

VILLAGE OF HILLSIDE, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2017

Prepared By:

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

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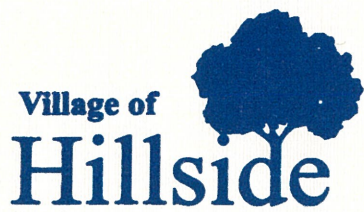
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INTRODUCTORY SECTION
(Unaudited)



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 27, 2017

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

The Comprehensive Annual Financial Report of the Village of Hillside, Illinois, for the fiscal year ending April 30, 2017, is submitted herewith. This report was prepared by the Village's Treasurer.

Village Engineer

K-Plus Engineering

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 decreased as a result of the overall economic conditions. FY 16-17 totaled \$4,545,874 which is down from FY 15-16 which totaled \$4,871,152 by 7.2 percent. State shared income tax also decreased along with Motor Fuel Tax receipts 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 1st 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. TIF – Mannheim Road
 - C. TIF – Shopping Center
- II. NON-MAJOR GOVERNMENTAL FUNDS
 - A. Special Revenue Funds
 - B. Debt Service Fund
 - C. Capital Projects Funds
- III. MAJOR PROPRIETARY FUNDS
 - A. Water Fund
 - B. Sewer Fund
- 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 2017 and a comparison, where available, to performance in 2016, 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 2012, 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.

During fiscal year 2015 the Village implemented Governmental Accounting Standards Board Statement Number 67 which improves financial reporting for governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

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, 2016. 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 thirty-two of thirty-four 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, 2016

Executive Director/CEO

VILLAGE OF HILLSIDE, ILLINOIS

Village Officials

April 30, 2017

PRESIDENT

Joseph T. Tamburino

TRUSTEES

Lytton H. Andersen
Valerie J. Farries
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.

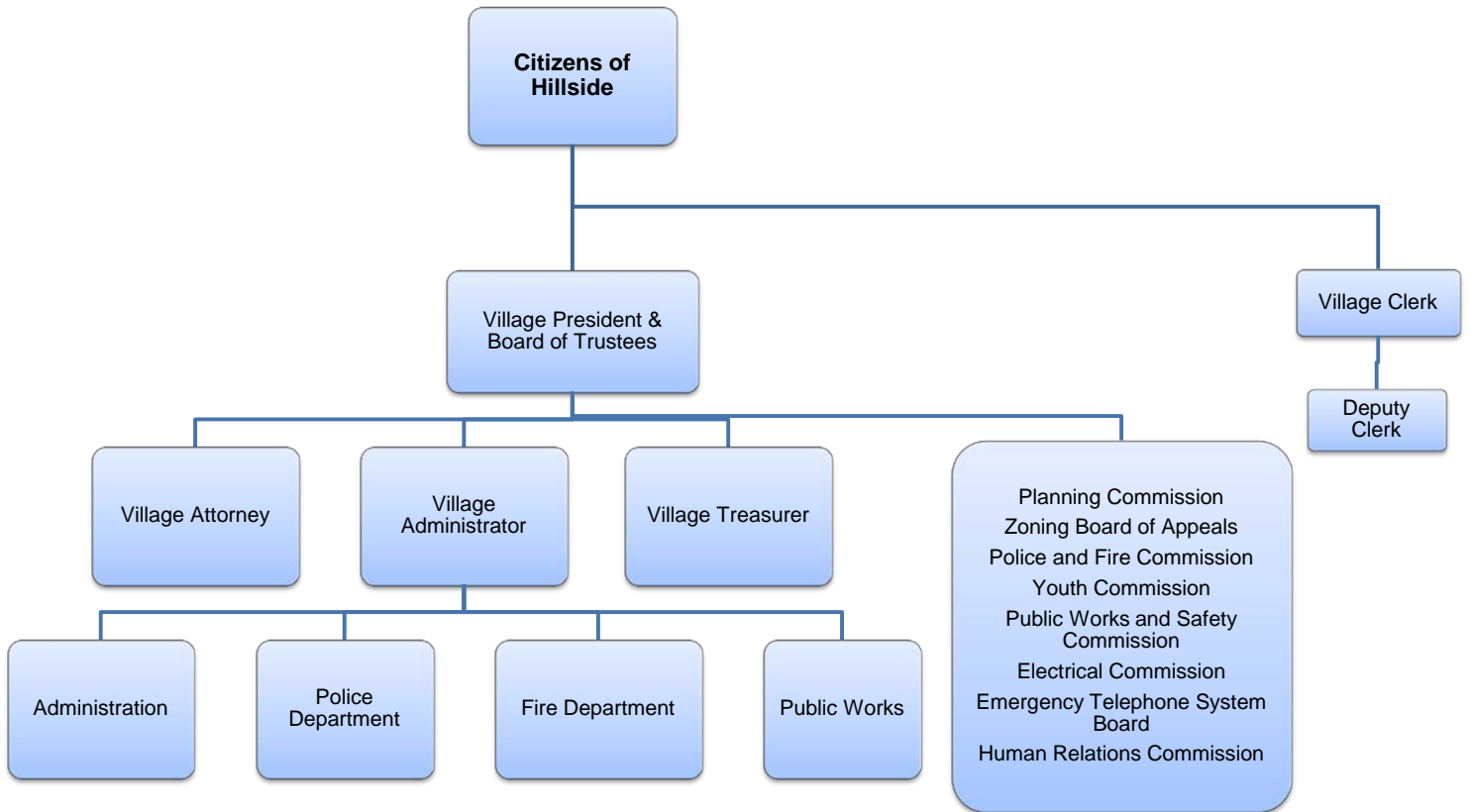
ENGINEER

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 the 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, 2017, 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 the Hillside Public Library (the Library), which represents the entire 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 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Library were not audited in accordance with *Government Auditing Standards*.

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 Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued)

Opinions

In our opinion, based on our audit and the report of the 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, 2017, 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.

Other Matters

Required Supplementary Information

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

Supplementary Information

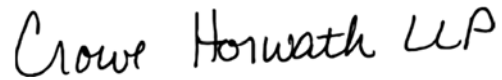
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic 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 basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2017 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe Horwath LLP". The signature is written in a cursive, flowing style.

Crowe Horwath LLP

Oak Brook, Illinois
October 27, 2017

VILLAGE OF HILLSIDE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

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, 2017 (FY17). 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 liabilities and deferred inflows of the Village of Hillside exceeded its assets and deferred outflows at the close of the fiscal year by \$5,379,847 (net position).

The government's total net position decreased by \$2,522,047 (or 88%) during FY17. The governmental net position decreased by \$2,508,921 (or 19%) from the year ended April 30, 2016 (FY16) and the business-type activities net position decreased by \$13,126 (or .1%) from FY16.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$13,245,161, a decrease of \$1,017,313 in comparison with the prior year.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,686,906.

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 (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources with the difference between (a) and (b) 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.

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.

VILLAGE OF HILLSIDE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

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 TIF Shopping Center fund, all of which are considered to be major funds. Information from the Village's seven 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, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The following chart reflects the condensed Statement of Net Position for fiscal years 2016 and 2017 (in millions).

	Governmental Activities		Business-type Activities		Total Government	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Assets:						
Current & Other	\$ 20.1	\$ 19.9	\$ 5.9	\$ 6.1	\$ 26.0	\$ 26.0
Capital Assets	22.0	22.2	5.0	4.8	27.0	27.0
Total Assets	<u>42.1</u>	<u>42.1</u>	<u>10.9</u>	<u>10.9</u>	<u>53.0</u>	<u>53.0</u>
Deferred Outflows of Resources	<u>3.5</u>	<u>6.9</u>	<u>-</u>	<u>-</u>	<u>3.5</u>	<u>6.9</u>
Liabilities:						
Other Liabilities	2.5	2.3	0.4	0.5	2.9	2.8
Long-term Liabilities	51.4	57.0	0.1	0.1	51.5	57.1
Total Liabilities	<u>53.9</u>	<u>59.3</u>	<u>0.5</u>	<u>0.6</u>	<u>54.4</u>	<u>59.9</u>
Deferred Inflows of Resources	<u>4.9</u>	<u>5.4</u>	<u>-</u>	<u>-</u>	<u>4.9</u>	<u>5.4</u>
Net Position:						
Net Investment in Capital Assets	19.0	19.1	5.0	4.8	24.0	23.9
Restricted	5.5	4.5	-	-	5.5	4.5
Unrestricted	(37.7)	(39.3)	5.4	5.5	(32.3)	(33.8)
Total Net Position	<u>\$ (13.2)</u>	<u>\$ (15.7)</u>	<u>\$ 10.4</u>	<u>\$ 10.3</u>	<u>\$ (2.8)</u>	<u>\$ (5.4)</u>

The largest portion of the Village of Hillside's net position 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 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 has a negative balance for government-wide net position and a positive balance in business-type net position.

VILLAGE OF HILLSIDE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

The following chart reflects the condensed Statement of Activities for fiscal years 2016 and 2017 (in millions).

	Governmental Activities		Business-type Activities		Total Government	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 3.0	\$ 3.1	\$ 3.0	\$ 3.0	\$ 6.0	\$ 6.1
Oper. Grants/Contrib.	1.1	1.9	-	-	1.1	1.9
Capital Grants/Contrib.	-	-	-	-	-	-
General Revenues						
Property Taxes	11.5	11.0	0.1	-	11.6	11.0
Sales & Utility	6.5	5.7	-	-	6.5	5.7
Other	1.8	1.9	-	-	1.8	1.9
Total Revenues	<u>23.9</u>	<u>23.6</u>	<u>3.1</u>	<u>3.0</u>	<u>27.0</u>	<u>26.6</u>
Expenses						
Gen Gov't	6.8	7.4	-	-	6.8	7.4
Public Safety	12.0	14.1	-	-	12.0	14.1
Highway & Streets	3.7	3.9	-	-	3.7	3.9
Culture & Rec	-	-	-	-	-	-
Sanitation	0.6	0.6	-	-	0.6	0.6
Interest LT Debt	0.1	0.1	-	-	0.1	0.1
Water	-	-	2.9	3.0	2.9	3.0
Sewer	-	-	0.1	0.1	0.1	0.1
Total Expenses	<u>23.2</u>	<u>26.1</u>	<u>3.0</u>	<u>3.1</u>	<u>26.2</u>	<u>29.2</u>
Increase(Decrease) in Net Position before Transfers	<u>0.7</u>	<u>(2.5)</u>	<u>0.1</u>	<u>(0.1)</u>	<u>0.8</u>	<u>(2.6)</u>
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	0.7	(2.5)	0.1	(0.1)	0.8	(2.6)
Beginning Net Position	<u>(13.9)</u>	<u>(13.2)</u>	<u>10.3</u>	<u>10.4</u>	<u>32.2</u>	<u>(2.8)</u>
Ending Net Posiiton	<u>\$ (13.2)</u>	<u>\$ (15.7)</u>	<u>\$ 10.4</u>	<u>\$ 10.3</u>	<u>\$ (2.8)</u>	<u>\$ (5.4)</u>

Governmental Activities: Governmental activities decreased the Village of Hillside's net position in FY17 by \$2.5 million. Property taxes and sales taxes decreased in FY17 compared to FY16. General government, public safety, highway and streets, and culture and recreation expenses increased from FY16 to FY17.

VILLAGE OF HILLSIDE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

Business-Type Activities: Business-Type activities did not affect the Village of Hillside's net position in FY17. This was the result of the user fees generated not 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 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 \$13,245,161 a decrease of \$1,017,313 in comparison with the prior year. Approximately 65.3% of this amount, \$8,642,514, constitutes unassigned fund balance, which is available for spending at the government's discretion. 0.03% of fund balance is considered nonspendable. The remaining 34.7% of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted to insurance of \$0.6 million, economic development of \$3.3 million and other purposes of \$0.7 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 \$8,686,906, while the total fund balance was \$9,274,778. The fund balance of the Village of Hillside's general fund increased by \$870,679 during the current fiscal year. The increase is due to an increase in miscellaneous revenues.

The fund balance of the Village of Hillside's Mannheim Road TIF Fund totaled \$2,130,124 as of April 30, 2017. This is a result of the property tax revenue earned exceeding the development expenditures incurred in the fund in prior years.

The fund balance of the Village of Hillside's Shopping Center TIF Fund totaled \$0 as of April 30, 2017. This 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. The fund balance for this fund decreased by \$245,809 as a result of the closing of the fund in FY17.

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 \$6,072,799, and those for the Sewer Fund amounted to \$4,260,431. The Water Fund had a decrease in net position of \$68,675. The Sewer Fund had an increase in net position of \$55,549.

VILLAGE OF HILLSIDE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

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

General Fund:	Adopted Budget	Actual
Revenues:		
Taxes	\$ 14.4	\$ 14.1
Intergovernmental	2.0	2.9
Other	3.4	2.6
Total	<u>19.8</u>	<u>19.6</u>
Expenditures:		
Current Expenditures	20.4	18.8
Debt Service	-	-
Total	<u>20.4</u>	<u>18.8</u>
Other Financing Sources	<u>0.1</u>	<u>0.1</u>
Net Change in Fund Balance	<u>\$ (0.5)</u>	<u>\$ 0.9</u>

There were no General Fund budget amendments in fiscal year 2017. Intergovernmental revenues were over budget by \$990,338 and fines and forfeitures were under budget by \$681,961. General administration expenditures were under budget by \$1,227,379, as well as highway and streets by \$353,725.

VILLAGE OF HILLSIDE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION

Governmental Activities
Change in Capital Assets
(in millions)

	Balance May 1, 2016	Net Additions / Deletions	Balance April 30, 2017
Non-Depreciable Assets:			
Land / CIP	\$ 7.2	\$ 0.5	\$ 7.7
Other Capital Assets:			
Infrastructure	12.4	-	12.4
Buildings & Improvements	11.6	0.1	11.7
Vehicles, Furniture, & Fixtures	7.5	0.6	8.1
Accum. Depreciation on Capital Assets	(16.7)	(1.0)	(17.7)
Total	\$ 22.0	\$ 0.2	\$ 22.2

Business-Type Activities
Change in Capital Assets
(in millions)

	Balance May 1, 2016	Net Additions / Deletions	Balance April 30, 2017
Non-Depreciable Assets:			
Land / CIP	\$ -	\$ -	\$ -
Other Capital Assets:			
Infrastructure	9.4	-	9.4
Buildings & Improvements	-	-	-
Vehicles, Furniture, & Fixtures	0.8	-	0.8
Accum. Depreciation on Capital Assets	(5.2)	(0.2)	(5.4)
Total	\$ 5.0	\$ (0.2)	\$ 4.8

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

Debt Administration: At April 30, 2017, the Village had outstanding debt as follows:

General Obligation Bonds Series 2005B	\$ 405,000
General Obligation Bonds Series 2012A	2,670,000
Add unamortized amounts	7,288
Total General Obligation Bonds	<u>\$ 3,082,288</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.

VILLAGE OF HILLSIDE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

ECONOMIC FACTORS

Sales tax revenues continue to increase year to year 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.

The Village is undergoing a study of the Roosevelt Road corridor from Mannheim Road on the east to Wolf Road on the west to improve the overall conditions of the area. The study should be complete in the fall of 2017 with implementation to follow as developers come on line.

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.

CarMax Auto Superstore occupies approximately 20 acres, which is a retail facility selling quality previously owned motor vehicles on a 33 acre site located along the Eisenhower Expressway. The 13 acres adjacent to CarMax Auto Superstore is mostly vacant land. The Village is working to attract senior housing to occupy the vacant parcel.

This same area also hosts a 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.

Next to the nursing home is an 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.

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 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.

VILLAGE OF HILLSIDE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

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, Panda Express, T Mobile, Wing Stop, Vision Works, Game Stop, GNC, Home Goods, 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 93% leased.

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.

In December 2014, the Village of Hillside created a Tax Increment Financing (TIF) District in an effort to revitalize the areas along Roosevelt Road from Mannheim Road on the east to Wolf Road on the west. The Roosevelt Road Redevelopment Project Plan is approximately 105 acres, including street and alley rights-of-way (net of rights-of-way, 89 acres). The Village plans to renovate or redevelop underperforming and obsolete parcels along Roosevelt Road commercial corridor and ultimately enhance the tax base of the community.

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, 2017

STATEMENT 1

	Primary Government			
	Governmental	Business-type		Component
	Activities	Activities	Total	Unit
ASSETS				
Cash & Investments	\$ 12,825,130	\$ 5,558,129	\$ 18,383,259	\$ 1,668,910
Receivables				
Property Taxes	5,061,790	51,562	5,113,352	624,368
Intergovernmental	1,941,089	-	1,941,089	36,012
Accounts (Net of Allowance of \$67,096)	-	494,520	494,520	-
Prepays	-	-	-	24,515
Inventory	3,915	33,862	37,777	-
Capital Assets not Being Depreciated	7,750,998	14,914	7,765,912	624,680
Capital Assets Being Depreciated, Net	14,441,873	4,815,990	19,257,863	788,798
Total Assets	<u>42,024,795</u>	<u>10,968,977</u>	<u>52,993,772</u>	<u>3,767,283</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	6,947,257	28,188	6,975,445	102,708
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 48,972,052</u>	<u>\$ 10,997,165</u>	<u>\$ 59,969,217</u>	<u>\$ 3,869,991</u>
LIABILITIES				
Accounts Payable	\$ 553,817	\$ 328,849	\$ 882,666	\$ 14,629
Accrued Payroll	4,645	-	4,645	5,993
Interest Payable	38,632	-	38,632	-
Deposits Payable	6,500	133,513	140,013	-
Due to Others	151,727	-	151,727	-
Long-term Obligations, Due Within One Year				
Bonds Payable	715,000	-	715,000	-
Compensated Absences	787,538	26,386	813,924	32,294
Early Retirement Benefit Obligation	95,013	-	95,013	-
Long-term Obligations, Due in More Than One Year				
Bonds Payable	2,367,288	-	2,367,288	-
Compensated Absences	1,171,015	37,064	1,208,079	-
Early Retirement Benefit Obligation	419,710	-	419,710	-
Other Post Employment Benefits Obligation	975,976	21,771	997,747	-
Net Pension Liability	52,020,296	62,267	52,082,563	287,613
Total Liabilities	<u>59,307,157</u>	<u>609,850</u>	<u>59,917,007</u>	<u>340,529</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	316,182	2,523	318,705	151,233
Property Taxes	5,061,790	51,562	5,113,352	-
Total Deferred Inflows of Resources	<u>5,377,972</u>	<u>54,085</u>	<u>5,432,057</u>	<u>151,233</u>
NET POSITION				
Net Investment in Capital Assets	19,110,583	4,830,904	23,941,487	1,413,478
Restricted for Capital Projects	-	-	-	93,606
Restricted for Debt Service	250,696	-	250,696	-
Restricted for Economic Development	3,299,959	-	3,299,959	-
Restricted for Other	943,984	-	943,984	80,651
Unrestricted Net Position	(39,318,299)	5,502,326	(33,815,973)	1,790,494
Total Net Position	<u>(15,713,077)</u>	<u>10,333,230</u>	<u>(5,379,847)</u>	<u>3,378,229</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 48,972,052</u>	<u>\$ 10,997,165</u>	<u>\$ 59,969,217</u>	<u>\$ 3,869,991</u>

See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended April 30, 2017

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	
Primary Government								
Governmental Activities								
General Government	\$ 7,399,356	\$ 1,684,956	\$ -	\$ -	\$ (5,714,400)		\$ (5,714,400)	
Public Safety	14,108,499	1,425,082	1,246,049	-	(11,437,368)		(11,437,368)	
Highway and Streets	3,878,759	-	634,504	-	(3,244,255)		(3,244,255)	
Culture and Recreation	52,825	-	-	-	(52,825)		(52,825)	
Sanitation	603,187	-	-	-	(603,187)		(603,187)	
Interest on Debt	100,526	-	-	-	(100,526)		(100,526)	
Total Governmental Activities	26,143,152	3,110,038	1,880,553	-	(21,152,561)		(21,152,561)	
Business-type Activities								
Water	3,028,847	2,867,922	-	-	-	\$ (160,925)	(160,925)	
Sewer	64,331	119,880	-	-	-	55,549	55,549	
Business-type Activities	3,093,178	2,987,802	-	-	-	(105,376)	(105,376)	
Total Primary Government	\$ 29,236,330	\$ 6,097,840	\$ 1,880,553	\$ -	(21,152,561)	(105,376)	(21,257,937)	
Component Unit								
Library	\$ 1,015,594	\$ 18,548	\$ 7,125	\$ -				\$ (989,921)
General revenues								
Taxes								
Property					11,006,606	92,250	11,098,856	1,105,312
Sales					4,940,182	-	4,940,182	-
Utility					820,943	-	820,943	-
Other					754,249	-	754,249	-
Unrestricted Intergovernmental Revenue					991,710	-	991,710	29,678
Investment Earnings					57,548	-	57,548	6,148
Gain on Sale of Assets					9,345	-	9,345	-
Other General Revenues					63,057	-	63,057	32,169
Total General Revenues					18,643,640	92,250	18,735,890	1,173,307
Change in Net Position					(2,508,921)	(13,126)	(2,522,047)	183,386
Net Position, May 1, 2016					(13,204,156)	10,346,356	(2,857,800)	3,194,843
Net Position, April 30, 2017					<u>\$ (15,713,077)</u>	<u>\$ 10,333,230</u>	<u>\$ (5,379,847)</u>	<u>\$ 3,378,229</u>

