

CITY OF CREST HILL, ILLINOIS

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED APRIL 30, 2014**

CITY OF CREST HILL, ILLINOIS
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WERMER, ROGERS, DORAN & RUZON LLC CERTIFIED PUBLIC ACCOUNTANTS

755 ESSINGTON ROAD, JOLIET, ILLINOIS 60435 • 815/730-6250 • FAX 815/730-6257 • WWW.WRDR.COM

To the Honorable Mayor and Members
of the City Council
City of Crest Hill, Illinois

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Crest Hill, Illinois (the City), as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the City'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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of April 30, 2014, 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 Management's Discussion and Analysis, and the Schedules of Funding Progress for the Illinois Municipal Retirement Fund, the Police Pension Fund, and Other Postemployment Benefits on pages 3 through 10, 57, 58, and 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information, which is presented as required supplementary information is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The other supplementary information and the other supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information and other supplementary information 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 budgetary comparison information and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The other supplemental schedules 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.

Werner, Rogers, Doran & Ruyon, LLC

October 20, 2014

CITY OF CREST HILL, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014

Our discussion and analysis of the City of Crest Hill's financial performance (MD&A) provides an overview of the City's financial activities for the fiscal year ended April 30, 2014. Please read it in conjunction with the City's financial statements, which begin on page 11.

Financial Highlights

The City's net position increased by \$5,329,947, or 9.2 percent, as a result of this year's operations. Most of the increase was due to the effect of increased water and sewer rates in fiscal year 2014 and the full-year collection of the new non-home rule sales tax. Net position of our governmental activities increased by \$2,033,528, or 7.5 percent, while net position of our business-type activities increased by \$3,296,419, or 10.7 percent.

During the year, the City's governmental activities had revenues of \$12,713,087 and expenses of \$10,832,408, while the City's business-type activities had revenues of \$7,393,735 and expenses of \$3,944,467.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position (on page 11) and the Statement of Activities (on pages 12-13) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 14. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about the activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position (the difference between assets, liabilities, and deferred inflows of resources) as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

CITY OF CREST HILL, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- 1) **Governmental Activities** – Most of the City's basic services are reported here, including police protection, highway department, and general administration. Property taxes, state sales taxes, non-home rule sales taxes, and charges for services provide resources for most of these activities.
- 2) **Business-Type Activities** – The City charges fees to customers to help it cover all or most of the costs of certain services it provides. The City's water and sewer system is reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 14 and provide detailed information about the City's General Fund (the General Fund is comprised of three accounts, the General Account, Working Cash Account, and Local Law Enforcement Grant Account), the Non-Home Rule Sales Tax Fund, other governmental funds combined, and the City's Water and Sewer Fund, (the City's only major proprietary fund). The fund financial statements do not present the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – *governmental, proprietary* and *fiduciary* – use different accounting approaches.

Governmental Funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations to the right of the fund financial statements.

Proprietary Fund – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are reported in the City's proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for the proprietary fund.

The City as Trustee

Reporting the City's Fiduciary Responsibility

The City is the trustee, or fiduciary, for its employees' pension plan and agency fund. All of the City's fiduciary activities are reported in separate Statements of Net Position and Changes in Plan Net Position on pages 21 and 22. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

CITY OF CREST HILL, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014

The City as a Whole

The City's combined net position increased by 9.2 percent – increasing from \$57,952,622 to \$63,282,569. Increases were seen in both the governmental and the business-type activities, the business-type activities increased by 10.7 percent while the governmental activities increased by 7.5 percent. The increases can be attributed mainly to water and sewer revenues and the full-year collection of the new non-home rule sales tax. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities. These two statements report the City's net position and changes in them:

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	4/30/2014	4/30/2013	4/30/2014	4/30/2013	4/30/2014	4/30/2013
Current and Other Assets	\$ 17,559,331	\$ 16,121,154	\$ 16,862,753	\$ 32,113,772	\$ 34,422,084	\$ 48,234,926
Capital Assets	16,061,917	14,876,279	46,291,968	30,811,804	62,353,885	45,688,083
Total Assets	33,621,248	30,997,433	63,154,721	62,925,576	96,775,969	93,923,009
Long-Term Debt Outstanding	1,625,434	1,317,880	26,770,318	28,483,555	28,395,752	29,801,435
Other Liabilities	601,121	379,681	2,353,640	3,707,677	2,954,761	4,087,358
Total Liabilities	2,226,555	1,697,561	29,123,958	32,191,232	31,350,513	33,888,793
Deferred Inflows of Resources	2,142,887	2,081,594	-	-	2,142,887	2,081,594
Net Position						
Net Investment in Capital Assets	16,001,246	14,847,894	22,514,134	18,624,475	38,515,380	33,472,369
Restricted	2,129,081	2,055,531	3,114,531	2,917,057	5,243,612	4,972,588
Unrestricted	11,121,479	10,314,853	8,402,098	9,192,812	19,523,577	19,507,665
Total Net Position	\$ 29,251,806	\$ 27,218,278	\$ 34,030,763	\$ 30,734,344	\$ 63,282,569	\$ 57,952,622

Current assets consist of cash, investments and receivables. Capital assets represent long-lived assets such as buildings and equipment that are used in operations and construction in progress. Deferred inflows of resources consist of deferred property taxes. Long-term debt consists of bonds and loans outstanding that were issued to provide resources to improve the water and sewer system, capital leases, compensated absences, other postemployment benefits, and a net pension obligation. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$19,523,577. Beginning of the year net position for governmental activities was increased by \$66,206 to account for a change in prior year accounts payable.

CITY OF CREST HILL, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014

Table 2
Condensed Statement of Activities, for the Years Ended April 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	4/30/2014	4/30/2013	4/30/2014	4/30/2013	4/30/2014	4/30/2013
Revenues						
Program Revenues:						
Charges for Services	\$ 2,128,968	\$ 2,853,443	\$ 6,974,026	\$ 7,020,106	\$ 9,102,994	\$ 9,873,549
Operating Grants and Contributions	127,401	115,600	396,827	444,002	524,228	559,602
Capital Grants and Contributions	720,092	667,779	-	1,274,390	720,092	1,942,169
General Revenues:						
Property Taxes	2,098,261	2,034,301	-	-	2,098,261	2,034,301
State Sales Taxes	2,377,291	2,227,293	-	-	2,377,291	2,227,293
Non-Home Rule Sales Taxes	1,632,720	1,307,820	-	-	1,632,720	1,307,820
State Income Taxes	1,989,901	1,971,542	-	-	1,989,901	1,971,542
Replacement Taxes	47,677	40,064	-	-	47,677	40,064
Other Taxes	1,225,810	1,083,872	-	-	1,225,810	1,083,872
Interest Earnings	13,300	15,972	22,882	68,890	36,182	84,862
Other General Revenue	351,666	40,370	-	-	351,666	40,370
Total Revenues	12,713,087	12,358,056	7,393,735	8,807,388	20,106,822	21,165,444
Program Expenses						
General Government	2,543,791	2,330,152	-	-	2,543,791	2,330,152
Public Safety	4,796,633	4,519,166	-	-	4,796,633	4,519,166
Highways and Streets	2,050,905	2,134,101	-	-	2,050,905	2,134,101
Health and Welfare	1,440,410	1,349,620	-	-	1,440,410	1,349,620
Interest on Debt	669	3,310	-	-	669	3,310
Water and Sewer	-	-	3,944,467	4,471,943	3,944,467	4,471,943
Total Expenses	10,832,408	10,336,349	3,944,467	4,471,943	14,776,875	14,808,292
Excess of Revenues Over Expenses Before Transfers	1,880,679	2,021,707	3,449,268	4,335,445	5,329,947	6,357,152
Transfers	152,849	(83,677)	(152,849)	83,677	-	-
Change in Net Position	2,033,528	1,938,030	3,296,419	4,419,122	5,329,947	6,357,152
Net Position, Beginning - as adjusted	27,218,278	25,280,248	30,734,344	26,315,222	57,952,622	51,595,470
Net Position, Ending	\$ 29,251,806	\$ 27,218,278	\$ 34,030,763	\$ 30,734,344	\$ 63,282,569	\$ 57,952,622

The City's total revenues were \$20,106,822 or 34.7 percent of beginning net position. The total costs of all programs and services were \$14,776,875 or 25.5 percent of beginning net position. Our analysis that follows separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues for 2014 for the City's governmental activities were \$12,713,087, up 2.9 percent from 2013. Non-home rule sales taxes were up \$324,900. Non-home rule sales taxes were collected by the City made up 12.8 percent of total governmental revenues. (See further discussion on this topic in the *Economic Factors and Next Year's Budgets and Rates* section later in this MD&A).

CITY OF CREST HILL, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014

A major decrease was seen in charges for services as building permits were below the prior year by nearly \$400 thousand, additionally, 2013 saw a one-time \$358 thousand developer fee. Charges for services, consisting mainly of refuse disposal charges and building permits, made up 16.7 percent of total governmental revenues.

State sales taxes and property taxes made up about 18.7 and 16.5 percent of revenues, respectively. Property taxes were up 3.1 percent from 2013. Operating Grants and Contributions were up \$11,801, due to a variety of grants. Also, Capital Grants and Contributions were higher by \$52,313, mostly because the City received more motor fuel taxes in fiscal year 2014.

The governmental activities expenses for 2014 were higher than 2013 levels by 4.8 percent. General Government and Public Safety had increases of \$213,639 and \$277,467, respectively. The increases were due to higher salaries, insurance, and pension contribution costs. The Highways and Streets function was lower by 3.9 percent due to the timing of road repair projects. Public safety made up 44.3 percent of expenses, which includes police protection and contributions to the police pension fund. Health and welfare consists of refuse expenses and building inspections.

Business-Type Activities

Revenues of the City's business-type activities for 2014 were \$7,393,735, down 16.1 percent from 2013 despite a five percent increase in water rates, because of decreased water usage, and collections of intergovernmental revenues in 2013. Charges for services made up 94.3 percent of revenues while operating grants and contributions added 5.4 percent of the revenue. All expenses, which were lower by 11.8 percent in 2014, went towards the operation of the City's Water/Wastewater Utility. Increases in expenses were experienced in water and sewerage costs. Reductions in expenses were seen in the areas of sewerage treatment, debt service, and depreciation.

The City's Funds

As the City completed the year, its General Fund (General Account only) reported a fund balance of \$11,457,872, which was higher than last year's total of \$9,936,074. The year end fund balance as compared to the fund's total expenditures for the year, provides the fund with just over 15 months of reserves for future expenditures. Revenues were lower in 2014 than 2013 by \$144,551, due mainly to the afore-mentioned drop in charges for services. General sales tax increased \$136,132. Expenditures in the General Fund were higher by \$437,736, with increases being seen in salaries and benefits, refuse fees and pension contributions.

The Non-Home Rule Sales Tax Fund is in its second year of operations for fiscal year 2014. The fund is used to record the receipt of the approved one percent sales tax. Expenditures from the fund have included improvements to City infrastructure and a transfer to the General Fund of \$123,000 to pay for the costs of hiring new police officers. The fund ended the year with a fund balance of \$493,034.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City's budget. Budget amendments fall into three categories. The first category includes rollovers of certain prior year unexpended funds. The second category includes budget revisions made during the year for special projects for which funds became available. The third category is for final budget revisions that are intended to prevent budget overruns.

CITY OF CREST HILL, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 April 30, 2014

The actual expenditures for the General Fund (General Account only) were \$242,267 greater than the final budget amounts, due to the contributions to police pension fund of \$509,589 not being budgeted and the purchase of land adjacent to the City Hall for \$305,700. There were positive line-item variances throughout the fund, many of which were in the areas of salaries, health insurance, contractual services, and projects.

The actual revenue was greater than budgeted amounts for the General Fund (General Account only) by \$1,494,241. The most significant variances were a positive variance of \$514,088 in property taxes (the police pension property tax is recorded in the General Fund) and a positive variance of \$382,840 in other taxes, due to greater than expected state income taxes.

Capital Assets and Debt Administration

Capital Assets

At the end of 2014, the City had a total of \$62,353,885 in capital assets net of depreciation. Capital assets included land, construction in progress, site improvements, buildings, equipment, water and sewer system, vehicles, and infrastructure. (See Table 3 below)

Table 3
Capital Assets at Year-End

	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,077,782	\$ 786,882	\$ 1,864,664
Construction in Progress	959,294	26,720,655	27,679,949
Site Improvements	133,114	178,517	311,631
Buildings	265,027	2,410,193	2,675,220
Equipment	1,377,078	4,982,989	6,360,067
Water and Sewer System	-	22,184,967	22,184,967
Vehicles	1,681,844	627,508	2,309,352
Infrastructure	15,907,282	-	15,907,282
Subtotal	21,401,421	57,891,711	79,293,132
Less Accumulated Depreciation	(5,339,504)	(11,599,743)	(16,939,247)
Total	<u>\$ 16,061,917</u>	<u>\$ 46,291,968</u>	<u>\$ 62,353,885</u>

Significant current year additions include new construction in progress of infrastructure in the Governmental activities of \$900,000 and new land of \$305,700. The Business-type activities added new construction in progress of just under \$16 million and \$539,228 of additions to the water and sewer system in for various water and sewer system improvement projects. More detailed information about the City's capital assets is presented in note 6 to the financial statements.

Debt Administration

At year end, the City had \$26,753,363 in bonds and loans outstanding versus \$28,466,497 last year – a decrease of 6.0 percent. Table 4 on the next page shows all long-term debt outstanding at April 30, 2014.

CITY OF CREST HILL, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 April 30, 2014

Table 4
Outstanding Debt at Year-End

	Governmental Activities	Business-Type Activities	Total
Revenue Bonds (Backed by Specific Fee Revenues)	\$ -	\$ 22,890,000	\$ 22,890,000
Discount on Revenue Bonds	-	(108,245)	(108,245)
Revenue Bonds, Net	-	22,781,755	22,781,755
IEPA Loan	-	3,971,608	3,971,608
Compensated Absences	93,350	16,955	110,305
Leases Payable	60,671	-	60,671
Net Pension Obligation	1,418,671	-	1,418,671
Postemployment Benefits Payable	52,742	-	52,742
Total	\$ 1,625,434	\$ 26,770,318	\$ 28,395,752

The revenue bonds and the Illinois Environmental Protection Agency (IEPA) loan outstanding were issued in the current and prior years to provide for the construction and improvement of water supply facilities and wastewater treatment plants. The City's most recent bond issue received a rating of Aa3 from Moody's rating service.

On August 15, 2013, the City refunded the remaining \$1,195,000 (after making the required \$170,000 principal payment due on May 1, 2013) of outstanding Waterworks and Sewerage Revenue Bonds Series 2004. The City began drawing down monies on a new \$5.5 million loan from the IEPA in fiscal year 2012 to provide resources for sanitary sewer improvements, drawdowns continued in 2014. The loan had \$1.5 million of the total amount forgiven, leaving a balance of \$4.0 million to be repaid by the City from water and sewer revenues over a twenty year period with interest at 1.25 percent. More detailed information about the City's long-term debt is presented in note 10 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2014 budget, tax rates, and fees that would be charged for the business-type activities. Economic factors include population growth and the unemployment rate. Based on the recent 2010 census, the City's population now exceeds 20,000 and continued growth is expected. However, due to the recent downturn in the economy, there were only four single-family and no multi-family building permits issued in fiscal 2014. Unemployment for Will County decreased from 9.7 percent in 2013 to 7.8 percent in 2014.

