and community relations	74,548	-	-	-	-	74,548
Insurance	597,739	-	-	-	-	597,739
Public works	1,072,313	-	-	-	-	1,072,313
Police	3,770,662	-	-	-	-	3,770,662
Fire	1,729,844	-	-	-	-	1,729,844
Inspection	396,299	-	-	-	-	396,299
Debt service:						
Principal	-	-	-	15,769	246,977	262,746
Interest and fees	-	-	-	-	79,812	79,812
Capital outlay	139,227	-	-	-	46,761	185,988
Total expenditures	12,058,515	1,231,253	10,000	25,769	582,082	13,907,619
Net change in fund balance	579,426	(912,586)	466,810	28,573	314,658	476,881
Fund balances:						
May 1, 2012	3,387,293	912,586	1,681,091	1,670,815	2,435,033	10,086,818
April 30, 2013	\$ 3,966,719	\$ -	\$ 2,147,901	\$ 1,699,388	\$ 2,749,691	\$ 10,563,699

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, 2013

Net change in fund balances-total governmental funds	\$ 476,881
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	57,027
Depreciation	(1,432,102)
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 Position.	
	(4,143)
A portion of property taxes are reported in the Statement of Activities that were not available and year-end and therefore are not reported in the governmental funds.	
	387,973
In the prior year, a portion of state income taxes were reported in the Statement of Activities that were not available at year-end and therefore were not reported in the governmental funds. These amounts were reported in the governmental funds in the current year.	
	(177,170)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
	262,746
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Decrease in accrued interest	2,100
Decrease in compensated absences	102,075
(Increase) in pension obligation	(179,890)
(Increase) in other postemployment benefits	(908,931)
	<hr/>
Change in net position of governmental activities	<u><u>\$ (1,413,434)</u></u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Position - Proprietary Funds
 April 30, 2013

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Assets			
Current			
Cash and equivalents	\$ 283,918	\$ 109,008	\$ 392,926
Accounts receivable	839,480	-	839,480
Total current assets	1,123,398	109,008	1,232,406
Noncurrent			
Capital assets, not being depreciated	71,509	48,828	120,337
Capital assets, net of accumulated depreciation	2,476,195	145,551	2,621,746
Total noncurrent assets	2,547,704	194,379	2,742,083
Total assets	\$ 3,671,102	\$ 303,387	\$ 3,974,489

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Position - Proprietary Funds (Continued)

April 30, 2013

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Liabilities			
Current			
Accounts payable	\$ 75,033	\$ 414	\$ 75,447
Deposits	242,577	-	242,577
Deferred revenue	57,000	-	57,000
Compensated absences	15,234	-	15,234
Total current liabilities	389,844	414	390,258
Noncurrent			
Compensated absences	26,783	-	26,783
Total noncurrent liabilities	26,783	-	26,783
Total liabilities	416,627	414	417,041
Net Position			
Invested in capital assets	2,547,704	194,379	2,742,083
Unrestricted	706,771	108,594	815,365
Total net position	\$ 3,254,475	\$ 302,973	\$ 3,557,448

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
 Year Ended April 30, 2013

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Operating revenues:			
Charges for services	\$ 3,330,772	\$ 30,207	\$ 3,360,979
Intergovernmental	5,000	-	5,000
Fines and fees	123,935	-	123,935
Total operating revenues	3,459,707	30,207	3,489,914
Operating expenses:			
Operations	2,782,472	37,976	2,820,448
Depreciation	312,241	5,260	317,501
Total operating expenses	3,094,713	43,236	3,137,949
Operating income (loss)	364,994	(13,029)	351,965
Net position:			
May 1, 2012	2,889,481	316,002	3,205,483
April 30, 2013	<u>\$ 3,254,475</u>	<u>\$ 302,973</u>	<u>\$ 3,557,448</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows - Proprietary Funds
Year Ended April 30, 2013

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Cash flows from operating activities			
Cash received for services	\$ 3,429,179	\$ 30,207	\$ 3,459,386
Payments to employees	(725,072)	-	(725,072)
Payments to suppliers	(2,139,926)	(37,777)	(2,177,703)
Net cash provided by (used in) operating activities	564,181	(7,570)	556,611
Cash flows from noncapital financing activities			
Decrease in due to other funds	(200,365)	-	(200,365)
Cash flows from capital financing activities			
Acquisition of capital assets	(80,037)	-	(80,037)
Net increase (decrease) in cash and equivalents	283,779	(7,570)	276,209
Cash and equivalents:			
May 1, 2012	139	116,578	116,717
April 30, 2013	\$ 283,918	\$ 109,008	\$ 392,926

(Continued)

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows – Proprietary Funds (Continued)
 Year Ended April 30, 2013

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 364,994	\$ (13,029)	\$ 351,965
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	312,241	5,260	317,501
Loss on asset disposal	4,867	-	4,867
Changes in assets and liabilities:			
Accounts receivable	(33,201)	-	(33,201)
Deposits	2,673	-	2,673
Accounts payable	(87,641)	199	(87,442)
Compensated absences	248	-	248
Total adjustments	199,187	5,459	204,646
Net cash provided by (used in) operating activities	\$ 564,181	\$ (7,570)	\$ 556,611

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

**Combined Statement of Fiduciary Net Position
Pension Trust Funds
April 30, 2013**

Assets

Cash and cash equivalents	\$ 844,397
Investments	
Certificates of deposit	1,463,072
U.S. Treasury notes	7,477,820
U.S. Government agencies	1,482,188
Municipal bonds	652,139
Corporate bonds	1,103,929
Insurance contracts	1,050,230
Equity mutual funds	6,746,609
Prepays	3,929
Interest receivable	24,128
	<hr/>
Total assets	20,848,441

Liabilities, accounts payable	<hr/> 565
Net position held in trust for pension benefits	<hr/> \$ 20,847,876 <hr/>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

**Combined Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2013**

Additions

Contributions:

Employer	\$ 1,057,692
Plan members	328,488
Total contributions	<u>1,386,180</u>

Investment income:

Net appreciation in fair value of investments	902,358
Dividends	65,148
Interest	239,397
Less investment expense	(28,587)
Net investment income	<u>1,178,316</u>

Total additions	<u>2,564,496</u>
------------------------	------------------

Deductions

Benefits	1,502,164
Administrative expenses	41,429
Total deductions	<u>1,543,593</u>

Net increase	1,020,903
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Net position held in trust for pension benefits:

May 1, 2012	<u>19,826,973</u>
April 30, 2013	<u>\$ 20,847,876</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Activities

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

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

Financial Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

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

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund, Tax Incremental Financing District Palmer Lake Fund, Tax Incremental Financing District 183rd Street Fund, and Tax Incremental Financing District Hazel Crest Proper. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major proprietary fund – Waterworks and Sewerage Fund. The remaining proprietary fund is reported as a nonmajor proprietary fund.

The Village administers the following major governmental funds:

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

Tax Incremental Financing District Palmer Lake Fund – This fund is used to account for incremental property taxes of the tax incremental financing district in the Palmer Lake Development and the use of those funds. The tax increment financing agreement related to this district expired during fiscal year 2013, and thus the fund had no remaining fund balance at the end of the year.

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

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

The Village administers the following major proprietary fund:

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

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

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

Effective May 1, 2012, the Village retrospectively adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This guidance codified all FASB and AICPA accounting literature issued on or before November 30, 1989 which did not conflict or contradict GASB guidance, directly into the GASB's authoritative literature. There were no significant effects of the financial statements as a result of adoption of this standard.

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

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

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

Investments

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

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

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

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

Prepaid Items

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

Capital Assets

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

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

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

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Unearned Revenue

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

Compensated Absences

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

Long-Term Obligations

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

Fund Equity

Effective May 1, 2011, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB 54 modified certain fund type definitions and provided guidance for classification of stabilization amounts on the face of the balance sheet.

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

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

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

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's President and Board of Trustees. The Village passes formal resolutions to commit their fund balances. As of April 30, 2013, the Village had no committed fund balance.

Assigned – includes amounts that are constrained by the Village's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's President and Board of Trustees; or b) a body or official to which the President and Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's President and Board of Trustees has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, and capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. As of April 30, 2013, the Village had no assigned fund balances.

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

Accounting Estimates

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

Recently Issued Accounting Pronouncements

During the fiscal year ended April 30, 2013, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Since the Village has no deferred inflows or outflows of resources as defined by this standard, this guidance impacted the financial statements only by requiring minor terminology changes, the principal of which was changing the term "net assets" to "net position."

Note 2. Cash and Investments

Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of April 30, 2013, the carrying amount of the Village's deposits was \$356,416 with bank balances totaling \$1,564,895. All of the Village's deposits were insured or collateralized at April 30, 2013. The Village also had \$1,452 of petty cash on hand at April 30, 2013.

The Village had \$10,017,293 invested with the Illinois Funds at April 30, 2013. The State Treasurer maintains the Illinois Funds at cost (a 2a7 like pool) through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The fair value of the Village's investment in the funds is the same as the value of the pool shares. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The Village's investments in the Illinois Funds are not required to be categorized because these are not securities. The relationship between the Village and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Investments

As of April 30, 2013, the Village had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury notes	\$ 7,477,820	\$ 640,487	\$ 5,159,384	\$ 1,677,949	\$ -
U.S. Agencies - FHLB	292,157	85,365	106,077	-	100,715
U.S. Agencies - GNMA	1,190,031	-	12,986	53,503	1,123,542
Municipal bonds	652,139	-	10,900	247,874	393,365
Insurance contracts	1,050,230	-	1,050,230	-	-
Corporate Bonds	1,103,929	-	196,100	50,779	857,050
Certificates of deposit	1,463,072	447,850	1,015,222	-	-
	<u>\$ 13,229,378</u>	<u>\$ 1,173,702</u>	<u>\$ 7,550,899</u>	<u>\$ 2,030,105</u>	<u>\$ 2,474,672</u>

The Village also has equity mutual fund investments totaling \$6,746,609, which is not included in the schedule above.

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

Credit Risk. State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest in investments as allowed by Illinois Compiled Statutes. As of April 30, 2013, the Village's investments in U.S. Government agencies, municipal bonds, and certificates of deposit were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Village's investments in the Illinois Funds were rated AAAM by Standard & Poor's. The money market mutual funds and insurance contracts were not rated. The Village's investment policy does not address credit risk.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Concentration of Credit Risk. Concentration of credit risk is the Village's risk when more than 5 percent of the Village's investments are with a single issuer. The Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over concentration in a specific issuer or class of securities. The diversification can be by type of investment, number of institutions invested in, and length of maturity. More than 5 percent of the Village's investments are in U.S. Agencies-GNMA, Insurance Contracts, Money Market Mutual Funds, and Certificates of Deposit. These investments are 6.0%, 5.3%, 33.8%, and 7.3% respectively, of the Village's total investments.

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

The previously discussed deposits of \$356,416, petty cash of \$1,452, Illinois Funds of \$10,017,293, and investments of \$19,975,987 total \$30,351,148, and are reported in the financial statements as follows:

Governmental and business-type activities,	
Cash and cash equivalents	\$ 9,530,764
Fiduciary Funds:	
Cash and cash equivalents	844,397
Investments:	
Certificates of deposit	1,463,072
U.S. Treasury notes	7,477,820
U.S. Government agencies	1,482,188
Municipal bonds	652,139
Corporate bonds	1,103,929
Insurance contracts	1,050,230
Equity mutual funds	6,746,609
	<hr/>
Total	<u><u>\$ 30,351,148</u></u>

Note 3. Property Taxes

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

A reduction for collection losses (3%) based on historical collection experience has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after the year-end is not considered available to pay current liabilities and is, therefore, shown as deferred revenue.

