



Village of Hazel Crest, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2015

Village of Hazel Crest, Illinois

**Comprehensive Annual Financial Report
Year Ended April 30, 2015**

Prepared by
Village of Hazel Crest
Finance Department

Village of Hazel Crest, Illinois

Table of Contents

Introductory Section	
Letter of Transmittal	i-v
Principal Officials	vi
Organization Chart	vii
Certificate of Excellence in Financial Reporting	viii
Financial Section	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	12-13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet – Governmental Funds	15
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Position – Proprietary Funds	19-20
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	21
Statement of Cash Flows – Proprietary Funds	22-23
Combined Statement of Fiduciary Net Position – Pension Trust Funds	24
Combined Statement of Changes in Fiduciary Net Position – Pension Trust Funds	25
Notes to Financial Statements	26-58
Required Supplementary Information	
Schedule of Funding Progress and Schedule of Employer Contributions:	
Illinois Municipal Retirement Fund	59
Sheriff's Law Enforcement Personnel	59
Police Pension Fund	60
Firefighters' Pension Fund	61
Postemployment Healthcare Plan	62
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios and Investment Returns - Police Pension Plan	63
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios and Investment Returns - Firefighters' Pension Plan	64
Schedule of General Fund Revenues – Budget and Actual	65-66
Schedule of General Fund Expenditures – Budget and Actual	67-73
Note to Required Supplementary Information	74
Supplementary Information	
Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	76
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Nonmajor Special Revenue Funds	77

Village of Hazel Crest, Illinois

Table of Contents

Financial Section (Continued)	
Supplementary Information	
Governmental Funds	
Combining Balance Sheet – Nonmajor Debt Service Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	79
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual - Nonmajor Debt Service Funds	80
Combining Balance Sheet – Nonmajor Capital Projects Funds	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	82
Major Proprietary Fund	
Statement of Revenues, Expenses and Changes in Net Position – Budget and Actual – Waterworks and Sewerage Fund	83
Schedule of Expenses – Budget and Actual	
Waterworks and Sewerage Fund	84-85
Commuter Parking Lot Fund	86
Other Schedules	
Schedule of Debt Service Requirements	87

Statistical Section	
Net Position by Component	88
Change in Net Position	89-90
Fund Balances of Governmental Funds	91
Changes in Fund Balances of Governmental Funds	92-93
Schedule of Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections	94-95
Assessed Value and Actual Value of Taxable Property	96
Property Tax Rates – Direct and Overlapping Governments	97
Principal Property Taxpayers	98
Property Tax Levies and Collections	99
Sales Tax Base and Number of Principal Payers	100
Direct and Overlapping Sales Tax Rates	101
Ratios of Outstanding Debt by Type	102
Ratios of General Bonded Debt Outstanding	103
Direct and Overlapping Governmental Activities Debt	104
Schedule of Legal Debt Margin	105
Demographic and Economic Information	106
Principal Employers	107
Full-Time Equivalent Employees	108
Operating Indicators	109
Capital Asset Statistics	110

**Village President**

Vernard L. Alsberry Jr.

Clerk

Marlon D. Rias

Village Manager

Donna M. Gayden

Village of Hazel Crest**Trustees**

Mary E. Grant

Patricia Jackson

Kevin Moore Sr.

Susan M. Pate

Benjamin Ramsey

Sandra Slayton

March 30, 2016

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

Board Members:

In accordance with State Statutes and local ordinance provisions, we hereby transmit the Comprehensive Annual Financial Report of the Village of Hazel Crest, Illinois (the Village) for the fiscal year ended April 30, 2015. 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, 2015, 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 percent limit on the increase in extensions from the prior levy year to the current levy year, without holding what is known as a "Truth in Taxation" hearing.

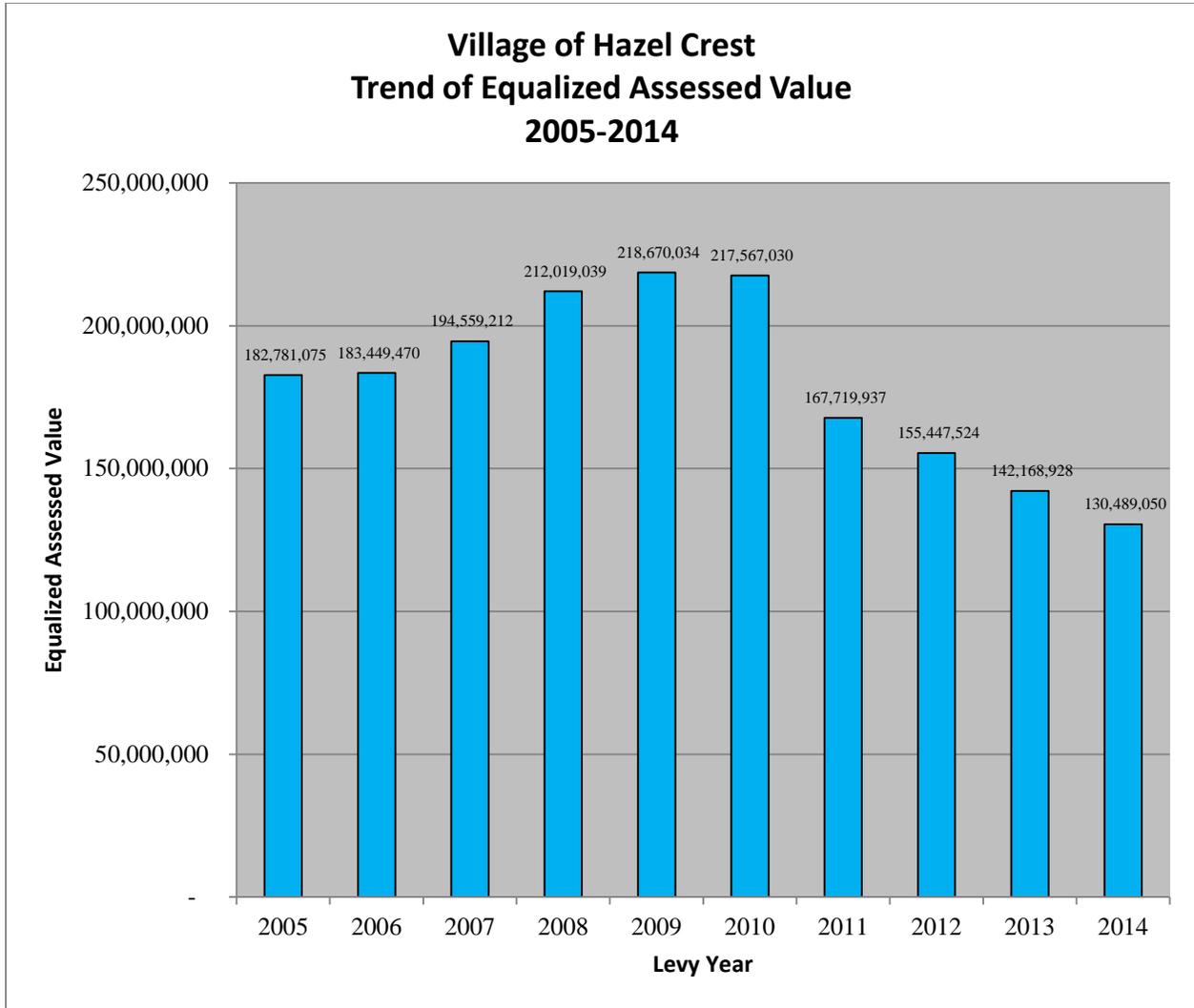
The Village has four established TIF districts. The 183rd Street TIF was established to redevelop French Village by aiding in securing tenants and promoting landscaping and remodeling. The 170th Street TIF was established to initiate Transit Oriented Development (T.O.D.) for the train station and its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

MAJOR INITIATIVES

The Village is continuing its local housing adjudication court. Better control of property maintenance and better enforcement of ordinances 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 10 years there has been a 28.6 percent decrease in Equalized Assessed Value (EAV); the first five of the 10 years saw a 19.6 percent increase compared to the 2005 EAV, while the last five years saw a 40.3 percent decrease from the 2009 EAV. The following table illustrates this trend:



PROPERTY TAXES

The allocations of Property Tax rate by generic fund type of tax levy for Levy Year 2014 and the preceding four levy years are as follows:

Purpose	2010	2011	2012	2013	2014
General	\$2.138	\$2.845	\$3.598	\$4.159	\$4.697
GO Debt	.173	.225	.478	.200	.214
Pensions	.476	.717	.438	.484	.603
Totals	\$2.789	\$3.787	\$4.514	\$4.834	\$5.514

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 percent 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 2015 fiscal year is found in the Statistical Section of the report. During the past year \$195,000 of General Obligation Debt was retired as scheduled.

CAPITAL ASSETS

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

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

TRUST AND AGENCY FUNDS

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

On an annual basis, the Board requests and receives the amount recommended as the employer contribution for the Police Pension Fund. The Village funded \$464,892 during the fiscal year ended April 30, 2015.

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 \$136,004 during the fiscal year ended April 30, 2015.

REVENUE RECOGNITION

In the governmental funds, the Village recognizes revenues as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes). All other funds recognize revenue on the full accrual basis (when earned).

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hazel Crest for its comprehensive annual financial reports (CAFR) for the fiscal year ended April 30, 2014. This was the 33rd consecutive year that the government has achieved this prestigious award (fiscal years ended 1982-2014). 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,



Donna M. Gayden
Village Manager

Village of Hazel Crest, Illinois

Principal Officials

April 30, 2015

President

Vernard Alsberry, Jr.

Village Board of Trustees

Ben Ramsey

Kevin Moore, Sr.

Mary Grant

Susan M. Pate

Sandra Slayton

Pat Jackson

Village Manager

Donna M. Gayden

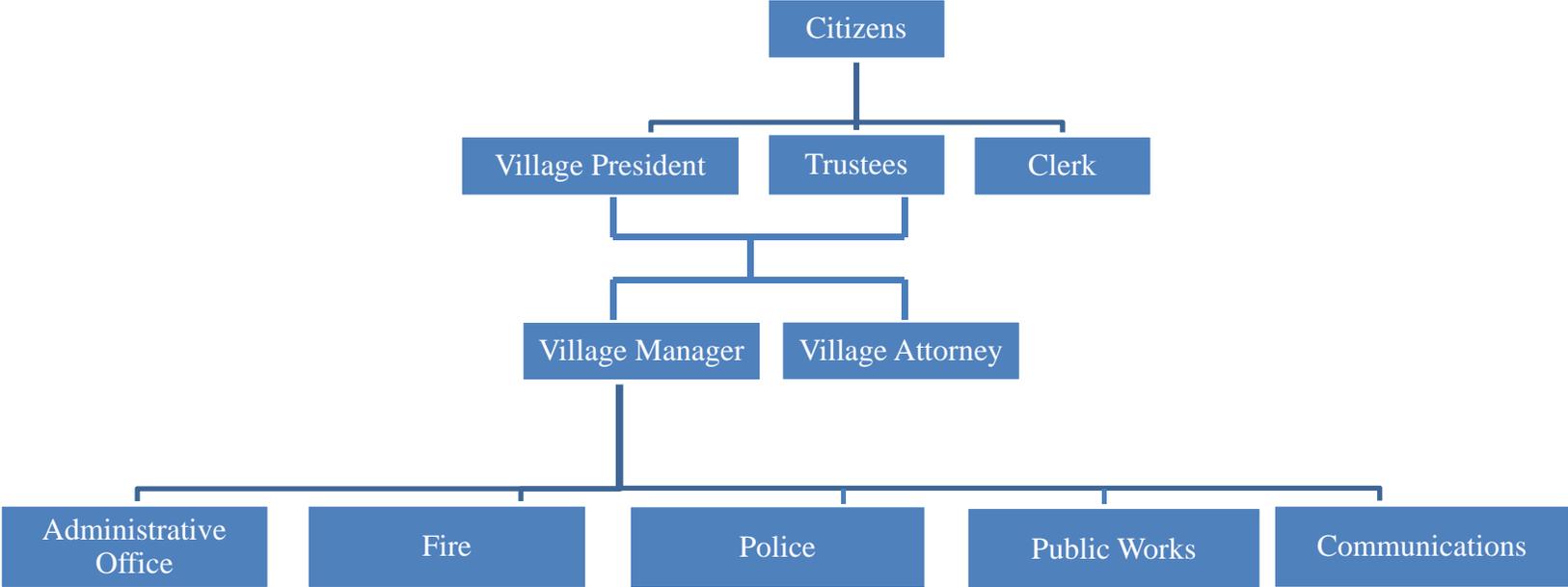
Village Clerk

Marlon Rias

Village Attorney

**John Murphey
Rosenthal, Murphey, Coblentz & Donahue**

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, 2014

Executive Director/CEO

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hazel Crest, Illinois (the Village), as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hazel Crest, Illinois, as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 6 to the financial statements, during the fiscal year ended April 30, 2015, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans, an Amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 – 11), budgetary schedules (pages 65 – 74) and pension and Postemployment Healthcare Plan related information (pages 59 – 64) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

RSM US LLP

Chicago, Illinois
March 30, 2016

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, 2015. 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 \$18,389,743. Of this amount, (\$878,832) is unrestricted and may be used to meet the government's ongoing obligations. The total net assets decreased by \$2,132,728, driven primarily by the \$772,260 increase in OPEB liabilities and the \$788,986 increase in net pension obligations. General obligation debt of \$195,000 was repaid in fiscal year 2015. At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,521,753 or 36 percent of total general fund expenditures and transfers.

Overview of the Financial Statements

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

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

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

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

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

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

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

Management's Discussion and Analysis

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

The Village maintains 11 individual governmental funds, two proprietary funds and two fiduciary funds. Information is presented separately in the governmental fund statement of revenues, expenditures and changes in fund balances for three major funds: the General fund, the 183rd Street TIF fund and the Hazel Crest Proper TIF fund. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report.

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

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

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

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

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

Management's Discussion and Analysis

Government-Wide Financial Analysis

The following table is the condensed Village of Hazel Crest Statement of Net Position as of April 30, 2015:

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 15,221,012	\$ 2,145,247	\$ 17,366,259
Capital and other noncurrent assets	11,967,143	2,695,822	14,662,965
Total assets	<u>27,188,155</u>	<u>4,841,069</u>	<u>32,029,224</u>
Current liabilities	1,834,092	345,953	2,180,045
Long-term liabilities	8,268,332	26,998	8,295,330
Total liabilities	<u>10,102,424</u>	<u>372,951</u>	<u>10,475,375</u>
Deferred inflows of resources			
Deferred property tax levy	<u>3,164,106</u>	-	<u>3,164,106</u>
Net position			
Net invested in capital assets	10,577,917	2,695,822	13,273,739
Restricted for various purposes	5,994,836	-	5,994,836
Unrestricted	(2,651,128)	1,772,296	(878,832)
Total net position	<u>\$ 13,921,625</u>	<u>\$ 4,468,118</u>	<u>\$ 18,389,743</u>

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

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 15,323,082	\$ 1,648,254	\$ 16,971,336
Capital and other noncurrent assets	12,917,611	2,784,034	15,701,645
Total assets	<u>28,240,693</u>	<u>4,432,288</u>	<u>32,672,981</u>
Current liabilities	1,410,983	465,455	1,876,438
Long-term liabilities	6,961,268	27,113	6,988,381
Total liabilities	<u>8,372,251</u>	<u>492,568</u>	<u>8,864,819</u>
Deferred inflows of resources			
Deferred property tax levy	<u>3,285,691</u>	-	<u>3,285,691</u>
Net position			
Net invested in capital assets	11,296,586	2,784,034	14,080,620
Restricted for various purposes	6,364,062	-	6,364,062
Unrestricted	(1,077,897)	1,155,686	77,789
Total net position	<u>\$ 16,582,751</u>	<u>\$ 3,939,720</u>	<u>\$ 20,522,471</u>

Management's Discussion and Analysis

Approximately 72 percent 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 amount that can be used to meet the ongoing obligations of the Village. The Village management has determined that unrestricted net position of three to six months of governmental expenditures would ensure the Village is able to continue providing services to its citizens at the current level. The Village continues to manage its expenditures and revenues with an eye towards increasing the unrestricted fund amount to the desired level.