On March 20, 2012, voters in the City approved a referendum to increase the sales tax rate in the City by one percent. The increase was effective as of July 1, 2012. A portion of the increased revenue has been used to provide property owners an annual rebate check of 25 percent on the City's portion of the property tax bill; the first annual checks were sent out in the spring of 2014. Additionally, the tax has provided funding to improve the City's storm sewer system, repairs to City streets, and an increase in the number of police officers. Revenues from the additional tax for fiscal year 2014 were \$1,609,172.

The City has approved an ordinance authorizing the issuance of waterworks and sewerage revenue bonds in an aggregate principal amount not to exceed \$20,300,000 to provide resources for system improvements. The bonds have not yet been issued.

CITY OF CREST HILL, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014

These indicators were taken into account when adopting the budget for fiscal 2015. On May 19, 2014, the City Council adopted the 2015 budget, which showed total budgeted revenues (including transfers) of \$27,607,509 and total budgeted expenditures (including transfers) of \$33,982,729. This represents a decrease in expenditures of approximately 19.1 percent from the 2014 budget of \$41,982,139, due mainly to the 2014 budgeted spending of the 2010 bonds.

As for the City's business-type activities, the Water and Sewer Fund's budget showed total budgeted revenues (including transfers) of \$15,389,086 and total budgeted expenses (including transfers) of \$22,315,757 for fiscal 2015. User rates for 2015 will increase 5 percent. Major water and wastewater projects highlight the 2015 schedule. Compliance with the Clean Water Act and the Safe Drinking Water Act requirements will require the continued construction of major facilities in 2014-2015. The City issued \$23.82 million of taxable general obligation (alternative revenue Water and Sewer) Build America Bonds in fiscal year 2011. The proceeds of the bonds will continue to be used to make improvements to the City's water/sewer system.

The real estate tax levy was established at a level that resulted in an increase in the real estate tax rate. Because of a decrease in the City's assessed valuation, the increase in the total levy necessitated a higher real estate tax rate. The City expects to collect \$2,164,532 in property tax in calendar year 2014 based on the extension by Will County for the 2013 taxes. The tax cap legislation passed by the Illinois General Assembly for taxing districts has limited the growth in the extended tax levy. The tax caps will affect the City's future levies for all non-debt related purposes.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City Office at City of Crest Hill, 1610 Plainfield Road, Crest Hill, IL 60403.

BASIC FINANCIAL STATEMENTS

CITY OF CREST HILL, ILLINOIS

Statement of Net Position April 30, 2014

Assets	Governmental Activities	Business-Type Activities	Total
Cash	\$ 4,433,899	\$ 13,346,358	\$ 17,780,257
Investments	8,781,630	1,264,713	10,046,343
Deposit With Fiscal Agent	-	1,195,879	1,195,879
Receivables Net of Allowance for Uncollectible Amounts:			
Property Taxes	2,142,887	-	2,142,887
Sales Taxes	1,007,812	-	1,007,812
Intergovernmental	821,448	5,862	827,310
Customer Accounts	359,753	1,045,852	1,405,605
Accrued Interest	8,799	4,089	12,888
Other	3,103	-	3,103
Capital Assets Not Being Depreciated	2,037,076	27,507,537	29,544,613
Capital Assets Being Depreciated, Net	<u>14,024,841</u>	<u>18,784,431</u>	<u>32,809,272</u>
Total Assets	<u>\$ 33,621,248</u>	<u>\$ 63,154,721</u>	<u>\$ 96,775,969</u>
 Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Accounts Payable	\$ 357,597	\$ 1,723,389	\$ 2,080,986
Accrued Payroll	119,024	19,372	138,396
Deposits	124,500	-	124,500
Accrued Interest Payable	-	610,879	610,879
Noncurrent Liabilities			
Due Within One Year			
Compensated Absences Payable	93,350	16,955	110,305
Leases Payable	29,452	-	29,452
Revenue Bonds Payable	-	585,000	585,000
Loans Payable	-	90,245	90,245
Due in More Than One Year			
Net Pension Obligation	1,418,671	-	1,418,671
Leases Payable	31,219	-	31,219
Postemployment Benefits Payable	52,742	-	52,742
Revenue Bonds Payable (Net of Discount of \$108,245)	-	22,196,755	22,196,755
Loans Payable	-	3,881,363	3,881,363
Total Liabilities	<u>2,226,555</u>	<u>29,123,958</u>	<u>31,350,513</u>
 Deferred Inflows of Resources			
Deferred Property Taxes	<u>2,142,887</u>	<u>-</u>	<u>2,142,887</u>
 Net Position			
Net Investment in Capital Assets	16,001,246	22,514,134	38,515,380
Restricted for:			
Employee Benefits	686,412	-	686,412
Maintenance of Roadways	1,395,390	-	1,395,390
Public Safety	47,279	-	47,279
Debt Service	-	3,114,531	3,114,531
Unrestricted	<u>11,121,479</u>	<u>8,402,098</u>	<u>19,523,577</u>
Total Net Position	<u>29,251,806</u>	<u>34,030,763</u>	<u>63,282,569</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 33,621,248</u>	<u>\$ 63,154,721</u>	<u>\$ 96,775,969</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF CREST HILL, ILLINOIS

Statement of Activities
For the Year Ended April 30, 2014

Functions / Programs	Expenses	Program Charges for Services
Governmental Activities:		
General Government	\$ 2,543,791	\$ 439,832
Public Safety	4,796,633	144,273
Highways and Streets	2,050,905	-
Health and Welfare	1,440,410	1,544,863
Interest on Debt	669	-
Total Governmental Activities	10,832,408	2,128,968
Business-Type Activities:		
Water and Sewer	3,944,467	6,974,026
Total Business-Type Activities	3,944,467	6,974,026
Total Primary Government	\$ 14,776,875	\$ 9,102,994

See Accompanying Notes to Basic Financial Statements.

Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 48,475	\$ 28,895	(\$ 2,026,589)	\$ -	(\$ 2,026,589)
34,951	-	(4,617,409)	-	(4,617,409)
43,975	691,197	(1,315,733)	-	(1,315,733)
-	-	104,453	-	104,453
-	-	(669)	-	(669)
<u>127,401</u>	<u>720,092</u>	<u>(7,855,947)</u>	<u>-</u>	<u>(7,855,947)</u>
<u>396,827</u>	<u>-</u>	<u>-</u>	<u>3,426,386</u>	<u>3,426,386</u>
<u>396,827</u>	<u>-</u>	<u>-</u>	<u>3,426,386</u>	<u>3,426,386</u>
<u>\$ 524,228</u>	<u>\$ 720,092</u>	<u>(7,855,947)</u>	<u>3,426,386</u>	<u>(4,429,561)</u>
General Revenues and Transfers:				
Property Taxes		2,098,261	-	2,098,261
State Sales Taxes		2,377,291	-	2,377,291
Non-Home Rule Sales Taxes		1,632,720	-	1,632,720
State Income Taxes		1,989,901	-	1,989,901
Replacement Taxes		47,677	-	47,677
Other Taxes		1,225,810	-	1,225,810
Interest and Investment Earnings		13,300	22,882	36,182
Other General Revenue		351,666	-	351,666
Transfers		152,849	(152,849)	-
Total General Revenues and Transfers		<u>9,889,475</u>	<u>(129,967)</u>	<u>9,759,508</u>
Change in Net Assets		2,033,528	3,296,419	5,329,947
Net Position - Beginning - as adjusted		<u>27,218,278</u>	<u>30,734,344</u>	<u>57,952,622</u>
Net Position - Ending		<u>\$ 29,251,806</u>	<u>\$ 34,030,763</u>	<u>\$ 63,282,569</u>

CITY OF CREST HILL, ILLINOIS

Governmental Funds Balance Sheet April 30, 2014

	General Fund	Non-Home Rule Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 3,207,777	\$ -	\$ 1,226,122	\$ 4,433,899
Investments	7,593,241	279,465	908,924	8,781,630
Receivables, Net of Allowance for Uncollectible Amounts:				
Property Taxes	1,855,890	-	286,997	2,142,887
Sales Taxes	591,197	416,615	-	1,007,812
Intergovernmental	752,490	-	68,958	821,448
Customer Accounts	359,753	-	-	359,753
Accrued Interest	8,799	-	-	8,799
Other Receivables	3,103	-	-	3,103
Due from Other Funds	18,261	-	-	18,261
Total Assets	\$ 14,390,511	\$ 696,080	\$ 2,491,001	\$ 17,577,592
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	\$ 256,158	\$ 41,752	\$ 59,687	\$ 357,597
Accrued Payroll	119,024	-	-	119,024
Deposits	124,500	-	-	124,500
Due to Other Funds	-	-	18,261	18,261
Total Liabilities	499,682	41,752	77,948	619,382
Deferred Inflows of Resources				
Deferred Property Taxes	1,855,890	-	286,997	2,142,887
Other Deferred Revenue	574,182	161,294	-	735,476
Total Deferred Inflows of Resources	2,430,072	161,294	286,997	2,878,363
Fund Balances				
Restricted	-	-	2,129,081	2,129,081
Committed	-	493,034	-	493,034
Assigned	2,885	-	20,073	22,958
Unassigned	11,457,872	-	(23,098)	11,434,774
Total Fund Balances	11,460,757	493,034	2,126,056	14,079,847
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,390,511	\$ 696,080	\$ 2,491,001	\$ 17,577,592

See Accompanying Notes to Basic Financial Statements.

CITY OF CREST HILL, ILLINOIS

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position April 30, 2014

Total Fund Balances - Governmental Funds (from Adjoining Page)		\$ 14,079,847
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Capital Assets	21,401,421	
Accumulated Depreciation	(5,339,504)	
Net Capital Assets		16,061,917
Certain taxes receivable are not available to pay for current period expenditures and therefore are deferred in the governmental funds:		
		735,476
Certain long-term 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.		
Net Pension Obligation	(1,418,671)	
Leases Payable	(60,671)	
Postemployment Benefits Payable	(52,742)	
Compensated Absences Payable	(93,350)	
Net Long-Term Liabilities		(1,625,434)
Net Position of Governmental Activities		<u>\$ 29,251,806</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF CREST HILL, ILLINOIS

Statement of Revenue, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2014

	<u>General Fund</u>	<u>Non-Home Rule Sales Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenue				
Property Tax	\$ 1,809,217	\$ -	\$ 289,044	\$ 2,098,261
Municipal Sales Tax	2,354,173	-	-	2,354,173
Non-Home Rule Sales Tax	-	1,609,172	-	1,609,172
Other Taxes	2,151,440	-	-	2,151,440
Intergovernmental Revenue	61,496	-	785,997	847,493
Licenses and Permits	2,055,153	-	1,940	2,057,093
Interest Revenue	12,252	104	944	13,300
Charges for Services	1,225,037	-	2,149	1,227,186
Miscellaneous Revenue	351,370	-	296	351,666
	<u>10,020,138</u>	<u>1,609,276</u>	<u>1,080,370</u>	<u>12,709,784</u>
Total Revenue				
Expenditures				
Current:				
General Government	1,439,499	682,291	368,920	2,490,710
Public Safety	4,425,989	76,000	194	4,502,183
Highways and Streets	1,157,073	105,834	468,360	1,731,267
Health and Welfare	1,439,332	-	-	1,439,332
Debt Service - Interest an Leases	-	-	669	669
Debt Service - Principal an Leases	33,092	-	28,385	61,477
Capital Outlay	621,007	957,591	19	1,578,617
	<u>9,115,992</u>	<u>1,821,716</u>	<u>866,547</u>	<u>11,804,255</u>
Total Expenditures				
Excess of Revenue Over Expenditures	904,146	(212,440)	213,823	905,529
Other Financing Sources (Uses)				
Transfers In	400,852	-	200	401,052
Transfers Out	(200)	(123,000)	(125,003)	(248,203)
Proceeds From Capital Leases	93,763	-	-	93,763
	<u>1,398,561</u>	<u>(335,440)</u>	<u>89,020</u>	<u>1,152,141</u>
Net Change in Fund Balances				
Fund Balances, Beginning of Year	<u>10,062,196</u>	<u>828,474</u>	<u>2,037,036</u>	<u>12,927,706</u>
Fund Balances, End of Year	<u>\$ 11,460,757</u>	<u>\$ 493,034</u>	<u>\$ 2,126,056</u>	<u>\$ 14,079,847</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF CREST HILL, ILLINOIS

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities For the Year Ended April 30, 2014

Net Change in Fund Balances - Governmental Funds (from Adjoining Page)		\$ 1,152,141
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
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. This is the change in taxes receivable from fiscal year 2013 to 2014.		3,303
Governmental funds report the costs of capital assets as expenditures. However, in the Statement of Activities, the cost of those assets are depreciated over their estimated useful lives as depreciation expense. This is the amount of capital outlays and other expenditures resulting in new capital assets in the current period.		1,638,419
This is the amount of depreciation recorded in the current period.	(452,781)
The issuance of new debt, capital leases, is recorded as other financing sources in the governmental funds, but the issuance of new debt increases long-term liabilities in the Statement of Net Position.	(93,763)
Current year expenses relating to long-term liabilities are reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Net Pension Obligation	(249,692)
Postemployment Benefits Payable	(16,150)
Leases Payable		61,477
Compensated Absences Payable	(<u>9,426</u>)
Change in Net Position of Governmental Activities		<u>\$ 2,033,528</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF CREST HILL, ILLINOIS

Statement of Net Position Proprietary Fund April 30, 2014

	Water and Sewer Fund
Assets	
Current Assets	
Cash	\$ 6,713,617
Investments	1,264,713
Intergovernmental Receivable	5,862
Customer Accounts Receivable	1,045,852
Accrued Interest	2,700
Total Current Assets	9,032,744
Noncurrent Assets	
Restricted Cash	6,632,741
Deposit With Fiscal Agent	1,195,879
Accrued Interest on Restricted Investments	1,389
Capital Assets Not Being Depreciated	27,507,537
Capital Assets Being Depreciated, Net	18,784,431
Total Noncurrent Assets	54,121,977
Total Assets	\$ 63,154,721
Liabilities and Net Position	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 1,723,389
Accrued Payroll	19,372
Accrued Interest Payable from Restricted Assets	610,879
Current Portion of Compensated Absences Payable	16,955
Current Portion of Revenue Bonds Payable	585,000
Current Portion of Loans Payable	90,245
Total Current Liabilities	3,045,840
Noncurrent Liabilities	
Revenue Bonds Payable (Net of Discount of \$108,245)	22,196,755
Loans Payable	3,881,363
Total Noncurrent Liabilities	26,078,118
Total Liabilities	29,123,958
Net Position	
Net Investment in Capital Assets	22,514,134
Restricted by Bond Ordinance for Debt Service	3,114,531
Unrestricted	8,402,098
Total Net Position	34,030,763
Total Liabilities and Net Position	\$ 63,154,721

See Accompanying Notes to Basic Financial Statements.