The Village considers that the first half of the 2012 levy is to be used to finance operations in fiscal 2013. The Village has determined that the second half of the 2012 levy is to be used to finance operations in 2014 and has deferred the corresponding revenue.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 4. Capital Assets

Governmental Activities

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

	Balance May 1, 2012	Additions	Retirements	Balance April 30, 2013
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 860,013	\$ -	\$ -	\$ 860,013
Right of way	1,760,980	-	-	1,760,980
Easements/open land	173,982	-	-	173,982
	<u>2,794,975</u>	<u>-</u>	<u>-</u>	<u>2,794,975</u>
Capital assets being depreciated:				
Land improvements	237,748	-	-	237,748
Buildings	2,658,408	-	-	2,658,408
Machinery and equipment	5,299,398	30,532	233,469	5,096,461
Streets	107,920,640	-	-	107,920,640
Sidewalks	5,179,861	26,495	-	5,206,356
Storm sewers	3,683,721	-	-	3,683,721
Manholes	189,109	-	-	189,109
Hydrants	290,146	-	-	290,146
Valves	42,497	-	-	42,497
Streetlights	409,393	-	-	409,393
	<u>125,910,921</u>	<u>57,027</u>	<u>233,469</u>	<u>125,734,479</u>
Less accumulated depreciation for:				
Land improvements	204,111	4,774	-	208,885
Buildings	1,802,567	55,070	-	1,857,637
Machinery and equipment	4,091,946	237,408	233,469	4,095,885
Streets	98,524,579	1,043,806	-	99,568,385
Sidewalks	4,876,660	53,434	-	4,930,094
Storm sewers	3,139,389	27,831	-	3,167,220
Manholes	160,713	1,469	-	162,182
Hydrants	140,093	4,597	-	144,690
Valves	39,002	182	-	39,184
Streetlights	377,354	3,531	-	380,885
	<u>113,356,414</u>	<u>1,432,102</u>	<u>233,469</u>	<u>114,555,047</u>
Capital assets being depreciated, net:				
Land improvements	33,637	(4,774)	-	28,863
Buildings	855,841	(55,070)	-	800,771
Machinery and equipment	1,207,452	(206,876)	-	1,000,576
Streets	9,396,061	(1,043,806)	-	8,352,255
Sidewalks	303,201	(26,939)	-	276,262
Storm sewers	544,332	(27,831)	-	516,501
Manholes	28,396	(1,469)	-	26,927
Hydrants	150,053	(4,597)	-	145,456
Valves	3,495	(182)	-	3,313
Streetlights	32,039	(3,531)	-	28,508
Total capital assets being depreciated, net	<u>12,554,507</u>	<u>(1,375,075)</u>	<u>-</u>	<u>11,179,432</u>
Governmental activities capital assets, net	<u>\$ 15,349,482</u>	<u>\$ (1,375,075)</u>	<u>\$ -</u>	<u>\$ 13,974,407</u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Business-Type Activities

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

	Balance May 1, 2012	Additions	Retirements	Balance April 30, 2013
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	1,972,725	80,037	102,555	1,950,207
Distribution system	10,865,805	-	-	10,865,805
	<u>13,619,092</u>	<u>80,037</u>	<u>102,555</u>	<u>13,596,574</u>
Less accumulated depreciation for:				
Land improvements	155,732	6,760	-	162,492
Buildings	348,359	12,593	-	360,952
Machinery and equipment	1,514,003	67,274	97,688	1,483,589
Distribution system	8,736,922	230,873	-	8,967,795
	<u>10,755,016</u>	<u>317,500</u>	<u>97,688</u>	<u>10,974,828</u>
Capital assets being depreciated, net:				
Land improvements	152,310	(6,760)	-	145,550
Buildings	124,161	(12,593)	-	111,568
Machinery and equipment	458,722	12,763	4,867	466,618
Distribution system	2,128,883	(230,873)	-	1,898,010
Total capital assets being depreciated, net	<u>2,864,076</u>	<u>(237,463)</u>	<u>4,867</u>	<u>2,621,746</u>
Business-type activities capital assets, net	<u>\$ 2,984,413</u>	<u>\$ (237,463)</u>	<u>\$ 4,867</u>	<u>\$ 2,742,083</u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Depreciation Charged to Functions / Activities

Depreciation was charged to functions/activities as follows:

Governmental activities:

General services	\$ 38,011
Public works	1,338,224
Public safety	55,867
Total depreciation expense - governmental activities	<u>\$ 1,432,102</u>

Business-type activities:

Waterworks and sewerage	\$ 312,240
Commuter parking lot	5,260
Total depreciation expense - business-type activities	<u>\$ 317,500</u>

Note 5. Long-Term Obligations

Governmental Activities

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2013:

	Outstanding Obligations as of May 1, 2012	Additions	Reductions	Outstanding Obligations as of April 30, 2013	Due Within One Year
General obligation bonds	\$ 1,415,000	\$ -	\$ 135,000	\$ 1,280,000	\$ 140,000
General obligation debt certificates	377,000	-	50,000	327,000	50,000
Notes payable	579,961	-	77,746	502,215	439,134
Compensated absences	516,477	270,305	372,380	414,402	232,216
Net pension obligation	126,686	1,254,195	1,074,305	306,576	-
Other postemployment benefits	2,801,590	1,069,469	160,538	3,710,521	-
	<u>\$ 5,816,714</u>	<u>\$ 2,593,969</u>	<u>\$ 1,869,969</u>	<u>\$ 6,540,714</u>	<u>\$ 861,350</u>

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Business-Type Activities

The following is a summary of long-term obligation activity for the Village associated with business-type activities for the year ended April 30, 2013:

	Outstanding Obligations as of May 1, 2012	Additions	Reductions	Outstanding Obligations as of April 30, 2013	Due Within One Year
Compensated absences	\$ 41,769	\$ 26,858	\$ 26,611	\$ 42,016	\$ 15,234

Outstanding obligations for both governmental and business-type activities as of April 30, 2013 consist of the following:

General obligation bonds:

General obligation bonds, Series 2006 dated December 1, 2006. Principal is due in semi-annual installments on June 1 and December 1 in varying amounts through 2021. Interest is due in semi-annual installments on June 1 and December 1 at rates from 3.7% to 3.85%. \$ 1,280,000

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. 327,000

Notes payable:

Note payable due in annual installments on December 31 in the amount of \$15,769 through 2017. The note is interest free. 78,850

Notes payable due in semi-annual installments on June 30 and December 31 in varying amounts through 2013 with a final balloon payment in 2014. Interest is 3.83%. 423,365

Compensated absences, governmental activities 414,402

Compensated absences, business-type activities 42,016

Net pension obligation 306,576

Other postemployment benefits 3,710,521

Total outstanding obligations \$ 6,582,730

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

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

Fiscal Year	Governmental Activities					
	General Obligation Bonds		Debt Certificates		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 140,000	\$ 48,230	\$ 50,000	\$ 12,426	\$ 439,134	\$ 17,080
2015	145,000	43,050	50,000	10,526	15,769	-
2016	150,000	37,685	50,000	8,626	15,769	-
2017	155,000	32,135	50,000	6,726	15,769	-
2018	160,000	26,400	50,000	4,826	15,774	-
2019	170,000	20,320	50,000	2,926	-	-
2020	175,000	13,860	27,000	1,026	-	-
2021	185,000	7,123	-	-	-	-
	<u>\$ 1,280,000</u>	<u>\$ 228,803</u>	<u>\$ 327,000</u>	<u>\$ 47,082</u>	<u>\$ 502,215</u>	<u>\$ 17,080</u>

Interest on the variable-rate general obligation bonds is paid at the Bank of New York corporate rate and is reset weekly. The interest rate was 0.50 percent at April 30, 2013.

Note 6. Pension and Retirement Plan Commitments

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

Illinois Municipal Retirement Fund

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

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

Funding Policy. As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar years 2013 and 2012 were 19.71 and 15.88 percent, respectively, of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

The Village's annual pension cost and net pension obligation to the plan for fiscal year 2013 were as follows:

Annual required contribution	\$ 516,084
Interest on net pension obligation	9,501
Adjustment to annual requirement contribution	<u>(6,792)</u>
Annual pension cost	518,793
Contributions made	<u>372,198</u>
Increase in net pension obligation	146,595
Net pension obligation, beginning of year	<u>126,686</u>
Net pension obligation, end of year	<u><u>\$ 273,281</u></u>

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	
04/30/13	\$ 518,793	72	%
04/30/12	310,645	83	
04/30/11	272,350	74	

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on a open 30-year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the regular plan was 35.05 percent funded. The actuarial accrued liability for benefits was \$7,212,972 and the actuarial value of assets was \$2,528,037, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,684,935. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$2,113,977 and the ratio of the UAAL to the covered payroll was 222 percent.

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Sheriff's Law Enforcement Personnel

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

Funding Policy. As set by statute, the Village's regular plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar years 2013 and 2012 was 14.89 and 13.46 percent, respectively, of annual covered payroll. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year 2013, the Village's annual pension cost of \$13,851 for the Regular plan was equal to the Village's required and actual contributions.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
04/30/13	\$ 13,851	100 %
04/30/12	12,754	100
04/30/11	12,531	100

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of the Village's SLEP plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's SLEP plan's overfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on a open 30-year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the SLEP's plan was 128.69 percent funded. The actuarial accrued liability for benefits was \$75,364 and the actuarial value of assets was \$96,984, resulting in an overfunded actuarial accrued liability (UAAL) of \$21,620. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$102,907. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Plan

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

Covered employees are currently required to contribute 9.91 percent of their base salary to the Police Pension Plan. The member rate is determined by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year ended April 30, 2012 was 43.74 percent of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

The most recent actuarial valuation date was April 30, 2012.

The Village's annual pension cost and net pension obligation/asset to the Plan for the year ended April 30, 2013, were as follows:

Annual required contribution	\$ 735,436
Interest on net pension obligation	(92)
Adjustment to annual requirement contribution	58
Annual pension cost	<u>735,402</u>
Contributions made	<u>702,107</u>
Change in net pension obligation	33,295
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ 33,295</u></u>

The annual required contribution for the year ended April 30, 2013 was determined as part of the April 30, 2011, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0 percent investment rate of return, (b) projected salary increases of 5.0 percent, (c) 3.0 percent per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of Police Pension assets was determined using the current market value of the assets. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2012, was 29 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/13	\$ 735,402	\$ 702,107	95 %	\$ 33,295
04/30/12	803,032	803,032	100	-
04/30/11	726,121	726,121	100	-

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

The funded status of the Police Pension Plan as of April 30, 2012, the most recent actuarial valuation, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
4/30/2012	\$ 13,595,570	\$ 20,822,834	\$ 7,227,264	65.3 %	\$ 1,835,758	393.7 %

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

Membership in the plan consisted of the following as of April 30, 2012:

Retirees and beneficiaries receiving benefits	19
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	13
Active nonvested plan members	14
	47

Firefighters' Pension Plan

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

Covered employees are required to contribute 9.455 percent of their salary to the Firefighters' Pension Plan. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year ended April 30, 2012, was 18.64 percent of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

The most recent actuarial valuation date was April 30, 2013.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2013, were as follows:

Annual required contribution	\$ 316,266
Interest on net pension obligation	11,618
Adjustment to annual requirement contribution	27,701
Annual pension cost	<u>355,585</u>
Contributions made	<u>355,585</u>
Change in net pension obligation	-
Net pension obligation, beginning of year	<u> </u>
Net pension obligation, end of year	<u><u>\$ -</u></u>

The annual required contribution for the year ended April 30, 2013, was determined as part of the April 30, 2013, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0 percent investment rate of return, (b) projected salary increases of 5.0 percent, and (c) 3.0 percent per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2013, was 29 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/13	\$ 355,585	\$ 355,585	100.0 %	\$ -
04/30/12	352,403	418,097	118.6	-
04/30/11	263,250	418,097	158.8	137,802

The funded status of the Firefighters' Pension Plan as of April 30, 2013, the most recent actuarial valuation, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
4/30/2012	\$ 6,035,216	\$ 7,632,503	\$ 1,597,287	79.1	\$ 1,189,974	134.2 %

