

**VILLAGE OF HILLSIDE, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
April 30, 2013

Prepared By:

Administrative Department  
John T. Flood Jr., Assistant Village Administrator  
Village Treasurer  
Russell F. Wajda, Village Administrator

VILLAGE OF HILLSIDE, ILLINOIS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
April 30, 2013  
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**INTRODUCTORY SECTION**  
**(Unaudited)**



**President**

Joseph T. Tamburino

**Village Clerk**

Linda L. Gould

**Trustees**

Lytton H. Andersen

David V. Delgado

Valerie Farries

John N. Kramer

Frank J. Lomeli, Sr.

Marvin A. Watson

October 30, 2013

**Village Administrator**

Russell F. Wajda

Honorable Joseph T. Tamburino, President  
Members of the Village Board of Trustees  
Village of Hillside, Illinois

**Assistant Village  
Administrator**

**Village Treasurer**

John T. Flood, Jr.

**Village Attorney**

Patrick E. Deady

**Village Engineer**

Hanson Professional  
Services

The Comprehensive Annual Financial Report of the Village of Hillside, Illinois, for the fiscal year ending April 30, 2013, is submitted herewith. This report was prepared by the Village's Treasurer.

The report was prepared to comply with State Statutes and Local Charter provisions. Responsibility for the accuracy of the report and the completeness and fairness of the presented data, along with all disclosures, rests with the Village. We believe the data presented is accurate in all material aspects; that it is presented to fairly set forth the financial position and results of the operation of the Village, as measured by the financial activity of the Village's various funds; and that all necessary disclosures have been included to enable readers to fairly understand the financial affairs of the Village. The organization and content of this report, including the basic financial report as well as all supplemental statements and statistical information, conform to the guidelines for comprehensive annual financial reporting of the Governmental Accounting Standards Board (GASB).

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village of Hillside's MD&A can be found immediately following the independent auditor's report.

## REPORTING ENTITY

Hillside is located 15 miles west of Chicago's Loop. It occupies 3.15 square miles. The population stands at 8,157 according to the 2010 census. The Village government is comprised of a Mayor (President) and six at large trustees. All serve four-year terms. The Village has a fulltime Administrative Officer in charge of the day-to-day operations.

The Village is a full service community, providing the usual local governmental services, such as Police, Fire, Public Works, Street and Inspection Services. The Police and Fire Pension Funds of the Village have been included as blended component units.

The reporting entity includes the Hillside Public Library, which falls within the exact Village limits. The Hillside Public Library is reported discretely as a component unit.

This report includes those financial statements, schedules, and statistical tables that pertain to all functions and funds directly under the control of the Village President and Board of Trustees.

## ECONOMIC CONDITION AND OUTLOOK

Hillside and Cook County have been impacted by the economic conditions that face the economy as a whole. Sales tax revenue for the Village increased as a result of the overall economic conditions. FY 12-13 totaled \$3,825,525 which is up from FY 11-12 totaled \$3,739,238 by 2.3 percent. State shared income tax and Motor Fuel Tax receipts also increased from the prior year. The Village Board voted July 22, 2002 to implement a new 1% home rule sales tax. It became effective January 1, 2003, with our first receipt coming to the Village in March, 2003. This tax has gone a long way in providing and replacing lost revenue to the Village.

## BUDGETARY SYSTEM

The Village's budget system is a twelve-month planning, reporting, and monitoring cycle. The planning for operating and capital budgets begins approximately six months prior to fiscal year-end. Department heads and the Village Treasurer meet to discuss and formulate each department's needs for the upcoming fiscal year. The Village Board approves the final budget document prior to the new fiscal year, which begins May 1<sup>st</sup> and the Village Board adopts the Appropriation Ordinance for the upcoming fiscal year. The Appropriation Ordinance establishes the legal authority to spend such sums of money as are deemed necessary to defray all necessary expenses and liabilities of the Village for that fiscal year. Monitoring continues throughout the fiscal year.

Prior to the third Tuesday in December of the fiscal year, the Annual Tax Levy Ordinance is filed with the County Clerk, allowing for such taxes as are necessary to be extended for that revenue year.

The Village has implemented long term financial planning into the annual appropriation process. Projections are being made for revenue and expenses for the following five years in a continued effort to improve the overall financial condition of the Village.

## ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the Village's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to assure reasonable results, but not absolute results, regarding:

- 1) safeguarding of Village assets from loss or unauthorized disposition;
- 2) reliability of financial records for preparing financial statements and maintaining accountability of Village assets.

The concept of reasonable assurance recognizes that:

- a) the cost of internal control should not exceed the benefit derived; and,
- b) the evaluation of costs and benefits are made by management.

All internal control evaluations occur within the above framework. We believe that the Village's internal accounting controls are an adequate safeguard of the Village assets and that they provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained by monthly reporting of the line item expenditures and revenues. Comparisons of actual expenditures and revenues to budgeted expenditures and revenues are routinely reviewed and presented. Period-to-date and fiscal year-to-date totals are reported in a timely manner to all responsible administration personnel and elected officials. If variances occur, administrative action is taken to maintain necessary controls and resolve any discrepancies.

## FINANCIAL INFORMATION

The accounts of the Village of Hillside are organized on the basis of funds, each of which is considered a separate accounting entity. The operation of the funds is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and as applicable, expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities, in accordance with special regulations, restrictions, or limitations.



## BRIEF OVERVIEW OF VILLAGE FUNDS

Funds are arranged as follows:

- I. MAJOR GOVERNMENTAL FUNDS
  - A. General Fund
  - B. Mannheim Road TIF Fund
  - C. Hillside 2012 Project Fund
- II. NON-MAJOR GOVERNMENTAL FUNDS
  - A. Special Revenue Funds
  - B. Debt Service Fund
  - C. Capital Projects Funds
- III. MAJOR PROPRIETARY FUNDS
  - A. Enterprise Funds
- IV. NON-MAJOR PROPRIETARY FUNDS
- V. FIDUCIARY FUNDS
- VI. COMPONENT UNIT
  - A. Library

Village-wide financial statements - These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by most businesses.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the Village-wide financial statements. Proprietary and Fiduciary funds use the accrual basis of accounting.

Management is responsible for preparing a Management's Discussion and Analysis of the Village. This discussion follows the Independent Auditor's Report, providing an assessment of the Village finances for 2013 and a comparison, where available, to performance in 2012, a description of significant capital asset and long-term debt activity during the year and analysis of resources available for the future.

## SIGNIFICANT FINANCIAL POLICIES

During fiscal year 2013, the Village implemented Governmental Accounting Standards Board Statement Number 54 which addressed the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions as well as establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

## CASH MANAGEMENT

Cash temporarily idle during the year was invested in certificates of deposit, and U.S. Treasury Bills, and the Illinois Public Treasurer's interest bearing checking accounts. The Police and Fire Pension Funds also invest in permitted insurance annuities and mutual funds and equities. All investments are made within the guidelines established in the current investment policy approved by the Village Board.

## RISK MANAGEMENT

The Village of Hillside has insured its exposures for accidental loss by becoming a member of a local government pool sponsored by the Intergovernmental Risk Management Association. The Intergovernmental Risk Management Association is an organization of 73 municipalities in northeastern Illinois, which has formed an association under the Illinois Intergovernmental Cooperation Statute to pool its risk management needs.

The Association administers a mix of self-insurance and commercial insurance; property/casualty, unemployment compensation and workers' compensation claim/litigation management program; extensive safety/loss control consulting and training; and a risk information system and financial reporting service for its members.

## INDEPENDENT AUDIT

The Village of Hillside ordinances and State of Illinois statutes and guidelines for compliance for Federal assistance programs require an annual audit to be made on the books of account, the financial records, and the transactions of all funds and activities of the Village. This audit is to be made by a certified public accountant who is able to render an independent auditor's opinion. This requirement has been complied with, and the auditors' opinion has been included in this report.

## AWARDS

The Government Finance Officers Association of the United States and Canada (G.F.O.A.) last awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hillside for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2012. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports 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 report continues to conform to the Certification of Achievement program requirements, and we are submitting it to G.F.O.A. to determine its eligibility for another certificate.

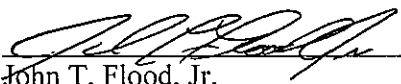
The Village of Hillside has received the Certificate of Achievement for Excellence in Financial Reporting twenty-eight of thirty years since 1982.

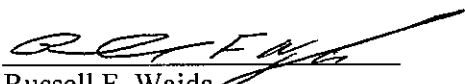
## ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the services of the entire administrative staff and the Village Clerk. We would like to express our appreciation to all who assisted and contributed to its preparation. Thanks are also due to the Mayor and the Board of Trustees for their interest and support in planning and conducting the financial operations of the Village in a conscientious, responsible and progressive manner.

Respectfully submitted,

VILLAGE OF HILLSIDE

  
John T. Flood, Jr.  
Assistant Village Administrator  
Village Treasurer

  
Russell F. Wajda  
Village Administrator



Government Finance Officers Association

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

Presented to

**Village of Hillside  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2012**

Executive Director/CEO

## **VILLAGE OF HILLSIDE, ILLINOIS**

Village Officials

April 30, 2013

### **PRESIDENT**

Joseph T. Tamburino

### **TRUSTEES**

Lytton H. Andersen

Carol Bibly

John N. Kramer

Frank J. Lomeli, Sr.

Marvin A. Watson

David V. Delgado

### **CLERK**

Linda L. Gould

### **ATTORNEY**

Patrick E. Deady

### **TREASURER**

John T. Flood, Jr.

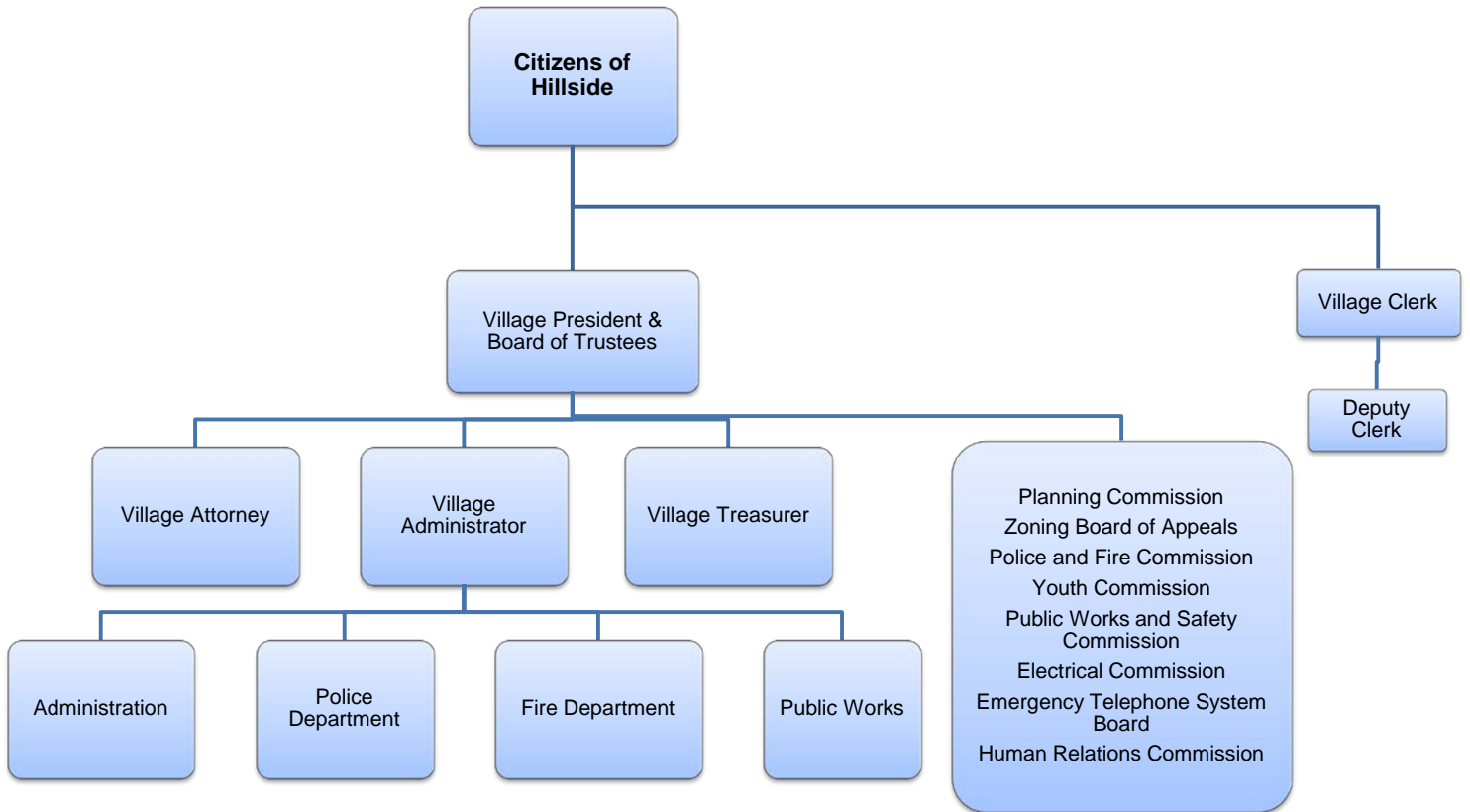
### **ENGINEER**

Hanson Professional Services

### **VILLAGE ADMINISTRATOR**

Russell F. Wajda

# Village of Hillside, Illinois Organizational Chart



## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Hillside, Illinois, (the Village), as of and for the year ended April 30, 2013, 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 financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Hillside Public Library, which is included as a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hillside Public Library, is based solely on the report of the other auditors. 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 from 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 entity'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 entity'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 financial statement 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2013, 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 13 to the financial statements, in June 2011, the GASB issued GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Statement 63 is effective for the Village's fiscal year ending April 30, 2013. The Village has implemented this statement retroactively as of their fiscal year ended April 30, 2013. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. Our opinion is not modified with respect to this matter.

As discussed in Note 13 to the financial statements, in March 2012, the GASB issued GASB Statement 65, "Items Previously Reported as Assets and Liabilities." The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2014, with earlier application being encouraged. The Village has implemented this statement retroactively as of their fiscal year ended April 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. Our opinion is not modified with respect to this matter. The beginning net position for the governmental activities were restated as of May 1, 2012 pursuant to the implementation of GASB Statement 65.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and the schedule of revenues, expenditures and changes in fund balance -- budget and actual for the General fund, schedules of funding progress and schedules of employer contributions on pages 55 through 58 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund statements and schedules 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

  
Crowe Horwath LLP

Oak Brook, Illinois  
October 30, 2013

VILLAGE OF HILLSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2013

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As management of the Village of Hillside ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2013 (FY13). Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements. An overview and analysis of the financial activities of the Village's component unit, the Hillside Public Library, can be found in the Library's separately issued financial statements.

### **Financial Highlights**

The assets of the Village of Hillside exceeded its liabilities at the close of the fiscal year by \$32,179,514 (net position).

The government's total net position increased by \$483,683 (or 1.5%) during FY13. The governmental net position decreased by \$492,330 or 2.2% from the year ended April 30, 2012 (FY12) and the business-type activities net position increased by \$1,003,551 or 11.4% from FY12.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$11,770,830, a decrease of \$687,520 in comparison with the prior year.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,706,713.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event that gives rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The Governmental Activities reflect the Village's basic services, including administration, public safety, highways and streets, and culture and recreation. Property taxes, shared state taxes, and local utility taxes finance the majority of these services. The business-type activities reflect private sector type operations where the fee for service typically covers all or most of the cost of operations, including depreciation.

VILLAGE OF HILLSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2013

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### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be 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. However, unlike the 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. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains three individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Mannheim Road TIF fund, and Hillside 2012 Project fund, all of which are considered to be major funds. Information from the Village's six other governmental funds are combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

The Village maintains one type of proprietary fund (enterprise funds). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the Water fund and the Sewer fund, both of which are considered to be major funds of the Village.

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

### **Notes to the Financial Statements**

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

### **Other Information**

In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found following the required supplementary information.

VILLAGE OF HILLSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2013

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

The following chart reflects the condensed Statement of Net Position for fiscal years 2012 and 2013 (in millions):

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2012*</b>	<b>2013</b>	<b>2012*</b>	<b>2013</b>	<b>2012*</b>	<b>2013</b>
<b>Assets:</b>						
Current & other assets	\$ 17.7	\$ 17.5	\$ 4.4	\$ 4.7	\$ 22.1	\$ 22.2
Capital assets	23.7	23.6	4.8	5.4	28.5	29.0
<b>Total assets</b>	<b>41.4</b>	<b>41.1</b>	<b>9.2</b>	<b>10.1</b>	<b>50.6</b>	<b>51.2</b>
<b>Liabilities:</b>						
Other liabilities	1.4	1.2	0.2	0.2	1.6	1.4
Long-term liabilities	13.5	13.3	0.1	0.0	13.6	13.3
<b>Total liabilities</b>	<b>14.9</b>	<b>14.5</b>	<b>0.3</b>	<b>0.2</b>	<b>15.2</b>	<b>14.7</b>
<b>Deferred inflows of resources</b>	<b>3.6</b>	<b>4.2</b>	<b>0.1</b>	<b>0.1</b>	<b>3.7</b>	<b>4.3</b>
<b>Net position:</b>						
Net investment in capital assets	21.0	19.9	4.8	5.4	25.8	25.3
Restricted	4.8	4.8	0.0	0.0	4.8	4.8
Unrestricted	(2.9)	(2.3)	4.0	4.4	1.1	2.1
<b>Total net position</b>	<b>\$ 22.9</b>	<b>\$ 22.4</b>	<b>\$ 8.8</b>	<b>\$ 9.8</b>	<b>\$ 31.7</b>	<b>\$ 32.2</b>

\*2012 restated due to GASB 63/65 implementation. See Note 13 in the Notes to Financial Statements.

The largest portion of the Village of Hillside's net position (78.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Village of Hillside uses the capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Hillside's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village of Hillside's net position (15.0%) represents resources that are subject to external restrictions on how they may be used

At the end of the current fiscal year, the Village of Hillside is able to report positive balances in all net position categories.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2013

The following chart reflects the condensed Statement of Activities for fiscal years 2012 and 2013 (in millions):

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Government</b>	
	<b>2012*</b>	<b>2013</b>	<b>2012*</b>	<b>2013</b>	<b>2012*</b>	<b>2013</b>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 2.4	\$ 2.6	\$ 2.2	\$ 2.7	\$ 4.6	\$ 5.3
Oper. grants/contrib.	0.2	0.2	0.0	0.0	0.2	0.2
Cap. grants/contrib.	0.8	0.0	0.0	0.0	0.8	0.0
General revenues:						
Property taxes	13.2	9.8	0.1	0.1	13.3	9.9
Other taxes	5.6	6.0	0.0	0.0	5.6	6.0
Other	1.2	1.0	0.0	0.0	1.2	1.0
<b>Total revenues</b>	<b>23.4</b>	<b>19.6</b>	<b>2.3</b>	<b>2.8</b>	<b>25.7</b>	<b>22.4</b>
<b>EXPENSES</b>						
General government	6.3	7.0	0.0	0.0	6.3	7.0
Public safety	9.8	9.5	0.0	0.0	9.8	9.5
Highways and streets	1.9	2.0	0.0	0.0	1.9	2.0
Culture and recreation	0.1	0.1	0.0	0.0	0.1	0.1
Sanitation	0.5	0.5	0.0	0.0	0.5	0.5
Interest long-term debt	0.2	0.2	0.0	0.0	0.2	0.2
Water	0.0	0.0	2.4	2.5	2.4	2.5
Sewer	0.0	0.0	0.1	0.1	0.1	0.1
<b>Total expenses</b>	<b>18.8</b>	<b>19.3</b>	<b>2.5</b>	<b>2.6</b>	<b>21.3</b>	<b>21.9</b>
<b>Increase (decrease) in net position before transfers</b>	<b>4.6</b>	<b>0.3</b>	<b>(0.2)</b>	<b>0.2</b>	<b>4.4</b>	<b>0.5</b>
<b>Transfers</b>	<b>-</b>	<b>(0.8)</b>	<b>-</b>	<b>0.8</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>4.6</b>	<b>(0.5)</b>	<b>(0.2)</b>	<b>1.0</b>	<b>4.4</b>	<b>0.5</b>
<b>Ending net position</b>	<b>\$ 22.9</b>	<b>\$ 22.4</b>	<b>\$ 8.8</b>	<b>\$ 9.8</b>	<b>\$ 31.7</b>	<b>\$ 32.2</b>

\*2012 restated due to GASB 63/65 implementation. See Note 13 in the Notes to Financial Statements.

**Governmental Activities:** Governmental activities decreased the Village of Hillside's net position in FY13 by \$0.5 million. This was due mainly in part to the decrease in property tax revenue recognized in FY13 compared to FY12, while the general government expenses decreased only slightly from FY12 to FY13.

**Business-Type Activities:** Business-Type activities increased the Village of Hillside's net position in FY13 by \$1.0 million. This was the result of the user fees generated exceeding the costs of operating the water and sewer operations of the Village.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

**Governmental Funds:** The focus of the Village of Hillside's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Hillside's financing requirements. In particular, unreserved fund balance may

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2013

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serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village of Hillside's governmental funds reported combined ending fund balances of \$11,770,830, a decrease of \$687,520 in comparison with the prior year. Approximately 31.5% of this amount, \$3,706,713, constitutes unassigned fund balance, which is available for spending at the government's discretion. 1.4% of fund balance is considered nonspendable. The remaining 67.1% of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted to capital projects of \$2.3 million, economic development of \$4.2 million and other purposes of \$1.4 million.

The general fund is the chief operating fund of the Village of Hillside. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,706,713, while the total fund balance was \$3,975,078. The fund balance of the Village of Hillside's general fund increased by \$991,254 during the current fiscal year.

The fund balance of the Village of Hillside's Mannheim Road TIF Fund decreased by \$434,330 during the current fiscal year. This is a result of the development expenditures incurred exceeding the property tax revenue earned in the fund during fiscal year 2013.

The fund balance of the Village of Hillside's Hillside 2012 Project Fund totaled \$2,255,419 as of April 30, 2013. This fund accounts for costs associated with the purchase of a building adjacent to and to be used as a future expansion of Village Hall, painting of a water tower and various sewer and water projects through proceeds of the 2012A General Obligation Bond Issue. The fund balance for this fund decreased by \$1,667,789 as a result of the project expenditures that were incurred during fiscal year 2013.

Proprietary Funds: The Village of Hillside's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Water Fund at the end of the year amounted to \$5,723,667, and those for the Sewer Fund amounted to \$4,094,166. The Water Fund had an increase in net position of \$887,162. The Sewer Fund had growth in net position of \$116,389.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The following chart reflects the condensed Budgetary Comparison Schedule (in millions):

<b>General Fund:</b>	<b>Adopted Budget</b>	<b>Actual</b>
Revenues:		
Taxes	\$ 12.7	\$ 12.1
Intergovernmental	0.9	0.9
Other	2.4	2.6
<b>Total</b>	<b>16.0</b>	<b>15.6</b>
Expenditures:		
Current expenditures	16.2	14.5
Debt service	0.1	0.1
<b>Total</b>	<b>16.3</b>	<b>14.6</b>
Other Financing Sources	<b>0.1</b>	<b>0.0</b>
Net Change in Fund Balance	<b>\$ (0.2)</b>	<b>\$ 1.0</b>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2013

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There was a General fund budget amendment in fiscal year 2013; however, the amendment primarily affected individual line items within the same departments. Property tax revenue was \$680,636 below the budgeted revenues due to the timing of collections. General administration expenditures were under budget by \$554,291, as well as public safety by \$368,076, streets by \$405,244 and culture and recreation by \$32,949.