The water and sewer fund is no longer operating at a deficit mainly due to passing along rate increases to water users. In previous years, the unrestricted net 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, 2015:

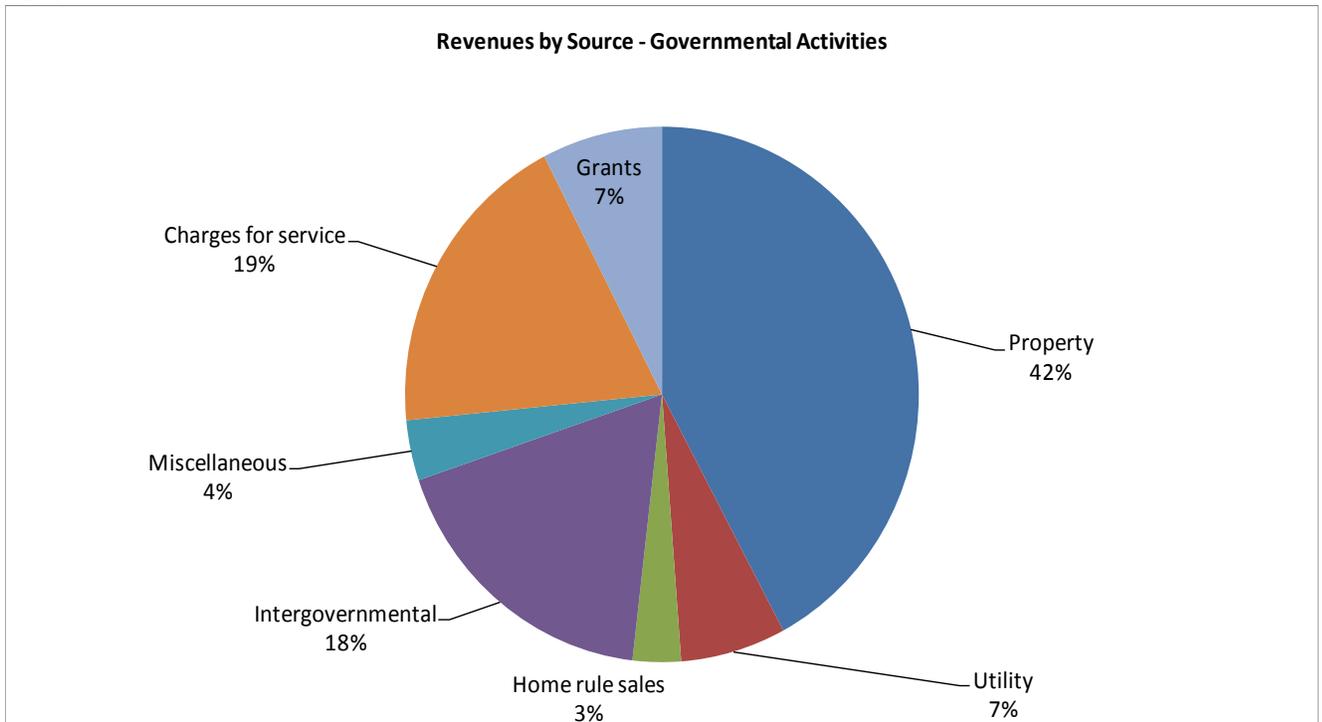
	Governmental Activities	Business-type Activities	Total Primary Government
Revenues			
Program revenues			
Charges for services	\$ 2,646,522	\$ 3,918,704	\$ 6,565,226
Operating grants and contributions	1,056,216	283,369	1,339,585
General revenues			
Property taxes	5,882,896	-	5,882,896
Other taxes	3,907,184	-	3,907,184
Other	455,627	15,139	470,766
Transfers	12,472	(12,472)	-
Total revenues	<u>13,960,917</u>	<u>4,204,740</u>	<u>18,165,657</u>
Expenses			
General services	5,160,459	-	5,160,459
Public works	3,664,622	-	3,664,622
Public safety	7,750,671	-	7,750,671
Interest expense	46,291	-	46,291
Waterworks and sewerage	-	3,631,696	3,631,696
Municipal parking	-	44,646	44,646
Total expenses	<u>16,622,043</u>	<u>3,676,342</u>	<u>20,298,385</u>
Increase (decrease) in net position	(2,661,126)	528,398	(2,132,728)
Net position May 1, 2014	16,582,751	3,939,720	20,522,471
Net position April 30, 2015	<u>\$ 13,921,625</u>	<u>\$ 4,468,118</u>	<u>\$ 18,389,743</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, 2014.

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

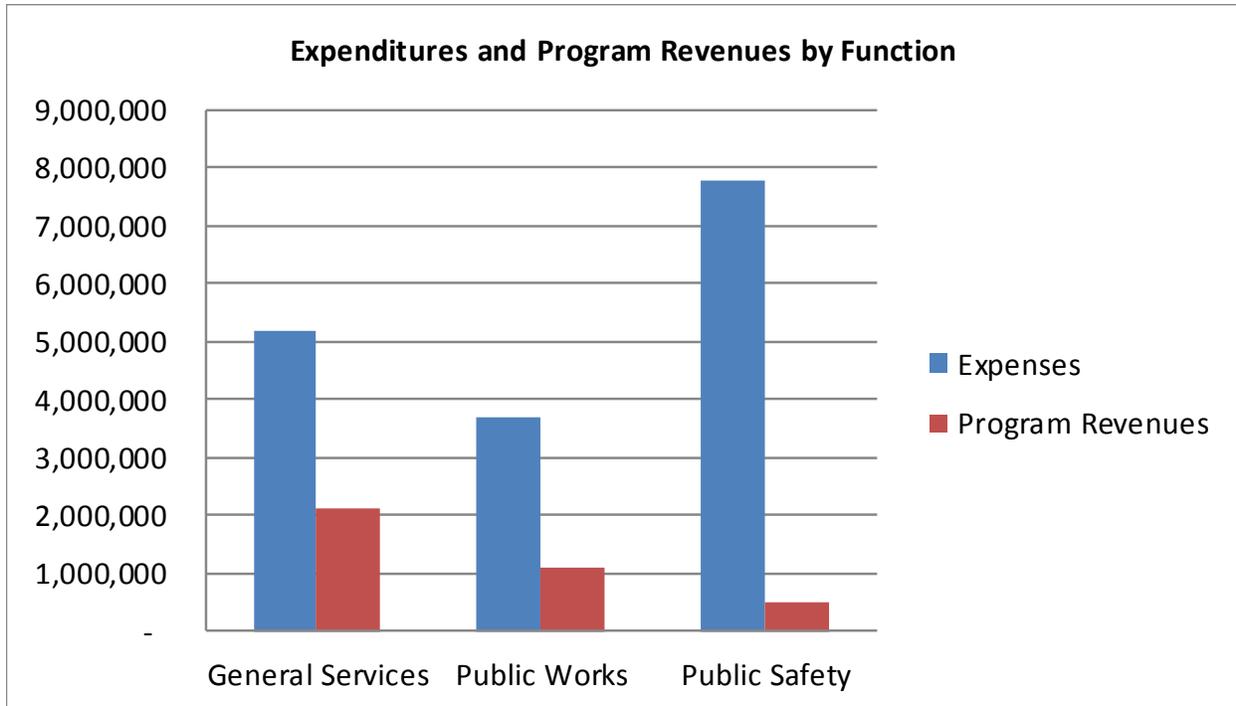
The following chart summarizes how governmental activities are funded for the year ended April 30, 2015.



Management's Discussion and Analysis

42 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, resulting in an improved fiscal outlook for the Village.

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



Business-type activities are to be funded through charges for related services. This year, water and sewerage revenues exceeded its expenses by \$559,811 due to a 15 percent increase in rates passed on from the City of Chicago. The commuter parking lot had expenses of \$18,941 more than its revenue this year due to declining commuter parking revenues.

Financial Analysis of the Government's Funds

Governmental funds provide information on near-term inflows, outflows and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$11,048,839, an increase of \$67,985 from the prior year. The unassigned fund balance of the total governmental funds represents 31.8 percent of total governmental fund expenditures.

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the waterworks and sewerage fund was \$1,690,169, due to rate increases, but the bulk of the unrestricted amount was comprised of receivables. After several years of negative balances, the waterworks and sewerage fund has returned to a positive balance, allowing the Village to proactively address water-related infrastructure issues without the need to borrow funds. The unrestricted net assets of the commuter parking lot fund were \$82,127. This figure has declined from the prior year due to erosion of parking revenue.

Management's Discussion and Analysis

General Fund Budgetary Highlights

No significant amendments were made to the original budget. Actual general fund revenues were higher than budgeted revenues by \$137,583, with greater-than-expected Intergovernmental and Fines/Fees revenues offsetting lower than budgeted Property Tax revenues. Actual general expenditures were higher than budgeted expenditures by \$229,793, driven by increases in Police salaries. The Village has placed emphasis on crime reduction by increasing its police presence, which led to increased overtime for officers.

This year's General Fund shows a \$368,242 fund balance increase, decreasing from last year's increase of \$759,488. The Village continually tries to keep expenditure increases in line with revenue increases.

In fiscal year 2015, property tax revenue decreased \$261,199 (4.2 percent) compared to 2014 property tax revenue of \$6,158,802. Sales tax revenue of \$594,104 increased by \$37,112 (6.7 percent) compared to 2014 sales tax revenue of \$556,992. Income tax revenue of \$1,711,331 increased by \$117,425 (7.4 percent) compared to the prior year's \$1,593,906 in revenue. However, utility tax revenue of \$925,053 decreased by \$128,413 (-12.2 percent) compared to the 2014 utility tax revenue of \$1,053,466. The Village has no control over the amount or timing of these receipts. Fiscal year 2015 ambulance fee receipts of \$418,853 increased by \$18,076 (4.5 percent) compared to 2014 ambulance fee receipts of \$400,777. The Village received \$9,252 in interest income this year in the General Fund, a consequence of low interest rates. With interest rates remaining low, the Village assumed that no interest would be received for budgeting purposes.

Expenditures for the General Fund increased \$505,788 from the prior year, due to passage of a state law that allowed for longer amortization of unfunded pension obligations, reducing the amount required for Police and Fire Pension contributions. The percent increases in expenditures by major functions of the Village are shown in the following tabulations:

Expenditure by Function	2014 Amount	Percent of Total	2015 Amount	Percent of Total	Increase (Decrease) Amount	%
General Services	\$3,262,588	27%	\$3,394,402	27%	\$131,814	4%
Communications and Community Relations	74,540	1%	78,468	1%	3,928	5%
Administrative Office	252,410	2%	260,937	2%	8,527	3%
Capital Outlay	162,222	1%	172,564	1%	10,342	6%
Public Works	1,211,079	10%	1,139,179	9%	(71,900)	-6%
Police	4,106,351	35%	4,338,536	35%	232,185	6%
Fire/Paramedics	1,704,701	14%	1,996,567	16%	291,866	17%
Inspection	515,626	4%	566,877	5%	51,251	10%
Insurance	574,869	5%	422,644	3%	(152,225)	-26%
	\$11,864,386		\$12,370,174		\$505,788	

The unassigned fund balance of the General Fund as of April 30, 2015 was \$4.521,753.

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.

Management's Discussion and Analysis

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 \$1,065,215 in fiscal year 2015 represented an increase of 145.1 percent over the \$434,692 collected in fiscal year 2014. Expenditures exceeded revenues during the year by \$117,824 resulting in the current fund balance of \$893,782.

Other Major Fund Highlights

The Village has established Tax Incremental Financing (TIF) District funds to account for incremental property taxes of the TIF Districts and the use of those funds. Of the four TIF funds, two were considered major funds in fiscal year 2015, Hazel Crest Proper TIF and 183rd Street TIF. The Hazel Crest Proper TIF had a fund balance decrease of \$96,446 and the 183rd Street TIF had a fund balance decrease of \$70,871 due to refunds of property taxes and no surplus distribution in FY 2015.

Waterworks and Sewerage Fund Highlights

Fiscal year 2015, water revenues totaled \$4,191,507, an increase of \$88,266 (2.2 percent) over the prior year. Expenses for the year totaled \$3,644,168, a decrease of \$58,753 (1.6 percent) over the prior year. A net gain of \$547,339 resulted from operations of the Water and Sewerage Fund for fiscal year 2015. The following table presents key statistical information over the past five years for the water and sewerage system.

	2015	2014	2013	2012	2011
Number of Metered Accounts (estimate)	4630	4630	4630	4630	4630
Gross Revenue	\$4,191,507	\$4,103,241	\$3,459,707	\$3,076,296	\$2,906,714
Expense	\$3,644,168	\$3,702,921	\$3,094,713	\$2,666,383	\$2,845,464
Operating Income (Loss)	\$547,339	\$400,320	\$364,994	\$409,913	\$61,250

Capital Asset and Debt Administration

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2015, amounts to \$14,662,965, net of depreciation. This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, streets, sidewalks, storm sewers, manholes, hydrants, valves, streetlights and the water distribution system. More details on the Village's capital assets can be found in Note 4 of the financial statements.

At the end of the current year, the Village had total general obligation bond debt of \$995,000, general obligation debt certificates of \$277,000 and \$117,226 in capital leases. More details on the Village's long-term debt obligations can be found in Note 5 of the financial statements.

Economic Factors and Next Year's Budget

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

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 will be the focal point for this development. The area is a nexus point for commuters arriving by bus, auto and on foot to board the train to Chicago. The goal of the TOD plan is to redevelop the area to serve these commuters as well as the local community, with convenient services.

In efforts to make the Village of Hazel Crest "Senior Friendly," the Village has 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 reinstatement
- Beginning seventh year with E-Com Emergency Dispatch Center
- Water station improvements

Requests for Information

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

Basic Financial Statements

Government-Wide Financial Statements

Village of Hazel Crest, Illinois

Statement of Net Position

April 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 9,724,479	\$ 1,299,970	\$ 11,024,449
Receivables			
Property taxes	3,231,318	-	3,231,318
Accounts	582,775	845,277	1,428,052
Intergovernmental	1,109,744	-	1,109,744
Prepays	572,696	-	572,696
Total current assets	15,221,012	2,145,247	17,366,259
Noncurrent			
Capital assets, not being depreciated	2,794,975	293,317	3,088,292
Capital assets, net of accumulated depreciation	9,172,168	2,402,505	11,574,673
Total noncurrent assets	11,967,143	2,695,822	14,662,965
Total assets	\$ 27,188,155	\$ 4,841,069	\$ 32,029,224

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Position (Continued)

April 30, 2015

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
General obligation bonds	\$ 150,000	\$ -	\$ 150,000
General obligation debt certificates	50,000	-	50,000
Capital lease	37,914	-	37,914
Compensated absences	240,262	20,474	260,736
Accounts payable	758,172	66,751	824,923
Accrued payroll and other accrued liabilities	343,478	-	343,478
Accrued interest payable	17,848	-	17,848
Deposits	149,030	258,728	407,758
Unearned revenue	87,388	-	87,388
Total current liabilities	1,834,092	345,953	2,180,045
Noncurrent			
General obligation bonds	845,000	-	845,000
General obligation debt certificates	227,000	-	227,000
Capital lease	79,312	-	79,312
Other postemployment benefits	5,285,607	-	5,285,607
Compensated absences	193,391	26,998	220,389
Pension obligation	1,638,022	-	1,638,022
Total noncurrent liabilities	8,268,332	26,998	8,295,330
Total liabilities	10,102,424	372,951	10,475,375
Deferred inflows of resources			
Deferred property tax levy	3,164,106	-	3,164,106
Net position			
Net investment in capital assets	10,577,917	2,695,822	13,273,739
Restricted			
Debt service	361,355	-	361,355
Capital projects	4,739,699	-	4,739,699
MFT projects	893,782	-	893,782
Unrestricted (deficit)	(2,651,128)	1,772,296	(878,832)
Total net position	\$ 13,921,625	\$ 4,468,118	\$ 18,389,743

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Activities
Year Ended April 30, 2015

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	\$ 5,160,459	\$ 2,119,967	\$ -	\$ -	\$ (3,040,492)	\$ -	\$ (3,040,492)
Public works	3,664,622	24,188	1,056,216	-	(2,584,218)	-	(2,584,218)
Public safety	7,750,671	502,367	-	-	(7,248,304)	-	(7,248,304)
Interest expense	46,291	-	-	-	(46,291)	-	(46,291)
Total governmental activities	16,622,043	2,646,522	1,056,216	-	(12,919,305)	-	(12,919,305)
Business-type activities							
Waterworks and sewerage	3,631,696	3,892,999	283,369	-	-	544,672	544,672
Commuter parking lot	44,646	25,705	-	-	-	(18,941)	(18,941)
Total business-type activities	3,676,342	3,918,704	283,369	-	-	525,731	525,731
Total	\$ 20,298,385	\$ 6,565,226	\$ 1,339,585	\$ -	(12,919,305)	525,731	(12,393,574)
General revenues							
Taxes							
Property					5,882,896	-	5,882,896
Utility					925,053	-	925,053
Home rule sales					423,243	-	423,243
Other					52,470	-	52,470
Intergovernmental / unrestricted					2,506,418	-	2,506,418
Interest					9,252	-	9,252
Miscellaneous					446,375	15,139	461,514
Transfers					12,472	(12,472)	-
Total general revenues and transfers					10,258,179	2,667	10,260,846
Change in net position					(2,661,126)	528,398	(2,132,728)
Net position							
May 1, 2014					16,582,751	3,939,720	20,522,471
April 30, 2015					\$ 13,921,625	\$ 4,468,118	\$ 18,389,743

See Notes to Financial Statements.