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Membership in the plan consisted of the following as of April 30, 2012:

Retirees and beneficiaries receiving benefits	5
Terminated plan members entitled to but not yet receiving benefits	2
Active vested plan members	6
Active nonvested plan members	11
	24
	24

Combining Statement of Fiduciary Net Position

Pension Trust Funds

April 30, 2013

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 678,942	\$ 165,455	\$ 844,397
Investments:			
Certificates of deposit	100,000	1,363,072	1,463,072
U.S. Treasury notes	7,477,820	-	7,477,820
U.S. Government agencies	109,106	1,373,082	1,482,188
Municipal bonds	-	652,139	652,139
Corporate bonds	857,050	246,879	1,103,929
Insurance contracts	1,050,230	-	1,050,230
Equity mutual funds	3,765,359	2,981,250	6,746,609
Prepays	-	3,929	3,929
Interest receivable	-	24,128	24,128
	14,038,507	6,809,934	20,848,441
Total assets			
	14,038,507	6,809,934	20,848,441
Liabilities, accounts payable	-	565	565
Net position held in trust for pension benefits	\$ 14,038,507	\$ 6,809,369	\$ 20,847,876

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2013

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 702,107	\$ 355,585	\$ 1,057,692
Plan members	214,339	114,149	328,488
Total contributions	916,446	469,734	1,386,180
Investment income:			
Net appreciation in fair value of investments	564,136	338,222	902,358
Dividends	65,148	-	65,148
Interest	78,703	160,694	239,397
Less investment expense	(10,237)	(18,350)	(28,587)
Net investment income	697,750	480,566	1,178,316
Total additions	1,614,196	950,300	2,564,496
Deductions			
Benefits	1,146,275	355,889	1,502,164
Administrative expenses	24,985	16,444	41,429
Total deductions	1,171,260	372,333	1,543,593
Net increase	442,936	577,967	1,020,903
Net position held in trust for pension benefits:			
May 1, 2012	13,595,571	6,231,402	19,826,973
April 30, 2013	\$ 14,038,507	\$ 6,809,369	\$ 20,847,876

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 7. Risk Management

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

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

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

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

Note 8. Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. The Plan allows eligible employees to defer a portion of their compensation up to \$13,000. Such accruals accumulate on a tax-deferred basis until the employee withdraws the funds. There were no contributions to the plan by the Village for the year ended April 30, 2013.

Note 9. Other Fund Disclosures (FFS Level Only)

Excess of Expenditure Over Budget

The following funds overexpended their budgets during the year ended April 30, 2013 as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
General	\$ 11,497,013	\$ 12,058,515
Limited Tax Bonds	188,225	188,601
Fire Equipment Notes	79,970	81,969
Commuter Parking Lot	41,900	43,345

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 10. Postemployment Healthcare Plan

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

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements. Retirees receive coverage under the Village's health plan with an employer contribution rate of 92.5 percent of the premiums for the coverage elected by the employee and 25 percent of the premiums for coverage elected by dependents. For fiscal year 2013, the Village contributed \$160,538 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Village's net OPEB obligation at April 30, 2013 is included as a liability on the Statement of Net Position as "other postemployment benefits." The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2013, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	\$ 1,011,081
Interest on net OPEB obligation	126,072
Adjustment to annual required contribution	<u>(67,684)</u>
Annual OPEB cost (expense)	1,069,469
Contributions made	<u>160,538</u>
Increase in net OPEB obligation	908,931
Net OPEB obligation, beginning of year	<u>2,801,590</u>
Net OPEB obligation, end of year	<u><u>\$ 3,710,521</u></u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 10. Postemployment Healthcare Plan (Continued)

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/13	\$ 1,069,469	0.15 %	\$ 3,710,521
04/30/12	995,242	17.0	2,801,590
04/30/11	995,242	17.3	1,975,642

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

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

Actuarial Methods and Assumptions. In the April 30, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual health care cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2012 was 29 years.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 11. New Governmental Accounting Standards

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

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the Village beginning with its year ending April 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, will be effective for the Village beginning with its year ending April 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity’s risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

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

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, will be effective for the Village beginning with its year ending April 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 11. New Governmental Accounting Standards (Continued)

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, will be effective for the Village beginning with its year ending April 30, 2015. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

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

Required Supplementary Information

Village of Hazel Crest, Illinois

Required Supplementary Information

Schedule of Funding Progress - Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Underfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2012	\$ 2,528,037	\$ 7,212,972	\$ 4,684,935	35.05 %	\$ 2,113,977	221.62 %
12/31/2011	2,410,665	6,970,175	4,559,510	34.59	1,995,565	228.48
12/31/2010	3,111,573	7,213,630	4,102,057	43.13	2,268,797	180.80

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$2,784,772. On a market basis, the funded ratio would be 38.61 percent.

Schedule of Funding Progress – Sheriff’s Law Enforcement Personnel

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Overfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Overfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2012	\$ 96,984	\$ 75,364	\$ (21,620)	128.69 %	\$ 102,907	- %
12/31/2011	74,029	49,427	(24,602)	149.77	101,708	-
12/31/2010	53,971	24,537	(29,434)	219.96	100,093	-

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$98,956. On a market basis, the funded ratio would be 131.30 percent.

Village of Hazel Crest, Illinois

**Required Supplementary Information
Police Pension Fund**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Underfunded AAL as a Percentage of Covered Payroll [(b-a)/c]
4/30/2012	\$ 13,595,570	\$ 20,822,834	\$ 7,227,264	65.3 %	\$ 1,835,758	393.7 %
4/30/2011	12,770,631	20,560,099	7,789,468	62.1	1,783,824	436.7
4/30/2010	11,902,693	20,013,788	8,111,095	59.5	1,732,405	468.2

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
4/30/2012	\$ 735,402	0.955 %
4/30/2011	690,177	116.4
4/30/2010	610,555	118.9
4/30/2009	565,393	115.2
4/30/2008	564,962	101.2
4/30/2007	461,857	103.3

Village of Hazel Crest, Illinois

**Required Supplementary Information
Firefighters' Pension Fund**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) Underfunded AAL as a Percentage of Covered Payroll [(b-a)/c]
4/30/2012	\$ 6,035,216	\$ 7,632,503	\$ 1,597,287	79.1	\$ 1,189,974	134.2 %
4/30/2010	5,191,747	6,727,510	1,535,763	77.2	1,173,806	130.8
4/30/2009	4,341,352	6,172,319	1,830,967	70.3	1,164,144	157.3

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
4/30/2013	316,266	112.4 %
4/30/2012	119,601	349.6
4/30/2010	252,915	132.6
4/30/2009	239,740	114.6
4/30/2008	280,664	71.3
4/30/2007	220,970	87.7

Village of Hazel Crest, Illinois

**Required Supplementary Information
Postemployment Healthcare Plan**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
4/30/2013	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2012	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2011	\$ -	\$ 9,566,603	\$ 9,566,603	\$ -	\$ 6,381,866	149.9 %
4/30/2010	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
4/30/2013	\$ 1,011,081	15.9 %
4/30/2012	1,069,469	15.0
4/30/2011	1,011,081	15.9
4/30/2010	727,595	23.1

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

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Revenues
 Budget and Actual
 Year Ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Property taxes	\$ 5,479,413	\$ 5,588,805	\$ 109,392
Other taxes:			
Utility	1,110,000	1,082,764	(27,236)
Home rule fuel tax	70,000	55,798	(14,202)
Home rule sales tax	259,000	345,242	86,242
Amusement	1,000	495	(505)
Total other taxes	1,440,000	1,484,299	44,299
Intergovernmental:			
Property tax road and bridge	33,000	32,766	(234)
Replacement	30,000	32,203	2,203
Sales	475,000	507,482	32,482
Income tax	1,350,000	1,754,474	404,474
E-Com revenue	130,000	135,780	5,780
Total intergovernmental	2,018,000	2,462,705	444,939
Fines, fees and permits:			
Vehicle license penalties	12,000	14,560	2,560
Illinois red speed	10,000	1,649	(8,351)
Finance charges	100	28	(72)
Plan reviews	16,000	31,024	15,024
Franchise fees	50,000	65,576	15,576
Building permits	60,000	112,097	52,097
Circuit court fines	80,000	92,064	12,064
Ambulance fees	325,000	370,012	45,012
Inspections	100,000	112,255	12,255
Cable television franchise fees	120,000	133,368	13,368
Contractor registration	45,000	42,475	(2,525)
Refuse removal penalties	35,000	41,090	6,090
Alarm violations	4,000	2,335	(1,665)
Total fines, fees and permits	857,100	1,018,533	161,433

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Revenues
 Budget and Actual (Continued)
 Year Ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Licenses:			
Raffle licenses	\$ -	\$ 25	\$ 25
Liquor	5,000	3,170	(1,830)
Vehicles	180,000	174,378	(5,622)
Business	40,000	12,560	(27,440)
Pet	600	420	(180)
Total licenses	225,600	190,553	(35,047)
Charges for services:			
Refuse removal fees	900,000	969,546	69,546
Commuter parking service charges	35,000	35,000	-
Motor fuel tax equipment rental	96,000	96,000	-
Billboard rental	40,800	-	(40,800)
Crime free class fee	4,500	450	(4,050)
Total service charges	1,076,300	1,100,996	24,696
Interest	-	12,948	12,948
TIF rebate	-	232,729	232,729
Miscellaneous:			
Employee health insurance contributions	90,000	88,350	(1,650)
IRMA refund	-	30,782	30,782
Bad debt recovery	40,000	33,850	(6,150)
Municipal center leases	110,000	124,163	14,163
State highway maintenance	35,000	28,169	(6,831)
Sidewalk/tree replacement	600	-	(600)
Miscellaneous	125,000	241,059	116,059
Total miscellaneous	400,600	546,373	145,773
Total revenues	\$ 11,497,013	\$ 12,637,941	\$ 1,140,928

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual
 Year Ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
General Government:			
General services:			
Personnel:			
Salaries	\$ 330,500	\$ 385,989	\$ 55,489
FICA	28,987	29,026	39
IMRF	36,751	74,431	37,680
Employee insurance	45,366	62,616	17,250
Retiree insurance	176,501	160,538	(15,963)
FSA expense	1,000	2,298	1,298
Total personnel	619,105	714,898	95,793
Maintenance:			
Maintenance building/grounds	10,000	5,496	(4,504)
Maintenance equipment	16,500	45,533	29,033
Total maintenance	26,500	51,029	24,529
Contractual services:			
Cleaning services	7,500	6,056	(1,444)
Economic development incentives	-	17,559	17,559
Payroll fees	8,500	8,144	(356)
Telephone	61,200	58,447	(2,753)
Utilities	5,520	3,447	(2,073)
Refuse removal	813,600	924,228	110,628
Police pension contributions	775,380	702,107	(73,273)
Fire pension contributions	392,974	355,441	(37,533)
Travel	335	-	(335)
Legal	120,000	201,583	81,583
Accounting	40,000	1,050	(38,950)
Consultants	167,909	172,586	4,677
Training and conferences	515	-	(515)
Dues and subscriptions	12,000	9,804	(2,196)
Tuition reimbursement	1,000	-	(1,000)
E-Com	340,000	436,247	96,247
Contingency	115,955	-	(115,955)
Total contractual services	2,862,388	2,896,699	34,311
Commodities:			
Office supplies	31,250	24,184	(7,066)
Boards and commissions	5,300	4,858	(442)
Recruitment/testing	10,000	11,755	1,755
Bad debts	35,000	60,377	25,377
Bank service charges	500	861	361
Sundry	500	82,559	82,059
Village events	6,150	7,050	900
Miscellaneous expense	-	85,488	85,488
Total commodities	88,700	277,132	188,432
Total general services	3,596,693	3,939,758	343,065