Utility tax revenue was \$126,174 less than budget and real estate transfer tax revenue was \$327,521 greater than budget.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

#### Governmental Activities

#### Change in Capital Assets

(in millions)

	<u>Balance May 1, 2012</u>	<u>Net Additions/ Deletions</u>	<u>Balance April 30, 2013</u>
<b>Non-Depreciable Assets:</b>			
Land/CIP	\$ 6.9	\$ 0.1	\$ 7.0
<b>Other Capital Assets:</b>			
Infrastructure	11.6	0.6	12.2
Buildings & Improvements	11.6	0.0	11.6
Vehicles/furniture/fixtures	6.0	0.2	6.2
Accum. depreciation on capital assets	(12.4)	(1.0)	(13.4)
<b>Totals</b>	<u><u>\$ 23.7</u></u>	<u><u>\$ (0.1)</u></u>	<u><u>\$ 23.6</u></u>

### Business-Type Activities

#### Change in Capital Assets

(in millions)

	<u>Balance May 1, 2012</u>	<u>Net Additions/ Deletions</u>	<u>Balance April 30, 2013</u>
<b>Non-Depreciable Assets:</b>			
Land	\$ 0.0	\$ 0.0	\$ 0.0
<b>Other Capital Assets:</b>			
Infrastructure	8.7	0.7	9.4
Buildings	0.0	0.0	0.0
Vehicles/Furniture/Fixtures	0.8	0.0	0.8
Accum. Depreciation on Capital Assets	(4.7)	(0.2)	(4.9)
<b>Totals</b>	<u><u>\$ 4.8</u></u>	<u><u>\$ 0.5</u></u>	<u><u>\$ 5.3</u></u>

For more detailed information related to capital assets, see Note 4 to the financial statements.

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(Continued)



VILLAGE OF HILLSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2013

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Debt Administration: At April 30, 2013, the Village had outstanding debt as follows:

General Obligation Bonds Series 2005B	\$ 1,135,000
General Obligation Bonds Series 2012A	4,620,000
Add deferred amounts	<u>22,924</u>
Total General Obligation Bonds	<u>\$ 5,777,924</u>

There were no changes in credit ratings and/or any debt limitations that may affect the financing of planned facilities or services.

For more detailed information related to long-term debt, see Note 6 to the financial statements.

### **ECONOMIC FACTORS**

Sales tax revenues have increased six percent as a result of overall economic conditions. The Village expects revenues to increase as economic conditions continue to improve. The spring of 2009 started to bring additional sales tax revenue to the Village when the Hillside Town Center opened at the intersection of I-290 and Mannheim Road.

To further the expansion of the Butterfield Road Business District, the Village has acquired several properties and has constructed a municipal parking lot to add much needed parking.

To help us meet our goals of economic development, the Village maintains membership in the West Central Municipal Conference and its West Cook County Community Development Corporation. We are also active with the Hillside Chamber of Commerce, the West Suburban Chamber of Commerce, the Metropolitan Planning Council, and the National League of Cities. These associations help the Village open doors and contacts that would otherwise be unavailable to us.

In January of 1992, the Village of Hillside created a Tax Increment Financing (TIF) District in an effort to revitalize the former Hillside Mall. The mall had been in a continued state of decline. The buildings and parking lot were falling into a state of disrepair. There was little leasing activity going on and many of the units were vacant. The property was for sale and it was apparent that there would be no buyer without assistance from the Village.

After the TIF was created, Menards, a home improvement store, leased 80,000 square feet. The exterior facade of the mall was upgraded, the parking lot resurfaced, and new lighting installed. The property was renamed West Point Center. Menards leased over 100,000 square feet and had a full lumber yard through October of 2012. Since the development of the CarMax property and the recent loss of an access road to the I-290 project, the property no longer functioned as a mall, but rather as a two anchor stand-alone development (CarMax and Menards). Menards closed their operation at the end of October 2012. The building occupied by Menards and the vacant building along the Expressway are being taken down in an effort to make the property more marketable for a future use.

Approximately 20 acres of the TIF District is now occupied by CarMax Auto Superstore, which is a retail facility selling quality previously owned motor vehicles. Also, the development of a 168 bed nursing home with the daycare facilities and adult living units within the TIF district may help to spur further redevelopment. This facility opened in early 1997 and has recently built a small addition for eight additional beds.

Extended Stay America, a development of a three-story 122-unit suite hotel, opened in 2000. Extended Stay America caters to business travelers who are on the road for extended periods of time or who may be relocating to different areas of the country.

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VILLAGE OF HILLSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2013

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To help provide a further boost to the economics of Hillside, the Village has embarked on an extensive beautification plan. Martin and Associates developed a master plan for the Village. Improvements have been made over the last several years and will continue into this fiscal year. Construction was completed on 42 sections of Village streets. Sewers were repaired or replaced. Curbs and gutters were replaced and the streets were repaved. The Village is committed to infrastructure improvements, and plans to complete those streets not yet resurfaced within the next five years.

Since many problems of local government do not recognize political boundaries, the Village joined the West Cook County Solid Waste Agency with the hauling and dumping of garbage looming as a major problem. The Village is also involved in the solid waste study of the WCMC. In 1991, the Village launched a curbside recycling program and has recently expanded it to include additional items. We hope to soon expand it further to include multi-family dwellings and commercial users as well. Our residents currently recycle 35% of their solid waste.

We are always actively working to contain or reduce our operating costs and are also seeking other sources of revenue so that we may continue to provide excellent services to our residents.

Concentration has also been placed on efficiency and cost containment in our Village departments. The administrative and accounting functions have been streamlined by combining several of the smaller special revenue funds into the General Fund. The effect of these changes is to reduce the administrative and accounting overhead associated with these funds, which previously had been monitored individually.

In June of 2005, the Village of Hillside created a Tax Increment Financing (TIF) District in an effort to revitalize the areas along Mannheim Road on both the north and south sides of I-290. The Mannheim Road Redevelopment Project Plan is approximately 176 acres of land (including roadway infrastructure). Historically, this area has contained industrial uses – with a 74-acre former quarry, currently used as a municipal landfill, located to the north of the Eisenhower Expressway. Other land uses to the north of the expressway include a truck terminal, a small office user and a mini-storage business. Uses south of the expressway include an asphalt recycling facility, a warehouse complex, and a shuttered emissions testing facility.

The Village worked with Plote Properties to construct Hillside Town Center, a 32 acre, mixed-use development project located at the southwest quadrant at the intersection of Interstate 290 and Mannheim Road.

Target Corporation built a new approximately 185,000 square foot “Super Target” store on approximately 11.7 acres.

The Developer retained approximately 20.28 acres of the Development site for commercial development and has constructed approximately 170,392 square feet of commercial retail space to be leased to national big box, small shop, and single-use tenants. The development also includes a new 135-room Holiday Inn Express Hotel.

Site development for the Hillside Town Center began in December 2007. The Super Target opened in March 2009. Along with Super Target, Petco, Michaels, American Mattress, Panda Express, T Mobile, Wing Stop, Vision Works, Game Stop, GNC, Home Goods, Staples, Dots, Chase Bank, Home Run Inn Pizza, Jimmy Johns, Sally Beauty, and Ross Dress for Less, have opened. The Developer commenced vertical construction of the development including the Hotel in June 2008. The development is currently 95% leased.

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VILLAGE OF HILLSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2013

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The average height of the buildings is one and a half stories. The hotel is five stories high. The Developer-owned commercial buildings have concrete footings with steel joist beams and flat membrane roofs. The window systems for the buildings are an aluminum window wall system and the exterior is outfitted with a load bearing brick and block construction.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Village Treasurer, Village of Hillside, 425 N. Hillside Avenue, Hillside, Illinois 60162.

VILLAGE OF HILLSIDE, ILLINOIS  
STATEMENT OF NET POSITION  
April 30, 2013

STATEMENT 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash & Investments	\$ 11,816,407	\$ 4,042,981	\$ 15,859,388	\$ 1,508,309
Receivables				
Property Taxes	4,219,792	50,986	4,270,778	506,204
Intergovernmental	1,489,460	-	1,489,460	-
Interest	465	-	465	-
Accounts (Net of Allowance of \$55,672)	-	426,702	426,702	-
Internal Balances	(188,146)	188,146	-	-
Inventory	-	27,494	27,494	-
Other Assets	158,865	7,124	165,989	13,649
Capital Assets not Being Depreciated	6,985,536	14,914	7,000,450	803,736
Capital Assets Being Depreciated, Net	16,589,701	5,399,649	21,989,350	339,030
<b>Total Assets</b>	<u>\$ 41,072,080</u>	<u>\$ 10,157,996</u>	<u>\$ 51,230,076</u>	<u>\$ 3,170,928</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 715,832	\$ 144,136	\$ 859,968	\$ 180,746
Accrued Payroll	158,721	4,790	163,511	16,156
Interest Payable	68,490	-	68,490	-
Deposits Payable	41,124	91,982	133,106	-
Due to Fiduciary Funds	236,364	-	236,364	-
Long-term Obligations, Due Within One Year				
Bonds Payable	645,000	-	645,000	-
Promissory Note Payable	93,593	-	93,593	-
Compensated Absences	542,976	15,967	558,943	31,217
Early Retirement Benefit Obligation	187,102	-	187,102	-
Long-term Obligations, Due in More Than One Year				
Bonds Payable	5,132,924	-	5,132,924	-
Promissory Note Payable	37,718	-	37,718	-
Compensated Absences	885,896	29,651	915,547	-
Net Pension Obligation	3,956,330	-	3,956,330	-
Early Retirement Benefit Obligation	1,281,297	-	1,281,297	-
Other Post Employment Benefits Obligation	479,702	2,651	482,353	-
<b>Total Liabilities</b>	<u>14,463,069</u>	<u>289,177</u>	<u>14,752,246</u>	<u>228,119</u>
<b>Deferred Inflows of Resources</b>				
Deferred Property Tax Revenue	4,219,792	50,986	4,270,778	-
<b>Net Position</b>				
Net Investment in Capital Assets	19,921,421	5,414,563	25,335,984	1,142,766
Restricted for Capital Projects	4,555,745	-	4,555,745	89,777
Restricted for Debt Service	275,933	-	275,933	-
Restricted for Insurance and Taxes	-	-	-	108,295
Unrestricted Net Position	(2,363,880)	4,403,270	2,039,390	1,601,971
<b>Total Net Position</b>	<u>22,389,219</u>	<u>9,817,833</u>	<u>32,207,052</u>	<u>2,942,809</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 41,072,080</u>	<u>\$ 10,157,996</u>	<u>\$ 51,230,076</u>	<u>\$ 3,170,928</u>

See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS  
STATEMENT OF ACTIVITIES  
Year Ended April 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
Governmental Activities								
General Government	\$ 6,972,167	\$ 1,132,734	\$ -	\$ -	\$ (5,839,433)		\$ (5,839,433)	
Public Safety	9,555,911	1,412,604	800	552	(8,141,955)		(8,141,955)	
Streets	2,028,776	-	235,777	-	(1,792,999)		(1,792,999)	
Culture and Recreation	37,118	-	-	-	(37,118)		(37,118)	
Sanitation	541,012	23,325	-	-	(517,687)		(517,687)	
Interest on Debt	179,790	-	-	-	(179,790)		(179,790)	
Total Governmental Activities	<u>19,314,774</u>	<u>2,568,663</u>	<u>236,577</u>	<u>552</u>	<u>(16,508,982)</u>		<u>(16,508,982)</u>	
Business-type Activities								
Water	2,528,695	2,584,771	-	-	-	\$ 56,076	56,076	
Sewer	21,048	137,437	-	-	-	116,389	116,389	
Business-type Activities	<u>2,549,743</u>	<u>2,722,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,465</u>	<u>172,465</u>	
<b>Total Primary Government</b>	<u>\$ 21,864,517</u>	<u>\$ 5,290,871</u>	<u>\$ 236,577</u>	<u>\$ 552</u>	<u>(16,508,982)</u>	<u>172,465</u>	<u>(16,336,517)</u>	
<b>Component Unit</b>								
Library	<u>\$ 857,757</u>	<u>\$ 23,349</u>	<u>\$ 8,365</u>	<u>\$ -</u>				<u>\$ (826,043)</u>
General revenues								
Taxes								
Property					9,760,202	86,784	9,846,986	924,918
Sales					4,423,653	-	4,423,653	-
Utility					973,826	-	973,826	-
Other					639,327	-	639,327	-
Unrestricted Intergovernmental Revenue					934,520	-	934,520	24,987
Investment Earnings					13,423	-	13,423	1,208
Other General Revenues					16,003	-	16,003	8,391
Transfers					(744,302)	744,302	-	-
Total General Revenues and Transfers					<u>16,016,652</u>	<u>831,086</u>	<u>16,847,738</u>	<u>959,504</u>
Change in Net Position					(492,330)	1,003,551	511,221	133,461
Net Position, May 1, 2012 (Restated, Note 13)					<u>22,881,549</u>	<u>8,814,282</u>	<u>31,695,831</u>	<u>2,809,348</u>
Net Position, April 30, 2013					<u>\$ 22,389,219</u>	<u>\$ 9,817,833</u>	<u>\$ 32,207,052</u>	<u>\$ 2,942,809</u>

See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2013

STATEMENT 3

	Major Funds			Nonmajor	Total
	General	Mannheim	Hillside 2012	Governmental	Governmental
	Fund	Road TIF	Project	Funds	Funds
		Fund	Fund		
<b>ASSETS</b>					
Cash & Investments	\$ 3,926,499	\$ 2,761,209	\$ 2,255,419	\$ 2,873,280	\$ 11,816,407
Receivables					
Property Taxes	3,670,916	-	-	548,876	4,219,792
Intergovernmental	1,454,689	-	-	34,771	1,489,460
Interest	465	-	-	-	465
Due from Other Funds	-	10,080	-	-	10,080
Other Assets	158,865	-	-	-	158,865
<b>Total Assets</b>	<u>\$ 9,211,434</u>	<u>\$ 2,771,289</u>	<u>\$ 2,255,419</u>	<u>\$ 3,456,927</u>	<u>\$ 17,695,069</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 735,546	\$ -	\$ -	\$ 139,007	\$ 874,553
Due to Other Funds	198,226	-	-	-	198,226
Due to Fiduciary Funds	236,364	-	-	-	236,364
Deposits Payable	41,124	-	-	-	41,124
<b>Total Liabilities</b>	<u>1,211,260</u>	<u>-</u>	<u>-</u>	<u>139,007</u>	<u>1,350,267</u>
<b>Deferred Inflows of Resources</b>					
Deferred Property Taxes Revenue	3,670,916	-	-	548,876	4,219,792
Unavailable Other Revenue	354,180	-	-	-	354,180
<b>Total Deferred Inflows of Resources</b>	<u>4,025,096</u>	<u>-</u>	<u>-</u>	<u>548,876</u>	<u>4,573,972</u>
<b>Fund Balances</b>					
Nonspendable					
Prepays	155,195	-	-	-	155,195
Inventory	3,670	-	-	-	3,670
Restricted					
Insurance	109,500	-	-	-	109,500
Capital Projects	-	-	2,255,419	-	2,255,419
Streets and Highways	-	-	-	364,061	364,061
Sanitation	-	-	-	211,067	211,067
Public Safety	-	-	-	429,098	429,098
Debt Service	-	-	-	344,423	344,423
Economic Development	-	2,771,289	-	1,420,395	4,191,684
Unassigned	3,706,713	-	-	-	3,706,713
<b>Total Fund Balances</b>	<u>3,975,078</u>	<u>2,771,289</u>	<u>2,255,419</u>	<u>2,769,044</u>	<u>11,770,830</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 9,211,434</u>	<u>\$ 2,771,289</u>	<u>\$ 2,255,419</u>	<u>\$ 3,456,927</u>	<u>\$ 17,695,069</u>

See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS  
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
 TO STATEMENT OF NET POSITION  
 April 30, 2013

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Total fund balances - governmental funds	\$ 11,770,830
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Amounts reported for governmental activities in the net position are different because:

Capital assets net of accumulated depreciation of \$13,488,583 used in governmental activities are not financial resources and therefore are not reported in the funds.	23,575,237
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Intergovernmental Receivables	354,180

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:

Interest Payable on Long-term Debt	(68,490)
Bonds Payable	(5,777,924)
Promissory Note Payable	(131,311)
Compensated Absences	(1,428,872)
Net Pension Obligation	(3,956,330)
Other Post Employment Benefits Obligation	(479,702)
Early Retirement Benefit Obligation	(1,468,399)

Net position of governmental activities	\$ <u>22,389,219</u>
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VILLAGE OF HILLSIDE, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended April 30, 2013

STATEMENT 5

	Major Funds			Nonmajor	Total
	General	Mannheim	Hillside 2012	Governmental	Governmental
	<u>Fund</u>	<u>Road TIF</u>	<u>Project</u>	<u>Funds</u>	<u>Funds</u>
<b>Revenues</b>					
Property Taxes	\$ 6,188,456	\$ 1,777,955	\$ -	\$ 1,793,791	\$ 9,760,202
Taxes	5,915,079	-	-	98,124	6,013,203
Intergovernmental Revenues	935,872	-	-	235,777	1,171,649
Licenses and Permits	318,427	-	-	-	318,427
Charges for Services	408,495	-	-	23,325	431,820
Fines and Forfeitures	1,575,885	-	-	-	1,575,885
Investment Income	6,560	-	2,806	4,057	13,423
Miscellaneous	258,534	-	-	-	258,534
<b>Total Revenues</b>	<u>15,607,308</u>	<u>1,777,955</u>	<u>2,806</u>	<u>2,155,074</u>	<u>19,543,143</u>
<b>Expenditures</b>					
Current					
General Administration	3,951,495	2,206,525	896,976	170,130	7,225,126
Public Safety	8,865,591	-	-	43,214	8,908,805
Highway and Streets	1,713,543	-	29,317	138,388	1,881,248
Sanitation	-	-	-	541,012	541,012
Culture and Recreation	26,451	-	-	-	26,451
Debt Service - Principal	88,528	-	-	645,000	733,528
Debt Service - Interest and Fees	10,033	-	-	160,158	170,191
<b>Total Expenditures</b>	<u>14,655,641</u>	<u>2,206,525</u>	<u>926,293</u>	<u>1,697,902</u>	<u>19,486,361</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<u>951,667</u>	<u>(428,570)</u>	<u>(923,487)</u>	<u>457,172</u>	<u>56,782</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	39,587	-	-	-	39,587
Transfers Out	-	(5,760)	(744,302)	(33,827)	(783,889)
<b>Total Other Financing Sources (Uses)</b>	<u>39,587</u>	<u>(5,760)</u>	<u>(744,302)</u>	<u>(33,827)</u>	<u>(744,302)</u>
<b>Net Change in Fund Balances</b>	991,254	(434,330)	(1,667,789)	423,345	(687,520)
<b>Fund Balances at Beginning of Year</b>	<u>2,983,824</u>	<u>3,205,619</u>	<u>3,923,208</u>	<u>2,345,699</u>	<u>12,458,350</u>
<b>Fund Balances at End of Year</b>	<u>\$ 3,975,078</u>	<u>\$ 2,771,289</u>	<u>\$ 2,255,419</u>	<u>\$ 2,769,044</u>	<u>\$ 11,770,830</u>

See accompanying notes to financial statements.



VILLAGE OF HILLSIDE, ILLINOIS  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
 Year Ended April 30, 2013

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Net change in total fund balances	\$ (687,520)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from the prior year is:

Intergovernmental Revenues	23,603
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds:

Change in Compensated Absences	\$ (77,594)	
Change in Net Pension Obligation	(371,565)	
Change in Other Post Employment Benefits	(152,951)	
Change in Early Retirement Benefit Obligation	174,758	
Amortization of Premium	3,534	
Change in Accrued Interest on Debt	<u>(13,133)</u>	
Total Expenses of Non-current Resources		(436,951)

Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation exceeded capital outlays in the current period:

Capital Outlay Expenses	910,097	
Depreciation Expense	<u>(1,035,087)</u>	
Excess of Capital Outlay over Depreciation		(124,990)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Bonds Payable	645,000	
Promissory Note Payable	<u>88,528</u>	
		<u>733,528</u>

Change in net position of governmental activities	<u>\$ (492,330)</u>
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VILLAGE OF HILLSIDE, ILLINOIS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
April 30, 2013

	Enterprise Funds		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Investments	\$ 536,239	\$ 3,506,742	\$ 4,042,981
Receivables			
Property Taxes	50,986	-	50,986
Accounts (Net of Allowance of \$55,672)	402,887	23,815	426,702
Due from Other Funds	-	188,146	188,146
Other Assets	7,124	-	7,124
Inventory	27,494	-	27,494
<b>Total Current Assets</b>	<u>1,024,730</u>	<u>3,718,703</u>	<u>4,743,433</u>
<b>Noncurrent Assets</b>			
Capital Assets Not Being Depreciated	14,914	-	14,914
Capital Assets Being Depreciated, Net	5,024,186	375,463	5,399,649
<b>Total Noncurrent Assets</b>	<u>5,039,100</u>	<u>375,463</u>	<u>5,414,563</u>
<b>Total Assets</b>	<u>\$ 6,063,830</u>	<u>\$ 4,094,166</u>	<u>\$ 10,157,996</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 148,926	\$ -	\$ 148,926
Deposits Payable	91,982	-	91,982
Compensated Absences Payable	15,967	-	15,967
<b>Total Current Liabilities</b>	<u>256,875</u>	<u>-</u>	<u>256,875</u>
<b>Noncurrent Liabilities</b>			
Compensated Absences Payable	29,651	-	29,651
Other Post Employment Benefits Obligation	2,651	-	2,651
<b>Total Noncurrent Liabilities</b>	<u>32,302</u>	<u>-</u>	<u>32,302</u>
<b>Total Liabilities</b>	<u>289,177</u>	<u>-</u>	<u>289,177</u>
<b>Deferred Inflows of Resources</b>			
Deferred Property Taxes Revenue	50,986	-	50,986
<b>Net Position</b>			
Net Investment in Capital Assets	5,039,100	375,463	5,414,563
Unrestricted	684,567	3,718,703	4,403,270
<b>Total Net Position</b>	<u>5,723,667</u>	<u>4,094,166</u>	<u>9,817,833</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 6,063,830</u>	<u>\$ 4,094,166</u>	<u>\$ 10,157,996</u>

See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 Year Ended April 30, 2013

	Enterprise Funds		Total
	Water Fund	Sewer Fund	
<b>Operating Revenues</b>			
Charges for Services	\$ 2,488,805	\$ 137,437	\$ 2,626,242
Penalties	95,966	-	95,966
<b>Total Operating Revenues</b>	<u>2,584,771</u>	<u>137,437</u>	<u>2,722,208</u>
<b>Operating Expenses</b>			
Water Operations	510,222	-	510,222
Sewer Operations	-	3,233	3,233
Cost of Sales	1,876,217	-	1,876,217
Depreciation	128,603	17,815	146,418
<b>Total Operating Expenses</b>	<u>2,515,042</u>	<u>21,048</u>	<u>2,536,090</u>
<b>Operating Income (Loss)</b>	<u>69,729</u>	<u>116,389</u>	<u>186,118</u>
<b>Nonoperating Revenues (Expenses)</b>			
Property Taxes	86,784	-	86,784
Loss on Disposal of Property	(13,653)	-	(13,653)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>73,131</u>	<u>-</u>	<u>73,131</u>
<b>Income Before Transfers</b>	<u>142,860</u>	<u>116,389</u>	<u>259,249</u>
<b>Transfers In</b>	<u>744,302</u>	<u>-</u>	<u>744,302</u>
<b>Change in Net Position</b>	887,162	116,389	1,003,551
<b>Net Position at Beginning of Year</b>	<u>4,836,505</u>	<u>3,977,777</u>	<u>8,814,282</u>
<b>Net Position at End of Year</b>	<u>\$ 5,723,667</u>	<u>\$ 4,094,166</u>	<u>\$ 9,817,833</u>

See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended April 30, 2013

	Enterprise Funds		Total
	Water Fund	Sewer Fund	
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 2,562,370	\$ 132,146	\$ 2,694,516
Cash payments for goods and services	(2,228,450)	(3,233)	(2,231,683)
Cash payments to employees	(192,641)	-	(192,641)
<b>Net cash provided by/(used in) operating activities</b>	<u>141,279</u>	<u>128,913</u>	<u>270,192</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Interfund Borrowing	-	300,000	300,000
Property Taxes	86,784	-	86,784
<b>Net cash provided by/(used in) noncapital financing activities</b>	<u>86,784</u>	<u>300,000</u>	<u>386,784</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Transfers from other funds	744,302	-	744,302
Acquisition and construction of capital assets	(744,302)	-	(744,302)
<b>Net Cash provided by/(used in) Capital and Related Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash</b>	228,063	428,913	656,976
<b>Cash &amp; Investments, Beginning of Year</b>	308,176	3,077,829	3,386,005
<b>Cash &amp; Investments, End of Year</b>	<u>\$ 536,239</u>	<u>\$ 3,506,742</u>	<u>\$ 4,042,981</u>
<b>Reconciliation of operating income to net cash provided by/(used in) operating activities</b>			
Operating income/(loss)	\$ 69,729	\$ 116,389	\$ 186,118
Adjustments to reconcile operating income/(loss) to net cash provided by/(used in) operating activities:			
Depreciation	128,603	17,815	146,418
Decrease (increase) in accounts receivable	(22,401)	(5,291)	(27,692)
Decrease (increase) in other assets	(4,606)	-	(4,606)
Decrease (increase) in inventory	(1,061)	-	(1,061)
Increase (decrease) in accounts payable	(27,835)	-	(27,835)
Increase (decrease) in compensated absences	6,871	-	6,871
Increase (decrease) in other post-employment benefits obligation	352	-	352
Increase (decrease) in deposits payable	(8,373)	-	(8,373)
Total Adjustments	<u>71,550</u>	<u>12,524</u>	<u>84,074</u>
<b>Net cash provided by/(used in) operating activities</b>	<u>\$ 141,279</u>	<u>\$ 128,913</u>	<u>\$ 270,192</u>

See accompanying notes to financial statements.