Fund Financial Statements

Village of Hazel Crest, Illinois

Balance Sheet - Governmental Funds
April 30, 2015

	General Fund	Tax Incremental Financing District 183rd Street Fund	Tax Incremental Financing District Hazel Crest Proper	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and equivalents	\$ 3,612,510	\$ 2,044,363	\$ 1,622,544	\$ 2,445,062	\$ 9,724,479
Receivables					
Property taxes	3,110,167	-	-	121,151	3,231,318
Accounts	582,775	-	-	-	582,775
Intergovernmental	1,009,632	-	-	100,112	1,109,744
Prepays	572,696	-	-	-	572,696
Total assets	\$ 8,887,780	\$ 2,044,363	\$ 1,622,544	\$ 2,666,325	\$ 15,221,012
Liabilities					
Accounts payable	\$ 530,769	\$ 60,221	\$ 86,446	\$ 80,735	\$ 758,171
Accrued payroll	13,478	-	-	-	13,478
Unearned revenue	54,164	-	-	33,224	87,388
Deposits	149,030	-	-	-	149,030
Total liabilities	747,441	60,221	86,446	113,959	1,008,067
Deferred inflows of resources					
Deferred property tax levy	3,045,890	-	-	118,216	3,164,106
Fund balances					
Nonspendable	572,696	-	-	-	572,696
Restricted					
Debt service	-	-	-	361,355	361,355
Capital projects	-	1,984,142	1,536,098	1,219,459	4,739,699
MFT projects	-	-	-	893,782	893,782
Unassigned	4,521,753	-	-	(40,446)	4,481,307
Total fund balances	5,094,449	1,984,142	1,536,098	2,434,150	11,048,839
Total liabilities, deferred inflows of resources and fund balances	\$ 8,887,780	\$ 2,044,363	\$ 1,622,544	\$ 2,666,325	\$ 15,221,012

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, 2015**

Total fund balances-governmental funds	\$ 11,048,839
--	---------------

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.	11,967,143
---	------------

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:

Other accrued liabilities	(330,000)
Accrued interest	(17,848)
Compensated absences	(433,654)
General obligation debt certificates	(277,000)
General obligation bonds	(995,000)
Capital leases	(117,226)
Other postemployment benefits	(5,285,607)
Pension obligation	<u>(1,638,022)</u>

Net position of governmental activities	<u>\$ 13,921,625</u>
---	----------------------

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended April 30, 2015

	General Fund	Tax Incremental Financing District 183rd Street Fund	Tax Incremental Financing District Hazel Crest Proper	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes (refunds)	\$ 5,897,603	\$ (60,221)	\$ (86,446)	\$ 252,009	\$ 6,002,945
Other taxes	1,400,766	-	-	-	1,400,766
Intergovernmental	2,615,378	-	-	947,256	3,562,634
Fines, fees and permits	1,088,049	-	-	-	1,088,049
Licenses	264,832	-	-	-	264,832
Charges for services	1,199,280	-	-	-	1,199,280
Interest	9,252	-	-	-	9,252
Miscellaneous	452,777	-	-	117,959	570,736
Total revenues	12,927,937	(60,221)	(86,446)	1,317,224	14,098,494
Expenditures					
Current					
General services	3,394,402	10,000	10,000	1,325,315	4,739,717
Administrative office	260,937	-	-	-	260,937
Communications and community relations	78,468	-	-	-	78,468
Insurance	422,644	-	-	-	422,644
Public works	1,139,179	-	-	-	1,139,179
Police	4,338,536	-	-	-	4,338,536
Fire	1,996,567	-	-	-	1,996,567
Inspection	566,877	650	-	-	567,527
Debt service					
Principal	-	-	-	195,000	195,000
Interest and fees	-	-	-	28,442	28,442
Capital outlay	172,564	-	-	103,400	275,964
Total expenditures	12,370,174	10,650	10,000	1,652,157	14,042,981
Excess (deficiency) of revenues over (under) expenditures	557,763	(70,871)	(96,446)	(334,933)	55,513
Other financing sources (uses)					
Transfers in	-	-	-	201,993	201,993
Transfers out	(189,521)	-	-	-	(189,521)
Total other financing sources (uses)	(189,521)	-	-	201,993	12,472
Net change in fund balances	368,242	(70,871)	(96,446)	(132,940)	67,985
Fund balances					
May 1, 2014	4,726,207	2,055,013	1,632,544	2,567,090	10,980,854
April 30, 2015	\$ 5,094,449	\$ 1,984,142	\$ 1,536,098	\$ 2,434,150	\$ 11,048,839

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, 2015

Net change in fund balances-total governmental funds	\$ 67,985
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	492,252
Depreciation	(1,442,720)
Payments on capital leases are recorded as expenditures in the fund financial statements, but a portion of the payment reduces long-term liabilities in the statement of financial position	
	36,799
A portion of property taxes reported in the governmental funds were recognized as revenue in the prior year in the statement of activities.	
	(120,049)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
	195,000
Interest payments are recorded as an expenditure in the governmental funds when paid, but is recorded when incurred on the statement of activities. There was additional interest recorded in the statement of activities in the current year.	
	(17,848)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Increase in other accrued liabilities	(330,000)
Decrease in compensated absences	18,701
Increase in other postemployment benefits	(772,260)
Increase in pension obligation	(788,986)
	<hr/>
Change in net position of governmental activities	<u><u>\$ (2,661,126)</u></u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Position - Proprietary Funds

April 30, 2015

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Assets			
Current			
Cash and equivalents	\$ 1,217,480	\$ 82,490	\$ 1,299,970
Accounts receivable	845,277	-	845,277
Total current assets	2,062,757	82,490	2,145,247
Noncurrent			
Capital assets, not being depreciated	244,489	48,828	293,317
Capital assets, net of accumulated depreciation	2,267,476	135,029	2,402,505
Total noncurrent assets	2,511,965	183,857	2,695,822
Total assets	\$ 4,574,722	\$ 266,347	\$ 4,841,069

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Net Position - Proprietary Funds (Continued)

April 30, 2015

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Liabilities			
Current			
Accounts payable	\$ 66,388	\$ 363	\$ 66,751
Deposits	258,728	-	258,728
Compensated absences	20,474	-	20,474
Total current liabilities	345,590	363	345,953
Noncurrent			
Compensated absences	26,998	-	26,998
Total noncurrent liabilities	26,998	-	26,998
Total liabilities	372,588	363	372,951
Net position			
Invested in capital assets	2,511,965	183,857	2,695,822
Unrestricted	1,690,169	82,127	1,772,296
Total net position	\$ 4,202,134	\$ 265,984	\$ 4,468,118

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, 2015

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Operating revenues			
Charges for services	\$ 3,749,652	\$ 25,705	\$ 3,775,357
Fines and fees	143,347	-	143,347
Total operating revenues	3,892,999	25,705	3,918,704
Operating expenses			
Operations	3,350,591	39,385	3,389,976
Depreciation	281,105	5,261	286,366
Total operating expenses	3,631,696	44,646	3,676,342
Operating income (loss)	261,303	(18,941)	242,362
Nonoperating revenues			
Intergovernmental	283,369	-	283,369
Miscellaneous	15,139	-	15,139
Total nonoperating revenues	298,508	-	298,508
Other financing sources (uses)			
Transfers out	(12,472)	-	(12,472)
Change in net position	547,339	(18,941)	528,398
Net position			
May 1, 2014	3,654,795	284,925	3,939,720
April 30, 2015	<u>\$ 4,202,134</u>	<u>\$ 265,984</u>	<u>\$ 4,468,118</u>

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows - Proprietary Funds
Year Ended April 30, 2015

	Business-Type Activities		
	Waterworks and Sewerage Fund	Nonmajor Commuter Parking Lot	Total
Cash flows from operating activities			
Cash received for services	\$ 3,996,111	\$ 25,705	\$ 4,021,816
Payments to employees	(867,696)	-	(867,696)
Payments to suppliers	(2,556,860)	(39,276)	(2,596,136)
Net cash provided by (used in) operating activities	571,555	(13,571)	557,984
Cash flows from noncapital financing activities			
Intergovernmental grants and miscellaneous	241,508	-	241,508
Transfers out	(12,472)	-	(12,472)
	229,036	-	229,036
Cash flows from capital financing activities			
Acquisition of capital assets	(198,153)	-	(198,153)
Net increase (decrease) in cash and equivalents	602,438	(13,571)	588,867
Cash and equivalents			
May 1, 2014	615,042	96,061	711,103
April 30, 2015	\$ 1,217,480	\$ 82,490	\$ 1,299,970

(Continued)

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Statement of Cash Flows – Proprietary Funds (Continued)

Year Ended April 30, 2015

	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)	\$ 261,303	\$ (18,941)	\$ 242,362
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	281,105	5,261	286,366
Changes in assets and liabilities:			
Accounts receivable	91,874	-	91,874
Deposits	11,238	-	11,238
Accounts payable	(73,116)	109	(73,007)
Compensated absences	(849)	-	(849)
Total adjustments	310,252	5,370	315,622
Net cash provided by (used in) operating activities	\$ 571,555	\$ (13,571)	\$ 557,984

See Notes to Financial Statements.

Village of Hazel Crest, Illinois

Combined Statement of Fiduciary Net Position

Pension Trust Funds

April 30, 2015

Assets

Cash and cash equivalents	\$ 1,457,503
Investments	
U.S. Treasury notes	5,944,468
U.S. Government agencies	3,061,611
Corporate bonds	1,709,462
Insurance contracts	253,466
Municipal bonds	564,244
Certificate of deposit	75,926
Equity mutual funds	8,672,281
Prepays	30,495
Interest receivable	28,108
	<hr/>
Total assets	21,797,564
Liabilities, accounts payable	<hr/>
	17,225
	<hr/>
Net position held in trust for pension benefits	<u><u>\$ 21,780,339</u></u>

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, 2015**

Additions

Contributions	
Employer	\$ 600,896
Plan members	<u>318,218</u>
Total contributions	<u>919,114</u>
Investment income:	
Net appreciation in fair value of investments	817,403
Interest	485,012
Less investment expense	<u>(51,008)</u>
Net investment income	<u>1,251,407</u>
Total additions	<u>2,170,521</u>

Deductions

Benefits	1,528,977
Administrative expenses	<u>74,744</u>
Total deductions	<u>1,603,721</u>
Net increase	566,800

Net position held in trust for pension benefits

May 1, 2014 21,213,539

April 30, 2015 \$ 21,780,339

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 GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

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

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

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

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

Government-Wide and Fund Financial Statements

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

The statement of net position presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

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

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

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

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Village administers the following major governmental funds, while all remaining governmental funds are aggregated and reported as nonmajor governmental funds:

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

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

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

The Village administers the following major proprietary fund, while the remaining proprietary fund is reported as a nonmajor enterprise 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.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

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

Investments

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

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

Services provided and used — sales and purchases of goods and services between funds for a price approximating their external exchange value. Internal services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net position.

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

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

Prepaid Items

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

Capital Assets

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

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

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

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Depreciation of capital assets is recorded in the statement of activities with accumulated depreciation reflected in the statement of net position and is provided on the straight-line basis over the following estimated useful lives:

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

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

Unearned Revenue and Deferred Inflows of Resources

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

Compensated Absences

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Long-Term Obligations

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

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

Fund Equity

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

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

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed 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, 2015, the Village had no committed fund balances.

Assigned – includes amounts that are constrained by the Village's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's President and Board of Trustees, or b) a body or official to which the President and Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's President and Board of Trustees has not delegated authority to any other body or official to assign amounts for a specific purpose within the general fund. Within the other governmental fund types (special revenue, debt service and capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. As of April 30, 2015, 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.

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, 2015, the carrying amount of the Village's deposits was \$3,617,480 with bank balances totaling \$2,857,744. All of the Village's deposits were insured or collateralized at April 30, 2015. The Village also had \$1,548 of petty cash on hand at April 30, 2015.

The Illinois Funds

The Village had \$7,314,282 invested with the Illinois Funds at April 30, 2015. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price the investment could be sold for.

Illinois Metropolitan Investment Fund

The Village had \$1,548,642 invested with the Illinois Municipal Metropolitan Investment Fund (IMET) at April 30, 2015. IMET is not registered with the SEC. Oversight for IMET is provided by the IMET Board. The Board is responsible for policy formulation, as well as policy and administration oversight. The fair value of the positions in the pool is the same as the value of the pool shares.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Investments

As of April 30, 2015, the Village had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury notes	\$ 5,944,468	\$ 1,498,770	\$ 2,479,645	\$ 1,966,053	\$ -
U.S. Agencies - FHLB	2,451,743	50,819	1,421,420	824,760	154,744
U.S. Agencies - GNMA	609,868	-	-	-	609,868
Insurance contracts	253,466	-	253,466	-	-
Corporate bonds	1,709,462	-	329,839	395,790	983,833
Certificate of deposit	75,926	-	-	75,926	-
Municipal bonds	564,244	-	65,463	103,889	394,892
	<u>\$ 11,609,177</u>	<u>\$ 1,549,589</u>	<u>\$ 4,549,833</u>	<u>\$ 3,366,418</u>	<u>\$ 2,143,337</u>

The Village also has equity mutual fund investments totaling \$8,672,281, 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, 2015, the Village's investments in U.S. Government agencies, municipal bonds and certificates of deposit were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Village's investments in the Illinois Funds were rated AAAm by Standard & Poor's. The money market mutual funds and insurance contracts were not rated. The Village's investment policy does not address credit risk.

Concentration of Credit Risk. Concentration of credit risk is the Village's risk when more than 5 percent of the Village's investments are with a single issuer. The Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over concentration in a specific issuer or class of securities. The diversification can be by type of investment, number of institutions invested in, and length of maturity. More than 5 percent of the Village's investments are in U.S. Treasury Notes and Mutual Funds in which they represent 30 percent and 58 percent, 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.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

The previously discussed deposits of \$3,617,480, petty cash of \$1,548, Illinois Funds of \$7,314,282, IMET of \$1,548,642 and investments of \$20,281,458 total \$32,763,410 and are reported in the financial statements as follows:

Governmental activities	
Cash and cash equivalents	\$ 9,724,479
Business-type activities	
Cash and cash equivalents	1,299,970
Fiduciary Funds	
Cash and cash equivalents	1,457,503
Investments	
U.S. Treasury notes	5,944,468
U.S. Government agencies	3,061,611
Corporate bonds	1,709,462
Insurance contracts	253,466
Municipal bonds	564,244
Certificate of deposit	75,926
Equity mutual funds	8,672,281
	<hr/>
Total	\$ 32,763,410

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 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 60 days after the year-end is not considered available to pay current liabilities and is therefore shown as deferred inflows of resources.

The Village considers that the first half of the 2014 levy is to be used to finance operations in fiscal year 2015. The Village has determined that the second half of the 2014 levy is to be used to finance operations in 2016 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, 2014	Additions	Retirements	Balance April 30, 2015
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	5,311,446	492,252	126,633	5,677,065
Streets	107,920,640	-	-	107,920,640
Sidewalks	5,206,356	-	-	5,206,356
Storm sewers	3,683,721	-	-	3,683,721
Manholes	189,109	-	-	189,109
Hydrants	324,751	-	-	324,751
Valves	42,497	-	-	42,497
Streetlights	409,393	-	-	409,393
	<u>125,984,069</u>	<u>492,252</u>	<u>126,633</u>	<u>126,349,688</u>
Less accumulated depreciation for				
Land improvements	213,659	4,404	-	218,063
Buildings	1,911,550	52,448	-	1,963,998
Machinery and equipment	4,208,736	254,045	126,633	4,336,148
Streets	100,612,191	1,043,806	-	101,655,997
Sidewalks	4,983,526	50,407	-	5,033,933
Storm sewers	3,195,051	27,831	-	3,222,882
Manholes	163,651	1,469	-	165,120
Hydrants	149,287	4,597	-	153,884
Valves	39,366	182	-	39,548
Streetlights	384,416	3,531	-	387,947
	<u>115,861,433</u>	<u>1,442,720</u>	<u>126,633</u>	<u>117,177,520</u>
Capital assets being depreciated, net				
Land improvements	24,089	(4,404)	-	19,685
Buildings	746,858	(52,448)	-	694,410
Machinery and equipment	1,102,710	238,207	-	1,340,917
Streets	7,308,449	(1,043,806)	-	6,264,643
Sidewalks	222,830	(50,407)	-	172,423
Storm sewers	488,670	(27,831)	-	460,839
Manholes	25,458	(1,469)	-	23,989
Hydrants	175,464	(4,597)	-	170,867
Valves	3,131	(182)	-	2,949
Streetlights	24,977	(3,531)	-	21,446
Total capital assets being depreciated, net	<u>10,122,636</u>	<u>(950,468)</u>	<u>-</u>	<u>9,172,168</u>
Governmental activities capital assets, net	<u>\$ 12,917,611</u>	<u>\$ (950,468)</u>	<u>\$ -</u>	<u>\$ 11,967,143</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, 2014	Additions	Retirements	Balance April 30, 2015
Business-type activities				
Capital assets not being depreciated				
Land	\$ 120,337	\$ -	\$ -	\$ 120,337
Construction in progress	-	172,980	-	172,980
	<u>120,337</u>	<u>172,980</u>	<u>-</u>	<u>293,317</u>
Capital assets being depreciated				
Land improvements	308,042	-	-	308,042
Buildings	472,520	-	-	472,520
Machinery and equipment	1,950,207	25,174	-	1,975,381
Distribution system	11,214,776	-	-	11,214,776
	<u>13,945,545</u>	<u>25,174</u>	<u>-</u>	<u>13,970,719</u>
Less accumulated depreciation for				
Land improvements	167,753	5,261	-	173,014
Buildings	373,545	12,593	-	386,138
Machinery and equipment	1,556,070	76,189	-	1,632,259
Distribution system	9,184,480	192,323	-	9,376,803
	<u>11,281,848</u>	<u>286,366</u>	<u>-</u>	<u>11,568,214</u>
Capital assets being depreciated, net				
Land improvements	140,289	(5,261)	-	135,028
Buildings	98,975	(12,593)	-	86,382
Machinery and equipment	394,137	(51,015)	-	343,122
Distribution system	2,030,296	(192,323)	-	1,837,973
	<u>2,663,697</u>	<u>(261,192)</u>	<u>-</u>	<u>2,402,505</u>
Total capital assets being depreciated, net				
	<u>2,663,697</u>	<u>(261,192)</u>	<u>-</u>	<u>2,402,505</u>
Business-type activities capital assets, net				
	<u>\$ 2,784,034</u>	<u>\$ (88,212)</u>	<u>\$ -</u>	<u>\$ 2,695,822</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	\$ 38,293
Public works	1,348,146
Public safety	56,281
Total depreciation expense - governmental activities	<u>\$ 1,442,720</u>
Business-type activities	
Waterworks and sewerage	\$ 281,105
Commuter parking lot	5,261
Total depreciation expense - business-type activities	<u>\$ 286,366</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, 2015:

	Outstanding Obligations as of May 1, 2014	Additions	Reductions	Outstanding Obligations as of April 30, 2015	Due Within One Year
General obligation bonds	\$ 1,140,000	\$ -	\$ 145,000	\$ 995,000	\$ 150,000
General obligation debt certificates	327,000	-	50,000	277,000	50,000
Capital lease	154,025	-	36,799	117,226	37,914
Compensated absences	452,355	321,027	339,729	433,653	240,262
Net pension obligation	849,036	1,912,754	1,123,768	1,638,022	-
Other postemployment benefits	4,513,347	1,068,155	295,895	5,285,607	-
	<u>\$ 7,435,763</u>	<u>\$ 3,301,936</u>	<u>\$ 1,991,191</u>	<u>\$ 8,746,508</u>	<u>\$ 478,176</u>

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

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, 2015:

	Outstanding Obligations as of May 1, 2014	Additions	Reductions	Outstanding Obligations as of April 30, 2015	Due Within One Year
Compensated absences	\$ 48,321	\$ 31,161	\$ 32,010	\$ 47,472	\$ 20,474

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Outstanding long-term obligations for both governmental and business-type activities as of April 30, 2015, consist of the following:

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%.	\$ 995,000
General obligation debt certificates, Series 2013 dated December 12, 2013. Principal due in annual installments of \$50,000 through 2019 and \$77,000 in 2020. Interest is 1.86%.	277,000
Capital lease dated November 26, 2013. Payments of principal and interest due in annual installments of \$41,468 through November 2017. Effective interest of 2.99%.	117,226
Compensated absences, governmental activities	433,653
Compensated absences, business-type activities	47,472
Net pension obligation	1,638,022
Other postemployment benefits	<u>5,285,607</u>
Total outstanding long-term obligations	<u>\$ 8,793,980</u>

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

Fiscal Year	Governmental Activities					
	General Obligation Bonds		Debt Certificates		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 150,000	\$ 37,685	\$ 50,000	\$ 5,152	\$ 37,914	\$ 3,554
2017	155,000	32,135	50,000	4,222	39,064	2,404
2018	160,000	26,400	50,000	3,292	40,248	1,220
2019	170,000	20,320	50,000	2,362	-	-
2020	175,000	13,860	77,000	1,432	-	-
2021	185,000	7,123	-	-	-	-
	<u>\$ 995,000</u>	<u>\$ 137,523</u>	<u>\$ 277,000</u>	<u>\$ 16,460</u>	<u>\$ 117,226</u>	<u>\$ 7,178</u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

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.