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
General government: (continued)			
Administrative office:			
Personnel:			
Salaries	\$ 180,338	\$ 248,835	\$ 68,497
FICA	13,798	18,366	4,568
IMRF	13,720	23,871	10,151
Employee insurance	16,278	17,842	1,564
Total personnel	224,134	308,914	84,780
Maintenance:			
Maintenance equipment	10,000	7,421	(2,579)
Contractual services:			
Postage	10,560	16,380	5,820
Printing	5,000	5,329	329
Total contractual services	15,560	21,709	6,149
Commodities:			
Office supplies	-	81	81
Total administrative office	249,694	338,125	88,431
Communications and Community Relations:			
Personnel:			
Salaries	48,500	21,759	(26,741)
IMRF	3,800	-	(3,800)
Employer insurance	1,800	-	(1,800)
FICA	1,431	1,667	236
Total personnel	55,531	23,426	(32,105)
Contractual services:			
Consultants	38,040	36,000	(2,040)
Equipment	2,500	-	(2,500)
Villager	8,971	12,796	3,825
Pace bus	600	1,322	722
Total contractual services	50,111	50,118	7
Commodities:			
Office supplies	500	125	(375)
Utilities	800	879	79
Sundry	400	-	(400)
Total commodities	1,700	1,004	(696)
Total communications and community relations	107,342	74,548	(32,794)

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Insurance:			
Personnel:			
State unemployment insurance	\$ -	\$ 7,299	\$ 7,299
Workers' compensation	299,611	280,543	(19,068)
Total personnel	<u>299,611</u>	<u>287,842</u>	<u>(11,769)</u>
Contractual services:			
Insurance	331,372	295,831	(35,541)
Training and conferences	-	12	12
Total contractual services	<u>331,372</u>	<u>295,843</u>	<u>(35,529)</u>
Commodities:			
Risk management	3,682	3,409	(273)
Loss fund	5,486	9,448	3,962
Uniforms	1,579	1,197	(382)
Equipment	2,050	-	(2,050)
Total commodities	<u>12,797</u>	<u>14,054</u>	<u>3,307</u>
Total insurance	<u>643,780</u>	<u>597,739</u>	<u>(43,991)</u>
Total general government	<u>4,597,509</u>	<u>4,950,170</u>	<u>354,711</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Public works:			
Personnel:			
Salaries	\$ 482,040	\$ 522,022	\$ 39,982
FICA	34,979	38,435	3,456
IMRF	61,460	105,570	44,110
Employee insurance	64,890	62,831	(2,059)
Total personnel	643,369	728,858	85,489
Maintenance:			
Maintenance building/grounds	3,960	1,737	(2,223)
Maintenance/equipment	96,000	153,377	57,377
Maintenance/other	17,520	17,051	(469)
Trees	14,000	12,811	(1,189)
Streets	6,882	4,972	(1,910)
Total maintenance	138,362	189,948	51,586
Contractual services:			
Garbage disposal	2,040	1,882	(158)
Communications	250	1,072	822
Utilities	53,160	54,755	1,595
Traffic signals	19,200	27,763	8,563
Rental	2,220	4,169	1,949
Travel	100	-	(100)
Printing	360	199	(161)
Consultants	9,840	9,960	120
Training and conferences	500	318	(182)
Dues and subscriptions	701	653	(48)
Total contractual services	88,371	100,771	12,400
Commodities:			
Office supplies	-	140	140
Other supplies	2,000	1,167	(833)
Uniforms	5,400	4,386	(1,014)
Gas and oil	51,450	47,018	(4,432)
Sundry	250	25	(225)
Total commodities	59,100	52,736	(6,364)
Total public works	929,202	1,072,313	143,111

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Public safety:			
Police:			
Personnel:			
Salaries	\$ 2,651,079	\$ 2,875,552	\$ 224,473
FICA	215,064	216,970	1,906
IMRF	38,687	61,111	22,424
Employee insurance	360,170	363,904	3,734
Total personnel	3,265,000	3,517,537	252,537
Maintenance:			
Maintenance equipment	45,360	45,316	(44)
Contractual services:			
Communications	10,580	8,017	(2,563)
Cleaning services	7,800	6,563	(1,237)
Printing	1,200	1,473	273
Consultants	15,000	17,497	2,497
Adjudication hearing officer	3,600	3,600	-
Training and conferences	20,400	16,843	(3,557)
Dues and subscriptions	6,500	8,362	1,862
Total contractual services	65,080	62,355	(2,725)
Commodities:			
Office supplies	-	110	110
Other supplies	6,960	7,449	489
Uniforms	21,600	23,907	2,307
Prisoner needs	-	2,365	2,365
Gas and oil	120,960	105,976	(14,984)
Animal control	3,120	3,614	494
Sundry	1,980	2,033	53
Total commodities	154,620	145,454	(9,166)
Total police	3,530,060	3,770,662	240,602

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Public Safety: (continued)			
Fire:			
Personnel:			
Salaries	\$ 1,409,040	\$ 1,312,523	\$ (96,517)
FICA	107,532	98,544	(8,988)
IMRF	4,573	7,586	3,013
Employee insurance	201,468	184,584	(16,884)
Total personnel	1,722,613	1,603,237	(119,376)
Maintenance:			
Maintenance buildings/grounds	6,000	4,125	(1,875)
Maintenance equipment	40,000	46,504	6,504
Total maintenance	46,000	50,629	4,629
Contractual services:			
Communications	11,760	2,806	(8,954)
Rental	5,000	3,421	(1,579)
Postage	500	195	(305)
Printing	750	608	(142)
Fire prevention	500	403	(97)
Consultants	17,760	18,012	252
Training and conferences	4,200	5,560	1,360
Dues and subscriptions	11,160	6,233	(4,927)
Total contractual services	51,630	37,238	(14,392)
Commodities:			
Office supplies	-	8	8
Other supplies	4,800	4,853	53
Uniforms	18,000	18,678	678
Gas and oil	18,720	14,967	(3,753)
Sundry	200	234	34
Total commodities	41,720	38,740	(2,980)
Total fire	1,861,963	1,729,844	(132,119)
Inspection:			
Personnel:			
Salaries	244,110	234,820	(9,290)
FICA	18,540	17,832	(708)
IMRF	26,326	36,123	9,797
Employee insurance	25,338	22,227	(3,111)
Total personnel	314,314	311,002	(3,312)
Maintenance:			
Grass cutting	17,280	17,671	391
Maintenance equipment	600	7	(593)
Total maintenance	17,880	17,678	(202)
Contractual services:			
Consultants	50,000	57,926	7,926
Printing	3,500	4,251	751
Training and conferences	1,000	575	(425)
Dues and subscriptions	1,000	3,129	2,129
Total contractual services	55,500	65,881	10,381
Commodities:			
Office supplies	-	11	11
Sundry	-	144	144
Uniforms	2,450	1,583	(867)
Total commodities	2,450	1,738	(712)
Total inspection	390,144	396,299	6,155

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2013

	Original and Final Budget	Actual	Over (Under) Budget
Public Safety: (continued)			
Civil Defense:			
Maintenance:			
Maintenance equipment	\$ 1,000	\$ -	\$ (1,000)
Contractual services:			
Communications	550	-	(550)
Training and conference	600	-	(600)
Dues and subscriptions	250	-	(250)
Sundry	750	-	(750)
	<u>2,150</u>	<u>-</u>	<u>(2,150)</u>
Total civil defense	<u>3,150</u>	<u>-</u>	<u>(3,150)</u>
Total public safety	<u>5,785,317</u>	<u>5,896,805</u>	<u>111,488</u>
Capital Outlay:			
General government	34,045	64,670	30,625
Public works	105,740	50,735	(55,005)
Public safety	45,200	23,822	(21,378)
Total capital outlay	<u>184,985</u>	<u>139,227</u>	<u>(45,758)</u>
Total expenditures	<u>\$ 11,497,013</u>	<u>\$ 12,058,515</u>	<u>\$ 563,552</u>

Village of Hazel Crest, Illinois

Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

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

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

- a) Village Manager submits to the Village Board of Trustees a proposed operating budget ordinance, which serves as a budget, for the fiscal year commencing the following May 1. The operating budget ordinance includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the Village to obtain taxpayer comments.
- c) Subsequently, the budget is legally enacted through passage of an ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general, special revenue, debt service and capital projects funds.
- e) Budgets for the general, special revenue, debt service and the capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- f) Budgetary authority lapses at year-end.
- g) State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action.
- h) Budgeted amounts are as originally adopted.
- i) The Village adopts an annual appropriated budget for 7 of its funds. No budgets were prepared for any TIF Funds, the Community Development Block Grant Fund or the Capital Projects Fund.

Supplementary Information

Governmental Funds – Combining Statements

Village of Hazel Crest, Illinois

Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2013

	Special Revenue (MFT)	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	\$ 977,608	\$ 390,319	\$ 1,430,814	\$ 2,798,741
Receivables:				
Property taxes	-	430,503	-	430,503
Intergovernmental	24,248	-	-	24,248
Total assets	\$ 1,001,856	\$ 820,822	\$ 1,430,814	\$ 3,253,492
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 78,045	\$ 359	\$ -	\$ 78,404
Deferred revenue	-	425,397	-	425,397
Total liabilities	78,045	425,756	-	503,801
Fund Balances				
Restricted:				
Debt service	-	427,608	-	427,608
Capital projects	-	-	1,430,814	1,430,814
MFT projects	923,811	-	-	923,811
Unassigned	-	(32,542)	-	(32,542)
Total fund balances	923,811	395,066	1,430,814	2,749,691
Total liabilities and fund balances	\$ 1,001,856	\$ 820,822	\$ 1,430,814	\$ 3,253,492

Village of Hazel Crest, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended April 30, 2013**

	Special Revenue (MFT)	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ 428,511	\$ 65,116	\$ 493,627
Intergovernmental	403,113	-	-	403,113
Total revenues	403,113	428,511	65,116	896,740
Expenditures				
Current,				
General services	198,532	-	10,000	208,532
Debt service:				
Principal	-	246,977	-	246,977
Interest and fees	-	79,812	-	79,812
Capital outlay	46,761	-	-	46,761
Total expenditures	245,293	326,789	10,000	582,082
Change in fund balances	157,820	101,722	55,116	314,658
Fund balances:				
May 1, 2012	765,991	293,344	1,375,698	2,435,033
April 30, 2013	\$ 923,811	\$ 395,066	\$ 1,430,814	\$ 2,749,691

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, 2013

	MFT	
	Budget	Actual
Revenues:		
Intergovernmental	\$ 380,000	\$ 403,113
Miscellaneous	3,000	-
Total revenues	<u>383,000</u>	<u>403,113</u>
Expenditures:		
Current:		
General government	362,000	198,532
Capital outlay	-	46,761
Total expenditures	<u>362,000</u>	<u>245,293</u>
Change in fund balance	<u>\$ 21,000</u>	157,820
Fund balances:		
May 1, 2012		<u>765,991</u>
April 30, 2013		<u>\$ 923,811</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet
 Nonmajor Debt Service Funds
 April 30, 2013

	Limited Tax Bonds	Fire Equipment Notes	2005 Capital Projects	Total
Assets				
Cash	\$ (33,900)	\$ 169,084	\$ 255,135	\$ 390,319
Property taxes receivable	111,817	265,050	53,636	430,503
Total assets	\$ 77,917	\$ 434,134	\$ 308,771	\$ 820,822
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 359	\$ 359
Deferred revenue	110,459	261,933	53,005	425,397
Total liabilities	110,459	261,933	53,364	425,756
Fund Balances				
Restricted for debt service	-	172,201	255,407	427,608
Unassigned	(32,542)	-	-	(32,542)
Total fund balances	(32,542)	172,201	255,407	395,066
Total liabilities and fund balances	\$ 77,917	\$ 434,134	\$ 308,771	\$ 820,822