See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2017

STATEMENT 3

	Major Funds			Nonmajor	Total
	General	Mannheim	TIF	Governmental	Governmental
	Fund	Road TIF	Shopping	Funds	Funds
		Fund	Center Fund		
ASSETS					
Cash & Investments	\$ 8,712,136	\$ 2,130,124	\$ -	\$ 1,982,870	\$ 12,825,130
Receivables					
Property Taxes	4,408,580	-	-	653,210	5,061,790
Intergovernmental	1,905,122	-	-	35,967	1,941,089
Inventory	3,915	-	-	-	3,915
Total Assets	\$ 15,029,753	\$ 2,130,124	\$ -	\$ 2,672,047	\$ 19,831,924
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 379,884	\$ -	\$ -	\$ 178,578	\$ 558,462
Due to Fiduciary Funds	122,049	-	-	-	122,049
Due to Component Units	29,678	-	-	-	29,678
Deposits Payable	6,500	-	-	-	6,500
Total Liabilities	538,111	-	-	178,578	716,689
Deferred Inflows of Resources					
Property Taxes	4,408,580	-	-	653,210	5,061,790
Unavailable Other Revenue	808,284	-	-	-	808,284
Total Deferred Inflows of Resources	5,216,864	-	-	653,210	5,870,074
Fund Balances					
Nonspendable					
Inventory	3,915	-	-	-	3,915
Restricted					
Insurance	583,957	-	-	-	583,957
Streets and Highways	-	-	-	104,918	104,918
Public Safety	-	-	-	320,570	320,570
Debt Service	-	-	-	289,328	289,328
Economic Development	-	2,130,124	-	1,169,835	3,299,959
Unassigned	8,686,906	-	-	(44,392)	8,642,514
Total Fund Balances	9,274,778	2,130,124	-	1,840,259	13,245,161
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 15,029,753	\$ 2,130,124	\$ -	\$ 2,672,047	\$ 19,831,924

VILLAGE OF HILLSIDE, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
April 30, 2017

STATEMENT 4

Total fund balances - governmental funds	\$ 13,245,161
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation of \$17,732,744 used in governmental activities are not financial resources and therefore are not reported in the funds.	22,192,871
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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	808,284
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Deferred outflows of resources related to pensions do not involve available financial resources and accordingly are not reported on the fund financial statements	6,947,257
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Deferred inflows of resources related to pensions do not involve available financial resources and accordingly are not reported on the fund financial statements	(316,182)
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Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:

Interest Payable on Long-term Debt	(38,632)
Bonds Payable	(3,082,288)
Compensated Absences	(1,958,553)
Net Pension Liability	(52,020,296)
Other Post Employment Benefits Obligation	(975,976)
Early Retirement Benefit Obligation	<u>(514,723)</u>

Net position of governmental activities	\$ <u>(15,713,077)</u>
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VILLAGE OF HILLSIDE, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended April 30, 2017

STATEMENT 5

	Major Funds			Nonmajor	Total
	General	Mannheim	TIF	Governmental	Governmental
	Fund	Road TIF	Shopping	Funds	Funds
		Fund	Center Fund		
Revenues					
Property Taxes	\$ 7,739,167	\$ 2,121,954	\$ 204	\$ 1,145,281	\$ 11,006,606
Taxes	6,289,220	-	-	107,545	6,396,765
Intergovernmental Revenues	2,950,338	-	-	206,423	3,156,761
Licenses and Permits	252,877	-	-	-	252,877
Charges for Services	413,482	-	-	-	413,482
Fines and Forfeitures	1,554,239	-	-	-	1,554,239
Investment Income	50,159	-	799	6,590	57,548
Miscellaneous	336,177	-	-	-	336,177
Total Revenues	<u>19,585,659</u>	<u>2,121,954</u>	<u>1,003</u>	<u>1,465,839</u>	<u>23,174,455</u>
Expenditures					
Current:					
General Administration	3,762,801	2,167,142	-	1,577,717	7,507,660
Public Safety	11,351,981	-	-	74,592	11,426,573
Highway and Streets	3,708,975	-	116,032	-	3,825,007
Sanitation	-	-	-	603,187	603,187
Culture and Recreation	31,353	-	-	-	31,353
Debt Service - Principal	-	-	-	695,000	695,000
Debt Service - Interest and Fees	-	-	-	112,333	112,333
Total Expenditures	<u>18,855,110</u>	<u>2,167,142</u>	<u>116,032</u>	<u>3,062,829</u>	<u>24,201,113</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>730,549</u>	<u>(45,188)</u>	<u>(115,029)</u>	<u>(1,596,990)</u>	<u>(1,026,658)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	9,345	-	-	-	9,345
Transfers In	130,785	-	-	-	130,785
Transfers Out	-	-	(130,780)	(5)	(130,785)
Total Other Financing Sources (Uses)	<u>140,130</u>	<u>-</u>	<u>(130,780)</u>	<u>(5)</u>	<u>9,345</u>
Net Change in Fund Balances	870,679	(45,188)	(245,809)	(1,596,995)	(1,017,313)
Fund Balances at Beginning of Year	<u>8,404,099</u>	<u>2,175,312</u>	<u>245,809</u>	<u>3,437,254</u>	<u>14,262,474</u>
Fund Balances at End of Year	<u>\$ 9,274,778</u>	<u>\$ 2,130,124</u>	<u>\$ -</u>	<u>\$ 1,840,259</u>	<u>\$ 13,245,161</u>

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, 2017

STATEMENT 6

Net change in total fund balances	\$ (1,017,313)
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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	450,431
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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	\$ (379,107)	
Change in Net Pension Liability and Deferred Items	(2,365,531)	
Change in Other Post Employment Benefits	(168,413)	
Change in Early Retirement Benefit Obligation	29,752	
Amortization of Premium	4,146	
Change in Accrued Interest on Debt	<u>7,661</u>	
Total Expenses of Non-current Resources		(2,871,492)

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	1,306,980	
Depreciation Expense	<u>(1,072,527)</u>	
Excess of Capital Outlay over Depreciation		234,453

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	<u>695,000</u>	
		<u>695,000</u>

Change in net position of governmental activities	<u>\$ (2,508,921)</u>
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VILLAGE OF HILLSIDE, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2017

STATEMENT 7

	Enterprise Funds		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets			
Cash & Investments	\$ 1,618,675	\$ 3,939,454	\$ 5,558,129
Receivables			
Property Taxes	51,562	-	51,562
Accounts (Net of Allowance of \$67,096)	477,746	16,774	494,520
Inventory	33,862	-	33,862
Total Current Assets	<u>2,181,845</u>	<u>3,956,228</u>	<u>6,138,073</u>
Noncurrent Assets			
Capital Assets Not Being Depreciated	14,914	-	14,914
Capital Assets Being Depreciated, Net	4,511,787	304,203	4,815,990
Total Noncurrent Assets	<u>4,526,701</u>	<u>304,203</u>	<u>4,830,904</u>
Total Assets	<u>6,708,546</u>	<u>4,260,431</u>	<u>10,968,977</u>
Deferred Outflows of Resources			
Deferred Pension Outflows	28,188	-	28,188
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 6,736,734</u>	<u>\$ 4,260,431</u>	<u>\$ 10,997,165</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current Liabilities			
Accounts Payable	\$ 328,849	\$ -	\$ 328,849
Deposits Payable	133,513	-	133,513
Compensated Absences	26,386	-	26,386
Total Current Liabilities	<u>488,748</u>	<u>-</u>	<u>488,748</u>
Noncurrent Liabilities			
Compensated Absences	37,064	-	37,064
Other Post Employment Benefits Obligation	21,771	-	21,771
Net Pension Liability	62,267	-	62,267
Total Noncurrent Liabilities	<u>121,102</u>	<u>-</u>	<u>121,102</u>
Total Liabilities	<u>609,850</u>	<u>-</u>	<u>609,850</u>
Deferred Inflows of Resources			
Deferred Pension Inflows	2,523	-	2,523
Property Taxes	51,562	-	51,562
Total Deferred Inflows of Resources	<u>54,085</u>	<u>-</u>	<u>54,085</u>
Net Position			
Net Investment in Capital Assets	4,526,701	304,203	4,830,904
Unrestricted	1,546,098	3,956,228	5,502,326
Total Net Position	<u>6,072,799</u>	<u>4,260,431</u>	<u>10,333,230</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 6,736,734</u>	<u>\$ 4,260,431</u>	<u>\$ 10,997,165</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, 2017

STATEMENT 8

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Operating Revenues			
Charges for Services	\$ 2,767,673	\$ 119,880	\$ 2,887,553
Penalties	<u>100,249</u>	<u>-</u>	<u>100,249</u>
Total Operating Revenues	<u>2,867,922</u>	<u>119,880</u>	<u>2,987,802</u>
Operating Expenses			
Water Operations	769,438	-	769,438
Sewer Operations	-	46,516	46,516
Cost of Sales	2,130,806	-	2,130,806
Depreciation	<u>128,603</u>	<u>17,815</u>	<u>146,418</u>
Total Operating Expenses	<u>3,028,847</u>	<u>64,331</u>	<u>3,093,178</u>
Operating Income (Loss)	<u>(160,925)</u>	<u>55,549</u>	<u>(105,376)</u>
Nonoperating Revenues (Expenses)			
Property Taxes	<u>92,250</u>	<u>-</u>	<u>92,250</u>
Total Nonoperating Revenues (Expenses)	<u>92,250</u>	<u>-</u>	<u>92,250</u>
Change in Net Position	(68,675)	55,549	(13,126)
Net Position at Beginning of Year	<u>6,141,474</u>	<u>4,204,882</u>	<u>10,346,356</u>
Net Position at End of Year	<u>\$ 6,072,799</u>	<u>\$ 4,260,431</u>	<u>\$ 10,333,230</u>

See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2017

STATEMENT 9

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 2,864,027	\$ 121,822	\$ 2,985,849
Cash payments for goods and services	(2,495,000)	(67,296)	(2,562,296)
Cash payments to employees	(237,750)	-	(237,750)
Net cash provided by/(used in) operating activities	<u>131,277</u>	<u>54,526</u>	<u>185,803</u>
Cash Flows From Noncapital Financing Activities			
Property Taxes	92,250	-	92,250
Net cash provided by/(used in) noncapital financing activities	<u>92,250</u>	<u>-</u>	<u>92,250</u>
Net increase/(decrease) in cash	223,527	54,526	278,053
Cash & Investments, Beginning of Year	<u>1,395,148</u>	<u>3,884,928</u>	<u>5,280,076</u>
Cash & Investments, End of Year	<u>\$ 1,618,675</u>	<u>\$ 3,939,454</u>	<u>\$ 5,558,129</u>
Reconciliation of operating income to net cash provided by/(used in) operating activities			
Operating income/(loss)	\$ (160,925)	\$ 55,549	\$ (105,376)
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	(3,895)	1,942	(1,953)
Decrease (increase) in other assets	621	-	621
Decrease (increase) in inventory	19,241	-	19,241
Decrease (increase) in deferred outflows - pension	(3,906)	-	(3,906)
Increase (decrease) in accounts payable	105,403	(20,780)	84,623
Increase (decrease) in compensated absences	9,070	-	9,070
Increase (decrease) in other post-employment benefits obligation	5,646	-	5,646
Increase (decrease) in net pension liability	1,473	-	1,473
Increase (decrease) in deferred inflows - pension	2,326	-	2,326
Increase (decrease) in deposits payable	27,620	-	27,620
Total Adjustments	<u>292,202</u>	<u>(1,023)</u>	<u>291,179</u>
Net cash provided by/(used in) operating activities	<u>\$ 131,277</u>	<u>\$ 54,526</u>	<u>\$ 185,803</u>

See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
April 30, 2017

STATEMENT 10

	<u>Pension Trust Funds</u>
ASSETS	
Cash & Investments	
Money Markets	\$ 323,330
U.S. Government and Agency Obligations	12,353,161
Mutual Funds	12,195,224
Stocks	1,449,342
State and Local Obligations	1,342,409
Corporate Fixed Income	894,984
Total Cash & Investments	<u>28,558,450</u>
Receivables	
Interest Receivable	91,564
Due from Primary Government	122,049
Total Receivables	<u>213,613</u>
Prepays	<u>6,187</u>
Total Assets	<u>28,778,250</u>
LIABILITIES	
Accounts Payable	<u>13,582</u>
Total Liabilities	<u>13,582</u>
NET POSITION	
Restricted for Pensions	<u>28,764,668</u>
Total Net Position	<u>\$ 28,764,668</u>

See accompanying notes to financial statements.

VILLAGE OF HILLSIDE, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year ended April 30, 2017

STATEMENT 11

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 2,128,236
Plan Members	<u>442,520</u>
 Total Contributions	 <u>2,570,756</u>
 Investment Income	
Interest and dividends	762,481
Net increase (decrease) in fair value	1,473,883
Less investment expense	<u>(108,107)</u>
Net Investment Income	<u>2,128,257</u>
 Total Additions	 <u>4,699,013</u>
 DEDUCTIONS	
Benefits	2,884,267
Administrative Expenses	<u>109,087</u>
 Total Deductions	 <u>2,993,354</u>
 Change in Net Position	 1,705,659
 Net Position at Beginning of Year	 <u>27,059,009</u>
 Net Position at End of Year	 <u><u>\$ 28,764,668</u></u>

See accompanying notes to financial statements.

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: This report includes all of the funds of the Village of Hillside. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement Nos. 14, 39, and 61.

The primary criterion for including a potential component unit within the reporting entity under GASB Statement No. 14, as amended by GASB Statement No. 61, is the financial accountability that the elected officials of the primary government have for the component unit. The criteria used in assessing financial accountability consist of (1) the primary government is financially accountable if it appoints a voting majority of the organization's governing body *and* (a) it is able to impose its will on that organization *or* (b) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government; *and* (2) the primary government is financially accountable if the organization is fiscally dependent on *and* there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Component units that are fiduciary in nature are reported in the primary government's fund financial statements only. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

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. The primary government (Village) is considered financially accountable since the organization (Library) is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government (collection of replacement taxes) regardless of whether the organization has a separately elected governing board. Because of Library's fiscal dependency on

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the Village and the Village's financial accountability over the Library, 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 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 Firefighters' Pension Funds – The Village's police and fire employees participate in the Police Pension Employees Retirement System (PPERS) and the Firefighters' 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 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, deferred outflows and inflows of resources, fund balance, 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

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, deferred outflows and inflows of resources, 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.

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.

For the year ended April 30, 2017, a portion of the Village's share of the State Income Tax was received past 60 days of year end due to the current fiscal issues facing the State of Illinois. As such, the Village elected to recognize the portion received after 60 days as revenue, or \$74,797 in order to properly present 12 months of revenue on the financial statements.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

TIF Shopping Center Fund – This 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.

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.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 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.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

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, deferred outflows and inflows of resources, 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.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 acquisition 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.

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 2016 property tax levy due to the second installment being intended to fund the next fiscal year's operations.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The Village also defers differences between expected and actual experience and changes in pension plan assumptions, which are amortized over the average expected remaining service lives of employees who are provided with benefits through the pension plan. Loss on pension investments are deferred and amortized over five years.

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. Additionally, certain amounts related to pensions must be deferred. Changes in pension plan assumptions and differences between expected and actual experience are deferred and amortized over the average expected remaining service lives of employees who are provided with benefits through the pension plan.

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, 2017, of \$1,958,553 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 \$63,450 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.

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.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance/Net Position: Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. 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 is reported as restricted when there are limitations imposed on its 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 balance as of April 30, 2017, except for the Disposal Service Fund which had a negative fund balance of \$44,392.

Fund Balance - 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 balance is classified the same as in the government-wide statements.

Fiduciary fund balance is classified as restricted 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.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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 expenses/expenditures 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 \$7,621,124 at April 30, 2017, while the bank balances were \$7,917,889. 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 \$87,694 at April 30, 2017. 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, 2017.

Investment Type	Fair Value	Investment Maturity
		Less Than One Year
State Treasurer Illinois Funds	\$ 10,674,441	\$ 10,674,441

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value – The Village categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs and are valued using a matrix pricing model. Level 3 inputs are significant unobservable inputs and are valued using future projected cash flows. The Village had no investments subject to fair value measurements as of April 30, 2017. There were no investments with Level 2 or 3 inputs.

Investment Type	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets	
		(Level 1)	
State Treasurer Illinois Funds	\$ 10,674,441	\$	10,674,441

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 AAA 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, 2017.

Investment Type	Reported Value	Maturities			
		Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
Money Markets	\$ 323,330	\$ 323,330	\$ -	\$ -	\$ -
U.S. Government & Agency Obligations	12,353,161	1,263,643	3,910,025	6,028,796	1,150,697
Mutual Funds	12,195,224	12,195,224	-	-	-
Stocks	1,449,342	1,449,342	-	-	-
Municipal Bonds	1,342,409	-	702,311	419,758	220,340
Corporate Fixed Income	894,984	-	-	580,089	314,895
Total	<u>\$ 28,558,450</u>	<u>\$ 15,231,539</u>	<u>\$ 4,612,336</u>	<u>\$ 7,028,643</u>	<u>\$ 1,685,932</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value – The Pension Trust Funds categorize their fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs and are valued using a matrix pricing model. Level 3 inputs are significant unobservable inputs and are valued using future projected cash flows. The Pension Trust Funds had the following investments subject to fair value measurements as of April 30, 2017.

Investment Type	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Police Pension				
Money Markets	\$ 60,765	\$ -	\$ 60,765	\$ -
US Government & Agency	8,116,943	-	8,116,943	-
Mutual Funds	8,371,409	8,371,409	-	-
State and Local Obligations	1,342,409	-	1,342,409	-
Police Pension Investment Total	17,891,526	8,371,409	9,520,117	-
Fire Pension				
Money Markets	262,565	-	262,565	-
US Government & Agency	4,236,218	-	4,236,218	-
Mutual Funds	3,823,815	3,823,815	-	-
Stocks	1,449,342	1,449,342	-	-
Corporate Fixed Income	894,984	-	894,984	-
Fire Pension Investment Total	10,666,924	5,273,157	5,393,767	-
Totals	\$ 28,558,450	\$ 13,644,566	\$ 14,913,884	\$ -

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.

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.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 2 – CASH AND INVESTMENTS (Continued)

Credit ratings for the Pension Funds' investments in debt securities at April 30, 2017 (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	Standard and Poor's					
	Total	AAA	AA	A	BBB	N/R
U.S. Govt. and Agency Obligations	\$12,353,161	\$ -	\$ 9,622,415	\$ -	\$ -	\$ 2,730,746
Municipal Bonds	1,342,409	-	313,347	760,687	-	268,375

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, 2017.

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>
Pioneer Equity Income	5.2%
Municipal Bonds	7.5%
Treasury Notes	7.6%
Vanguard 500 Index Fund	10.7%
T Rowe Price Growth Stock	10.7%
Federal Farm Credit Banks	17.6%
Federal Home Loan Banks	18.7%

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

<u>Investment</u>	<u>Percentage</u>
Freddie Mac	5.7%
Federal Home Loan Mortgage Corporation	6.5%
Federal National Mortgage Association	9.3%
Fannie Mae	10.1%

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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	\$ 7,621,124
Certificates of Deposits	87,694
Village Investments at Fair Value	10,674,441
Pension Investments at Fair Value	<u>28,558,450</u>
Total Deposits and Investments per Note 2	<u>\$ 46,941,709</u>
Financial Statements	
Statement of Net Position – Statement 1	
Cash and Investments	\$ 18,383,259
Statement of Fiduciary Net Position – Statement 10	
Cash and Investments	<u>28,558,450</u>
Total per Financial Statements	<u>\$ 46,941,709</u>

See Note 12 for information regarding the Public Library's deposits and investments.

NOTE 3 - INTERFUND ACTIVITY

Interfund receivables and payables as of April 30, 2017 are summarized as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major governmental funds:		
General	\$ -	\$ 122,049
Pension Trust Fund – Firefighters'	66,729	-
Pension Trust Fund - Police	<u>55,320</u>	<u>-</u>
Total interfunds	<u>\$ 122,049</u>	<u>\$ 122,049</u>

Interfund receivables and payables include 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 between the general fund and the pension trust funds represent employer pension contributions not yet distributed to the pension funds due to timing and allocation differences based on property tax revenue distributions by the County.