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 2015 and 2014 was 20.86 and 22.05 percent, respectively, of annual covered payroll. The Village's annual required contribution rate for calendar year 2015 and 2014 was 24.28, respectively. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

The Village's annual pension cost and net pension obligation to the plan for fiscal year 2015 were as follows:

Annual required contribution	\$ 587,780
Interest on net pension obligation	25,772
Adjustment to annual requirement contribution	<u>(11,849)</u>
Annual pension cost	601,703
Contributions made	<u>522,872</u>
Increase in net pension obligation	78,831
Net pension obligation, beginning of year	<u>343,820</u>
Net pension obligation, end of year	<u><u>\$ 422,651</u></u>

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
04/30/15	\$ 601,703	87 %
04/30/14	548,023	87
04/30/13	518,793	72

The required contribution for fiscal year 2015 was determined as part of the December 31, 2013 and 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2013 and 2012, 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 is being amortized as a level percentage of projected payroll on an open 29-year basis.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the regular plan was 48.40 percent funded. The actuarial accrued liability for benefits was \$6,933,263 and the actuarial value of assets was \$3,355,898, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,577,365. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$2,351,677 and the ratio of the UAAL to the covered payroll was 152 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.

Sheriff's Law Enforcement Personnel

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

Funding Policy. As set by statute, the Village's regular plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar years 2014 and 2013 was 15.08 and 14.89 percent, respectively, of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year 2015, the Village's annual pension cost of \$15,804 for the SLEP plan was equal to the Village's required and actual contributions.

Trend Information

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

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of the Village's SLEP plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's SLEP plan's underfunded actuarial accrued liability at December 31, 2012, is being amortized as a level percentage of projected payroll on an open 30-year basis.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the SLEP's plan was 53.69 percent funded. The actuarial accrued liability for benefits was \$280,773 and the actuarial value of assets was \$150,742, resulting in an underfunded actuarial accrued liability (UAAL) of \$130,031. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$103,892 and the ratio of the UAAL to covered payroll was 125 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.

Police Pension Fund – GASB Statement No. 67 Disclosures

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements for the Police Pension Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings. No stand-alone statements are issued for the defined benefit pension plan.

Due to the fact that the Police Pension Plan does not issue stand-alone statements, the Village is required to report the implementation requirements related to GASB Statement No. 67, *Financial Reporting for Pension Plans*, for the year ending April 30, 2015.

Plan Description

Plan administration:

Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of Hazel Crest. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. An actuarial valuation was performed as of April 30, 2015, and, accordingly, the most recent available information has been presented.

Management of the Police Pension Plan is vested in the Police Pension Board which consists of five members, representing the Village, active police employees, and retiree beneficiaries. There was a change in the makeup of the Board during fiscal year 2015.

Plan membership:

At April 30, 2015, the Police Pension Plan membership consisted of:

	<u>Membership</u>
Inactive plan members or beneficiaries currently receiving benefits	21
Inactive plan members entitled to benefits but not yet receiving them	1
Active vested plan members	17
Active nonvested plan members	<u>8</u>
Total membership	<u><u>47</u></u>

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Benefits provided:

The Illinois Pension Code (40 ILCS 5/Art. 3) is the authority under which pension benefit terms are established. The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service, are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, and 1 percent of such salary for each additional year of service over 30 years, to a maximum of 75 percent of such salary.

Covered employees hired on or after January 1, 2011, attaining the age of 55 or more with 10 or more years of creditable service, are entitled to receive an annual retirement benefit of 2.5 percent of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of services after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:

Covered employees are required to contribute 9.91 percent of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90 percent of the actuarial liabilities of the pension fund by April 30, 2040. Only the state legislature can amend the contribution requirements. For the year ended April 30, 2015, the statutory minimum which the Village was required to contribute was \$464,892, or 24.14 percent of member payroll, to the Police Pension Fund.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Investments

Investment policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board by a majority vote of its members. It is the policy of the Police Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. See Note 2 for more details on the Police Pension's investment policy. The following is the Board's adopted asset allocation policy as of April 30, 2015:

Asset Class	Minimum Target Asset Allocation	Maximum Target Asset Allocation
Cash and cash equivalents	2%	10%
Fixed income	35%	80%
Equities	20%	60%

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the expected long-term expected arithmetic real rates of return by asset class as of April 30, 2015:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Fixed income			
Corporate bonds	4.20%	2.50%	1.70%
US Government obligations	3.20%	2.50%	0.70%
Equities			
US large-cap equities	8.30%	2.50%	5.80%
US mid-cap equities	9.30%	2.50%	6.80%
US small-cap equities	9.30%	2.50%	6.80%

Method used to value investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Significant investments:

Information on significant investments is presented in Note 2 under “Concentration of Credit Risk.”

Rate of return:

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.96 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Village

The components of the net pension liability of the Village at April 30, 2015, are as follows:

Total pension liability	\$ 33,780,000
Plan fiduciary net position	<u>14,387,546</u>
Village's net pension liability	<u>\$ 19,392,454</u>
Plan fiduciary net position as a percentage of the total pension liability	42.59%

The total pension liability was determined by an actuarial valuation as of April 30, 2015, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	April 30, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll
Discount rate used for the total pension liability	5.07%
Long-term expected rate of return on plan assets	6.25%
High-quality 20-year tax-exempt G.O. Bond rate (based on the Bond Buyer 20-Bond GO Index)	3.62%
Projected individual salary increases	5.00%
Consumer price index (utilities)	2.50%
Inflation rate included	2.50%
Actuarial assumptions	
Mortality table	RP-2000 CHBCA Mortality Table, with improvement
Retirement rates	2012 Illinois Department of Insurance, 100% by Age 70
Disability rates	2012 Illinois Department of Insurance
Termination rates	2012 Illinois Department of Insurance
Percent married	80%

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund – GASB Statement No. 67 Disclosures (Continued)

The actuarial assumptions used in the April 30, 2015 valuation were based on the results of an actuarial assumption study based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012. The study was performed by the Illinois Department of Insurance, which provides a variety of actuarial and other services to Police and Firefighter Pension Funds across the State of Illinois.

Discount rate:

The discount rate used to measure the total pension liability is 5.07 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current members for the next 31 years. Therefore, the long-term expected rate of return on pension plan assets was applied to only those years and for the remaining years, the municipal bond rate was used.

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Village, calculated using the discount rate of 5.07 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.07 percent) or 1-percentage-point higher (6.07 percent) than the current rate.

	1% Decrease	Current	1% Increase
	4.07%	Discount Rate	6.07%
		5.07%	
Village's net pension liability	\$ 24,212,454	\$ 19,392,454	\$ 15,682,454

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information ("RSI") following the notes to the financial statements.

Police Pension Fund – GASB Statement No. 27 Disclosures

The following discussions are specific to the Village's current year financial statements and differ, in certain respects, from those presented on previous pages, which were included as part of the implementation of GASB 67 at the Pension Plan level. Effective for fiscal years ending on or after April 30, 2016, the following disclosures will no longer apply to the Village's financial statements, due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as discussed in Note 11.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund – GASB Statement No. 27 Disclosures (Continued)

Annual Pension Cost and Net Pension Benefit

The Village's most recent actuarial valuation done in accordance with GASB Statement No. 27 was performed as of April 30, 2015. The Village's annual pension cost and net pension liability were as follows:

Annual required contribution	\$ 915,691
Interest on net pension obligation	17,304
Adjustment to annual requirement contribution	(11,909)
Annual pension cost	<u>921,086</u>
Contributions made	<u>464,892</u>
Increase in net pension obligation	456,194
Net pension obligation, beginning of year	<u>276,863</u>
Net pension obligation, end of year	<u><u>\$ 733,057</u></u>

Trend Information

Three-year trend information – Police Pension Trust Fund

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/15	\$ 921,086	\$ 464,892	50 %	\$ 733,057
04/30/14	613,034	416,037	68	276,863
04/13/13	653,114	702,097	108	33,295

Funding Status and Funding Progress

Valuation date	April 30, 2014
Percent funded	49.6%
Actuarial accrued liability for benefits	\$28,546,275
Actuarial value of assets	\$14,165,465
Unfunded actuarial accrued liability (UAAL)	\$14,380,810
Covered payroll (annual payroll of active employees covered by the Plan)	\$1,925,657
Ratio of UAAL covered payroll	746.8%

The schedule of funding progress presented in the RSI following the notes the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are 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 Fund – GASB Statement No. 27 Disclosures (Continued)

Methods and Assumptions

Valuation date	April 30, 2014
Actuarial cost method	Entry Age Normal
Actuarial value of assets	Market
Amortization method	Level Percentage of Payroll Closed
Remaining amortization period	26 years
Investment rate of return	6.25%
Projected individual salary increases	5.00%
Projected increase in total payroll	3.00%
Consumer price index (utilities)	2.50%
Inflation rate included	2.50%
Mortality table	RP 2000 CHBCA Mortality Table, with improvement

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements for the Firefighters' Pension Fund are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings. No stand-alone statements are issued for the defined benefit pension plan. Due to the fact that the Firefighters' Pension Plan does not issue stand-alone statements, the Village is required to report the implementation requirements related to GASB Statement No. 67, *Financial Reporting for Pension Plans*, for the year ending April 30, 2015.

Plan Description

Plan administration:

Sworn firefighter personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of Hazel Crest. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 4 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Village's most recent actuarial valuation was performed as of April 30, 2015, and, accordingly, the most recent available information has been presented. Management of the Firefighters' Pension Plan is vested in the Firefighters' Pension Board which consists of five members, representing the Village, active employees, and beneficiaries. There have been no changes in the makeup of the Board during fiscal year 2015.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Plan Description (Continued)

Plan membership:

At April 30, 2015, the Firefighters' Pension Plan membership consisted of:

	<u>Membership</u>
Inactive Plan members or beneficiaries currently receiving benefits	9
Inactive Plan members entitled to benefits but not yet receiving them	4
Active Plan members	<u>16</u>
Total membership	<u><u>29</u></u>

Benefits provided:

The Illinois Pension Code (40 ILCS 5/Art. 4) is the authority under which pension benefit terms are established. The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary.

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:

Covered firefighter employees are required to contribute 9.455% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 4) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund or 7.5% of the salaries and wages to be paid to firefighters for the year involved, whichever is greater, plus (2) an annual amount sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by April 30, 2040. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2015, the statutory minimum which the Village was required to contribute was \$307,594, or 26.1% of member payroll, to the Firefighters' Pension Fund.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Investments

Investment policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Firefighters' Pension Board by a majority vote of its members. It is the policy of the Firefighters' Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. See Note 2 for more details on the Firefighters' Pension's investment policy.

The following is the Board's adopted asset allocation policy as of April 30, 2015:

Asset Class	Minimum Target Asset Allocation	Maximum Target Asset Allocation
Cash and Cash Equivalents	2%	2%
Fixed Income	33%	68%
Equities	20%	55%

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the expected long-term expected arithmetic real rates of return by asset class as of April 30, 2015:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Corporate bonds	4.20%	2.50%	1.70%
US Government obligations	3.20%	2.50%	0.70%
US large cap equities	8.30%	2.50%	5.80%
US mid cap equities	9.30%	2.50%	6.80%
US small cap equities	9.30%	2.50%	6.80%
Non-US developed large cap equity unhedged	8.40%	2.50%	5.90%
Emerging markets equity unhedged	10.50%	2.50%	8.00%
Global real estate - REITS	8.30%	2.50%	5.80%
Commodities - long only	4.90%	2.50%	2.40%

Method used to value investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales estimated fair value.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Investments (Continued)

Significant investments:

Information on significant investments is presented in Note 2 under "Concentration of Credit Risk."

Rate of return:

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.16 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Village

The components of the net pension liability of the Village at April 30, 2015, are as follows:

Total pension liability	\$ 11,939,775
Plan fiduciary net position	<u>7,392,793</u>
Village's net pension liability	<u>\$ 4,546,982</u>
Plan fiduciary net position as a percentage of the total pension liability	61.92%

The total pension liability was determined by an actuarial valuation as of April 30, 2015, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	April 30, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Discount rate used for the total pension liability	6.14%
Long-term expected rate of return on plan assets	6.75%
High-quality 20-year tax-exempt G.O. Bond rate (based on the Bond Buyer 20-Bond GO Index)	3.62%
Projected individual salary increases	4.00% - 12.00%
Projected increase in total payroll	4.50%
Consumer price index (utilities)	3.00%
Inflation rate included	3.00%
Actuarial assumptions:	
Mortality table	L&A 2012 Illinois Firefighters'
Retirement rates	L&A 2012 Illinois Firefighters', 100% Capped at age 65
Disability rates	L&A 2012 Illinois Firefighters' 100%
Termination rates	L&A 2012 Illinois Firefighters' 100%
Percent married	80%

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Net Pension Liability of the Village (Continued)

Discount rate:

The discount rate used to measure the total pension liability is 6.14 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The plan's projected net position is expected to cover future benefit payments in full for the current year through 2063. Therefore, the long-term expected rate of return on pension plan assets was applied to only those years and for the remaining years, the municipal bond rate was used.

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Village, calculated using the discount rate of 6.14 percent, as well as what the Villages net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.14 percent) or one percentage point higher (7.14 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	5.14%	6.14%	7.14%
Village's net pension liability	\$ 6,453,430	\$ 4,546,982	\$ 3,002,836

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as RSI following the notes to the financial statements.

Firefighters' Pension Fund – GASB Statement No. 27 Disclosures

The following discussions are specific to the Village's current year financial statements and differ, in certain respects, from those presented on previous pages, which were included as part of the implementation of GASB 67 at the Firefighters' Pension Plan level. Effective for fiscal years ending on or after April 30, 2016, the following disclosures will no longer apply to the Village's financial statements, due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as discussed in Note 11.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Annual Pension Cost and Net Pension Benefit

The Village's most recent actuarial valuation in accordance with GASB Statement No. 27 was performed as of April 30, 2014, for the fiscal year ended April 30, 2015. The Village's annual pension cost and net pension (asset) were as follows:

Annual required contribution	\$ 386,633
Interest on net pension obligation	15,413
Adjustment to annual requirement contribution	(12,081)
Annual pension cost	<u>389,965</u>
Contributions made	<u>136,004</u>
Increase in net pension obligation	253,961
Net pension obligation, beginning of year	<u>228,353</u>
 Net pension obligation, end of year	 <u><u>\$ 482,314</u></u>

Trend Information

Three-year trend information - Firefighters' Pension Trust Fund

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/15	\$ 389,965	\$ 136,004	34.9 %	\$ 482,314
04/30/14	307,594	79,241	25.8	228,353
04/30/13	355,585	355,585	100.0	-

Funding Status and Funding Progress

Valuation date	April 30, 2014
Percent funded	78.2%
Actuarial accrued liability for benefits	\$9,379,583
Actuarial value of assets	\$7,336,877
Unfunded actuarial accrued liability (UAAL)	\$2,042,706
Covered payroll (annual payroll of active employees covered by the plan)	\$1,134,304
Ratio of UAAL covered payroll	180.1%

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund – GASB Statement No. 67 Disclosures (Continued)

Methods and Assumptions

Valuation date	April 30, 2014
Actuarial cost method	Projected Unit Credit
Actuarial value of assets	5 Year Smoothed Market Value
Amortization method	Level Percent of Pay, Closed
Remaining amortization period	26 Years
Investment rate of return	6.75%
Projected individual salary increases	4.00% - 12.00% per year compounded annually
Consumer price index (utilities)	3.00%
Inflation rate included	3.00%
Mortality table	L&A 2012 Illinois Firefighters'

Combining Statement of Fiduciary Net Position

Pension Trust Funds

April 30, 2015

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 1,400,447	\$ 57,056	\$ 1,457,503
Investments			
U.S. Treasury notes	5,535,718	408,750	5,944,468
U.S. Government agencies	757,777	2,303,834	3,061,611
Corporate bonds	1,279,808	429,654	1,709,462
Insurance contracts	253,466	-	253,466
Municipal bonds	-	564,244	564,244
Certificate of deposit	-	75,926	75,926
Equity mutual funds	5,143,612	3,528,669	8,672,281
Prepays	29,978	517	30,495
Interest receivable	-	28,108	28,108
Total assets	14,400,806	7,396,758	21,797,564
Liabilities, accounts payable	13,260	3,965	17,225
Net position held in trust for pension benefits	\$ 14,387,546	\$ 7,392,793	\$ 21,780,339

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, 2015**

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions			
Employer	\$ 464,892	\$ 136,004	\$ 600,896
Plan members	200,183	118,035	318,218
Total contributions	665,075	254,039	919,114
Investment income			
Net appreciation in fair value of investments	597,237	220,166	817,403
Interest	184,192	300,820	485,012
Less investment expense	(29,136)	(21,872)	(51,008)
Net investment income	752,293	499,114	1,251,407
Total additions	1,417,368	753,153	2,170,521
Deductions			
Benefits	1,148,054	380,923	1,528,977
Administrative expenses	47,232	27,512	74,744
Total deductions	1,195,286	408,435	1,603,721
Net increase	222,082	344,718	566,800
Net position held in trust for pension benefits May 1, 2014	14,165,464	7,048,075	21,213,539
April 30, 2015	\$ 14,387,546	\$ 7,392,793	\$ 21,780,339

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.

Village of Hazel Crest, Illinois

Notes to Financial Statements

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, 2015.