CITY OF CREST HILL, ILLINOIS

Statement of Revenue, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended April 30, 2014

	Water and Sewer Fund
Operating Revenue	
Charges for Services	\$ 6,822,108
Central Service Fees	<u>2,358</u>
Total Operating Revenue	<u>6,824,466</u>
Operating Expenses	
Water	1,034,709
Sewer	448,426
Sewer Treatment Plant	761,200
Water Administration	501,742
Depreciation	<u>754,550</u>
Total Operating Expenses	<u>3,500,627</u>
Operating Income	<u>3,323,839</u>
Non-Operating Revenue (Expenses)	
Intergovernmental Revenue	396,827
Miscellaneous Revenue	54,581
Interest Earnings	22,882
Rental Income	94,979
Interest Expense	<u>(443,840)</u>
Total Non-Operating Revenue (Expenses)	<u>125,429</u>
Income Before Transfers	3,449,268
Transfers Out	<u>(152,849)</u>
Change in Net Position	3,296,419
Net Position, Beginning of Year	<u>30,734,344</u>
Net Position, End of Year	<u>\$ 34,030,763</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF CREST HILL, ILLINOIS

Statement of Cash Flows Proprietary Fund For the Year Ended April 30, 2014

	Water and Sewer Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 7,184,143
Rental and Miscellaneous Receipts	149,560
Cash Payments to Suppliers for Goods And Services	(1,776,040)
Cash Payments to Employees for Services and Benefits	(930,080)
Net Cash Provided by Operating Activities	4,627,583
Cash Flows from Noncapital Financing Activities	
Payments to Other Funds	(152,849)
Net Cash Used for Noncapital Financing Activities	(152,849)
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(16,800,491)
Proceeds from Loans	473,816
Intergovernmental Receipts	396,827
Interest Paid on Bonds and Loans	(1,071,078)
Principal Paid on Bonds and Loans	(1,945,000)
Net Cash Used for Capital and Related Financing Activities	(18,945,926)
Cash Flows from Investing Activities	
Sales of Investments	2,027,716
Interest on Investments	69,895
Net Cash Provided by Investing Activities	2,097,611
Net Decrease in Cash and Restricted Cash	(12,373,581)
Cash and Restricted Cash, Beginning of Year	25,719,939
Cash and Restricted Cash, End of Year	\$ 13,346,358
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 3,323,839
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Rental and Miscellaneous Receipts	149,560
Depreciation	754,550
Changes in Assets and Liabilities	
Accounts Receivable	359,677
Accounts Payable (Non-Construction)	33,858
Accrued Salaries	6,202
Compensated Absences	(103)
Net Cash Provided by Operating Activities	\$ 4,627,583

See Accompanying Notes to Basic Financial Statements.

CITY OF CREST HILL, ILLINOIS

Statement of Net Position Fiduciary Funds April 30, 2014

	Pension Trust Fund	Agency Fund
	<u> </u>	<u> </u>
Assets		
Cash	\$ 10,173	\$ 20,013
Investments	13,572,399	90,029
Interest Receivable	54,809	-
Prepaid Items	<u>1,736</u>	<u>-</u>
 Total Assets	 <u>\$ 13,639,117</u>	 <u>\$ 110,042</u>
 Liabilities		
Accounts Payable	\$ 9,077	\$ -
Deposits Payable	<u>-</u>	<u>110,042</u>
 Total Liabilities	 <u>9,077</u>	 <u>\$ 110,042</u>
 Net Position		
Held in Trust for Pension Benefits	<u>\$ 13,630,040</u>	

See Accompanying Notes to Basic Financial Statements.

CITY OF CREST HILL, ILLINOIS

Statement of Changes in Plan Net Position Pension Trust Fund For the Year Ended April 30, 2014

	Pension Trust Fund
Additions	
Contributions	
Employer Contributions	\$ 621,589
Plan Member Contributions	<u>221,260</u>
Total Contributions	<u>842,849</u>
Investment Income	
Interest	375,696
Net Appreciation in Fair Value of Investments	<u>597,804</u>
Investment Income Gross	973,500
Less Investment Expense	<u>(39,842)</u>
Total Investment Income	<u>933,658</u>
Total Additions	<u>1,776,507</u>
Deductions	
Pension Benefit Payments and Refunds	644,961
Administrative Expenses	<u>41,073</u>
Total Deductions	<u>686,034</u>
Change in Net Position	1,090,473
Net Position Held in Trust for Pension Benefits	
Beginning of Year	<u>12,539,567</u>
End of Year	<u><u>\$ 13,630,040</u></u>

See Accompanying Notes to Basic Financial Statements.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies

Introduction

The City of Crest Hill, Illinois (the City) was incorporated January 22, 1960. The City is a non-home rule unit and operates under the Council / Mayor form of government. The City Council is composed of the Mayor and eight aldermen. The City provides services to the community that includes: police, water and wastewater utility, street maintenance, garbage collection, and general services.

The financial statements of the City of Crest Hill, Illinois are prepared in accordance with Accounting Principles Generally Accepted in the United States of America (USGAAP). USGAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America established by the GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

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

The accompanying financial statements present the City of Crest Hill, Illinois (the primary government) and its component unit. The financial data of the component unit is included in the City's reporting entity because of the significance of its operational relationship with the City.

Component Unit That is Fiduciary in Nature

The Police Pension Fund of the City of Crest Hill is an Illinois local government, as such, it is a separate legal entity with its own management and budget authority. This fund exists solely to provide pension benefits for the City's police officers and beneficiaries. The financial statements of the Pension Fund as of and for the fiscal year ended April 30, 2014, are presented in the City's basic financial statements as a pension trust fund. Although the Pension Fund prepares an annual report for submission to the Illinois Department of Insurance, it does not prepare separately issued component unit financial statements.

No other agencies or units of local government meet the criteria of Governmental Accounting Standards Board (GASB) Statement Numbers 14, 39 or 61 for inclusion in the reporting entity as a component unit.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other nonexchange revenue. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The City's funds are organized into three major categories: governmental, proprietary, and fiduciary. Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting on funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. The City's expendable financial resources (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental funds:

General Fund - The General Fund (a major governmental fund) is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund is comprised of three accounts, the General Account, Working Cash Account, and Local Law Enforcement Grant Account.

Non-Home Rule Sales Tax Fund The Non-Home Rule Sales Tax Fund (a major governmental fund) is a special revenue fund used to record the receipt of the City's additional one percent sales tax. Outflows from the fund are to be used for hiring new police officers, infrastructure improvements, and rebating one-fourth of the City's property taxes to the citizens of the City.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies

Proprietary Fund

The proprietary fund is used to account for the City's ongoing activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income.

Enterprise Fund – The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City's major enterprise fund is the Water and Sewer Fund – this fund accounts for the revenue and expense related to providing a safe, potable water supply for domestic and industrial usage and for maintaining a dependable system for collecting and treating the wastewaters of the City.

Fiduciary Funds (Not Included in Government-Wide Statements)

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds.

Trust and Agency Funds - Trust and Agency Funds of the City include a Pension Trust Fund and an Agency Fund. The Pension Trust Fund is accounted for in essentially the same manner as proprietary funds since preservation of capital is critical. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

The pension trust fund is the Crest Hill Police Pension Fund, which accounts for municipal contributions and contributions from participants used to fund the pension plan and payments to retirees and beneficiaries in accordance with the Illinois Pension Code. The agency fund accounts for certain escrow deposits held by the City.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement or the “economic resources” measurement is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies

Measurement Focus

- b. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

Government-Wide Financial Statements

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

The City has reported three categories of program revenues in the Statement of Activities (1) 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, such as the State of Illinois; they reduce the net cost of each function to be financed from the City's general revenues. For identifying the function to which 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. Amounts reported in the activities' columns as receivable from or payable to fiduciary funds have been reclassified in the Statement of Net Position as accounts receivable or payable to external parties.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies

Governmental Funds

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within sixty days, or soon enough thereafter to be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long-term liabilities which are reported when due.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see note 2).

Shared revenues remitted from the State of Illinois, such as state income tax, replacement tax, sales tax, non-home rule sales tax, and state motor fuel tax allotments, are recognized when they become a liability to the State, prior to disbursement to the City. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenue from nonexchange transactions must also be available before it can be recognized. Revenues considered to be susceptible to accrual include taxes, intergovernmental revenue, certain charges for services and interest income.

Licenses and permits, charges for services (other than garbage collection), and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Proprietary and Fiduciary Funds

All proprietary and fiduciary funds are accounted for using the accrual basis of accounting.

Proprietary funds account for operations that are primarily financed by user charges. The economic resources focus concerns determining costs as a means of maintaining the capital investment and management control.

Their revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year-end.

Proprietary funds separate all activity into two categories: operating and non-operating. 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 - generally revenues from other governments and interest.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies

Budgets and Budgetary Accounting

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

- 1) Prior to the end of the first quarter (July 31), the Mayor submits to the City Council a proposed operating budget and an appropriations ordinance for the fiscal year commencing May 1. The operating budget and appropriations ordinance includes proposed expenditures and estimated revenues.
- 2) The City Council holds public hearings to discuss the proposed appropriations ordinance and budget.
- 3) After approval of the budget by the City Council, it is officially adopted by ordinance. State statutes and local ordinances require that the appropriations ordinance be approved by the end of the first quarter of the current fiscal year.
- 4) Revisions to the budget line items within a fund can be authorized by the City Council. Revisions to the budget between funds may be made in accordance with the Illinois Compiled Statutes (65 ILCS 5/8), requiring two-thirds vote of the City Council. The legal level of control is at the individual fund level. All unencumbered appropriations lapse at year-end.
- 5) Formal budgetary integration is employed as a management control device during the year for the following funds: General Fund (General Account only), Non-Home Rule Sales Tax Fund, Public Benefit Fund, IMRF Fund, and Comprehensive Plan Fund through an internal reporting system. Although not legally required under Illinois Statutes, the City also prepares budgets as a control device for the proprietary fund and the pension trust fund. Such budgetary integration permits the City's department managers to monitor actual revenues and expenses relative to budgets on an ongoing basis throughout the year.
- 6) The budget for each fund is prepared on the basis of accounting which does not differ materially from the method of accounting described in the 'Basis of Accounting' except for the Enterprise Fund, which does not budget for depreciation expense.

Cash and Cash Equivalents

Cash, as presented in the Statement of Cash Flows for the City's Enterprise Fund, consists of demand deposit accounts and petty cash funds. Investments in certificates of deposit, which may or may not have initial maturities of less than three months, are considered to be investments rather than cash.

Investments

Investments of the City are carried at fair value (see note 3). 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 an established market are reported at estimated fair value.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies

Customer Accounts and Unbilled Receivables

Estimated sales for water, waste collection and wastewater usage, which are unbilled at year-end, are recognized as current year revenue and are included in "Customer Accounts Receivable", and are recorded net of an allowance for uncollectible accounts.

Interfund Transactions

The City has the following types of interfund transactions:

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (due from other funds) in lender funds and interfund payables (due to other funds) in borrower funds.

Services Provided and Used – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures/expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or Statement of Net Position.

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

Transfers – flows of assets (typically cash) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

Capital Assets and Depreciation of Capital Assets

Capital assets are stated on the basis of historical cost (or estimated historical cost if actual historical cost is not readily ascertainable) based on a valuation performed by an external appraisal company during the prior fiscal year. Major capital asset additions were financed primarily from debt proceeds. Assets acquired through gifts or donations are recorded at their estimated fair value at the time of acquisition. The City has established a capitalization threshold of \$10,000 for infrastructure improvements, \$5,000 for land improvements, buildings, and water and sewer systems, and \$1,000 for equipment. Under GASB Statement No. 34, the City is only required to report infrastructure (roads, bridges, etc.) prospectively. The City is working towards retroactively reporting all infrastructure acquired prior to April 30, 2004 (the date of GASB 34 implementation), however, as of April 30, 2014 the City has not retroactively reported on its infrastructure acquired in prior years and the impact on the financial statements has not been determined.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies

Land and construction in progress are not depreciated. Depreciation has been provided over the estimated useful lives of the remaining capital assets using the straight-line method. The estimated useful lives are shown below:

Land Improvements	8 to 15 Years
Buildings	50 Years
Water and Sewer Systems	40 Years
Equipment	10 to 15 Years
Infrastructure	50 Years

Employee Compensated Absences

Employee vacation and personal time, for which the employees are eligible to receive termination payments, are recorded as a liability in the Statement of Net Position. Such amounts are recorded as expenditures/expenses in the fund that the respective employee's salary is paid from when the liabilities come due.

Fund Balances

The City's fund balances are required to be reported using five separate classifications as listed below.

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification may include inventories, prepaid amounts, and long-term receivables.

Restricted fund balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the City's highest level of decision-making authority, the City Council.

Assigned fund balance - Amounts that are constrained by the City's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the City Council, or by an official to whom that authority has been given. With the exception of the General Fund, assigned fund balance is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

Details of fund balances are presented in Note 12.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies

Net Position

Net position represents the difference between assets, 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 those assets. Net position is reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Certain cash and investments along with related accrued interest receivable in the Water and Sewer Fund are restricted for debt service in accordance with the ordinance authorizing the issuance of the Series 2010 revenue bonds and are categorized as restricted net position.

Use of Resources Policy

The City considers restricted amounts to have been spent first when expenditures are incurred for purposes for which both restricted and unrestricted balances are available. Committed, assigned, and unassigned amounts are considered to have been spent in that order from governmental funds, when expenditure are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. Expenditures incurred for a specifically identified purpose will reduce the specific identified classification of fund balance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

2. Property Taxes

Property taxes are levied each year on all taxable real property located in the City. The amounts recorded as revenue for fiscal year 2014 represent the taxes from the 2012 and prior year levies that have been collected by Will County and have been distributed to the City within sixty days of year end. The budget and appropriations ordinance anticipate that the 2013 property tax levy will be used to finance fiscal year 2015 expenditures. The 2013 levy, which was approved on by the City Council on December 2, 2013, has been recognized as a receivable as of April 30, 2014, but recognition as revenue has been deferred to 2015. Property taxes receivable for prior years are immaterial and are not recorded.

Based on past experience, an allowance for estimated collection losses (1 percent of the extended levy) has been recorded to reduce the property taxes receivable to the estimated amounts collectible.

Property taxes are levied before the last Tuesday in December and attach as an enforceable lien on property on January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of levy. All of the City's governmental funds account for property taxes as described above.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

3. Cash and Investments

The City is authorized by the Illinois Compiled Statutes to invest in: obligations of the U.S. Treasury, its agencies and instrumentalities; savings accounts, certificates of deposit, or time deposits that are direct obligations of any bank that is insured by the Federal Deposit Insurance Corporation; commercial paper noted within the three highest classifications by at least two standard rating services; obligations of states and their political subdivisions; shares or other securities issued by savings and loan associations which are insured by the Federal Savings and Loan Insurance Corporation; insured accounts of a credit union whose principal office is located in the State of Illinois; Illinois Funds Money Market Fund; money market mutual funds where the portfolio is limited to U.S. Government Securities; and repurchase agreements where the City or its authorized third party agent takes possession of the securities. In addition, the blended component unit, the Police Pension Trust Fund, can invest in general accounts of Illinois authorized life insurance companies and certain State of Israel obligations. The Pension Trust Fund may also invest in certain separate accounts of Illinois authorized life insurance companies, mutual funds, and common stocks, in total not to exceed 65% of total investments of the Fund.

The City maintains separate cash and investment accounts for each fund. Deposits are carried at cost. These amounts are displayed in the financial statements as "Cash" or as "Investments".

Cash Deposits

	Carrying Amount			Total Bank Balance
	Checking and Savings Accounts	Certificates of Deposit	Total	
All City Funds Other Than Police Pension Fund	\$ 17,579,401	\$ 5,779,785	\$ 23,359,186	\$ 25,175,206
Police Pension Fund	10,173	-	10,173	10,173
Total	\$ 17,589,574	\$ 5,779,785	\$ 23,369,359	\$ 25,185,379

Custodial Credit Risk - this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At April 30, 2014, the City's and the Pension Fund's investment policies required collateralization of deposits or investments in excess of federal insurance. As of year end, \$3,413,448 of the City's bank balances was uninsured and uncollateralized. The remaining bank balances of \$21,771,931 were either insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, or collateralized with securities held in the City's name by financial institutions acting as the City's agent. Excluded from these amounts is cash on hand of \$2,457.