Interfund transfers in and transfers out for the year ending April 30, 2017 are summarized as follows:

<u>Fund</u>	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>
Major governmental funds:		
General	\$ -	\$ 130,785
TIF Shopping Center	130,780	-
Nonmajor governmental funds	<u>5</u>	<u>-</u>
Total interfunds	<u>\$ 130,785</u>	<u>\$ 130,785</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 3 - INTERFUND ACTIVITY (Continued)

A transfer was made from the TIF Shopping Center Fund to the General Fund to close the TIF upon completion of the projects.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2017 was as follows:

	Balance at May 1, 2016	Additions	Deletions	Balance at April 30, 2017
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,234,836	\$ 516,162	\$ -	\$ 7,750,998
Capital assets being depreciated:				
Infrastructure	12,367,811	-	-	12,367,811
Buildings and improvements	11,594,925	109,305	38,500	11,665,730
Vehicles	4,695,312	334,093	-	5,029,405
Site improvements	27,222	-	-	27,222
Equipment	2,729,007	355,442	-	3,084,449
Subtotal	31,414,277	798,840	38,500	32,174,617
Less accumulated depreciation for:				
Infrastructure	(5,884,049)	(213,912)	-	(6,097,961)
Buildings and improvements	(5,111,332)	(423,795)	(30,478)	(5,504,649)
Vehicles	(3,287,902)	(314,119)	-	(3,602,021)
Site improvements	(27,222)	-	-	(27,222)
Equipment	(2,380,190)	(120,701)	-	(2,500,891)
Total accumulated depreciation	(16,690,695)	(1,072,527)	(30,478)	(17,732,744)
Total capital assets being depreciated, net	14,723,582	(273,687)	8,022	14,441,873
Governmental activities capital assets, net	\$ 21,958,418	\$ 242,475	\$ 8,022	\$ 22,192,871

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 4 - CAPITAL ASSETS (Continued)

	<u>Balance at May 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at April 30, 2017</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 14,914	\$ -	\$ -	\$ 14,914
Capital assets being depreciated:				
Infrastructure	9,364,572	-	-	9,364,572
Buildings and improvements	14,603	-	-	14,603
Water network	796,950	-	-	796,950
Subtotal	<u>10,176,125</u>	<u>-</u>	<u>-</u>	<u>10,176,125</u>
Less accumulated depreciation for:				
Infrastructure	(4,489,723)	(128,603)	-	(4,618,326)
Buildings and improvements	(14,603)	-	-	(14,603)
Water network	<u>(709,391)</u>	<u>(17,815)</u>	<u>-</u>	<u>(727,206)</u>
Total accumulated depreciation	<u>(5,213,717)</u>	<u>(146,418)</u>	<u>-</u>	<u>(5,360,135)</u>
Total capital assets being depreciated, net	<u>4,962,408</u>	<u>(146,418)</u>	<u>-</u>	<u>4,815,990</u>
Business-type activities capital assets, net	<u>\$ 4,977,322</u>	<u>\$(146,418)</u>	<u>\$ -</u>	<u>\$ 4,830,904</u>

Depreciation expense of \$1,072,527 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	\$ 380,622	Water	\$ 128,603
Public safety	372,843	Sewer	17,815
Streets	297,590	Total	<u>\$ 146,418</u>
Culture and recreation	21,472		
Total	<u>\$ 1,072,527</u>		

See Note 12 for information regarding the Public Library's capital assets.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 5 – RECEIVABLES

The following is a summary of the various components of significant receivables at April 30, 2017.

	Governmental Funds		Proprietary Funds		Total
	General	Motor Fuel Tax	Water	Sewer	Statement of Net Position
Intergovernmental					
Local use tax	\$ 114,170	\$ -	\$ -	\$ -	\$ 114,170
Sales tax	1,071,797	-	-	-	1,071,797
Court fines	14,414	-	-	-	14,414
Utility tax	142,123	-	-	-	142,123
State income tax	240,665	-	-	-	240,665
Motor fuel tax	-	35,967	-	-	35,967
Franchise fees	23,455	-	-	-	23,455
State replacement tax	32,836	-	-	-	32,836
Federal grant	265,662	-	-	-	265,662
Total intergovernmental	<u>\$ 1,905,122</u>	<u>\$ 35,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,941,089</u>
Accounts receivable					
Water billings	\$ -	\$ -	\$ 541,487	\$ -	\$ 541,487
Sewer billings	-	-	-	20,129	20,129
Total accounts receivable	-	-	541,487	20,129	561,616
Allowance for uncollectible amounts	-	-	(63,741)	(3,355)	(67,096)
Net Accounts receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 477,746</u>	<u>\$ 16,774</u>	<u>\$ 494,520</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 6 - LONG-TERM DEBT

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

	Balances as of May 1, 2016	Debt Additions	Debt Retirement	Balances April 30, 2017	Due within one year
Governmental activities:					
General obligation bonds:					
Series of 2005B	\$ 600,000	\$ -	\$ (195,000)	\$ 405,000	\$ 205,000
Series of 2012A	3,170,000	-	(500,000)	2,670,000	510,000
Add unamortized amounts:					
For issuance premiums	11,434	-	(4,146)	7,288	-
Total general obligation bonds	3,781,434	-	(699,146)	3,082,288	715,000
Compensated absences	1,579,446	548,495	(169,388)	1,958,553	787,538
Early retirement benefit obligation	544,475	-	(29,752)	514,723	95,013
Other post-employment benefits obligation	807,563	168,413	-	975,976	-
Net pension liability - IMRF	1,552,068	37,620	-	1,589,688	-
Net pension liability - Pensions	44,569,330	5,861,278	-	50,430,608	-
Total governmental activities	<u>\$ 52,834,316</u>	<u>\$ 6,615,806</u>	<u>\$ (898,286)</u>	<u>\$ 58,551,836</u>	<u>\$ 1,597,551</u>
Business-type activities:					
Compensated absences	\$ 54,380	\$ 21,088	\$ (12,018)	\$ 63,450	\$ 26,386
Other post employment benefit obligations	16,125	5,646	-	21,771	-
Net pension liability - IMRF	60,794	1,473	-	62,267	-
Total business-type activities	<u>\$ 131,299</u>	<u>\$ 28,207</u>	<u>\$ (12,018)</u>	<u>\$ 147,488</u>	<u>\$ 26,386</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 6 - LONG-TERM DEBT (Continued)

Reconciliation to Statement of Net Position:

	Governmental Activities	Business-type Activities	Total
Long-term obligations, due within one year:			
Bond payable	\$ 715,000	\$ -	\$ 715,000
Compensated absences	787,538	26,386	813,924
Early retirement benefit obligation	95,013	-	95,013
Long-term obligations, due in more than one year:			
Bonds payable	2,367,288	-	2,367,288
Compensated absences	1,171,015	37,064	1,208,079
Early retirement benefit obligation	419,710	-	419,710
Other post-employment benefits obligation	975,976	21,771	997,747
Net pension liability	52,020,296	62,267	52,082,563
 Total debt	 <u>\$ 58,551,836</u>	 <u>\$ 147,488</u>	 <u>\$ 58,699,324</u>

Long Term obligations outstanding at April 30, 2017 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:

Fiscal Year	Principal	Interest	Total Debt Service
2018	\$ 205,000	\$ 17,718	\$ 222,718
2019	<u>200,000</u>	<u>8,800</u>	<u>208,800</u>
	<u>\$ 405,000</u>	<u>\$ 26,518</u>	<u>\$ 431,518</u>

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 \$431,518, 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 \$221,103 and \$206,423, 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).

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 6 - LONG-TERM DEBT (Continued)

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>
2018	\$ 510,000	\$ 75,000	\$ 585,000
2019	525,000	64,800	589,800
2020	535,000	49,050	584,050
2021	545,000	33,000	578,000
2022	<u>555,000</u>	<u>16,650</u>	<u>571,650</u>
	<u>\$ 2,670,000</u>	<u>\$ 238,500</u>	<u>\$ 2,908,500</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.

Early Retirement Benefit Obligation:

Plan Description. In addition to the retirement benefits provided by the Village described in Notes 7 and 10, 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, 2017, the Village was obligated to pay 4 employees as part of the plan with payments due through fiscal year 2025. The net present value of the Village's liability at April 30, 2017 was \$514,723. The Village considers \$95,013 of this liability current as of April 30, 2017. The liability will be paid from the fund in which the employee is paid.

Net Pension Liability and Other Postemployment Benefit Obligations: The fund where salary is paid from for an employee has typically been used to liquidate the net pension liability and other postemployment benefit obligations. See notes 7 and 10 for more information.

(Continued)

NOTE 7 - EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PLANS

IMRF:

Plan Description: The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided: IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date.)

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

Employees Covered by Benefit Terms: As of December 31, 2016, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	49
Inactive Plan Members entitled to but not yet receiving benefits	19
Active Plan Members	36
Total	<u>104</u>

Contributions: As set by statute, Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2016 was 14.18%. For the fiscal year ended April 30, 2017, the Village contributed \$376,499 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability: The Village's net pension liability for IMRF was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the date.

Actuarial Assumptions: The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2016 Illinois Municipal Retirement Fund annual actuarial valuation. There were no benefit changes during the year. The following change was made to the actuarial assumptions for total pension liability: an increase in the investment rate of return from 7.48% in the prior year to 7.50% this represents a .02% increase. There were no other changes.

Expected return on pension plan investments: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target	Long-Term
Domestic Equity	38%	7.77%
International Equity	17%	3.54%
Fixed Income	27%	4.85%
Real Estate	8%	8.97%
Alternative Investments	9%	N/A
Cash Equivalents	1%	N/A
Total	100%	

Discount Rate: A single discount rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

- (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was not blended with the AA rated general obligation bond index at December 31, 2016 to arrive at the discount rates used to determine the total pension liability. For the purposes of the most recent valuation, the expected rate of return on the plan investments is 7.50%, therefore the resulting single discount rate is 7.50%. The discount rate was adjusted from 7.48% in the prior year, an increase of 0.02%.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

Changes in the Net Pension Liability for the IMRF Plan:

Changes in the Net Pension Liability for the IMRF plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2015	<u>\$14,271,515</u>	<u>\$ 12,218,912</u>	<u>\$ 2,052,603</u>
Changes for the year:			
Service Cost	287,080	-	287,080
Interest	1,057,933	-	1,057,933
Actuarial Experience	(75,718)	-	(75,718)
Assumption Changes	(36,093)	-	(36,093)
Contributions - Employer	-	372,844	(372,844)
Contributions - Employee	-	119,992	(119,992)
Net Investment Income	-	842,834	(842,834)
Benefit payments, including refunds	(543,125)	(543,125)	-
Administrative Expense	-	10,567	(10,567)
Net Changes	<u>690,077</u>	<u>803,112</u>	<u>(113,035)</u>
Balances at December 31, 2016	<u>\$14,961,592</u>	<u>\$ 13,022,024</u>	<u>\$ 1,939,568</u>

As reported in:

Village's governmental activities	\$ 1,589,688
Village's business-type activities	62,267
Library	287,613
	<u>\$ 1,939,568</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Village, calculated using the discount rate of 7.50%, as well as what the Village's net pension liability for IMRF plan would be if it were calculated using a discount rate that is a 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Village's Net Pension Liability for the IMRF plan	<u>\$ 3,883,653</u>	<u>\$ 1,939,568</u>	<u>\$ 330,219</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2017 the plan recognized pension expense of \$450,763 for the IMRF Plan. At April 30, 2017, the Village reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 54,332
Assumption changes	6,039	24,264
Net difference between projected and actual earnings on pension plan investments	570,653	-
Change in proportionate share within the Village and Library	139,578	139,578
Contributions made subsequent to the measurement date	134,267	-
	<u>\$ 850,537</u>	<u>\$ 218,174</u>

In 2017, there was \$134,267 reported as deferred outflows of resources related to pension contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending April 30:		
2018	\$	151,238
2019		148,903
2020		183,536
2021		14,419
Total	<u>\$</u>	<u>498,096</u>

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 (Chapter 40 ILCS 5/3) 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 April 30, 2017 (the most recent actuarial valuation date), the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	34
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>27</u>
Total	<u>62</u>

Plan Description: The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes. The Police Pension Fund provides retirement benefits as well as death and disability benefits.

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.

(Continued)

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

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 $\frac{1}{2}$ 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. $\frac{1}{2}\%$ for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st 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 $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions: 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. For the year ended April 30, 2017, the Village's contribution was 52.72% of covered payroll.

Basis of Accounting: The financial statements of the pension fund are prepared using the accrual basis of accounting. Plan members contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: Plan investments are reported at fair value. Short term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair value.

Net Pension Liability: The Village's net pension liability for the Police Pension plan was measured as of April 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the April 30, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

Actuarial Assumptions (Economic)

Discount Rate used for the Total Pension Liability	5.47%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt G.O Bond Rate	3.82%
Projected Individual Salary Increases	3.75% - 15.09%
Projected Increase in Total Payroll	3.50%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Actuarial Assumptions (Demographic)

Mortality Table	L&A 2016 Illinois Police Mortality Rates
Retirement Rates	110% of L&A 2016 Illinois Police Retirement Rates Capped at age 65
Disability Rates	100% of L&A 2016 Illinois Police Disability Rates
Termination Rates	90% of L&A 2016 Illinois Termination Rates
Percent Married	80.00%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis. Mortality rates are based on assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date. Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois Police Officers.

Assumption Changes: The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.32% to 3.82% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. The change was made to reflect the actuaries understanding of the requirements of GASB under Statement 67 and Statement 68. The demographic assumptions formerly used RP 2000 Mortality Table for mortality, uniform distribution from ages 52-62 (100% by age 62) for retirement rates, and a department of insurance study for disability.

Postemployment Benefit Changes: Eligibility for postemployment benefit increases is determined based on the Illinois Pension code. Tier 1 Police retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Police retirees are provided postemployment benefit increase based on one-half of the Consumer Price Index (Urban) for the prior September. The CPI-U for September, 1985 was 108.3. The CPI-U for September, 1985 through September, 2015 was 2.66% (on a compounded basis).

Expected Return on Pension Plan Investments: The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by investment professionals that work with the Pension Fund. The best estimate of future real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the following table:

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	31.50%	9.60%
Small Cap Domestic Equity	9.00%	11.60%
International Equity	4.50%	9.90%
Fixed Income	55.00%	4.40%
	<u>100.00%</u>	

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures. The expected inflation rate is 3.30% and is included in the total long-term rate of return on investments. The inflation rate is from the same source as the long-term rates of return, and is not necessarily reflective of the inflation measures used for other purposes in the report. Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference.

Municipal Bond Rate: The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown earlier in the Actuarial Assumption section is the April 27, 2017 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA. The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

Discount Rate: The discount rate used to measure the total pension liability was 5.47%. The discount rate in the prior measurement period was 5.54%, this represents a decrease of 0.07%. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate (3.82%). Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent which the plan's future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The municipal bond rate was used for periods after April 30, 2049.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the Village, calculated using the discount rate of 5.47%, as well as what the Village's net pension liability for Police Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (4.47%) or 1-percentage-point higher (6.47%) than the current rate:

	1% Decrease 4.47%	Current Discount Rate 5.47%	1% Increase 6.47%
Village's Net Pension Liability for Police Pension	\$ 39,728,630	\$ 31,708,281	\$ 25,296,484

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

Changes in the Net Pension Liability for the Police Pension Plan:

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at May 1, 2016	\$ 46,587,221	\$ 17,072,495	\$ 29,514,726
Changes for the year:			
Service cost	822,491	-	822,491
Interest	2,498,136	-	2,498,136
Actuarial experience	1,538,589	-	1,538,589
Assumptions changes	116,198	-	116,198
Contributions - employer	-	1,275,609	(1,275,609)
Contributions - employee	-	228,411	(228,411)
Net investment income	-	1,330,311	(1,330,311)
Benefit payments, including refunds	(1,834,915)	(1,834,915)	-
Administrative expense	-	(52,472)	52,472
Net changes	3,140,499	946,944	2,193,555
Balances at April 30, 2017	<u>\$ 49,727,720</u>	<u>\$ 18,019,439</u>	<u>\$ 31,708,281</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2017, the Village recognized pension expense of \$2,391,555 for the Police Pension plan. At April 30, 2017, the Village reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,408,116	\$ -
Changes of assumptions	95,740	251,764
Net difference between projected and actual earnings on investments	495,461	-
Total	<u>\$ 1,999,317</u>	<u>\$ 251,764</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense follows:

Year Ended April 30	Deferred Outflows of Resources
2017	\$ 428,524
2018	428,524
2019	430,797
2020	261,606
2021	198,102
Thereafter	-
Total	<u>\$ 1,747,553</u>

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 (Chapter 40 ILCS 5/3) 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.

At April 30, 2017 (the most recent actuarial valuation date), the Firefighters' Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>25</u>
Total	<u>48</u>

Plan Description: The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes. The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits.

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.

(Continued)

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

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 $\frac{1}{2}$ 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. $\frac{1}{2}\%$ for each month under 55).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st 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 $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions: Covered employees are required to contribute 9.46% 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. For the year ended April 30, 2017, the Village's contribution was 37.43% of covered payroll.

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.

Net Pension Liability: The Village's net pension liability for the Firefighters' Pension plan was measured as of April 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

Actuarial Assumptions: The total pension liability in the April 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions (Economic)

Discount Rate used for the Total Pension Liability	6.18%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt G.O Bond Rate	3.82%
Projected Individual Salary Increases	3.75% - 24.24%
Projected Increase in Total Payroll	3.50%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Actuarial Assumptions (Demographic)

Mortality Table	L&A 2016 Illinois Firefighters' Mortality Rates
Retirement Rates	L&A 2016 Illinois Firefighters' Retirement Rates Capped at age 65
Disability Rates	L&A 2016 Illinois Firefighters' Disability Rates
Termination Rates	L&A 2016 Illinois Termination Rates
Percent Married	80.00%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis. Mortality rates are based on rates developed in the L&A 2016 Mortality Table for Illinois Firefighters. Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois Firefighters.

Assumption Changes: The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.32% to 3.82% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. The change was made to reflect the actuaries understanding of the requirements of GASB under Statement 67 and Statement 68. The demographic assumptions formerly used RP 2000 Mortality Table for mortality, uniform distribution from ages 50-62 (100% by age 62) for retirement rates, and a department of insurance study for disability.

Postemployment Benefit Changes: Eligibility for postemployment benefit increases is determined based on the Illinois Pension code. Tier 1 Firefighter retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Firefighter retirees are provided postemployment benefit increase based on one-half of the Consumer Price Index (Urban) for the prior September. The CPI-U for September, 1985 was 108.3. The CPI-U for September, 1985 through September, 2015 was 2.66% (on a compounded basis).

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

Expected Return on Pension Plan Investments: The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by investment professionals that work with the Pension Fund. The best estimate of future real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	55%	8.50%
Fixed Income	45%	3.00%
Total	100%	

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures. The expected inflation rate is 2.00% and is included in the total long-term rate of return on investments. The inflation rate is from the same source as the long-term rates of return, and is not necessarily reflective of the inflation measures used for other purposes in the report. Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference.