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, 2015 as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
General	\$ 12,140,381	\$ 12,370,174
MFT	376,000	1,183,039
Commuter parking lot	41,900	44,646

Interfund Transfers

Interfund transfers for the year ended April 30, 2015 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund		
Nonmajor governmental funds	\$ -	\$ 189,521
Nonmajor governmental funds		
General fund	201,993	-
Waterworks and sewerage fund		
Nonmajor governmental funds	-	12,472
	<u>\$ 201,993</u>	<u>\$ 201,993</u>

Fund Deficits

The Limited Tax Bond Fund had a fund deficit of \$40,446 as of April 30, 2015. The Village intends to eliminate this deficit with future property taxes.

Note 10. Postemployment Healthcare Plan

Plan Description. The Village provides post retirement 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 2015, the Village contributed \$295,895 to the plan.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 10. Postemployment Healthcare Plan (Continued)

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, 2015, 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, 2015, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	\$ 1,130,203
Interest on net OPEB obligation	203,100
Adjustment to annual required contribution	<u>(265,148)</u>
Annual OPEB cost (expense)	1,068,155
Contributions made	<u>295,895</u>
Increase in net OPEB obligation	772,260
Net OPEB obligation, beginning of year	<u>4,513,347</u>
 Net OPEB obligation, end of year	 <u><u>\$ 5,285,607</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/15	\$ 1,068,155	27.7 %	\$ 5,285,607
04/30/14	1,079,191	25.6	4,513,347
04/30/13	1,069,469	15.0	3,710,521

Funded Status and Funding Progress. As of April 30, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$10,489,530, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$10,489,530. The covered payroll (annual payroll of active employees covered by the plan) was \$5,673,034 and the ratio of the UAAL to the covered payroll was 184.9 percent.

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

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 10. Postemployment Healthcare Plan (Continued)

Actuarial Methods and Assumptions. In the April 30, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual health care cost trend rate of 8.92 – 10.28 percent initially, reduced by decrements to an ultimate rate of 5 percent, and a general inflation rate of 3.0 percent. As the plan is unfunded, the actuarial method to determine value of assets is not applicable. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2015, was 29 years.

Note 11. New Governmental Accounting Standards

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

GASB Statement No. 72, *Fair Value Measurement and Application*, will be effective for the Village beginning with its year ended April 30, 2017. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*, will be effective for the Village beginning with its year ended April 30, 2017, except those provisions that address employers and governmental nonemployer contributing entities for pension that are not within the scope of GASB Statement No. 68, which are effective for the Village beginning with its year ended April 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2018. This statement will establish rules on reporting by OPEB plans that administer benefits on behalf of governments.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the Village beginning with its year ended April 30, 2019. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

Village of Hazel Crest, Illinois

Notes to Financial Statements

Note 11. New Governmental Accounting Standards (Continued)

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective for the Village with its year ending April 30, 2017. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP from four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the Village beginning with its year ending April 30, 2018. This statement requires state and local governments, for the first time, to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these statements on its financial statements; however, it is anticipated that GASB 68, 71 and 75 will have a significant impact.

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)
12/31/2014	\$ 3,355,898	\$ 6,933,263	\$ 3,577,365	48.40 %	\$ 2,351,677	152.12 %
12/31/2013	3,083,668	6,690,239	3,606,571	46.09	2,253,454	160.05
12/31/2012	2,528,037	7,212,972	4,684,935	35.05	2,113,977	221.62

On a market value basis, the actuarial value of assets as of December 31, 2014, is \$4,798,578. On a market basis, the funded ratio would be 69.21 percent.

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

Schedule of Funding Progress – Sheriff’s Law Enforcement Personnel

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Overfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Overfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2013	\$ 150,742	\$ 280,773	\$ 130,031	53.69 %	\$ 103,892	125.16 %
12/31/2012	122,667	207,489	84,822	59.12	105,535	80.37
12/31/2011	96,984	75,364	(21,620)	128.69	102,907	-

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$165,456. On a market basis, the funded ratio would be 58.93 percent.

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

Village of Hazel Crest, Illinois

Required Supplementary Information - GASB Statement No. 27
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]
4/30/2014	\$ 14,165,465	\$ 28,546,275	\$ 14,380,810	49.6 %	\$ 1,925,657	746.8 %
4/30/2013	14,038,508	22,777,930	8,739,422	61.6	1,791,491	487.8
4/30/2012	13,595,570	20,822,834	7,227,264	65.3	1,835,758	393.7

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
4/30/2015	\$ 915,691	50.8 %
4/30/2014	635,111	73.2
4/30/2013	659,605	63.1
4/30/2012	735,402	95.5
4/30/2011	690,177	116.4
4/30/2010	610,555	118.9

Village of Hazel Crest, Illinois

**Required Supplementary Information - GASB Statement No. 27
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]
4/30/2014	\$ 7,336,877	\$ 9,379,583	\$ 2,042,706	78.2 %	\$ 1,134,304	180.1 %
4/30/2013	6,809,370	8,437,979	1,628,609	80.7	1,149,463	141.7
4/30/2012	6,035,216	7,632,503	1,597,287	79.1	1,189,974	134.2

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
4/30/2014	\$ 386,633	35.2 %
4/30/2013	307,594	100.0
4/30/2012	119,601	349.6
4/30/2010	252,915	132.6
4/30/2009	239,740	114.6
4/30/2008	280,664	71.3

Information for April 30, 2011, is not available.

Village of Hazel Crest, Illinois

**Required Supplementary Information
Postemployment Healthcare Plan**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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]
4/30/2014	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2013	\$ -	\$ 10,489,530	\$ 10,489,530	\$ -	\$ 5,673,034	184.9 %
4/30/2012	N/A	N/A	N/A	N/A	N/A	N/A

N/A – GASB 45 requires biennial valuations to be performed. Information for other years in not available.

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
4/30/2015	\$ 1,068,155	27.7 %
4/30/2014	1,130,203	24.5
4/30/2013	1,011,081	15.9

Village of Hazel Crest, Illinois

**Required Supplementary Information - Police Pension Plan - GASB Statement No. 67
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related
Ratios and Investment Returns**

Fiscal year ended April 30,	2015
Total pension liability	
Service cost	\$ 499,273
Interest on the total pension liability	1,588,462
Changes in benefit terms	-
Differences between expected and actual experience	711,776
Changes in assumptions	3,582,268
Benefit payments	<u>(1,148,054)</u>
Net change in total pension liability	5,233,725
Total pension liability—beginning	<u>28,546,275</u>
Total pension liability—ending (a)	<u><u>\$ 33,780,000</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 464,892
Contributions - member	200,183
Pension plan net investment income	752,169
Benefit payments	(1,148,054)
Pension plan administrative expense	<u>(47,109)</u>
Net change in plan fiduciary net position	222,081
Plan fiduciary net position—beginning	<u>14,165,465</u>
Plan fiduciary net position—ending (b)	<u><u>\$ 14,387,546</u></u>
Net pension liability - ending (a) - (b)	\$ 19,392,454
Plan fiduciary net position as a percentage of the total pension liability	42.59%
Covered-employee payroll	\$ 1,925,657
Employer net pension liability as a percentage of covered-employee payroll	1007.06%
Annual money-weighted rate of return, net of investment expense	5.96%

The Village implemented GASB 67 in FY 2015.

Village of Hazel Crest, Illinois

**Required Supplementary Information - Firefighters' Pension Plan - GASB Statement No. 67
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related
Ratios and Investment Returns**

Fiscal year ended April 30,	2015
Total pension liability	
Service cost	\$ 390,528
Interest on the total pension liability	679,120
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments	(380,923)
	<hr/>
Net change in total pension liability	688,725
Total pension liability—beginning	<hr/> 11,251,050
Total pension liability—ending (a)	<hr/> \$ 11,939,775 <hr/>
Plan fiduciary net position	
Contributions - employer	\$ 136,004
Contributions - member	118,035
Pension plan net investment income	499,115
Benefit payments	(380,923)
Pension plan administrative expense	(27,514)
	<hr/>
Net change in plan fiduciary net position	344,717
Plan fiduciary net position—beginning	<hr/> 7,048,076
Plan fiduciary net position—ending (b)	<hr/> \$ 7,392,793 <hr/>
Net pension liability - ending (a) - (b)	\$ 4,546,982
Plan fiduciary net position as a percentage of the total pension liability	61.92%
Covered-employee payroll	\$ 1,180,202
Employer net pension liability as a percentage of covered-employee payroll	385.27%
Annual money-weighted rate of return, net of investment expense	7.16%

The Village implemented GASB 67 in FY 2015.

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Revenues
 Budget and Actual
 Year Ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Property taxes	\$ 6,713,454	\$ 5,897,603	\$ (815,851)
Other taxes			
Utility	1,050,000	925,053	(124,947)
Home rule fuel tax	55,000	51,420	(3,580)
Home rule sales tax	370,000	423,243	53,243
Amusement	-	1,050	1,050
Total other taxes	1,475,000	1,400,766	(74,234)
Intergovernmental			
Property tax road and bridge	33,000	36,664	3,664
Replacement	30,000	41,802	11,802
Sales	540,000	594,104	54,104
Income tax	1,600,000	1,711,331	111,331
E-Com revenue	-	122,517	122,517
Grants	-	108,960	108,960
Total intergovernmental	2,203,000	2,615,378	412,378
Fines, fees and permits			
Vehicle license penalties	-	12,405	12,405
Illinois red speed	2,000	-	(2,000)
Finance charges	-	-	-
Plan reviews	13,000	9,578	(3,422)
Franchise fees	50,000	80,383	30,383
Building permits	75,000	117,874	42,874
Circuit court fines	50,000	83,514	33,514
Ambulance fees	325,000	418,853	93,853
Inspections	105,000	118,355	13,355
Cable television franchise fees	130,000	180,412	50,412
Contractor registration	45,000	66,675	21,675
Alarm violations	500	-	(500)
Total fines, fees and permits	795,500	1,088,049	292,549

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Revenues
 Budget and Actual (Continued)
 Year Ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Licenses			
Raffle licenses	\$ -	\$ 50	\$ 50
Liquor	500	6,970	6,470
Vehicles	186,500	150,940	(35,560)
Business	9,000	106,537	97,537
Pet	400	335	(65)
Total licenses	196,400	264,832	68,432
Charges for services			
Refuse removal fees	960,000	997,269	37,269
Refuse removal penalties	35,000	39,611	4,611
Commuter parking service charges	35,000	35,000	-
Motor fuel tax equipment rental	96,000	96,000	-
TIF service charges	30,000	30,000	-
Crime free class fee	1,000	1,400	400
Total service charges	1,157,000	1,199,280	42,280
Interest	-	9,252	9,252
Miscellaneous			
Employee health insurance contributions	103,000	135,173	32,173
IRMA refund	-	2,989	2,989
Bad debt recovery	-	56,569	56,569
Municipal center leases	122,000	128,702	6,702
State highway maintenance	25,000	21,921	(3,079)
Sidewalk/tree replacement	-	2,267	2,267
Miscellaneous	-	105,156	105,156
Total miscellaneous	250,000	452,777	202,777
Total revenues	\$ 12,790,354	\$ 12,927,937	\$ 137,583

See Note to Required Supplementary Information.

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual
 Year Ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
General government			
General services			
Personnel			
Salaries	\$ 401,000	\$ 487,190	\$ 86,190
FICA	30,600	35,366	4,766
IMRF	100,000	82,766	(17,234)
Employee insurance	55,000	58,888	3,888
Retiree insurance	189,750	155,469	(34,281)
FSA expense	3,000	1,820	(1,180)
Total personnel	<u>779,350</u>	<u>821,499</u>	<u>42,149</u>
Maintenance			
Maintenance building/grounds	7,200	4,632	(2,568)
Maintenance equipment	20,250	33,613	13,363
Total maintenance	<u>27,450</u>	<u>38,245</u>	<u>10,795</u>
Contractual services			
Cleaning services	13,000	17,589	4,589
Economic development incentives	20,000	5,578	(14,422)
Payroll fees	8,500	9,461	961
Telephone	60,000	72,378	12,378
Utilities	5,000	9,209	4,209
Refuse removal	800,000	887,498	87,498
Police pension contributions	514,664	464,892	(49,772)
Fire pension contributions	140,000	136,004	(3,996)
Travel	300	269	(31)
Legal	130,000	135,965	5,965
Accounting	45,000	20,550	(24,450)
Consultants	165,000	152,019	(12,981)
Training and conferences	515	6,934	6,419
Dues and subscriptions	13,500	9,266	(4,234)
E-Com	400,000	449,406	49,406
Contingency	40,000	-	(40,000)
Total contractual services	<u>2,355,479</u>	<u>2,377,018</u>	<u>21,539</u>
Commodities			
Office supplies	35,000	33,198	(1,802)
Boards and commissions	4,100	5,909	1,809
Recruitment/testing	10,000	18,541	8,541
Bad debts	42,000	2,955	(39,045)
Bank service charges	800	755	(45)
Sundry/asset forfeiture	500	81,885	81,385
Village events	6,000	6,901	901
Miscellaneous expense	20,000	7,496	(12,504)
Total commodities	<u>118,400</u>	<u>157,640</u>	<u>39,240</u>
Total general services	<u>3,280,679</u>	<u>3,394,402</u>	<u>113,723</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
General government (continued)			
Administrative office			
Personnel			
Salaries	\$ 189,938	\$ 173,290	\$ (16,648)
FICA	14,530	13,050	(1,480)
IMRF	47,484	31,563	(15,921)
Employee insurance	14,300	14,200	(100)
Total personnel	266,252	232,103	(34,149)
Maintenance			
Maintenance equipment	8,000	5,713	(2,287)
Contractual services			
Postage	17,044	16,540	(504)
Printing	7,000	6,581	(419)
Total contractual services	24,044	23,121	(923)
Total administrative office	298,296	260,937	(37,359)
Communications and community relations			
Personnel			
Salaries	21,000	26,076	5,076
FICA	1,607	1,984	377
Total personnel	22,607	28,060	5,453
Contractual services			
Consultants	42,000	36,000	(6,000)
Equipment	3,000	-	(3,000)
Villager	12,000	10,365	(1,635)
Pace bus	-	1,237	1,237
Total contractual services	57,000	47,602	(9,398)
Commodities			
Utilities	-	2,657	2,657
Sundry	500	149	(351)
Total commodities	500	2,806	2,306
Total communications and community relations	80,107	78,468	(1,639)

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Insurance			
Personnel			
State unemployment insurance	\$ 10,000	\$ 10,913	\$ 913
Workers' compensation	256,700	179,111	(77,589)
Total personnel	<u>266,700</u>	<u>190,024</u>	<u>(76,676)</u>
Contractual services			
Insurance	290,000	205,837	(84,163)
Training and conferences	50	114	64
Total contractual services	<u>290,050</u>	<u>205,951</u>	<u>(84,099)</u>
Commodities			
Risk management	9,740	26,669	16,929
Loss fund	200	-	(200)
Uniforms	2,800	-	(2,800)
Equipment	2,300	-	(2,300)
Total commodities	<u>15,040</u>	<u>26,669</u>	<u>11,629</u>
Total insurance	<u>571,790</u>	<u>422,644</u>	<u>(149,146)</u>
Total general government	<u>4,230,872</u>	<u>4,156,451</u>	<u>(74,421)</u>

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Public works			
Personnel			
Salaries	\$ 568,000	\$ 494,611	\$ (73,389)
FICA	43,452	35,731	(7,721)
IMRF	142,000	132,749	(9,251)
Employee insurance	74,235	72,460	(1,775)
Total personnel	827,687	735,551	(92,136)
Maintenance			
Maintenance building/grounds	6,000	12,611	6,611
Maintenance/equipment	131,500	177,489	45,989
Maintenance/other	32,250	31,900	(350)
Trees	10,000	11,075	1,075
Streets	10,000	8,763	(1,237)
Total maintenance	189,750	241,838	52,088
Contractual services			
Garbage disposal	15,000	10,226	(4,774)
Communications	1,000	1,169	169
Utilities	55,000	59,850	4,850
Traffic signals	24,000	19,845	(4,155)
Rental	4,000	4,984	984
Travel	150	-	(150)
Printing	1,100	463	(637)
Consultants	-	14,070	14,070
Training and conferences	500	3,502	3,002
Dues and subscriptions	700	609	(91)
Total contractual services	101,450	114,718	13,268
Commodities			
Other supplies	8,700	1,205	(7,495)
Uniforms	6,500	7,610	1,110
Gas and oil	55,000	38,257	(16,743)
Sundry	250	-	(250)
Total commodities	70,450	47,072	(23,378)
Total public works	1,189,337	1,139,179	(50,158)

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Public safety			
Police			
Personnel			
Salaries	\$ 2,871,881	\$ 3,301,713	\$ 429,832
FICA	219,699	244,193	24,494
IMRF	100,000	85,872	(14,128)
Employee insurance	440,000	434,638	(5,362)
Total personnel	3,631,580	4,066,416	434,836
Maintenance			
Maintenance equipment	37,900	47,653	9,753
Contractual services			
Communications	15,040	6,318	(8,722)
Cleaning services	-	600	600
Printing	4,000	1,329	(2,671)
Consultants	29,120	38,056	8,936
Adjudication hearing officer	3,600	3,600	-
Training and conferences	25,000	27,847	2,847
Dues and subscriptions	2,000	9,774	7,774
Total contractual services	78,760	87,524	8,764
Commodities			
Other supplies	18,000	18,182	182
Uniforms	28,225	27,166	(1,059)
Prisoner needs	3,000	1,872	(1,128)
Gas and oil	125,000	83,807	(41,193)
Animal control	4,000	3,738	(262)
Sundry	3,000	2,178	(822)
Total commodities	181,225	136,943	(44,282)
Total police	3,929,465	4,338,536	409,071
Fire			
Personnel			
Salaries	1,419,061	1,499,355	80,294
FICA	108,558	113,226	4,668
IMRF	9,600	9,700	100
Employee insurance	230,480	205,826	(24,654)
Total personnel	1,767,699	1,828,107	60,408