Investments

At April 30, 2014, the City (not including the Police Pension Fund) maintained investments in money market funds. The City's balance invested in the Illinois Funds Money Market Fund was \$4,574,999 and other money market funds were \$1,195,879. Total City investments were \$5,770,878.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

3. Cash and Investments

The Illinois Funds Money Market Fund is an external investment pool created by the Illinois General Assembly. The fund invests in U.S. Treasury bills and notes, fully collateralized time deposits in Illinois financial institutions, collateralized repurchase agreements, and mutual funds that invest in U.S. Treasury obligations and collateralized repurchased agreements. The fair value of the position in the Illinois Funds Money Market Fund is the same as the value of the pool shares. The Illinois State Treasurer's Investment Advisory Board has oversight responsibility over the Illinois Funds Money Market Fund.

Custodial Credit Risk - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City or Pension Fund will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The investment policies as it pertains to custodial credit risk for investments were outlined above. The investments held in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. All other investments held by the Pension Fund were registered in the name of the Pension Fund.

Concentration of Credit Risk - The City and the Pension Fund do not place a limit on the amount that may be invested in any one issuer, however, diversification of the investment portfolio must be appropriate as to the nature and purpose of the funds using the "prudent person rule".

At year end, the Police Pension Fund had investments which represented 5 percent or more of total Police Pension Fund investments at April 30, 2014 (other than U.S. Government and Agency securities and mutual funds) as follows: Federal Farm Credit Banks of \$1,186,548 (8.74%) and Federal Home Loan Banks of \$2,331,959 (17.18%).

Interest Rate Risk – For the City, the City Treasurer will diversify the City investments by security type, institution and maturity by diversifying the City's investments to the best of the City Treasurer's ability based on the types of funds invested and the cash flow needs of those funds. To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than one year from the date of purchase. The City's investment in the Illinois Funds is not exposed to interest rate risk.

For the Police Pension Fund, The average maturity/duration of the portfolio will be managed based upon the current existing interest rate environment. Under most circumstances, the modified duration of the portfolio will be maintained at approximately 5 years and will range from 2 years to 8 years. This type of strategy will generally result in increasing the maturity/duration of the portfolio when interest rates are rising and decreasing the maturity/duration of the portfolio if interest rates are declining. The investment manager may change the duration of the portfolio as the market conditions permit. The maximum maturity of any single security shall be 30 years.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

3. Cash and Investments

At April 30, 2014, the Pension Fund's fixed income investments, maturities (using the segmented time distribution method) and fair values were as follows:

Investment Description	Total Fair Value 4/30/2014	Investment Maturities			
		Less Than One Year	One to Five Years	Five to Ten Years	Over Ten Years
US Treasury Notes	\$ 996,623	\$ -	\$ 608,154	\$ 388,469	\$ -
GNMA	33,644	-	191	244	33,209
FFCB	1,186,548	-	871,537	315,011	-
FHLB	2,331,959	209,370	899,329	1,223,260	-
FHLMC	315,806	-	149,791	166,015	-
Municipal Bonds	893,157	112,860	262,958	353,849	163,490

Credit Risk - The City's and the Police Pension Fund's formal investment policies limit their investment choices to those referred to in the Public Funds Investment Act and/or the Illinois Pension Code. At April 30, 2014, the Pension Trust Fund's investments, fair values, and credit ratings as described by Moody's rating agency were as follows:

Investment Description	Total Fair Value 4/30/2014	% of Total Investments	Credit Rating
U.S. Government and Agency Securities			
US Treasury Notes	\$ 996,623	7.34%	Aaa
Government National Mortgage Association	33,644	0.25%	N/R
Subtotal	<u>1,030,267</u>	<u>7.59%</u>	
U.S. Government Sponsored Agency Securities			
Federal Farm Credit Banks	1,186,548	8.74%	AA+
Federal Home Loan Banks	2,331,959	17.18%	AA+
Federal Home Loan Mortgage Corporation	315,806	2.33%	AA+
Subtotal	<u>3,834,313</u>	<u>28.25%</u>	
Municipal Bonds	893,157	6.58%	Aa1 to Aa3
Money Market Mutual Funds			
Schwab Government Money Fund	216,367	1.59%	Aaa
Mutual Funds	<u>7,598,295</u>	<u>55.99%</u>	N/A
Total Investments	<u>\$ 13,572,399</u>	<u>100.00%</u>	

N/A - Rating Not Required.

N/R - Not Rated

Reconciliation of Notes to Financial Statements

A reconciliation of the bank deposits and investments presented in this note and the City's and Pension Fund's cash and investment balances as reported in the basic financial statements is as follows:

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

3. Cash and Investments

Cash - Carrying Amount of Deposits Per Note Above	\$ 23,369,359
Cash on Hand - Per Note Above	2,457
Fair Value of City Investments Per Note Above	5,770,878
Fair Value of Pension Fund Investments Per Note Above	<u>13,572,399</u>
Total	<u>\$ 42,715,093</u>
Cash - Statement of Net Position	\$ 17,780,257
Investments - Statement of Net Position	10,046,343
Deposit With Fiscal Agent - Statement of Net Position	1,195,879
Pension Trust Fund Cash - Statement of Fiduciary Net Position	10,173
Pension Trust Fund Investments - Statement of Fiduciary Net Position	13,572,399
Agency Fund Cash - Statement of Fiduciary Net Position	20,013
Agency Fund Investments - Statement of Fiduciary Net Position	<u>90,029</u>
Total	<u>\$ 42,715,093</u>

4. Individual Fund Disclosures

Generally accepted accounting principles require disclosure of certain information concerning individual funds (which are presented only in combination in the basic financial statements). Funds which over-expended the adopted budget during the year are required to be disclosed. Interfund transfer information is also required.

Excess Over Budget

The budget information is presented in this report in all cases where annual appropriations are required. Unexpended budgeted amounts lapse at the end of the budget year. Spending control for most funds is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line item levels.

During the year ended April 30, 2014, the General Fund (General Account) incurred expenditures in excess of budgeted expenditures in the amount of \$242,267, and the Police Pension Fund incurred deductions in excess of budgeted deductions in the amount of \$161,034.

Transfers

Generally, transfers occur to meet the operating purposes of another fund. The following transfers were made during the fiscal year: the Motor Fuel Tax Fund (a nonmajor governmental fund), transferred \$125,000 to the General Account of the General Fund (a major governmental fund) for street department salaries; the Non-Home Rule Sales Tax Fund (a major governmental fund), transferred \$123,000 to the General Account of the General Fund to fund police salaries; the Water and Sewer Fund transferred \$152,849 General Account of the General Fund to close out prior year activity; the General Account of the General Fund transferred \$200 to the Comprehensive Plan Fund (a nonmajor governmental fund) as a reimbursement; the Public Benefit Fund (a nonmajor governmental fund) transferred \$3 to the General Account of the General Fund for police department overtime. As an intrafund transfer, the Working Cash Account of the General Fund transferred \$123,329 to the General Account of the General Fund, to close out the account's balance.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

4. Individual Fund Disclosures

Interfund Loans

The Comprehensive Plan Fund (a nonmajor governmental fund) owed the General Fund (General Account) \$18,261 at April 30, 2014 to cover a temporary cash shortfall; the loan is expected to be repaid in the fiscal year ending April 30, 2015.

5. Restricted Net Position

Net position of the business-type activities and also in the Water and Sewer Fund has been restricted for debt service in the amount of \$3,114,531 in accordance with the ordinance authorizing the issuance of the Series 2010 revenue bonds. Net position of the governmental activities has been restricted for the following purposes and amounts: employee benefits, \$686,412; maintenance of roadways, \$1,395,390; and public safety, \$47,279.

6. Capital Assets

Changes in capital assets for governmental activities for the year ended April 30, 2014 were as follows:

	Balance 5/1/2013	Acquisitions	Dispositions	Balance 4/30/2014
Governmental Activities				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 772,082	\$ 305,700	\$ -	\$ 1,077,782
Construction in Progress	59,294	900,000	-	959,294
Total Capital Assets not Being Depreciated	831,376	1,205,700	-	2,037,076
<i>Capital Assets Being Depreciated:</i>				
Site Improvements	133,114	-	-	133,114
Buildings	265,027	-	-	265,027
Equipment	1,324,215	52,863	-	1,377,078
Vehicles	1,410,362	271,482	-	1,681,844
Infrastructure	15,798,908	108,374	-	15,907,282
Total Capital Assets Being Depreciated	18,931,626	432,719	-	19,364,345
<i>Less Accumulated Depreciation for:</i>				
Site Improvements	(127,262)	(2,471)	-	(129,733)
Buildings	(249,008)	(2,004)	-	(251,012)
Equipment	(1,140,522)	(50,382)	-	(1,190,904)
Vehicles	(1,216,094)	(79,778)	-	(1,295,872)
Infrastructure	(2,153,837)	(318,146)	-	(2,471,983)
Total Accumulated Depreciation	(4,886,723)	(452,781)	-	(5,339,504)
Total Capital Assets Being Depreciated, Net	14,044,903	(20,062)	-	14,024,841
Total Capital Assets, Net	\$ 14,876,279	\$ 1,185,638	\$ -	\$ 16,061,917

Depreciation expense was charged to governmental functions in the Statement of Activities as follows:

Expense Function	Amount
General Government	\$ 33,272
Public Safety	61,520
Highways and Streets	357,989
Total Depreciation Expense	\$ 452,781

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

6. Capital Assets

Changes in capital assets for business-type activities for the year ended April 30, 2014 were as follows:

<i>Business-Type Activities</i>	Balance 5/1/2013	Acquisitions	Dispositions	Balance 4/30/2014
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 786,882	\$ -	\$ -	\$ 786,882
Construction in Progress	11,042,212	15,786,699	(108,256)	26,720,655
Total Capital Assets not Being Depreciated	<u>11,829,094</u>	<u>15,786,699</u>	<u>(108,256)</u>	<u>27,507,537</u>
<i>Capital Assets Being Depreciated:</i>				
Site Improvements	178,517	-	-	178,517
Buildings	2,410,193	-	-	2,410,193
Equipment	4,982,989	-	-	4,982,989
Water and Sewer System	21,645,739	539,228	-	22,184,967
Vehicles	610,465	17,043	-	627,508
Total Capital Assets Being Depreciated	<u>29,827,903</u>	<u>556,271</u>	<u>-</u>	<u>30,384,174</u>
<i>Less Accumulated Depreciation for:</i>				
Site Improvements	(155,054)	(3,178)	-	(158,232)
Buildings	(983,234)	(54,744)	-	(1,037,978)
Equipment	(4,282,495)	(134,175)	-	(4,416,670)
Water and Sewer System	(5,099,541)	(507,342)	-	(5,606,883)
Vehicles	(324,869)	(55,111)	-	(379,980)
Total Accumulated Depreciation	<u>(10,845,193)</u>	<u>(754,550)</u>	<u>-</u>	<u>(11,599,743)</u>
Total Capital Assets Being Depreciated, Net	<u>18,982,710</u>	<u>(198,279)</u>	<u>-</u>	<u>18,784,431</u>
Total Capital Assets, Net	<u>\$ 30,811,804</u>	<u>\$ 15,588,420</u>	<u>(\$ 108,256)</u>	<u>\$ 46,291,968</u>

Depreciation expense of \$754,550 was charged to the water and sewer function in the Statement of Activities.

7. Employee Retirement Systems and Plans

Illinois Municipal Retirement Fund

Plan Description

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

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

7. Employee Retirement Systems and Plans

Funding Policy

As set by statute, the City's Regular plan members are required to contribute 4.50 percent of their annual covered salary. Employees participating in SLEP are required to contribute 7.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual required contribution rate for calendar year 2013 was 11.70 percent for the Regular plan. For the SLEP plan, the annual required contribution rate for calendar year 2013 was 13.77 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

For the fiscal year ended April 30, 2014, the City's actual contributions for pension cost for the Regular plan were \$215,817, and the annual pension cost for the fiscal year ended April 30, 2014 was \$218,180. For the fiscal year ended April 30, 2014, the City's actual contributions for pension cost for the SLEP plan were \$78,000, and the annual pension cost for the fiscal year ended April 30, 2014 was \$78,097.

The following table shows the components of the City's annual cost for the year, the amount actually contributed to the plan, and changes in the City's net pension obligation for the Regular plan and SLEP plan:

	City Regular Plan	City SLEP Plan	Total
Annual Required Contribution	\$ 215,817	\$ 78,000	\$ 293,817
Interest on Net Pension Obligation	8,284	341	8,625
Adjustment to Annual Required Contribution	(5,921)	(244)	(6,165)
Annual Pension Cost	218,180	78,097	296,277
Contributions Made	(215,817)	(78,000)	(293,817)
Increase in Net Pension Obligation	2,363	97	2,460
Net Pension Obligation - Beginning of Year	110,455	4,547	115,002
Net Pension Obligation - End of Year	<u>\$ 112,818</u>	<u>\$ 4,644</u>	<u>\$ 117,462</u>

Three-Year Trend Information for the Plans

	City - Regular Plan			City - SLEP Plan		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
4/30/14	\$ 218,180	99%	\$ 112,818	\$ 78,097	99%	\$ 4,644
4/30/13	211,424	96%	110,455	49,835	99%	4,547
4/30/12	219,183	87%	101,543	41,966	99%	4,452

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

7. Employee Retirement Systems and Plans

The required contribution for calendar year 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the City's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The City regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 85.94 percent funded. The actuarial accrued liability for benefits was \$4,500,694 and the actuarial value of assets was \$3,867,803, resulting in an underfunded actuarial accrued liability (UAAL) of \$632,891. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,835,778 and the ratio of the UAAL to the covered payroll was 34.48 percent. The City's SLEP plan was -0- percent funded. The actuarial accrued liability for benefits was \$-0- and the actuarial value of assets was (\$102,477), resulting in an underfunded actuarial accrued liability (UAAL) of \$102,477. The covered payroll (annual payroll of active employees covered by the plan) was \$-0- and the ratio of the UAAL to the covered payroll was -0- percent.

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

Police Pension Plan

Plan Description

The City contributes to a single-employer defined benefit pension plan: the Crest Hill Police Pension Plan (Plan). The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Sworn Police personnel are covered by the Plan. The Plan issues an annual report to the Illinois Department of Insurance; however, it does not issue its own stand-alone financial statements. The City accounts for the plan as a pension trust fund. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution requirements are governed by Illinois Compiled Statutes and may only be amended by the Illinois legislature. The Crest Hill Police Pension Fund is administered by the Crest Hill Police Pension Board of Trustees.

The Plan provides retirement benefits as well as death and disability benefits as defined in 40 ILCS 5/Article 3. Retirement benefits vary depending on salary, length of service, and date of membership in the plan.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

7. Employee Retirement Systems and Plans

At April 30, 2013 (the date of the latest actuarial valuation for which the reported data is available) membership in the plan consisted of the following:

Retirees and Beneficiaries Currently	
Receiving Benefits	13
Terminated Employees Entitled to But	
Not Yet Receiving Benefits	-
Active Vested Plan Members	19
Active Nonvested Plan Members	<u>9</u>
Total	<u><u>41</u></u>

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The Police Pension Fund is accounted for on 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 recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Plan 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 an established market are reported at estimated fair value.