VILLAGE OF HILLSDALE, ILLINOIS  
STATEMENT OF FIDUCIARY NET POSITION  
April 30, 2013

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	<u>Pension Trust Funds</u>
<b>ASSETS</b>	
Cash & Investments	
Money Markets	\$ 535,523
U.S. Government and Agency Obligations	14,524,691
Mutual Funds	7,848,584
Stocks	581,458
State and Local Obligations	920,890
Total Cash & Investments	<u>24,411,146</u>
Receivables	
Interest Receivable	60,630
Due from Primary Government	236,364
Total Receivables	<u>296,994</u>
Prepaid Expenses	<u>9,917</u>
<b>Total Assets</b>	<u><u>\$ 24,718,057</u></u>
<b>LIABILITIES</b>	
Accounts Payable	<u>\$ 5,826</u>
<b>Total Liabilities</b>	<u>5,826</u>
<b>NET POSITION</b>	
Held for Employees' pension benefits	<u>24,712,231</u>
<b>Total Net Position</b>	<u>24,712,231</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 24,718,057</u></u>

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See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
Year ended April 30, 2013

STATEMENT 11

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	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 1,617,150
Plan Members	<u>400,437</u>
Total Contributions	<u>2,017,587</u>
Investment Income	
Net appreciation in fair value of investments	1,391,582
Less investment expense	<u>(95,421)</u>
Net Investment Income	<u>1,296,161</u>
<b>Total Additions</b>	<u>3,313,748</u>
<b>DEDUCTIONS</b>	
Benefits	2,284,842
Administrative Expenses	<u>57,491</u>
<b>Total Deductions</b>	<u>2,342,333</u>
<b>Change in Net Position</b>	971,415
<b>Net Position at Beginning of Year</b>	<u>23,740,816</u>
<b>Net Position at End of Year</b>	<u><u>\$ 24,712,231</u></u>

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See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Village of Hillside (the Village) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the significant policies.

The Financial and Reporting Entity: The Village has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, under which the financial statements include all the organizations, activities, functions and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component units board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village.

The following activities/funds were included in these financial statements based on the above criteria:

**Discretely Presented Component Unit**

Hillside Public Library – The Hillside Public Library's board is elected by the voters of the government. The Public Library may not issue bonded debt without the government's approval, and its annual budget and property tax levy request are subject to the government's board approval. Because of its fiscal dependency on the Village, the Library meets the criteria for discrete presentation and is shown in the component unit column in the combined financial statements. The Hillside Public Library is reported in a separate column to emphasize that they are legally separate from the Village of Hillside. The Hillside Public Library issues separate financial statements and has an April 30 year end. The Library financial statements can be obtained by contacting the Library at 405 Hillside Avenue, Hillside, Illinois 60162.

**Fiduciary Component Units**

Police and Fire Pension Funds – The Village's police and fire employees participate in the Police Pension Employees Retirement System (PPERS) and the Fire Pension Employees Retirement System (FPERS). PPERS functions for the benefit of these employees and is governed by a five member pension board. Two members are appointed by the Mayor, two are elected from the active members and one from the retired members. FPERS is governed by a nine-member board. The following comprise the FPERS Board: the Mayor, Village Clerk, Village Attorney, Fire Chief, Village Treasurer, and four elected officers. The Village, PPERS, and FPERS are obligated to fund PPERS and FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefits levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels.

Basis of Presentation: The Village's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

*Government-Wide Financial Statements* – The statement of net position and the statement of activities display information about the Village as a whole. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. The effect of interfund activity has been removed from these statements. Governmental activities, which

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-type activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

*Fund Financial Statements* – The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category — governmental, proprietary, and fiduciary — are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Measurement Focus and Basis of Accounting:

*Government-Wide Financial Statements* – The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Village has reported three categories of program revenues in the statement of activities: (1) fees, fines, and charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the "grossing up" effect on assets and liabilities within the governmental and business-type activities columns for amounts reported in the individual funds as interfund receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities. However, interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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(Continued)



VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fund Financial Statements* – Governmental fund financial statements 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 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Nonexchange transactions, in which the Village receives value without directly giving equal value in return, include taxes, grants, and donations. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Village reports deferred inflows of resources and unearned revenues on its financial statements. Deferred inflows of resources arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, deferred inflows of resources and unearned revenue are removed from the balance sheet or statement of net position and revenue is recognized.

Proprietary funds separate all activity into two categories: operating revenues and expenses and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, the Village's policy is to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared because of the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Village reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Village. It is used to account for all of the general revenues of the Village, which are not specifically levied or collected for other Village funds, and for expenditures related to public works, public safety, and other general governmental activities of the Village.

Mannheim Road TIF Fund – This fund accounts for redevelopment costs within the Mannheim Road tax increment district.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Hillside 2012 Project Fund – This fund accounts for costs associated with the purchase of a building adjacent to and to be used as a future expansion of Village Hall, painting of a water tower and various sewer and water projects through proceeds of the 2012A General Obligation Bond Issue.

**Proprietary Funds**

Proprietary funds are used to account for those Village activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The Village reports the following major proprietary funds:

Water Fund – This fund accounts for the provision of water to the residents of the Village and operation of the storm sewer systems. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, operations, maintenance, billing and collection.

Sewer Fund – This fund accounts for the accumulated resources raised from a separate sewer charge to pay for improvements to the sewer system.

In addition to the major funds mentioned above, the Village uses the following fund types:

**Governmental Fund Types**

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds – Debt Service Funds are governmental funds used to account for the accumulation of resources and the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds – The Capital Projects Funds are used to account for the Village's purchase or construction of major capital facilities, which are not financed by other funds.

**Fiduciary Fund Types**

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, other governments, or other funds. These include the Pension Trust Funds.

Cash and Investments: For purposes of reporting cash flows, cash and investments include cash on hand, demand deposits, and time deposits with original maturities of less than three months. Investments are stated at fair value. Fair value for the investment in Illinois Funds is the same as the value of the pool shares. State statute requires the State Treasurer's Illinois Funds to comply with the Illinois Public Funds Investment Act.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounting Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Capital Assets: Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, alleys, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements to land and buildings are capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Category of Assets</u>	<u>Estimated Useful Life</u>
Land improvements	20 years
Leasehold improvement	Shorter of 20 years or remaining life of the lease
Office buildings	50 years
Dwellings and garages	40 years
Building improvements	20 years
Office furniture and equipment	10 years
Computer hardware and software	5 years
Recreation and amusement facilities	10 years
Power and water distribution facilities	30 years
Other machinery and equipment	10 years
Automotive equipment -	
Autos	4 years
Light trucks (less than 13,000 pounds)	4 years
Heavy trucks	6 years

Capital assets consisting of infrastructure, including roads and streets, have also been capitalized. Such assets are normally immovable and of value only to the Village.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in September by passage of a Tax Levy Ordinance; a separate levy is made for the Public Library. Tax bills are prepared by the County and issued on or about March 1 and August 1 the following year. They are payable in two installments on or about April 1 and on or about September 1 the following year. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available. The Village deferred recognition of the second installment of the 2012 property tax levy due to the second installment being intended to fund the next fiscal year's operations.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village reports resources associated with imposed nonexchange revenue transactions that are received or reported as a receivable before the period for which property taxes are levied as deferred inflows of resources. The Village also has another type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences: Village employees receive vacation and sick pay in varying amounts based upon their employment anniversary dates. The Village reimburses employees for accumulated vacation days upon their termination or retirement. Employees must take vacation accrued during the calendar year subsequent to the accrual. Management and general service employees, fire, and police may accumulate up to 60 days of sick leave, respectively, to be paid upon death or retirement. The Village pays no accumulated sick leave upon termination.

The liability for compensated absences (unused vacation time) of the Village relating to employees of the governmental activities at April 30, 2013, of \$1,428,872 is recorded in the government-wide financial statements. The General Fund has typically been used in prior years to liquidate the liability for compensated absences.

The accumulated vacation time liability of employees charged to business-type activities of \$45,618 is reported as an expense and as a liability of those funds as the benefits accrue to the employees.

Interfund Transactions Transfers: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of interfund loans or "advances to/from other funds" for the non-current portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances." All receivables are shown net of an allowance for uncollectibles.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Claims and Judgments: Liability resulting from claims and judgments, if any, has been reflected in the financial statements in accordance with GASB Statement No. 10, as amended by GASB Interpretation No. 6.

Fund Equity/Net Position: Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction of improvements of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. All funds had positive fund equity as of April 30, 2013.

*Fund Balance* - In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the components of the fund balance section of the balance sheet of the governmental funds include the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation. Restricted fund balances reported on the Village's Governmental Funds Balance Sheet mainly include restricted property tax levies, bond proceeds, and grant awards.
- c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. Fund Balance of the Village may be committed for a specific source by passing of a Board Resolution by the Village's Board of Trustees. Amendments or modifications of the committed fund balance must be also by approved by passing of a Board Resolution by the Board of Trustees.
- d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Trustees designated for that purpose. The intended use is established by an official designated for that purpose. The Village has not designated anyone for this purpose. However, GASB 54 has outlined that fund balance outside of the general fund is to fall in this category if there is not a deficit fund balance for the fund.
- e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. In addition, if there is a deficit balance in another governmental fund, it will be reported as a negative amount in that fund's unassigned classification.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Proprietary fund equity is classified the same as in the government-wide statements.

Fiduciary fund equity is classified as held in trust for pension benefits on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the Village believes it is in compliance with all significant restrictions.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Long-Term Debt: In the government-wide financial statements and in the proprietary fund financial statements, long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. 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 are reported as expenditures.

Encumbrances: The Government maintains effective control of budget through its budget so encumbrances are not used.

**NOTE 2 – CASH AND INVESTMENTS**

Cash: The carrying amount of cash, excluding the Pension Trust Funds, was \$9,892,888 at April 30, 2013, while the bank balances were \$10,037,955. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. Government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

Certificates of Deposit: Certificates of Deposit amounted to \$87,042 at April 30, 2013. Certificates of deposit were collateralized with securities of the U.S. Government in an amount equal to 100% of the funds on deposit. All investment collateral is held in safekeeping in the Village's name by financial institutions acting as the Village's agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Investments (excluding Pension Trust Fund): The investments that the Village may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. Government as to principal and interest; (2) certain U.S. Government Agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations that are insured by a federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Village's investments at April 30, 2013.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less than One Year</u>
State Treasurer Illinois Funds	<u>\$ 5,879,458</u>	<u>\$ 5,879,458</u>
Total	<u>\$ 5,879,458</u>	<u>\$ 5,879,458</u>

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 2 – CASH AND INVESTMENTS (Continued)**

*Interest Rate Risk* – The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – The Village's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. Illinois Funds are rated AAAM by Standard & Poor's.

Trust Fund's Investments: The Pension Trust Funds are authorized to invest in bonds, notes, and other obligations of the U.S. Government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; and other investment vehicles as set forth in the Illinois Compiled Statutes.

The Fire Pension Trust Fund policy is to maintain safety of principle. The Board seeks to obtain market rates of return on its investments, consistent with constraints imposed by its safety considerations, cash flow requirements and the Illinois State laws that restrict the placement of public funds.

The Police Pension Trust Fund policy is to discharge their duties with respect to the pension fund solely in the interest of participants and beneficiaries as set forth in the Illinois Pension Code.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Pension Funds' investments at April 30, 2013.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>			
		<u>Less than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>Greater than Ten Years</u>
U.S. Government					
Securities	\$ 14,524,691	\$ 1,134,198	\$ 3,553,124	\$ 6,452,099	\$ 3,385,270
Stocks	581,458	581,458	-	-	-
Money Market					
Mutual Funds	535,523	535,523	-	-	-
Mutual Funds	7,848,584	7,848,584	-	-	-
Municipal Bonds	<u>920,890</u>	<u>-</u>	<u>214,656</u>	<u>516,178</u>	<u>190,056</u>
Total	<u>\$ 24,411,146</u>	<u>\$10,099,763</u>	<u>\$ 3,767,780</u>	<u>\$ 6,968,277</u>	<u>\$ 3,575,326</u>

*Interest Rate Risk* – The Pension Funds do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – The Pension Trust Funds' policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. Government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality; that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard & Poor's. The Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

One of the U.S. Treasury Department's objectives for conservatorships is to protect bondholders. As such, declines in fair value below cost for investments in Freddie Mac and Fannie Mae bonds (that is, debt securities) may be treated as temporary. At year end the Village's intent is to hold the bonds until they recover.

Credit ratings for the Pension Funds' investments in debt securities at April 30, 2013 (excluding investments in U.S. Treasuries and obligations of U.S. government agencies that are explicitly guaranteed by the U.S. government, which are not considered to have credit risk) are as follows:

Investment Type	Moody's Investors Service					
	Total	Aaa	Aa1	Aa2	Aa3	N/R
U.S. Govt. and Agency Obligations	\$14,524,691	\$11,853,057	\$ -	\$ -	\$ -	\$ 2,671,634
Municipal Bonds	920,890	45,655	100,168	265,229	103,201	406,637

Investment Type	Standard and Poor's				
	Total	AAA	AA+	AA	N/R
U.S. Govt. and Agency Obligations	\$14,524,691	\$ 3,279,595	\$ 8,573,462	\$ -	\$ 2,671,634
Municipal Bonds	920,890	55,601	230,390	220,814	414,085

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Pension Funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Pension Funds' investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Pension Fund investment or any other high-quality, interest bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. The Pension Funds are fully collateralized as of April 30, 2013.

*Concentration of Credit Risk* – The Pension Funds place no limit on the amount the Pension Funds may invest in any one issuer.

More than 5% of the Police Pension Fund's investments are invested in the following:

<u>Investment</u>	<u>Percentage</u>
Federal Home Loan Mortgage Corporation	5.1%
Federal Home Loan Banks	21.1%

More than 5% of the Fire Pension Fund's investments are invested in the following:

<u>Investment</u>	<u>Percentage</u>
Federal National Mortgage Association	34.6%
Federal Home Loan Banks	10.1%
Federal Farm Credit Banks	8.8%
Federal Home Loan Mortgage Corporation	23.8%

(Continued)



VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 2 - CASH AND INVESTMENTS (Continued)**

A reconciliation of the deposits and investments in Note 2 to the financial statements is as follows:

Note 2	
Carrying Amount of Deposits	\$ 9,892,888
Certificates of Deposits	87,042
Village Investments at Fair Value	5,879,458
Pension Investments at Fair Value	<u>24,411,146</u>
Total Deposits and Investments per Note 2	<u>\$ 40,270,534</u>
Financial Statements	
Statement of Net Position – Statement 1	
Cash and Investments	\$ 15,859,388
Statement of Fiduciary Net Position – Statement 10	
Cash and Investments	<u>24,411,146</u>
Total per Financial Statements	<u>\$ 40,270,534</u>

See Note 11 for information regarding the Public Library's deposits and investments.

**NOTE 3 - INTERFUND ACTIVITY**

Interfund receivables and payables as of April 30, 2013 are summarized as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major governmental funds:		
General	\$ -	\$ 198,226
Mannheim Road TIF	10,080	-
Major proprietary funds:		
Sewer	<u>188,146</u>	<u>-</u>
Total interfunds	<u>\$ 198,226</u>	<u>\$ 198,226</u>

Interfund receivables and payables represent loans of cash from funds with surplus in order to meet operating needs. The loans will be repaid among the various funds when there is sufficient cash available for payment.

Interfund receivables and payables totaling \$37,348 between two accounts, Corporate and Workmen's Compensation, which comprise part of the General Fund, have been netted off for financial statement purposes on Statement 1.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

**NOTE 3 - INTERFUND ACTIVITY (Continued)**

Interfund transfers in and transfers out for the year ending April 30, 2013 are summarized as follows:

<u>Fund</u>	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>
Major governmental funds:		
General	\$ -	\$ 39,587
Mannheim Road TIF	5,760	-
Hillside 2012 Project	744,302	-
Nonmajor governmental funds	33,827	-
Major proprietary fund - Water	-	744,302
Total interfunds	<u>\$ 783,889</u>	<u>\$ 783,889</u>

Transfers were made from nonmajor governmental funds to reimburse expenditures recorded in the General Fund. Transfers were made from the Hillside 2012 Project Fund to the Water Fund for capital asset purchases.

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2013 was as follows:

Primary Government

	<u>Balance at May 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at April 30, 2013</u>
Governmental activities:				
Capital assets not being depreciated:				
Land*	\$ 6,875,017	\$ 110,519	\$ -	\$ 6,985,536
Capital assets being depreciated:				
Infrastructure	11,580,910	626,020	-	12,206,930
Buildings and improvements	11,594,925	-	-	11,594,925
Vehicles	3,687,279	170,681	-	3,857,960
Site improvements	27,222	-	-	27,222
Equipment	2,388,371	2,877	-	2,391,248
Subtotal	<u>29,278,707</u>	<u>799,578</u>	<u>-</u>	<u>30,078,285</u>
Less accumulated depreciation for:				
Infrastructure	(4,976,732)	(234,022)	-	(5,210,754)
Buildings and improvements	(3,457,792)	(413,865)	-	(3,871,657)
Vehicles	(2,113,497)	(239,711)	-	(2,353,208)
Site improvements	(26,175)	(525)	-	(26,700)
Equipment	<u>(1,879,301)</u>	<u>(146,964)</u>	<u>-</u>	<u>(2,026,265)</u>
Total accumulated depreciation	<u>(12,453,497)</u>	<u>(1,035,087)</u>	<u>-</u>	<u>(13,488,584)</u>
Total capital assets being depreciated, net	<u>16,825,210</u>	<u>(235,509)</u>	<u>-</u>	<u>16,589,701</u>
Governmental activities capital assets, net	<u>\$ 23,700,227</u>	<u>\$ (124,990)</u>	<u>\$ -</u>	<u>\$ 23,575,237</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

**NOTE 4 - CAPITAL ASSETS** (Continued)

	<u>Balance at May 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at April 30, 2013</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 14,914	\$ -	\$ -	\$ 14,914
Capital assets being depreciated:				
Infrastructure	8,681,128	744,302	(60,858)	9,364,572
Buildings and improvements	14,603	-	-	14,603
Water network	796,950	-	-	796,950
Subtotal	<u>9,492,681</u>	<u>744,302</u>	<u>(60,858)</u>	<u>10,176,125</u>
Less accumulated depreciation for:				
Infrastructure	(4,035,582)	(124,755)	47,205	(4,113,132)
Buildings and improvements	(13,999)	(365)	-	(14,364)
Water network	<u>(627,682)</u>	<u>(21,298)</u>	<u>-</u>	<u>(648,980)</u>
Total accumulated depreciation	<u>(4,677,263)</u>	<u>(146,418)</u>	<u>47,205</u>	<u>(4,776,476)</u>
Total capital assets being depreciated, net	<u>4,815,418</u>	<u>597,884</u>	<u>(13,653)</u>	<u>5,399,649</u>
Business-type activities capital assets, net	<u>\$ 4,830,332</u>	<u>\$ 597,884</u>	<u>\$ (13,653)</u>	<u>\$ 5,414,563</u>

Depreciation expense of \$1,035,087 and \$146,418 was charged to the governmental and business-type activities functional expense categories, respectively as follows:

<u>Governmental Activities</u>	<u>Depreciation</u>	<u>Business-Type Activities</u>	<u>Depreciation</u>
General government	\$ 453,696	Water	\$ 128,603
Public safety	248,414	Sewer	17,815
Streets	322,310	Total	<u>\$ 146,418</u>
Culture and recreation	10,667		
Total	<u>\$ 1,035,087</u>		

See Note 11 for information regarding the Public Library's capital assets.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

**NOTE 5 – RECEIVABLES**

The following is a summary of the various components of significant receivables at April 30, 2013.