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
Public safety (continued)			
Fire (continued)			
Maintenance			
Maintenance buildings/grounds	\$ 16,000	\$ 3,715	\$ (12,285)
Maintenance equipment	49,100	56,914	7,814
Total maintenance	65,100	60,629	(4,471)
Contractual services			
Communications	13,200	12,063	(1,137)
Rental	5,000	489	(4,511)
Postage	1,000	2,269	1,269
Printing	6,300	686	(5,614)
Fire prevention	2,000	-	(2,000)
Consultants	33,250	13,047	(20,203)
Training and conferences	44,600	2,166	(42,434)
Dues and subscriptions	19,600	18,173	(1,427)
Total contractual services	124,950	48,893	(76,057)
Commodities			
Office supplies	-	436	436
Other supplies	44,650	36,681	(7,969)
Uniforms	30,000	10,192	(19,808)
Gas and oil	25,000	11,629	(13,371)
Sundry	500	-	(500)
Total commodities	100,150	58,938	(41,212)
Total fire	2,057,899	1,996,567	(61,332)
Inspection			
Personnel			
Salaries	281,320	347,584	66,264
FICA	21,521	26,153	4,632
IMRF	70,330	74,428	4,098
Employee insurance	28,987	33,253	4,266
Total personnel	402,158	481,418	79,260
Maintenance			
Grass cutting	20,000	27,100	7,100
Maintenance equipment	-	108	108
Total maintenance	20,000	27,208	7,208
Contractual services			
Consultants	51,700	49,442	(2,258)
Printing	4,000	2,271	(1,729)
Training and conferences	800	1,320	520
Legal	-	-	-
Dues and subscriptions	1,600	2,319	719
Total contractual services	58,100	55,352	(2,748)
Commodities			
Sundry	-	25	25
Uniforms	2,450	2,874	424
Total commodities	2,450	2,899	449
Total inspection	482,708	566,877	84,169

(continued)

Village of Hazel Crest, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures
 Budget and Actual (Continued)
 Year Ended April 30, 2015

	Original and Final Budget	Actual	Over (Under) Budget
<hr/>			
Public safety (continued)			
Civil defense			
Maintenance			
Maintenance equipment	\$ 3,000	\$ -	\$ (3,000)
Contractual services			
Communications	1,800	-	(1,800)
Training and conference	4,000	-	(4,000)
Dues and subscriptions	5,000	-	(5,000)
	<hr/> 10,800	<hr/> -	<hr/> (10,800)
Total civil defense	<hr/> 13,800	<hr/> -	<hr/> (13,800)
Total public safety	<hr/> 6,483,872	<hr/> 6,901,980	<hr/> 418,108
Capital outlay			
General government	50,800	31,209	(19,591)
Public works	93,500	75,790	(17,710)
Public safety	92,000	65,565	(26,435)
Total capital outlay	<hr/> 236,300	<hr/> 172,564	<hr/> (63,736)
Total expenditures	<hr/> \$ 12,140,381	<hr/> \$ 12,370,174	<hr/> \$ 229,793

See Note to Required Supplementary Information.

Village of Hazel Crest, Illinois

Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

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

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

- a) Village Manager submits to the Village Board of Trustees a proposed operating budget ordinance, which serves as a budget, for the fiscal year commencing the following May 1. The operating budget ordinance includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the Village to obtain taxpayer comments.
- c) Subsequently, the budget is legally enacted through passage of an ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general, special revenue, debt service and capital projects funds.
- e) Budgets for the general, special revenue, debt service and the capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- f) Budgetary authority lapses at year-end.
- g) State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action.
- h) Budgeted amounts are as originally adopted.
- i) The Village adopts an annual appropriated budget for seven 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, 2015

	Special Revenue (MFT)	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	\$ 900,255	\$ 317,974	\$ 1,226,833	\$ 2,445,062
Receivables				
Property taxes	-	121,151	-	121,151
Intergovernmental	100,112	-	-	100,112
Total assets	\$ 1,000,367	\$ 439,125	\$ 1,226,833	\$ 2,666,325
Liabilities				
Accounts payable	\$ 73,361	\$ -	\$ 7,374	\$ 80,735
Unearned revenue	33,224	-	-	33,224
Total liabilities	106,585	-	7,374	113,959
Deferred Inflows of Resources				
Deferred property tax levy	-	118,216	-	118,216
Fund Balances				
Restricted				
Debt service	-	361,355	-	361,355
Capital projects	-	-	1,219,459	1,219,459
MFT projects	893,782	-	-	893,782
Unassigned	-	(40,446)	-	(40,446)
Total fund balances	893,782	320,909	1,219,459	2,434,150
Total liabilities, deferred inflows of recourses and fund balances	\$ 1,000,367	\$ 439,125	\$ 1,226,833	\$ 2,666,325

Village of Hazel Crest, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended April 30, 2015**

	Special Revenue (MFT)	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Property taxes (refunds)	\$ -	\$ 259,383	\$ (7,374)	\$ 252,009
Intergovernmental	947,256	-	-	947,256
Miscellaneous	117,959	-	-	117,959
Total revenues	1,065,215	259,383	(7,374)	1,317,224
Expenditures				
Current				
General services	1,079,639	-	245,676	1,325,315
Debt service				
Principal	-	195,000	-	195,000
Interest and fees	-	28,442	-	28,442
Capital outlay	103,400	-	-	103,400
Total expenditures	1,183,039	223,442	245,676	1,652,157
Excess (deficiency) of revenues over (under) expenditures	(117,824)	35,941	(253,050)	(334,933)
Other financing sources				
Transfers in	-	31,993	170,000	201,993
Change in fund balances	(117,824)	67,934	(83,050)	(132,940)
Fund balances				
May 1, 2014	1,011,606	252,975	1,302,509	2,567,090
April 30, 2015	\$ 893,782	\$ 320,909	\$ 1,219,459	\$ 2,434,150

Village of Hazel Crest, Illinois

Combining Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
Nonmajor Special Revenue Fund - MFT Fund
Year Ended April 30, 2015

	MFT	
	Budget	Actual
Revenues		
Intergovernmental	\$ 380,000	\$ 947,256
Miscellaneous	5,000	117,959
Total revenues	<u>385,000</u>	<u>1,065,215</u>
Expenditures		
Current		
General government	376,000	1,079,639
Capital outlay	-	103,400
Total expenditures	<u>376,000</u>	<u>1,183,039</u>
Change in fund balance	<u>\$ 9,000</u>	(117,824)
Fund balances		
May 1, 2014		<u>1,011,606</u>
April 30, 2015		<u>\$ 893,782</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet
 Nonmajor Debt Service Funds
 April 30, 2015

	Limited Tax Bonds	2005 Capital Projects	Total
Assets			
Cash	\$ (42,513)	\$ 360,487	\$ 317,974
Property taxes receivable	83,856	37,295	121,151
Total assets	\$ 41,343	\$ 397,782	\$ 439,125
Liabilities			
	\$ -	\$ -	\$ -
Deferred Inflows of Resources			
Deferred property tax levy	81,789	36,427	118,216
Fund Balances (deficits)			
Restricted for debt service	-	361,355	361,355
Unassigned	(40,446)	-	(40,446)
Total fund balances (deficits)	(40,446)	361,355	320,909
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 41,343	\$ 397,782	\$ 439,125

Village of Hazel Crest, Illinois

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended April 30, 2015**

	Limited Tax Bonds	Fire Equipment Notes	2005 Capital Projects	Total
Revenues				
Property taxes	\$ 173,837	\$ 10,466	\$ 75,080	\$ 259,383
Total revenues	173,837	10,466	75,080	259,383
Expenditures				
Debt service				
Principal	145,000	-	50,000	195,000
Interest and fees	22,327	-	6,115	28,442
Total expenditures	167,327	-	56,115	223,442
Excess of revenues over expenditures	6,510	10,466	18,965	35,941
Other financing sources				
Transfers in	-	31,993	-	31,993
Change in fund balances	6,510	42,459	18,965	67,934
Fund balances (deficits)				
May 1, 2014	(46,956)	(42,459)	342,390	252,975
April 30, 2015	\$ (40,446)	\$ -	\$ 361,355	\$ 320,909

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, 2015

	Limited Tax Bonds		Fire Equipment Notes		2005 Capital Projects		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues								
Property taxes	\$ 188,230	\$ 173,837	\$ -	\$ 10,466	\$ 64,382	\$ 75,080	\$ 252,612	\$ 259,383
Expenditures								
Debt service								
Principal	145,000	145,000	-	-	50,000	50,000	195,000	195,000
Interest and fees	43,050	22,327	-	-	17,526	6,115	60,576	28,442
Total expenditures	188,050	167,327	-	-	67,526	56,115	255,576	223,442
Excess (deficiency) of revenues over (under) expenditures	180	6,510	-	10,466	(3,144)	18,965	(2,964)	35,941
Other financing sources								
Transfers in	-	-	-	31,993	-	-	-	31,993
Change in fund balances	<u>\$ 180</u>	6,510	<u>\$ -</u>	42,459	<u>\$ (3,144)</u>	18,965	<u>\$ (2,964)</u>	67,934
Fund balances (deficits)								
May 1, 2014		<u>(46,956)</u>		<u>(42,459)</u>		<u>342,390</u>		<u>252,975</u>
April 30, 2015		<u>\$ (40,446)</u>		<u>\$ -</u>		<u>\$ 361,355</u>		<u>\$ 320,909</u>

Village of Hazel Crest, Illinois

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 April 30, 2015

	Capital Projects	Tax Incremental Financing District 167th Street	Tax Incremental Financing District Cherry Creek	Total
Assets				
Cash and equivalents	\$ 319,147	\$ 699,102	\$ 208,584	\$ 1,226,833
Liabilities and Fund Balances				
Liabilities	\$ -	\$ 7,374	\$ -	\$ 7,374
Fund balances				
Restricted for capital projects	319,147	691,728	208,584	1,219,459
Total liabilities and fund balances	\$ 319,147	\$ 699,102	\$ 208,584	\$ 1,226,833

Village of Hazel Crest, Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended April 30, 2015**

	Capital Projects	Tax Incremental Financing District 167th Street	Tax Incremental Financing District Cherry Creek	Total
Revenues				
Property taxes (refunds)	\$ -	\$ (7,374)	\$ -	\$ (7,374)
Expenditures				
Current				
General services	235,676	10,000	-	245,676
Deficiency of revenues over expenditures	(235,676)	(17,374)	-	(253,050)
Other financing sources				
Transfers in	170,000	-	-	170,000
Change in fund balances	(65,676)	(17,374)	-	(83,050)
Fund balances				
May 1, 2014	384,823	709,102	208,584	1,302,509
April 30, 2015	\$ 319,147	\$ 691,728	\$ 208,584	\$ 1,219,459

Major Proprietary Fund

Village of Hazel Crest, Illinois

Statement of Revenues, Expenses and Changes in Net Position -
 Budget and Actual
 Waterworks and Sewerage Fund
 Year Ended April 30, 2015

	Original and Final Budget	Actual
Operating revenues		
Charges for services	\$ 4,582,463	\$ 3,749,652
Fines and fees	93,000	143,347
Total operating revenues	<u>4,675,463</u>	<u>3,892,999</u>
Operating expenses		
Operations	4,140,165	3,350,591
Depreciation	-	281,105
Total operating expenses	<u>4,140,165</u>	<u>3,631,696</u>
Operating income	535,298	261,303
Nonoperating revenues		
Intergovernmental	-	283,369
Miscellaneous	4,000	15,139
Total nonoperating revenues	<u>4,000</u>	<u>298,508</u>
Other financing sources (uses)		
Transfers out	-	(12,472)
Change in net position	<u>\$ 539,298</u>	547,339
Net position		
May 1, 2014		<u>3,654,795</u>
April 30, 2015		<u>\$ 4,202,134</u>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
 Waterworks and Sewerage Fund
 Year Ended April 30, 2015

	Original and Final Budget	Actual
Operating expenses		
Personnel		
Salaries	\$ 613,769	\$ 582,402
FICA	46,953	53,362
IMRF	153,442	117,352
Employee insurance	115,000	113,731
Total personnel	929,164	866,847
Maintenance		
Maintenance building/grounds	49,900	44,644
Maintenance equipment	80,320	36,676
Maintenance utility system	170,000	144,177
Total maintenance	300,220	225,497
Contractual services		
Communications	2,000	754
Telephone	3,000	3,313
Water purchases	2,254,000	1,980,672
Utilities	60,000	52,724
Rental	7,000	7,575
Travel	250	-
Postage	10,000	9,016
Printing	3,100	1,260
Legal	5,500	1,600
Consultants	30,500	86,998
Training and conferences	1,500	1,223
Dues and subscriptions	250	587
Total contractual services	2,377,100	2,145,722
Commodities		
Office supplies	4,400	46
Other supplies	4,821	6,407
Uniforms	5,550	7,398
Gas and oil	50,910	38,414
Bad debts	8,000	6,199
Sundry	1,000	-
Total commodities	74,681	58,464

(continued)

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
 Waterworks and Sewerage Fund (Continued)
 Year Ended April 30, 2015

	Original and Final Budget	Actual
Operating expenses (continued)		
Capital outlay		
Improvements	\$ 13,000	\$ 7,063
Equipment	404,000	5,534
Meters	42,000	41,464
Total capital outlay	<u>459,000</u>	<u>54,061</u>
Total operations	4,140,165	3,350,591
Depreciation	<u>-</u>	<u>281,105</u>
Total operating expenses	<u>\$ 4,140,165</u>	<u>\$ 3,631,696</u>

Village of Hazel Crest, Illinois

Schedule of Expenses - Budget and Actual
Commuter Parking Lot Fund
Year Ended April 30, 2015

	Original and Final Budget	Actual
Operating expenses		
Maintenance	\$ -	\$ 1,840
Utilities	1,400	1,731
Consultants	-	814
Service charge	35,000	35,000
Total operations	36,400	39,385
Depreciation	5,500	5,261
Total operating expenses	<u>\$ 41,900</u>	<u>\$ 44,646</u>

Village of Hazel Crest, Illinois

Schedule of Debt Service Requirements
April 30, 2015

	Year Ending April 30,	Principal	Interest	Total
General Obligation Debt Certificates, Series 2013				
Dated: December 12, 2013	2016	\$ 50,000	\$ 5,152	\$ 55,152
Payable at: Fifth Third Bank	2017	50,000	4,222	54,222
Interest payable annually	2018	50,000	3,292	53,292
interest rate of 1.86%	2019	50,000	2,362	52,362
	2020	77,000	1,432	78,432
		<u>\$ 277,000</u>	<u>\$ 16,460</u>	<u>\$ 293,460</u>
General Obligation Bonds, Series 2006				
Dated: December 1, 2006	2016	\$ 150,000	\$ 37,685	\$ 187,685
Authorized issue - \$2,105,000	2017	155,000	32,135	187,135
Payable at: Bank of New York	2018	160,000	26,400	186,400
Interest payable semi-annually at rates	2019	170,000	20,320	190,320
ranging from 3.7 to 3.85%	2020	175,000	13,860	188,860
	2021	185,000	7,123	192,123
		<u>\$ 995,000</u>	<u>\$ 137,523</u>	<u>\$ 1,132,523</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.	88-93
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.	94-101
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.	102-105
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.	106-107
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.	108-110
Sources Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

Village of Hazel Crest, Illinois

**Net Position by Component
Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 21,850,030	\$ 16,750,186	\$ 15,914,004	\$ 15,492,939	\$ 14,899,778	\$ 14,011,120	\$ 12,977,521	\$ 11,865,192	\$ 11,296,586	\$ 10,577,917
Restricted	-	755,837	634,466	732,856	520,617	537,937	6,719,150	6,616,980	6,364,062	5,994,836
Unrestricted	5,682,785	9,327,739	8,775,659	7,508,602	7,584,708	5,593,685	108,879	(90,056)	(1,077,897)	(2,651,128)
Total governmental activities	<u>\$ 27,532,815</u>	<u>\$ 26,833,762</u>	<u>\$ 25,324,129</u>	<u>\$ 23,734,397</u>	<u>\$ 23,005,103</u>	<u>\$ 20,142,742</u>	<u>\$ 19,805,550</u>	<u>\$ 18,392,116</u>	<u>\$ 16,582,751</u>	<u>\$ 13,921,625</u>
Business-type activities										
Net investment in capital assets	\$ 4,812,536	\$ 4,496,830	\$ 4,091,062	\$ 3,750,564	\$ 3,408,764	\$ 3,142,751	\$ 2,984,413	\$ 2,742,086	\$ 2,784,034	\$ 2,695,822
Unrestricted	(742,436)	(764,252)	(769,741)	(807,805)	(654,993)	(337,933)	221,070	815,365	1,155,686	1,772,296
Total Business-type Activities	<u>\$ 4,070,100</u>	<u>\$ 3,732,578</u>	<u>\$ 3,321,321</u>	<u>\$ 2,942,759</u>	<u>\$ 2,753,771</u>	<u>\$ 2,804,818</u>	<u>\$ 3,205,483</u>	<u>\$ 3,557,451</u>	<u>\$ 3,939,720</u>	<u>\$ 4,468,118</u>
Net investment in capital assets	\$ 26,662,566	\$ 21,247,016	\$ 20,005,066	\$ 19,243,503	\$ 18,308,542	\$ 17,153,871	\$ 15,961,934	\$ 14,607,275	\$ 14,080,620	\$ 13,273,739
Restricted	-	755,837	634,466	732,856	520,617	537,937	6,719,150	6,616,980	6,364,062	5,994,836
Unrestricted	4,940,349	8,563,487	8,005,918	6,700,797	6,929,715	5,255,752	329,949	725,309	77,789	(878,832)
Total primary government	<u>\$ 31,602,915</u>	<u>\$ 30,566,340</u>	<u>\$ 28,645,450</u>	<u>\$ 26,677,156</u>	<u>\$ 25,758,874</u>	<u>\$ 22,947,560</u>	<u>\$ 23,011,033</u>	<u>\$ 21,949,564</u>	<u>\$ 20,522,471</u>	<u>\$ 18,389,743</u>