Village of Hazel Crest, Illinois

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended April 30, 2013**

	Limited Tax Bonds	Fire Equipment Notes	2005 Capital Projects	Total
Revenues:				
Property taxes	\$ 150,333	\$ 205,559	\$ 72,619	\$ 428,511
Total revenues	<u>150,333</u>	<u>205,559</u>	<u>72,619</u>	<u>428,511</u>
Expenditures, debt service:				
Principal	135,000	61,608	50,000	246,608
Interest and fees	53,601	20,361	6,219	80,181
Total expenditures	<u>188,601</u>	<u>81,969</u>	<u>56,219</u>	<u>326,789</u>
Change in fund balances	(38,268)	123,590	16,400	101,722
Fund balances (deficits):				
May 1, 2012	<u>5,726</u>	<u>48,611</u>	<u>239,007</u>	<u>293,344</u>
April 30, 2013	<u>\$ (32,542)</u>	<u>\$ 172,201</u>	<u>\$ 255,407</u>	<u>\$ 395,066</u>

Village of Hazel Crest, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 Nonmajor Debt Service Funds
 Year Ended April 30, 2013

	Limited Tax Bonds		Fire Equipment Notes		2005 Capital Projects		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:								
Property taxes	\$ 188,225	\$ 150,333	\$ 79,970	\$ 205,559	\$ 92,700	\$ 72,619	\$ 360,895	\$ 428,511
Expenditures,								
debt service:								
Principal	135,000	135,000	61,977	61,608	50,000	50,000	246,977	246,608
Interest and fees	53,225	53,601	17,993	20,361	19,990	6,219	91,208	80,181
Total expenditures	<u>188,225</u>	<u>188,601</u>	<u>79,970</u>	<u>81,969</u>	<u>69,990</u>	<u>56,219</u>	<u>338,185</u>	<u>326,789</u>
Change in fund balances	<u>\$ -</u>	<u>(38,268)</u>	<u>\$ -</u>	<u>123,590</u>	<u>\$ 22,710</u>	<u>16,400</u>	<u>\$ 22,710</u>	<u>101,722</u>
Fund balances (deficits):								
May 1, 2012		<u>5,726</u>		<u>48,611</u>		<u>239,007</u>		<u>293,344</u>
April 30, 2013		<u>\$ (32,542)</u>		<u>\$ 172,201</u>		<u>\$ 255,407</u>		<u>\$ 395,066</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 April 30, 2013

	Capital Projects	Community Development Block Grant	Tax Incremental Financing District 167th Street	Tax Incremental Financing District Cherry Creek	Total
Assets					
Cash and equivalents	\$ 368,235	\$ 31,358	\$ 742,461	\$ 288,760	\$ 1,430,814
Liabilities and Fund Balances					
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances, restricted for capital projects	368,235	31,358	742,461	288,760	1,430,814
Total liabilities and fund balances	\$ 368,235	\$ 31,358	\$ 742,461	\$ 288,760	\$ 1,430,814

Village of Hazel Crest, Illinois

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended April 30, 2013

	Capital Projects	Community Development Block Grant	Tax Incremental Financing District 167th Street	Tax Incremental Financing District Cherry Creek	Total
Revenues:					
Property taxes	\$ -	\$ 31,358	\$ 33,758	\$ -	\$ 65,116
Expenditures:					
Current,					
General services	-	-	10,000	-	10,000
Change in fund balances	-	31,358	23,758	-	55,116
Fund balances:					
May 1, 2012	368,235	-	718,703	288,760	1,375,698
April 30, 2013	\$ 368,235	\$ 31,358	\$ 742,461	\$ 288,760	\$ 1,430,814

Major Proprietary Fund

Village of Hazel Crest, Illinois

Statement of Revenues, Expenses and Changes in Net Assets -
 Budget and Actual
 Waterworks and Sewerage Fund
 Year Ended April 30, 2013

	Original and Final Budget	Actual
Operating revenues:		
Charges for services	\$ 3,465,000	\$ 3,330,772
Intergovernmental	-	5,000
Fines and fees	102,720	123,935
Other	5,000	-
Total operating revenues	<u>3,572,720</u>	<u>3,459,707</u>
Operating expenses:		
Operations	3,318,061	2,782,472
Depreciation	-	312,241
Total operating expenses	<u>3,318,061</u>	<u>3,094,713</u>
Operating income	<u>\$ 254,659</u>	364,994
Net assets:		
May 1, 2012		<u>2,889,481</u>
April 30, 2013		<u>\$ 3,254,475</u>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
 Waterworks and Sewerage Fund
 Year Ended April 30, 2013

	Original and Final Budget	Actual
Operating expenses:		
Personnel:		
Salaries	\$ 517,269	\$ 510,101
FICA	42,889	43,420
IMRF	44,496	77,987
Employee insurance	89,239	93,812
Total personnel	693,893	725,320
Maintenance:		
Maintenance building/grounds	48,500	50,569
Maintenance equipment	93,715	46,144
Maintenance utility system	161,000	145,746
Total maintenance	303,215	242,459
Contractual services:		
Communications	4,200	1,533
Telephone	3,000	2,743
Water purchases	2,012,500	1,586,689
Utilities	62,000	53,948
Rental	2,000	-
Travel	250	-
Postage	9,000	11,421
Printing	2,000	633
Legal	5,500	930
Consultants	30,500	70,569
Training and conferences	1,500	535
Dues and subscriptions	250	322
Total contractual services	2,132,700	1,729,323
Commodities:		
Office supplies	2,500	692
Other supplies	4,321	4,530
Uniforms	3,780	4,415
Gas and oil	50,910	47,018
Bad debts	7,000	4,143
Sundry	1,000	-
Total commodities	69,511	60,798

(continued)

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
Waterworks and Sewerage Fund (Continued)
Year Ended April 30, 2013

	Original and Final Budget	Actual
Operating expenses: (continued)		
Capital outlay:		
Improvements	\$ 13,000	\$ 1,812
Equipment	63,642	229
Meters	42,100	22,530
Total capital outlay	118,742	24,571
Total operations	3,318,061	2,782,471
Depreciation	-	312,241
Total operating expenses	\$ 3,318,061	\$ 3,094,712

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
Commuter Parking Lot Fund
Year Ended April 30, 2013

	Original and Final Budget	Actual
Operating expenses:		
Utilities	\$ 1,400	\$ 2,976
Service charge	35,000	35,000
Total operations	36,400	37,976
Depreciation	5,500	5,260
Total operating expenses	\$ 41,900	\$ 43,236

Village of Hazel Crest, Illinois

Schedule of Debt Service Requirements
April 30, 2013

	Year Ending April 30,	Principal	Interest	Total
Series 2005				
Dated: April 26, 2005	2014	\$ 50,000	\$ 12,426	\$ 62,426
Payable at: American National Bank	2015	50,000	10,526	60,526
Interest payable monthly at the bank's current	2016	50,000	8,626	58,626
variable rate, 0.50% at April 30, 2012	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>\$ 327,000</u>	<u>\$ 47,082</u>	<u>\$ 374,082</u>
Series 2006				
Dated: December 1, 2006	2014	\$ 140,000	\$ 48,230	\$ 188,230
Authorized issue - \$2,105,000	2015	145,000	43,050	188,050
Payable at: Bank of New York	2016	150,000	37,685	187,685
Interest payable semi-annually at rates	2017	155,000	32,135	187,135
ranging from 3.7 to 3.85%	2018	160,000	26,400	186,400
	2019	170,000	20,320	190,320
	2020	175,000	13,860	188,860
	2021	185,000	7,123	192,123
		<u>\$ 1,280,000</u>	<u>\$ 228,803</u>	<u>\$ 1,508,803</u>
Note Payable				
Dated: January 16, 2009				
Authorized issue - \$658,599				
Payable at: First Midwest Bank				
Principal and interest payable semi-annually				
interest rate of 3.83%	2014	\$ 423,365	\$ 17,080	\$ 440,445
Note Payable				
Dated: December 29, 2009	2014	\$ 15,769	\$ -	\$ 15,769
Authorized issue - \$127,159	2015	15,769	-	15,769
Payable to: Village of East Hazel Crest	2016	15,769	-	15,769
Principal payable annually	2017	15,769	-	15,769
interest free note	2018	15,774	-	15,774
		<u>\$ 78,850</u>	<u>\$ -</u>	<u>\$ 78,850</u>

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	79-84
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	85-92
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	93-96
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to help make comparisons over time and with other governments.	97-99
Operating Information These schedules contain information about the Village's operations and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.	100-101
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented Statement 34 in 2004; schedules that present government-wide information include information beginning in that year.	

Village of Hazel Crest, Illinois

Net Position by Component
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net investment in capital assets	\$ 24,794,299	\$ 23,447,641	\$ 21,850,030	\$ 16,750,186	\$ 15,914,004	\$ 15,492,939	\$ 14,899,778	\$ 14,011,120	\$ 12,977,521	\$ 11,865,192
Restricted	-	3,370,345	-	755,837	634,466	732,856	520,617	537,937	6,719,150	6,616,980
Unrestricted	4,978,709	4,265,665	5,682,785	9,327,739	8,775,659	7,508,602	7,584,708	5,593,685	108,879	(90,056)
Total Governmental Activities	\$ 29,773,008	\$ 31,083,651	\$ 27,532,815	\$ 26,833,762	\$ 25,324,129	\$ 23,734,397	\$ 23,005,103	\$ 20,142,742	\$ 19,805,550	\$ 18,392,116
Business-type Activities										
Net investment in capital assets	\$ 5,564,530	\$ 5,207,915	\$ 4,812,536	\$ 4,496,830	\$ 4,091,062	\$ 3,750,564	\$ 3,408,764	\$ 3,142,751	\$ 2,984,413	\$ 2,742,083
Unrestricted	(374,425)	(650,978)	(742,436)	(764,252)	(769,741)	(807,805)	(654,993)	(337,933)	221,070	815,365
Total Business-type Activities	\$ 5,190,105	\$ 4,556,937	\$ 4,070,100	\$ 3,732,578	\$ 3,321,321	\$ 2,942,759	\$ 2,753,771	\$ 2,804,818	\$ 3,205,483	\$ 3,557,448
Total										
Net investment in capital assets	\$ 30,358,829	\$ 28,655,556	\$ 26,662,566	\$ 21,247,016	\$ 20,005,066	\$ 19,243,503	\$ 18,308,542	\$ 17,153,871	\$ 15,961,934	\$ 14,607,275
Restricted	-	3,370,345	-	755,837	634,466	732,856	520,617	537,937	6,719,150	6,616,980
Unrestricted	4,604,284	3,614,687	4,940,349	8,563,487	8,005,918	6,700,797	6,929,715	5,255,752	329,949	725,309
Total Primary Government	\$ 34,963,113	\$ 35,640,588	\$ 31,602,915	\$ 30,566,340	\$ 28,645,450	\$ 26,677,156	\$ 25,758,874	\$ 22,947,560	\$ 23,011,033	\$ 21,949,564