Municipal Bond Rate: The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown earlier in the Actuarial Assumption section is the April 27, 2017 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA. The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

Discount Rate: The discount rate used to measure the total pension liability was 6.18%. The discount rate in the prior measurement period was 7.00%, this represents a decrease of 0.82%. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate (3.82%). Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent which the plan's future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The municipal bond rate was used for periods after April 30, 2059

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the Village, calculated using the discount rate of 6.18%, as well as what the Village's net pension liability for Firefighters' Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (5.18%) or 1-percentage-point higher (7.18%) than the current rate:

	1% Decrease 5.18%	Current Discount Rate 6.18%	1% Increase 7.18%
Village's Net Pension Liability for Firefighters' Pension	\$ 23,326,803	\$ 18,722,327	\$ 15,006,452

Changes in the Net Pension Liability for the Firefighters' Pension Plan:

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at May 1, 2016	\$ 25,041,118	\$ 9,986,514	\$ 15,054,604
Changes for the year:			
Service cost	667,542	-	667,542
Interest	1,515,116	-	1,515,116
Actuarial experience	270,515	-	270,515
Assumptions changes	3,022,617	-	3,022,617
Contributions - employer	-	852,627	(852,627)
Contributions - employee	-	214,109	(214,109)
Net investment income	-	797,945	(797,945)
Benefit payments, including refunds	(1,049,352)	(1,049,352)	-
Administrative expense	-	(56,614)	56,614
Net changes	4,426,438	758,715	3,667,723
Balances at April 30, 2017	<u>\$ 29,467,556</u>	<u>\$ 10,745,229</u>	<u>\$ 18,722,327</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2017, the Village recognized pension expense of \$2,104,963 for the Firefighters' Pension plan. At April 30, 2017, the Village reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

	Deferred Outflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 262,976	\$ -
Changes of assumptions	3,542,522	-
Net difference between projected and actual earnings on investments	422,801	-
Total	<u>\$ 4,228,299</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended April 30	Deferred Outflows of Resources
2018	\$ 777,483
2019	777,483
2020	777,479
2021	609,816
2022	629,865
Thereafter	656,173
Total	<u>\$ 4,228,299</u>

Financial statements for the police and firefighters' pension plans are as follows:

	Police Pension	Firefighters' Pension	Totals
Assets			
Cash & Investments			
Money Markets	\$ 60,765	\$ 262,565	\$ 323,330
U.S. Government and Agency Obligations	8,116,943	4,236,218	12,353,161
Mutual Funds	8,371,409	3,823,815	12,195,224
Stocks	-	1,449,342	1,449,342
Municipal Bonds	1,342,409	-	1,342,409
Corporate Fixed Income	-	894,984	894,984
Total Cash & Investments	<u>17,891,526</u>	<u>10,666,924</u>	<u>28,558,450</u>
Receivables			
Interest Receivable	75,674	15,890	91,564
Due from Primary Government	55,320	66,729	122,049
Total Receivables	<u>130,994</u>	<u>82,619</u>	<u>213,613</u>
Prepays	4,052	2,135	6,187
Total Assets	<u>18,026,572</u>	<u>10,751,678</u>	<u>28,778,250</u>
Liabilities			
Accounts Payable	7,133	6,449	13,582
Total Liabilities	<u>7,133</u>	<u>6,449</u>	<u>13,582</u>
Net Position Restricted for Pensions	<u>\$ 18,019,439</u>	<u>\$ 10,745,229</u>	<u>\$ 28,764,668</u>

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

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

	Police Pension	Firefighters' Pension	Totals	
Additions				
Contributions				
Employer	\$ 1,275,609	\$ 852,627	\$ 2,128,236	
Plan Members	228,411	214,109	442,520	
Total Contributions	1,504,020	1,066,736	2,570,756	
Investment Income				
Net Increase (Decrease) in Fair Value	874,098	599,785	1,473,883	
Interest and Dividends	526,171	236,310	762,481	
Less: Investment Expense	(69,956)	(38,151)	(108,107)	
Net Investment Income	1,330,313	797,944	2,128,257	
Total Additions	2,834,333	1,864,680	4,699,013	
Deductions				
Benefits	1,834,915	1,049,352	2,884,267	
Administrative expenses	52,474	56,613	109,087	
Total deductions	1,887,389	1,105,965	2,993,354	
Change in Net Position	946,944	758,715	1,705,659	
Net Position Restricted for Pensions				
Beginning of year	17,072,495	9,986,514	27,059,009	
End of year	\$ 18,019,439	\$ 10,745,229	\$ 28,764,668	
Summary:				
	IMRF	Police	Firefighters'	Total
Net Pension Liability	\$1,939,568	\$31,708,281	\$18,722,327	\$52,370,176
Deferred Outflows of Resources	850,537	1,999,317	4,228,299	7,078,153
Deferred Inflows of Resources	218,174	251,764	-	469,938
Pension Expense	450,763	2,391,555	2,104,963	4,947,281

Significant Investments – As of April 30, 2017, 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.

<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>
Federal Home Loan Banks	Fannie Mae
Vanguard 500 Index Fund	Federal Home Loan Mortgage Corporation
T Rowe Price Growth Stock	Freddie Mac
Pioneer Equity Income	
Federal Farm Credit Banks	

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

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NOTE 8 – TAX ABATEMENT

Tax abatements are a reduction in tax revenue that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Village is effected by Cook County's Class 6b property tax incentive program. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the program is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities.

Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

The Village have granted Class 6b incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the Village than would have been generated if the development had not occurred. The Village's tax revenues are reduced due to the agreements entered into by the Village.

For the fiscal year ending April 30, 2017, the Village's share of the abatement granted to the Class 6b properties was approximately \$730,840.

NOTE 9 - 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

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.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 9 - INTERGOVERNMENTAL RISK MANAGEMENT AGENCY (Continued)

The following is a financial summary of IRMA for the year ended December 31, 2016, the most recent financial information available:

STATEMENT OF NET POSITION
(Unaudited)

Assets:	
Cash and investments	\$ 181,105,112
Receivables	4,278,496
Equipment net of accumulated depreciation	81,480
Prepaid expenses	1,711,981
Pension related deferred outflows	<u>961,114</u>
Total Assets and Deferred Outflows	<u>\$ 188,138,183</u>
Liabilities and Member Balances:	
Unpaid losses	\$ 85,845,850
Members' balances	45,920,479
Amounts due to members	23,837,803
Excess surplus fund	31,021,580
Net pension liability	1,029,322
Unearned membership contribution revenue	200,646
Accounts payable	150,534
Other	<u>131,969</u>
Total Liabilities and Member Balances	<u>\$ 188,138,183</u>

STATEMENT OF REVENUES AND EXPENSES
(Unaudited)

Revenues:	
Member contributions	\$ 27,944,794
Interest income and other	3,070,752
Net increase (decrease) in the fair value of investments	13,555,212
Other	38,018
Members' balances	<u>(10,834,471)</u>
Total revenues	<u>\$ 33,774,305</u>
Expenses:	
Losses and loss adjustments	\$ 26,492,941
Unallocated loss adjustments	985,161
Excess insurance premiums	2,565,446
General and Administrative	3,700,363
Depreciation	<u>30,394</u>
Total expenses	<u>\$ 33,774,305</u>

The Village of Hillside represents 1.55% 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, 2017 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, 2017.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 10 - POST-EMPLOYMENT BENEFITS

Plan Description. The Village administers a single employer defined benefit healthcare plan. 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 \$186,364 for 2017.

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 2017, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual OPEB Cost and Net OPEB Obligation	April 30, 2017	April 30, 2016
Annual required contribution	\$ 347,487	\$ 274,412
Interest on Net OPEB Obligation	32,948	29,231
Adjustment to annual required contribution	(27,456)	(24,359)
Annual OPEB cost	352,979	279,284
Contributions made	(178,920)	(186,364)
Increase in Net OPEB Obligation	174,059	92,920
Net OPEB Obligation, beginning of year	823,688	730,768
Net OPEB Obligation, end of year	<u>\$ 997,747</u>	<u>\$ 823,688</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Three Year Trend Information			
	Annual OPEB	Percentage of	Net
Year Ended	Cost	Annual OPEB Cost	OPEB
		Contributed	Obligation
4/30/2017	\$ 352,978	51.00%	\$ 997,747
4/30/2016	279,284	66.70%	823,688
4/30/2015	267,987	58.50%	730,768

Funded Status and Funding Progress. As of April 30, 2016, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$6,331,325 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,331,325. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the UAAL to the covered payroll were not available.

(Continued)

NOTE 10 - POST-EMPLOYMENT BENEFITS (Continued)

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.

In the April 30, 2016 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 7.6 percent for the PPO Plan (Pre-65), 4.3 percent for the PPO Plan (Post-65), 4.1 percent for the dental plan, and 2.6 percent for the Vision Plan initially, reduced by decrements to an ultimate rate of 5 percent for the PPO Plan (Pre-65), 4.3 percent for the PPO Plan (Post-65), 4.1 percent for the Dental Plan, and 2.6 percent for the Vision Plan. All rates included a 2.5 percent inflation assumption. The actuarial value of the liability was marked to the market value of the retiree healthcare account as of April 30, 2016. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2016, was thirty years.

In accordance with GASB Statement No. 45, the Village will have an actuarial valuation done at least once every three years; above is the information from the most recent valuation as of April 30, 2017. There is no separate, audited GAAP-basis postemployment benefit plan report available.

NOTE 11 - 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 9). 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 12 - PUBLIC LIBRARY

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

At April 30, 2017 the carrying amount of the Library's deposits was \$1,668,910 including a petty cash fund of \$210 and the bank balance was \$1,700,945.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 12 - PUBLIC LIBRARY (Continued)

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.

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.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 12 - PUBLIC LIBRARY (Continued)

Capital Assets: Depreciation expense for the year ended April 30, 2017 was \$108,490. The following is a summary of the changes in the capital assets for the year ended April 30, 2017:

	Balance at May 1, 2016	Additions	Deletions	Balance at April 30, 2017
Capital Assets Not Being Depreciated				
Land	\$ 624,680	\$ -	\$ -	\$ 624,680
Capital Assets Being Depreciated				
Building	584,000	-	-	584,000
Building and Improvements	652,063	41,296	-	693,359
Machinery and Equipment	294,914	8,853	-	303,767
Library Materials	298,457	54,138	(60,971)	291,624
Subtotal	<u>1,829,434</u>	<u>104,287</u>	<u>(60,971)</u>	<u>1,872,750</u>
Accumulated Depreciation				
Building	(511,934)	(11,680)	-	(523,614)
Building and Improvements	(184,494)	(27,754)	-	(212,248)
Machinery and Equipment	(213,025)	(15,460)	-	(228,485)
Library Materials	(126,980)	(53,596)	60,971	(119,605)
Subtotal	<u>(1,036,433)</u>	<u>(108,490)</u>	<u>60,971</u>	<u>(1,083,952)</u>
Total Capital Assets Being Depreciated, Net	<u>793,001</u>	<u>(4,203)</u>	<u>-</u>	<u>788,798</u>
Net Capital Assets	<u>\$ 1,417,681</u>	<u>\$ (4,203)</u>	<u>\$ -</u>	<u>\$ 1,413,478</u>

NOTE 13 - NEW GOVERNMENT ACCOUNTING STANDARDS

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement is effective for the Village's fiscal year ended April 30, 2018. This statement will not have an effect on the financial statements of the Village as the OPEB plan is not in a trust.

(Continued)

NOTE 13 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. This Statement is effective for the Village's fiscal year ended April 30, 2019. This statement will have an effect on the Village and the OPEB liability will be added to the Statement of Net Position.

In December 2015, the GASB issued Statement 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This Statement is effective for the Village's fiscal year ended April 30, 2018. Management has not determined what impact, if any, this statement will have on its financial statements.

In March 2017, the GASB issued Statement 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This Statement is effective for the Village's fiscal year ended April 30, 2018. This statement will not have an impact on the Village's financial statements.

In March 2017, the GASB issued Statement 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for the Village's fiscal year ended April 30, 2018. Management has not determined what impact, if any, this statement will have on its financial statement.

In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs) and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement is effective for the Village's fiscal year ended April 30, 2020. This statement will have no effect on the Village.

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2017

NOTE 13 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for the Village's fiscal year ended April 30, 2020. This statement will have no effect on the Village.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. This Statement is effective for the Village's fiscal year ended April 30, 2019. Management has not determined what impact, if any, this statement will have on its financial statements.

In March 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for the Village's fiscal year ended April 30, 2019. Management has not determined what impact, if any, this statement will have on its financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the Village's fiscal year ended April 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

VILLAGE OF HILLSIDE, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 HEALTH INSURANCE PLAN FOR RETIRED EMPLOYEES
 SCHEDULE OF FUNDING PROGRESS
 April 30, 2017

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%
4/30/2013	-	4,190,187	4,190,187	0%	5,674,925	73.84%
4/30/2016	-	6,331,325	6,331,325	0%	6,456,499	98.06%

* 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, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 7,788,000	\$ 7,739,167	\$ (48,833)
Taxes	6,640,500	6,289,220	(351,280)
Intergovernmental Revenues	1,960,000	2,950,338	990,338
Licenses and Permits	322,000	252,877	(69,123)
Charges for Services	442,200	413,482	(28,718)
Fines and Forfeitures	2,236,200	1,554,239	(681,961)
Investment Income	3,000	50,159	47,159
Miscellaneous	453,600	336,177	(117,423)
Total Revenues	<u>19,845,500</u>	<u>19,585,659</u>	<u>(259,841)</u>
Expenditures			
Current:			
General Administration	4,990,180	3,762,801	1,227,379
Public Safety	11,277,660	11,351,981	(74,321)
Highway and Streets	4,062,700	3,708,975	353,725
Culture and Recreation	69,100	31,353	37,747
Total Expenditures	<u>20,399,640</u>	<u>18,855,110</u>	<u>1,544,530</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(554,140)</u>	<u>730,549</u>	<u>1,284,689</u>
Other Financing Sources (Uses)			
Sale of Capital Assets	50,000	9,345	(40,655)
Transfers In	-	130,785	130,785
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>140,130</u>	<u>90,130</u>
Net Change in Fund Balance	<u>\$ (504,140)</u>	870,679	<u>\$ 1,374,819</u>
Fund Balance at Beginning of Year		<u>8,404,099</u>	
Fund Balance at End of Year		<u>\$ 9,274,778</u>	

VILLAGE OF HILLSIDE, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2017

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	TIF Shopping Center Fund	Mannheim Road TIF Fund
Debt Service Fund	Motor Fuel Tax Fund	Hillside 2012 Project Fund
Disposal Service Fund	E 911 Fund	Roosevelt Road TIF Fund
Water Fund	Sewer Fund	Hillside Public Library
Police Pension	Firefighters' Pension	

VILLAGE OF HILLSIDE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN POLICE PENSION FUND NET PENSION LIABILITY
Prior Three Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 822,491	\$ 716,448	\$ 858,402
Interest	2,498,136	2,459,556	2,193,585
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,538,589	235,922	-
Changes of assumptions	116,198	(423,034)	-
Benefit payments, including refunds of member contributions	<u>(1,834,915)</u>	<u>(1,595,979)</u>	<u>(1,569,956)</u>
Net change in total pension liability	3,140,499	1,392,913	1,482,031
Total pension liability - beginning	<u>46,587,221</u>	<u>45,194,308</u>	<u>43,712,277</u>
Total pension liability - ending (a)	<u><u>\$ 49,727,720</u></u>	<u><u>\$ 46,587,221</u></u>	<u><u>\$ 45,194,308</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 1,275,609	\$ 1,271,953	\$ 1,239,849
Contributions - employee	228,411	249,705	231,433
Net investment income	1,330,311	163,852	1,136,292
Benefit payments, including refunds of member contributions	(1,834,915)	(1,595,979)	(1,569,956)
Administrative expense	(52,472)	(46,310)	(45,607)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	946,944	43,221	992,011
Plan fiduciary net position - beginning	<u>17,072,495</u>	<u>17,029,274</u>	<u>16,037,263</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 18,019,439</u></u>	<u><u>\$ 17,072,495</u></u>	<u><u>\$ 17,029,274</u></u>
Village's net pension liability (a-b)	<u><u>\$ 31,708,281</u></u>	<u><u>\$ 29,514,726</u></u>	<u><u>\$ 28,165,034</u></u>

Notes to Schedule:

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

VILLAGE OF HILLSIDE, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF POLICE PENSION FUND NET PENSION LIABILITY
 Prior Three Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability	\$ 49,727,720	\$ 46,587,221	\$ 45,194,308
Plan fiduciary net position	<u>(18,019,439)</u>	<u>(17,072,495)</u>	<u>(17,029,274)</u>
City's net pension liability (asset)	<u>\$ 31,708,281</u>	<u>\$ 29,514,726</u>	<u>\$ 28,165,034</u>
 Plan fiduciary net position as a percentage of the total pension liability	 36%	 37%	 38%
 Covered-employee payroll	 \$ 2,419,629	 \$ 2,492,913	 \$ 2,334,751
 Plan's net pension liability (asset) as a percentage of covered-employee payroll	 1,310%	 1,184%	 1,206%

Notes to Schedule:

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively.
 Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

VILLAGE OF HILLSIDE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND CONTRIBUTIONS
Prior Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined contribution	\$ 1,575,152	\$ 1,530,460	\$ 1,432,559	\$ 1,300,598	\$ 1,199,983	\$ 1,272,127	\$ 1,304,156	\$ 1,629,815	\$ 970,803	\$ 891,193
Contributions in relation to the actuarially determined contribution	<u>1,275,609</u>	<u>1,271,953</u>	<u>1,239,849</u>	<u>1,146,147</u>	<u>1,202,694</u>	<u>1,514,719</u>	<u>1,034,533</u>	<u>1,283,080</u>	<u>842,678</u>	<u>692,587</u>
Contribution deficiency (excess)	<u>\$ 299,543</u>	<u>\$ 258,507</u>	<u>\$ 192,710</u>	<u>\$ 154,451</u>	<u>\$ (2,711)</u>	<u>\$ (242,592)</u>	<u>\$ 269,623</u>	<u>\$ 346,735</u>	<u>\$ 128,125</u>	<u>\$ 198,606</u>
Covered-employee payroll	\$ 2,419,629	\$ 2,492,913	\$ 2,334,751	\$ 2,231,808	\$ 2,219,216	\$ 2,014,085	\$ 2,000,913	\$ 2,052,843	\$ 1,980,993	\$ 1,911,658
Contributions as a percentage of covered-employee payroll	52.72%	51.02%	53.10%	51.36%	54.19%	75.21%	51.70%	62.50%	42.54%	36.23%

Notes to Schedule:

Methods and addumption used to determine contribution rates:

Actuarial valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar (Closed)
Remaining amortization period	23 Years
Asset valuation method	Market
Inflation	2.50%
Salary increases	3.50%
Investment rate of return	7.00%
Mortality	L&A 2016 Illinois Police

Notes to Police Pension Required Supplementary Information

Assumption Changes: The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.32% to 3.82% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. In the current valuation, we have updated the mortality assumption to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis. These changes were made to better reflect the future anticipated experience in the fund. The discount rate in the prior measurement period was 5.54%, this represents a decrease of 0.09%.

VILLAGE OF HILLSIDE, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF POLICE PENSION FUND INVESTMENT RATE OF RETURNS
 Prior Three Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return net of investment expense	7.89%	Not Available	7.25%

Notes to Schedule:

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

VILLAGE OF HILLSIDE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN FIREFIGHTERS' PENSION FUND NET PENSION LIABILITY
Prior Three Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 667,542	\$ 485,347	\$ 525,122
Interest	1,515,116	1,552,553	1,478,415
Changes of benefit terms	-	-	-
Differences between expected and actual experience	270,514	40,276	-
Changes of assumptions	3,022,618	1,285,596	-
Benefit payments, including refunds of member contributions	<u>(1,049,352)</u>	<u>(1,003,953)</u>	<u>(884,902)</u>
Net change in total pension liability	4,426,438	2,359,819	1,118,635
Total pension liability - beginning	<u>25,041,118</u>	<u>22,681,299</u>	<u>21,562,664</u>
Total pension liability - ending (a)	<u>\$29,467,556</u>	<u>\$25,041,118</u>	<u>\$22,681,299</u>
Plan fiduciary net position			
Contributions - employer	\$ 852,627	\$ 830,329	\$ 894,758
Contributions - employee	214,109	203,576	192,842
Net investment income	797,944	(129,838)	230,635
Benefit payments, including refunds of member contributions	(1,049,352)	(1,003,953)	(884,902)
Administrative expense	(56,614)	(40,466)	(48,173)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	758,714	(140,352)	385,160
Plan fiduciary net position - beginning	<u>9,986,514</u>	<u>10,126,866</u>	<u>9,741,706</u>
Plan fiduciary net position - ending (b)	<u>\$10,745,229</u>	<u>\$ 9,986,514</u>	<u>\$10,126,866</u>
Village's net pension liability (a-b)	<u>\$18,722,327</u>	<u>\$15,054,604</u>	<u>\$12,554,433</u>

Notes to Schedule:

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

VILLAGE OF HILLSIDE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FIREFIGHTERS' PENSION FUND NET PENSION LIABILITY
Prior Three Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability	\$ 29,467,556	\$ 25,041,118	\$ 22,681,299
Plan fiduciary net position	<u>(10,745,229)</u>	<u>(9,986,514)</u>	<u>(10,126,866)</u>
City's net pension liability (asset)	<u>\$ 18,722,327</u>	<u>\$ 15,054,604</u>	<u>\$ 12,554,433</u>
Plan fiduciary net position as a percentage of the total pension liability	36%	40%	45%
Covered-employee payroll	\$ 2,277,697	\$ 2,116,901	\$ 1,946,806
Plan's net pension liability (asset) as a percentage of covered-employee payroll	822%	711%	645%

Notes to Schedule:

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

VILLAGE OF HILLSIDE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FIREFIGHTERS' PENSION FUND CONTRIBUTIONS
Prior Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined contribution	\$ 1,033,970	\$ 946,522	\$ 834,449	\$ 713,656	\$ 780,218	\$ 859,827	\$ 728,817	\$ 728,817	\$ 350,621	\$ 350,621
Contributions in relation to the actuarially determined contribution	<u>852,627</u>	<u>830,329</u>	<u>894,758</u>	<u>760,321</u>	<u>664,915</u>	<u>1,006,335</u>	<u>574,828</u>	<u>728,817</u>	<u>312,647</u>	<u>312,647</u>
Contribution deficiency (excess)	<u>\$ 181,343</u>	<u>\$ 116,193</u>	<u>\$ (60,309)</u>	<u>\$ (46,665)</u>	<u>\$ 115,303</u>	<u>\$ (146,508)</u>	<u>\$ 153,989</u>	<u>\$ -</u>	<u>\$ 37,974</u>	<u>\$ 37,974</u>
Covered-employee payroll	\$ 2,277,697	\$ 2,116,901	\$ 1,946,806	\$ 1,911,959	\$ 1,774,223	\$ 1,827,200	\$ 1,872,576	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	37.43%	39.22%	45.96%	39.77%	37.48%	55.08%	30.70%	N/A	N/A	N/A

Notes to Schedule:

Methods and addmption used to determine contribution rates:

Actuarial valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay (Closed)
Remaining amortization period	27 Years
Asset valuation method	Market
Inflation	2.50%
Salary increases	3.50%
Investment rate of return	7.00%
Mortality	L&A 2016 Illinois Firefighters

Notes to Fire Pension Required Supplementary Information

Assumption Changes: The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.32% to 3.82% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. In the current valuation, we have updated the mortality assumption to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis. These changes were made to better reflect the future anticipated experience in the fund. The discount rate in the prior measurement period was 7.00%, this represents a decrease of 0.93%.