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

Change in Net Position
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
General government	\$ 3,143,886	\$ 5,660,422	\$ 7,083,940	\$ 6,411,941	\$ 6,762,100	\$ 7,378,579	\$ 5,998,536	\$ 6,385,248	\$ 4,478,889	\$ 5,160,459
Public safety	5,080,102	5,230,464	5,544,852	6,694,508	6,030,645	7,250,107	5,766,476	6,546,830	7,451,356	7,750,671
Public works	2,338,699	2,333,101	2,440,638	2,578,377	2,600,659	1,326,554	2,592,617	2,954,804	3,033,161	3,664,622
Interest	153,460	358,355	288,937	92,565	138,541	94,724	80,939	81,855	95,371	46,291
Total governmental activities expenses	10,716,147	13,582,342	15,358,367	15,777,391	15,531,945	16,049,964	14,438,568	15,968,737	15,058,777	16,622,043
Business-type activities										
Waterworks and sewerage	3,268,363	2,475,858	2,714,028	2,798,922	2,886,506	2,845,464	2,666,383	3,094,713	3,702,921	3,631,696
Commuter parking lot	38,231	7,778	11,287	75,877	46,241	45,238	43,345	43,236	44,656	44,646
Total business-type activities expenses	3,306,594	2,483,636	2,725,315	2,874,799	2,932,747	2,890,702	2,709,728	3,137,949	3,747,577	3,676,342
Total primary government expenses	\$ 14,022,741	\$ 16,065,978	\$ 18,083,682	\$ 18,652,190	\$ 18,464,692	\$ 18,940,666	\$ 17,148,296	\$ 19,106,686	\$ 18,806,354	\$ 20,298,385
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 1,204,390	\$ 1,792,161	\$ 1,922,076	\$ 1,940,709	\$ 1,981,729	\$ 1,768,310	\$ 1,868,466	\$ 1,897,372	\$ 1,958,722	\$ 2,119,967
Public safety	339,670	265,472	395,549	366,130	346,632	426,253	499,411	466,060	464,655	502,367
Public works	14,873	89,728	11,364	-	42,629	34,525	30,877	28,169	25,623	24,188
Operating grants and contributions	688,915	710,921	771,094	234,864	648,961	488,569	490,318	458,912	410,693	1,056,216
Capital grants and contributions	-	57,080	-	-	-	280,156	26,223	-	-	-
Total governmental activities Program revenues	2,247,848	2,915,362	3,100,083	2,541,703	3,019,951	2,997,813	2,915,295	2,850,513	2,859,693	3,702,738
Business-type activities										
Charges for services										
Waterworks and sewerage	2,778,528	2,103,009	2,268,814	2,412,475	2,710,196	2,826,714	3,019,296	3,454,707	3,890,075	3,892,999
Commuter parking lot	36,286	38,456	37,142	32,756	33,563	35,035	34,097	30,207	26,608	25,705
Operating grants and contributions	-	-	-	50,000	-	80,000	57,000	5,000	213,166	283,369
Total business-type activities Program revenues	2,814,814	2,141,465	2,305,956	2,495,231	2,743,759	2,941,749	3,110,393	3,489,914	4,129,849	4,202,073
Total primary government Program Revenues	\$ 5,062,662	\$ 5,056,827	\$ 5,406,039	\$ 5,036,934	\$ 5,763,710	\$ 5,939,562	\$ 6,025,688	\$ 6,340,427	\$ 6,989,542	\$ 7,904,811
Net (expense) revenue										
Governmental activities	\$ (8,468,299)	\$ (10,666,980)	\$ (12,258,284)	\$ (13,235,688)	\$ (12,511,994)	\$ (13,052,151)	\$ (11,523,273)	\$ (13,118,224)	\$ (12,199,084)	\$ (12,919,305)
Business-type activities	(491,780)	(342,171)	(419,359)	(379,568)	(188,988)	51,047	400,665	351,965	382,272	525,731
Total primary government, net (Expense) revenue	\$ (8,960,079)	\$ (11,009,151)	\$ (12,677,643)	\$ (13,615,256)	\$ (12,700,982)	\$ (13,001,104)	\$ (11,122,608)	\$ (12,766,259)	\$ (11,816,812)	\$ (12,393,574)

(Continued)

Village of Hazel Crest, Illinois

Change in Net Position (Continued)
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property	\$ 4,243,737	\$ 5,442,857	\$ 5,745,652	\$ 5,925,950	\$ 7,688,712	\$ 5,971,364	\$ 7,237,110	\$ 7,352,990	\$ 6,229,648	\$ 5,882,896
Sales	580,015	694,475	784,883	629,913	522,782	499,732	532,565	507,482	407,771	423,243
Income and Use	1,348,880	1,475,612	1,600,594	1,490,817	1,301,894	1,362,862	1,316,260	1,577,304	2,150,898	2,305,435
Utility	1,460,390	1,669,226	1,928,191	2,217,613	1,748,738	1,654,699	1,581,955	1,564,281	1,053,466	925,053
Other	34,907	-	106,250	125,000	94,694	180,101	-	264,932	253,847	253,453
Interest	200,128	301,286	303,776	104,095	26,464	21,466	9,988	12,948	9,238	9,252
Miscellaneous	144,694	159,143	279,305	1,152,568	399,416	499,566	508,203	424,853	284,851	446,375
Transfers	-	-	-	-	-	-	-	-	-	12,472
Total governmental activities	8,012,751	9,742,599	10,748,651	11,645,956	11,782,700	10,189,790	11,186,081	11,704,790	10,389,719	10,258,179
Business-type activities										
Interest	4,943	4,649	8,102	1,005	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	15,139
Transfers	-	-	-	-	-	-	-	-	-	(12,472)
Total business-type activities	4,943	4,649	8,102	1,005	-	-	-	-	-	2,667
Total primary government	\$ 8,017,694	\$ 9,747,248	\$ 10,756,753	\$ 11,646,961	\$ 11,782,700	\$ 10,189,790	\$ 11,186,081	\$ 11,704,790	\$ 10,389,719	\$ 10,260,846
Change in Net Assets										
Governmental activities	\$ (455,548)	\$ (924,381)	\$ (1,509,633)	\$ (1,589,732)	\$ (729,294)	\$ (2,862,361)	\$ (337,192)	\$ (1,413,434)	\$ (1,809,365)	\$ (2,661,126)
Business-type activities	(486,837)	(337,522)	(411,257)	(378,563)	(188,988)	51,047	400,665	351,965	382,272	528,398
Total primary government	\$ (942,385)	\$ (1,261,903)	\$ (1,920,890)	\$ (1,968,295)	\$ (918,282)	\$ (2,811,314)	\$ 63,473	\$ (1,061,469)	\$ (1,427,093)	\$ (2,132,728)

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Non spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707,052	\$ 433,599	\$ 535,315	\$ 572,696
Restricted for compost closure	-	-	-	-	-	-	20,000	20,000	20,000	-
Unassigned	-	-	-	-	-	-	2,660,241	3,513,120	4,170,892	4,521,753
Reserved	-	656,294	1,584,877	1,753,982	1,704,824	1,467,544	-	-	-	-
Unreserved	4,021,948	3,465,514	2,485,503	2,506,671	1,843,566	1,720,288	-	-	-	-
Total general fund	\$ 4,021,948	\$ 4,121,808	\$ 4,070,380	\$ 4,260,653	\$ 3,548,390	\$ 3,187,832	\$ 3,387,293	\$ 3,966,719	\$ 4,726,207	\$ 5,094,449
All other governmental funds										
Non spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375	\$ 375	\$ -	\$ -
Restricted for										
Debt service	-	-	-	-	-	-	293,344	395,066	342,390	361,355
Capital projects	-	-	-	-	-	-	5,639,815	5,278,103	4,990,066	4,739,699
MFT	-	-	-	-	-	-	765,991	923,811	1,011,606	893,782
Unassigned, debt service	-	-	-	-	-	-	-	-	(89,415)	(40,446)
Reserved	760,224	725,229	696,856	46,189	140,175	129,068	-	-	-	-
Unreserved, reported in										
Special revenue funds	1,366,700	1,625,309	1,546,933	712,856	500,617	517,937	-	-	-	-
Capital project funds	520,696	3,903,705	3,507,955	4,430,236	5,433,246	4,689,294	-	-	-	-
Debt service funds	1,318,196	-	-	-	-	-	-	-	-	-
Total all other										
Governmental funds	\$ 3,965,816	\$ 6,254,243	\$ 5,751,744	\$ 5,189,281	\$ 6,074,038	\$ 5,336,299	\$ 6,699,525	\$ 6,597,355	\$ 6,254,647	\$ 5,954,390

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 5,674,120	\$ 7,047,634	\$ 7,602,794	\$ 7,610,871	\$ 9,230,796	\$ 7,455,847	\$ 8,719,809	\$ 8,416,550	\$ 8,045,025	\$ 7,403,711
Licenses	269,234	225,746	303,028	270,120	249,769	312,691	251,558	190,553	175,942	264,832
Intergovernmental	2,650,855	2,839,101	3,179,440	3,216,958	2,343,882	2,635,785	2,498,638	2,865,818	2,729,221	3,562,634
Charges for services	404,075	90,000	95,564	173,600	141,225	1,048,661	1,089,393	1,100,996	1,172,033	1,199,280
Fines, fees and permits	797,308	1,743,490	1,839,657	1,766,156	1,830,452	833,211	942,538	1,018,533	1,001,437	1,088,049
Interest	200,128	301,286	303,776	104,095	26,464	21,466	9,988	12,948	9,238	9,252
Capital contributions	-	-	-	-	-	280,156	-	-	-	-
Miscellaneous	264,879	353,624	524,475	1,045,858	643,654	714,195	607,381	779,102	414,439	570,736
Total revenues	10,260,599	12,600,881	13,848,734	14,187,658	14,466,242	13,302,012	14,119,305	14,384,500	13,547,335	14,098,494
Expenditures										
General services	2,314,136	3,250,733	3,686,137	3,864,716	3,733,894	4,167,364	3,039,460	4,399,543	3,753,290	4,739,717
Police and fire	4,775,722	4,963,655	5,248,561	5,634,480	5,751,252	5,390,886	5,378,710	5,500,506	5,811,052	6,335,103
Administrative office	295,837	281,233	333,203	298,151	270,328	235,829	279,764	338,125	252,410	260,937
Public works	1,033,578	988,992	1,127,894	1,279,406	1,319,377	1,121,609	892,664	1,072,313	1,211,079	1,139,179
Community relations	39,303	-	-	-	166,068	136,819	96,045	74,548	74,540	78,468
Economic development	68,915	550,259	1,148,226	697,150	806,093	-	-	-	-	-
Civil defense	3,303	3,282	2,958	5,334	3,048	-	-	-	-	-
Inspection	-	-	-	-	-	419,388	404,485	396,299	516,276	567,527
Insurance	374,126	537,226	724,242	884,655	655,732	564,378	845,972	597,739	574,869	422,644
Capital outlay	1,187,936	385,919	493,156	1,506,991	523,383	1,007,387	285,539	185,988	205,829	275,964
Debt service										
Principal	140,693	224,106	229,333	195,000	246,140	262,932	250,438	262,746	643,149	195,000
Interest	39,318	45,365	108,951	92,564	104,590	93,717	83,539	79,812	87,686	28,442
Other charges	-	-	-	-	-	-	-	-	-	-
Surplus distribution	-	1,250,000	650,000	760,000	840,000	1,000,000	1,000,000	1,000,000	-	-
Total expenditures	10,272,867	12,480,770	13,752,661	15,218,447	14,419,905	14,400,309	12,556,616	13,907,619	13,130,180	14,042,981
Excess of revenues over (under) expenditures	(12,268)	120,111	96,073	(1,030,789)	46,337	(1,098,297)	1,562,689	476,881	417,155	55,513

(Continued)

Village of Hazel Crest, Illinois

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses)										
Transfers (out)	\$ -	\$ -	\$ -	\$ (904,556)	\$ (79,970)	\$ -	\$ -	\$ -	\$ (150,000)	\$ (189,521)
Transfers in	-	-	-	904,556	79,970	-	-	-	150,000	201,993
Proceeds from notes payable	-	-	-	658,599	-	-	-	-	-	-
Proceeds from general obligation bond	-	2,042,848	-	-	-	-	-	-	-	-
Proceeds from installment note	118,132	-	-	-	-	-	-	-	-	-
Proceeds of debt certificate	-	-	-	-	-	-	-	-	327,000	-
Payment to bond escrow agent	-	-	-	-	-	-	-	-	(327,000)	-
Total other financing sources (uses)	118,132	2,042,848	-	658,599	-	-	-	-	-	12,472
Net Change in Fund Balances	\$ 105,864	\$ 2,162,959	\$ 96,073	\$ (372,190)	\$ 46,337	\$ (1,098,297)	\$ 1,562,689	\$ 476,881	\$ 417,155	\$ 67,985
Debt Service as a Percentage of Noncapital Expenditures	1.98%	2.23%	2.55%	2.10%	2.52%	2.66%	2.72%	2.72%	5.65%	1.62%

Data Source

Audited Financial Statements

Village of Hazel Crest, Illinois

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Assessed valuations	\$ 130,489,050	\$ 142,168,928	\$ 155,447,524	\$ 167,719,937	\$ 217,567,030	\$ 218,670,034	\$ 212,019,309	\$ 194,599,212	\$ 183,449,470	\$ 182,781,075
Tax rates by fund										
General										
Corporate	4.6965	4.1585	3.5977	2.8448	2.1386	0.4149	0.4378	0.2935	0.2566	0.2227
Unemployment	-	-	-	-	-	0.0044	0.0033	0.0033	0.0039	0.0037
Crossing guards	-	-	-	-	-	0.0221	0.0166	0.0165	0.0132	0.0130
Police protection	-	-	-	-	-	0.1075	0.0710	0.0707	0.0770	0.0668
Fire protection	-	-	-	-	-	0.5066	0.3787	0.3768	0.4105	0.3564
Road and bridge - Village	-	-	-	-	-	0.0000	0.0000	0.0000	0.1000	0.0876
Police pension	0.4651	0.3729	0.3573	0.4762	0.3267	0.4239	0.2677	0.2175	0.2463	0.2472
Firefighters' pension	0.1381	0.1014	0.0803	0.2410	0.1497	0.1942	0.1135	0.0911	0.1030	0.1034
Civil defense	-	-	-	-	-	0.0018	0.0014	0.0024	0.0020	0.0017
Illinois municipal retirement	-	-	-	-	-	0.4053	0.3030	0.2944	0.3425	0.3345
Waste management	-	-	-	-	-	0.0368	0.0260	0.0236	0.0207	0.0310
Paramedics	-	-	-	-	-	0.2856	0.2130	0.2120	0.2499	0.2190
Insurance	-	-	-	-	-	0.4913	0.2604	0.2591	0.2347	0.2226
Auditing	-	-	-	-	-	0.0348	0.0260	0.0259	0.0191	0.0044
Purchase agreement	0.0634	0.0615	0.3509	0.1067	0.0844	0.1123	0.0469	0.0487	0.0000	0.0000
Total general	5.3631	4.6943	4.3862	3.6687	2.6994	3.0415	2.1653	1.9355	2.0794	1.9140
Debt service	0.1510	0.1389	0.1271	0.1178	0.0882	0.0975	0.1005	0.0130	0.0012	0.0285
Total	5.5141	4.8332	4.5133	3.7865	2.7876	3.1390	2.2658	1.9485	2.0806	1.9425

Village of Hazel Crest, Illinois

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tax extensions by fund										
General										
Corporate	\$ 6,128,417	\$ 5,912,068	\$ 5,592,482	\$ 4,771,304	\$ 4,652,974	\$ 695,906	\$ 952,415	\$ 641,690	\$ 571,149	\$ 470,731
Unemployment	-	-	-	-	-	7,426	7,210	7,210	6,422	7,155
Crossing guards	-	-	-	-	-	37,132	36,050	36,050	32,109	24,215
Police Protection	-	-	-	-	-	180,250	154,500	154,500	137,582	141,256
Fire protection	-	-	-	-	-	849,750	824,000	824,000	733,250	753,060
Road and bridge - Village	-	-	-	-	-	-	-	-	-	183,449
Police pension	606,958	530,104	555,436	798,641	710,882	710,882	582,355	475,713	423,253	451,836
Fire pension	180,250	144,200	124,877	404,145	325,754	325,754	246,932	199,240	177,280	188,953
Civil defense	-	-	-	-	-	3,090	3,090	5,150	4,670	3,669
Illinois municipal retirement	-	-	-	-	-	679,800	659,200	643,750	572,900	628,314
Waste management	-	-	-	-	-	61,800	56,650	51,500	45,925	37,974
Paramedics	-	-	-	-	-	478,950	463,500	463,500	412,550	458,440
Insurance	-	-	-	-	-	824,000	566,500	566,500	504,207	430,556
Auditing	-	-	-	-	-	58,350	56,650	56,650	50,401	35,039
Purchase agreement	82,740	87,375	545,461	197,636	183,649	188,284	102,016	106,394	-	-
Total general	6,998,365	6,673,747	6,818,256	6,171,726	5,873,259	5,101,374	4,711,068	4,231,847	3,671,698	3,814,648
Debt service	197,069	197,453	197,642	179,014	191,993	213,182	218,621	28,350	25,298	52,093
Total	\$ 7,195,434	\$ 6,871,200	\$ 7,015,898	\$ 6,350,740	\$ 6,065,252	\$ 5,314,556	\$ 4,929,689	\$ 4,260,197	\$ 3,696,996	\$ 3,866,741
Collections	\$ 3,088,910	\$ 6,476,696	\$ 6,598,348	\$ 6,255,810	\$ 5,737,817	\$ 5,072,949	\$ 4,706,830	\$ 4,163,151	\$ 3,730,126	\$ 3,534,336
Percent collections	42.93%	94.26%	94.05%	98.51%	94.60%	95.45%	95.48%	97.72%	100.90%	91.40%