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

Change in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities										
General Government	\$ 3,249,204	\$ 2,808,297	\$ 3,143,886	\$ 5,660,422	\$ 7,083,940	\$ 6,411,941	\$ 6,762,100	\$ 7,378,579	\$ 5,998,536	\$ 6,385,248
Public Safety	4,705,363	5,268,721	5,080,102	5,230,464	5,544,852	6,694,508	6,030,645	7,250,107	5,766,476	6,546,830
Public Works	1,406,264	2,340,877	2,338,699	2,333,101	2,440,638	2,578,377	2,600,659	1,326,554	2,592,617	2,954,804
Interest	110,784	55,906	153,460	358,355	288,937	92,565	138,541	94,724	80,939	81,855
Total Governmental Activities Expenses	9,471,615	10,473,801	10,716,147	13,582,342	15,358,367	15,777,391	15,531,945	16,049,964	14,438,568	15,968,737
Business-type Activities										
Waterworks and Sewerage	2,778,417	2,888,214	3,268,363	2,475,858	2,714,028	2,798,922	2,886,506	2,845,464	2,666,383	3,094,713
Commuter Parking Lot	38,851	40,640	38,231	7,778	11,287	75,877	46,241	45,238	43,345	43,236
Total Business-type Activities Expenses	2,817,268	2,928,854	3,306,594	2,483,636	2,725,315	2,874,799	2,932,747	2,890,702	2,709,728	3,137,949
Total Primary Government Expenses	\$ 12,288,883	\$ 13,402,655	\$ 14,022,741	\$ 16,065,978	\$ 18,083,682	\$ 18,652,190	\$ 18,464,692	\$ 18,940,666	\$ 17,148,296	\$ 19,106,686
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 1,102,818	\$ 523,511	\$ 1,204,390	\$ 1,792,161	\$ 1,922,076	\$ 1,940,709	\$ 1,981,729	\$ 1,768,310	\$ 1,868,466	\$ 1,897,372
Public Safety	222,053	456,980	339,670	265,472	395,549	366,130	346,632	426,253	499,411	466,060
Public Works	188,224	266,195	14,873	89,728	11,364	-	42,629	34,525	30,877	28,169
Operating Grants and Contributions	552,487	-	688,915	710,921	771,094	234,864	648,961	488,569	490,318	458,912
Capital Grants and Contributions	-	-	-	57,080	-	-	-	280,156	26,223	-
Total Governmental Activities Program Revenues	2,065,582	1,246,686	2,247,848	2,915,362	3,100,083	2,541,703	3,019,951	2,997,813	2,915,295	2,850,513
Business-type Activities										
Charges for Services										
Waterworks and Sewerage	2,342,992	2,255,059	2,778,528	2,103,009	2,268,814	2,412,475	2,710,196	2,826,714	3,019,296	3,454,707
Commuter Parking Lot	37,308	39,304	36,286	38,456	37,142	32,756	33,563	35,035	34,097	30,207
Operating Grants and Contributions	-	-	-	-	-	50,000	-	80,000	57,000	5,000
Total Business-type Activities Program Revenues	2,380,300	2,294,363	2,814,814	2,141,465	2,305,956	2,495,231	2,743,759	2,941,749	3,110,393	3,489,914
Total Primary Government Program Revenues	\$ 4,445,882	\$ 3,541,049	\$ 5,062,662	\$ 5,056,827	\$ 5,406,039	\$ 5,036,934	\$ 5,763,710	\$ 5,939,562	\$ 6,025,688	\$ 6,340,427
Net (Expense) Revenue										
Governmental Activities	\$ (7,406,033)	\$ (9,227,115)	\$ (8,468,299)	\$ (10,666,980)	\$ (12,258,284)	\$ (13,235,688)	\$ (12,511,994)	\$ (13,052,151)	\$ (11,523,273)	\$ (13,118,224)
Business-type Activities	(436,968)	(634,491)	(491,780)	(342,171)	(419,359)	(379,568)	(188,988)	51,047	400,665	351,965
Total Primary Government Net (Expense) Revenue	\$ (7,843,001)	\$ (9,861,606)	\$ (8,960,079)	\$ (11,009,151)	\$ (12,677,643)	\$ (13,615,256)	\$ (12,700,982)	\$ (13,001,104)	\$ (11,122,608)	\$ (12,766,259)

(Continued)

Village of Hazel Crest, Illinois

Change in Net Position (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Taxes:										
Property	\$ 4,706,739	\$ 4,297,505	\$ 4,243,737	\$ 5,442,857	\$ 5,745,652	\$ 5,925,950	\$ 7,688,712	\$ 5,971,364	\$ 7,237,110	\$ 7,352,990
Sales	654,447	603,416	580,015	694,475	784,883	629,913	522,782	499,732	532,565	507,482
Income and Use	1,057,397	1,217,052	1,348,880	1,475,612	1,600,594	1,490,817	1,301,894	1,362,862	1,316,260	1,577,304
Utility	1,360,115	1,321,900	1,460,390	1,669,226	1,928,191	2,217,613	1,748,738	1,654,699	1,581,955	1,564,281
Other	124,049	613,477	34,907	-	106,250	125,000	94,694	180,101	-	264,932
Interest	57,943	85,666	200,128	301,286	303,776	104,095	26,464	21,466	9,988	12,948
Miscellaneous	337,860	288,303	144,694	159,143	279,305	1,152,568	399,416	499,566	508,203	424,853
Total Governmental Activities	8,298,550	8,427,319	8,012,751	9,742,599	10,748,651	11,645,956	11,782,700	10,189,790	11,186,081	11,704,790
Business-type Activities										
Interest	807	1,323	4,943	4,649	8,102	1,005	-	-	-	-
Total Business-type Activities	807	1,323	4,943	4,649	8,102	1,005	-	-	-	-
Total Primary Government	\$ 8,299,357	\$ 8,428,642	\$ 8,017,694	\$ 9,747,248	\$ 10,756,753	\$ 11,646,961	\$ 11,782,700	\$ 10,189,790	\$ 11,186,081	\$ 11,704,790
Change in Net Assets										
Governmental Activities	\$ 892,517	\$ (799,796)	\$ (455,548)	\$ (924,381)	\$ (1,509,633)	\$ (1,589,732)	\$ (729,294)	\$ (2,862,361)	\$ (337,192)	\$ (1,413,434)
Business-type Activities	(436,161)	(633,168)	(486,837)	(337,522)	(411,257)	(378,563)	(188,988)	51,047	400,665	351,965
Total Primary Government	\$ 456,356	\$ (1,432,964)	\$ (942,385)	\$ (1,261,903)	\$ (1,920,890)	\$ (1,968,295)	\$ (918,282)	\$ (2,811,314)	\$ 63,473	\$ (1,061,469)

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707,052	\$ 433,599
Restricted for Compost										
Closure	-	-	-	-	-	-	-	-	20,000	20,000
Unassigned	-	-	-	-	-	-	-	-	2,660,241	3,513,120
Reserved	-	410,929	-	656,294	1,584,877	1,753,982	1,704,824	1,467,544	-	-
Designated	-	-	-	-	-	-	-	-	-	-
Unreserved	3,800,032	3,584,443	4,021,948	3,465,514	2,485,503	2,506,671	1,843,566	1,720,288	-	-
Total General Fund	\$ 3,800,032	\$ 3,995,372	\$ 4,021,948	\$ 4,121,808	\$ 4,070,380	\$ 4,260,653	\$ 3,548,390	\$ 3,187,832	\$ 3,387,293	\$ 3,966,719
All Other Governmental Funds										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375	\$ 375
Restricted for										
Debt Service	-	-	-	-	-	-	-	-	293,344	395,066
Capital Projects	-	-	-	-	-	-	-	-	5,639,815	5,278,103
MFT	-	-	-	-	-	-	-	-	765,991	923,811
Reserved	369,139	2,232,416	760,224	725,229	696,856	46,189	140,175	129,068	-	-
Unreserved, reported in										
Special Revenue Funds	1,351,879	927,111	1,366,700	1,625,309	1,546,933	712,856	500,617	517,937	-	-
Capital Project Funds	557,777	-	520,696	3,903,705	3,507,955	4,430,236	5,433,246	4,689,294	-	-
Debt Service Funds	509,563	-	1,318,196	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 2,788,358	\$ 3,159,527	\$ 3,965,816	\$ 6,254,243	\$ 5,751,744	\$ 5,189,281	\$ 6,074,038	\$ 5,336,299	\$ 6,699,525	\$ 6,597,355

Data Source

Audited Financial Statements

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

Village of Hazel Crest, Illinois

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 6,043,149	\$ 5,697,688	\$ 5,674,120	\$ 7,047,634	\$ 7,602,794	\$ 7,610,871	\$ 9,230,796	\$ 7,455,847	\$ 8,719,809	\$ 8,416,550
Licenses	276,494	272,063	269,234	225,746	303,028	270,120	249,769	312,691	251,558	190,553
Intergovernmental	2,384,668	2,462,404	2,650,855	2,839,101	3,179,440	3,216,958	2,343,882	2,635,785	2,498,638	2,865,818
Charges for services	409,727	140,906	404,075	90,000	95,564	173,600	141,225	1,048,661	1,089,393	1,100,996
Fines, fees and permits	743,260	833,717	797,308	1,743,490	1,839,657	1,766,156	1,830,452	833,211	942,538	1,018,533
Interest	57,943	85,666	200,128	301,286	303,776	104,095	26,464	21,466	9,988	12,948
Capital contributions	-	-	-	-	-	-	-	280,156	-	-
Miscellaneous	448,891	310,293	264,879	353,624	524,475	1,045,858	643,654	714,195	607,381	779,102
Total Revenues	10,364,132	9,802,737	10,260,599	12,600,881	13,848,734	14,187,658	14,466,242	13,302,012	14,119,305	14,384,500
Expenditures										
General Services	1,539,136	1,466,126	2,314,136	3,250,733	3,686,137	3,864,716	3,733,894	4,167,364	3,039,460	4,399,543
Police and Fire	4,462,029	4,915,997	4,775,722	4,963,655	5,248,561	5,634,480	5,751,252	5,390,886	5,378,710	5,500,506
Administrative Office	305,158	267,939	295,837	281,233	333,203	298,151	270,328	235,829	279,764	338,125
Public Works	992,931	1,011,076	1,033,578	988,992	1,127,894	1,279,406	1,319,377	1,121,609	892,664	1,072,313
Community Relations	1,374	-	39,303	-	-	-	166,068	136,819	96,045	74,548
Economic Development	19,451	163,515	68,915	550,259	1,148,226	697,150	806,093	-	-	-
Civil Defense	6,014	5,362	3,303	3,282	2,958	5,334	3,048	-	-	-
Inspection	-	-	-	-	-	-	-	419,388	404,485	396,299
Insurance	528,684	434,508	374,126	537,226	724,242	884,655	655,732	564,378	845,972	597,739
Capital Outlay	674,122	346,222	1,187,936	385,919	493,156	1,506,991	523,383	1,007,387	285,539	185,988
Debt Service										
Principal	445,585	84,000	140,693	224,106	229,333	195,000	246,140	262,932	250,438	262,746
Interest	13,519	6,827	39,318	45,365	108,951	92,564	104,590	93,717	83,539	79,812
Other Charges	-	12,577	-	-	-	-	-	-	-	-
Surplus Distribution	755,000	550,000	-	1,250,000	650,000	760,000	840,000	1,000,000	1,000,000	1,000,000
Total Expenditures	9,743,003	9,264,149	10,272,867	12,480,770	13,752,661	15,218,447	14,419,905	14,400,309	12,556,616	13,907,619
Excess of Revenues over (under) Expenditures	621,129	538,588	(12,268)	120,111	96,073	(1,030,789)	46,337	(1,098,297)	1,562,689	476,881

(Continued)

Village of Hazel Crest, Illinois

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing Sources (Uses)										
Transfers (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (904,556)	\$ (79,970)	\$ (79,970)	\$ -	\$ -
Transfers In	-	-	-	-	-	904,556	79,970	79,970	-	-
Proceeds from Notes Payable	-	-	-	-	-	658,599	-	-	-	-
Proceeds from General Obligation Bond	-	-	-	2,042,848	-	-	-	-	-	-
Proceeds from Installment Note	-	-	118,132	-	-	-	-	-	-	-
Sale of Debt Certificate	-	727,000	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	727,000	118,132	2,042,848	-	658,599	-	-	-	-
Net Change in Fund Balances	\$ 621,129	\$ 1,265,588	\$ 105,864	\$ 2,162,959	\$ 96,073	\$ (372,190)	\$ 46,337	\$ (1,098,297)	\$ 1,562,689	\$ 476,881
Debt Service as a Percentage of Noncapital Expenditures	5.06%	1.02%	1.98%	2.23%	2.55%	2.10%	2.52%	2.66%	2.72%	2.50%