VILLAGE OF HILLSIDE, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FIREFIGHTERS' PENSION FUND INVESTMENT RATE OF RETURNS
 Prior Two Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return net of investment expense	7.90%	Not Available	2.32%

Notes to Schedule:

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively.
 Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

VILLAGE OF HILLSIDE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN ILLINOIS MUNICIPAL RETIREMENT FUND NET PENSION LIABILITY
AND RELATED RATIOS
Prior Two Fiscal Years

	<u>2017</u>	<u>2016</u>
Total pension liability		
Service cost	\$ 287,080	\$ 277,946
Interest	1,057,933	1,000,865
Changes of benefit terms	-	-
Differences between expected and actual experience	(75,718)	(9,936)
Changes of assumptions	(36,093)	17,489
Benefit payments, including refunds of member contributions	<u>(543,125)</u>	<u>(477,131)</u>
Net change in total pension liability	690,077	809,233
Total pension liability - beginning	<u>14,271,515</u>	<u>13,462,282</u>
Total pension liability - ending (a)	<u><u>\$ 14,961,592</u></u>	<u><u>\$ 14,271,515</u></u>
Plan fiduciary net position		
Contributions - employer	\$ 372,844	\$ 398,460
Contributions - employee	119,992	112,090
Net investment income	842,834	61,490
Benefit payments, including refunds of member contributions	(543,125)	(477,131)
Administrative expense	10,567	(157,277)
Other	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	803,112	(62,368)
Plan fiduciary net position - beginning	<u>12,218,912</u>	<u>12,281,280</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 13,022,024</u></u>	<u><u>\$ 12,218,912</u></u>
Village's net pension liability (a-b)	<u><u>\$ 1,939,568</u></u>	<u><u>\$ 2,052,603</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 87.04%	 85.62%
 Covered-employee payroll	 \$ 2,592,748	 \$ 2,490,882
 Plan's net pension liability (asset) as a percentage of covered-employee payroll	 74.81%	 82.40%

Notes to Schedule:

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year.

VILLAGE OF HILLSIDE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT FUND CONTRIBUTIONS
Prior Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined contribution	\$ 376,500	\$ 367,747	\$ 310,427	\$ 306,045	\$ 311,797	\$ 289,158	\$ 266,797	\$ 280,709	\$ 254,379	\$ 239,207
Contributions in relation to the actuarially determined contribution	<u>376,500</u>	<u>367,747</u>	<u>310,427</u>	<u>306,045</u>	<u>311,797</u>	<u>289,158</u>	<u>266,797</u>	<u>280,709</u>	<u>254,379</u>	<u>239,207</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,680,310	\$ 2,593,420	\$ 2,391,547	\$ 2,294,344	\$ 2,238,086	\$ 2,189,153	\$ 2,124,153	\$ 2,496,347	\$ 2,507,411	\$ 2,365,908
Contributions as a percentage of covered-employee payroll	14.05%	14.18%	12.98%	13.34%	13.93%	13.21%	12.56%	11.24%	10.15%	10.11%

Notes to Schedule:

Valuation Date

Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine 2016 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Taxing bodies: 27-year closed period until remaining period reaches 15 years (then 15-year rolling period)
Asset valuation method	5-year smoothed market, 20% corridor
Wage growth	3.50%
Price inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific Mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other information:

Changes

There were no benefit changes during the year

The calculation of the 2016 contribution rate is based on valuation assumptions used in the December 31, 2014 actuarial valuation.

VILLAGE OF HILLSIDE, ILLINOIS
GENERAL FUND
BALANCE SHEET
April 30, 2017

EXHIBIT 1

	Corporate <u>Account</u>	Liability Insurance <u>Account</u>	Workmen's Compensation <u>Account</u>	Unemployment Compensation <u>Account</u>	Equipment Replacement <u>Account</u>	Total Current <u>Year</u>
ASSETS						
Cash & Investments	\$ 6,468,628	\$ 246,361	\$ 303,150	\$ 34,446	\$ 1,659,551	\$ 8,712,136
Receivables						
Property Taxes	4,127,091	131,537	149,952	-	-	4,408,580
Intergovernmental	1,905,122	-	-	-	-	1,905,122
Inventory	<u>3,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,915</u>
Total Assets	<u>\$ 12,504,756</u>	<u>\$ 377,898</u>	<u>\$ 453,102</u>	<u>\$ 34,446</u>	<u>\$ 1,659,551</u>	<u>\$ 15,029,753</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 379,884	\$ -	\$ -	\$ -	\$ -	\$ 379,884
Due to Fiduciary Funds	122,049	-	-	-	-	122,049
Due to Component Unit	29,678	-	-	-	-	29,678
Deposits Payable	<u>6,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,500</u>
Total Liabilities	<u>538,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,111</u>
Deferred Inflows of Resources						
Property Taxes	4,127,091	131,537	149,952	-	-	4,408,580
Unavailable Other Revenue	<u>808,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>808,284</u>
Total Deferred Inflows of Resources	<u>4,935,375</u>	<u>131,537</u>	<u>149,952</u>	<u>-</u>	<u>-</u>	<u>5,216,864</u>
Fund Balances						
Nonspendable						
Inventory	3,915	-	-	-	-	3,915
Restricted						
Insurance	-	246,361	303,150	34,446	-	583,957
Unassigned	<u>7,027,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,659,551</u>	<u>8,686,906</u>
Total Fund Balances	<u>7,031,270</u>	<u>246,361</u>	<u>303,150</u>	<u>34,446</u>	<u>1,659,551</u>	<u>9,274,778</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 12,504,756</u>	<u>\$ 377,898</u>	<u>\$ 453,102</u>	<u>\$ 34,446</u>	<u>\$ 1,659,551</u>	<u>\$ 15,029,753</u>

VILLAGE OF HILLSIDE, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2017

	Corporate <u>Account</u>	Liability Insurance <u>Account</u>	Workmen's Compensation <u>Account</u>	Unemployment Compensation <u>Account</u>	Equipment Replacement <u>Account</u>	Total Current <u>Year</u>
Revenues						
Property Taxes	\$ 7,235,559	\$ 235,331	\$ 268,277	\$ -	\$ -	\$ 7,739,167
Taxes	6,289,220	-	-	-	-	6,289,220
Intergovernmental Revenues	2,950,338	-	-	-	-	2,950,338
Licenses and Permits	252,877	-	-	-	-	252,877
Charges for Services	40,165	-	-	-	373,317	413,482
Fines and Forfeitures	1,531,083	-	-	-	23,156	1,554,239
Investment Income	50,159	-	-	-	-	50,159
Miscellaneous	331,037	-	5,140	-	-	336,177
Total Revenues	<u>18,680,438</u>	<u>235,331</u>	<u>273,417</u>	<u>-</u>	<u>396,473</u>	<u>19,585,659</u>
Expenditures						
Current:						
General Administration	3,397,901	168,835	196,065	-	-	3,762,801
Public Safety	11,275,205	-	-	-	76,776	11,351,981
Highway and Streets	3,451,650	-	-	-	257,325	3,708,975
Culture and Recreation	31,353	-	-	-	-	31,353
Total Expenditures	<u>18,156,109</u>	<u>168,835</u>	<u>196,065</u>	<u>-</u>	<u>334,101</u>	<u>18,855,110</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>524,329</u>	<u>66,496</u>	<u>77,352</u>	<u>-</u>	<u>62,372</u>	<u>730,549</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	9,345	-	-	-	-	9,345
Transfers In	130,785	-	-	-	-	130,785
Total Other Financing Sources (Uses)	<u>140,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,130</u>
Net Change in Fund Balances	664,459	66,496	77,352	-	62,372	870,679
Fund Balances at Beginning of Year	<u>6,366,811</u>	<u>179,865</u>	<u>225,798</u>	<u>34,446</u>	<u>1,597,179</u>	<u>8,404,099</u>
Fund Balances at End of Year	<u>\$ 7,031,270</u>	<u>\$ 246,361</u>	<u>\$ 303,150</u>	<u>\$ 34,446</u>	<u>\$ 1,659,551</u>	<u>\$ 9,274,778</u>

VILLAGE OF HILLSIDE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - CORPORATE ACCOUNT
Year Ended April 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 7,263,000	\$ 7,235,559	\$ (27,441)
Taxes	6,640,500	6,289,220	(351,280)
Intergovernmental Revenues	1,960,000	2,950,338	990,338
Licenses and Permits	322,000	252,877	(69,123)
Charges for Services	82,200	40,165	(42,035)
Fines and Forfeitures	2,186,200	1,531,083	(655,117)
Investment Income	3,000	50,159	47,159
Miscellaneous	443,600	331,037	(112,563)
Total Revenues	<u>18,900,500</u>	<u>18,680,438</u>	<u>(220,062)</u>
Expenditures			
Current			
General Administration	4,435,180	3,397,901	1,037,279
Public Safety	10,966,480	11,275,205	(308,725)
Highway and Streets	3,796,700	3,451,650	345,050
Culture and Recreation	69,100	31,353	37,747
Total Expenditures	<u>19,267,460</u>	<u>18,156,109</u>	<u>1,111,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(366,960)</u>	<u>524,329</u>	<u>891,289</u>
Other Financing Sources (Uses)			
Sale of Capital Assets	50,000	9,345	(40,655)
Transfers In	-	130,785	130,785
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>140,130</u>	<u>90,130</u>
Net Change in Fund Balance	<u>\$ (316,960)</u>	664,459	<u>\$ 981,419</u>
Fund Balance at Beginning of Year		<u>6,366,811</u>	
Fund Balance at End of Year		<u>\$ 7,031,270</u>	

VILLAGE OF HILLSIDE, ILLINOIS
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - CORPORATE ACCOUNT
Year Ended April 30, 2017

EXHIBIT 4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 7,263,000	\$ 7,235,559	\$ (27,441)
Taxes			
Sales Tax	3,200,000	2,989,776	(210,224)
Municipal Utility Tax	1,000,000	820,943	(179,057)
Local Use Tax	179,000	201,123	22,123
Hotel/Motel Tax	450,000	364,226	(85,774)
Storage Facility Tax	75,000	71,239	(3,761)
Franchise Fees	90,000	91,960	1,960
Amusement Tax	1,500	670	(830)
Video Gaming Tax	45,000	44,935	(65)
Real Estate Transfer Tax	300,000	148,250	(151,750)
Sales Tax - Hillside Town Center	1,300,000	1,556,098	256,098
Total Taxes	6,640,500	6,289,220	(351,280)
Intergovernmental Revenues			
Income Tax	825,000	807,823	(17,177)
Replacement Tax	185,000	183,887	(1,113)
IDOT Reimbursement	700,000	616,320	(83,680)
Fire Dept Grant	250,000	913,127	663,127
Police Dept Grant	-	1,100	1,100
ITEP On Behalf Grants	-	428,081	428,081
Total Intergovernmental Revenues	1,960,000	2,950,338	990,338
Licenses and Permits			
Business Licenses	130,000	100,346	(29,654)
Liquor Licenses	20,000	34,766	14,766
Contractors Licenses	18,500	15,830	(2,670)
Other Licenses	1,000	200	(800)
Alarm Permits	30,000	25,943	(4,057)
Building Permits	80,000	41,467	(38,533)
Sewer Permits	500	675	175
Sign Permits	6,000	2,260	(3,740)
Apartment License / Inspection	35,000	30,600	(4,400)
Fence Permits	1,000	790	(210)
Total Licenses and Permits	322,000	252,877	(69,123)
Charges for Services			
Home Inspections	9,000	7,850	(1,150)
Postage	200	90	(110)
Plumbing Inspections	15,000	11,125	(3,875)
Electrical Inspections	15,000	8,060	(6,940)
Elevator Inspections	15,000	50	(14,950)
Miscellaneous Fees	5,000	1,655	(3,345)
Sidewalk Replacement	15,000	4,900	(10,100)
Senior Taxi Cab	4,000	2,025	(1,975)
Rental Inspection Fees	2,500	550	(1,950)
CPR Classes	1,500	3,860	2,360
Total Charges for Services	82,200	40,165	(42,035)

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
 SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND - CORPORATE ACCOUNT
 Year Ended April 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Fines and Forfeitures			
Zoning Hearing Fees	\$ 4,000	\$ 375	\$ (3,625)
Village Fines	185,000	129,167	(55,833)
Circuit Court Fines	75,000	35,354	(39,646)
Adjudication Court Fines	40,000	30,852	(9,148)
Police Towing Violation Fee	60,000	31,150	(28,850)
Police Department Processing Fee	15,000	6,030	(8,970)
Police Finger Printing Fee	200	75	(125)
Red Light Camera Violations	1,800,000	1,295,229	(504,771)
DUI Fines	7,000	2,851	(4,149)
	<u>2,186,200</u>	<u>1,531,083</u>	<u>(655,117)</u>
Total Fines and Forfeitures			
	<u>2,186,200</u>	<u>1,531,083</u>	<u>(655,117)</u>
Investment Income	<u>3,000</u>	<u>50,159</u>	<u>47,159</u>
Miscellaneous			
Police & Fire Reports	4,000	2,960	(1,040)
Other Insurance Claims	20,000	9,823	(10,177)
Antenna Rental	45,000	79,183	34,183
Zoning Certificates	2,000	975	(1,025)
Employee Health Contributions	120,000	108,904	(11,096)
Reimbursements-Other Agencies	80,000	-	(80,000)
Other Revenues	82,600	67,402	(15,198)
Proviso High Reimbursement	85,000	58,107	(26,893)
MLK Breakfast	5,000	3,683	(1,317)
	<u>443,600</u>	<u>331,037</u>	<u>(112,563)</u>
Total Miscellaneous			
	<u>443,600</u>	<u>331,037</u>	<u>(112,563)</u>
Total Revenues	<u>\$ 18,900,500</u>	<u>\$ 18,680,438</u>	<u>\$ (220,062)</u>

VILLAGE OF HILLSIDE, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - CORPORATE ACCOUNT
Year Ended April 30, 2017

EXHIBIT 5

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures			
Current:			
General Administration			
Mayor & Village Board			
Salaries Full-Time	\$ 76,000	\$ 75,440	\$ 560
Salaries Part-Time	32,000	31,400	600
Sick Pay	3,500	3,482	18
Medicare	2,200	2,155	45
Social Security	9,500	9,032	468
IMRF	11,500	11,379	121
Health Insurance Costs	21,500	22,937	(1,437)
Dental Insurance Costs	1,700	1,616	84
Vision Insurance Costs	500	172	328
Life Insurance Costs	250	194	56
Employee Assistance Program	50	21	29
Travel & Conference Expense	4,500	4,321	179
Office Supplies	4,000	3,893	107
Membership Fees	5,200	5,157	43
Publications	1,500	1,396	104
Awards & Recognitions	15,000	14,901	99
Postage	400	349	51
Telephone	600	-	600
Cellular Telephones	5,300	5,267	33
Printing	1,400	1,329	71
Clothing	400	334	66
Total Mayor & Village Board	<u>197,000</u>	<u>194,775</u>	<u>2,225</u>
Administration			
Salaries Full-Time	478,000	477,757	243
Salaries Part-Time	72,000	71,846	154
Overtime	5,000	3,621	1,379
Holiday and Vacation	18,500	18,133	367
Medicare	8,750	8,649	101
Social Security	36,250	36,250	-
IMRF	86,500	86,246	254
Health Insurance Costs	83,500	90,257	(6,757)
Dental Insurance Costs	5,500	5,414	86
Vision Insurance Costs	1,000	709	291
Life Insurance Costs	2,500	2,430	70
Employee Assistance Program	150	105	45
Village Attorney	190,000	209,585	(19,585)
Village Prosecutor	9,000	8,760	240
Contractual Legal Services	81,500	88,998	(7,498)
Payroll Service	12,500	12,468	32
Exterminating Services	5,000	4,510	490
Maintenance Contracts	37,000	47,760	(10,760)
Maintenance of Computer Equipment	20,500	20,259	241
Maintenance of Automotive Equipment	700	39	661
Reception & Entertainment	500	44	456
Travel & Conference Expense	2,000	219	1,781
Office Supplies	4,000	3,606	394
Stationery & Forms	3,500	3,491	9

(Continued)

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VILLAGE OF HILLSIDE, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - CORPORATE ACCOUNT
Year Ended April 30, 2017

EXHIBIT 5

	Final Budget	Actual	Variance Positive (Negative)
Office Furniture/Equipment	\$ 3,000	\$ 302	\$ 2,698
Minor Equipment & Hardware	500	-	500
Food & Beverage Supplies	2,000	1,917	83
Gasoline & Diesel Fuel	2,500	1,000	1,500
Licensing Supplies	1,500	1,013	487
Membership Fees	11,500	11,019	481
Publications	4,000	3,308	692
Postage	5,000	2,910	2,090
Telephone	12,000	11,749	251
Cellular Telephones	4,000	3,418	582
Printing	2,000	-	2,000
Advertising	500	299	201
Total Administration	<u>1,212,350</u>	<u>1,238,091</u>	<u>(25,741)</u>
Village Hall & Grounds			
Maintenance Contracts	25,000	23,801	1,199
Maintenance of Building	145,000	149,354	(4,354)
Maintenance of Cells	2,500	2,392	108
Cleaning Contract	45,000	41,700	3,300
Minor Equipment & Hardware	2,500	2,075	425
Janitorial Supplies	4,000	3,441	559
Landscape Courtyard	70,000	26,584	43,416
Board Room-Lightning	11,000	193	10,807
431 & 425 Hillside Improvement	<u>317,000</u>	<u>7,509</u>	<u>309,491</u>
Total Village Hall & Grounds	<u>622,000</u>	<u>257,049</u>	<u>364,951</u>
Zoning Board of Appeals			
Salaries Part-Time	630	255	375
Medicare	100	-	100
Social Security	100	-	100
Advertising	<u>1,750</u>	<u>558</u>	<u>1,192</u>
Total Zoning Board of Appeals	<u>2,580</u>	<u>813</u>	<u>1,767</u>
Inspection Services			
Salaries Full-Time	138,000	172,482	(34,482)
Salaries Part-Time	45,800	45,781	19
Sick Bonus	7,000	6,506	494
Medicare	3,400	3,394	6
Social Security	14,300	14,226	74
IMRF	21,000	30,218	(9,218)
Health Insurance Costs	10,750	22,098	(11,348)
Dental Insurance Costs	1,300	1,296	4
Vision Insurance Costs	175	169	6
Life Insurance Costs	750	685	65
Employee Assistance Program	100	63	37
Maintenance of Automotive Equipment	3,600	3,557	43
Elevator Inspection Services	2,200	2,079	121
Animal Control - Skunk Trap	4,200	4,200	-
Travel & Conference Expense	500	379	121

(Continued)

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VILLAGE OF HILLSIDE, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - CORPORATE ACCOUNT
Year Ended April 30, 2017

EXHIBIT 5

	Final Budget	Actual	Variance Positive (Negative)
Office Supplies	\$ 200	\$ 11	\$ 189
Stationery & Forms	1,600	1,590	10
Office Furniture/Equipment	400	330	70
Membership Fees	250	135	115
Publications	500	445	55
Postage	600	590	10
Cellular Telephones	1,600	1,645	(45)
Board-Up Costs	300	231	69
Gasoline & Diesel Fuel	1,200	1,024	176
Adjudication Court Software	25	14	11
	<u>259,750</u>	<u>313,148</u>	<u>(53,398)</u>
Total Inspection Services			
General Expenses			
Awards & Recognitions	8,100	8,015	85
Youth Athletic Parade	1,500	1,443	57
Tuition Reimbursement	62,000	61,005	995
Banking Charges	11,000	10,788	212
Band Concerts	84,000	88,477	(4,477)
Hotel Tax Expense	68,000	67,983	17
Sales Tax Rebate	20,500	20,378	122
Auditing Fees	52,000	51,850	150
Veteran's Day Parade	36,000	35,602	398
Maintenance and Repairs	10,000	9,201	799
CarMax Sales Tax	381,000	397,347	(16,347)
Disability Personnel Insurance	92,000	99,141	(7,141)
Retired Personnel Health Insurance	150,000	158,418	(8,418)
Retired Personnel Dental Insurance	9,000	8,726	274
Retired Personnel Vision Insurance	2,100	2,002	98
Sales Tax Pledge Hillside Town Center	862,000	215,972	646,028
MLK Breakfast	6,000	6,196	(196)
Advertising Annual Report	1,000	980	20
Project UFO	500	328	172
Cemetery Tour	2,300	2,263	37
Historical Society Grant	7,500	7,438	62
Other Miscellaneous Expense	-	96,741	(96,741)
	<u>1,866,500</u>	<u>1,350,294</u>	<u>516,206</u>
Total General Expenses			
Economic Development			
Economic Development	275,000	43,731	231,269
	<u>275,000</u>	<u>43,731</u>	<u>231,269</u>
Total Economic Development Expenses			
Total General Administration	4,435,180	3,397,901	1,037,279
Public Safety			
Police Department			
Salaries Full-Time	2,812,000	2,811,070	930
Salaries Part-Time	31,000	30,891	109
Salaries Crossing Guards	14,000	13,292	708