Funding Policy

The City funds its contributions to the Police pension plans through an annual tax levy. The levy amount is actuarially determined as the annual contribution necessary to fund the normal costs, plus the amount to amortize the unfunded accrued liability.

Concentrations of Investments

The Police Pension Fund investments, other than those issued or guaranteed by the U.S. government, include money market funds and annuities, each representing 5 percent or more of net plan assets were Federal Farm Credit Banks, \$1,186,548; and Federal Home Loan Banks, \$2,331,959.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

7. Employee Retirement Systems and Plans

The Police Pension Fund annual pension cost and net pension obligation for the fiscal years ended April 30, 2014 and 2013 based on actuarial valuations performed as of April 30, 2013 was as follows:

	2014	2013
Annual Required Contribution	\$ 850,888	\$ 642,047
Interest on Net Pension Obligation	73,778	59,419
Adjustment to Annual Required Contribution	(55,845)	(38,994)
Annual Pension Cost	868,821	662,472
Contributions Made	(621,589)	(457,334)
Increase in Net Pension Obligation	<u>247,232</u>	<u>205,138</u>
Net Pension Obligation Beginning of Year	<u>1,053,977</u>	<u>848,839</u>
Net Pension Obligation End of Year	<u>\$ 1,301,209</u>	<u>\$ 1,053,977</u>

The net pension obligation has been recorded as a long-term liability in the Statement of Net Position. The liability is expected to be funded through future property tax contributions from the General Fund.

Information about the most recent actuarial valuation and the two preceding valuations follows:

Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
4/30/2014	\$ 868,821	71.5%	\$ 1,301,209
4/30/2013	662,472	69.0%	1,053,977
4/30/2012	595,693	67.1%	848,839

Additional Actuarial Information:

Contribution Rates	
City	21.50%
Plan Member	9.91%
Actuarial Valuation Date	4/30/2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smooth Market
Actuarial Assumptions	
Investment Rate of Return*	7.00%
Projected Salary Increases*	4.50%
Cost of Living Adjustments	3.00%
* - Includes Inflation at 3.00%	

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

7. Employee Retirement Systems and Plans

As of April 30, 2013, (the most recent actuarial valuation date), the plan was 59.88 percent funded. The actuarial accrued liability for benefits was \$20,957,663 and the actuarial value of assets was \$12,549,839, resulting in an underfunded actuarial accrued liability (UAAL) of \$8,407,824. The covered payroll (annual payroll of active employees covered by the plan) was \$2,127,076 and the ratio of the UAAL to the covered payroll was 395.28 percent.

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

Changes in the net pension obligation reported in the financial statements are as follows:

	Balance May 1, 2013	Increases	Decreases	Balance April 30, 2014
Governmental Activities:				
Police Pension Fund	\$ 1,053,977	\$ 868,821	(\$ 621,589)	\$ 1,301,209
IMRF and SLEP	115,002	296,277	(293,817)	117,462
Total Net Pension Obligation	\$ 1,168,979	\$ 1,165,098	(\$ 915,406)	\$ 1,418,671

8. Postemployment Benefits Other Than Pensions

The City administers a single-employer defined benefit healthcare plan, the "Retiree Healthcare Benefit Program" or "the Plan".

Plan Description

The plan provides healthcare insurance for eligible retirees and their dependents through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the City and the unions representing City employees and are renegotiated each bargaining period. The Plan does not issue a stand-alone financial report.

The City is legally required to provide postemployment healthcare benefits to former employees and retirees. Former employees, who are not retirees, are provided healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Former employees, who are qualified under COBRA, may apply for coverage by the City's health plan. The cost is 100% funded on a monthly pay-as-you-go basis by the former employee based upon the actual cost of the health plan for the chosen level of coverage.

Illinois statutes mandate that a municipal government must offer its retirees a health insurance plan equivalent to that offered to active employees. Illinois statutes enable a government to make the health plan benefits supplemental to Medicare and to offer these supplemental benefits at a different retiree contribution rate than regular benefits provided by the group plan. State statutes do not presently require the government to pay any portion of the cost of the plan for retired employees. Retired employees covered under the City's plan are required to pay 100% of the cost of their insurance based on the rates paid by the City. Retired employees must be covered under the City's health insurance plan at the time of retirement to receive this benefit and must continue coverage with the City's plan to maintain this benefit.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

8. Postemployment Benefits Other Than Pensions

Funding Policy

All plan funding is done on a pay-as-you-go basis. For fiscal year 2014, the City contributed \$17,966 to the Plan, total retiree contributions were not determined.

Annual OPEB Cost and Net OPEB Obligation:

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual Required Contribution	\$	34,184
Interest on Net OPEB Obligation		1,464
Adjustment to Annual Required Contribution	(1,532)
Annual OPEB Cost		34,116
Contributions Made	(17,966)
Increase in Net OPEB Obligation		16,150
Net OPEB Obligation - Beginning of Year		36,592
Net OPEB Obligation - End of Year	\$	52,742

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2014, 2013, and 2012 was as follows:

	Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
Retiree Healthcare Benefit Program	4/30/2014	\$ 34,116	52.66%	\$ 52,742
	4/30/2013	14,383	35.82%	36,592
	4/30/2012	14,301	36.03%	27,361

The net OPEB obligation of \$52,742 has been recorded in the Statement of Net Position. Payments to liquidate the liability have typically been made by the General Fund.

Funded Status and Funding Progress

As of April 30, 2013 (the date of the most recent valuation), the actuarial accrued liability for benefits was \$366,573, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was not determined, and the ratio of the unfunded actuarial accrued liability to the covered payroll was not determined.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

8. Postemployment Benefits Other Than Pensions

The projection of future benefit payments for an ongoing plan involves 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 City 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 will be provided.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and 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 methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Significant methods and assumptions were as follows:

Actuarial Valuation Date:	April 30, 2013
Actuarial Cost Method:	Entry Age
Amortization Method:	Level Percent of Pay Open
Amortization Period:	30 year open
Actuarial Assumptions:	Discount Rate 4.0% (Includes Inflation at 4%)
	Healthcare Trend Rate Beginning at 8.0%, Trending to 6.0%

9. Compensated Absences

All full-time City employees accumulate vacation and personal time hours for subsequent use or for payment upon termination, death, or retirement. The City has recorded the liability for compensated absences using the "Vesting Method". Under the Vesting Method, the liability is measured based on the sick leave and personal time accumulated at the balance sheet date by those employees who are eligible to receive payments. The City's liability for compensated absences and the changes for the fiscal year ended April 30, 2014 are as follows:

	Balance May 1, 2013	Debt Issued	Debt Retired	Balance April 30, 2014	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 83,924	\$ 93,350	(\$ 83,924)	\$ 93,350	\$ 93,350
Business-Type Activities:					
<i>Water and Sewer Fund</i>					
Compensated Absences	17,058	16,955	(17,058)	16,955	16,955
Total Compensated Absences	<u>\$ 100,982</u>	<u>\$ 110,305</u>	<u>(\$ 100,982)</u>	<u>\$ 110,305</u>	<u>\$ 110,305</u>

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

10. Long-Term Debt

Governmental Activities - Capital Leases

The City purchased police vehicles through Ford Motor Credit Company in fiscal year 2012 for a total of \$85,250 through a capital lease; interest is payable at 6%. Also, the City purchased police vehicles through Ford Motor Credit Company in fiscal year 2014 for a total of \$93,763 through a capital lease; interest is payable at 6%. Changes in capital leases reported in governmental activities during the year are as follows:

	Balance May 1, 2013	Debt Issued	Debt Retired	Balance April 30, 2014	Amounts Due Within One Year
Governmental Activities:					
Ford Motor Lease 2012	\$ 28,385	\$ -	(\$ 28,385)	\$ -	\$ -
Ford Motor Lease 2014	-	93,763	(33,092)	60,671	29,452
Total Leases Payable	\$ 28,385	\$ 93,763	(\$ 61,477)	\$ 60,671	\$ 29,452

The payments are expected to be made from the General Fund. The following is a summary of debt service principal and interest maturities for the remaining lease.

Year Ending April 30,	Interest	Principal	Total
2015	\$ 3,640	\$ 29,452	\$ 33,092
2016	1,873	31,219	33,092
	<u>\$ 5,513</u>	<u>\$ 60,671</u>	<u>\$ 66,184</u>

Business-Type Activities - Changes in Long-Term Debt

Changes in long-term debt for business-type activities during the year are as follows:

	Balance May 1, 2013	Debt Issued	Debt Retired	Balance April 30, 2014	Amounts Due Within One Year
Business-Type Activities:					
<i>Water and Sewer Revenue Bonds</i>					
Series 2004	\$ 1,365,000	\$ -	(\$ 1,365,000)	\$ -	\$ -
Series 2010	23,470,000	-	(580,000)	22,890,000	585,000
Subtotal Revenue Bonds	24,835,000	-	(1,945,000)	22,890,000	585,000
Less Discount on Bonds	(113,165)	-	4,920	(108,245)	-
Total Bonds Payable	\$ 24,721,835	\$ -	(\$ 1,940,080)	\$ 22,781,755	\$ 585,000
<i>Water and Sewer IEPA Loans Payable</i>					
2011 Loan L17-3405	\$ 3,744,662	\$ 226,946	\$ -	\$ 3,971,608	\$ 90,245
Total Loans Payable	\$ 3,744,662	\$ 226,946	\$ -	\$ 3,971,608	\$ 90,245

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

10. Long-Term Debt

The following is a summary of debt service principal and interest maturities for each of the next five fiscal years and in five year increments thereafter:

Business-Type Activities:

Years Ending April 30,	Revenue Bonds			IEPA Loan		
	Interest	Principal	Total	Interest	Principal	Total
2015	\$ 1,215,908	\$ 585,000	\$ 1,800,908	\$ 24,823	\$ 90,245	\$ 115,068
2016	1,203,125	590,000	1,793,125	47,950	182,185	230,135
2017	1,187,943	600,000	1,787,943	45,665	184,470	230,135
2018	1,170,468	615,000	1,785,468	43,352	186,783	230,135
2019	1,150,305	625,000	1,775,305	41,010	189,125	230,135
2020-2024	5,270,132	4,365,000	9,635,132	168,879	981,796	1,150,675
2025-2029	3,997,416	5,480,000	9,477,416	105,761	1,044,914	1,150,675
2030-2034	2,116,006	6,835,000	8,951,006	38,585	1,112,090	1,150,675
2035-2036	203,648	3,195,000	3,398,648	-	-	-
	<u>\$ 17,514,951</u>	<u>\$ 22,890,000</u>	<u>\$ 40,404,951</u>	<u>\$ 516,025</u>	<u>\$ 3,971,608</u>	<u>\$ 4,487,633</u>

Revenue Bonds Payable

\$2,215,000 *Waterworks and Sewerage Revenue Bonds Series 2004*, dated February 2, 2004, The 2004 bonds were fully retired on August 15, 2013.

\$23,820,000 *Waterworks and Sewerage Revenue Bonds Series 2010*, dated December 1, 2010, payable in multiples of \$5,000 in remaining annual installments ranging from \$585,000 to \$1,635,000 on May 1, of each year through May 1, 2035, interest is payable each May 1 and November 1 at rates ranging from 2.0 percent to 6.3 percent.

The 2010 Bonds were issued to finance the costs of improving the Water/Sewer System, including, but not limited to, improving the City's East Sewage Treatment Plant to provide adequate capacity to handle expected flow through the year 2030, eliminating existing System filters and replacing said filters with a sludge process, constructing a new administrative building related to the operation of the System, and constructing a new wastewater maintenance garage. The Bonds were issued as Build America Bonds (Direct Payment) as authorized under the American Recovery and Reinvestment Act of 2009. This Build America Bond program provides for a Federal subsidy through a refundable tax credit to be paid to the City by the U.S. Department of the Treasury in an amount equal to 35 percent of the total interest payable to investors in the taxable bonds.

Loans Payable - Illinois EPA

Illinois Environmental Protection Agency Loan - L17-3405, issued to provide funds to improve the sanitary sewer system. The loan is dated November 15, 2011. The loan totaled \$5,501,426, of which \$1,529,818 was forgiven, leaving a balance of \$3,971,608 to be repaid by the City from water and sewer revenues over a twenty year period with interest at 1.25 percent.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

11. Risk Management

General And Professional Liability, Property, Casualty, Auto Liability, Crime, Errors And Omissions, Workers' Compensation Coverage

The City is exposed to various risks of loss related to torts: theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To cover itself against these risks, the City is a member of a joint venture, the Southwest Agency for Risk Management (SWARM). SWARM is an insurance risk pool comprised of eight municipalities. Each participating government has an ongoing financial responsibility for the liabilities of the pool. SWARM issues its own financial statements which are available at 5500 W. Wilson Ave., Monee, IL, 60449.

The City accounts for its risk financing activities in the General Fund and the Water and Sewer Fund. These funds pay all general liabilities, unemployment and workers' compensation, medical and dental liabilities and auto and collision claims for which the City is held liable. There were no significant reductions in insurance coverage from the previous year. Settled claims have not exceeded the insurance coverage in the last three years.

Employee Health Care Coverage

The City participates in the Intergovernmental Personnel Benefit Cooperative (IPBC) for employee health insurance. The IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs offered by the members to their officers and employees and to the officers and employees of certain other governmental, quasi-governmental, and nonprofit public service entities. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Benefit Administrator and a Treasurer. All budgeting and finance decisions are approved by the Board of Directors.

The City's maintains a PPO plan for its employees. The plan is covered by IPBC which provides a pooling of risk among all members for individual claims between \$30,000 and \$125,000. Claims over \$125,000 are fully reinsured. The City is responsible for claims under \$30,000 and the redistributed claims cost for claims between \$30,000 and \$125,000 of participating members.

The City does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors. To obtain IPBC's financial statements, contact Gallagher Benefit Services, Inc., The Gallagher Centre, Two Pierce Place – 21st Floor, Itasca, IL 60143.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

12. Fund Balances

Details of the City's fund balances by individual major fund and nonmajor funds in the aggregate are as follows:

	Major Fund			Total Governmental Funds
	General Fund	Non-Home Rule Sales Tax Fund	Nonmajor Governmental Funds	
Fund Balances:				
<i>Restricted for:</i>				
Employee Benefits	\$ -	\$ -	\$ 686,412	\$ 686,412
Maintenance of Roadways	-	-	1,395,390	1,395,390
Public Safety	-	-	47,279	47,279
Total Restricted	-	-	2,129,081	2,129,081
<i>Committed to:</i>				
Other Purposes	-	493,034	-	493,034
Total Committed	-	493,034	-	493,034
<i>Assigned to:</i>				
Employee Benefits	-	-	17,566	17,566
Public Safety	2,885	-	2,507	5,392
Total Assigned	2,885	-	20,073	22,958
<i>Unassigned</i>	11,457,872	-	(23,098)	11,434,774
Total Fund Balances	\$11,460,757	\$ 493,034	\$ 2,126,056	\$ 14,079,847

Beginning of the year fund balance of the Burry Court Storm Sewer Project Fund was increased by \$66,206 to account for a change in prior year accounts payable. This increase in fund balance also increased beginning of the year net position for governmental activities by \$66,206.