	<u>Governmental Funds</u>		<u>Proprietary</u>		<u>Total</u>
	<u>General</u>	<u>Motor Fuel Tax</u>	<u>Water</u>	<u>Sewer</u>	<u>Statement of Net Position</u>
Intergovernmental					
Local use tax	\$ 29,965	\$ -	\$ -	\$ -	\$ 29,965
Sales tax	917,579	-	-	-	917,579
Court fines	29,702	-	-	-	29,702
Utility tax	170,830	-	-	-	170,830
State income tax	257,917	-	-	-	257,917
Motor fuel tax	-	34,771	-	-	34,771
Franchise fees	19,674	-	-	-	19,674
State replacement tax	29,022	-	-	-	29,022
Total intergovernmental	<u>\$1,454,689</u>	<u>\$ 34,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,489,460</u>
Accounts receivable					
Water billings	\$ -	\$ -	\$ 455,775	\$ -	\$ 455,775
Sewer billings	-	-	-	26,599	26,599
Total accounts receivable	-	-	455,775	26,599	482,374
Allowance for uncollectible amounts	-	-	(52,888)	(2,784)	(55,672)
Net Accounts receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402,887</u>	<u>\$ 23,815</u>	<u>\$ 426,702</u>

**NOTE 6 - LONG-TERM DEBT**

The following is a summary of changes to the Village's long-term debt for the fiscal year:

	<u>Balances</u>	<u>Debt</u>	<u>Debt</u>	<u>Balances</u>	<u>Due within</u>
	<u>May 1, 2012</u>	<u>Additions</u>	<u>Retirement</u>	<u>April 30, 2013</u>	<u>one year</u>
Governmental activities:					
General Obligation Bonds:					
Series of 2005B	\$ 1,300,000	\$ -	\$ 165,000	\$ 1,135,000	\$ 170,000
Series of 2012A	5,100,000	-	480,000	4,620,000	475,000
Less unamortized amounts:					
For issuance premiums	26,458	-	3,534	22,924	-
Total General Obligation Bonds	<u>6,426,458</u>	<u>-</u>	<u>648,534</u>	<u>5,777,924</u>	<u>645,000</u>
Promissory note - 1999	219,839	-	88,528	131,311	93,593
Compensated absences	1,351,278	576,768	499,174	1,428,872	542,976
Early retirement benefit obligation	1,643,157	-	174,758	1,468,399	187,102
Other post-employment benefits obligation	326,751	152,951	-	479,702	-
Net pension obligation	<u>3,584,765</u>	<u>371,565</u>	<u>-</u>	<u>3,956,330</u>	<u>-</u>
Total governmental activities	<u>\$13,552,248</u>	<u>\$ 1,101,284</u>	<u>\$ 1,410,994</u>	<u>\$13,242,538</u>	<u>\$ 1,468,671</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

**NOTE 6 - LONG-TERM DEBT** (Continued)

	<u>Balances May 1, 2012</u>	<u>Debt Additions</u>	<u>Debt Retirement</u>	<u>Balances April 30, 2013</u>	<u>Due within one year</u>
Business-type activities:					
Compensated absences	\$ 38,747	\$ 21,513	\$ 14,642	\$ 45,618	\$ 15,967
Other post employment benefits obligation	<u>2,299</u>	<u>352</u>	<u>-</u>	<u>2,651</u>	<u>-</u>
Total Business-type activities	<u>\$ 41,046</u>	<u>\$ 21,865</u>	<u>\$ 14,642</u>	<u>\$ 48,269</u>	<u>\$ 15,967</u>

Reconciliation to Statement of Net Position:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Long-term obligations, due within one year:			
Bonds payable	\$ 645,000	\$ -	\$ 645,000
Promissory note payable	93,593	-	93,593
Compensated absences	542,976	15,967	558,943
Early retirement benefit obligation	187,102	-	187,102
Long-term obligations, due in more than one year:			
Bonds payable	5,132,924	-	5,132,924
Promissory note payable	37,718	-	37,718
Compensated absences	885,896	29,651	915,547
Net pension obligation	3,956,330	-	3,956,330
Early retirement benefit obligation	1,281,297	-	1,281,297
Other post-employment benefits obligation	<u>479,702</u>	<u>2,651</u>	<u>482,353</u>
Total debt	<u>\$ 13,242,538</u>	<u>\$ 48,269</u>	<u>\$ 13,290,807</u>

Long Term obligations outstanding at April 30, 2013 are comprised of the following:

General Obligation Bonds, Series 2005B: \$4,135,000 2005B General Obligation Bonds dated October 2005, due December 1, 2018; interest at 3.50% to 4.00% (principal and interest to be serviced by general and motor fuel tax revenues of the Village).

Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$ 170,000	\$ 48,933	\$ 218,933
2015	180,000	41,708	221,708
2016	185,000	34,058	219,058
2017	195,000	26,103	221,103
2018	205,000	17,718	222,718
2019	<u>200,000</u>	<u>8,800</u>	<u>208,800</u>
	<u>\$ 1,135,000</u>	<u>\$ 177,320</u>	<u>\$ 1,312,320</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 6 - LONG-TERM DEBT** (Continued)

The Village has pledged future motor fuel tax revenues to repay \$2,025,000 of the General Obligation Bonds, Series 2005B. A portion of the proceeds from the bonds provided financing for highway and street projects. The total principal and interest remaining to be paid on the highway and street portion of the bonds is \$1,312,320, payable through December 2018. Principal and interest paid for the current year for the street and highway portion of the bonds and total motor fuel tax revenue were \$221,358 and \$235,777, respectively.

General Obligation Bonds, Series 2012A: \$5,100,000 2012A General Obligation Bonds dated February 1, 2012, due December 1, 2021; interest at 2.00% to 3.00% (principal and interest to be serviced by the general revenues of the Village).

Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$ 475,000	\$ 114,000	\$ 589,000
2015	485,000	104,500	589,500
2016	490,000	94,800	584,800
2017	500,000	85,000	585,000
2018	510,000	75,000	585,000
2019-2022	<u>2,160,000</u>	<u>163,500</u>	<u>2,323,500</u>
	<u>\$ 4,620,000</u>	<u>\$ 636,800</u>	<u>\$ 5,256,800</u>

Corporate Purpose Promissory Note, Series 1999: \$1,000,000 Contract due July 30, 2014; interest of 5.50%.

Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$ 93,593	\$ 4,967	\$ 98,560
2015	<u>37,718</u>	<u>506</u>	<u>38,224</u>
	<u>\$ 131,311</u>	<u>\$ 5,473</u>	<u>\$ 136,784</u>

Compensated Absences: It is the Village's policy to permit employees to accumulate a limited amount of earned compensated absences for unused vacation time, which will be paid to employees upon separation from Village service, and sick leave, which will be paid upon death or retirement. Compensated absences are accrued as they are earned in the government-wide and proprietary fund financial statements. Expenditures and liabilities for compensated absences are recorded in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 6 - LONG-TERM DEBT (Continued)**

Early Retirement Benefit Obligation:

*Plan Description.* In addition to the retirement benefits provided by the Village described in Notes 7 and 9, during fiscal year 2006, the Village offered voluntary retirement benefits, considered early retirement incentives to certain classes of employees. These included employer paid voluntary retirement incentives as well as a health care stipend. Full-time employees that are at least 50 years of age, and have at least 20 years of creditable service, are eligible for early retirement remuneration. Compensation will be made in accordance with employment agreements.

The retirement incentive program consisted of a 125% longevity increase included in the employee's last 3 month's salary and the Village will pay 100% of the employee's hospitalization insurance premium at the level provided at separation of service until the employee reaches age 65.

As of April 30, 2013, the Village was obligated to pay 9 employees as part of the plan with payments due through fiscal year 2030. The net present value of the Village's liability at April 30, 2013 was \$1,468,399. The Village considers \$187,102 of this liability current as of April 30, 2013.

**NOTE 7 - EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS**

Employee Retirement System – Defined Benefit Pension Plans, Plan Descriptions: The Village contributes to three defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. The Police and Firefighters' Pension Plans do not issue separate reports. 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](http://www.imrf.org).

IMRF Funding Policies:

Plan Description: The Village's defined benefit pension plan for 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](http://www.imrf.org).

Funding Policy: As set by statute, Regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rates for calendar years 2012 and 2013 were 14.45% and 14.89%, 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.

Annual Pension Cost: For fiscal year 2013, the Village's annual pension cost of \$311,797 for the Regular plan was equal to the Village's required and actual contributions.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

**NOTE 7 - EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS (Continued)**

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
4/30/2013	\$ 311,797	100%	\$ -
4/30/2012	289,158	100%	-
4/30/2011	266,797	100%	-

The required contribution for calendar year 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4.00% a year, attributable to inflation; (c) additional projected salary increases ranging from 0.40% to 10.00% per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3.00% annually. The actuarial value of Village 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 20.00% corridor between the actuarial and market value of assets. The Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress: As of December 31, 2012, the most recent actuarial valuation date, the plan was 71.64% funded. The actuarial accrued liability for benefits was \$7,260,298 and the actuarial value of assets was \$5,201,592 resulting in an underfunded actuarial accrued liability (UAAL) of \$2,058,706. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$2,238,086 and the ratio of the UAAL to the covered payroll was 92 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year 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 Plan - The Police Pension Plan is a single-employer defined benefit pension that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Police Pension Plan finances the administrative costs with current investment income. The Village accounts for the plan as a pension trust fund.

At May 1, 2012 (the most recent actuarial valuation date), the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to but not yet receiving benefits	34
Current employees	
Vested and nonvested	25
	59

(Continued)



**NOTE 7 - EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS (Continued)**

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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 to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly benefit of a police officer 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 3.0% of the original pension and 3.0% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed \$106,800 however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. 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 to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan.

*Firefighters' Pension Plan* - The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn fire personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Firefighters' Pension Plan finances the administrative costs with current investment income. The Village accounts for the plan as a pension trust fund.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 7 - EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS (Continued)**

At April 30, 2013, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to but not yet receiving benefits	18
Current employees	
Vested and nonvested	<u>21</u>
	<u>39</u>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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. 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 to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a covered employee 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 3.0% of the original pension and 3.0% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800 plus the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. 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 to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Firefighters' Pension Plan.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 7 - EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS (Continued)**

Summary of Significant Accounting Policies and Plan Asset Matters:

*Basis of Accounting* – The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as additions in the period in which employee services are performed. Benefits and refunds are recorded as deductions in the period they incurred.

*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 national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

*Significant Investments* – As of April 30, 2013, the Police and Firefighters' Pension Plans held investments (other than U.S. government and U.S. government guaranteed obligations) in any one organization that represented 5% or more of net position available for benefits in the Police and Firefighters' Pension Plans. Information for IMRF is not available.

Firefighters' Pension Fund

Federal Home Loan Banks  
Federal National Mortgage Association  
Federal Farm Credit Banks  
Federal Home Loan Mortgage Corporation

Police Pension Fund

Federal Home Loan Banks  
Federal Home Loan Mortgage Corporation

*Related-Party Transactions* - There are no securities of the employer or any other related parties included in plan assets.

Annual Pension Cost and Net Pension Obligation: The Pension liability was determined in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. There was no net pension obligation for the IMRF plan at year end. The amount of the pension liability for the Police and Firefighters' Pension Plans is as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual required contribution	\$ 1,199,983	\$ 780,218
Interest on net pension obligation	236,256	14,677
Adjustment to annual required contribution	<u>(233,545)</u>	<u>(8,874)</u>
Annual pension cost	1,202,694	786,021
Annual contributions made	<u>952,235</u>	<u>664,915</u>
Increase (decrease) in net pension obligation	250,459	121,106
Net pension obligation beginning of year	<u>3,375,089</u>	<u>209,676</u>
Net pension obligation end of year	<u>\$ 3,625,548</u>	<u>\$ 330,782</u>

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

**NOTE 7 - EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS (Continued)**

Trend Information: Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	Year April 30,	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2011	\$ 266,797	\$ 1,331,683	\$ 732,349
	2012	289,158	1,283,282	869,805
	2013	311,797	1,202,694	786,021
Actual contributions	2011	\$ 266,797	\$ 1,034,533	\$ 574,828
	2012	289,158	1,514,719	1,006,335
	2013	311,797	952,325	664,915
Percentage of APC contributed	2011	100.0%	77.7%	78.5%
	2012	100.0	118.0	115.7
	2013	100.0	79.2	84.6
Net pension obligation	2011	\$ -	\$ 3,606,526	\$ 346,206
	2012	-	3,375,089	209,676
	2013	-	3,625,548	330,782

Financial statements for the Police and Firefighters' Pension plans are as follows:

	Police Pension	Firefighters' Pension
<b>ASSETS</b>		
Cash and investments	\$ 14,943,673	\$ 9,467,473
Interest receivable	54,505	6,125
Due from primary government	174,780	61,584
Other assets	3,537	6,380
Total assets	<u>\$ 15,176,495</u>	<u>\$ 9,541,562</u>
<b>LIABILITIES</b>		
Accounts payable	<u>\$ 4,976</u>	<u>\$ 850</u>
<b>NET POSITION</b>		
Held for employee pension benefits	<u>15,171,519</u>	<u>9,540,712</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 15,176,495</u>	<u>\$ 9,541,562</u>
<b>ADDITIONS</b>		
Contributions	\$ 1,172,159	\$ 845,428
Net investment income	<u>1,201,548</u>	<u>94,613</u>
Total additions	<u>2,373,707</u>	<u>940,041</u>
<b>DEDUCTIONS</b>		
Benefits	1,501,147	783,695
Administration expenses	<u>42,924</u>	<u>14,567</u>
Total deductions	<u>1,544,071</u>	<u>798,262</u>
<b>Change in net position</b>	829,636	141,779
<b>Net position held for employee pension benefits</b>		
Beginning of year	<u>14,341,883</u>	<u>9,398,933</u>
<b>End of year</b>	<u>\$ 15,171,519</u>	<u>\$ 9,540,712</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 7 - EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS** (Continued)

The Village's annual pension cost for the current year and related information for each plan is as follows:

	Police Pension	Firefighters' Pension
Contributed rates - Employee	9.91%	9.455%
Annual pension cost	\$ 1,202,694	\$ 786,021
Contributions made	952,235	664,915
Actuarial valuation date	5/1/2012	4/30/2013
Actuarial cost method	Entry Age	Entry Age
	Normal	Normal
Amortization method	Level % of	Level % of
	Payroll	Payroll
	Closed Basis	Closed Basis
Remaining amortization period	20 Years 2 months	28 Years
Asset valuation method	Market	Market
Actuarial assumptions:		
Investment rate of return	7.00 %	7.00%
	Compounded	Compounded
	Annually	Annually
Projected salary increases	3.50%	5.50%
Inflation rate included	2.00%	3.00%
Cost-of-living adjustments	3.00%	3.00%

Funded Status and Funding Progress: As of May 1, 2012 and April 30, 2013, the most recent actuarial valuation dates for the Police Pension and Firefighters' Pension Plans respectively, the plans were 49.0% and 46.7% funded. The actuarial accrued liability for Police Pension Plan benefits was \$29,918,275 and the actuarial value of assets was \$14,641,823 resulting in an underfunded actuarial accrued liability (UAAL) of \$15,276,452. The covered payroll (annual payroll of active employees covered by the plan) was \$2,219,216 and the ratio of the UAAL to the covered payroll was 688.37 percent. The actuarial accrued liability for Firefighters' Pension Plan benefits was \$20,552,159 and the actuarial value of assets was \$9,598,958 resulting in an underfunded actuarial accrued liability (UAAL) of \$10,953,201. The covered payroll (annual payroll of active employees covered by the plan) was \$1,911,959 and the ratio of the UAAL to the covered payroll was 572.9 percent.

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

**NOTE 8 - INTERGOVERNMENTAL RISK MANAGEMENT AGENCY**

The government participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 8 - INTERGOVERNMENTAL RISK MANAGEMENT AGENCY (Continued)**

The governments' payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$1,000 of each occurrence for years prior to 2004 and \$2,500 for each occurrence in 2004 and subsequent years. Beginning in 2005, members were given the option to assume higher deductibles. IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The government does not exercise any control over the activities of the agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

The following is a financial summary of IRMA for the year ended December 31, 2012, the most recent financial information available:

**BALANCE SHEET**  
(Unaudited)

Assets:	
Cash and investments	\$ 142,800,126
Receivables	3,196,797
Equipment net of accumulated depreciation	21,958
Prepaid expenses	<u>1,856,074</u>
Total Assets	<u>\$ 147,874,955</u>
Liabilities and member balances:	
Deferred contributions	\$ 883,138
Unpaid losses	70,403,103
Members' reserve	23,785,904
Amounts due to members	37,521,193
Excess surplus fund	15,050,296
Accounts payable	100,576
Other	<u>130,745</u>
Total Liabilities and Member Balances	<u>\$ 147,874,955</u>

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 8 - INTERGOVERNMENTAL RISK MANAGEMENT AGENCY (Continued)**

STATEMENT OF REVENUES AND EXPENSES  
(Unaudited)

Revenues:	
Member contributions	\$ 30,713,514
Interest income and other	3,198,767
Net increase(decrease) in the fair value of investments	<u>12,075,860</u>
Total revenues	<u>\$ 45,988,141</u>
Expenses:	
Losses and loss adjustments	\$ 17,650,941
Unallocated loss adjustments	(465,645)
Excess insurance premiums	2,610,586
General and Administrative	2,932,515
Depreciation	14,577
Members' balances	<u>23,245,167</u>
Total expenses	<u>\$ 45,988,141</u>

The Village of Hillside represents 1.67% of the total revenue base used to compute member contributions.

Should a claim be paid by IRMA for which these reserves proved inadequate, the Village would be responsible for paying a portion of such deficiency. However, at April 30, 2013 management knows of no claim, asserted or unasserted, which if asserted and paid would have a materially adverse effect on the financial statements of the various funds of the Village at April 30, 2013.

**NOTE 9 - POST-EMPLOYMENT BENEFITS**

*Plan Description.* An employee retiring after attaining a specific age and completing a minimum number of years of service with the Village, currently has the option to maintain health insurance after they retire (including subsidized beneficiary coverage). The Village provides certain Village retirees 50% of the single coverage if the employee was a member of management. Insurance does not continue post-65 years of age.

*Funding Policy.* Funding is provided by the Village on a pay-as-you-go basis with no contribution from the retiree. The Village's contribution on behalf of the employees to the insurance provider was \$0 for 2013.

*Annual OPEB Cost and Net OPEB Obligation.* The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *Entry Age actuarial method*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for 2013, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

**NOTE 9 - POST-EMPLOYMENT BENEFITS** (Continued)

Annual OPEB Cost and Net OPEB Obligation	April 30, 2013	April 30, 2012
Annual required contribution	\$ 151,109	\$ 80,890
Interest on Net OPEB Obligation	13,162	9,861
Adjustment to annual required contribution	(10,968)	(8,217)
Annual OPEB cost	153,303	82,534
Contributions made	-	-
Increase in Net OPEB Obligation	153,303	82,534
Net OPEB Obligation, beginning of year	329,050	246,516
Net OPEB Obligation, end of year	<u>\$ 482,353</u>	<u>\$ 329,050</u>

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

Three Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/13	\$ 153,303	0.0%	\$ 482,353
04/30/12	82,534	0.0%	329,050
04/30/11	83,606	0.0%	246,516

*Funded Status and Funding Progress.* As of April 30, 2012, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$2,009,683 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,009,683. The covered payroll (annual payroll of active employees covered by the plan) was \$5,673,616, and the ratio of the UAAL to the covered payroll was 35.42 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 future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

(Continued)



VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 9 - POST-EMPLOYMENT BENEFITS** (Continued)

In the April 30, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 6 percent. Both rates included a 3.0 percent inflation assumption. The actuarial value of the liability was marked to the market value of the retiree healthcare account as of April 30, 2012. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2012, was thirty years.

In accordance with GASB Statement No. 45, the Village will have an actuarial valuation done once every three years; above is the information from the most recent valuation as of April 30, 2012. There is no separate, audited GAAP-basis postemployment benefit plan report available.

**NOTE 10 - RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and employee health and accident insurance coverage. These risks are covered by commercial insurance purchased from independent third parties and by the Village's participation in IRMA (See Note 8). Settled claims from these risks are covered by commercial insurance and have not exceeded coverage for the past three years, and there have been no reductions in insurance coverage as compared to the previous year.

**NOTE 11 - PUBLIC LIBRARY**

Cash and Investments: The Library is allowed to invest in securities as authorized by state statute.

At April 30, 2013 the carrying amount of the Library's deposits was \$1,508,099 not including a petty cash fund of \$210 and the bank balance was \$1,491,392.

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with the collateral held by a third party in the Library's name.

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

**NOTE 11 - PUBLIC LIBRARY (Continued)**

Risk Management: The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Library has purchased commercial insurance from private insurance companies to cover these risks. Risks covered include general liability, workers' compensation, medical and other. Premiums have been recorded as expenditures in the Library Insurance Fund. The amount of coverage has neither decreased nor have the amount of settlements exceeded coverage in at least the past three fiscal years.

Capital Assets: Depreciation expense for the year ended April 30, 2013 was \$85,771. The following is a summary of the changes in the capital assets for the year ended April 30, 2013:

	Balance at May 1, 2012	Additions	Deletions	Balance at April 30, 2013
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 624,680	\$ -	\$ -	\$ 624,680
Construction in progress	-	179,056	-	179,056
Subtotal	624,680	179,056	-	803,736
Capital assets being depreciated				
Building	584,000	-	-	584,000
Building and improvements	144,837	-	-	144,837
Machinery and equipment	245,518	3,996	(38,166)	211,348
Library materials	308,689	62,090	(51,499)	319,280
Subtotal	1,283,044	66,086	(89,665)	1,259,465
Less accumulated depreciation	(924,329)	(85,771)	89,665	(920,435)
Total capital assets being depreciated, net	358,715	(19,685)	-	339,030
Net capital assets	\$ 983,395	\$ 159,371	\$ -	\$ 1,142,766

**NOTE 12 - NEW GOVERNMENT ACCOUNTING STANDARDS**

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This statement's objective is improve financial reporting entity and amends Statement No. 14, *The Financial Reporting Entity*, and Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Statement 61 is effective for the Village's fiscal year ending April 30, 2014. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In March 2012, the GASB issued GASB Statement 66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance*

(Continued)

**NOTE 12 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)**

*Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straightline basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2014, with earlier application being encouraged. The Village has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans*. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions of this Statement are effective for the Village's Pension Funds fiscal year ending April 30, 2015. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 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. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions of this Statement are effective for the Village's financial year ending April 30, 2016. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. This Statement also requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations.

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(Continued)

**NOTE 12 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)**

This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2015, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This liability should be reported until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units by specifying the information required to be disclosed by governments that extend nonexchange financial guarantee as well as new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2015, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

**NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE FOR NEW GASB STATEMENTS**

During the fiscal year ended April 30, 2013, the Village implemented the requirements of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement 65, "Items Previously Reported as Assets and Liabilities." Statement 63 is effective for the Village's fiscal year ending April 30, 2013 and provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. As such, the Village modified its government-wide financial statement presentation to incorporate these requirements. Statement 65 is effective for the Village's fiscal year ended April 30, 2014, with earlier application being encouraged. The Village has implemented this statement retrospectively as of their fiscal year ended April 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

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(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2013

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**NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE FOR NEW GASB STATEMENTS** (Continued)

A specific change to the Village's financial statements relates to deferred bond issuance costs of \$90,557 for Governmental Activities that were reported on the financial statements for the year ended April 30, 2012. Due to the requirements of GASB 65, these amounts are no longer considered to be assets and thus were removed from the financial statements as an adjustment to net position. A reconciliation for net position from the fiscal year 2012 financial statements to beginning net position as reported on the fiscal year 2013 financial statements is as follows:

<u>Governmental Activities</u>	
Beginning Net Position as Previously Reported	\$ 22,972,106
Change in Accounting Principle for Deferred Bond Costs	<u>(90,557)</u>
Beginning Net Position as Restated	<u>\$ 22,881,549</u>

VILLAGE OF HILLSDALE, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS  
April 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
IMRF						
12/31/2007	\$ 4,412,089	\$ 5,315,643	\$ 903,554	83.00%	\$ 2,365,908	38.19%
12/31/2008	3,653,653	5,780,183	2,126,530	63.21%	2,507,411	84.81%
12/31/2009	4,159,730	6,303,330	2,143,600	65.99%	2,496,347	85.87%
12/31/2010	4,534,582	6,521,773	1,987,191	69.53%	2,124,153	93.55%
12/31/2011	5,128,847	7,211,191	2,082,344	71.12%	2,189,153	95.12%
12/31/2012	5,201,592	7,260,298	2,058,706	71.64%	2,238,086	91.99%
Police Pension						
5/1/2007	11,141,223	24,393,557	13,252,334	45.67%	1,911,658	693.24%
5/1/2008	11,515,581	24,287,630	12,772,049	47.41%	1,980,993	644.73%
5/1/2009	11,246,362	26,493,271	15,246,909	42.45%	2,052,843	742.72%
5/1/2010	12,165,319	27,787,260	15,621,941	43.78%	2,000,913	780.74%
5/1/2011	13,475,382	28,834,983	15,359,601	46.73%	2,014,085	762.61%
5/1/2012	14,641,823	29,918,275	15,276,452	48.94%	2,219,216	688.37%
Fire Pension						
4/30/2008	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2009	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2010	8,341,584	17,179,067	8,837,483	48.56%	1,872,576	471.94%
4/30/2011	8,741,623	18,353,395	9,611,772	47.63%	1,827,200	526.04%
4/30/2012	9,398,934	18,336,655	8,937,721	51.26%	1,774,223	503.75%
4/30/2013	9,598,958	20,552,159	10,953,201	46.71%	1,911,959	572.88%

N/A - Comparative information not available.