(Continued)

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VILLAGE OF HILLSIDE, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - CORPORATE ACCOUNT
Year Ended April 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Overtime	\$ 289,000	\$ 288,975	\$ 25
Holiday & Sickpay	281,000	280,651	349
Medicare	47,000	46,129	871
Social Security	39,000	38,183	817
IMRF	89,000	88,968	32
Health Insurance Costs	842,000	915,101	(73,101)
Dental Insurance Costs	47,500	47,054	446
Vision Insurance Costs	7,500	7,015	485
Life Insurance Costs	14,000	13,864	136
Employee Assistance Program	700	583	117
Maintenance Contracts	46,000	45,639	361
Maintenance of Computer Equipment	1,000	862	138
Maintenance of Automotive Equipment	66,500	66,007	493
Maintenance of Communication Equipment	500	140	360
Maintenance of Laptop Computers	500	299	201
Animal Shelter Services	1,600	1,554	46
Towing Services	2,500	2,112	388
Travel & Conference Expense	2,500	954	1,546
Training School Expense	16,500	22,437	(5,937)
Office Supplies	5,500	5,244	256
Stationery & Forms	5,000	4,617	383
Office Furniture/Equipment	500	19	481
Minor Equipment & Hardware	1,600	1,530	70
Food & Beverage Supplies	2,100	2,036	64
Gasoline & Diesel Fuel	66,000	60,368	5,632
Licensing Supplies	2,500	2,486	14
Clothing	43,500	48,408	(4,908)
Chemicals & Ammunition	8,500	9,521	(1,021)
Medical & Lab Supplies	3,000	2,528	472
Photographic Supplies	2,500	2,206	294
Copy Machine Supplies	1,500	1,223	277
Computer Equipment	4,600	4,588	12
Purchase of Evidence Bar-coding	1,500	1,408	92
Safety Equipment	3,100	3,093	7
Membership Fees	3,000	2,605	395
Publications	500	130	370
Postage	2,500	2,284	216
Telephone	15,000	14,772	228
Cellular Telephones	16,500	17,482	(982)
Meals & Prov. for Prison	1,500	1,375	125
Community Policing	3,500	3,008	492
DUI Expenses	500	398	102
Tobacco Grant	500	103	397
Red Light Camera Expenses	14,000	9,278	4,722
Actuarial Requirement	<u>1,214,000</u>	<u>1,275,609</u>	<u>(61,609)</u>
Total Police Department	<u>6,074,200</u>	<u>6,198,099</u>	<u>(123,899)</u>
Fire Department			
Salaries Full-Time	2,201,000	2,200,637	363
Salaries Full-Part Time Fire Prevention	16,100	16,025	75
Overtime	113,000	112,987	13

(Continued)

VILLAGE OF HILLSIDE, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - CORPORATE ACCOUNT
Year Ended April 30, 2017

EXHIBIT 5

	Final Budget	Actual	Variance Positive (Negative)
Holiday & Sickpay	\$ 102,000	\$ 101,529	\$ 471
Medicare	37,000	36,730	270
Social Security	5,000	4,945	55
IMRF	12,000	11,849	151
Health Insurance Costs	600,000	682,999	(82,999)
Dental Insurance Costs	37,700	37,608	92
Vision Insurance Costs	5,400	5,323	77
Life Insurance Costs	10,700	10,562	138
Employee Assistance Program	550	525	25
Maintenance Contracts	30,000	29,088	912
Maintenance of Computer Equipment	15,000	14,577	423
Maintenance of Office Equipment	9,000	8,823	177
Maintenance of Automotive Equipment	62,000	65,237	(3,237)
Maintenance of Communication Equipment	9,500	9,230	270
Maintenance of Other Equipment	10,500	10,243	257
Maintenance of Building	75,000	79,847	(4,847)
Travel & Conference Expense	7,000	6,925	75
Training School Expense	18,980	18,850	130
Office Supplies	750	619	131
Stationery & Forms	2,000	1,572	428
Minor Equipment & Hardware	500	240	260
Gasoline & Diesel Fuel	16,500	14,834	1,666
Clothing	21,000	20,866	134
Janitorial Supplies	3,000	2,532	468
Training Supplies	11,500	11,443	57
Rental/Equipment-Oxygen	500	458	42
Medical & Lab Supplies	9,500	9,279	221
Safety Equipment	36,000	36,418	(418)
Membership Fees	8,500	8,322	178
Publications	1,600	1,534	66
Awards & Recognitions	3,000	2,283	717
Postage	500	274	226
Telephone	8,500	8,155	345
Cellular Telephones	5,000	5,085	(85)
Food & Beverage Supplies	500	53	447
Fireman's Fund Grant	547,000	580,466	(33,466)
Medical & Hospital Services	1,500	1,151	349
Actuarial Requirement	784,000	852,627	(68,627)
Total Fire Department	4,838,780	5,022,750	(183,970)
Emergency Management			
Maintenance of Automotive Equipment	3,400	3,334	66
Maintenance of Communication Equipment	750	687	63
Maintenance of Other Equipment	1,000	968	32
Office Supplies	175	161	14
Minor Equipment & Hardware	900	894	6
Food & Beverage Supplies	-	916	(916)
Gasoline & Diesel Fuel	1,600	1,427	173
Clothing	700	615	85
Janitorial Supplies	800	736	64
Training Supplies	150	130	20
Safety Equipment	575	388	187

(Continued)

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VILLAGE OF HILLSIDE, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - CORPORATE ACCOUNT
Year Ended April 30, 2017

EXHIBIT 5

	Final Budget	Actual	Variance Positive (Negative)
Medical & Lab Supplies	\$ 750	\$ 707	\$ 43
Awards & Recognitions	100	75	25
Telephone	1,500	1,437	63
Cellular Telephones	<u>600</u>	<u>620</u>	<u>(20)</u>
Total Emergency Management	<u>13,000</u>	<u>13,095</u>	<u>(95)</u>
Fire & Police Commission			
Salaries- Part Time	850	810	40
Testing & Interviewing Expense	26,625	27,665	(1,040)
Travel & Conference Expense	900	844	56
Membership Fees	400	375	25
Postage	25	10	15
Advertising	4,800	4,742	58
Physicals	<u>6,900</u>	<u>6,815</u>	<u>85</u>
Total Fire & Police Commission	<u>40,500</u>	<u>41,261</u>	<u>(761)</u>
Total Public Safety	<u>10,966,480</u>	<u>11,275,205</u>	<u>(308,725)</u>
Highway and Streets			
Public Works			
Salaries Full-Time	302,000	300,513	1,487
Overtime	32,000	31,849	151
Medicare	5,000	4,744	256
Social Security	20,000	19,879	121
IMRF	48,000	47,631	369
Health Insurance Costs	94,000	101,325	(7,325)
Sick and Vacation Pay	11,000	10,255	745
Dental Insurance Costs	5,000	4,849	151
Vision Insurance Costs	1,000	761	239
Life Insurance Costs	2,000	1,553	447
Employee Assistance Program	100	68	32
Archtrl/Engineering Services	165,000	113,491	51,509
Maintenance Contracts	15,000	4,613	10,387
Maintenance of Automotive Equipment	20,000	19,671	329
Maintenance of Other Equipment	1,000	266	734
Maintenance of Building	31,000	30,426	574
Maintenance of Storm Water Facility	60,000	83,129	(23,129)
Maintenance of Commons	45,000	25,378	19,622
Maintenance of Sidewalks	20,000	1,176	18,824
Maintenance of Landscape Areas	179,000	178,006	994
Tree Removal / Trimming	51,000	56,810	(5,810)
Maintenance of Park-N-Ride	3,500	3,500	-
Travel & Conference Expense	500	89	411
Training School Expense	250	45	205
Office Supplies	2,500	2,161	339
Stationery & Forms	1,000	210	790
Office Furniture/Equipment	1,000	717	283
Minor Equipment & Hardware	4,500	2,234	2,266
Food & Beverage Supplies	2,500	2,220	280
Gasoline & Diesel Fuel	40,000	20,975	19,025

(Continued)

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VILLAGE OF HILLSIDE, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - CORPORATE ACCOUNT
Year Ended April 30, 2017

EXHIBIT 5

	Final Budget	Actual	Variance Positive (Negative)
Licensing Supplies	\$ 500	\$ 216	\$ 284
Clothing	8,000	7,439	561
Janitorial Supplies	2,000	1,998	2
Chemicals	1,500	872	628
Electricity	16,000	13,396	2,604
Other Machinery & Equipment	2,500	2,089	411
Telephone System	200	155	45
Safety Equipment	3,000	1,316	1,684
Horticultural Supplies	500	30	470
Membership Fees	1,000	775	225
Postage	1,050	1,048	2
Telephone	19,000	9,102	9,898
Cellular Telephones	3,500	3,729	(229)
Advertising	200	68	132
Alarm Service	700	684	16
Playground Equipment	35,000	9,497	25,503
Stage Risers for Commons	19,500	-	19,500
Tree Planting	65,000	6,872	58,128
Total Public Works	<u>1,342,000</u>	<u>1,127,830</u>	<u>214,170</u>
Streets & Bridges			
Salaries Full-Time	269,000	217,412	51,588
Salaries Part-Time	12,000	-	12,000
Overtime	64,000	63,549	451
Medicare	4,500	3,389	1,111
Social Security	18,000	14,201	3,799
IMRF	40,500	34,026	6,474
Health Insurance Costs	106,000	56,712	49,288
Dental Insurance Costs	6,500	3,233	3,267
Vision Insurance Costs	1,000	426	574
Life Insurance Costs	1,500	771	729
Employee Assistance Program	100	63	37
Maintenance of Automotive Equipment	40,000	31,820	8,180
Maintenance of Other Equipment	1,000	773	227
Maintenance of Traffic Signals	15,500	11,911	3,589
Maintenance of Streets	150,000	83,404	66,596
Street Sweeping	39,000	38,555	445
Maintenance of Street Lights	15,000	8,415	6,585
Street Patching	50,000	29,231	20,769
Snow Removal	35,000	24,257	10,743
Minor Equipment & Hardware	1,000	980	20
Electricity	120,000	132,141	(12,141)
Street Signs	26,000	26,227	(227)
Butterfield Rd Reconstruction	580,000	448,805	131,195
Road Resurfacing 2016	665,000	664,035	965
ITEP 20% Match Mannheim Road	100,000	-	100,000
ITEP On Behalf Expenditures	-	428,081	(428,081)
Entryway Signs	58,000	-	58,000
Butterfield Bus Distance Enhance	36,100	1,403	34,697
Total Streets & Bridges	<u>2,454,700</u>	<u>2,323,820</u>	<u>130,880</u>

(Continued)

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VILLAGE OF HILLSIDE, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND - CORPORATE ACCOUNT
Year Ended April 30, 2017

EXHIBIT 5

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Total Highway and Streets	\$ 3,796,700	\$ 3,451,650	\$ 345,050
Culture and Recreation			
Youth Commission			
Clothing	1,000	-	1,000
Movies in the Park	900	825	75
Bowling	200	-	200
Youth Athletic Parade	300	120	180
Easter Expenses	1,800	1,772	28
Halloween Expenses	2,000	1,989	11
Christmas Walk	2,700	2,605	95
Total Youth Commission	8,900	7,311	1,589
Community Center			
Maintenance Contracts	3,250	2,826	424
Maintenance of Building	10,000	7,879	2,121
Cleaning Contract	5,000	4,740	260
Minor Equipment & Hardware	500	16	484
Roof Repairs	12,500	-	12,500
Telephone	3,750	3,285	465
Paint Interior	15,000	-	15,000
Total Community Center	50,000	18,746	31,254
Senior Citizen Program			
Reception & Entertainment	2,500	1,510	990
Minor Equipment & Hardware	200	-	200
Bus Rental	7,500	3,786	3,714
Total Senior Citizen Program	10,200	5,296	4,904
Total Culture and Recreation	69,100	31,353	37,747
Total Expenditures	\$ 19,267,460	\$ 18,156,109	\$ 1,111,351

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, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 250,000	\$ 235,331	\$ (14,669)
Total Revenues	<u>250,000</u>	<u>235,331</u>	<u>(14,669)</u>
Expenditures			
Current:			
General Administration			
Liability Insurance	<u>250,000</u>	<u>168,835</u>	<u>81,165</u>
Total Expenditures	<u>250,000</u>	<u>168,835</u>	<u>81,165</u>
Net Change in Fund Balance	<u>\$ -</u>	66,496	<u>\$ 66,496</u>
Fund Balance at Beginning of Year		<u>179,865</u>	
Fund Balance at End of Year		<u><u>\$ 246,361</u></u>	

VILLAGE OF HILLSIDE, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND - WORKMEN'S COMPENSATION ACCOUNT
 Year Ended April 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 275,000	\$ 268,277	\$ (6,723)
Miscellaneous	<u>10,000</u>	<u>5,140</u>	<u>(4,860)</u>
Total Revenues	<u>285,000</u>	<u>273,417</u>	<u>(11,583)</u>
Expenditures			
Current:			
General Administration			
Workers Compensation	<u>285,000</u>	<u>196,065</u>	<u>88,935</u>
Total Expenditures	<u>285,000</u>	<u>196,065</u>	<u>88,935</u>
Net Change in Fund Balance	<u>\$ -</u>	77,352	<u>\$ 77,352</u>
Fund Balance at Beginning of Year		<u>225,798</u>	
Fund Balance at End of Year		<u>\$ 303,150</u>	

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, 2017

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

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 360,000	\$ 373,317	\$ 13,317
Fines and Forfeitures	<u>50,000</u>	<u>23,156</u>	<u>(26,844)</u>
Total Revenues	<u>410,000</u>	<u>396,473</u>	<u>(13,527)</u>
Expenditures			
Current:			
Public Safety	311,180	76,776	234,404
Highway and Streets	<u>266,000</u>	<u>257,325</u>	<u>8,675</u>
Total Expenditures	<u>577,180</u>	<u>334,101</u>	<u>243,079</u>
Net Change in Fund Balance	<u>\$ (167,180)</u>	62,372	<u>\$ 229,552</u>
Fund Balance at Beginning of Year		<u>1,597,179</u>	
Fund Balance at End of Year		<u>\$ 1,659,551</u>	

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, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 2,500,000	\$ 2,121,954	\$ (378,046)
Total Revenues	<u>2,500,000</u>	<u>2,121,954</u>	<u>(378,046)</u>
Expenditures			
Current:			
General Administration	<u>3,018,000</u>	<u>2,167,142</u>	<u>850,858</u>
Total Expenditures	<u>3,018,000</u>	<u>2,167,142</u>	<u>850,858</u>
Net Change in Fund Balance	<u>\$ (518,000)</u>	(45,188)	<u>\$ 472,812</u>
Fund Balance at Beginning of Year		<u>2,175,312</u>	
Fund Balance at End of Year		<u><u>\$ 2,130,124</u></u>	

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ -	\$ 204	\$ 204
Investment Income	<u>2,500</u>	<u>799</u>	<u>(1,701)</u>
Total Revenues	<u>2,500</u>	<u>1,003</u>	<u>(1,497)</u>
Expenditures			
Current:			
Highway and Streets	<u>100,000</u>	<u>116,032</u>	<u>(16,032)</u>
Total Expenditures	<u>100,000</u>	<u>116,032</u>	<u>(16,032)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(97,500)</u>	<u>(115,029)</u>	<u>(17,529)</u>
Other Financing Sources (Uses)			
Transfers Out	<u>-</u>	<u>(130,780)</u>	<u>(130,780)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(130,780)</u>	<u>(130,780)</u>
Net Change in Fund Balance	<u>\$ (97,500)</u>	<u>(245,809)</u>	<u>\$ (148,309)</u>
Fund Balance at Beginning of Year		<u>245,809</u>	
Fund Balance at End of Year		<u>\$ -</u>	

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 E 911 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 Hillside 2012 Project 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 Roosevelt Road TIF Fund accounts for redevelopment costs within the Roosevelt Road tax increment district.

VILLAGE OF HILLSIDE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2017

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds			
	Motor Fuel Tax Fund	Disposal Service Fund	E 911 Fund	Total Nonmajor Special Revenue Funds	Debt Service Fund	Hillside 2012 Project Fund	Roosevelt Road TIF Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS									
Cash & Investments	\$ 68,951	\$ 128	\$ 320,570	\$ 389,649	\$ 289,328	\$ -	\$ 1,303,893	\$ 1,303,893	\$ 1,982,870
Receivables									
Property Taxes	-	331,472	-	331,472	321,738	-	-	-	653,210
Intergovernmental	35,967	-	-	35,967	-	-	-	-	35,967
Total Assets	<u>\$ 104,918</u>	<u>\$ 331,600</u>	<u>\$ 320,570</u>	<u>\$ 757,088</u>	<u>\$ 611,066</u>	<u>\$ -</u>	<u>\$ 1,303,893</u>	<u>\$ 1,303,893</u>	<u>\$ 2,672,047</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts Payable	\$ -	\$ 44,520	\$ -	\$ 44,520	\$ -	\$ -	\$ 134,058	\$ 134,058	\$ 178,578
Total Liabilities	<u>-</u>	<u>44,520</u>	<u>-</u>	<u>44,520</u>	<u>-</u>	<u>-</u>	<u>134,058</u>	<u>134,058</u>	<u>178,578</u>
Deferred Inflows of Resources									
Property Taxes	-	331,472	-	331,472	321,738	-	-	-	653,210
Fund Balances									
Restricted									
Streets and Highways	104,918	-	-	104,918	-	-	-	-	104,918
Public Safety	-	-	320,570	320,570	-	-	-	-	320,570
Debt Service	-	-	-	-	289,328	-	-	-	289,328
Economic Development	-	-	-	-	-	-	1,169,835	1,169,835	1,169,835
Unassigned	-	(44,392)	-	(44,392)	-	-	-	-	(44,392)
Total Fund Balances	<u>104,918</u>	<u>(44,392)</u>	<u>320,570</u>	<u>381,096</u>	<u>289,328</u>	<u>-</u>	<u>1,169,835</u>	<u>1,169,835</u>	<u>1,840,259</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 104,918</u>	<u>\$ 331,600</u>	<u>\$ 320,570</u>	<u>\$ 757,088</u>	<u>\$ 611,066</u>	<u>\$ -</u>	<u>\$ 1,303,893</u>	<u>\$ 1,303,893</u>	<u>\$ 2,672,047</u>

VILLAGE OF HILLSIDE, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2017

	Special Revenue Funds				Debt Service Fund	Capital Project Funds			Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	Disposal Service Fund	E 911 Fund	Total Nonmajor Special Revenue Funds	Debt Service Fund	Hillside 2012 Project Fund	Roosevelt Road TIF Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues									
Property Taxes	\$ -	\$ 579,010	\$ -	\$ 579,010	\$ 566,271	\$ -	\$ -	\$ -	\$ 1,145,281
Taxes	-	-	107,545	107,545	-	-	-	-	107,545
Intergovernmental Revenues	206,423	-	-	206,423	-	-	-	-	206,423
Investment Income	2,790	-	-	2,790	-	403	3,397	3,800	6,590
Total Revenues	<u>209,213</u>	<u>579,010</u>	<u>107,545</u>	<u>895,768</u>	<u>566,271</u>	<u>403</u>	<u>3,397</u>	<u>3,800</u>	<u>1,465,839</u>
Expenditures									
Current:									
General Administration	-	-	-	-	-	797,054	780,663	1,577,717	1,577,717
Public Safety	-	-	74,592	74,592	-	-	-	-	74,592
Highway and Streets	-	-	-	-	-	-	-	-	-
Sanitation	-	603,187	-	603,187	-	-	-	-	603,187
Debt Service - Principal	195,000	-	-	195,000	500,000	-	-	-	695,000
Debt Service - Interest and Fees	26,103	-	-	26,103	86,230	-	-	-	112,333
Total Expenditures	<u>221,103</u>	<u>603,187</u>	<u>74,592</u>	<u>898,882</u>	<u>586,230</u>	<u>797,054</u>	<u>780,663</u>	<u>1,577,717</u>	<u>3,062,829</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,890)</u>	<u>(24,177)</u>	<u>32,953</u>	<u>(3,114)</u>	<u>(19,959)</u>	<u>(796,651)</u>	<u>(777,266)</u>	<u>(1,573,917)</u>	<u>(1,596,990)</u>
Other Financing Sources (Uses)									
Transfers (Out)	-	-	-	-	-	(5)	-	(5)	(5)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>(5)</u>	<u>(5)</u>
Net Change in Fund Balances	<u>(11,890)</u>	<u>(24,177)</u>	<u>32,953</u>	<u>(3,114)</u>	<u>(19,959)</u>	<u>(796,656)</u>	<u>(777,266)</u>	<u>(1,573,922)</u>	<u>(1,596,995)</u>
Fund Balance at Beginning of Year	<u>116,808</u>	<u>(20,215)</u>	<u>287,617</u>	<u>384,210</u>	<u>309,287</u>	<u>796,656</u>	<u>1,947,101</u>	<u>2,743,757</u>	<u>3,437,254</u>
Fund Balance at End of Year	<u>\$ 104,918</u>	<u>\$ (44,392)</u>	<u>\$ 320,570</u>	<u>\$ 381,096</u>	<u>\$ 289,328</u>	<u>\$ -</u>	<u>\$ 1,169,835</u>	<u>\$ 1,169,835</u>	<u>\$ 1,840,259</u>