13. Major Customer - Waterworks and Sewerage Fund

Charges for services in the Waterworks and Sewerage Fund include charges to the state of Illinois - Stateville Correctional Center, which account for more than 38 percent of the total charges for services in the Waterworks and Sewerage Fund. Charges for water and sewer services for the year ended April 30, 2014 were \$2,670,408 and customer accounts receivable as of April 30, 2014 from Stateville Correctional Center were \$335,177 for billed usage and \$239,524 for unbilled usage.

14. Contingencies and Commitments

Litigation

From time to time, the City is involved in legal and administrative proceedings with respect to employment, civil rights, property taxes and other matters. Although the City is unable to predict the outcome of these matters, the City believes that any appropriate liabilities have been established and that the final outcome of these actions will not have a material adverse effect on the results of operations or the financial position of the City.

CITY OF CREST HILL, ILLINOIS

Notes to Basic Financial Statements
April 30, 2014

14. Contingencies and Commitments

Federal Grant Programs

The City currently participates in and in prior fiscal years has participated in various federal grant programs, principally Capitalization for Drinking Water Grants. Federal grant programs are subject to program compliance audits by the grantor agencies. The City's compliance with applicable grant requirements may be established at some future date; however, the City believes that any noncompliance will not have a material effect on the financial statements.

Commitments

The City issued \$23,820,000 of Waterworks and Sewerage Revenue Bonds Series 2010 in fiscal year 2011 to construct the City's East Sewage Treatment Plant; open commitments at April 30, 2014 for that project were \$2,084,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CREST HILL, ILLINOIS

Required Supplementary Information
 Budgetary Comparison Information - General Fund (General Account)
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenue				
Property Tax	\$ 1,295,129	\$ 1,295,129	\$ 1,809,217	\$ 514,088
Municipal Sales Tax	2,300,000	2,300,000	2,354,173	54,173
Other Taxes	1,768,600	1,768,600	2,151,440	382,840
Intergovernmental Revenue	1,000	1,000	61,496	60,496
Licenses and Permits	1,811,700	1,811,700	2,055,153	243,453
Interest Revenue	3,100	3,100	12,160	9,060
Charges for Services	1,209,076	1,209,076	1,225,037	15,961
Miscellaneous Revenue	137,200	137,200	351,370	214,170
Total Revenue	<u>8,525,805</u>	<u>8,525,805</u>	<u>10,020,046</u>	<u>1,494,241</u>
Expenditures				
Administration				
City Administrator	19,000	19,000	16,973	2,027
Salaries - Officials	115,000	115,000	102,058	12,942
Salaries - Clerical	239,000	242,800	235,379	7,421
Economic Development Director	66,000	66,000	-	66,000
City Attorney	-	12,000	11,294	706
Salary - Clerical Overtime	7,500	7,500	2,382	5,118
Hospitalization / Life Insurance	111,000	111,000	76,438	34,562
Unemployment Compensation	8,500	8,500	5,914	2,586
Distribution of Tax - Food 4 Less	75,000	50,000	43,061	6,939
Menards / Developer Tax	200,000	225,000	170,726	54,274
Technology and Enhance Computers	26,000	26,000	27,009	(1,009)
Touch of Summer Miscellaneous	2,000	2,000	500	1,500
Contractual Services	88,000	88,000	75,171	12,829
Reimbursement Subdivider Deposit	6,900	6,900	-	6,900
Municipal Grounds	3,300	3,300	1,749	1,551
Legal Services	127,000	127,000	10,376	116,624
Economic Development Expenditures	23,000	23,000	20,050	2,950
Police Pension Replacement				
Tax Contribution	-	-	36,000	(36,000)
Printing and Publications	17,000	22,000	19,139	2,861
Engineering Services	115,000	73,400	186,829	(113,429)
Postage and Freight	8,800	8,800	6,796	2,004
Travel Expenditure and Allowance	3,200	3,200	2,629	571
Meal Expenditure	2,200	3,500	3,148	352
Dues and Subscriptions	27,000	28,000	42,016	(14,016)
Insurance and Bonding	50,000	50,000	41,030	8,970
Utilities - Building and Office	17,000	17,000	15,905	1,095
Maintenance and Repair - Building/Office	18,000	18,000	20,816	(2,816)
Maintenance and Repair - Equipment	700	700	531	169

(Continued)

CITY OF CREST HILL, ILLINOIS

Required Supplementary Information
 Budgetary Comparison Information - General Fund (General Account)
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Miscellaneous Expenditures	\$ 19,000	\$ 36,000	\$ 35,959	\$ 41
Cleaning Supplies	350	350	-	350
Office Supplies	12,000	13,500	12,486	1,014
Motor Fuel and Lubricants	6,000	6,000	1,382	4,618
Material and Supplies - Building	4,300	4,300	3,056	1,244
Material and Supplies - Equipment	3,500	3,500	8,282	(4,782)
Buildings	2,500	2,500	1,723	777
Office Equipment	5,500	5,500	4,706	794
Operating Equipment	150	150	-	150
Chemicals	450	450	-	450
Equipment Rental	6,200	6,200	-	6,200
Safety Equipment	1,500	1,500	-	1,500
Crest Hill Cable T.V. Expenditures	14,000	14,000	12,771	1,229
Land Purchase	-	-	305,700	(305,700)
Total Administration	<u>1,451,550</u>	<u>1,451,550</u>	<u>1,559,984</u>	<u>(108,434)</u>
Police Department				
City Administrator	14,000	14,000	12,729	1,271
Salaries - Police Officers	2,209,000	2,268,000	2,257,801	10,199
Salaries - Clerical	146,000	115,000	113,778	1,222
Salary - Mechanic	55,000	55,000	31,486	23,514
City Attorney	-	8,400	8,470	(70)
Salary - Police Department Overtime	172,000	172,000	160,708	11,292
Salary - Clerical Overtime	5,500	5,500	66	5,434
Salary - Mechanics Overtime	550	550	-	550
Hospitalization / Life Insurance	660,000	623,600	539,329	84,271
Unemployment Compensation	13,000	15,000	14,487	513
Contributions to Police Pension Fund	-	-	509,589	(509,589)
Technology and Enhance Computers	27,000	35,000	33,099	1,901
Contractual Services	325,000	325,000	318,488	6,512
Legal Services	40,000	21,800	13,030	8,770
Outside Services Employed	19,000	19,000	11,096	7,904
Printing and Publications	5,500	5,500	3,056	2,444
Postage and Freight	3,200	3,200	2,089	1,111
Police Training	26,000	26,000	17,279	8,721
Travel Expenditure and Allowance	2,700	2,700	1,650	1,050
Meal Expenditure	3,200	3,200	2,374	826
Clothing Allowance	19,000	19,000	12,066	6,934
Dues and Subscriptions	3,000	4,500	3,287	1,213
Insurance and Bonding	220,000	220,000	189,883	30,117

(Continued)

CITY OF CREST HILL, ILLINOIS

Required Supplementary Information
 Budgetary Comparison Information - General Fund (General Account)
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Utilities - Building and Office	\$ 16,000	\$ 20,000	\$ 16,859	\$ 3,141
Maintenance and Repair - Building/Office	11,000	12,500	12,054	446
Maintenance and Repair - Equipment	26,000	27,000	25,837	1,163
Small Tools and Supplies	325	325	119	206
Miscellaneous Expenditures	2,600	2,800	1,486	1,314
Cleaning Supplies	250	250	-	250
Office Supplies	2,100	2,100	4,709	(2,609)
Motor Fuel and Lubricants	82,000	83,000	89,639	(6,639)
Material and Supplies - Building	1,600	1,600	1,206	394
Material and Supplies - Equipment	7,200	8,200	8,019	181
Material and Supplies	3,200	3,200	2,964	236
Buildings	550	550	-	550
Office Equipment	3,300	3,300	1,780	1,520
Operating Equipment	75,000	73,000	119,159	(46,159)
Equipment Rental	9,400	9,400	7,257	2,143
Safety Equipment	550	550	498	52
	<u>4,209,725</u>	<u>4,209,725</u>	<u>4,547,426</u>	<u>(337,701)</u>
Street Department				
City Administrator	13,300	13,300	12,729	571
Salaries - Clerical	24,000	24,000	21,153	2,847
Salaries - Street	283,000	283,000	276,026	6,974
Salary - Mechanic	59,000	41,600	31,487	10,113
Salary - Seasonal	60,000	60,000	33,572	26,428
City Attorney	-	8,400	8,417	(17)
Salary - Snow Removal Overtime	40,000	49,000	47,209	1,791
Salary - Street Department Overtime	35,000	35,000	35,621	(621)
Salary - Mechanics Overtime	1,100	1,100	-	1,100
Salary - Seasonal Overtime	550	550	60	490
Hospitalization / Life Insurance	133,000	133,000	108,551	24,449
Unemployment Compensation	7,100	7,100	4,800	2,300
Technology and Enhance Computers	11,000	13,000	11,358	1,642
Contractual Services	67,000	67,000	61,699	5,301
Julie Locating / Supplies	6,200	6,700	6,527	173
Annual NPDES Permit Fee	1,100	1,100	1,000	100
Legal Services	16,000	13,500	4,560	8,940
Outside Services Employed	32,000	32,000	36,677	(4,677)
Printing and Publications	550	550	518	32
Engineering Services	11,000	13,000	11,412	1,588
Postage and Freight	300	300	200	100

(Continued)

CITY OF CREST HILL, ILLINOIS

Required Supplementary Information
 Budgetary Comparison Information - General Fund (General Account)
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Training	\$ 2,500	\$ 2,500	\$ 878	\$ 1,622
Travel Expenditure and Allowance	300	300	-	300
Meal Expenditure	4,700	4,700	2,854	1,846
Clothing Allowance	7,400	7,400	5,093	2,307
Dues and Subscriptions	450	800	608	192
Insurance and Bonding	70,000	64,950	54,196	10,754
Utilities - Building and Office	7,600	9,500	9,234	266
Utilities - Street	162,000	162,000	131,612	30,388
Maintenance and Repair - Building/Office	26,000	26,000	23,479	2,521
Maintenance and Repair - Equipment	43,000	43,000	37,144	5,856
Road Construction - Contractors Fee	150	150	-	150
Sidewalk Replacement	1,100	1,100	-	1,100
Small Tools and Supplies	1,600	1,600	645	955
Miscellaneous Expenditures	2,700	2,700	2,433	267
Cleaning Supplies	550	550	460	90
Office Supplies	1,300	1,600	1,466	134
Motor Fuel and Lubricants	24,000	24,000	20,015	3,985
Material and Supplies - Building	4,100	4,100	3,973	127
Material and Supplies - Equipment	16,000	16,000	14,689	1,311
Material and Supplies	51,500	51,500	48,968	2,532
Office Equipment	2,600	2,600	2,493	107
Operating Equipment	153,000	179,000	177,808	1,192
Public Works / Storm Sewer	16,000	16,500	49,911	(33,411)
Chemicals	400	400	-	400
Other - Material and Repairs	550	550	261	289
Equipment Rental	17,000	17,000	6,430	10,570
Construction Waste	13,000	13,000	6,166	6,834
Richland / Arbor Expenditures	16,000	16,000	-	16,000
Safety Equipment	6,500	6,500	6,220	280
Lord & Essex	-	23,000	22,982	18
DCEO Grant - Lighting	-	5,500	-	5,500
Renwick/Gaylor Intersection	11,000	11,000	-	11,000
Renwick & Weber Road	62,000	7,500	-	7,500
Total Street Department	<u>1,526,200</u>	<u>1,526,200</u>	<u>1,343,594</u>	<u>182,606</u>
Garbage Department				
Garbage Service	<u>1,180,000</u>	<u>1,180,000</u>	<u>1,175,046</u>	<u>4,954</u>
F.I.C.A.				
City's Portion - FICA / Medicare	<u>225,000</u>	<u>225,000</u>	<u>191,644</u>	<u>33,356</u>

(Continued)

CITY OF CREST HILL, ILLINOIS

Required Supplementary Information
 Budgetary Comparison Information - General Fund (General Account)
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Building Inspections				
City Administrator	\$ 13,300	\$ 13,300	\$ 12,729	\$ 571
Salaries - Officials	105,000	117,500	117,878	(378)
City Attorney	-	8,400	8,470	(70)
Salaries - Clerical	24,000	23,000	22,118	882
Salary - Clerical Overtime	1,200	8,000	6,413	1,587
Hospitalization / Life Insurance	13,000	18,000	15,513	2,487
Technology and Enhance Computers	11,000	6,800	5,324	1,476
Contractual Services	35,000	39,000	38,046	954
Legal Services	24,000	1,000	825	175
Printing and Publications	2,600	1,000	340	660
Engineering Services	11,000	11,000	10,220	780
Postage and Freight	1,200	1,200	835	365
Training	3,100	2,600	2,482	118
Travel Expenditure and Allowance	2,100	1,000	-	1,000
Meal Expenditure	250	250	37	213
Clothing Allowance	450	550	130	420
Dues and Subscriptions	300	450	400	50
Utilities - Building and Office	6,700	7,900	7,742	158
Maintenance and Repair - Building/Office	8,200	7,700	7,376	324
Maintenance and Repair - Equipment	1,300	1,300	672	628
Miscellaneous Expenditures	2,300	1,800	1,429	371
Office Supplies	2,700	2,700	2,457	243
Motor Fuel and Lubricants	6,500	1,850	391	1,459
Material and Supplies - Building	1,700	1,400	1,283	117
Material and Supplies - Equipment	1,500	1,500	1,176	324
Material and Supplies	550	550	-	550
Office Equipment	1,500	1,000	920	80
Operating Equipment	150	150	-	150
Equipment Rental	150	150	-	150
Safety Equipment	350	50	-	50
Demolition	150	150	-	150
	<u>281,250</u>	<u>281,250</u>	<u>265,206</u>	<u>16,044</u>
Total Building Inspections				
	<u>281,250</u>	<u>281,250</u>	<u>265,206</u>	<u>16,044</u>
Debt Service				
Principal On Capital Lease	-	-	33,092	(33,092)
	<u>-</u>	<u>-</u>	<u>33,092</u>	<u>(33,092)</u>
Total Expenditures	<u>8,873,725</u>	<u>8,873,725</u>	<u>9,115,992</u>	<u>(242,267)</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(347,920)</u>	<u>(347,920)</u>	<u>904,054</u>	<u>1,251,974</u>

(Continued)

CITY OF CREST HILL, ILLINOIS

Required Supplementary Information
 Budgetary Comparison Information - General Fund (General Account)
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Transfers In	\$ 248,000	\$ 248,000	\$ 524,181	\$ 276,181
Transfers Out	(37,000)	(37,000)	(200)	36,800
Proceeds from Capital Leases	-	-	93,763	93,763
Sale of Capital Assets	500	500	-	(500)
Net Change in Fund Balance	(\$ 136,420)	(\$ 136,420)	1,521,798	\$ 1,658,218
Fund Balance, Beginning of Year			9,936,074	
Fund Balance, End of Year			\$ 11,457,872	

Reconciliation to Fund Financial Statements

The City's General Fund for budgetary purposes includes only the activity of the "General Account" of the General Fund. The City reported two other accounts, none of which had budgets, within the General Fund for financial reporting purposes. The following is a reconciliation of this schedule to the fund financial statements:

Fund Balance, End of Year from Above	\$ 11,457,872
Fund Balances of Other General Fund Accounts Not Included in the General Account:	
Working Cash Account	-
Local Law Enforcement Grant Account	2,885
Fund Balance, End of Year General Fund as Reported in the Fund Financial Statements	\$ 11,460,757

CITY OF CREST HILL, ILLINOIS

Required Supplementary Information
 Budgetary Comparison Information - Non-Home Rule Sales Tax Fund
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenue				
Municipal Sales Tax	\$ 1,600,000	\$ 1,600,000	\$ 1,609,172	\$ 9,172
Interest Revenue	500	500	104	(396)
Total Revenue	1,600,500	1,600,500	1,609,276	8,776
Expenditures				
General Government				
Distribution of Tax - Food 4 Less	27,000	28,000	27,819	181
Menards / Developer Tax	162,000	205,000	167,603	37,397
Contractual Services	17,000	8,000	7,890	110
Property Tax Rebates	485,000	483,000	478,885	4,115
Miscellaneous Expenses	-	-	94	(94)
Total General Government	691,000	724,000	682,291	41,709
Public Safety				
Police Pension	77,000	77,000	76,000	1,000
Highways and Streets				
Eldorado Drive Engineering	-	-	8,768	(8,768)
Leness Lane Engineering	115,000	115,000	97,066	17,934
Leness Lane	902,000	902,000	900,000	2,000
Burry Court	91,000	60,000	57,591	2,409
Total Highways and Streets	1,108,000	1,077,000	1,063,425	13,575
Total Expenditures	1,876,000	1,878,000	1,821,716	56,284
(Deficiency) of Revenue Over Expenditures	(275,500)	(277,500)	(212,440)	65,060
Other Financing (Uses)				
Transfers Out	(125,000)	(123,000)	(123,000)	-
Net Change in Fund Balance	(\$ 400,500)	(\$ 400,500)	(335,440)	\$ 65,060
Fund Balance, Beginning of Year			828,474	
Fund Balance, End of Year			\$ 493,034	

Notes to Required Supplementary Information:

The Budgetary Comparison Information schedules include only the activity of the General Account of the General Fund and the Non-Home Rule Sales Tax Fund and are presented on the modified accrual basis of accounting on a departmental basis. All capital outlay accounts have been presented within the respective departments. The budget was amended during the fiscal year. The General Fund incurred expenditures in excess of budgeted expenditures in the amount of \$242,267.

