

VILLAGE OF HODGKINS

Hodgkins, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2014

VILLAGE OF HODGKINS

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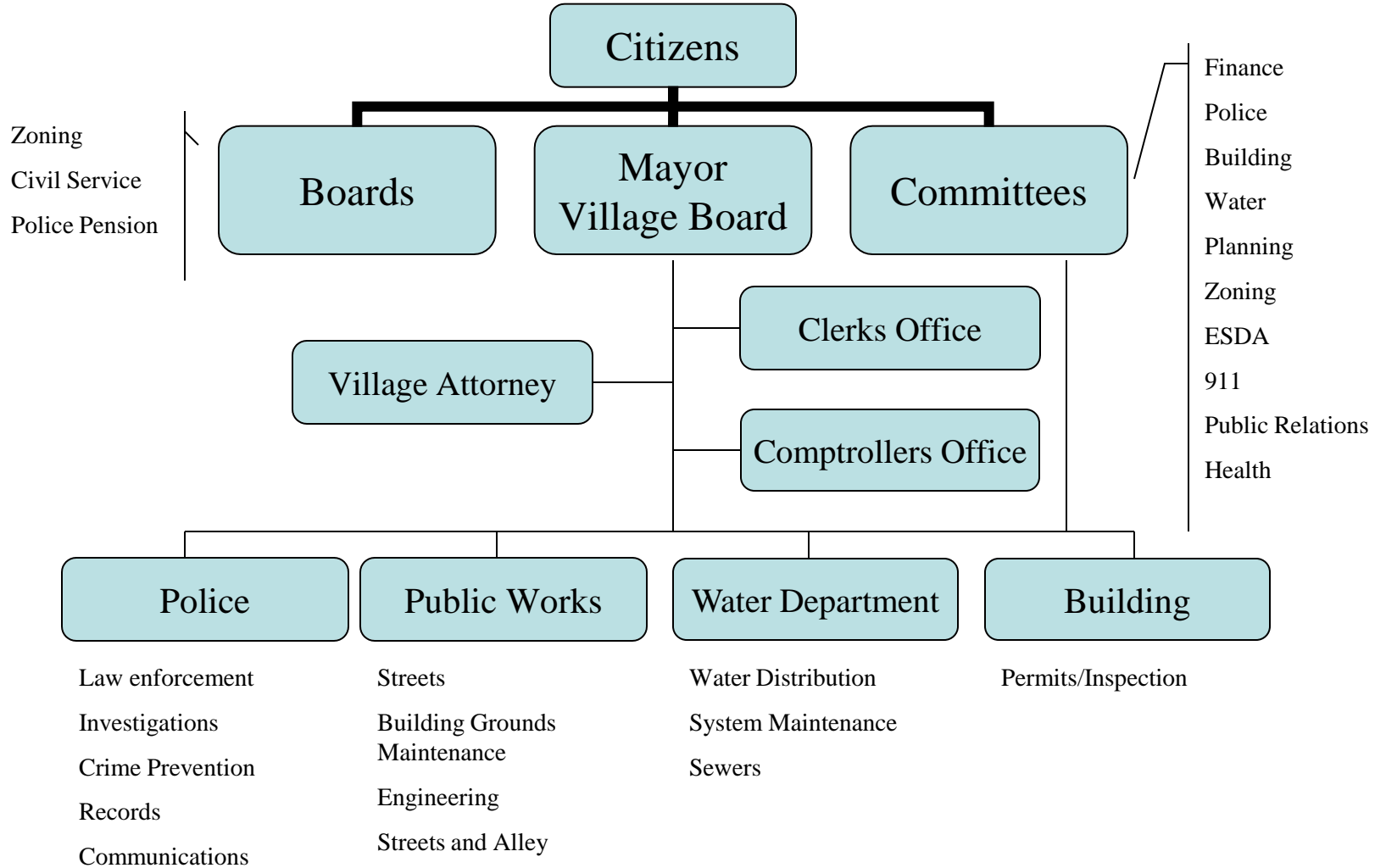
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Village of Hodgkins Organizational Chart



VILLAGE OF HODGKINS, ILLINOIS
LIST OF ELECTED AND APPOINTED OFFICIALS

PRESIDENT

Noel B. Cummings
Term 2015

TRUSTEES

Clyde Hugh Rhodes - Term 2015
Vicky Moxley - Term 2015
Larry Rice - Term 2015
Donald Cuttill - Term 2017
Paul Struve - Term 2017
Phillip Kringlie – Term 2017