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Assessed valuations	\$ 155,447,524	\$ 167,719,937	\$ 217,567,030	\$ 218,670,034	\$ 212,019,309	\$ 194,599,212	\$ 183,449,470	\$ 182,781,075	\$ 157,083,399	\$ 152,334,556
Tax rates by fund:										
General:										
Corporate	3.5977	2.8448	2.1386	0.4149	0.4378	0.2935	0.2566	0.2227	0.2347	0.2500
Unemployment	-	-	-	0.0044	0.0033	0.0033	0.0039	0.0037	0.0048	0.0040
Crossing Guards	-	-	-	0.0221	0.0166	0.0165	0.0132	0.0130	0.0147	0.0139
Police Protection	-	-	-	0.1075	0.0710	0.0707	0.0770	0.0668	0.0704	0.0750
Fire Protection	-	-	-	0.5066	0.3787	0.3768	0.4105	0.3564	0.3754	0.4000
Road and Bridge - Village	-	-	-	0.0000	0.0000	0.0000	0.1000	0.0876	0.0938	0.1000
Police Pension	0.3573	0.4762	0.3267	0.4239	0.2677	0.2175	0.2463	0.2472	0.2220	0.2259
Firefighters' Pension	0.0803	0.2410	0.1497	0.1942	0.1135	0.0911	0.1030	0.1034	0.1120	0.1050
Civil Defense	-	-	-	0.0018	0.0014	0.0024	0.0020	0.0017	0.0033	0.0096
Illinois Municipal Retirement	-	-	-	0.4053	0.3030	0.2944	0.3425	0.3345	0.3596	0.3717
Waste Management	-	-	-	0.0368	0.0260	0.0236	0.0207	0.0310	0.1335	0.1340
Paramedics	-	-	-	0.2856	0.2130	0.2120	0.2499	0.2190	0.2347	0.2500
Insurance	-	-	-	0.4913	0.2604	0.2591	0.2347	0.2226	0.2399	0.2331
Auditing	-	-	-	0.0348	0.0260	0.0259	0.0191	0.0044	0.0189	0.0236
Purchase Agreement	0.3509	0.1067	0.0844	0.1123	0.0469	0.0487	0.0000	0.0000	0.0000	0.0000
Total general	4.3862	3.6687	2.6994	3.0416	2.1653	1.9353	2.0794	1.9140	2.1177	2.1958
Debt Service:	0.1271	0.1178	0.0882	0.0975	0.1005	0.0130	0.0012	0.0285	0.0430	0.0974
Total	4.5133	3.7865	2.7876	3.1391	2.2658	1.9482	2.0806	1.9425	2.1607	2.2932

Village of Hazel Crest, Illinois

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tax extensions by fund:										
General:										
Corporate	\$ 5,592,482	\$ 4,771,304	\$ 4,652,974	\$ 695,906	\$ 952,415	\$ 641,690	\$ 470,731	\$ 407,053	\$ 368,675	\$ 381,846
Unemployment	-	-	-	7,426	7,210	7,210	7,155	6,763	7,540	6,000
Crossing Guards	-	-	-	37,132	36,050	36,050	24,215	23,762	23,091	20,600
Police Protection	-	-	-	180,250	154,500	154,500	141,256	122,098	110,587	114,554
Fire Protection	-	-	-	849,750	824,000	824,000	753,060	651,432	589,691	610,955
Road and Bridge - Village	-	-	-	-	-	-	183,449	160,116	147,344	152,739
Police Pension	555,436	798,641	710,882	710,882	582,355	475,713	451,836	451,835	348,725	335,041
Fire Pension	124,877	404,145	325,754	325,754	246,932	199,240	188,953	188,996	175,933	155,746
Civil Defense	-	-	-	3,090	3,090	5,150	3,669	3,107	5,184	14,200
Illinois Municipal Retirement	-	-	-	679,800	659,200	643,750	628,314	611,403	564,872	551,134
Waste Management	-	-	-	61,800	56,650	51,500	37,974	56,662	209,706	198,700
Paramedics	-	-	-	478,950	463,500	463,500	458,440	400,291	368,675	381,847
Insurance	-	-	-	824,000	566,500	566,500	430,556	406,871	376,843	345,728
Auditing	-	-	-	58,350	56,650	56,650	35,039	8,042	29,689	35,000
Purchase Agreement	545,461	197,636	183,649	188,284	102,016	106,394	-	-	-	-
Total general	6,818,256	6,171,726	5,873,259	5,101,374	4,711,068	4,231,847	3,814,648	3,498,430	3,326,555	3,304,090
Debt Service:	197,642	179,014	191,993	213,182	218,621	28,350	2,201	52,093	67,546	148,775
Total	\$ 7,015,898	\$ 6,350,740	\$ 6,065,252	\$ 5,314,556	\$ 4,929,689	\$ 4,260,197	\$ 3,816,850	\$ 3,550,523	\$ 3,394,101	\$ 3,452,865
Collections	\$ 3,015,975	\$ 5,682,444	\$ 5,795,494	\$ 5,143,255	\$ 4,679,742	\$ 3,812,644	\$ 3,491,033	\$ 3,501,134	\$ 3,369,078	\$ 3,198,171
Percent collections	42.99%	89.48%	95.55%	96.78%	94.93%	89.49%	91.46%	98.61%	99.26%	92.62%

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)
2003	\$ 152,334,556	\$ 457,003,668	33.3000	\$ 1,371,011,004	-	\$ -	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	548,343,225	33.3000	1,645,029,675	1	13,110,000	39	1,315,000
2006	183,449,470	550,348,410	33.3000	1,651,045,230	-	-	57	2,667,106
2007	194,599,212	583,797,636	33.3000	1,751,392,908	7	1,489,706	34	1,897,417
2008	212,019,309	636,057,927	33.3000	1,908,173,781	6	8,355,152	38	1,925,744
2009	218,670,034	656,010,102	33.3000	1,968,030,306	10	1,262,384	21	831,607
2010	217,567,030	652,701,090	33.3000	1,958,103,270	16	2,137,193	10	429,585
2011	167,719,937	503,159,811	33.3000	1,509,479,433	13	1,767,904	12	408,288
2012	155,447,524	466,342,572	33.3000	1,399,027,716	13	1,767,904	12	408,288

Data Source

Office of the County Clerks and Township Assessors

Note : Most recent data available

Village of Hazel Crest, Illinois

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Village Direct Rates										
General Corporate	\$ 2.154	\$ 2.201	\$ 2.161	\$ 1.943	\$ 2.081	\$ 2.190	\$ 2.326	\$ 2.431	\$ 2.788	\$ 3.787
Overlapping Rates										
County of Cook	0.690	0.630	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462
Cook County Forest Preserve District	0.061	0.059	0.060	0.600	0.570	0.053	0.051	0.049	0.051	0.058
Suburban TB Sanitarium	0.006	0.004	0.001	0.005	0.005	0.263	-	-	0.000	0.000
Consolidated Elections	-	0.029	-	0.014	-	-	-	0.021	0.000	0.025
Bremen Township	0.051	0.053	0.054	0.049	0.051	0.006	0.049	0.049	0.051	0.061
Bremen Twp. Road & Bridge	0.035	0.037	0.019	0.032	0.033	0.012	0.031	0.031	0.032	0.039
Bremen Twp. General Assistance	0.006	0.008	0.008	0.008	0.008	0.051	0.008	0.008	0.009	0.012
Rich Township	0.202	0.211	0.211	0.193	0.199	0.033	0.191	0.192	0.202	0.258
Rich Twp. Road & Bridge	0.060	0.063	0.063	0.058	0.057	0.008	0.054	0.055	0.058	0.074
Rich Twp. General Assistance	0.023	0.024	0.024	0.022	0.022	0.196	0.022	0.023	0.026	0.034
Thornton Township	0.156	0.411	0.405	0.360	0.374	0.056	0.358	0.367	0.387	0.442
Thornton Twp. Road & Bridge	0.016	0.016	0.016	0.015	0.016	0.022	0.016	0.017	0.018	0.023
Thornton Twp. General Assistance	0.061	0.100	0.098	0.088	0.092	0.372	0.089	0.091	0.096	0.129
Metro Water Reclamation District of Chicago	0.371	0.361	0.347	0.315	0.284	0.016	0.252	0.261	0.274	0.320
So. Cook County Mosquito Abatement	0.011	0.013	0.012	0.010	0.007	0.092	0.009	0.009	0.010	0.012
Hazel Crest Park District	0.649	0.707	0.703	0.644	0.659	0.603	0.569	0.554	0.567	0.714
Grande Prairie Pub. Library District	0.308	0.323	0.312	0.277	0.279	0.273	0.265	0.262	0.271	0.357
School District #144	3.985	4.152	3.935	3.338	3.413	3.299	3.119	3.163	3.350	4.139
School District #152 1/2	2.726	4.572	4.563	4.160	4.335	4.286	4.147	4.267	4.477	5.434
School District #152 1/2 School Finance Authority	2.078	0.508	0.490	0.429	0.428	0.410	0.376	0.384	0.388	0.460
School District #153	3.998	4.144	4.118	3.796	3.777	3.671	3.490	3.417	3.378	4.515
School District #161	4.081	4.262	4.238	3.882	3.945	3.806	3.673	3.558	3.648	4.650
Thornton Twp. HSD #205	4.614	4.111	4.117	3.673	3.795	3.741	3.608	3.697	3.871	4.903
Community HSD #228	3.158	3.328	3.331	2.953	3.509	3.412	3.217	3.157	3.200	3.877
Homewood Flossmoor Comm. HSD #233	4.083	4.348	4.345	4.073	4.103	3.966	3.787	3.686	3.723	4.676
So. Suburban Comm. College #510	0.386	0.403	0.400	0.359	0.367	0.362	0.346	0.348	0.361	0.450
Prairie State Comm. College #515	0.338	0.346	0.341	0.292	0.292	0.294	0.280	0.277	0.293	0.357
Average Rate	11.871	12.308	11.936	11.080	11.766	11.078	10.657	10.737	11.387	14.313

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	2011			2010*		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Continental Wingate Assoc.	\$ 3,066,446	1	1.83%	\$ 4,229,438	1	1.94%
Imperial Real Estate	3,038,555	2	1.81%	N/A	3	N/A
Taxpayer of 5049 W 159th St. Oak Forest	2,823,873	3	1.68%	3,526,872	2	1.62%
Paradise Prop	2,725,309	4	1.62%	3,223,176	4	1.48%
Manor Care Health 628	2,618,406	5	1.56%	3,111,603	6	1.43%
GLR Medical PPTY One	2,286,548	6	1.36%	2,499,305	7	1.15%
Matrix Realty Group	2,098,378	7	1.25%	2,644,511	N/A	N/A
Hazel Crest Center, LLC	1,934,372	8	1.15%	2,383,475	8	1.10%
Mi Jack Products, Inc	1,890,597	9	1.13%	2,065,949	N/A	N/A
Palmer Crest Inc	1,851,524	10	1.10%	N/A	N/A	N/A
	<u>\$ 24,334,008</u>		<u>14.51%</u>	<u>\$ 23,684,329</u>		<u>8.72%</u>

Data Source

Cook County Clerk's and Assessor's Offices

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

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

Village of Hazel Crest, Illinois

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

Levy Year	Tax Levied	Collected within the Fiscal Year after the Levy	
		Amount	Percentage of Levy
2003	\$ 3,452,865	\$ 3,198,197	92.62%
2004	3,394,101	3,369,078	99.26%
2005	3,816,850	3,501,134	91.73%
2006	4,260,197	3,491,033	81.95%
2007	4,929,689	3,812,644	77.34%
2008	5,314,556	4,679,742	88.06%
2009	6,065,252	4,656,632	76.78%
2010	6,350,740	5,682,444	89.48%
2011	6,162,113	5,682,444	92.22%
2012	6,807,296	3,015,975	44.31%