CITY OF CREST HILL, ILLINOIS

Required Supplementary Information
Illinois Municipal Retirement Fund
Schedule of Funding Progress
April 30, 2014

Regular Plan

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)
12/31/2013	\$ 3,867,803	\$ 4,500,694	\$ 632,891	85.94%	\$ 1,835,778	34.48%
12/31/2012	4,118,462	4,975,974	857,512	82.77%	1,924,186	44.56%
12/31/2011	4,015,880	5,100,711	1,084,831	78.73%	1,914,344	56.67%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$4,708,619.
On a market basis, the funded ratio would be 104.62%.

Sheriff's Law Enforcement Personnel Plan

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)
12/31/2013	(\$ 102,477)	\$ -	\$ 102,477	N/A	\$ -	N/A
12/31/2012	(162,160)	-	162,160	N/A	-	N/A
12/31/2011	(186,834)	-	186,834	N/A	-	N/A

On a market value basis, the actuarial value of assets as of December 31, 2013 is (\$102,477).
On a market basis, the funded ratio would be 0.00%.

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

CITY OF CREST HILL, ILLINOIS

Required Supplementary Information
Police Pension Fund
Schedule of Funding Progress
April 30, 2014

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)
4/30/2013	\$ 12,549,839	\$ 20,957,663	\$ 8,407,824	59.88%	\$ 2,127,076	395.28%
4/30/2012	11,700,024	19,000,451	7,300,427	61.58%	1,859,928	392.51%
4/30/2011	11,009,746	17,432,199	6,422,453	63.16%	1,814,269	354.00%
4/30/2010	9,595,318	14,997,099	5,401,781	63.98%	1,860,010	290.42%
4/30/2009	8,051,758	14,107,228	6,055,470	57.08%	1,680,690	360.30%
4/30/2008	9,196,713	12,790,645	3,593,932	71.90%	1,626,294	220.99%

The valuations for the years 4/30/2008 through 4/30/2010 were performed by the state of Illinois, Public Pension Division.

The valuations for other years were performed by independent third party actuaries.

CITY OF CREST HILL, ILLINOIS

Required Supplementary Information Other Postemployment Benefits Schedule of Funding Progress April 30, 2014

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)
4/30/2014			--- No valuation performed * ---			
4/30/2013	\$ -	\$ 366,573	\$ 366,573	0.00%	n/a	n/a
4/30/2012			--- No valuation performed * ---			
4/30/2011			--- No valuation performed * ---			
4/30/2010			--- No valuation performed * ---			

The City adopted the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, in fiscal year 2010 for fiscal year 2009.

This Schedule provides information for as many years as is available.

* According to GASB 45, an actuarial valuation should be performed at a minimum frequency of every three years for a plan the size of the City's.

The City funds the benefits on a pay-as-you-go basis, therefore, there are no plan assets at year-end.

OTHER SUPPLEMENTARY INFORMATION

CITY OF CREST HILL, ILLINOIS

General Fund
Combining Balance Sheet by Account
April 30, 2014

	General Account	Working Cash Account	Local Law Enforcement Grant Account	Total General Fund
Assets				
Cash	\$ 3,207,777	\$ -	\$ -	\$ 3,207,777
Investments	7,590,356	-	2,885	7,593,241
Receivables, Net of Allowance for Uncollectible Amounts:				
Property Taxes	1,855,890	-	-	1,855,890
Sales Taxes	591,197	-	-	591,197
Intergovernmental	752,490	-	-	752,490
Customer Accounts	359,753	-	-	359,753
Accrued Interest	8,799	-	-	8,799
Other Receivables	3,103	-	-	3,103
Due from Other Funds	18,261	-	-	18,261
Total Assets	\$ 14,387,626	\$ -	\$ 2,885	\$ 14,390,511
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	\$ 256,158	\$ -	\$ -	\$ 256,158
Accrued Payroll	119,024	-	-	119,024
Deposits	124,500	-	-	124,500
Total Liabilities	499,682	-	-	499,682
Deferred Inflows of Resources				
Deferred Property Taxes	1,855,890	-	-	1,855,890
Other Deferred Revenue	574,182	-	-	574,182
Total Deferred Inflows of Resources	2,430,072	-	-	2,430,072
Fund Balances				
Assigned	-	-	2,885	2,885
Unassigned	11,457,872	-	-	11,457,872
Total Fund Balances	11,457,872	-	2,885	11,460,757
Total Liabilities Deferred Inflows of Resources and Fund Balances	\$ 14,387,626	\$ -	\$ 2,885	\$ 14,390,511

CITY OF CREST HILL, ILLINOIS

Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances by Account
General Fund
For the Year Ended April 30, 2014

	<u>General Account</u>	<u>Working Cash Account</u>	<u>Local Law Enforcement Grant Account</u>	<u>Intrafund Eliminations</u>	<u>Total General Fund</u>
Revenue					
Property Tax	\$ 1,809,217	\$ -	\$ -	\$ -	\$ 1,809,217
Municipal Sales Tax	2,354,173	-	-	-	2,354,173
Other Taxes	2,151,440	-	-	-	2,151,440
Intergovernmental Revenue	61,496	-	-	-	61,496
Licenses and Permits	2,055,153	-	-	-	2,055,153
Interest Revenue	12,160	92	-	-	12,252
Charges for Services	1,225,037	-	-	-	1,225,037
Miscellaneous Revenue	351,370	-	-	-	351,370
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	10,020,046	92	-	-	10,020,138
Expenditures					
Current:					
General Government	1,439,499	-	-	-	1,439,499
Public Safety	4,425,989	-	-	-	4,425,989
Highways and Streets	1,157,073	-	-	-	1,157,073
Health and Welfare	1,439,332	-	-	-	1,439,332
Debt Service - Principal on Leases	33,092	-	-	-	33,092
Capital Outlay	621,007	-	-	-	621,007
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	9,115,992	-	-	-	9,115,992
Excess of Revenue Over Expenditures	904,054	92	-	-	904,146
Other Financing Sources (Uses)					
Transfers In	524,181	-	-	(123,329)	400,852
Transfers Out	(200)	(123,329)	-	123,329	(200)
Proceeds From Capital Leases	93,763	-	-	-	93,763
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	1,521,798	(123,237)	-	-	1,398,561
Fund Balances, Beginning of Year	<u>9,936,074</u>	<u>123,237</u>	<u>2,885</u>	<u>-</u>	<u>10,062,196</u>
Fund Balances, End of Year	<u>\$ 11,457,872</u>	<u>\$ -</u>	<u>\$ 2,885</u>	<u>\$ -</u>	<u>\$ 11,460,757</u>

CITY OF CREST HILL, ILLINOIS

Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2014

Special Revenue Funds

	Public Benefit Fund	IMRF Fund	Motor Fuel Tax Fund	Police Special Asset Fund
Assets				
Cash	\$ -	\$ 709,393	\$ 466,943	\$ 23,381
Investments	-	-	908,924	-
Receivables, Net of Allowance for Uncollectible Amounts:				
Property Taxes	-	286,997	-	-
Intergovernmental	-	-	38,414	-
Total Assets	\$ -	\$ 996,390	\$ 1,414,281	\$ 23,381
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	\$ -	\$ 5,415	\$ 18,891	\$ -
Due to Other Funds	-	-	-	-
Total Liabilities	-	5,415	18,891	-
Deferred Inflows of Resources				
Deferred Property Taxes	-	286,997	-	-
Fund Balances				
Restricted	-	686,412	1,395,390	21,387
Assigned	-	17,566	-	1,994
Unassigned	-	-	-	-
Total Fund Balances	-	703,978	1,395,390	23,381
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 996,390	\$ 1,414,281	\$ 23,381

Capital Projects Funds

<u>DUI/Law Enforcement Fund</u>	<u>Article 36 - Police Department Fund</u>	<u>Total Special Revenue Funds</u>	<u>Comprehensive Plan Fund</u>	<u>Burry Court Storm Sewer Project Fund</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 24,450	\$ 1,955	\$ 1,226,122	\$ -	\$ -	\$ -	\$ 1,226,122
-	-	908,924	-	-	-	908,924
-	-	286,997	-	-	-	286,997
-	-	38,414	30,544	-	30,544	68,958
<u>\$ 24,450</u>	<u>\$ 1,955</u>	<u>\$ 2,460,457</u>	<u>\$ 30,544</u>	<u>\$ -</u>	<u>\$ 30,544</u>	<u>\$ 2,491,001</u>
\$ -	\$ -	\$ 24,306	\$ 35,381	\$ -	\$ 35,381	\$ 59,687
-	-	-	18,261	-	18,261	18,261
-	-	24,306	53,642	-	53,642	77,948
-	-	286,997	-	-	-	286,997
23,937	1,955	2,129,081	-	-	-	2,129,081
513	-	20,073	-	-	-	20,073
-	-	-	(23,098)	-	(23,098)	(23,098)
<u>24,450</u>	<u>1,955</u>	<u>2,149,154</u>	<u>(23,098)</u>	<u>-</u>	<u>(23,098)</u>	<u>2,126,056</u>
<u>\$ 24,450</u>	<u>\$ 1,955</u>	<u>\$ 2,460,457</u>	<u>\$ 30,544</u>	<u>\$ -</u>	<u>\$ 30,544</u>	<u>\$ 2,491,001</u>

CITY OF CREST HILL, ILLINOIS

Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended April 30, 2014

Special Revenue Funds

	Public Benefit Fund	IMRF Fund	Motor Fuel Tax Fund	Police Special Asset Fund
Revenue				
Property Tax	\$ -	\$ 289,044	\$ -	\$ -
Intergovernmental Revenue	-	-	679,277	1,225
Licenses and Permits	-	-	-	-
Interest Revenue	12	212	673	23
Charges For Services	-	-	-	-
Miscellaneous Revenue	-	-	-	-
	12	289,256	679,950	1,248
Total Revenue				
Expenditures				
Current:				
General Government	3,000	294,147	-	-
Public Safety	-	-	-	-
Highways and Streets	-	-	468,360	-
Debt Service - Interest on Leases	669	-	-	-
Debt Service - Principal on Leases	28,385	-	-	-
Capital Outlay	-	-	-	-
	32,054	294,147	468,360	-
Total Expenditures				
Excess (Deficiency) of Revenue Over Expenditures	(32,042)	(4,891)	211,590	1,248
Other Financing (Uses)				
Transfers In	-	-	-	-
Transfers Out	(3)	-	(125,000)	-
	-	-	(125,000)	-
Net Change in Fund Balances	(32,045)	(4,891)	86,590	1,248
Fund Balances (Deficit), Beginning of Year	32,045	708,869	1,308,800	22,133
Fund Balances (Deficit), End of Year	\$ -	\$ 703,978	\$ 1,395,390	\$ 23,381

Capital Projects Funds

<u>DUI/Law Enforcement Fund</u>	<u>Article 36 - Police Department Fund</u>	<u>Total Special Revenue Funds</u>	<u>Comprehensive Plan Fund</u>	<u>Burry Court Storm Sewer Project Fund</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 289,044	\$ -	\$ -	\$ -	\$ 289,044
1,125	-	681,627	48,475	55,895	104,370	785,997
1,940	-	1,940	-	-	-	1,940
23	-	943	-	1	1	944
-	2,149	2,149	-	-	-	2,149
-	-	-	-	296	296	296
<u>3,088</u>	<u>2,149</u>	<u>975,703</u>	<u>48,475</u>	<u>56,192</u>	<u>104,667</u>	<u>1,080,370</u>
-	-	297,147	71,773	-	71,773	368,920
-	194	194	-	-	-	194
-	-	468,360	-	-	-	468,360
-	-	669	-	-	-	669
-	-	28,385	-	-	-	28,385
-	-	-	-	19	19	19
<u>-</u>	<u>194</u>	<u>794,755</u>	<u>71,773</u>	<u>19</u>	<u>71,792</u>	<u>866,547</u>
<u>3,088</u>	<u>1,955</u>	<u>180,948</u>	<u>(23,298)</u>	<u>56,173</u>	<u>32,875</u>	<u>213,823</u>
-	-	-	200	-	200	200
-	-	(125,003)	-	-	-	(125,003)
3,088	1,955	55,945	(23,098)	56,173	33,075	89,020
<u>21,362</u>	<u>-</u>	<u>2,093,209</u>	<u>-</u>	<u>(56,173)</u>	<u>(56,173)</u>	<u>2,037,036</u>
<u>\$ 24,450</u>	<u>\$ 1,955</u>	<u>\$ 2,149,154</u>	<u>(\$ 23,098)</u>	<u>\$ -</u>	<u>(\$ 23,098)</u>	<u>\$ 2,126,056</u>

CITY OF CREST HILL, ILLINOIS

Public Benefit Fund
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenue				
Interest Revenue	\$ 100	\$ 100	\$ 12	(\$ 88)
Total Revenue	100	100	12	(88)
Expenditures				
General Government				
Contractual Services	3,800	4,100	3,000	1,100
Debt Service				
Interest on Capital Lease	-	-	669	(669)
Principal on Capital Lease	-	-	28,385	(28,385)
Capital Outlay				
Operating Equipment	31,000	31,000	-	31,000
Total Expenditures	34,800	35,100	32,054	3,046
(Deficiency) of Revenue Over Expenditures	(34,700)	(35,000)	(32,042)	2,958
Other Financing (Uses)				
Transfers Out	-	-	(3)	(3)
Net Change in Fund Balance	(\$ 34,700)	(\$ 35,000)	(32,045)	\$ 2,955
Fund Balance, Beginning of Year			32,045	
Fund Balance, End of Year			\$ -	