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	Total Direct Tax Rate	Commercial		Residential	
						Number of Permits	Value (1)	Number of Permits	Value (1)
2005	\$ 182,781,075	\$ 548,343,225	33.3000	\$ 1,645,029,675	1.9425	1	\$ 13,110,000	39	\$ 1,315,000
2006	183,449,470	550,348,410	33.3000	1,651,045,230	2.0806	-	-	57	2,667,106
2007	194,599,212	583,797,636	33.3000	1,751,392,908	1.9485	7	1,489,706	34	1,897,417
2008	212,019,309	636,057,927	33.3000	1,908,173,781	2.2658	6	8,355,152	38	1,925,744
2009	218,670,034	656,010,102	33.3000	1,968,030,306	3.1390	10	1,262,384	21	831,607
2010	217,567,030	652,701,090	33.3000	1,958,103,270	2.7876	16	2,137,193	10	429,585
2011	167,719,937	503,159,811	33.3000	1,509,479,433	3.7865	13	1,767,904	12	408,288
2012	155,447,524	466,342,572	33.3000	1,399,027,716	4.5133	13	1,767,904	12	408,288
2013	142,168,928	426,506,784	33.3000	1,279,520,352	4.8332	13	1,767,904	12	408,288
2014	130,489,050	391,467,150	33.3000	1,174,401,450	5.5141	6	1,234,885	69	1,435,011

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Village direct rates										
General corporate	\$ 1.943	\$ 2.081	\$ 2.190	\$ 2.326	\$ 2.431	\$ 2.788	\$ 3.787	\$ 4.514	\$ 4.834	\$ 5.515
Overlapping rates										
County of Cook	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568
Cook County Forest Preserve District	0.600	0.570	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069
Suburban TB Sanitarium	0.005	0.005	0.263	-	-	0.000	0.000	0.000	0.000	0.000
Consolidated Elections	0.014	-	-	-	0.021	0.000	0.025	0.000	0.031	0.000
Bremen Township	0.049	0.051	0.006	0.049	0.049	0.051	0.061	0.070	0.078	0.085
Bremen Twp. Road & Bridge	0.032	0.033	0.012	0.031	0.031	0.032	0.039	0.045	0.050	0.055
Bremen Twp. General Assistance	0.008	0.008	0.051	0.008	0.008	0.009	0.012	0.014	0.016	0.018
Rich Township	0.193	0.199	0.033	0.191	0.192	0.202	0.258	0.292	0.304	0.302
Rich Twp. Road & Bridge	0.058	0.057	0.008	0.054	0.055	0.058	0.074	0.085	0.094	0.101
Rich Twp. General Assistance	0.022	0.022	0.196	0.022	0.023	0.026	0.034	0.039	0.046	0.048
Thornton Township	0.360	0.374	0.056	0.358	0.367	0.387	0.442	0.513	0.517	0.550
Thornton Twp. Road & Bridge	0.015	0.016	0.022	0.016	0.017	0.018	0.023	0.027	0.030	0.032
Thornton Twp. General Assistance	0.088	0.092	0.372	0.089	0.091	0.096	0.129	0.153	0.214	0.262
Metro Water Reclamation District of Chicago	0.315	0.284	0.016	0.252	0.261	0.274	0.320	0.370	0.417	0.430
So. Cook County Mosquito Abatement	0.010	0.007	0.092	0.009	0.009	0.010	0.012	0.014	0.016	0.017
Hazel Crest Park District	0.644	0.659	0.603	0.569	0.554	0.567	0.714	0.816	0.925	1.025
Grande Prairie Pub. Library District	0.277	0.279	0.273	0.265	0.262	0.271	0.357	0.409	0.455	0.510
School District #144	3.338	3.413	3.299	3.119	3.163	3.350	4.139	4.677	5.185	5.946
School District #152 1/2	4.160	4.335	4.286	4.147	4.267	4.477	5.434	6.025	7.649	7.972
School District #152 1/2 School Finance Authority	0.429	0.428	0.410	0.376	0.384	0.388	0.460	0.000	0.000	0.000
School District #153	3.796	3.777	3.671	3.490	3.417	3.378	4.515	5.151	5.580	5.947
School District #161	3.882	3.945	3.806	3.673	3.558	3.648	4.650	5.221	5.742	6.220
Thornton Twp. HSD #205	3.673	3.795	3.741	3.608	3.697	3.871	4.903	5.425	5.908	6.209
Community HSD #228	2.953	3.509	3.412	3.217	3.157	3.200	3.877	4.377	4.795	5.209
Homewood Flossmoor Comm. HSD #233	4.073	4.103	3.966	3.787	3.686	3.723	4.676	5.351	5.830	6.255
So. Suburban Comm. College #510	0.359	0.367	0.362	0.346	0.348	0.361	0.450	0.511	0.559	0.599
Prairie State Comm. College #515	0.292	0.292	0.294	0.280	0.277	0.293	0.357	0.410	0.439	0.458
Average rate	11.080	11.766	11.078	10.657	10.737	11.387	14.313	16.411	17.990	20.046

[Data Source](#)

Cook County Clerk

Note: Most recent data available

Village of Hazel Crest, Illinois

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2014			2005*		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Imperial Real Estate	\$ 2,955,719	1	2.27%	N/A	N/A	N/A
GLR Medical PPTY One	2,136,289	2	1.64%	2,263,735	9	1.23%
RMS Properties	1,804,674	3	1.38%	N/A	N/A	N/A
5049 W 159th Street Apartments	1,733,918	4	1.33%	4,151,861	3	2.27%
Lille Kinnard	1,698,633	5	1.30%	N/A	N/A	N/A
Sun HW 41 LLC	1,661,498	6	1.27%	N/A	N/A	N/A
Hazel Crest Cntr LLC	1,609,982	7	1.23%	N/A	N/A	N/A
Mi Jack Products Inc.	1,534,163	8	1.18%	2,735,175	6	1.50%
Hazel Crest Commons LLC	1,344,570	9	1.03%	N/A	N/A	N/A
Manor Care Health 628	1,227,192	10	0.94%	N/A	N/A	N/A
David Tessler	N/A	N/A	N/A	4,234,597	1	2.32%
Continental Wingate Assoc.	N/A	N/A	N/A	4,171,133	2	2.28%
Graycor Services, LLC	N/A	N/A	N/A	3,918,185	4	2.14%
Paradise Prp	N/A	N/A	N/A	2,868,595	5	1.57%
Hazel Crest Center, LLC	N/A	N/A	N/A	2,575,822	7	1.41%
South Suburban Office Park, LLC	N/A	N/A	N/A	2,412,842	8	1.32%
Gierczyk Development	N/A	N/A	N/A	2,248,971	10	1.23%
	<u>\$ 17,706,638</u>		<u>13.57%</u>	<u>\$ 31,580,916</u>		<u>17.27%</u>

Data Source

Cook County Clerk's and Assessor's Offices

* Includes only those parcels with 2013 equalized assessed valuations of \$83,000 and over as recorded in the Assessor's office. They were compiled from a meticulous page by page search of a listing of such records. It is possible, however, that certain parcels may have been overlooked.

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		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 3,816,850	\$ 3,501,134	91.73%	\$ 33,202	\$ 3,534,336	92.60%
2006	3,696,996	3,491,033	94.43%	239,093	3,730,126	100.90%
2007	4,260,197	3,812,644	77.34%	350,507	4,163,151	97.72%
2008	4,929,689	4,679,742	88.06%	27,088	4,706,830	95.48%
2009	5,314,556	4,656,632	87.62%	416,317	5,072,949	95.45%
2010	6,065,252	5,682,444	93.69%	55,373	5,737,817	94.60%
2011	6,350,740	5,889,724	92.74%	366,086	6,255,810	98.51%
2012	7,015,898	6,281,320	89.53%	317,028	6,598,348	94.05%
2013	6,871,200	6,112,048	88.95%	364,648	6,476,696	94.26%
2014	7,195,434	3,088,910	42.93%	-	3,088,910	42.93%

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
(Amounts in \$00's)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General merchandise	\$ 25,944	\$ 20,100	\$ 22,026	\$ 22,255	\$ 29,928	\$ 36,998	\$ 38,793	\$ 39,645	\$ 37,922	\$ 39,064
Food	158,539	150,510	148,691	146,394	125,173	104,331	83,360	51,916	60,226	60,902
Restaurants	66,306	68,906	75,413	71,169	54,798	54,986	55,495	50,217	55,559	52,036
Apparel	4,883	6,282	10,156	6,683	7,294	8,563	4,060	2,771	2,217	1,732
Furniture & radio	-	-	-	1,550	1,714	514	1,611	-	181	463
Automobile and filling stations	111,797	121,248	241,375	100,336	85,350	97,822	104,149	94,952	94,197	99,638
Drugs and miscellaneous retail	114,702	127,309	134,769	147,940	144,041	137,896	139,027	135,425	132,755	137,619
Agriculture and all others	37,517	36,105	45,461	37,885	21,157	19,016	25,271	16,936	7,737	10,835
Manufacturers	72,402	51,428	101,356	121,553	56,175	11,375	66,977	80,587	130,074	172,309
Total	\$ 592,090	\$ 581,888	\$ 779,247	\$ 655,765	\$ 525,630	\$ 471,501	\$ 518,743	\$ 472,449	\$ 520,868	\$ 574,598
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	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

Village of Hazel Crest, Illinois

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

Fiscal Year	Village Direct Rate	State Rate
2006	1.00%	6.25%
2007	1.00%	6.25%
2008	1.00%	6.25%
2009	1.00%	6.25%
2010	1.00%	6.25%
2011	1.00%	6.25%
2012	1.00%	6.25%
2013	1.00%	6.25%
2014	1.00%	6.25%
2015	1.00%	6.25%

Data Source

Per Illinois Department of Revenue
Local Tax Allocation Office

Village of Hazel Crest, Illinois

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities					Business-Type Activities	Total Primary Government	Ratio of Total Outstanding Debt To Equalized Assessed Valuation*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	General Obligation Debt Certificates	Capital Lease	Tax Incremental Revenue Notes	Note Payable	Note Payable			
2006	\$ 137,000	\$ 677,000	\$ -	\$ 1,108,604	\$ 76,439	\$ 47,310	\$ 2,046,353	0.94%	143.61
2007	2,105,000	627,000	-	1,028,884	39,333	-	3,800,217	1.75%	268.30
2008	1,965,000	577,000	-	1,028,884	-	-	3,570,884	2.13%	253.36
2009	1,820,000	527,000	-	622,695	658,599	-	3,628,294	2.33%	257.78
2010	1,680,000	477,000	-	330,061	728,616	-	3,215,677	2.26%	229.76
2011	1,540,000	427,000	-	66,904	655,399	-	2,689,303	1.60%	190.73
2012	1,415,000	377,000	-	-	579,961	-	2,371,961	1.41%	168.22
2013	1,280,000	327,000	-	-	502,215	-	2,109,215	1.36%	148.81
2014	1,140,000	327,000	154,025	-	-	-	1,621,025	1.14%	114.16
2015	995,000	277,000	117,226	-	-	-	1,389,226	0.98%	97.83

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	Gross General Obligation Bonded Debt	Less: Debt Service Funds	Net General Obligation Bonded Debt	Estimated Actual Taxable Value of Property*	Per Capita
2006	\$ 137,000	\$ 109,262	\$ 27,738	1.81%	1.96 ³
2007	2,105,000	129,814	1,975,186	1.60%	139.57 ³
2008	1,965,000	137,622	1,827,378	0.90%	129.13 ³
2009	1,820,000	46,189	1,773,811	0.86%	125.34 ³
2010	1,680,000	103,814	1,576,186	0.77%	111.38 ³
2011	1,540,000	105,587	1,434,413	0.71%	101.36 ³
2012	1,415,000	244,733	1,170,267	0.84%	82.69 ³
2013	1,280,000	222,865	1,057,135	0.82%	74.70 ³
2014	1,140,000	295,434	844,566	0.87%	59.68 ³
2015	995,000	320,909	674,091	0.76%	47.63 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, 2015**

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Hazel Crest*	Village of Hazel Crest Share of Debt
Cook County	\$3,466,976,750	0.102%	\$ 3,536,316
Cook County Forest Preserve	118,610,000 (3)	0.102%	120,982
Metropolitan Water Reclamation District	2,619,000,317 (1)	0.104%	2,723,760
Hazel Crest Park District	800,000	100.000%	800,000
School Districts:			
#144	49,084,017 (2)	31.153%	15,291,144
#152 1/2	8,984,784 (2)	29.738%	2,671,895
#153	14,554,279 (2)	0.871%	126,768
#161	8,655,000 (2)	7.569%	655,097
High School District #205	36,295,000 (2)	1.597%	579,631
High School District #228	30,135,000	7.039%	2,121,203
High School District #233	33,355,000	4.620%	1,541,001
Community College District #510	11,289,506 (2)	3.472%	391,972
Community College District #515	14,720,000 (2)	0.995%	146,464
Subtotal, overlapping debt	<u>6,412,459,653</u>		<u>30,706,233</u>
Village of Hazel Crest direct debt	<u>\$ 1,389,226</u>	<u>100.00%</u>	<u>\$ 1,389,226</u>
Total direct and overlapping debt	<u><u>\$ 6,413,848,879</u></u>		<u><u>\$ 32,095,459</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, 2015

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**
2006	2005	14,249 (A)		\$ 218,670,034	\$ 15,346	6.8%	\$ 19,908
2007	2006	14,164 (A)		217,567,030	15,361	6.9%	19,908
2008	2007	14,094 (A)		167,719,937	11,900	7.7%	19,908
2009	2008	14,075 (A)		155,447,524	11,044	9.6%	19,908
2010	2009	13,996 (A)		142,168,928	10,158	15.3%	22,706
2011	2010	14,100 (E)		167,719,937	11,895	15.7%	22,853
2012	2011	14,100 (E)		167,719,937	11,895	15.0%	23,389
2013	2012	14,174 (E)		155,447,524	10,967	13.4%	23,389
2014	2013	14,200 (E)		142,168,928	10,012	15.8%	21,803
2015	2014	14,182 (E)		130,489,050	9,201	12.1%	22,545

** U.S. Census Bureau - past 12 months (2013) dollars, 2007-2013

(A) Actual

(E) Estimate

Village of Hazel Crest, Illinois

Principal Employers
Current Year and Nine Years Ago

2014				2006			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total Village Population*</u>	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total Village Population*</u>
Advocate South Suburban Hospital	1,400 ⁽²⁾	1	9.87%	Advocate South Suburban Hospital	1,300	1	9.18%
Lanco International/Mi-Jack Inc.	350 ⁽¹⁾	2	2.47%	Mi-Jack Products, Inc.	500	2	3.53%
Meany Electrical Engineering Co. Inc.	150 ⁽²⁾	3	1.06%	In-Terminal Services Corp.	350	3	2.47%
Village of Hazel Crest (includes Full & Part-time)	106 ⁽³⁾	4	0.75%	Lanco International	350	4	2.47%
Waterford Estates Retirement	100 ⁽⁵⁾	5	0.71%	Illinois Brick	55	5	0.39%
Alloy Sling Chains Inc.	85 ⁽⁵⁾	6	0.60%	Alpha Construction Co.	50	10	0.18%
School District 144 (2 Schools)	61 ⁽⁶⁾	7	0.43%	Best Homes	50	6	0.35%
School District 152.5 (2 Schools)	54 ⁽⁶⁾	8	0.38%	Bank Financial	25	9	0.18%
Hazel Crest Park District (inc. Full, Part-time and Seasonal)	52 ⁽⁴⁾	9	0.37%	Hill Concrete Products, Inc.	23	9	0.16%
Gideon's 300 Security Services	60 ⁽²⁾	10	0.35%	McBride Engineering	21	10	0.15%

*2014 population provided by the Village of Hazel Crest is 14,182.

*2006 Estimated population by the US Census Bureau is 14,164.
Note: Number of employees shown in 2006 directories are actually 2005 number of employees.

Data Sources: Village Financial Report

Data Sources:

- ⁽¹⁾ 2015 Illinois Manufacturers Directory
- ⁽²⁾ 2015 Illinois Services Directory
- ⁽³⁾ Village Financial Reports
- ⁽⁴⁾ Phone canvass of employers
- ⁽⁵⁾ ReferenceUSA.com
- ⁽⁶⁾ Company/Organization Website

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

Village of Hazel Crest, Illinois

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Administration / office	7	7	8	4	5	5	8	5	6	7
Public safety										
Police	33	33	32	34	36	34	36	32	36	33
Fire	21	22	23	20	22	17	19	17	18	16
Inspection services	-	-	-	-	-	4	4	6	6	5
Public works										
Public works administration	19	19	20	21	21	15	15	14	16	16
Total	80	81	83	79	84	75	82	74	82	77

Data Source

Village Finance Department

Village of Hazel Crest, Illinois

**Operating Indicators
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Community development										
Building permits issued	71	41	44	31	26	25	41	34	75	75
Public safety										
Police										
Physical arrests	352	275	374	360	309	356	329	476	417	472
Parking violations	2,084	1,626	2,491	2,800	2,928	1,677	2,332	398	1,545	1,080
Traffic violations	415	333	705	689	718	583	1,099	349	774	815
Public works										
Streets										
Street resurfacing (miles)	2.00	6.19	5.60	2.25	1.25	2.50	2.00	0.75	0.50	1.93
Potholes repaired	620	580	725	650	675	600	592	1,200	1,320	1,800
Recreation and culture										
Parks	13	13	13	13	13	13	13	13	13	13
Open space (acres)	150	150	150	150	150	150	150	150	150	150
Water										
New connections (tap-ons)	24	10	5	1	1	-	-	-	-	-
Average daily consumption*	1.30	1.43	1.41	1.36	1.40	1.40	1.41	1.30	1.34	1.30
Sewers										
Sanitary sewers (miles)	47	50	50	50	50	50	50	50	50	50
Storm sewers (miles)	32	34	34	34	34	34	34	34	34	34

* (thousands of gallons)

Data Source

Various village departments

Village of Hazel Crest, Illinois

**Capital Asset Statistics
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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)	58	57	58	58	56	56	56	58	58	58
Streetlights	652	654	654	654	650	652	652	660	660	660
Recreation and culture										
Number of parks and open space	13	13	13	13	13	13	13	13	13	13
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water										
Water mains (miles)	61	63	63	63	60	60	60	60	60	60
Wastewater										
Sanitary sewers (miles)	47	50	50	50	50	50	50	50	50	50
Storm sewers (miles)	32	34	34	34	34	34	34	34	34	34

Data Source

Various village departments