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental Revenues	\$ 240,000	\$ 206,423	\$ (33,577)
Investment Income	<u>-</u>	<u>2,790</u>	<u>2,790</u>
Total Revenues	<u>240,000</u>	<u>209,213</u>	<u>(30,787)</u>
Expenditures			
Debt Service - Principal	195,000	195,000	-
Debt Service - Interest and Fees	<u>60,500</u>	<u>26,103</u>	<u>34,397</u>
Total Expenditures	<u>255,500</u>	<u>221,103</u>	<u>34,397</u>
Net Change in Fund Balance	<u>\$ (15,500)</u>	(11,890)	<u>\$ 3,610</u>
Fund Balance at Beginning of Year		<u>116,808</u>	
Fund Balance at End of Year		<u>\$ 104,918</u>	

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 525,000	\$ 579,010	\$ 54,010
Charges for Services	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Total Revenues	<u>600,000</u>	<u>579,010</u>	<u>(20,990)</u>
Expenditures			
Current:			
Sanitation	<u>630,000</u>	<u>603,187</u>	<u>26,813</u>
Total Expenditures	<u>630,000</u>	<u>603,187</u>	<u>26,813</u>
Net Change in Fund Balance	<u>\$ (30,000)</u>	<u>(24,177)</u>	<u>\$ 5,823</u>
Fund Balance at Beginning of Year		<u>(20,215)</u>	
Fund Balance at End of Year		<u>\$ (44,392)</u>	

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, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 100,000	\$ 107,545	\$ 7,545
Total Revenues	<u>100,000</u>	<u>107,545</u>	<u>7,545</u>
Expenditures			
Current:			
Public Safety	<u>220,000</u>	<u>74,592</u>	<u>145,408</u>
Total Expenditures	<u>220,000</u>	<u>74,592</u>	<u>145,408</u>
Net Change in Fund Balance	<u>\$ (120,000)</u>	32,953	<u>\$ 152,953</u>
Fund Balance at Beginning of Year		<u>287,617</u>	
Fund Balance at End of Year		<u>\$ 320,570</u>	

VILLAGE OF HILLSIDE, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 DEBT SERVICE FUND
 Year Ended April 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 600,000	\$ 566,271	\$ (33,729)
Total Revenues	<u>600,000</u>	<u>566,271</u>	<u>(33,729)</u>
Expenditures			
Debt Service - Principal	500,000	500,000	-
Debt Service - Interest and Fees	<u>111,500</u>	<u>86,230</u>	<u>25,270</u>
Total Expenditures	<u>611,500</u>	<u>586,230</u>	<u>25,270</u>
Net Change in Fund Balance	<u>\$ (11,500)</u>	(19,959)	<u>\$ (8,459)</u>
Fund Balance at Beginning of Year		<u>309,287</u>	
Fund Balance at End of Year		<u>\$ 289,328</u>	

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, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Investment Income	\$ -	\$ 403	\$ 403
Total Revenues	<u>-</u>	<u>403</u>	<u>403</u>
Expenditures			
Current:			
General Administration	<u>857,950</u>	<u>797,054</u>	<u>60,896</u>
Total Expenditures	<u>857,950</u>	<u>797,054</u>	<u>60,896</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(857,950)</u>	<u>(796,651)</u>	<u>61,299</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(50)</u>	<u>(5)</u>	<u>45</u>
Total Other Financing Sources (Uses)	<u>(50)</u>	<u>(5)</u>	<u>45</u>
Net Change in Fund Balance	<u><u>\$ (858,000)</u></u>	<u>(796,656)</u>	<u><u>\$ 61,344</u></u>
Fund Balance at Beginning of Year		<u>796,656</u>	
Fund Balance at End of Year		<u><u>\$ -</u></u>	

VILLAGE OF HILLSIDE, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 ROOSEVELT ROAD TIF FUND
 Year Ended April 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 100,000	\$ -	\$ (100,000)
Investment Income	<u>1,000</u>	<u>3,397</u>	<u>2,397</u>
Total Revenues	<u>101,000</u>	<u>3,397</u>	<u>(97,603)</u>
Expenditures			
Current:			
General Administration	<u>2,535,000</u>	<u>780,663</u>	<u>1,754,337</u>
Total Expenditures	<u>2,535,000</u>	<u>780,663</u>	<u>1,754,337</u>
Net Change in Fund Balance	<u>\$ (2,434,000)</u>	(777,266)	<u>\$ 1,656,734</u>
Fund Balance at Beginning of Year		<u>1,947,101</u>	
Fund Balance at End of Year		<u>\$ 1,169,835</u>	

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, 2017

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>	<u>Total</u>
ASSETS			
Cash & Investments			
Money Markets	\$ 60,765	\$ 262,565	\$ 323,330
U.S. Government and Agency Obligations	8,116,943	4,236,218	12,353,161
Mutual Funds	8,371,409	3,823,815	12,195,224
Stocks	-	1,449,342	1,449,342
Municipal Bonds	1,342,409	-	1,342,409
Corporate Fixed Income	-	894,984	894,984
Total Cash & Investments	<u>17,891,526</u>	<u>10,666,924</u>	<u>28,558,450</u>
Receivables			
Interest Receivable	75,674	15,890	91,564
Due from Primary Government	<u>55,320</u>	<u>66,729</u>	<u>122,049</u>
Total Receivables	<u>130,994</u>	<u>82,619</u>	<u>213,613</u>
Prepays	<u>4,052</u>	<u>2,135</u>	<u>6,187</u>
Total Assets	<u>18,026,572</u>	<u>10,751,678</u>	<u>28,778,250</u>
LIABILITIES			
Accounts Payable	<u>7,133</u>	<u>6,449</u>	<u>13,582</u>
Total Liabilities	<u>7,133</u>	<u>6,449</u>	<u>13,582</u>
NET POSITION			
Restricted for Pensions	<u>\$ 18,019,439</u>	<u>\$ 10,745,229</u>	<u>\$ 28,764,668</u>

VILLAGE OF HILLSIDE, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 Year ended April 30, 2017

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>	<u>Total</u>
ADDITIONS			
Contributions			
Employer	\$ 1,275,609	\$ 852,627	\$ 2,128,236
Plan Members	<u>228,411</u>	<u>214,109</u>	<u>442,520</u>
Total Contributions	<u>1,504,020</u>	<u>1,066,736</u>	<u>2,570,756</u>
Investment Income			
Interest and dividends	526,171	236,310	762,481
Net increase (decrease) in fair value	874,098	599,785	1,473,883
Less investment expense	<u>(69,956)</u>	<u>(38,151)</u>	<u>(108,107)</u>
Net Investment Income	<u>1,330,313</u>	<u>797,944</u>	<u>2,128,257</u>
Total Additions	<u>2,834,333</u>	<u>1,864,680</u>	<u>4,699,013</u>
DEDUCTIONS			
Benefits	1,834,915	1,049,352	2,884,267
Administrative Expenses	<u>52,474</u>	<u>56,613</u>	<u>109,087</u>
Total Deductions	<u>1,887,389</u>	<u>1,105,965</u>	<u>2,993,354</u>
Change in Net Position	946,944	758,715	1,705,659
Net Position at Beginning of Year	<u>17,072,495</u>	<u>9,986,514</u>	<u>27,059,009</u>
Net Position at End of Year	<u>\$ 18,019,439</u>	<u>\$ 10,745,229</u>	<u>\$ 28,764,668</u>

STATISTICAL SECTION

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 Village'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 Village'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 Village's current levels of outstanding debt and the Village'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 Village'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 Village's operations and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.

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

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

	Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental activities				
Net investment in capital assets	\$ 19,110,583	\$ 18,973,640	\$ 18,943,396	\$ 19,146,258
Restricted	4,494,639	5,475,750	4,456,320	4,338,813
Unrestricted	(39,318,299)	(37,653,546)	39,535	(1,077,647)
Total governmental activities net position	<u>\$ (15,713,077)</u>	<u>\$ (13,204,156)</u>	<u>\$ 23,439,251</u>	<u>\$ 22,407,424</u>
Business-type activities				
Net investment in capital assets	\$ 4,830,904	\$ 4,977,322	\$ 5,123,740	\$ 5,269,032
Unrestricted	5,502,326	5,369,034	5,185,228	5,097,879
Total business-type activities net position	<u>\$ 10,333,230</u>	<u>\$ 10,346,356</u>	<u>\$ 10,308,968</u>	<u>\$ 10,366,911</u>
Primary government				
Net investment in capital assets	\$ 23,941,487	\$ 23,950,962	\$ 24,067,136	\$ 24,415,290
Restricted	4,494,639	5,475,750	4,456,320	4,338,813
Unrestricted	(33,815,973)	(32,284,512)	5,224,763	4,020,232
Total primary government net position	<u>\$ (5,379,847)</u>	<u>\$ (2,857,800)</u>	<u>\$ 33,748,219</u>	<u>\$ 32,774,335</u>

Notes: Accrual basis of accounting

Source: CAFR

Fiscal Year					
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 19,921,421	\$ 21,019,908	\$ 18,403,981	\$ 17,023,618	\$ 15,635,233	\$ 13,220,989
4,831,678	4,766,458	4,192,886	2,535,631	5,272,339	4,494,602
(2,363,880)	(2,814,260)	(4,195,682)	(3,810,770)	(4,316,639)	(341,771)
<u>\$ 22,389,219</u>	<u>\$ 22,972,106</u>	<u>\$ 18,401,185</u>	<u>\$ 15,748,479</u>	<u>\$ 16,590,933</u>	<u>\$ 17,373,820</u>
\$ 5,414,563	\$ 4,830,332	\$ 4,964,345	\$ 5,107,468	\$ 5,242,267	\$ 5,377,120
4,403,270	3,983,950	4,069,042	4,268,218	4,423,902	4,983,874
<u>\$ 9,817,833</u>	<u>\$ 8,814,282</u>	<u>\$ 9,033,387</u>	<u>\$ 9,375,686</u>	<u>\$ 9,666,169</u>	<u>\$ 10,360,994</u>
\$ 25,335,984	\$ 25,850,240	\$ 23,368,326	\$ 22,131,086	\$ 20,877,500	\$ 18,598,109
4,831,678	4,766,458	4,192,886	2,535,631	5,272,339	4,494,602
2,039,390	1,169,690	(126,640)	457,448	107,263	4,642,103
<u>\$ 32,207,052</u>	<u>\$ 31,786,388</u>	<u>\$ 27,434,572</u>	<u>\$ 25,124,165</u>	<u>\$ 26,257,102</u>	<u>\$ 27,734,814</u>

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

	Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses				
Governmental activities:				
General government	\$ 7,399,356	\$ 6,769,253	\$ 7,326,150	\$ 7,966,177
Public Safety	14,108,499	11,991,467	10,235,927	9,670,531
Streets	3,878,759	3,663,435	3,412,507	3,127,665
Culture & Recreation	52,825	50,400	82,022	39,753
Sanitation	603,187	617,133	611,693	561,641
Interest on Debt	100,526	118,706	136,405	157,627
Total governmental activities expenses	<u>26,143,152</u>	<u>23,210,394</u>	<u>21,804,704</u>	<u>21,523,394</u>
Business-type activities:				
Water	3,028,847	2,898,365	3,095,289	2,718,087
Sewer	64,331	98,312	95,285	81,188
Total business-type activities expenses	<u>3,093,178</u>	<u>2,996,677</u>	<u>3,190,574</u>	<u>2,799,275</u>
Total primary government expenses	<u>29,236,330</u>	<u>26,207,071</u>	<u>24,995,278</u>	<u>24,322,669</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	1,684,956	1,113,168	1,137,973	1,170,305
Public safety	1,425,082	1,865,432	1,800,684	2,010,476
Sanitation	-	-	-	-
Operating grants and contributions	1,880,553	1,067,332	1,156,054	237,165
Capital grants and contributions	-	-	160,881	12,475
Total governmental activities program revenues	<u>4,990,591</u>	<u>4,045,932</u>	<u>4,255,592</u>	<u>3,430,421</u>
Business-type activities:				
Charges for services:				
Water	2,867,922	2,847,196	2,910,681	3,116,178
Sewer	119,880	121,916	126,911	136,674
Total business-type activities program revenues	<u>2,987,802</u>	<u>2,969,112</u>	<u>3,037,592</u>	<u>3,252,852</u>
Total primary government program revenues	<u>7,978,393</u>	<u>7,015,044</u>	<u>7,293,184</u>	<u>6,683,273</u>
Net (Expense)/Revenue				
Governmental activities	(21,152,561)	(19,164,462)	(17,549,112)	(18,092,973)
Business-type activities	(105,376)	(27,565)	(152,982)	453,577
Total primary government net expense	<u>(21,257,937)</u>	<u>(19,192,027)</u>	<u>(17,702,094)</u>	<u>(17,639,396)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property Taxes	11,006,606	11,489,444	11,253,214	11,135,175
Taxes	6,515,374	7,206,753	6,293,146	5,929,414
Unrestricted Intergovernmental Revenue	991,710	1,000,788	928,657	951,246
Investment Income	57,548	15,960	5,357	7,435
Gain on sale of fixed assets	9,345	113	6,017	19,969
Miscellaneous	63,057	129,394	94,548	67,939
Transfers	-	-	-	-
Total governmental activities	<u>18,643,640</u>	<u>19,842,452</u>	<u>18,580,939</u>	<u>18,111,178</u>
Business-type activities:				
Property Taxes	92,250	96,763	95,039	95,501
Transfers	-	-	-	-
Total business-type activities	<u>92,250</u>	<u>96,763</u>	<u>95,039</u>	<u>95,501</u>
Total primary government	<u>18,735,890</u>	<u>19,939,215</u>	<u>18,675,978</u>	<u>18,206,679</u>
Change in Net Position				
Governmental activities	(2,508,921)	677,990	1,031,827	18,205
Business-type activities	(13,126)	69,198	(57,943)	549,078
Total primary government	<u>\$ (2,522,047)</u>	<u>\$ 747,188</u>	<u>\$ 973,884</u>	<u>\$ 567,283</u>
Notes: Accrual basis of accounting				
Source: CAFR				

Table 2

Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ 6,972,167	\$ 6,294,698	\$ 5,799,059	\$ 8,935,728	\$ 5,742,740	\$ 4,612,903
9,555,911	9,853,021	9,529,806	10,157,524	9,320,260	8,199,765
2,028,776	1,893,563	1,896,922	1,920,586	2,649,025	2,032,177
37,118	33,411	41,318	105,452	88,411	130,609
541,012	519,974	528,911	523,085	546,400	514,559
179,790	173,941	255,539	385,599	477,626	519,630
19,314,774	18,768,608	18,051,555	22,027,974	18,824,462	16,009,643
2,528,695	2,421,090	2,396,050	2,224,790	2,477,043	2,302,241
21,048	66,959	35,786	47,085	85,886	60,188
2,549,743	2,488,049	2,431,836	2,271,875	2,562,929	2,362,429
21,864,517	21,256,657	20,483,391	24,299,849	21,387,391	18,372,072
1,132,734	999,518	1,024,132	1,719,423	1,059,454	2,046,400
1,412,604	1,442,455	636,135	360,744	443,789	361,050
23,325	30	92,980	110,188	1,768	16,182
236,577	203,647	206,362	240,717	220,678	231,739
552	805,288	-	19,375	19,522	-
2,805,792	3,450,938	1,959,609	2,450,447	1,745,211	2,655,371
2,584,771	2,062,859	1,918,302	1,792,337	1,693,725	1,791,417
137,437	123,331	130,903	129,025	124,885	137,611
2,722,208	2,186,190	2,049,205	1,921,362	1,818,610	1,929,028
5,528,000	5,637,128	4,008,814	4,371,809	3,563,821	4,584,399
(16,508,982)	(15,317,670)	(16,091,946)	(19,577,527)	(17,079,251)	(13,354,272)
172,465	(301,859)	(382,631)	(350,513)	(744,319)	(433,401)
(16,336,517)	(15,619,529)	(16,474,577)	(19,928,040)	(17,823,570)	(13,787,673)
9,760,202	13,144,456	12,636,469	12,499,174	9,998,764	9,317,163
6,036,806	5,579,324	5,321,789	5,047,588	4,591,862	6,128,570
934,520	845,999	806,252	768,939	889,563	-
13,423	11,250	9,386	105,762	163,648	333,399
-	26,111	-	1,756	180,075	400,704
16,003	279,239	404,092	311,854	472,452	171,626
(744,302)	-	-	-	-	-
16,016,652	19,886,379	19,177,988	18,735,073	16,296,364	16,351,462
86,784	82,754	48,237	60,030	49,494	49,720
744,302	-	-	-	-	-
831,086	82,754	48,237	60,030	49,494	49,720
16,847,738	19,969,133	19,226,225	18,795,103	16,345,858	16,401,182
(492,330)	4,568,709	3,086,042	(842,454)	(782,887)	2,997,190
1,003,551	(219,105)	(334,394)	(290,483)	(694,825)	(383,681)
\$ 511,221	\$ 4,349,604	\$ 2,751,648	\$ (1,132,937)	\$ (1,477,712)	\$ 2,613,509

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

	Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Reserved				
Unreserved				
Nonspendable	\$ 3,915	\$ 16,334	\$ 365,645	\$ 163,031
Restricted	583,957	440,109	170,864	142,149
Unassigned	<u>8,686,906</u>	<u>7,947,656</u>	<u>5,589,212</u>	<u>4,945,695</u>
Total general fund	<u>\$ 9,274,778</u>	<u>\$ 8,404,099</u>	<u>\$ 6,125,721</u>	<u>\$ 5,250,875</u>
All Other Governmental Funds				
Unreserved, designated				
Unreserved, reported in:				
Special service funds				
Capital projects funds				
Debt service funds				
Restricted	\$ 4,014,775	\$ 5,878,590	\$ 5,883,574	\$ 6,330,855
Unassigned	<u>(44,392)</u>	<u>(20,215)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 3,970,383</u>	<u>\$ 5,858,375</u>	<u>\$ 5,883,574</u>	<u>\$ 6,330,855</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.