CITY OF CREST HILL, ILLINOIS

Illinois Municipal Retirement Fund
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenue				
Property Tax	\$ 290,143	\$ 290,143	\$ 289,044	(\$ 1,099)
Interest Revenue	750	750	212	(538)
Charges for Services	<u>305,000</u>	<u>305,000</u>	<u>-</u>	<u>(305,000)</u>
Total Revenue	<u>595,893</u>	<u>595,893</u>	<u>289,256</u>	<u>(306,637)</u>
Expenditures				
General Government				
IMRF Contributions	325,000	596,000	294,060	301,940
Miscellaneous Expenditures	<u>-</u>	<u>-</u>	<u>87</u>	<u>(87)</u>
Total Expenditures	<u>325,000</u>	<u>596,000</u>	<u>294,147</u>	<u>301,853</u>
Net Change in Fund Balance	<u>\$ 270,893</u>	<u>(\$ 107)</u>	<u>(4,891)</u>	<u>(\$ 4,784)</u>
Fund Balance, Beginning of Year			<u>708,869</u>	
Fund Balance, End of Year			<u>\$ 703,978</u>	

CITY OF CREST HILL, ILLINOIS

Comprehensive Plan Fund
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenue			
Intergovernmental Revenue	\$ 100,000	\$ 48,475	(\$ 51,525)
Interest Revenue	<u>100</u>	<u>-</u>	<u>(100)</u>
Total Revenue	<u>100,100</u>	<u>48,475</u>	<u>(51,625)</u>
Expenditures			
General Government			
Contractual Services	101,000	71,678	29,322
Miscellaneous Expenditures	<u>-</u>	<u>95</u>	<u>(95)</u>
Total Expenditures	<u>101,000</u>	<u>71,773</u>	<u>29,227</u>
(Deficiency) of Revenue Over Expenditures	<u>(900)</u>	<u>(23,298)</u>	<u>(22,398)</u>
Other Financing Sources			
Transfers In	<u>-</u>	<u>200</u>	<u>200</u>
Net Change in Fund Balance	<u>(\$ 900)</u>	<u>(23,098)</u>	<u>(\$ 22,198)</u>
Fund Balance, Beginning of Year		<u>-</u>	
Fund Balance (Deficit), End of Year		<u>(\$ 23,098)</u>	

CITY OF CREST HILL, ILLINOIS

Schedule of Revenue, Expenses and Changes in Net Position
Budget and Actual
Water and Sewer Fund
For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenue				
Charges for Services	\$ 6,309,750	\$ 6,309,750	\$ 6,822,108	\$ 512,358
Central Service Fees	<u>20,524</u>	<u>20,524</u>	<u>2,358</u>	(<u>18,166</u>)
Total Operating Revenue	<u>6,330,274</u>	<u>6,330,274</u>	<u>6,824,466</u>	<u>494,192</u>
Operating Expenses				
Water	4,285,400	4,415,400	1,034,709	3,380,691
Sewer	406,600	406,600	448,426	(41,826)
Sewer Treatment Plant	16,306,950	16,306,950	761,200	15,545,750
Water Administration	488,900	527,200	501,742	25,458
Depreciation	<u>-</u>	<u>-</u>	<u>754,550</u>	(<u>754,550</u>)
Total Operating Expenses	<u>21,487,850</u>	<u>21,656,150</u>	<u>3,500,627</u>	<u>18,155,523</u>
Operating Income	(<u>15,157,576</u>)	(<u>15,325,876</u>)	<u>3,323,839</u>	<u>18,649,715</u>
Non-Operating Revenue (Expenses)				
Intergovernmental Revenue	393,605	393,605	396,827	3,222
Miscellaneous Revenue	19,500	19,500	54,581	35,081
Interest Earnings	86,162	86,162	22,882	(63,280)
Rental Income	93,542	93,542	94,979	1,437
Interest Expense	(<u>2,296,300</u>)	(<u>2,296,300</u>)	(<u>443,840</u>)	<u>1,852,460</u>
Total Non-Operating Revenue (Expenses)	(<u>1,703,491</u>)	(<u>1,703,491</u>)	<u>125,429</u>	<u>1,828,920</u>
Income Before Transfers	(16,861,067)	(17,029,367)	3,449,268	20,478,635
Transfers In	148,693	-	-	-
Transfers Out	(<u>159,796</u>)	(<u>1,528,303</u>)	(<u>152,849</u>)	<u>1,375,454</u>
Change in Net Position	(<u>\$ 16,872,170</u>)	(<u>\$ 18,557,670</u>)	3,296,419	<u>\$ 21,854,089</u>
Net Position, Beginning of Year			<u>30,734,344</u>	
Net Position, End of Year			<u>\$ 34,030,763</u>	

CITY OF CREST HILL, ILLINOIS

Police Pension Fund Schedule of Changes in Plan Net Position - Budget and Actual For the Year Ended April 30, 2014

	Original And Final Budget	Actual	Variance With Final Budget Positive (Negative)
Additions			
Contributions			
Employer Contributions	\$ 525,000	\$ 621,589	\$ 96,589
Plan Member Contributions	-	221,260	221,260
Total Contributions	525,000	842,849	317,849
Investment Income			
Interest	-	375,696	375,696
Net Appreciation in Fair Value of Investments	-	597,804	597,804
Investment Income Gross	-	973,500	973,500
Less Investment Expense	-	(39,842)	(39,842)
Total Investment Income	-	933,658	933,658
Total Additions	525,000	1,776,507	1,251,507
Deductions			
Pension Benefit Payments and Refunds	525,000	644,961	(119,961)
Administrative Expenses	-	41,073	(41,073)
Total Deductions	525,000	686,034	(161,034)
Net Increase	\$ -	1,090,473	\$ 1,090,473
Net Position Held in Trust for Pension Benefits			
Beginning of Year		12,539,567	
End of Year		\$ 13,630,040	

CITY OF CREST HILL, ILLINOIS

Schedule of Changes in Assets and Liabilities
Agency Fund
For the Year Ended April 30, 2014

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Assets				
Cash	\$ 18,414	\$ 3,467	\$ 1,868	\$ 20,013
Investments	89,985	90,029	89,985	90,029
Total Assets	<u>\$ 108,399</u>	<u>\$ 93,496</u>	<u>\$ 91,853</u>	<u>\$ 110,042</u>
 Liabilities				
Deposits Payable	\$ 108,399	\$ 93,496	\$ 91,853	\$ 110,042
Total Liabilities	<u>\$ 108,399</u>	<u>\$ 93,496</u>	<u>\$ 91,853</u>	<u>\$ 110,042</u>

OTHER SUPPLEMENTAL SCHEDULES

CITY OF CREST HILL, ILLINOIS

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

Tax Levy Year	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assessed Valuations	\$ 319,973,995	\$ 346,465,990	\$ 374,195,166	\$ 408,766,183	\$ 429,684,744
Tax Rates:					
General:					
Road and Bridge	0.0622	0.0527	0.0472	0.0420	0.0384
Corporate	0.2840	0.2596	0.2402	0.2078	0.1932
Social Security	0.0703	0.0635	0.0575	0.0526	0.0478
Police Pension	0.1694	0.1474	0.1225	0.0979	0.0885
Illinois Municipal Retirement	0.0906	0.0837	0.0694	0.0783	0.0699
Public Benefit	<u>0.0000</u>	<u>0.0000</u>	<u>0.0081</u>	<u>0.0074</u>	<u>0.0070</u>
Total Tax Rate	<u>0.6765</u>	<u>0.6069</u>	<u>0.5449</u>	<u>0.4860</u>	<u>0.4448</u>
Tax Extensions:					
General:					
Road and Bridge	\$ 198,932	\$ 182,506	\$ 176,496	\$ 171,611	\$ 164,844
Corporate	908,726	899,426	898,817	849,416	830,151
Social Security	224,942	220,006	215,162	215,011	205,389
Police Pension	542,036	510,691	458,389	400,182	380,271
Illinois Municipal Retirement	289,896	289,992	259,691	320,064	300,350
Public Benefit	<u>-</u>	<u>-</u>	<u>30,310</u>	<u>30,249</u>	<u>30,078</u>
Total Tax Extension	<u>\$ 2,164,532</u>	<u>\$ 2,102,621</u>	<u>\$ 2,038,865</u>	<u>\$ 1,986,533</u>	<u>\$ 1,911,083</u>
Total Collections	<u>\$ -</u>	<u>\$ 2,098,120</u>	<u>\$ 2,033,613</u>	<u>\$ 1,982,541</u>	<u>\$ 1,908,172</u>
Percent Collected	<u>0.00%</u>	<u>99.79%</u>	<u>99.74%</u>	<u>99.80%</u>	<u>99.85%</u>

Note - Tax rates are per \$100 assessed valuation.
Information obtained from the Will County Clerk's Office.

CITY OF CREST HILL, ILLINOIS

Schedule of Debt Service Requirements April 30, 2014

	Payable in the	Rate	Principal	Interest	Total
	Year Ending April 30,				
Waterworks and Sewerage Revenue	2015	2.00%	\$ 585,000	\$ 1,215,908	\$ 1,800,908
Bonds Series 2010	2016	2.35%	590,000	1,203,125	1,793,125
Dated December 1, 2010	2017	2.75%	600,000	1,187,943	1,787,943
Interest payable May 1 and	2018	3.00%	615,000	1,170,468	1,785,468
November 1 of each year	2019	3.50%	625,000	1,150,305	1,775,305
	2020	3.85%	640,000	1,127,048	1,767,048
	2021	4.10%	890,000	1,096,483	1,986,483
	2022	4.35%	915,000	1,058,336	1,973,336
	2023	4.60%	945,000	1,016,700	1,961,700
	2024	4.80%	975,000	971,565	1,946,565
	2025	5.25%	1,010,000	921,653	1,931,653
	2026	5.25%	1,050,000	867,578	1,917,578
	2027	6.20%	1,090,000	806,225	1,896,225
	2028	6.20%	1,140,000	737,095	1,877,095
	2029	6.20%	1,190,000	664,865	1,854,865
	2030	6.20%	1,245,000	589,380	1,834,380
	2031	6.20%	1,305,000	510,330	1,815,330
	2032	6.20%	1,365,000	427,560	1,792,560
	2033	6.30%	1,425,000	340,358	1,765,358
	2034	6.30%	1,495,000	248,378	1,743,378
	2035	6.30%	1,560,000	152,145	1,712,145
	2036	6.30%	1,635,000	51,503	1,686,503
			<u>\$ 22,890,000</u>	<u>\$ 17,514,951</u>	<u>\$ 40,404,951</u>

	Payable in the	Rate	Principal	Interest	Total
	Year Ending April 30,				
Loan Payable to Illinois Environmental	2015	1.25%	\$ 90,245	\$ 24,823	\$ 115,068
Protection Agency - L17-3405	2016	1.25%	182,185	47,950	230,135
Dated November 15, 2011	2017	1.25%	184,470	45,665	230,135
	2018	1.25%	186,783	43,352	230,135
	2019	1.25%	189,125	41,010	230,135
	2020	1.25%	191,496	38,639	230,135
	2021	1.25%	193,897	36,238	230,135
	2022	1.25%	196,329	33,806	230,135
	2023	1.25%	198,791	31,344	230,135
	2024	1.25%	201,283	28,852	230,135
	2025	1.25%	203,807	26,328	230,135
	2026	1.25%	206,363	23,772	230,135
	2027	1.25%	208,950	21,185	230,135
	2028	1.25%	211,571	18,564	230,135
	2029	1.25%	214,223	15,912	230,135
	2030	1.25%	216,910	13,225	230,135
	2031	1.25%	219,630	10,505	230,135
	2032	1.25%	222,383	7,752	230,135
	2033	1.25%	225,172	4,963	230,135
	2034	1.25%	227,995	2,140	230,135
			<u>\$ 3,971,608</u>	<u>\$ 516,025</u>	<u>\$ 4,487,633</u>

CITY OF CREST HILL, ILLINOIS

Schedule of Project Sources and Uses of Funds and Ending Balance - Cash Basis Waterworks and Sewerage Revenue Bonds, Series 2010 As of April 30, 2014

	Year Ended April 30, 2011	Year Ended April 30, 2012	Year Ended April 30, 2013	Year Ended April 30, 2014	Total Project to Date
Balance of Project Fund at Beginning of Year	\$ -	\$ 23,047,583	\$ 21,283,684	\$ 16,353,972	\$ -
Sources of Funds					
Bond Proceeds:					
Par Amount of Bonds	23,820,000	-	-	-	23,820,000
Less Original Issue Discount	(127,926)	-	-	-	(127,926)
Less Costs of Issuance	(288,003)	-	-	-	(288,003)
Initial Amount Deposited to Waterworks and Sewerage Fund	23,404,071	-	-	-	23,404,071
Other Sources:					
Interest Received	42,470	403,835	306,961	82,741	836,007
Total Sources of Funds	23,446,541	403,835	306,961	82,741	24,240,078
Uses of Funds					
Expenses Incurred:					
Legal	-	24,250	-	-	24,250
Engineering	300,000	1,294,218	424,755	557,173	2,576,146
Administration Building - New Construction	-	640,575	113,342	-	753,917
Watermain Extension - New Construction	-	208,265	165,304	-	373,569
East Sewerage Treatment Plant - New Construction	-	-	4,086,081	12,804,986	16,891,067
Other Expenses	136	426	281	197	1,040
Total Expenses Incurred	300,136	2,167,734	4,789,763	13,362,356	20,619,989
Other Uses:					
Purchase of Accrued Interest on Investments	98,822	-	446,910	98,828	644,560
Total Uses of Funds	398,958	2,167,734	5,236,673	13,461,184	21,264,549
Sources of Funds in Excess (Deficient) of Uses of Funds	23,047,583	(1,763,899)	(4,929,712)	(13,378,443)	2,975,529
Balance of Project Fund at End of Year	\$ 23,047,583	\$ 21,283,684	\$ 16,353,972	\$ 2,975,529	\$ 2,975,529

CITY OF CREST HILL, ILLINOIS

Schedule of Revenue Bond Ordinance Disclosures April 30, 2014

Number of metered customers receiving water, sewer, and garbage service	5,870
Number of metered customers receiving water and sewer service	571
Number of metered customers receiving water and garbage service	9
Number of metered customers receiving water service only	143
Number of metered customers receiving garbage service only	-
Number of metered customers receiving sewer and garbage service	3
Number of unmetered customers receiving sewer service only	6

Sewage Treated	1,083,461,000 gallons
Water pumped	712,883,000 gallons
Water billed	586,786,750 gallons

Rates for water service only:	
200 cu. ft./mo.	\$ 7.77/mo.
Over 200 cu. ft.	\$ 3.06/100 cu. Ft. over 200 cu. ft.

Rates for sewer service only:	
0-200 cu. ft./mo.	\$ 7.77/mo.
Over 200 cu. ft./mo.	\$ 3.65/100 cu. Ft. over 200 cu. ft.

Rates for unmetered sewer service only:	
0-1000 cu. ft./mo.	
Commercial, governmental, and industrial users	\$ 39.57/mo.
0-600 cu. ft./mo.	
Residential users	\$ 23.93/mo.

Rates for debt service charges:	
Residential, commercial, and industrial users	\$.26/100 cu. ft.
Institutional and governmental users	\$.70/100 cu. ft.

All debt service charges are based on a minimum usage of 200 cu. ft./mo. For users who do not exceed the 200 cu. ft./mo. minimum.