VILLAGE OF HILLSIDE, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF EMPLOYER CONTRIBUTIONS  
 April 30, 2013

Year Ended <u>April 30</u>	Employer Contributions			
	Police Pension		Fire Pension	
	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2008	\$ 1,047,727	85.8 %	\$ 593,829	81.9 %
2009	1,395,084	74.2	593,829	96.8
2010	1,629,815	78.7	728,817	100.0
2011	1,304,156	79.3	728,817	78.9
2012	1,272,127	119.1	859,827	117.0
2013	1,199,983	79.4	780,218	85.2

Year Ended <u>April 30</u>	Employer Contributions	
	IMRF	
	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2008	\$ 239,207	100 %
2009	254,379	100
2010	280,709	100
2011	266,797	100
2012	289,158	100
2013	311,797	100

VILLAGE OF HILLSIDE, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 HEALTH INSURANCE PLAN FOR RETIRED EMPLOYEES  
 SCHEDULE OF FUNDING PROGRESS  
 April 30, 2013

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2009*	\$ -	\$ 1,036,125	\$ 1,036,125	0%	\$ 2,796,164	37.06%
4/30/2012	-	2,009,683	2,009,683	0%	5,673,616	35.42%

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\* April 30, 2009 was the first year an actuarial valuation was performed.



VILLAGE OF HILLSIDE, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
Year Ended April 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$ 6,921,738	\$ 6,921,738	\$ 6,188,456	\$ (733,282)
Taxes	5,846,000	5,846,000	5,915,079	69,079
Intergovernmental Revenues	880,000	880,000	935,872	55,872
Licenses and Permits	286,000	286,000	318,427	32,427
Charges for Services	352,300	352,300	408,495	56,195
Fines and Forfeitures	1,352,000	1,352,000	1,575,885	223,885
Investment Income	5,000	5,000	6,560	1,560
Miscellaneous	389,650	389,650	258,534	(131,116)
<b>Total Revenues</b>	<u>16,032,688</u>	<u>16,032,688</u>	<u>15,607,308</u>	<u>(425,380)</u>
<b>Expenditures</b>				
Current				
General Administration	4,669,355	4,669,355	3,951,495	717,860
Public Safety	9,268,667	9,268,667	8,865,591	403,076
Streets	2,276,106	2,276,106	1,713,543	562,563
Culture and Recreation	59,400	59,400	26,451	32,949
Debt Service - Principal	88,528	88,528	88,528	-
Debt Service - Interest and Fees	10,472	10,472	10,033	439
<b>Total Expenditures</b>	<u>16,372,528</u>	<u>16,372,528</u>	<u>14,655,641</u>	<u>1,716,887</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(339,840)</u>	<u>(339,840)</u>	<u>951,667</u>	<u>1,291,507</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>39,587</u>	<u>(60,413)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>100,000</u>	<u>100,000</u>	<u>39,587</u>	<u>(60,413)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (239,840)</u>	<u>\$ (239,840)</u>	<u>991,254</u>	<u>\$ 1,231,094</u>
<b>Fund Balance at Beginning of Year</b>			<u>2,983,824</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 3,975,078</u>	

See accompanying notes to required supplementary information.

VILLAGE OF HILLSIDE, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
April 30, 2013

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**NOTE 1 – BUDGETARY INFORMATION**

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

- A. The Finance Committee submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- B. Budget hearings are conducted.
- C. The budget is legally enacted through passage of an ordinance.
- D. The budget may be amended by the Board of Trustees.
- E. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- F. The budget was amended during the year, but no supplemental appropriations were made. The statements represent the final approved budget.
- G. The operating budget is the appropriated budget. All annual appropriations lapse at fiscal year end.

Management is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level.

The following funds have legally adopted budgets:

General Fund	T.I.F. Shopping Center Fund	Business Park TIF Fund
Debt Service Fund	Motor Fuel Tax Fund	Mannheim Road TIF Fund
Disposal Service Fund	E911 Fund	Hillside 2012 Project Fund

VILLAGE OF HILLSIDE, ILLINOIS  
GENERAL FUND  
BALANCE SHEET  
April 30, 2013

	Corporate <u>Account</u>	Liability Insurance <u>Account</u>	Workmen's Compensation <u>Account</u>	Unemployment Compensation <u>Account</u>
<b>ASSETS</b>				
Cash & Investments	\$ 2,440,083	\$ 75,054	\$ -	\$ 34,446
Receivables				
Property Taxes	3,431,596	117,059	122,261	-
Intergovernmental	1,454,689	-	-	-
Interest	465	-	-	-
Due from Other Funds	37,348	-	-	-
Other Assets	<u>158,865</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 7,523,046</u>	<u>\$ 192,113</u>	<u>\$ 122,261</u>	<u>\$ 34,446</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 735,546	\$ -	\$ -	\$ -
Due to Other Funds	198,226	-	37,348	-
Due to Fiduciary Funds	236,364	-	-	-
Deposits Payable	<u>41,124</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>1,211,260</u>	<u>-</u>	<u>37,348</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Deferred Property Taxes Revenue	3,431,596	117,059	122,261	-
Unavailable Other Revenue	<u>354,180</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<u>3,785,776</u>	<u>117,059</u>	<u>122,261</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable				
Prepays	155,195	-	-	-
Inventory	3,670	-	-	-
Restricted				
Insurance	-	75,054	-	34,446
Unassigned	<u>2,367,145</u>	<u>-</u>	<u>(37,348)</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>2,526,010</u>	<u>75,054</u>	<u>(37,348)</u>	<u>34,446</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 7,523,046</u>	<u>\$ 192,113</u>	<u>\$ 122,261</u>	<u>\$ 34,446</u>

Interfund receivables and payables totaling \$37,348 between two accounts, Corporate and Workmen's Compensation, which comprise part of the General Fund, have been netted off for financial statement purposes on Statement 1.

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Equipment Replacement Account	Total Current Year
\$ 1,376,916	\$ 3,926,499
-	3,670,916
-	1,454,689
-	465
-	37,348
-	158,865
<u>\$ 1,376,916</u>	<u>\$ 9,248,782</u>
\$ -	\$ 735,546
-	235,574
-	236,364
-	41,124
<u>-</u>	<u>1,248,608</u>
-	3,670,916
-	354,180
<u>-</u>	<u>4,025,096</u>
-	155,195
-	3,670
-	109,500
<u>1,376,916</u>	<u>3,706,713</u>
<u>1,376,916</u>	<u>3,975,078</u>
<u>\$ 1,376,916</u>	<u>\$ 9,248,782</u>

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VILLAGE OF HILLSIDE, ILLINOIS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
Year Ended April 30, 2013

	Corporate <u>Account</u>	Liability Insurance <u>Account</u>	Workmen's Compensation <u>Account</u>	Unemployment Compensation <u>Account</u>
<b>Revenues</b>				
Property Taxes	\$ 5,781,102	\$ 199,249	\$ 208,105	\$ -
Taxes	5,915,079	-	-	-
Intergovernmental Revenues	935,872	-	-	-
Licenses and Permits	318,427	-	-	-
Charges for Services	35,078	-	-	-
Fines and Forfeitures	1,543,715	-	-	-
Investment Income	6,560	-	-	-
Miscellaneous	251,227	-	5,771	1,536
<b>Total Revenues</b>	<u>14,787,060</u>	<u>199,249</u>	<u>213,876</u>	<u>1,536</u>
<b>Expenditures</b>				
Current				
General Administration	3,460,064	223,201	260,324	-
Public Safety	8,865,591	-	-	-
Streets	1,555,862	-	-	-
Culture and Recreation	26,451	-	-	-
Debt Service - Principal	88,528	-	-	-
Debt Service - Interest and Fees	10,033	-	-	-
<b>Total Expenditures</b>	<u>14,006,529</u>	<u>223,201</u>	<u>260,324</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>780,531</u>	<u>(23,952)</u>	<u>(46,448)</u>	<u>1,536</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	39,587	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>39,587</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	820,118	(23,952)	(46,448)	1,536
<b>Fund Balances at Beginning of Year</b>	<u>1,705,892</u>	<u>99,006</u>	<u>9,100</u>	<u>32,910</u>
<b>Fund Balances at End of Year</b>	<u>\$ 2,526,010</u>	<u>\$ 75,054</u>	<u>\$ (37,348)</u>	<u>\$ 34,446</u>

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Equipment Replacement <u>Account</u>	Total Current <u>Year</u>
\$ -	\$ 6,188,456
-	5,915,079
-	935,872
-	318,427
373,417	408,495
32,170	1,575,885
-	6,560
-	258,534
<u>405,587</u>	<u>15,607,308</u>
7,906	3,951,495
-	8,865,591
157,681	1,713,543
-	26,451
-	88,528
-	10,033
<u>165,587</u>	<u>14,655,641</u>
<u>240,000</u>	<u>951,667</u>
-	39,587
-	39,587
240,000	991,254
<u>1,136,916</u>	<u>2,983,824</u>
<u>\$ 1,376,916</u>	<u>\$ 3,975,078</u>

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VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND - CORPORATE ACCOUNT  
 Year Ended April 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 6,461,738	\$ 5,781,102	\$ (680,636)
Taxes	5,846,000	5,915,079	69,079
Intergovernmental Revenues	880,000	935,872	55,872
Licenses and Permits	286,000	318,427	32,427
Charges for Services	52,300	35,078	(17,222)
Fines and Forfeitures	1,352,000	1,543,715	191,715
Investment Income	5,000	6,560	1,560
Miscellaneous	389,650	251,227	(138,423)
<b>Total Revenues</b>	<u>15,272,688</u>	<u>14,787,060</u>	<u>(485,628)</u>
<b>Expenditures</b>			
Current			
General Administration	4,014,355	3,460,064	554,291
Public Safety	9,233,667	8,865,591	368,076
Streets	1,961,106	1,555,862	405,244
Culture and Recreation	59,400	26,451	32,949
Debt Service - Principal	88,528	88,528	-
Debt Service - Interest and Fees	10,472	10,033	439
<b>Total Expenditures</b>	<u>15,367,528</u>	<u>14,006,529</u>	<u>1,360,999</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(94,840)</u>	<u>780,531</u>	<u>875,371</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	100,000	39,587	(60,413)
<b>Total Other Financing Sources (Uses)</b>	<u>100,000</u>	<u>39,587</u>	<u>(60,413)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 5,160</u>	820,118	<u>\$ 814,958</u>
<b>Fund Balance at Beginning of Year</b>		<u>1,705,892</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 2,526,010</u>	

VILLAGE OF HILLSIDE, ILLINOIS  
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND - CORPORATE ACCOUNT  
Year Ended April 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 6,461,738	\$ 5,781,102	\$ (680,636)
<b>Taxes</b>			
Sales Tax	2,800,000	2,895,065	95,065
Municipal Utility Tax	1,100,000	973,826	(126,174)
Local Use Tax	120,000	129,330	9,330
Hotel/Motel Tax	350,000	381,751	31,751
Storage Facility Tax	55,000	56,244	1,244
Franchise Fees	80,000	78,859	(1,141)
Amusement Tax	1,000	746	(254)
Video Gaming Tax	-	1,277	1,277
Real Estate Transfer Tax	140,000	467,521	327,521
Sales Tax - Hillside Town Center	1,200,000	930,460	(269,540)
<b>Total Taxes</b>	<b>5,846,000</b>	<b>5,915,079</b>	<b>69,079</b>
<b>Intergovernmental Revenues</b>			
Income Tax	700,000	771,793	71,793
Replacement Tax	180,000	162,727	(17,273)
Fire Dept Grant	-	552	552
Police Dept Grant	-	800	800
<b>Total Intergovernmental Revenues</b>	<b>880,000</b>	<b>935,872</b>	<b>55,872</b>
<b>Licenses and Permits</b>			
Business Licenses	120,000	198,963	78,963
Liquor Licenses	25,000	14,300	(10,700)
Contractors Licenses	18,000	14,786	(3,214)
Other Licenses	2,000	90	(1,910)
Alarm Permits	30,000	23,500	(6,500)
Building Permits	50,000	28,195	(21,805)
Sewer Permits	3,000	260	(2,740)
Sign Permits	5,000	2,033	(2,967)
Apartment License / Inspection	32,000	35,900	3,900
Fence Permits	1,000	400	(600)
<b>Total Licenses and Permits</b>	<b>286,000</b>	<b>318,427</b>	<b>32,427</b>
<b>Charges for Services</b>			
Home Inspections	7,500	8,417	917
Sewer Connections	1,000	-	(1,000)
Postage	200	99	(101)
Plumbing Inspections	15,000	5,787	(9,213)
Electrical Inspections	15,000	10,895	(4,105)
Heating & A/C Inspections	1,000	-	(1,000)
Elevator Inspections	4,600	3,950	(650)
Miscellaneous Fees	1,500	-	(1,500)
Sidewalk Replacement	2,500	2,725	225



VILLAGE OF HILLSIDE, ILLINOIS  
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND - CORPORATE ACCOUNT  
Year Ended April 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Senior Taxi Cab	\$ 2,500	\$ 2,255	\$ (245)
Rental Inspection Fees	1,000	950	(50)
CPR Classes	500	-	(500)
Total Charges for Services	<u>52,300</u>	<u>35,078</u>	<u>(17,222)</u>
Fines and Forfeitures			
Zoning Hearing Fees	2,000	2,350	350
Village Fines	170,000	160,531	(9,469)
Circuit Court Fines	120,000	88,016	(31,984)
Adjudication Court Fines	30,000	27,681	(2,319)
Police Towing Violation Fee	100,000	68,600	(31,400)
Police Department Processing Fee	25,000	10,970	(14,030)
Police Finger Printing Fee	1,000	25	(975)
Red Light Camera Violations	900,000	1,178,062	278,062
Youth Commission Fees	-	500	500
DUI Fines	4,000	6,980	2,980
Total Fines and Forfeitures	<u>1,352,000</u>	<u>1,543,715</u>	<u>191,715</u>
Investment Income	<u>5,000</u>	<u>6,560</u>	<u>1,560</u>
Miscellaneous			
Police & Fire Reports	3,000	2,625	(375)
Other Insurance Claims	2,000	5,718	3,718
Antenna Rental	40,000	38,100	(1,900)
Zoning Certificates	2,000	750	(1,250)
Employee Health Contributions	140,000	116,613	(23,387)
Reimbursements-Other Agencies	50,000	12,219	(37,781)
Other Revenues	59,150	12,110	(47,040)
Proviso High Reimbursement	60,000	60,212	212
Hillsider Advertising	30,000	-	(30,000)
MLK Breakfast	3,500	2,880	(620)
Total Miscellaneous	<u>389,650</u>	<u>251,227</u>	<u>(138,423)</u>
<b>Total Revenues</b>	<u><u>\$ 15,272,688</u></u>	<u><u>\$ 14,787,060</u></u>	<u><u>\$ (485,628)</u></u>

VILLAGE OF HILLSIDE, ILLINOIS  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND - CORPORATE ACCOUNT  
Year Ended April 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Expenditures</b>			
General Administration			
Mayor & Village Board			
Salaries Full-Time	\$ 71,400	\$ 73,496	\$ (2,096)
Salaries Part-Time	31,500	29,000	2,500
Sick Pay	3,500	3,185	315
Medicare	2,000	1,605	395
Social Security	5,000	4,958	42
IMRF	12,000	9,368	2,632
Health Insurance Costs	15,000	9,978	5,022
Dental Insurance Costs	1,700	1,516	184
Vision Insurance Costs	300	189	111
Life Insurance Costs	300	247	53
Employee Assistance Program	30	26	4
Travel & Conference Expense	5,500	12,880	(7,380)
Office Supplies	2,750	2,685	65
Office Furniture and Equipment	-	707	(707)
Membership Fees	10,400	10,358	42
Publications	2,000	1,997	3
Awards & Recognitions	8,000	6,448	1,552
Postage	1,100	1,072	28
Telephone	700	650	50
Cellular Telephones	6,900	6,665	235
Printing	200	131	69
Total Mayor & Village Board	<u>180,280</u>	<u>177,161</u>	<u>3,119</u>
Administration			
Salaries Full-Time	439,000	440,188	(1,188)
Salaries Part-Time	70,000	59,251	10,749
Overtime	3,500	3,327	173
Holiday and Vacation	18,000	17,820	180
Medicare	8,000	7,519	481
Social Security	22,000	21,692	308
IMRF	73,000	71,924	1,076
Health Insurance Costs	106,000	99,814	6,186
Dental Insurance Costs	7,500	6,835	665
Vision Insurance Costs	1,100	1,077	23
Life Insurance Costs	2,500	2,822	(322)
Employee Assistance Program	150	105	45
Village Attorney	240,000	186,961	53,039
Village Prosecutor	11,500	11,964	(464)
Contractual Legal Services	323,800	304,040	19,760
Payroll Service	8,750	9,393	(643)
Exterminating Services	6,000	4,100	1,900
Maintenance Contracts	75,000	43,599	31,401
Maintenance of Computer Equipment	8,000	2,698	5,302
Maintenance of Automotive Equipment	2,000	1,834	166
Municipal Code Revisions	1,000	820	180
Reception & Entertainment	750	-	750
Travel & Conference Expense	2,500	428	2,072
Office Supplies	7,000	3,247	3,753

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND - CORPORATE ACCOUNT  
Year Ended April 30, 2013

	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Stationery & Forms	\$ 2,500	\$ 873	\$ 1,627
Office Furniture/Equipment	4,000	401	3,599
Minor Equipment & Hardware	1,000	935	65
Food & Beverage Supplies	2,000	1,968	32
Gasoline & Diesel Fuel	3,500	2,739	761
Licensing Supplies	1,750	998	752
Membership Fees	6,000	3,852	2,148
Publications	5,500	5,165	335
Postage	8,500	4,621	3,879
Telephone	9,000	8,767	233
Cellular Telephones	3,500	2,921	579
Printing	2,000	502	1,498
Advertising	200	139	61
	<u>1,486,500</u>	<u>1,335,339</u>	<u>151,161</u>
Total Administration			
Village Hall & Grounds			
Maintenance Contracts	12,000	11,690	310
Maintenance of Building	30,000	32,539	(2,539)
Maintenance of Cells	1,000	419	581
Cleaning Contract	45,650	41,700	3,950
Minor Equipment & Hardware	600	641	(41)
Janitorial Supplies	3,250	2,870	380
	<u>92,500</u>	<u>89,859</u>	<u>2,641</u>
Total Village Hall & Grounds			
Planning Commission			
Salaries Part-Time	300	-	300
Advertising	500	-	500
	<u>800</u>	<u>-</u>	<u>800</u>
Total Planning Commission			
Zoning Board of Appeals			
Salaries Part-Time	600	390	210
Medicare	25	5	20
Social Security	50	15	35
Advertising	1,750	1,218	532
	<u>2,425</u>	<u>1,628</u>	<u>797</u>
Total Zoning Board of Appeals			
Inspection Services			
Salaries Full-Time	123,500	122,481	1,019
Salaries Part-Time	40,500	37,541	2,959
Medicare	3,000	2,256	744
Social Security	10,000	9,499	501
IMRF	23,000	16,052	6,948
Health Insurance Costs	9,800	8,976	824
Dental Insurance Costs	1,000	530	470
Vision Insurance Costs	100	90	10
Life Insurance Costs	650	579	71

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND - CORPORATE ACCOUNT  
Year Ended April 30, 2013

	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Employee Assistance Program	\$ 50	\$ 58	\$ (8)
Maintenance of Automotive Equipment	1,000	917	83
Adjudication Hearing Officer	9,000	6,827	2,173
Elevator Inspection Services	7,000	6,498	502
Animal Control - Skunk Trap	4,350	430	3,920
Travel & Conference Expense	500	222	278
Training School Expense	500	455	45
Office Supplies	250	23	227
Stationery & Forms	1,000	716	284
Membership Fees	300	278	22
Publications	1,250	1,018	232
Postage	1,500	1,352	148
Cellular Telephones	2,100	2,071	29
Board-Up Costs	2,500	2,066	434
Gasoline & Diesel Fuel	1,500	1,490	10
Total Inspection Services	<u>244,350</u>	<u>222,425</u>	<u>21,925</u>
General Expenses			
Awards & Recognitions	8,000	5,626	2,374
Youth Athletic Parade	2,500	2,332	168
Tuition Reimbursement	45,000	36,332	8,668
Banking Charges	20,000	14,206	5,794
Village Newsletter	21,000	-	21,000
Band Concerts	10,000	7,796	2,204
Hotel Tax Expense	60,000	58,257	1,743
Sales Tax Rebate	40,000	22,802	17,198
Auditing Fees	62,000	61,150	850
Veteran's Day Parade	30,000	23,808	6,192
Maintenance and Repairs	8,000	2,442	5,558
CarMax Sales Tax	285,000	273,179	11,821
Disability Personnel Insurance	60,000	30,219	29,781
Retired Personnel Health Insurance	267,000	181,165	85,835
Retired Personnel Dental Insurance	18,000	13,720	4,280
Retired Personnel Vision Insurance	2,500	1,876	624
Sales Tax Pledge Hillside Town Center	900,000	815,837	84,163
MLK Breakfast	5,000	6,399	(1,399)
Advertising Annual Report	1,000	801	199
Christmas Walk	5,000	-	5,000
IMRF Employer Contribution	-	32,623	(32,623)
Cemetery Tour	2,500	731	1,769
Historical Society Grant	5,000	5,000	-
Total General Expenses	<u>1,857,500</u>	<u>1,596,301</u>	<u>261,199</u>
Economic Development			
Economic Development	<u>150,000</u>	<u>37,351</u>	<u>112,649</u>
Total Economic Development Expenses	<u>150,000</u>	<u>37,351</u>	<u>112,649</u>
Total General Administration	<u>4,014,355</u>	<u>3,460,064</u>	<u>554,291</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND - CORPORATE ACCOUNT  
Year Ended April 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Public Safety			
Police Department			
Salaries Full-Time	\$ 2,550,000	\$ 2,554,115	\$ (4,115)
Salaries Part-Time	33,000	32,083	917
Salaries Crossing Guards	13,200	13,100	100
Overtime	203,000	202,725	275
Holiday & Sickpay	111,000	110,529	471
Medicare	41,000	40,432	568
Social Security	23,000	20,263	2,737
IMRF	69,000	68,440	560
Health Insurance Costs	757,000	699,447	57,553
Dental Insurance Costs	49,000	44,581	4,419
Vision Insurance Costs	7,000	6,982	18
Life Insurance Costs	14,500	14,004	496
Employee Assistance Program	900	599	301
Maintenance Contracts	55,000	55,382	(382)
Maintenance of Computer Equipment	100	45	55
Maintenance of Automotive Equipment	57,750	61,247	(3,497)
Maintenance of Communication Equipment	200	-	200
Animal Shelter Services	1,100	1,077	23
Towing Services	4,750	3,921	829
Travel & Conference Expense	1,000	986	14
Training School Expense	14,000	13,877	123
Office Supplies	3,250	1,632	1,618
Stationery & Forms	4,000	3,532	468
Office Furniture/Equipment	2,100	18	2,082
Minor Equipment & Hardware	1,000	827	173
Food & Beverage Supplies	4,000	3,393	607
Gasoline & Diesel Fuel	85,000	84,947	53
Licensing Supplies	1,200	796	404
Clothing	24,000	23,323	677
Chemicals & Ammunition	500	207	293
Medical & Lab Supplies	4,000	580	3,420
Photographic Supplies	3,200	949	2,251
Copy Machine Supplies	5,500	5,080	420
Computer Equipment	1,000	564	436
Purchase of Communication Equipment	5,500	5,111	389
Purchase of Evidence Bar-coding	1,000	749	251
Safety Equipment	2,000	875	1,125
Membership Fees	3,200	3,183	17
Publications	200	192	8
Postage	6,100	6,008	92
Telephone	18,000	17,849	151
Cellular Telephones	14,000	13,052	948
Meals & Prov. for Prison	1,500	1,125	375
NIPAS Contribution	1,000	236	764
Community Policing	10,000	9,665	335
DUI Expenses	500	248	252
Police Dept Grants	5,000	4,782	218
Tobacco Grant	1,100	1,052	48