STAFF

Ernest Millsap - Police Chief
Jack Scott – Superintendent of Public Works
Dennis Folkerts - Public Works Foreman
Melody Salerno - Comptroller
Claude Sexton - Clerk
Sharon Wells – Deputy Clerk
John T. O'Connell - Attorney
Tim Callahan - Attorney

VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

As management of the Village of Hodgkins, we offer readers of the Village of Hodgkins' financial statements this narrative overview and analysis of the financial activities of the Village of Hodgkins for the fiscal year ended December 31, 2014. Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

The Village of Hodgkins' MD&A is also designed to assist the reader in focusing on significant financial issues, provide an overview of financial activities, identify current changes, to address the subsequent year challenges, identify material deviations from the financial plan (approved budgets), and identify issues with individual funds.

Financial Highlights

- ❑ The government's total net position increased by \$1.9 million.
- ❑ As of the close of the current fiscal year, the Village of Hodgkins' governmental funds reported combined ending fund balances of \$12 million, an increase of \$2.1 million in comparison with the prior year. Of this amount, \$7.5 million is available for spending at the government's discretion (unassigned fund balance).
- ❑ At the end of the current fiscal year, fund balance for the General Fund was \$7.9 million.
- ❑ The Village of Hodgkins' total assets decreased by \$7.0 million during the current year to \$51.0 million.

Overview of the Financial Statements

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

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Village of Hodgkins' finances, in a manner similar to a private-sector business and are reported using the accrual basis of accounting and economic resources measurement focus.

The statement of net position presents information on all of the Village of Hodgkins' assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Village of Hodgkins is improving.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and unpaid obligations).

VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

Both of the government-wide financial statements distinguish functions of the Village of Hodgkins that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the Village's basic services including police, public works and administrative functions. The business-type activities of the Village include the water and sewer systems.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Hodgkins, like other units of government, uses fund accounting to ensure compliance with finance-related legal requirements. All of these funds can be divided into three types: governmental, proprietary and fiduciary.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Most of the Village's services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year end that are available for use. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between government funds and government activities.

The Village of Hodgkins maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Tax Increment Redevelopment Project Area Special Revenue, Series 2007 Special Tax Allocation, Bond and Interest, and Series 2009 Debt Service, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and individual schedules elsewhere in this report.

Proprietary Funds. The Village of Hodgkins maintains one proprietary fund, which is an enterprise fund. This fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Hodgkins' enterprise fund presents the activities and balances in the Water and Sewer Fund, which is considered to be a major fund using the accrual basis of accounting and economic resources measurement focus. The Enterprise fund provides the same type of information as the government-wide financial statements, but in greater detail. The enterprise fund reflects the private-sector type operation, where the fee for service typically covers all or most of the cost of operation and maintenance including depreciation.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village of Hodgkins' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Information is presented for the Police Pension Fund and the Special Service Area Agency Fund.

VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to understanding the government-wide financial statements and the various fund financial statements.

Other Information. Required and other supplementary information is also included in this report. The required supplementary information includes the employer contributions and funding progress of the Illinois Municipal Retirement Fund, Police Pension Fund, and Health Insurance Plan and budget to actual comparisons of the General Fund. Supplementary schedules include combining and individual fund schedules of nonmajor funds, and debt service requirements.

Government-Wide Financial Analysis

Statement of Net Position

The following table reflects the Condensed Statement of Net Position:

Condensed Statement of Net Position
As of December 31, (in millions)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 19.9	\$ 25.7	\$ 0.9	\$ 1.0	\$ 20.8	\$ 26.7
Capital assets	<u>27.7</u>	<u>29.0</u>	<u>2.5</u>	<u>2.3</u>	<u>30.2</u>	<u>31.3</u>
Total Assets	47.6	54.7	3.4	3.3	51.0	58.0
Total Deferred outflows of resources	<u>-</u>	<u>0.1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.1</u>
Current liabilities	2.3	7.3	0.1	0.1	2.4	7.4
Long-term liabilities	<u>13.6</u>	<u>17.6</u>	<u>-</u>	<u>-</u>	<u>13.6</u>	<u>17.6</u>
Total Liabilities	15.9	24.9	0.1	0.1	16.0	25.0
Total Deferred inflows of resources	<u>4.7</u>	<u>4.7</u>	<u>-</u>	<u>-</u>	<u>4.7</u>	<u>4.7</u>
Net investment in capital assets	23.4	23.8	2.5	2.3	25.9	26.1
Restricted	1.3	1.3		-	1.3	1.3
Unrestricted	<u>2.3</u>	<u>0.1</u>	<u>0.8</u>	<u>0.9</u>	<u>3.1</u>	<u>1.0</u>
Total Net position	\$ 27.0	\$ 25.2	\$ 3.3	\$ 3.2	\$ 30.3	\$ 28.4

VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

As noted earlier, net position may serve over time as a useful indicator of a governments' financial position. In the case of the Village of Hodgkins, total net position is recorded as \$30.3 million, which is an increase of \$1.9 million from the previous year. The Village of Hodgkins' total assets decreased by \$7.0 million, resulting in a balance of \$51.0 million. The Village of Hodgkins' total liabilities equal \$16.0 million, decreasing \$9.0 million from the prior year. While long-term liabilities decreased by \$4.0 million due to the normal spend down of debt, current liabilities also decreased by \$5 million. The decreases in both total assets and current liabilities due the final surplus distribution of the Quarry TIF included in cash and accounts payable at year end of the prior fiscal year.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will (a) reduce current assets and increase capital assets and (b) increase capital assets and long-term debt, which will not change the net position – net investment in capital assets.

Spending of non-borrowed current assets on new capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net position – net investment in capital assets.

Principal payment on debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net position – net investment in capital assets.

Reduction of capital assets through depreciation – which will reduce capital assets and net position – net investment in capital assets.

VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

Current Year Impacts

Statement of Activities

The following table reflects the Condensed Statement of Activities:

Condensed Statement of Activities
For the Year Ended December 31, (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 1.2	\$ 0.9	\$ 1.1	\$ 1.0	\$ 2.3	\$ 1.9
Operating grants and contributions	0.1	-	-	-	0.1	-
Capital grants and contributions	0.1	0.7	-	-	0.1	0.7
General revenues:						
Real estate taxes	4.9	4.7	-	-	4.9	4.7
Other taxes	6.6	9.8	-	-	6.6	9.8
Other	0.1	1.6	0.1	0.2	0.2	1.8
Total revenues	<u>13.0</u>	<u>17.7</u>	<u>1.2</u>	<u>1.2</u>	<u>14.2</u>	<u>18.9</u>
Expenses:						
General government	3.2	2.6	-	-	3.2	2.6
Public safety	4.6	4.3	-	-	4.6	4.3
Public works	1.6	1.7	-	-	1.6	1.7
Community development	0.7	6.4	-	-	0.7	6.4
Interest and fees	1.1	1.3	-	-	1.1	1.3
Water	-	-	1.1	1.0	1.1	1.0
Total expenses	<u>11.2</u>	<u>16.3</u>	<u>1.1</u>	<u>1.0</u>	<u>12.3</u>	<u>17.3</u>
Increase in Net Position	1.8	1.4	0.1	0.2	1.9	1.6
Net Position, beginning of year	25.2	23.8	3.2	3.0	28.4	26.8
Net Position, end of year	<u>\$ 27.0</u>	<u>\$ 25.2</u>	<u>\$ 3.3</u>	<u>\$ 3.2</u>	<u>\$ 30.3</u>	<u>\$ 28.4</u>

VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

Revenues:

Economic condition – which can reflect a declining, stable or growing economic environment and has substantial impact on state sales, replacement and hotel/motel tax revenue, as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/decrease in Village approved rates – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the Village's investments may be affected by market conditions causing investment income to increase/decrease.

Expenses:

Introduction of new programs – within the functional expense categories (general government, public safety, public works, and community development), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the Village.

Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuel and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Governmental Activities

The Village of Hodgkins' increase in net position in governmental activities was \$1.8 million for fiscal 2014, leaving the total net position for the Village governmental activities at \$27.0 million. The net position increase for fiscal year 2014 is due to the Village continuing to control spending to a level below earned revenues.

VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

Revenues:

Real estate taxes: As indicated in the other information section of this report, the Village's total equalized assessed valuation, for which real estate taxes are based, has decreased for tax levy year 2013 by 5.45% to \$202 million.

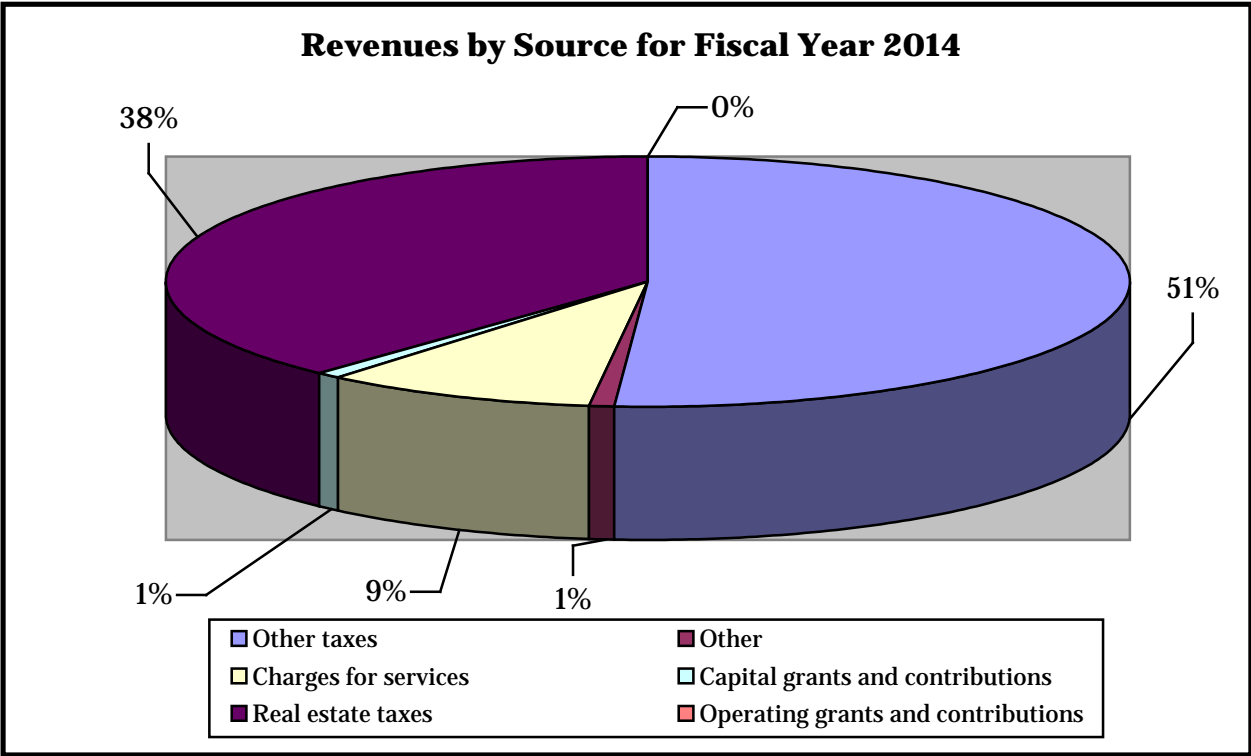
Village of Hodgkins
Cook County, Illinois
Tax Collections Ten Year Period
As of December 31, 2014
(in millions)

Tax Year	\$ Collected	% Collected
2004	2.0	94
2005	2.4	98
2006	2.5	99
2007	2.6	101
2008	2.7	100
2009	3.1	97
2010	3.8	92
2011	4.1	96
2012	4.3	99
2013	4.2	96

Sales taxes: Total sales and retail taxes collected for 2014 equaled \$5.3 million, which is \$3.4 million less than those collected in 2013. This is attributed to the allocation of the state's portion of sales tax being completed in the middle of fiscal year 2013 as well as the final surplus being recognized in fiscal year 2013. These events were statutorily determined and anticipated by the Village.

VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

Below is a chart depicting governmental activities revenues by source for fiscal 2014:

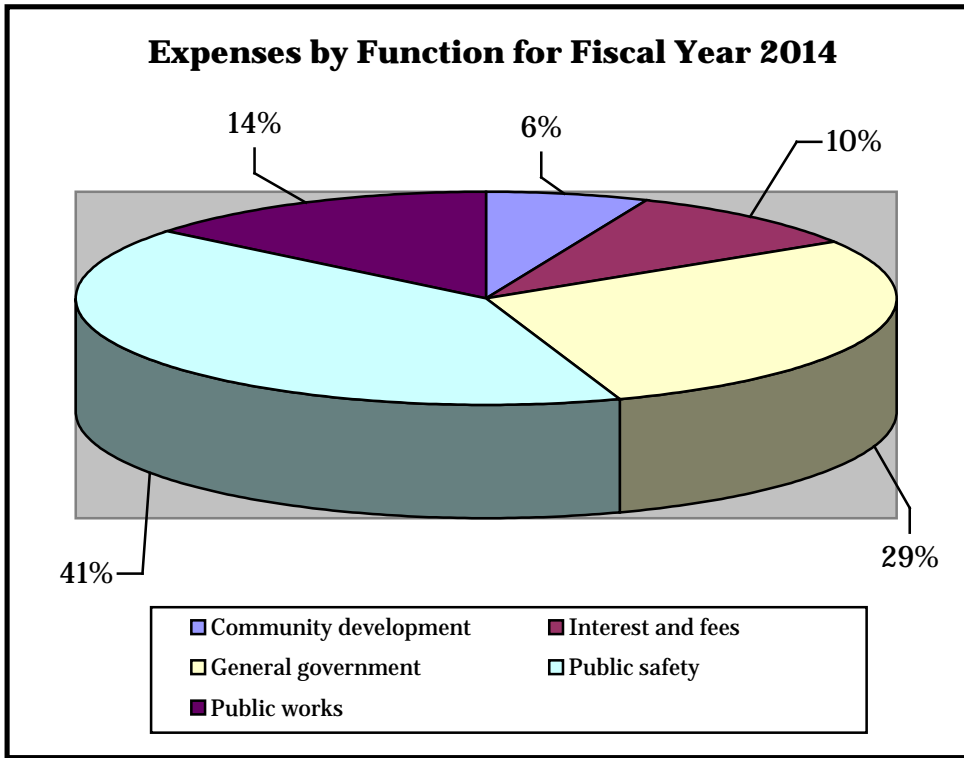


VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

Expenses:

The Village's governmental activities expenses decreased from \$16.3 million in fiscal 2013 to \$11.2 million in fiscal 2014 due to the final Quarry TIF surplus recognized in the prior year.

Below is a chart depicting governmental activities expenses by function for fiscal 2014:



Business-type Activities

The business-type activities of the Village of Hodgkins include the Water and Sewer Fund. The Water and Sewer Fund serves the Village of Hodgkins' residents. Pricing for water is based on a schedule set by the Village and reflects increases as passed along from the Village's supplier, the City of Chicago through the Village of McCook. Sales of water (revenues) can be affected by climate at times with warmer summers bringing higher demand. The City of Chicago has annually adjusted rates and this adjustment is passed along to the Village customers. The total assets of the business-type activities are \$3.4 million and the total liabilities are minimal (approximately \$0.1 million), leaving net position at \$3.3 million. The operating revenues and expenses of the Water Fund and Sewer Fund were comparable to fiscal year 2013.