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Merchandise	\$ -	\$ 26,444	\$ 25,944	\$ 20,100	\$ 22,026	\$ 22,255	\$ 29,928	\$ 36,998	\$ 38,793	\$ 39,645
Food	162,596	150,153	158,539	150,510	148,691	146,394	125,173	104,331	83,360	51,916
Restaurants	68,764	64,897	66,306	68,906	75,413	71,169	54,798	54,986	55,495	50,217
Apparel	4,922	5,413	4,883	6,282	10,156	6,683	7,294	8,563	4,060	2,771
Furniture & Radio	1,091	-	-	-	-	1,550	1,714	514	1,611	-
Automobile and Filling Stations	103,204	114,205	111,797	121,248	241,375	100,336	85,350	97,822	104,149	94,952
Drugs and Miscellaneous Retail	98,563	112,184	114,702	127,309	134,769	147,940	144,041	137,896	139,027	135,425
Agriculture and All Others	41,820	35,932	37,517	36,105	45,461	37,885	21,157	19,016	25,271	16,936
Manufacturers	127,589	84,694	72,402	51,428	101,356	121,553	56,175	11,375	66,977	80,587
Total	\$ 608,549	\$ 593,922	\$ 592,090	\$ 581,888	\$ 779,247	\$ 655,765	\$ 525,630	\$ 471,501	\$ 518,743	\$ 472,449
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule sales tax rate	N/A	N/A	N/A	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
2004	1.00%	6.25%
2005	1.00%	6.25%
2006	1.00%	6.25%
2007	1.00%	6.25%
2008	1.00%	6.25%
2009	1.00%	6.25%
2010	1.00%	6.25%
2011	1.00%	6.25%
2012	1.00%	6.25%
2013	1.00%	6.25%

Data Source

Per Illinois Department of Revenue
Local Tax Allocation Office

Village of Hazel Crest, Illinois

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

Fiscal Year Ended	Governmental Activities					Business-Type Activities		Total Primary Government	Ratio of Total Outstanding Debt To Equalized Assessed Valuation*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	General Obligation Debt Certificates	Alternative Revenue Bonds	Tax Incremental Revenue Notes	Note Payable	Note Payable				
2004	\$ 270,000	\$ -	\$ -	\$ 1,064,123	\$ -	\$ 45,051	\$ 1,379,174	0.75%	93.09	
2005	186,000	727,000	-	994,462	-	-	1,907,462	1.04%	128.74	
2006	137,000	677,000	-	1,108,604	76,439	47,310	2,046,353	1.05%	138.12	
2007	2,105,000	627,000	-	1,028,884	39,333	-	3,800,217	1.79%	266.70	
2008	1,965,000	577,000	-	1,028,884	-	-	3,570,884	1.63%	252.11	
2009	1,820,000	527,000	-	622,695	658,599	-	3,628,294	1.67%	257.44	
2010	1,680,000	477,000	-	330,061	728,616	-	3,215,677	1.92%	228.47	
2011	1,540,000	427,000	-	66,904	655,399	-	2,689,303	1.60%	192.15	
2012	1,415,000	377,000	-	-	579,961	-	2,371,961	1.41%	168.22	
2013	1,280,000	327,000	-	-	502,215	-	2,109,215	1.36%	149.59	

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
2004	\$ 270,000	1.23%	19.08 3
2005	186,000	1.04%	13.14 3
2006	137,000	1.81%	9.68 3
2007	2,105,000	1.60%	148.74 3
2008	1,965,000	1.60%	138.85 3
2009	1,820,000	1.60%	128.60 3
2010	1,680,000	1.60%	118.71 3
2011	1,540,000	1.60%	108.82 3
2012	1,415,000	1.60%	99.99 3
2013	1,280,000	1.60%	90.45 3

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

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

Per Capita:

- 1 - Special Census
- 2 - Federal Census
- 3 - Estimate

Village of Hazel Crest, Illinois

**Direct and Overlapping Governmental Activities Debt
As of April 30, 2013**

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Hazel Crest*	Village of Hazel Crest Share of Debt
Cook County	\$ 3,706,435,000	0.110%	\$ 4,077,079
Cook County Forest Preserve	131,500,000 (3)	0.110%	144,650
Metropolitan Water Reclamation District	2,492,761,543 (1)	0.112%	2,791,893
Hazel Crest Park District	955,000	100.000%	955,000
School Districts:			
#144	43,509,493 (2)	32.158%	13,991,783
#152 1/2	2,297,741 (2)	27.470%	631,189
#153	14,517,146 (2)	0.953%	138,348
#161	352,960 (2)	8.360%	29,507
High School District #205	43,236,186 (2)	1.605%	693,941
High School District #228	15,335,000	7.027%	1,077,590
High School District #233	38,730,000	5.126%	1,985,300
Community College District #510	13,658,825 (2)	3.488%	476,420
Community College District #515	11,082,040 (2)	1.106%	122,567
Subtotal, overlapping debt	<u>6,514,370,934</u>		<u>27,115,268</u>
Village of Hazel Crest direct debt	<u>\$ 2,109,215</u>	<u>100.00%</u>	<u>\$ 2,109,215</u>
Total direct and overlapping debt	<u><u>\$ 6,516,480,149</u></u>		<u><u>\$ 29,224,483</u></u>

(1) Includes IEPA Revolving Loan Fund Bonds

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

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

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

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

Village of Hazel Crest, Illinois

Schedule of Legal Debt Margin

April 30, 2013

The Village is a home rule municipality.

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

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

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

Village of Hazel Crest, Illinois

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

Fiscal Year	Calendar Year	Population		Equalized Assessed Value (EAV)	Per Capita EAV	Unemployment Rate	Per Capita Income**
2004	2003	14,816	(A)	\$ 182,781,075	\$ 12,337	9.5%	\$ 19,908
2005	2004	14,816	(A)	183,449,470	12,382	9.1%	19,908
2006	2005	14,249	(A)	194,599,212	13,657	6.8%	19,908
2007	2006	14,164	(A)	212,019,309	14,969	6.9%	19,908
2008	2007	14,094	(A)	218,670,034	15,515	7.7%	19,908
2009	2008	14,075	(A)	217,567,030	15,458	9.6%	19,908
2010	2009	13,996	(A)	167,719,937	11,983	15.3%	22,706
2011	2010	14,100	(E)	167,719,937	11,895	15.7%	22,853
2012	2011	14,100	(E)(O)	167,719,937	11,895	15.0%	N/A
2013	2012	14,184	(E)	155,447,524	10,959	13.4%	23,389

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

(A) Actual

(E) Estimate

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

Village of Hazel Crest, Illinois

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

Employer	2013		
	Employees	Rank	% of Total Village Population*
Advocate South Suburban Hospital	1,400 ⁽²⁾	1	9.87%
MI-Jack Products, Inc.	450 ⁽³⁾	2	3.17%
Lanco International	350 ⁽²⁾⁽³⁾	3	2.47%
Fitz Simmons Surgical Supply	175 ⁽²⁾	4	1.23%
Meany Electrical Engineering Co., Inc.	150 ⁽²⁾	5	1.06%
Alloy Sling Chains Inc	100 ⁽³⁾	6	0.71%
ASC Industries	70 ⁽¹⁾	7	0.49%
Hazel Crest Park District (inc. part-time and seasonal)	10-52 ⁽⁴⁾	8	0.44%
Gideon's 300 Security Services	60 ⁽²⁾	9	0.42%
Alpha Construction	50 ⁽³⁾	10	0.18%

*2013 Estimated population by the US Census Bureau is 14,184, most recent available

Note: Number of employees shown in 2013 directories are actually 2012 number of employees

Data Source

- ⁽¹⁾ 2013 Illinois Manufacturers Directory
- ⁽²⁾ 2013 Illinois Services Directory
- ⁽³⁾ 2013 Harris Illinois Industrial Directory
- ⁽⁴⁾ Phone canvass of employers

Employer	2012		
	Employees	Rank	% of Total Village Population*
Advocate South Suburban Hospital	1,400 ⁽²⁾	1	9.93%
MI-Jack Products, Inc.	450 ⁽³⁾	2	3.19%
Lanco International	350 ⁽²⁾⁽³⁾	3	2.48%
Meany Electrical Engineering Co., Inc.	150 ⁽²⁾	4	1.06%
Alloy Sling Chains Inc.	100 ⁽³⁾	5	0.71%
Hazel Crest Park District (inc. part-time and seasonal)	13-62 ⁽⁴⁾	6	0.44%
ASC Industries	80 ⁽¹⁾	7	0.57%
Gideon's 300 Security Services	60 ⁽²⁾	8	0.43%
Alpha Construction	50 ⁽³⁾	9	0.35%
Brandt Energy Services	30 ⁽²⁾	10	0.21%
Concrete Specialties	23 ⁽¹⁾	11	0.16%
McBride Engineering	21 ⁽²⁾	12	0.15%

*2012 Estimated population by the US Census is 14,100.

Note: Number of employees shown in 2012 directories are actually 2010 number of employees

Data Source

- ⁽¹⁾ 2012 Illinois Manufacturers Directory
- ⁽²⁾ 2012 Illinois Services Directory
- ⁽³⁾ 2012 Harris Illinois Industrial Directory
- ⁽⁴⁾ Phone canvass of employers

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

Village of Hazel Crest, Illinois

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

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Administration / Office	8	8	7	7	8	4	5	5	8	5
Public Safety										
Police	39	39	33	33	32	34	36	34	36	32
Fire	17	17	21	22	23	20	22	17	19	17
Inspection services	-	-	-	-	-	-	-	4	4	6
Public Works										
Public Works Administration	22	22	19	19	20	21	21	15	15	14
Total	86	86	80	81	83	79	84	75	82	74

Data Source

Village Finance Department

Village of Hazel Crest, Illinois

**Operating Indicators
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Community Development										
Building permits issued	46	46	71	41	44	31	26	25	41	34
Public Safety										
Police										
Physical arrests	438	368	352	275	374	360	309	356	329	95
Parking violations	2,188	2,614	2,084	1,626	2,491	2,800	2,928	1,677	2,332	398
Traffic violations	N/A	N/A	415	333	705	689	718	583	1,099	349
Public Works										
Streets										
Street resurfacing (miles)	0.25	0.44	2.00	6.19	5.60	2.25	1.25	2.50	2.00	0.75
Potholes repaired	720	430	620	580	725	650	675	600	592	1,200
Recreation and Culture										
Parks										
Open space (acres)	13	13	13	13	13	13	13	13	13	13
	150	150	150	150	150	150	150	150	150	150
Water										
New Connections (tap-ons)	-	-	24	10	5	1	1	-	-	-
Average daily consumption*	1.28	1.28	1.30	1.43	1.41	1.36	1.40	1.40	1.41	1.30
Sewers										
Sanitary Sewers (miles)	47	47	47	50	50	50	50	50	50	50
Storm Sewers (miles)	32	32	32	34	34	34	34	34	34	34

* (thousands of gallons)

Data Source

Various village departments

Village of Hazel Crest, Illinois

**Capital Asset Statistics
Last Ten Fiscal Years**

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic Patrol Areas	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets										
Streets (miles)	56	56	58	57	58	58	56	56	56	58
Streetlights	650	650	652	654	654	654	650	652	652	660
Recreation and Culture										
Number of Parks and Open Space	13	13	13	13	13	13	13	13	13	13
Number of Libraries	1	1	1	1	1	1	1	1	1	1
Number of Volumes	N/A									
Water										
Water mains (miles)	60	60	61	63	63	63	60	60	60	60
Wastewater										
Sanitary sewers (miles)	47	47	47	50	50	50	50	50	50	50
Storm Sewers (miles)	32	32	32	34	34	34	34	34	34	34

Data Source

Various village departments