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND - CORPORATE ACCOUNT  
Year Ended April 30, 2013

	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Red Light Camera Expenses	\$ 11,000	\$ 11,388	\$ (388)
Actuarial Requirement	<u>1,061,549</u>	<u>952,235</u>	<u>109,314</u>
Total Police Department	<u>5,285,899</u>	<u>5,097,433</u>	<u>188,466</u>
Fire Department			
Salaries Full-Time	1,900,000	1,891,525	8,475
Salaries Full-Part Time Fire Prevention	20,000	19,367	633
Overtime	203,000	202,193	807
Holiday & Sickpay	88,000	87,331	669
Medicare	31,000	30,822	178
Social Security	3,000	2,928	72
IMRF	9,000	7,026	1,974
Health Insurance Costs	544,200	557,995	(13,795)
Dental Insurance Costs	37,000	33,559	3,441
Vision Insurance Costs	5,500	5,322	178
Life Insurance Costs	11,000	10,966	34
Employee Assistance Program	700	536	164
Maintenance Contracts	15,000	14,628	372
Maintenance of Computer Equipment	5,600	3,518	2,082
Maintenance of Office Equipment	600	577	23
Maintenance of Automotive Equipment	41,500	44,347	(2,847)
Maintenance of Communication Equipment	14,000	11,107	2,893
Maintenance of Other Equipment	4,200	4,194	6
Maintenance of Building	35,000	28,825	6,175
Travel & Conference Expense	2,000	1,376	624
Training School Expense	2,500	2,299	201
Office Supplies	1,500	508	992
Stationery & Forms	1,000	-	1,000
Minor Equipment & Hardware	750	172	578
Gasoline & Diesel Fuel	35,000	34,527	473
Clothing	9,000	5,304	3,696
Janitorial Supplies	3,000	2,174	826
Photographic Supplies	750	-	750
Training Supplies	15,000	5,769	9,231
Rental/Equipment-Oxygen	3,000	321	2,679
Medical & Lab Supplies	6,000	5,764	236
Safety Equipment	27,750	22,042	5,708
Membership Fees	7,500	7,289	211
Publications	3,000	2,390	610
Awards & Recognitions	1,900	1,847	53
Postage	700	78	622
Telephone	17,750	14,617	3,133
Cellular Telephones	4,000	3,625	375
Fireman's Fund Grant	-	555	(555)
Medical & Hospital Services	8,000	6,291	1,709
Actuarial Requirement	<u>780,218</u>	<u>664,915</u>	<u>115,303</u>
Total Fire Department	<u>3,898,618</u>	<u>3,738,629</u>	<u>159,989</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND - CORPORATE ACCOUNT  
Year Ended April 30, 2013

	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
ESDA			
Maintenance of Automotive Equipment	\$ 1,400	\$ (1,495)	\$ 2,895
Maintenance of Communication Equipment	-	635	(635)
Maintenance of Other Equipment	-	379	(379)
Office Supplies	300	26	274
Minor Equipment & Hardware	200	-	200
Food & Beverage Supplies	-	593	(593)
Gasoline & Diesel Fuel	1,800	2,588	(788)
Clothing	-	2,489	(2,489)
Janitorial Supplies	-	43	(43)
Safety Equipment	-	198	(198)
Medical & Lab Supplies	-	108	(108)
Awards & Recognitions	-	68	(68)
Telephone	2,000	2,126	(126)
Cellular Telephones	2,000	517	1,483
	<u>7,700</u>	<u>8,275</u>	<u>(575)</u>
Total ESDA			
Fire & Police Commission			
Salaries- Part Time	2,000	585	1,415
Medicare	50	-	50
Social Security	100	-	100
Testing & Interviewing Expense	18,000	13,294	4,706
Travel & Conference Expense	2,000	1,064	936
Membership Fees	1,000	375	625
Postage	300	89	211
Printing	1,000	-	1,000
Legal Fees	6,000	5,847	153
Advertising	9,000	-	9,000
Physicals	2,000	-	2,000
	<u>41,450</u>	<u>21,254</u>	<u>20,196</u>
Total Fire & Police Commission			
Total Public Safety	<u>9,233,667</u>	<u>8,865,591</u>	<u>368,076</u>
Streets			
Public Works			
Salaries Full-Time	276,000	276,410	(410)
Salaries Part-Time	5,000	-	5,000
Overtime	20,000	19,232	768
Medicare	5,500	5,169	331
Social Security	13,500	13,442	58
IMRF	43,260	42,472	788
Health Insurance Costs	74,000	68,068	5,932
Sick and Vacation Pay	10,000	9,418	582
Dental Insurance Costs	5,000	4,549	451
Vision Insurance Costs	1,000	770	230
Life Insurance Costs	1,600	1,563	37
Employee Assistance Program	100	53	47
Archtrl/Engineering Services	59,350	68,597	(9,247)
Maintenance Contracts	10,000	8,322	1,678

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND - CORPORATE ACCOUNT  
Year Ended April 30, 2013

	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Maintenance of Automotive Equipment	\$ 22,000	\$ 15,586	\$ 6,414
Maintenance of Communication Equipment	1,500	-	1,500
Maintenance of Other Equipment	1,000	291	709
Maintenance of Building	8,000	5,888	2,112
Maintenance of Storm Water Facility	20,000	14,585	5,415
Maintenance of Commons	19,000	18,919	81
Maintenance of Sidewalks	6,000	5,225	775
Maintenance of Landscape Areas	120,000	113,523	6,477
Tree Removal / Trimming	50,000	38,013	11,987
Maintenance of Park-N-Ride	1,000	-	1,000
Travel & Conference Expense	500	150	350
Training School Expense	1,000	15	985
Office Supplies	1,500	1,165	335
Stationery & Forms	1,000	860	140
Office Furniture/Equipment	1,000	73	927
Minor Equipment & Hardware	4,300	4,106	194
Food & Beverage Supplies	2,500	2,411	89
Gasoline & Diesel Fuel	40,000	39,206	794
Licensing Supplies	750	539	211
Clothing	10,000	8,030	1,970
Janitorial Supplies	1,700	1,607	93
Chemicals	1,200	1,111	89
Electricity	15,000	9,497	5,503
Other Machinery & Equipment	1,000	970	30
Safety Equipment	2,000	1,779	221
Horticultural Supplies	500	195	305
Membership Fees	400	307	93
Postage	600	589	11
Telephone	20,000	16,339	3,661
Cellular Telephones	4,500	4,565	(65)
Advertising	250	-	250
Alarm Service	600	588	12
Tree Planting	10,000	9,325	675
Total Public Works	893,110	833,522	59,588
Streets & Bridges			
Salaries Full-Time	200,500	188,991	11,509
Overtime	25,500	25,211	289
Sick Pay	35,000	34,708	292
Medicare	4,200	4,128	72
Social Security	9,500	9,440	60
IMRF	32,000	31,104	896
Health Insurance Costs	72,000	62,465	9,535
Dental Insurance Costs	5,000	4,550	450
Vision Insurance Costs	1,000	605	395
Life Insurance Costs	100	959	(859)
Employee Assistance Program	150	63	87
Maintenance of Automotive Equipment	37,000	31,581	5,419
Maintenance of Other Equipment	750	219	531

(Continued)



VILLAGE OF HILLSIDE, ILLINOIS  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND - CORPORATE ACCOUNT  
Year Ended April 30, 2013

	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Maintenance of Traffic Signals	\$ 11,500	\$ 11,486	\$ 14
Maintenance of Streets	102,000	84,845	17,155
Street Sweeping	33,500	30,400	3,100
Maintenance of Street Lights	12,000	9,536	2,464
Street Patching	50,000	40,563	9,437
Snow Removal	45,000	20,014	24,986
Minor Equipment & Hardware	1,000	651	349
Electricity	160,000	126,964	33,036
Printing	500	-	500
Street Signs	40,000	3,857	36,143
ITEP 20% Match Mannheim Road	186,796	-	186,796
Maintenance & Repairs of Butterfield Rd	3,000	-	3,000
	<u>1,067,996</u>	<u>722,340</u>	<u>345,656</u>
Total Streets & Bridges			
	<u>1,961,106</u>	<u>1,555,862</u>	<u>405,244</u>
Total Streets			
Culture and Recreation			
Youth Commission			
Movies in the Park	1,200	1,200	-
Bowling	-	55	(55)
Youth Athletic Parade	190	183	7
Easter Expenses	1,550	1,509	41
Halloween Expenses	1,375	1,353	22
Christmas Walk	985	967	18
	<u>5,300</u>	<u>5,267</u>	<u>33</u>
Total Youth Commission			
Community Center			
Maintenance Contracts	2,500	2,401	99
Maintenance of Building	10,000	4,581	5,419
Cleaning Contract	5,500	4,740	760
Minor Equipment & Hardware	250	-	250
Roof Repairs	25,000	-	25,000
Telephone	650	488	162
	<u>43,900</u>	<u>12,210</u>	<u>31,690</u>
Total Community Center			
Senior Citizen Program			
Reception & Entertainment	2,500	1,723	777
Minor Equipment & Hardware	200	-	200
Bus Rental	7,500	7,251	249
	<u>10,200</u>	<u>8,974</u>	<u>1,226</u>
Total Senior Citizen Program			
Total Culture and Recreation	<u>59,400</u>	<u>26,451</u>	<u>32,949</u>
Debt Service - Principal	88,528	88,528	-
Debt Service - Interest and Fees	10,472	10,033	439
	<u>15,367,528</u>	<u>14,006,529</u>	<u>1,360,999</u>
<b>Total Expenditures</b>			

VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND - LIABILITY INSURANCE ACCOUNT  
 Year Ended April 30, 2013

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	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 225,000	\$ 199,249	\$ (25,751)
<b>Total Revenues</b>	<u>225,000</u>	<u>199,249</u>	<u>(25,751)</u>
<b>Expenditures</b>			
Current			
General Administration			
Liability Insurance	<u>250,000</u>	<u>223,201</u>	<u>26,799</u>
<b>Total Expenditures</b>	<u>250,000</u>	<u>223,201</u>	<u>26,799</u>
<b>Net Change in Fund Balance</b>	<u>\$ (25,000)</u>	(23,952)	<u>\$ 1,048</u>
<b>Fund Balance at Beginning of Year</b>		<u>99,006</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 75,054</u>	

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VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND - WORKMENS' COMPENSATION ACCOUNT  
 Year Ended April 30, 2013

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	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 235,000	\$ 208,105	\$ (26,895)
Miscellaneous	<u>-</u>	<u>5,771</u>	<u>5,771</u>
<b>Total Revenues</b>	<u>235,000</u>	<u>213,876</u>	<u>(21,124)</u>
<b>Expenditures</b>			
Current			
General Administration			
Workers Compensation	<u>285,000</u>	<u>260,324</u>	<u>24,676</u>
<b>Total Expenditures</b>	<u>285,000</u>	<u>260,324</u>	<u>24,676</u>
<b>Net Change in Fund Balance</b>	<u>\$ (50,000)</u>	(46,448)	<u>\$ 3,552</u>
<b>Fund Balance at Beginning of Year</b>		<u>9,100</u>	
<b>Fund Balance at End of Year</b>		<u>\$ (37,348)</u>	

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VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND - UNEMPLOYMENT COMPENSATION ACCOUNT  
 Year Ended April 30, 2013

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	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues</b>			
Miscellaneous	\$ -	\$ 1,536	\$ 1,536
<b>Total Revenues</b>	<u>-</u>	<u>1,536</u>	<u>1,536</u>
<b>Expenditures</b>			
Current			
General Administration			
Unemployment Claims	<u>20,000</u>	<u>-</u>	<u>20,000</u>
<b>Total Expenditures</b>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ (20,000)</u>	1,536	<u>\$ 21,536</u>
<b>Fund Balance at Beginning of Year</b>		<u>32,910</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 34,446</u>	

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VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND - EQUIPMENT REPLACEMENT ACCOUNT  
 Year Ended April 30, 2013

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$ 300,000	\$ 373,417	\$ 73,417
Fines and Fees	<u>-</u>	<u>32,170</u>	<u>32,170</u>
<b>Total Revenues</b>	<u>300,000</u>	<u>405,587</u>	<u>105,587</u>
<b>Expenditures</b>			
Current			
General Administration	100,000	7,906	92,094
Public Safety	35,000	-	35,000
Highway and Streets	<u>315,000</u>	<u>157,681</u>	<u>157,319</u>
<b>Total Expenditures</b>	<u>450,000</u>	<u>165,587</u>	<u>284,413</u>
<b>Net Change in Fund Balance</b>	<u>\$ (150,000)</u>	240,000	<u>\$ 390,000</u>
<b>Fund Balance at Beginning of Year</b>		<u>1,136,916</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 1,376,916</u>	

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VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 MANNHEIM ROAD TIF FUND  
 Year Ended April 30, 2013

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 2,500,000	\$ 1,777,955	\$ (722,045)
Investment Income	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<b>Total Revenues</b>	<u>2,501,000</u>	<u>1,777,955</u>	<u>(723,045)</u>
<b>Expenditures</b>			
Current			
General Administration	<u>3,094,000</u>	<u>2,206,525</u>	<u>887,475</u>
<b>Total Expenditures</b>	<u>3,094,000</u>	<u>2,206,525</u>	<u>887,475</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(593,000)</u>	<u>(428,570)</u>	<u>164,430</u>
<b>Other Financing Sources (Uses)</b>			
Transfers Out	<u>(6,000)</u>	<u>(5,760)</u>	<u>240</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(6,000)</u>	<u>(5,760)</u>	<u>240</u>
<b>Net Change in Fund Balance</b>	<u>\$ (599,000)</u>	<u>(434,330)</u>	<u>\$ 164,670</u>
<b>Fund Balance at Beginning of Year</b>		<u>3,205,619</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 2,771,289</u>	

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VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 HILLSIDE 2012 PROJECT FUND  
 Year Ended April 30, 2013

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment Income	\$ -	\$ 2,806	\$ 2,806
<b>Total Revenues</b>	<u>-</u>	<u>2,806</u>	<u>2,806</u>
<b>Expenditures</b>			
Current			
General Administration	3,479,000	896,976	2,582,024
Highway and Streets	<u>707,000</u>	<u>29,317</u>	<u>677,683</u>
<b>Total Expenditures</b>	<u>4,186,000</u>	<u>926,293</u>	<u>3,259,707</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,186,000)</u>	<u>(923,487)</u>	<u>3,262,513</u>
<b>Other Financing Sources (Uses)</b>			
Transfers Out	<u>-</u>	<u>(744,302)</u>	<u>(744,302)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(744,302)</u>	<u>(744,302)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (4,186,000)</u>	<u>(1,667,789)</u>	<u>\$ 2,518,211</u>
<b>Fund Balance at Beginning of Year</b>		<u>3,923,208</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 2,255,419</u>	

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## **NONMAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purpose. The Village maintains the following Special Revenue Funds:

The Motor Fuel Tax Fund accounts for maintenance of Village-owned streets, including winter salting, repaving, and electricity for street lights. Financing is provided by the Village's share of state motor fuel tax allotments. State law requires these allotments to be used to maintain streets.

The Disposal Service Fund accounts for revenues and expenditures for garbage disposal. Financing is provided by a specific annual property tax levy.

The E911 Fund accounts for revenues and expenditures to maintain the emergency 911 phone system.

**Debt Service Funds** are governmental funds used to account for the accumulation of resources and the payment of general long-term debt principal, interest, and related costs.

The Debt Service Fund accounts for the accumulation of resources for and all payment of general long-term debt principal, interest and related costs.

**Capital Projects Funds** are used to account for the purchase or construction of major capital facilities that are not financed by Proprietary Funds, Special Assessment Funds, or Trust Funds. Capital Projects Funds must be used when they are legally mandated or when projects are financed wholly or in part by bond issues, intergovernmental revenues, or major private donations.

The Business Park TIF Fund accounts for redevelopment costs within the Business Park tax increment district.

The TIF Shopping Center Fund accounts for redevelopment costs within the Hillside Mall, a tax increment district, incidental costs associated with the bond sale and for capitalized interest through proceeds of the 1992 General Obligation Tax Increment Bond Issue.



VILLAGE OF HILLSIDE, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
April 30, 2013

	Special Revenue Funds			Total Nonmajor Special Revenue Funds
	Motor Fuel Tax Fund	Disposal Service Fund	E 911 Fund	
<b>ASSETS</b>				
Cash & Investments	\$ 329,290	\$ 263,930	\$ 429,601	\$ 1,022,821
Receivables				
Property Taxes	-	244,523	-	244,523
Intergovernmental	<u>34,771</u>	<u>-</u>	<u>-</u>	<u>34,771</u>
<b>Total Assets</b>	<u>\$ 364,061</u>	<u>\$ 508,453</u>	<u>\$ 429,601</u>	<u>\$ 1,302,115</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ -	\$ 52,863	\$ 503	\$ 53,366
Deferred Revenue	<u>-</u>	<u>244,523</u>	<u>-</u>	<u>244,523</u>
<b>Total Liabilities</b>	<u>-</u>	<u>297,386</u>	<u>503</u>	<u>297,889</u>
<b>Deferred Inflows of Resources</b>				
Deferred Property Taxes Revenue				
<b>Fund Balances</b>				
Restricted				
Streets and Highways	364,061	-	-	364,061
Sanitation	-	211,067	-	211,067
Public Safety	-	-	429,098	429,098
Debt Service	-	-	-	-
Economic Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>364,061</u>	<u>211,067</u>	<u>429,098</u>	<u>1,004,226</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 364,061</u>	<u>\$ 508,453</u>	<u>\$ 429,601</u>	<u>\$ 1,302,115</u>

Debt Service Fund	Capital Project Funds			Total Nonmajor Governmental Funds
Debt Service Fund	Business Park TIF Fund	TIF Shopping Center Fund	Total Capital Project Funds	
\$ 344,423	\$ 83,823	\$ 1,422,213	\$ 1,506,036	\$ 2,873,280
304,353	-	-	-	548,876
-	-	-	-	34,771
<u>\$ 648,776</u>	<u>\$ 83,823</u>	<u>\$ 1,422,213</u>	<u>\$ 1,506,036</u>	<u>\$ 3,456,927</u>
\$ -	\$ 80,334	\$ 5,307	\$ 85,641	\$ 139,007
304,353	-	-	-	548,876
<u>304,353</u>	<u>80,334</u>	<u>5,307</u>	<u>85,641</u>	<u>687,883</u>
-	-	-	-	364,061
-	-	-	-	211,067
-	-	-	-	429,098
344,423	-	-	-	344,423
-	3,489	1,416,906	1,420,395	1,420,395
<u>344,423</u>	<u>3,489</u>	<u>1,416,906</u>	<u>1,420,395</u>	<u>2,769,044</u>
<u>\$ 648,776</u>	<u>\$ 83,823</u>	<u>\$ 1,422,213</u>	<u>\$ 1,506,036</u>	<u>\$ 3,456,927</u>

VILLAGE OF HILLSIDE, ILLINOIS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
Year Ended April 30, 2013

	Special Revenue Funds			Total Nonmajor Special Revenue Funds
	Motor Fuel Tax Fund	Disposal Service Fund	E 911 Fund	
<b>Revenues</b>				
Property Taxes	\$ -	\$ 416,209	\$ -	\$ 416,209
Taxes	-	-	98,124	98,124
Intergovernmental Revenues	235,777	-	-	235,777
Charges for Services	-	23,325	-	23,325
Investment Income	202	-	-	202
<b>Total Revenues</b>	<u>235,979</u>	<u>439,534</u>	<u>98,124</u>	<u>773,637</u>
<b>Expenditures</b>				
Current				
General Administration	-	-	-	-
Public Safety	-	-	43,214	43,214
Highway and Streets	-	-	-	-
Sanitation	-	541,012	-	541,012
Debt Service - Principal	165,000	-	-	165,000
Debt Service - Interest and Fees	56,730	-	-	56,730
<b>Total Expenditures</b>	<u>221,730</u>	<u>541,012</u>	<u>43,214</u>	<u>805,956</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>14,249</u>	<u>(101,478)</u>	<u>54,910</u>	<u>(32,319)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	14,249	(101,478)	54,910	(32,319)
<b>Fund Balance at Beginning of Year</b>	<u>349,812</u>	<u>312,545</u>	<u>374,188</u>	<u>1,036,545</u>
<b>Fund Balance at End of Year</b>	<u>\$ 364,061</u>	<u>\$ 211,067</u>	<u>\$ 429,098</u>	<u>\$ 1,004,226</u>

Debt Service Fund	Capital Project Funds			Total Nonmajor Governmental Funds
Debt Service Fund	Business Park TIF Fund	TIF Shopping Center Fund	Total Capital Project Funds	
\$ 524,135	\$ 196,528	\$ 656,919	\$ 853,447	\$ 1,793,791
-	-	-	-	98,124
-	-	-	-	235,777
-	-	-	-	23,325
-	360	3,495	3,855	4,057
524,135	196,888	660,414	857,302	2,155,074
-	162,702	7,428	170,130	170,130
-	-	-	-	43,214
-	-	138,388	138,388	138,388
-	-	-	-	541,012
480,000	-	-	-	645,000
103,428	-	-	-	160,158
583,428	162,702	145,816	308,518	1,697,902
(59,293)	34,186	514,598	548,784	457,172
-	(33,827)	-	(33,827)	(33,827)
-	(33,827)	-	(33,827)	(33,827)
(59,293)	359	514,598	514,957	423,345
403,716	3,130	902,308	905,438	2,345,699
\$ 344,423	\$ 3,489	\$ 1,416,906	\$ 1,420,395	\$ 2,769,044

VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 MOTOR FUEL TAX FUND  
 Year Ended April 30, 2013