Source: CAFR

Table 3

Fiscal Year					
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
		\$ 230,560	\$ 54,880	\$ 120,280	\$ 284,236
		281,883	518,456	(799,071)	1,738,489
\$ 158,865	\$ 173,411				
109,500	141,016				
3,706,713	2,669,397				
<u>\$ 3,975,078</u>	<u>\$ 2,983,824</u>	<u>\$ 512,443</u>	<u>\$ 573,336</u>	<u>\$ (678,791)</u>	<u>\$ 2,022,725</u>
		\$ -	\$ -	\$ 202,000	\$ 950,000
		2,086,552	1,602,842	1,317,896	1,967,054
		3,176,456	1,885,003	4,904,919	4,150,364
		714,998	718,395	357,135	281,799
\$ 7,795,752	\$ 9,474,526				
-	-				
<u>\$ 7,795,752</u>	<u>\$ 9,474,526</u>	<u>\$ 5,978,006</u>	<u>\$ 4,206,240</u>	<u>\$ 6,781,950</u>	<u>\$ 7,349,217</u>

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

	Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues				
Taxes	\$ 17,403,371	\$ 18,714,431	\$ 17,546,360	\$ 17,042,682
Intergovernmental	2,540,441	2,232,808	2,080,904	1,188,411
Licenses, fees, and permits	252,877	266,139	282,049	294,866
Charges for services	413,482	440,420	412,714	355,695
Fines and Forfeitures	1,554,239	2,018,041	1,963,519	2,186,324
Investment earnings	57,548	15,960	5,357	7,435
Other revenues	<u>952,497</u>	<u>383,394</u>	<u>374,923</u>	<u>411,835</u>
Total revenues	<u>23,174,455</u>	<u>24,071,193</u>	<u>22,665,826</u>	<u>21,487,248</u>
Expenditures				
General Administration	7,507,660	6,538,190	7,268,378	7,540,105
Public Safety	11,426,573	10,366,548	10,228,430	9,727,666
Highway and Streets	3,825,007	3,465,030	3,227,744	2,930,524
Sanitation	603,187	617,133	611,693	561,641
Culture and Recreation	31,353	26,138	57,680	29,086
Debt service				
Principal	695,000	675,000	702,718	738,593
Interest	<u>112,333</u>	<u>130,088</u>	<u>147,635</u>	<u>168,702</u>
Total expenditures	<u>24,201,113</u>	<u>21,818,127</u>	<u>22,244,278</u>	<u>21,696,317</u>
Excess of revenues over (under) expenditures	<u>(1,026,658)</u>	<u>2,253,066</u>	<u>421,548</u>	<u>(209,069)</u>
Other Financing Sources (Uses)				
Proceeds from Issuance of Debt	-	-	-	-
Premium on Issuance of Debt	-	-	-	-
Sale of Capital Assets	9,345	113	6,017	19,969
Payment to Escrow	-	-	-	-
Transfers in	130,785	2,132,832	8,320	47,272
Transfers out	<u>(130,785)</u>	<u>(2,132,832)</u>	<u>(8,320)</u>	<u>(47,272)</u>
Total other financing sources (uses)	<u>9,345</u>	<u>113</u>	<u>6,017</u>	<u>19,969</u>
Net change in fund balances	<u>\$ (1,017,313)</u>	<u>\$ 2,253,179</u>	<u>\$ 427,565</u>	<u>\$ (189,100)</u>
Debt service as a percentage of noncapital expenditures	3.4%	3.8%	3.9%	4.4%

Note: Modified accrual basis of accounting
Source: CAFR

Table 4

Fiscal Year					
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 15,773,405	\$ 18,714,992	\$ 17,952,910	\$ 17,641,771	\$ 14,485,383	\$ 14,494,133
1,171,649	1,857,146	1,014,114	1,013,806	1,131,263	1,191,786
318,427	165,455	256,680	235,762	238,213	219,404
431,820	356,307	399,857	1,164,084	312,366	1,484,017
1,575,885	1,591,789	784,272	485,905	520,318	423,578
13,423	11,250	9,386	105,762	163,648	333,399
258,534	607,691	715,030	614,958	905,066	466,864
<u>19,543,143</u>	<u>23,304,630</u>	<u>21,132,249</u>	<u>21,262,048</u>	<u>17,756,257</u>	<u>18,613,181</u>
7,225,126	6,944,766	5,306,145	8,470,323	5,622,167	4,093,192
8,908,805	10,520,551	9,057,067	9,047,751	9,848,322	8,352,853
1,881,248	1,770,399	1,636,542	1,607,170	2,315,738	1,700,770
541,012	519,974	528,911	523,085	546,400	514,559
26,451	20,884	23,514	75,692	105,895	102,757
733,528	2,538,702	2,594,207	2,479,921	2,295,867	2,201,953
170,191	173,408	281,253	383,445	470,726	554,490
<u>19,486,361</u>	<u>22,488,684</u>	<u>19,427,639</u>	<u>22,587,387</u>	<u>21,205,115</u>	<u>17,520,574</u>
<u>56,782</u>	<u>815,946</u>	<u>1,704,610</u>	<u>(1,325,339)</u>	<u>(3,448,858)</u>	<u>1,092,607</u>
-	5,100,000	-	-	-	-
-	-	-	-	-	-
-	51,955	6,263	1,756	180,075	487,472
-	-	-	-	-	-
39,587	100,906	1,063,789	1,015,385	45,525	896,455
<u>(783,889)</u>	<u>(100,906)</u>	<u>(1,063,789)</u>	<u>(1,015,385)</u>	<u>(45,525)</u>	<u>(896,455)</u>
<u>(744,302)</u>	<u>5,151,955</u>	<u>6,263</u>	<u>1,756</u>	<u>180,075</u>	<u>487,472</u>
<u>\$ (687,520)</u>	<u>\$ 5,967,901</u>	<u>\$ 1,710,873</u>	<u>\$ (1,323,583)</u>	<u>\$ (3,268,783)</u>	<u>\$ 1,580,079</u>
5.2%	12.1%	14.8%	13.4%	17.8%	16.9%

Table 5

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

Fiscal Year	Property ^a	Sales & Use	Utility	Franchise	Property Transfer	Hotel Motel	Other	Total
2017	\$ 11,006,606	\$ 4,746,997	\$ 820,943	\$ 91,960	\$ 148,250	\$ 364,226	\$ 224,239	\$ 17,403,221
2016	11,489,444	5,059,449	816,141	89,063	703,080	448,230	109,024	18,714,431
2015	11,253,214	4,400,222	868,597	84,885	404,442	430,457	104,543	17,546,360
2014	11,135,175	4,190,731	933,571	79,339	226,761	390,606	86,499	17,042,682
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
Change 2008-2017	18.1%	50.8%	-34.7%	24.3%	-69.6%	151.4%	246.0%	20.1%

Notes:

^a 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.

Source: CAFR

Modified accrual basis of accounting

Table 6

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
2017	2016	N.A.	N.A.	N.A.	\$ 234,456	\$ 196,140,605	\$ 5.096	\$ 588,421,815	33.33%
2016	2015	\$ 76,983,032	\$ 68,413,187	\$ 44,159,446	191,500	189,747,165	5.079	569,241,495	33.33%
2015	2014	78,722,411	65,516,394	46,803,240	176,344	191,218,389	4.841	573,655,167	33.33%
2014	2013	82,818,443	45,710,231	72,309,300	130,360	200,968,334	4.425	602,905,002	33.33%
2013	2012	87,595,137	45,362,680	80,821,734	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%

N.A.: Tax Year 2016 Equalized Assessed Valuation by Classification of Property will be available from the County later this year.

Source: Office of the Cook County Clerk

Table 7

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Village Direct Rates</u>										
Village of Hillside	\$5.096	\$5.079	\$4.841	\$4.425	\$3.961	\$3.610	\$3.427	\$3.146	\$2.874	\$2.945
Village of Hillside Library Fund	0.595	0.586	0.554	0.503	0.450	0.405	0.320	0.299	0.273	0.278
Suburban TB Sanitarium	-	-	-	-	-	-	-	-	-	-
County of Cook	0.533	0.552	0.568	0.560	0.531	0.462	0.423	0.394	0.415	0.446
Consolidated Elections	-	0.034	-	0.031	-	0.025	-	0.021	-	0.012
Forest Preserve District of Cook County	0.063	0.069	0.069	0.069	0.063	0.058	0.051	0.049	0.051	0.053
Proviso Township	0.119	0.115	0.106	0.110	0.095	0.081	0.062	0.057	0.057	0.059
General Assistance - Proviso Township	0.059	0.057	0.053	0.052	0.045	0.038	0.031	0.033	0.033	0.034
Metropolitan Water Reclamation District	0.406	0.426	0.430	0.417	0.370	0.320	0.274	0.261	0.252	0.263
Community College District #504	0.330	0.352	0.336	0.325	0.269	0.267	0.225	0.214	0.212	0.224
Proviso Township High School #209	2.988	3.060	2.913	2.722	2.518	2.263	1.813	1.759	1.752	1.839
School District #93	2.625	2.695	2.543	2.401	2.230	1.980	1.643	1.567	1.433	1.486
Proviso Mental Health District	0.144	0.150	0.150	0.150	0.150	0.145	0.117	0.113	0.113	0.117
Des Plaines Valley Mosquito Abatement	0.017	0.017	0.016	0.016	0.015	0.014	0.011	0.011	0.012	0.012
Total Representative Tax Rate	<u>\$12.975</u>	<u>\$13.192</u>	<u>\$12.579</u>	<u>\$11.781</u>	<u>\$10.697</u>	<u>\$9.668</u>	<u>\$8.397</u>	<u>\$7.924</u>	<u>\$7.477</u>	<u>\$7.768</u>
<u>Additional Overlapping Tax Rates</u>										
School District #87	4.812	5.099	4.958	4.701	4.226	3.836	3.091	2.975	2.901	2.963
School District #88	4.911	4.888	4.759	4.376	4.036	3.620	2.930	2.813	2.664	2.741
School District #92 1/2	3.679	3.815	3.626	3.073	2.844	2.536	2.048	2.044	2.116	2.230
School District #93	2.625	2.695	2.543	2.401	2.230	1.980	1.643	1.567	1.433	1.486
Memorial Park District	0.669	0.676	0.657	0.610	0.560	0.508	0.413	0.401	0.395	0.411
Westchester Park District	0.408	0.422	0.406	0.381	0.357	0.315	0.264	0.257	0.219	0.318

Source: Cook County Clerk's Office

Table 8

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

Taxpayer	Tax Levy Year 2016			Tax Levy Year 2007		
	Taxable Equalized Assessed Value	Rank	Percentage of Total City Taxable Equalized Assessed Value	Taxable Equalized Assessed Value	Rank	Percentage of Total City Taxable Equalized Assessed Value
Bre Ddr Br Hillside II	\$ 9,880,069	1	5.04%			
Target Corp T 2490	9,110,397	2	4.64%			
Encore Realty Partners	5,888,747	3	3.00%			
Crown Enterprises Inc	5,157,882	4	2.63%			
Carmax	5,079,082	5	2.59%	\$ 7,849,551	2	2.83%
Par Developmen	4,374,663	6	2.23%			
Markwell Hillside LLC	4,096,535	7	2.09%			
Marc Realty	4,006,851	8	2.04%	8,047,469	1	2.90%
Warburg Storgemart	3,806,059	9	1.94%			
CPT Prime Industrial	3,223,675	10	1.64%			
Newcastle Partners				7,146,954	3	2.58%
Realty Assoc Funds VII, VIII				7,019,442	4	2.53%
Partipilo Family Prtnrs				6,406,482	5	2.31%
Cambridge Realty				6,390,877	6	2.30%
Central Transport				6,338,197	7	2.28%
Centerpoint Properties				5,404,457	8	1.95%
Moore Wallace RRD Co.				5,041,788	9	1.82%
Congress Development				4,802,093	10	1.73%
Total	<u>\$ 54,623,960</u>		<u>27.85%</u>	<u>\$ 64,447,310</u>		<u>23.23%</u>
Total City Taxable Equalized Assessed Value	<u>\$ 196,140,605</u>			<u>\$ 277,404,317</u>		

Sources: Cook County Clerks Office

Table 9

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
2017	\$ 9,692,000	\$ 4,605,149	47.51%	\$ -	\$ 4,605,149	47.51%
2016	9,351,500	4,797,419	51.30%	4,371,549	9,168,968	98.05%
2015	8,981,570	4,311,948	48.01%	4,260,533	8,572,481	95.45%
2014	8,622,770	4,187,067	48.56%	4,222,525	8,409,592	97.53%
2013	8,212,907	3,938,131	47.95%	4,013,497	7,951,628	96.82%
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%

Sources: Cook County Clerks Office

Table 10

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

Fiscal Year	Governmental Activities	Accumulated Resources	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita	Governmental Activities		Total Debt Primary Government	Percentage of Personal Income	Per Capita
	Bonded Debt	Restricted to				Other Debt				
	General	Repaying the				Promissory	Installment			
	Obligation	Principal of				Note	Note			
	Bonds	Bonded Debt								
2017	\$ 3,082,288	\$ (250,696)	\$ 2,831,592	0.48%	\$ 347	\$ -	\$ -	\$ 3,082,288	2.2%	\$ 378
2016	3,781,434	(262,994)	3,518,440	0.62%	431	-	-	3,781,434	2.7%	464
2015	4,460,418	(257,029)	4,203,389	0.73%	515	-	-	4,460,418	3.2%	547
2014	5,129,246	(266,658)	4,862,588	0.81%	596	37,718	-	5,166,964	3.7%	633
2013	5,777,924	(275,933)	5,501,991	0.86%	675	131,311	-	5,909,235	4.3%	724
2012	6,426,458	(348,359)	6,078,099	0.88%	745	219,839	-	6,646,297	4.8%	815
2011	3,769,388	(648,104)	3,121,284	0.37%	383	303,541	-	4,072,929	3.0%	499
2010	6,266,790	(608,189)	5,658,601	0.66%	694	382,748	-	6,649,538	4.8%	815
2009	8,653,957	(205,746)	8,448,211	0.95%	1,036	457,669	-	9,111,626	6.6%	1,117
2008	10,860,898	(281,799)	10,579,099	1.27%	1,297	528,536	-	13,573,111	9.9%	1,664

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 General Obligation Bonded Debt(1)
 April 30, 2017
 (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	\$ 3,075,000	100.00%	\$ 3,075,000
Total Direct			<u>3,075,000</u>
<u>Overlapping:</u>			
County of Cook	3,213,141,750	0.14%	4,398,430
Forest Preserve District of Cook County	159,440,240	0.14%	218,256
Metropolitan Water Reclamation of Greater Chicago	2,583,922,748 (2)	0.14%	3,605,414
Memorial Park District	608,000 (3)	17.57%	106,807
Westchester Park District	530,670 (3)	1.70%	9,013
School District #87	11,735,000	8.24%	967,146
School District #88	25,027,166 (4)	6.70%	1,677,977
School District #92 1/2	13,065,000	1.65%	216,132
School District #93	2,150,000	51.49%	1,107,111
High School District 209	49,717,832 (4)	9.35%	4,648,007
Community College 504	- (3)	2.43%	-
Total Overlapping Bonded Debt			<u>16,954,293</u>
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$ 20,029,293</u>

Notes:

- (1) Tax levy year 2016 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.

This schedule represents the Village's proportionate share of any overlapping governmental unit's outstanding debt. The percentage applicable to Hillside is computed by dividing Hillside's assessed valuation by the overlapping governmental unit's assessed valuation. Self-supporting debt is excluded.

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)

	Fiscal Year				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt limit	\$ 16,917,127	\$ 16,917,127	\$ 16,492,586	\$ 17,333,519	\$ 18,449,086
Total net debt applicable to limit	<u>3,075,000</u>	<u>3,770,000</u>	<u>4,445,000</u>	<u>5,110,000</u>	<u>5,755,000</u>
Legal debt margin	<u>\$ 13,842,127</u>	<u>\$ 13,147,127</u>	<u>\$ 12,047,586</u>	<u>\$ 12,223,519</u>	<u>\$ 12,694,086</u>
Total net debt applicable to the limit as a percentage of debt limit	18.18%	22.29%	26.95%	29.48%	31.19%

	Fiscal Year				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt limit	\$ 19,864,363	\$ 23,936,134	\$ 23,936,134	\$ 25,537,544	\$ 23,926,122
Total net debt applicable to limit	<u>6,400,000</u>	<u>3,755,000</u>	<u>6,270,000</u>	<u>8,675,000</u>	<u>10,900,000</u>
Legal debt margin	<u>\$ 13,464,363</u>	<u>\$ 20,181,134</u>	<u>\$ 17,666,134</u>	<u>\$ 16,862,544</u>	<u>\$ 13,026,122</u>
Total net debt applicable to the limit as a percentage of debt limit	32.22%	15.69%	26.19%	33.97%	45.56%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 196,140,605
Debt limit (8.625% of assessed value)	16,917,127
Debt applicable to limit:	<u>3,075,000</u>
Legal debt margin	<u>\$ 13,842,127</u>

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

Table 13

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
2017	8,157	\$ 137,770,510	\$ 16,894	33.0	12.7	2,018	3.2%
2016	8,157	137,770,510	16,894	33.0	12.7	2,018	3.2%
2015	8,157	137,770,570	16,894	33.0	12.7	2,018	3.2%
2014	8,157	137,770,570	16,894	33.0	12.7	2,018	3.2%
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%

Sources: 2000 & 2010 Federal Census

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

<u>Employer</u>		2017			Percentage of Total City Employment
		Employees	Data Source	Rank	
RTS Packaging LLC	Chipboard & Corrugated Packaging	350	(1)	1	9.4%
Orange Crush, LLC	Road Construction & Asphalt Material Supplier	205	(2)	2	5.5%
Builder's Concrete Svc LLC	Concrete Contractors	200	(3)	3	5.3%
Admiral Heating & Ventilating	HVAC Contractors	200	(2)	3	5.3%
Veterans Distribution of Chicago	Distribution & Delivery Services	200	(3)	3	5.3%
Super Target	Department Store	150	(3)	4	4.0%
Dynamic Manufacturing Co.	Rebuilt Automotive Transmissions	150	(1)	4	4.0%
Darwill Printing	Printing Services	140	(1)	5	3.7%
Medstar Laboratory	Medical Laboratory	135	(2)	6	3.6%
MTH Industries	Architectural Glass & Metal Contractor	115	(2)	7	3.1%
Best Western	Hotel	110	(3)	8	2.9%
Praxair Distribution, Inc.	Industrial Gases, Products & Services	100	(2)	9	2.7%
Car Max Auto Superstore	Automobile Dealer	100	(3)	9	2.7%
Total		2,155			57.6%

* The number of employees listed in the 2017 directories are actually the number employed in 2016.
The Illinois Department of Employment Security reports that 3,739 persons were employed in Hillside in 2016, the most recent information available.

<u>Employer</u>		2008			Percentage of Total City Employment
		Employees	Data Source	Rank	
Orange Crush, LLC	Road Construction & Asphalt Material Supplier	350	(4)	1	9.2%
Commercial Light Company	Not Available	300	(4)	2	7.9%
Creative Automation Company	Not Available	250	(4)	3	6.6%
Mechanical, Inc.	Not Available	200	(4)	4	5.2%
Admiral Heating & Ventilating	HVAC Contractors	200	(4)	5	5.2%
Bekins Van Lines	Not Available	200	(4)	6	5.2%
Levy Home Entertainment, LLC	Not Available	160	(4)	7	4.2%
Hillside Printing	Not Available	150	(4)	8	3.9%
MTH Industries	Architectural Glass & Metal Contractor	150	(4)	9	3.9%
RTS Packaging LLC	Chipboard & Corrugated Packaging	150	(4)	10	3.9%
Darwill Press	Not Available	140	(4)	11	3.7%
Praxair Distribution, Inc.	Industrial Gases, Products & Services	135	(4)	12	3.5%
L&J Technologies, Inc.	Industrial Gases, Products & Services	120	(4)	13	3.1%
Dynamic Manufacturing Co.	Rebuilt Automotive Transmissions	100	(4)	14	2.6%
Total		2,605			68.30%

2017 Data Sources

⁽¹⁾ 2017 Illinois Manufacturers' Directory ⁽⁴⁾ 2008 Village of Hillside CAFR

⁽²⁾ 2017 Illinois Services Directory

⁽³⁾ ReferenceUSA.com

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

Function/Program	Full-time-Equivalent Employees as of April 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
Administration	7	7	7	7	7	7	8	9	9	9
Social Services	-	-	-	-	-	-	-	-	-	1
Public Safety										
Police										
Officers	25	25	25	25	25	25	27	27	28	28
Civilians	8	8	8	8	8	8	8	8	8	9
Fire										
Firefighters	25	23	23	20	21	21	22	23	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	3	3
Streets	3	3	3	3	3	3	3	3	3	3
Building Services	3	3	3	3	3	3	3	3	3	3
Water	3	3	3	3	3	3	4	4	4	5
Total	<u>78</u>	<u>76</u>	<u>76</u>	<u>73</u>	<u>74</u>	<u>74</u>	<u>79</u>	<u>81</u>	<u>84</u>	<u>87</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.

Table 16

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

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
Building permits issued	760	768	564	700	595	625	589	576	657	522
Building inspections conducted	2,057	2,119	1,623	1,932	1,807	1,874	1,767	1,296	1,993	1,515
Public Safety										
Police										
Calls for service	20,821	21,992	24,170	22,601	17,101	14,030	14,642	16,626	15,744	15,374
Physical arrests	310	344	344	364	627	435	518	669	470	646
Parking tickets	2,201	2,398	2,818	2,433	2,381	2,485	2,406	2,423	2,064	1,671
Traffic tickets	1,005	1,726	2,126	2,583	3,344	3,724	6,087	4,540	3,987	4,014
Fire										
Fire Calls	937	774	808	826	659	667	754	718	754	675
Ambulance Calls	1,459	1,674	1,489	1,379	1,448	1,501	1,382	1,247	1,387	1,351
ALS	639	694	643	556	624	596	559	488	531	533
BLS	371	460	369	329	350	406	329	303	292	314
Training Hours	10,231	11,328	11,140	9,006	6,623	5,684	4,775	5,410	6,155	6,499
Inspections Initial	235	263	132	139	126	155	99	99	290	225
Inspections Follow-Up	97	100	32	11	33	32	78	30	118	83
Streets (public works)										
Street resurfacing (miles)	2	-	1	-	-	-	-	-	-	-
Sewer Inspections Conducted	7	8	13	16	17	9	94	105	81	85
Library										
Volumes in collection	51,280	51,386	52,279	55,598	53,668	59,386	81,610	57,641	56,635	51,800
Total volumes borrowed	40,100	50,683	53,877	63,539	56,330	96,421	88,558	92,212	92,258	88,987
Water										
Meters Installed	139	140	201	224	211	29	16	27	16	22
Water main breaks	30	14	34	42	24	20	28	19	11	2
Average daily consumption (thousands of gallons)	905	723	1,120	923	980	1,055	1,061	981	730	1,180

Sources: Various Village departments.

Table 17

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	25	25	25	25	25	25	27	27	28	28
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	453	453	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.