Financial Analysis of the Governments Funds

The Village of Hodgkins uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

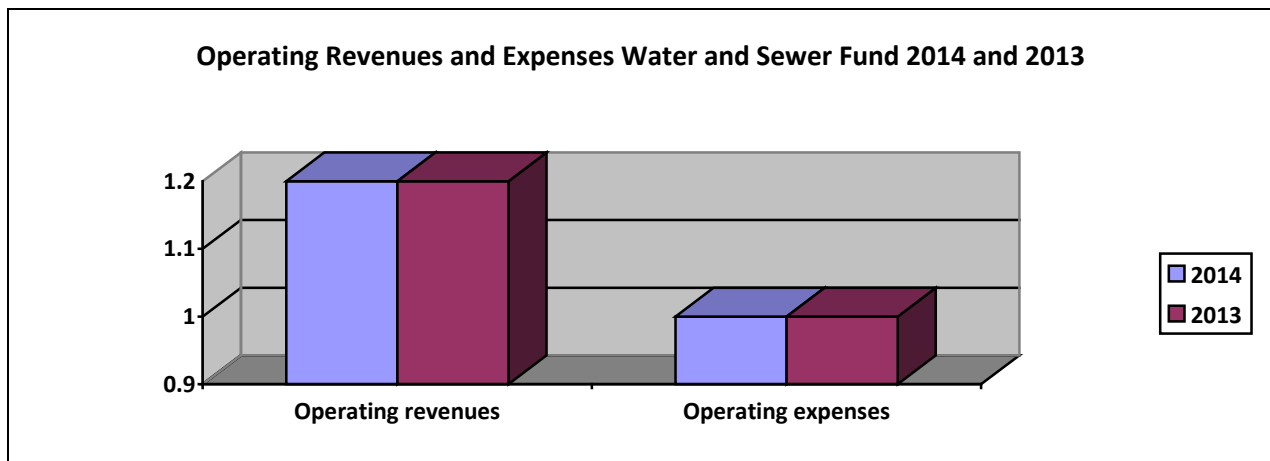
VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

Governmental Funds: The focus of the Village of Hodgkins' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Hodgkins' financing requirements.

The Village of Hodgkins' major funds include; the General, Tax Increment Redevelopment Project Area Special Revenue, Series 2007 Special Tax Allocation, Bond and Interest, and Series 2009 Debt Service.

As of the end of the current fiscal year, the Village of Hodgkins' governmental funds reported a combined (major and non-major) ending fund balance of \$12.2 million, an increase of \$2.1 million over fiscal year 2013. The General Fund fund balance increased by \$4.7 million due to the final surplus from the Quarry TIF received during the year along with the Village continuing to control expenditures. The Tax Increment Redevelopment Project Area Special Revenue Fund decreased by \$2.7 million due to the final debt service on the 2005 TIF bonds paid during the year while no revenue was received as expected with the closing of the TIF. The remaining funds increased by \$0.1 million.

Proprietary Fund: The Water and Sewer Fund is the major proprietary fund. The operating revenue for the Water and Sewer Fund remained consistent from 2013 to 2014. The net position at the end of fiscal 2013 equaled \$3.3 million. The financial results of the Proprietary Fund increased by \$0.1 million.



General Fund Budgetary Highlights

The actual revenues were more than projected revenues by \$4.0 million and actual expenditures approximated budgeted expenditures in the General Fund for the year ended December 31, 2014. Revenues exceeded projected revenues due to the final surplus distribution for the Quarry TIF being recognized in the current fiscal year but budgeted for in the prior fiscal year.

VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

As of December 31, 2014, the General Fund fund balance is \$7.9 million or 96.2% of 2014 expenditures.

General Fund Budget and Actual				
<u>In Millions</u>				
	2014		2013	
	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>	<u>Actual</u>
			<u>Over/(under)</u>	
Total Revenues	\$ 8.9	\$ 12.9	\$ 4.0	\$ 8.0
Total Expenditures	<u>8.2</u>	<u>8.2</u>	<u>-</u>	<u>7.1</u>
Excess (Deficiency) of Revenue over Expenditures	0.7	4.7	3.9	0.1
Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.8)</u>
Net Change in fund Balance	<u>\$ 0.7</u>	4.7	<u>\$ -</u>	0.1
Fund Balance, Beginning of Year		<u>3.2</u>		<u>3.1</u>
Fund Balance, End of Year		<u>\$ 7.9</u>		<u>\$ 3.2</u>

Capital Assets

At the end of fiscal 2014, the Village of Hodgkins had total capital assets (net of accumulated depreciation) of \$30.2 million, invested in a broad range of capital assets including police equipment, buildings, village facilities, water facilities, roads, streets, and sewer lines. The capital assets of the Village decreased due to depreciation expense exceeding current year additions as well as the sale of Village property for development.

Additional information on capital assets can be found in Note III. C. to the financial statements.

Debt Administration

The Village's governmental activities include general obligation and tax increment financing (TIF) debt. As of December 31, 2014, the Village's general obligation debt is \$4.3 million. The Village began the year with \$5.1 million in general obligation debt, and retired \$0.8 million. The Village of Hodgkins also reports on its TIF district debt. This debt is not a direct obligation of the Village, as it is payable solely from real estate and sales taxes raised in the TIF fund. However, should real estate and sales taxes generated in the TIF not be in sufficient amounts to retire TIF debt, the Village will be responsible. The debt issuances for the TIF are used to cover the cost of developments within the districts and not to purchase capital assets. As of December 31, 2014, the balance of debt for the TIF district is \$8.5 million.