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental Revenues	\$ 215,000	\$ 235,777	\$ 20,777
Investment Income	<u>-</u>	<u>202</u>	<u>202</u>
<b>Total Revenues</b>	<u>215,000</u>	<u>235,979</u>	<u>20,979</u>
<b>Expenditures</b>			
Debt Service - Principal	165,000	165,000	-
Debt Service - Interest and Fees	<u>57,500</u>	<u>56,730</u>	<u>770</u>
<b>Total Expenditures</b>	<u>222,500</u>	<u>221,730</u>	<u>770</u>
<b>Net Change in Fund Balance</b>	<u>\$ (7,500)</u>	14,249	<u>\$ 21,749</u>
<b>Fund Balance at Beginning of Year</b>		<u>349,812</u>	
<b>Fund Balance at End of Year</b>		<u><u>\$ 364,061</u></u>	

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VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 DISPOSAL SERVICE FUND  
 Year Ended April 30, 2013

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	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 470,000	\$ 416,209	\$ (53,791)
Charges for Services	<u>-</u>	<u>23,325</u>	<u>23,325</u>
<b>Total Revenues</b>	<u>470,000</u>	<u>439,534</u>	<u>(30,466)</u>
<b>Expenditures</b>			
Current			
Sanitation	<u>605,000</u>	<u>541,012</u>	<u>63,988</u>
<b>Total Expenditures</b>	<u>605,000</u>	<u>541,012</u>	<u>63,988</u>
<b>Net Change in Fund Balance</b>	<u>\$ (135,000)</u>	<u>(101,478)</u>	<u>\$ 33,522</u>
<b>Fund Balance at Beginning of Year</b>		<u>312,545</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 211,067</u>	

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VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 E 911 FUND  
 Year Ended April 30, 2013

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes	\$ 100,000	\$ 98,124	\$ (1,876)
<b>Total Revenues</b>	<u>100,000</u>	<u>98,124</u>	<u>(1,876)</u>
<b>Expenditures</b>			
Current			
Public Safety	<u>185,100</u>	<u>43,214</u>	<u>141,886</u>
<b>Total Expenditures</b>	<u>185,100</u>	<u>43,214</u>	<u>141,886</u>
<b>Net Change in Fund Balance</b>	<u>\$ (85,100)</u>	54,910	<u>\$ 140,010</u>
<b>Fund Balance at Beginning of Year</b>		<u>374,188</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 429,098</u>	

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VILLAGE OF HILLSDALE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 DEBT SERVICE FUND  
 Year Ended April 30, 2013

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 600,000	\$ 524,135	\$ (75,865)
<b>Total Revenues</b>	<u>600,000</u>	<u>524,135</u>	<u>(75,865)</u>
<b>Expenditures</b>			
Debt Service - Principal	480,000	480,000	-
Debt Service - Interest and Fees	<u>105,750</u>	<u>103,428</u>	<u>2,322</u>
<b>Total Expenditures</b>	<u>585,750</u>	<u>583,428</u>	<u>2,322</u>
<b>Net Change in Fund Balance</b>	<u>\$ 14,250</u>	(59,293)	<u>\$ (73,543)</u>
<b>Fund Balance at Beginning of Year</b>		<u>403,716</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 344,423</u>	

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VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 BUSINESS PARK TIF FUND  
 Year Ended April 30, 2013

---

	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 200,000	\$ 196,528	\$ (3,472)
Investment Income	<u>1,000</u>	<u>360</u>	<u>(640)</u>
<b>Total Revenues</b>	<u>201,000</u>	<u>196,888</u>	<u>(4,112)</u>
<b>Expenditures</b>			
Current			
General Administration	<u>184,500</u>	<u>162,702</u>	<u>21,798</u>
<b>Total Expenditures</b>	<u>184,500</u>	<u>162,702</u>	<u>21,798</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>16,500</u>	<u>34,186</u>	<u>17,686</u>
<b>Other Financing Sources (Uses)</b>			
Transfers Out	<u>(35,500)</u>	<u>(33,827)</u>	<u>1,673</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(35,500)</u>	<u>(33,827)</u>	<u>1,673</u>
<b>Net Change in Fund Balance</b>	<u>\$ (19,000)</u>	359	<u>\$ 19,359</u>
<b>Fund Balance at Beginning of Year</b>		<u>3,130</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 3,489</u>	

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VILLAGE OF HILLSIDE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 TIF SHOPPING CENTER FUND  
 Year Ended April 30, 2013

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	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 1,200,000	\$ 656,919	\$ (543,081)
Investment Income	<u>10,000</u>	<u>3,495</u>	<u>(6,505)</u>
<b>Total Revenues</b>	<u>1,210,000</u>	<u>660,414</u>	<u>(549,586)</u>
<b>Expenditures</b>			
Current			
General Administration	75,000	7,428	67,572
Highway and Streets	560,000	138,388	421,612
Debt Service - Interest and Fees	<u>500</u>	<u>-</u>	<u>500</u>
<b>Total Expenditures</b>	<u>635,500</u>	<u>145,816</u>	<u>489,684</u>
<b>Net Change in Fund Balance</b>	<u>\$ 574,500</u>	514,598	<u>\$ (59,902)</u>
<b>Fund Balance at Beginning of Year</b>		<u>902,308</u>	
<b>Fund Balance at End of Year</b>		<u>\$ 1,416,906</u>	

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## FIDUCIARY FUNDS

**Fiduciary Funds** are used to account for resources received and held by a governmental unit as agent or trustee for individuals, private organizations or other governments. The Village maintains the following Fiduciary Funds:

The Police Pension Fund accounts for the accumulation of resources to be used for retirement annuity payments of Police Personnel at appropriate amounts and times in the future. The funds do not account for the administrative costs of the system, which are borne by the General Fund. Resources are contributed by employees at rates fixed by a special tax levy, and by mandated allocation of personal property replacement tax. Total taxes to be levied are determined by actuarial studies.

The Firefighters Pension Fund accounts for the accumulation of resources to be used for retirement annuity payments of Fire Department Personnel at appropriate amounts and times in the future. The funds do not account for the administrative costs of the system, which are borne by the General Fund. Resources are contributed by employees at rates fixed by a special tax levy, and by mandated allocation of personal property replacement tax. Total taxes to be levied are determined by actuarial studies.

VILLAGE OF HILLSIDE, ILLINOIS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PENSION TRUST FUNDS  
 April 30, 2013

EXHIBIT 20

	<u>Police Pension Fund</u>	<u>Fire Pension Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash & Investments			
Money Markets	\$ 283,515	\$ 252,008	\$ 535,523
U.S. Government and Agency Obligations	6,141,468	8,383,223	14,524,691
Mutual Funds	7,597,800	250,784	7,848,584
Stocks	-	581,458	581,458
State and Local Obligations	920,890	-	920,890
Total Cash & Investments	<u>14,943,673</u>	<u>9,467,473</u>	<u>24,411,146</u>
Receivables			
Interest Receivable	54,505	6,125	60,630
Due from Primary Government	174,780	61,584	236,364
Total Receivables	<u>229,285</u>	<u>67,709</u>	<u>296,994</u>
Other Assets	<u>3,537</u>	<u>6,380</u>	<u>9,917</u>
<b>Total Assets</b>	<u>\$ 15,176,495</u>	<u>\$ 9,541,562</u>	<u>\$ 24,718,057</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>\$ 4,976</u>	<u>\$ 850</u>	<u>\$ 5,826</u>
<b>Total Liabilities</b>	<u>4,976</u>	<u>850</u>	<u>5,826</u>
<b>NET POSITION</b>			
Held for Employees' pension benefits	<u>15,171,519</u>	<u>9,540,712</u>	<u>24,712,231</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 15,176,495</u>	<u>\$ 9,541,562</u>	<u>\$ 24,718,057</u>

VILLAGE OF HILLSIDE, ILLINOIS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 PENSION TRUST FUNDS  
 Year ended April 30, 2013

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	<u>Police Pension Fund</u>	<u>Fire Pension Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 952,235	\$ 664,915	\$ 1,617,150
Plan Members	<u>219,924</u>	<u>180,513</u>	<u>400,437</u>
Total Contributions	<u>1,172,159</u>	<u>845,428</u>	<u>2,017,587</u>
Investment Income			
Net appreciation in fair value of investments	1,258,884	132,698	1,391,582
Less investment expense	<u>(57,336)</u>	<u>(38,085)</u>	<u>(95,421)</u>
Net Investment Income	<u>1,201,548</u>	<u>94,613</u>	<u>1,296,161</u>
<b>Total Additions</b>	<u>2,373,707</u>	<u>940,041</u>	<u>3,313,748</u>
<b>DEDUCTIONS</b>			
Benefits	1,501,147	783,695	2,284,842
Administrative Expenses	<u>42,924</u>	<u>14,567</u>	<u>57,491</u>
<b>Total Deductions</b>	<u>1,544,071</u>	<u>798,262</u>	<u>2,342,333</u>
<b>Change in Net Position</b>	829,636	141,779	971,415
<b>Net Position at Beginning of Year</b>	<u>14,341,883</u>	<u>9,398,933</u>	<u>23,740,816</u>
<b>Net Position at End of Year</b>	<u>\$ 15,171,519</u>	<u>\$ 9,540,712</u>	<u>\$ 24,712,231</u>

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## Statistical Section

*This part of the Village of Hillside's 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.*

### Contents

### Tables

#### **Financial Trends**

1, 2, 3, 4, 5

*These Tables contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.*

#### **Revenue Capacity**

6, 7, 8, 9

*These tables contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.*

#### **Debt Capacity**

10, 11, 12

*These tables present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.*

#### **Demographic and Economic Information**

13, 14

*These tables offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.*

#### **Operating Information**

15, 16, 17

*These tables contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.*

**Sources :** *Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.*

Village of Hillside  
Net Position by Component  
Last Nine Fiscal Years  
(Unaudited)

	Fiscal Year			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities				
Net investment in capital assets	\$ 19,921,421	\$ 21,019,908	\$ 18,403,981	\$ 17,023,618
Restricted	4,831,678	4,766,458	4,192,886	2,535,631
Unrestricted	(2,363,880)	(2,814,260)	(4,195,682)	(3,810,770)
Total governmental activities net position	<u>\$ 22,389,219</u>	<u>\$ 22,972,106</u>	<u>\$ 18,401,185</u>	<u>\$ 15,748,479</u>
Business-type activities				
Net investment in capital assets	\$ 5,414,563	\$ 4,830,332	\$ 4,964,345	\$ 5,107,468
Unrestricted	4,403,270	3,983,950	4,069,042	4,268,218
Total business-type activities net position	<u>\$ 9,817,833</u>	<u>\$ 8,814,282</u>	<u>\$ 9,033,387</u>	<u>\$ 9,375,686</u>
Primary government				
Net investment in capital assets	\$ 25,335,984	\$ 25,850,240	\$ 23,368,326	\$ 22,131,086
Restricted	4,831,678	4,766,458	4,192,886	2,535,631
Unrestricted	2,039,390	1,169,690	(126,640)	457,448
Total primary government net position	<u>\$ 32,207,052</u>	<u>\$ 31,786,388</u>	<u>\$ 27,434,572</u>	<u>\$ 25,124,165</u>

Notes: Accrual basis of accounting

Table 1

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<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 15,635,233	\$ 13,220,989	\$ 11,914,288	\$ 8,920,129	\$ 11,236,403	\$ 5,475,472
5,272,339	4,494,602	4,943,432	6,715,079	3,330,867	140,459
(4,316,639)	(341,771)	(2,481,090)	(909,345)	(1,740,767)	4,148,653
<u>\$ 16,590,933</u>	<u>\$ 17,373,820</u>	<u>\$ 14,376,630</u>	<u>\$ 14,725,863</u>	<u>\$ 12,826,503</u>	<u>\$ 9,764,584</u>
\$ 5,242,267	\$ 5,377,120	\$ 5,512,285	\$ 5,647,450	\$ 5,801,486	\$ 5,929,169
4,423,902	4,983,874	5,232,390	5,153,075	4,923,543	4,734,838
<u>\$ 9,666,169</u>	<u>\$ 10,360,994</u>	<u>\$ 10,744,675</u>	<u>\$ 10,800,525</u>	<u>\$ 10,725,029</u>	<u>\$ 10,664,007</u>
\$ 20,877,500	\$ 18,598,109	\$ 17,426,573	\$ 14,567,579	\$ 17,037,889	\$ 11,404,641
5,272,339	4,494,602	4,943,432	6,715,079	3,330,867	140,459
107,263	4,642,103	2,751,300	4,243,730	3,182,776	8,883,491
<u>\$ 26,257,102</u>	<u>\$ 27,734,814</u>	<u>\$ 25,121,305</u>	<u>\$ 25,526,388</u>	<u>\$ 23,551,532</u>	<u>\$ 20,428,591</u>

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Village of Hillside  
Changes in Net Position  
Last Nine Fiscal Years  
(Unaudited)

	Fiscal Year			
	2013	2012	2011	2010
Expenses				
Governmental activities:				
General government	\$ 6,972,167	\$ 6,294,698	\$ 5,799,059	\$ 8,935,728
Public Safety	9,555,911	9,853,021	9,529,806	10,157,524
Streets	2,028,776	1,893,563	1,896,922	1,920,586
Culture & Recreation	37,118	33,411	41,318	105,452
Sanitation	541,012	519,974	528,911	523,085
Interest on Debt	179,790	173,941	255,539	385,599
Total governmental activities expenses	<u>19,314,774</u>	<u>18,768,608</u>	<u>18,051,555</u>	<u>22,027,974</u>
Business-type activities:				
Water	2,528,695	2,421,090	2,396,050	2,224,790
Sewer	21,048	66,959	35,786	47,085
Total business-type activities expenses	<u>2,549,743</u>	<u>2,488,049</u>	<u>2,431,836</u>	<u>2,271,875</u>
Total primary government expenses	<u>21,864,517</u>	<u>21,256,657</u>	<u>20,483,391</u>	<u>24,299,849</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	1,132,734	999,518	1,024,132	1,719,423
Public safety	1,412,604	1,442,455	636,135	360,744
Sanitation	23,325	30	92,980	110,188
Operating grants and contributions	236,577	203,647	206,362	240,717
Capital grants and contributions	552	805,288	-	19,375
Total governmental activities program revenues	<u>2,805,792</u>	<u>3,450,938</u>	<u>1,959,609</u>	<u>2,450,447</u>
Business-type activities:				
Charges for services:				
Water	2,584,771	2,062,859	1,918,302	1,792,337
Sewer	137,437	123,331	130,903	129,025
Total business-type activities program revenues	<u>2,722,208</u>	<u>2,186,190</u>	<u>2,049,205</u>	<u>1,921,362</u>
Total primary government program revenues	<u>5,528,000</u>	<u>5,637,128</u>	<u>4,008,814</u>	<u>4,371,809</u>
Net (Expense)/Revenue				
Governmental activities	(16,508,982)	(15,317,670)	(16,091,946)	(19,577,527)
Business-type activities	<u>172,465</u>	<u>(301,859)</u>	<u>(382,631)</u>	<u>(350,513)</u>
Total primary government net expense	<u>(16,336,517)</u>	<u>(15,619,529)</u>	<u>(16,474,577)</u>	<u>(19,928,040)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property Taxes	9,760,202	13,144,456	12,636,469	12,499,174
Taxes	6,036,806	5,579,324	5,321,789	5,047,588
Unrestricted Intergovernmental Revenue	934,520	845,999	806,252	768,939
Investment Income	13,423	11,250	9,386	105,762
Gain on sale of fixed assets	-	26,111	-	1,756
Miscellaneous	16,003	279,239	404,092	311,854
Transfers	(744,302)	-	-	-
Total governmental activities	<u>16,016,652</u>	<u>19,886,379</u>	<u>19,177,988</u>	<u>18,735,073</u>
Business-type activities:				
Property Taxes	86,784	82,754	48,237	60,030
Investment earnings	-	-	-	-
Transfers	744,302	-	-	-
Total business-type activities	<u>831,086</u>	<u>82,754</u>	<u>48,237</u>	<u>60,030</u>
Total primary government	<u>16,847,738</u>	<u>19,969,133</u>	<u>19,226,225</u>	<u>18,795,103</u>
Change in Net Position				
Governmental activities	(492,330)	4,568,709	3,086,042	(842,454)
Business-type activities	<u>1,003,551</u>	<u>(219,105)</u>	<u>(334,394)</u>	<u>(290,483)</u>
Total primary government	<u>\$ 511,221</u>	<u>\$ 4,349,604</u>	<u>\$ 2,751,648</u>	<u>\$ (1,132,937)</u>

Notes: Accrual basis of accounting

Table 2

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 5,742,740	\$ 4,612,903	\$ 2,967,524	\$ 4,568,640	\$ 2,944,742	\$ 3,357,772
9,320,260	8,199,765	8,167,835	6,861,036	6,615,805	6,145,753
2,649,025	2,032,177	3,925,163	2,917,607	2,136,364	2,465,737
88,411	130,609	10,683	123,711	175,874	156,723
546,400	514,559	503,961	502,545	498,559	477,690
477,626	519,630	650,471	516,333	684,253	714,081
<u>18,824,462</u>	<u>16,009,643</u>	<u>16,225,637</u>	<u>15,489,872</u>	<u>13,055,597</u>	<u>13,317,756</u>
2,477,043	2,302,241	2,251,069	2,091,186	1,889,415	1,849,715
85,886	60,188	90,724	22,930	78,261	64,857
<u>2,562,929</u>	<u>2,362,429</u>	<u>2,341,793</u>	<u>2,114,116</u>	<u>1,967,676</u>	<u>1,914,572</u>
<u>21,387,391</u>	<u>18,372,072</u>	<u>18,567,430</u>	<u>17,603,988</u>	<u>15,023,273</u>	<u>15,232,328</u>
1,059,454	2,046,400	925,214	876,348	905,735	731,078
443,789	361,050	181,881	123,888	160,314	163,543
1,768	16,182	19,394	17,788	17,751	50,995
220,678	231,739	270,540	241,996	258,634	238,384
19,522	-	47,230	146,329	-	-
<u>1,745,211</u>	<u>2,655,371</u>	<u>1,444,259</u>	<u>1,406,349</u>	<u>1,342,434</u>	<u>1,184,000</u>
1,693,725	1,791,417	1,878,057	1,970,739	1,840,221	2,021,999
124,885	137,611	141,402	151,852	128,150	134,488
<u>1,818,610</u>	<u>1,929,028</u>	<u>2,019,459</u>	<u>2,122,591</u>	<u>1,968,371</u>	<u>2,156,487</u>
<u>3,563,821</u>	<u>4,584,399</u>	<u>3,463,718</u>	<u>3,528,940</u>	<u>3,310,805</u>	<u>3,340,487</u>
(17,079,251)	(13,354,272)	(14,781,378)	(14,083,523)	(11,713,163)	(12,133,756)
(744,319)	(433,401)	(322,334)	8,475	695	241,915
<u>(17,823,570)</u>	<u>(13,787,673)</u>	<u>(15,103,712)</u>	<u>(14,075,048)</u>	<u>(11,712,468)</u>	<u>(11,891,841)</u>
9,998,764	9,317,163	10,029,591	8,565,324	7,352,615	6,671,999
4,591,862	6,128,570	6,082,721	6,558,350	6,113,710	5,431,814
889,563	-	-	-	-	-
163,648	333,399	414,415	277,160	97,954	104,548
180,075	400,704	-	-	-	-
472,452	171,626	256,684	91,460	1,072,894	57,876
-	-	-	-	-	-
<u>16,296,364</u>	<u>16,351,462</u>	<u>16,783,411</u>	<u>15,492,294</u>	<u>14,637,173</u>	<u>12,266,237</u>
49,494	49,720	55,019	51,295	49,061	47,852
-	-	-	-	11,266	33,677
-	-	-	-	-	-
<u>49,494</u>	<u>49,720</u>	<u>55,019</u>	<u>51,295</u>	<u>60,327</u>	<u>81,529</u>
<u>16,345,858</u>	<u>16,401,182</u>	<u>16,838,430</u>	<u>15,543,589</u>	<u>14,697,500</u>	<u>12,347,766</u>
(782,887)	2,997,190	2,002,033	1,408,771	2,924,010	132,481
(694,825)	(383,681)	(267,315)	59,770	61,022	323,444
<u>\$ (1,477,712)</u>	<u>\$ 2,613,509</u>	<u>\$ 1,734,718</u>	<u>\$ 1,468,541</u>	<u>\$ 2,985,032</u>	<u>\$ 455,925</u>

Village of Hillside  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Unaudited)

	Fiscal Year			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund				
Reserved			\$ 230,560	\$ 54,880
Unreserved			<u>281,883</u>	<u>518,456</u>
Nonspendable	\$ 158,865	\$ 173,411		
Restricted	109,500	141,016		
Unassigned	<u>3,706,713</u>	<u>2,669,397</u>		
Total general fund	<u>\$ 3,975,078</u>	<u>\$ 2,983,824</u>	<u>\$ 512,443</u>	<u>\$ 573,336</u>
All Other Governmental Funds				
Unreserved, designated			\$ -	\$ -
Unreserved, reported in:				
Special service funds			2,086,552	1,602,842
Capital projects funds			3,176,456	1,885,003
Debt service funds			<u>714,998</u>	<u>718,395</u>
Restricted	<u>\$ 7,795,752</u>	<u>\$ 9,474,526</u>		
Total all other governmental funds	<u>\$ 7,795,752</u>	<u>\$ 9,474,526</u>	<u>\$ 5,978,006</u>	<u>\$ 4,206,240</u>

Note: Modified accrual basis of accounting

Note: The change in the classifications of fund balance amounts in 2012 is the result of the implementation of GASB Statement 54. Amounts prior to 2012 have not been restated.

Table 3

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<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 120,280 <u>(799,071)</u>	\$ 284,236 <u>1,738,489</u>	\$ 673,492 <u>633,668</u>	\$ 934,303 <u>(1,807,196)</u>	\$ 903,622 <u>(1,910,284)</u>	\$ 865,610 <u>(2,646,341)</u>
<u>\$ (678,791)</u>	<u>\$ 2,022,725</u>	<u>\$ 1,307,160</u>	<u>\$ (872,893)</u>	<u>\$ (1,006,662)</u>	<u>\$ (1,780,731)</u>
\$ 202,000	\$ 950,000	\$ -	\$ -	\$ -	\$ -
1,317,896	1,967,054	1,684,219	4,572,580	2,928,021	2,523,531
4,904,919	4,150,364	4,511,120	4,442,502	2,031,156	5,871,064
<u>357,135</u>	<u>281,799</u>	<u>289,364</u>	<u>345,327</u>	<u>333,708</u>	<u>205,897</u>
<u>\$ 6,781,950</u>	<u>\$ 7,349,217</u>	<u>\$ 6,484,703</u>	<u>\$ 9,360,409</u>	<u>\$ 5,292,885</u>	<u>\$ 8,600,492</u>

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Village of Hillside  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Unaudited)

	Fiscal Year			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues				
Taxes	\$ 15,773,405	\$ 18,714,992	\$ 17,952,910	\$ 17,641,771
Intergovernmental	1,171,649	1,857,146	1,014,114	1,013,806
Licenses, fees, and permits	318,427	165,455	256,680	235,762
Charges for services	431,820	356,307	399,857	1,164,084
Fines and Forfeitures	1,575,885	1,591,789	784,272	485,905
Investment earnings	13,423	11,250	9,386	105,762
Other revenues	<u>258,534</u>	<u>607,691</u>	<u>715,030</u>	<u>614,958</u>
Total revenues	<u>19,543,143</u>	<u>23,304,630</u>	<u>21,132,249</u>	<u>21,262,048</u>
Expenditures				
General Administration	7,225,126	6,944,766	5,306,145	8,470,323
Public Safety	8,908,805	10,520,551	9,057,067	9,047,751
Highway and Streets	1,881,248	1,770,399	1,636,542	1,607,170
Sanitation	541,012	519,974	528,911	523,085
Culture and Recreation	26,451	20,884	23,514	75,692
Debt service				
Principal	733,528	2,538,702	2,594,207	2,479,921
Interest	<u>170,191</u>	<u>173,408</u>	<u>281,253</u>	<u>383,445</u>
Total expenditures	<u>19,486,361</u>	<u>22,488,684</u>	<u>19,427,639</u>	<u>22,587,387</u>
Excess of revenues over (under) expenditures	56,782	815,946	1,704,610	(1,325,339)
Other Financing Sources (Uses)				
Proceeds from Issuance of Debt	-	5,100,000	-	-
Premium on Issuance of Debt	-	-	-	-
Sale of Capital Assets	-	51,955	6,263	1,756
Payment to Escrow	-	-	-	-
Transfers in	39,587	100,906	1,063,789	1,015,385
Transfers out	<u>(783,889)</u>	<u>(100,906)</u>	<u>(1,063,789)</u>	<u>(1,015,385)</u>
Total other financing sources (uses)	<u>(744,302)</u>	<u>5,151,955</u>	<u>6,263</u>	<u>1,756</u>
Net change in fund balances	<u>\$ (687,520)</u>	<u>\$ 5,967,901</u>	<u>\$ 1,710,873</u>	<u>\$ (1,323,583)</u>
Debt service as a percentage of noncapital expenditures	4.9%	13.4%	14.8%	12.7%

Note: Modified accrual basis of accounting

Table 4

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 14,485,383	\$ 14,494,133	\$ 15,277,712	\$ 14,325,508	\$ 12,762,068	\$ 11,451,796
1,131,263	1,191,786	1,194,623	1,155,971	947,907	813,436
238,213	219,404	268,766	248,619	214,918	182,804
312,366	1,484,017	353,181	325,156	300,819	282,784
520,318	423,578	251,587	196,398	238,454	242,021
163,648	333,399	414,415	277,160	97,954	104,548
905,066	466,864	508,171	338,770	1,401,003	294,483
<u>17,756,257</u>	<u>18,613,181</u>	<u>18,268,455</u>	<u>16,867,582</u>	<u>15,963,123</u>	<u>13,371,872</u>
5,622,167	4,093,192	4,045,229	4,523,117	7,460,066	6,550,652
9,848,322	8,352,853	7,861,287	6,799,112	6,168,900	5,859,382
2,315,738	1,700,770	3,604,018	2,515,411	1,909,980	2,088,067
546,400	514,559	503,961	502,545	498,559	477,690
105,895	102,757	97,641	102,087	153,365	122,966
2,295,867	2,201,953	2,210,409	1,866,978	1,642,732	1,569,547
470,726	554,490	658,048	691,821	663,059	743,756
<u>21,205,115</u>	<u>17,520,574</u>	<u>18,980,593</u>	<u>17,001,071</u>	<u>18,496,661</u>	<u>17,412,060</u>
(3,448,858)	1,092,607	(712,138)	(133,489)	(2,533,538)	(4,040,188)
-	-	-	9,965,000	-	620,000
-	-	-	63,464	-	-
180,075	487,472	16,485	34,900	-	-
-	-	-	(5,728,582)	-	(603,829)
45,525	896,455	1,444,962	-	-	-
(45,525)	(896,455)	(1,444,962)	-	-	-
<u>180,075</u>	<u>487,472</u>	<u>16,485</u>	<u>4,334,782</u>	<u>-</u>	<u>16,171</u>
<u>\$ (3,268,783)</u>	<u>\$ 1,580,079</u>	<u>\$ (695,653)</u>	<u>\$ 4,201,293</u>	<u>\$ (2,533,538)</u>	<u>\$ (4,024,017)</u>
13.9%	17.8%	16.9%	15.9%	17.3%	16.5%

Table 5

Village of Hillside  
Tax Revenues by Source, Governmental Funds  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Property <sup>a</sup>	Sales & Use	Utility	Franchise	Property Transfer	Hotel Motel	Other	Total
2013	\$ 9,760,202	\$ 3,954,855	\$ 973,826	\$ 78,859	\$ 565,645	\$ 381,751	\$ 58,267	\$ 15,773,405
2012	13,144,456	3,858,290	1,035,973	77,056	211,360	334,674	53,183	18,714,992
2011	12,636,469	3,614,290	1,050,973	75,599	229,542	292,412	53,625	17,952,910
2010	12,499,174	3,470,059	1,088,752	71,770	221,352	240,836	49,828	17,641,771
2009	9,998,764	2,747,733	1,193,140	74,134	239,722	177,985	53,905	14,485,383
2008	9,317,163	3,148,808	1,256,989	73,962	487,508	144,888	64,815	14,494,133
2007	10,029,591	3,205,007	1,277,210	69,270	495,260	157,876	43,498	15,277,712
2006	8,565,324	3,687,169	1,382,308	64,368	491,466	85,554	49,319	14,325,508
2005	7,352,615	3,282,480	1,432,379	61,096	525,040	58,563	49,895	12,762,068
2004	6,671,999	2,899,481	1,471,812	61,167	267,725	33,989	45,623	11,451,796
Change 2004-2013	46.3%	36.4%	-33.8%	28.9%	111.3%	1023.2%	27.7%	37.7%

## Notes:

<sup>a</sup> The Village attempts to keep the annual increase in property tax rates to 5% or less. The increases above that percentage are attributed to the tri-annual assessments applied by the Cook County Assessor.

Modified accrual basis of accounting

Village of Hillside  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Tax Year	Equalized Assessed Value Residential Property	Equalized Assessed Value Commercial Property	Equalized Assessed Value Industrial Property	Equalized Assessed Value Railroad Property	Total Taxable Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of total equalized assessed value to total estimated actual value
2013	2012*	N/A	N/A	N/A	\$ 122,895	\$ 213,902,446	\$ 3.961	\$ 641,707,338	33.33%
2012	2011	96,463,240	50,035,290	83,712,512	100,416	230,311,458	3.610	690,934,374	33.33%
2011	2010	126,770,698	50,977,821	99,661,108	110,770	277,520,397	3.427	832,561,191	33.33%
2010	2009	123,866,896	53,209,711	106,576,715	106,223	283,759,545	3.146	851,278,635	33.33%
2009	2008	120,669,029	48,679,082	126,652,933	86,420	296,087,464	2.874	888,262,392	33.33%
2008	2007	114,184,953	43,469,869	119,683,412	66,083	277,404,317	2.945	832,212,951	33.33%
2007	2006	96,634,829	44,927,525	116,265,161	46,478	257,873,993	3.028	773,621,979	33.33%
2006	2005	94,933,726	45,927,247	122,844,959	31,171	263,737,103	2.827	791,211,309	33.33%
2005	2004	79,142,241	47,609,352	104,541,001	31,868	231,324,462	2.854	693,973,386	33.33%
2004	2003	76,577,655	50,071,436	98,473,659	32,690	225,155,440	2.640	675,466,320	33.33%

Source: Office of the Cook County Clerk

\*Equalized Assessed Values by Classification of Property are not available from Cook County at the date of this report.



Village of Hillside  
Direct and Overlapping Property Tax Rates  
Last Ten Tax Levy Years  
(rate per \$100 of assessed value)  
(Unaudited)

	Tax Levy Year			
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Village Direct Rates</u>				
Village of Hillside	\$ 3.961	\$ 3.610	\$ 3.427	\$ 3.146
Village of Hillside Library Fund	0.450	0.405	0.320	0.299
Suburban TB Sanitarium	0.000	0.000	0.000	0.000
County of Cook	0.531	0.462	0.423	0.394
Consolidated Elections	0.000	0.025	0.000	0.021
Forest Preserve District of Cook County	0.063	0.058	0.051	0.049
Proviso Township	0.095	0.081	0.062	0.057
General Assistance - Proviso Township	0.045	0.038	0.031	0.033
Metropolitan Water Reclamation District	0.370	0.320	0.274	0.261
Community College District #504	0.269	0.267	0.225	0.214
Proviso Township High School #209	2.518	2.263	1.813	1.759
School District #93	2.230	1.980	1.643	1.567
Proviso Mental Health District	0.150	0.145	0.117	0.113
Des Plaines Valley Mosquito Abatement	0.015	0.014	0.011	0.011
Total Direct Rate	<u>\$ 10.697</u>	<u>\$ 9.668</u>	<u>\$ 8.397</u>	<u>\$ 7.924</u>
<u>Additional Overlapping Tax Rates</u>				
School District #87	\$ 4.226	\$ 3.836	\$ 3.091	\$ 2.975
School District #88	4.036	3.620	2.930	2.813
School District #92 1/2	2.844	2.536	2.048	2.044
School District #93	2.230	1.980	1.643	1.567
Memorial Park District	0.560	0.508	0.413	0.401
Westchester Park District	0.357	0.315	0.264	0.257

Source: Cook County Clerk's Office

Table 7

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	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	2.874	\$ 2.945	\$ 3.028	\$ 2.827	\$ 2.854	\$ 2.640
	0.273	0.278	0.285	0.266	0.290	0.276
	0.000	0.000	0.005	0.005	0.001	0.004
	0.415	0.446	0.500	0.533	0.593	0.630
	0.000	0.012	0.000	0.014	0.000	0.029
	0.051	0.053	0.057	0.060	0.060	0.059
	0.057	0.059	0.062	0.056	0.063	0.063
	0.033	0.034	0.036	0.033	0.037	0.037
	0.252	0.263	0.284	0.315	0.347	0.361
	0.212	0.224	0.240	0.233	0.259	0.269
	1.752	1.839	1.878	1.810	2.046	2.061
	1.433	1.486	1.525	1.457	1.561	1.570
	0.113	0.117	0.115	0.114	0.129	0.129
	0.012	0.012	0.012	0.011	0.012	0.012
\$	7.477	\$ 7.768	\$ 8.027	\$ 7.734	\$ 8.252	\$ 8.140

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\$	2.901	\$ 2.963	\$ 3.131	\$ 3.061	\$ 3.321	\$ 3.498
	2.664	2.741	2.765	2.616	2.962	2.998
	2.116	2.230	2.317	2.270	2.573	2.614
	1.433	1.486	1.525	1.457	1.561	1.570
	0.395	0.411	0.420	0.396	0.431	0.434
	0.219	0.318	0.279	0.266	0.294	0.305

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Village of Hillside  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
(Unaudited)

Taxpayer	Tax Levy Year 2012			Tax Levy Year 2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Par Development	\$ 14,226,993	1	6.65%	-	-	-
Target Corp T 2490	9,889,737	2	4.62%	-	-	-
Crown Enterprises Inc.	6,103,280	3	2.85%	-	-	-
Encore Realty Partners	5,429,161	4	2.54%	-	-	-
Carmax	4,963,757	5	2.32%	\$ 6,352,561	4	2.82%
Marc Realty	4,149,673	6	1.94%	6,630,285	2	2.94%
Newcastle Partners	4,134,789	7	1.93%	6,109,853	5	2.71%
Partipilo Fam Prtns	4,025,138	8	1.88%	-	-	-
Markwell Hillside LLC	3,881,320	9	1.81%	-	-	-
Warburg Storgemart	3,626,162	10	1.70%	-	-	-
Cambridge Realty	-	-	-	5,683,122	6	2.52%
TJ Adam & Company	-	-	-	6,585,069	3	2.92%
Prime Group Realty	-	-	-	6,762,868	1	3.00%
Central Transport	-	-	-	5,191,715	7	2.31%
Columbia Sussex	-	-	-	4,793,702	8	2.13%
Roosevelt Associates	-	-	-	4,503,535	9	2.00%
Hillside Ltd Partnership	-	-	-	4,179,244	10	1.86%
Total	<u>\$ 60,430,010</u>		<u>28.25%</u>	<u>\$ 56,791,954</u>		<u>25.22%</u>
Total City Taxable Assessed Value	<u>\$ 213,902,446</u>			<u>\$ 225,155,440</u>		

Source: Cook County Clerks Office

Village of Hillside  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$	8,212,907	\$ 3,938,131	47.95%	\$ -	\$ 3,938,131	47.95%
2012		8,059,267	4,629,850	57.45%	3,277,453	7,907,303	98.11%
2011		9,106,673	4,046,908	44.44%	4,871,165	8,918,073	97.93%
2010		8,638,052	4,083,415	47.27%	4,494,963	8,578,378	99.31%
2009		8,234,902	3,420,041	41.53%	4,792,641	8,212,682	99.73%
2008		7,902,403	3,105,529	39.30%	4,700,424	7,805,953	98.78%
2007		7,552,680	3,159,695	41.84%	4,380,875	7,540,570	99.84%
2006		7,313,614	2,891,402	39.53%	4,389,022	7,280,424	99.55%
2005		6,390,123	2,598,654	40.67%	3,727,552	6,326,206	99.00%
2004		5,746,674	2,368,052	41.21%	3,310,292	5,678,344	98.81%

Sources: Cook County Clerks Office

Village of Hillside  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Governmental Activities		Percentage of Actual Taxable Value of Property	Per Capita	Governmental Activities		Total Debt Primary Government	Percentage of Personal Income	Per Capita
	Bonded Debt				Other Debt				
	General								
	Obligation				Promissory				
	Bonds				Note				
					Installment Note				
2013	\$	5,777,924	0.90%	\$ 708	\$ 131,311	\$ -	\$ 5,909,235	4.3%	\$ 724
2012		6,426,458	0.93%	788	219,839	-	6,646,297	4.8%	815
2011		3,769,388	0.45%	462	303,541	-	4,072,929	3.0%	499
2010		6,266,790	0.74%	768	382,748	-	6,649,538	4.8%	815
2009		8,653,957	0.97%	1,061	457,669	-	9,111,626	6.6%	1,117
2008		10,860,898	1.31%	1,591	528,536	-	13,573,111	9.9%	1,664
2007		12,977,622	1.68%	1,836	595,489	-	15,764,556	11.4%	1,933
2006		14,973,658	1.89%	1,512	658,898	132,000	13,307,123	9.7%	1,632
2005		12,329,247	1.78%	1,689	718,876	259,000	14,930,955	10.8%	1,831
2004		13,775,347	2.04%	1,857	775,608	380,000	16,470,155	12.0%	2,020

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

Village Of Hillside, Illinois  
 Computation Of Direct And Overlapping Bonded Debt(1)  
 April 30, 2013  
 (Unaudited)

<u>Taxing Body</u>	<u>Outstanding Bonds</u>	<u>Percentage Applicable to Hillside</u>	<u>Amount Applicable to Hillside</u>
<u>Direct:</u>			
Village of Hillside	\$ 5,909,235 (5)	100.00%	\$ 5,909,235
Total Direct	<u>5,909,235</u>		<u>5,909,235</u>
<u>Overlapping (4):</u>			
County of Cook	3,706,435,000	0.16%	5,831,449
Forest Preserve District of Cook County	131,500,000 (3)	0.16%	206,893
Metropolitan Water Reclamation of Greater Chicago	2,492,761,543 (2)	0.16%	4,003,435
Memorial Park District	580,000 (3)	15.76%	91,386
Westchester Park District	509,465 (3)	1.55%	7,884
School District #87	18,035,000	9.01%	1,624,906
School District #88	31,697,166 (4)	6.10%	1,933,697
School District #92 1/2	9,540,000	1.56%	149,016
School District #93	2,630,000	52.35%	1,376,718
High School District 209	41,093,563 (3)	9.33%	3,833,328
Total Overlapping Bonded Debt			<u>19,058,710</u>
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$ 24,967,945</u>

## Notes:

- (1) Tax levy year 2012 information was used in the calculations of this statement.
- (2) Includes Revolving Loan Fund Bonds issued with the IEPA.
- (3) Excludes outstanding principal amounts of General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.
- (4) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
- (5) Includes outstanding bonds and promissory notes.

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

Village of Hillside  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(Unaudited)

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	Fiscal Year			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt limit	\$ 18,449,086	\$ 19,864,363	\$ 23,936,134	\$ 23,936,134
Total net debt applicable to limit	<u>5,755,000</u>	<u>6,400,000</u>	<u>3,755,000</u>	<u>6,270,000</u>
Legal debt margin	<u>\$ 12,694,086</u>	<u>\$ 13,464,363</u>	<u>\$ 20,181,134</u>	<u>\$ 17,666,134</u>
Total net debt applicable to the limit as a percentage of debt limit	31.19%	32.22%	15.69%	26.19%

Note: Under state finance law, the Village's outstanding general obligation debt should not exceed 8.625 percent of total assessed property value.

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Legal Debt Margin Calculation for Fiscal Year 2013					
Assessed value			\$ 213,902,446		
Debt limit (8.625% of assessed value)			18,449,086		
Debt applicable to limit:			<u>5,755,000</u>		
Legal debt margin			<u>\$ 12,694,086</u>		

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 25,537,544	\$ 23,926,122	\$ 22,241,632	\$ 22,747,325	\$ 19,951,735	\$ 19,419,657
<u>8,675,000</u>	<u>10,900,000</u>	<u>13,035,000</u>	<u>15,050,000</u>	<u>12,345,000</u>	<u>13,720,000</u>
<u>\$ 16,862,544</u>	<u>\$ 13,026,122</u>	<u>\$ 9,206,632</u>	<u>\$ 7,697,325</u>	<u>\$ 7,606,735</u>	<u>\$ 5,699,657</u>
33.97%	45.56%	58.61%	66.16%	61.87%	70.65%

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Village of Hillside  
Demographic and Economic Statistics  
Last Ten Calendar Years  
(Unaudited)

Calendar Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment	Unemployment Rate
2013	8,157	\$ 137,770,570	\$ 16,894	33.0	12.7	2,018	3.2%
2012	8,157	137,770,570	16,894	33.0	12.7	2,018	3.2%
2011	8,155	137,770,570	16,894	33.0	12.7	2,018	3.2%
2010	8,155	137,770,570	16,894	33.0	12.7	2,018	3.2%
2009	8,155	137,770,570	16,894	33.0	12.7	2,018	3.2%
2008	8,155	137,770,570	16,894	33.0	12.7	2,018	3.2%
2007	8,155	137,770,570	16,894	33.0	12.7	2,018	3.2%
2006	8,155	137,770,570	16,894	33.0	12.7	2,018	3.2%
2005	8,155	137,770,570	16,894	33.0	12.7	2,018	3.2%
2004	8,155	137,770,570	16,894	33.0	12.7	2,018	3.2%

Sources: 2000 & 2010 Federal Census

Village of Hillside  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)

<u>Employer</u>	<u>2013</u>		<u>Percentage of Total City Employment</u>
	<u>Employees</u>	<u>Rank</u>	
Gas Tech Inc.	364	1	9.4%
Dynamic Manufacturing	300	2	7.8%
Creative Automation Co.	250	3	6.5%
V Mark, Inc	200	4	5.2%
Admiral Heating & Ventalating	200	4	5.2%
Mechanical, Inc.	200	4	5.2%
Glass Services	200	4	5.2%
Orange Crush	170	5	4.4%
RR Donnelly	170	5	4.4%
Bekins Van Lines, LLC.	150	6	3.9%
RTS Packaging LLC	150	6	3.9%
Darwill Press, Inc.	150	6	3.9%
Total	<u>2,504</u>		<u>64.72%</u>

\*The number of employees listed in the 2013 directories are actually the number employed in 2012.  
The Illinois Department of Employment Security reports that 3,869 persons were employed in Hillside in 2012.

Source: 2013 Illinois Services Directory  
2013 Illinois Manufacturers' Directory  
2013 Harris Illinois Industrial Directory

Information for 2004 not available

Village of Hillside  
Full-time-Equivalent Village Government Employees by Function/Program  
Last Ten Fiscal Years  
(Unaudited)

<u>Function/Program</u>	<u>Full-time-Equivalent Employees as of April 30</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General government										
Administration	7	7	8	9	9	9	9	10	10	9
Social Services	-	-	-	-	-	1	1	1	1	1
Public Safety										
Police										
Officers	25	25	27	27	28	28	28	26	30	30
Civilians	8	8	8	8	8	9	9	8	8	9
Fire										
Firefighters	21	21	22	23	25	25	25	25	25	25
Civilians	1	1	1	1	1	1	1	1	1	1
Streets (Public Works)										
Administration	3	3	3	3	3	3	3	3	4	4
Streets	3	3	3	3	3	3	3	6	5	5
Building Services	3	3	3	3	3	3	3	3	3	3
Water	<u>3</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total	<u>74</u>	<u>74</u>	<u>79</u>	<u>81</u>	<u>84</u>	<u>87</u>	<u>87</u>	<u>88</u>	<u>92</u>	<u>92</u>

Source: Village Finance Department

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

Village of Hillside  
Operating Indicators by Function/Program  
Last Ten Fiscal Years  
(Unaudited)

Function/Program	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government										
Building permits issued	595	625	589	576	657	522	600	561	599	550
Building inspections conducted	1,807	1,874	1,767	1,296	1,993	1,515	1,800	1,683	1,797	1,650
Public Safety										
Police										
Calls for service	17,101	14,030	14,642	16,626	15,744	15,374	8,358	7,166	6,920	7,238
Physical arrests	627	435	518	669	470	646	808	536	454	481
Parking tickets	2,381	2,485	2,406	2,423	2,064	1,671	1,878	1,989	2,635	2,095
Traffic tickets	3,344	3,724	6,087	4,540	3,987	4,014	4,533	2,829	3,092	3,249
Fire										
Fire Calls	659	667	754	718	754	675	646	730	716	653
Ambulance Calls	1,448	1,501	1,382	1,247	1,387	1,351	1,293	1,331	1,338	1,254
ALS	624	596	559	488	531	533	547	565	554	465
BLS	350	406	329	303	292	314	268	266	274	293
Training Hours	6,623	5,684	4,775	5,410	6,155	6,499	4,537	3,775	4,430	5,095
Inspections Initial	126	155	99	99	290	225	354	338	354	351
Inspections Follow-Up	33	32	78	30	118	83	189	128	266	237
Streets (public works)										
Street resurfacing (miles)	-	-	-	-	-	-	-	4	2	-
Sewer Inspections Conducted	17	9	94	105	81	85	156	175	181	130
Library										
Volumes in collection	53,668	59,386	81,610	57,641	56,635	51,800	47,954	48,613	47,191	46,364
Total volumes borrowed	56,330	96,421	88,558	92,212	92,258	88,987	82,096	106,063	82,266	85,056
Water										
Meters Installed	211	29	16	27	16	22	16	56	57	58
Water main breaks	24	20	28	19	11	2	28	40	31	31
Average daily consumption (thousands of gallons)	980	1,055	1,061	981	730	1,180	1,148	1,150	1,149	1,130

Sources: Various Village departments.

Village of Hillside  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years  
(Unaudited)

Function/Program	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	25	25	27	27	28	28	28	26	30	30
Fire stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3
Streetlights	124	124	124	124	124	124	124	124	124	124
Parks and recreation										
Acreage	12.23	12.23	12.23	12.23	12.23	12.23	12.23	12.23	12.23	12.23
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	38.21	38.21	38.21	38.21	38.21	38.21	38.21	38.21	38.21	38.21
Fire hydrants	722	722	722	722	722	722	722	722	722	722
Storage capacity (thousands of gallons)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Wastewater										
Sewers (miles)	26.09	26.09	26.09	26.09	26.09	26.09	26.09	26.09	26.09	26.09

Sources: Various Village departments.

Notes: No capital asset indicators are available for the general government or library function.