VILLAGE OF HODGKINS
Management's Discussion and Analysis (Unaudited)

The Village began the year with \$11.6 in TIF debt and retired \$3.1 million. Overall, the Village governmental activities reported total long-term liabilities of \$13.6 million which includes this debt. No debt exists in the Village business-type activities as of fiscal year 2014. Additional information on long-term debt obligations can be found in Note III E. to the financial statements.

Economic Factors, Future Budgets, and Rates

In an effort to enhance incremental property and sales tax increments, the Village created TIF 3 in 2011. Because of this there are currently two projects that were created along East Ave. One is the D & S Truck Center which will constitute a showroom and repair facility for large trucks. The building will be completed by September, 2015. The other project has been completed and is now open for business. It is an approximate 12,000 square foot commercial building which houses Ben' Rental and Bluenose Microbrewery. In both instances sales taxes will be generated and the incremental property taxes are anticipated to be approximately \$100,000 per year.

The Village is also in the process of acquiring approximately 8.2 acres of vacant property immediately to the South of the Ben's Rental project. The Village is preparing Redevelopment Agreements with two companies to occupy the property. One will be selling cranes and large trucks. This is anticipated to generate approximately \$100,000 in sales tax increment and \$100,000 in property taxes. The other Redevelopment Agreement will be for a used car development which is anticipated to generate an additional \$100,000 in sales taxes and \$50,000 in property taxes. Both projects are planning on a Fall, 2015 start.

Requests for Information

This financial report is designed to provide a general overview of the Village of Hodgkins' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, requests for additional financial information or a copy of the Police Pension report should be addressed to the Village of Hodgkins, 8990 Lyons Street, Hodgkins, Illinois 60525.

VILLAGE OF HODGKINS

STATEMENT OF NET POSITION As of December 31, 2014

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 12,501,616	\$ 919,608	\$ 13,421,224
Receivables (net)			
Property tax	4,706,915	-	4,706,915
Other taxes	1,483,493	-	1,483,493
Intergovernmental Accounts	63,640	-	63,640
	-	226,746	226,746
Prepaid items	63,516	688	64,204
Internal balances	258,828	(258,828)	-
Due from fiduciary funds	17,179	-	17,179
Restricted cash and investments	250,484	-	250,484
Assets held for resale	630,170	-	630,170
Capital Assets (net of accumulated depreciation)			
Land	2,821,147	8,357	2,829,504
Other capital assets, net of depreciation	<u>24,858,218</u>	<u>2,552,844</u>	<u>27,411,062</u>
Total Assets	<u>47,655,206</u>	<u>3,449,415</u>	<u>51,104,621</u>
LIABILITIES			
Accounts payable	1,668,484	117,424	1,785,908
Employer contribution payable	2,690	-	2,690
Accrued salaries	65,613	3,459	69,072
Payroll taxes payable	(488)	-	(488)
Interest payable	317,586	-	317,586
Other	29,461	-	29,461
Noncurrent Liabilities			
Due within one year	1,215,000	-	1,215,000
Due in more than one year	<u>12,601,472</u>	-	<u>12,601,472</u>
Total Liabilities	<u>15,899,818</u>	<u>120,883</u>	<u>16,020,701</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for a future period	<u>4,706,915</u>	-	<u>4,706,915</u>
Total Deferred Inflows of Resources	<u>4,706,915</u>	-	<u>4,706,915</u>
NET POSITION			
Net investment in capital assets	23,429,365	2,561,202	25,990,567
Restricted for			
Capital projects	21	-	21
Public safety	287,947	-	287,947
Street improvements	315,192	-	315,192
Tax increment financing district development	405,910	-	405,910
Legal	250,484	-	250,484
Unrestricted	<u>2,359,554</u>	<u>767,330</u>	<u>3,126,884</u>
TOTAL NET POSITION	<u>\$ 27,048,473</u>	<u>\$ 3,328,532</u>	<u>\$ 30,377,005</u>

See accompanying notes to financial statements.

VILLAGE OF HODGKINS

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2014

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 3,176,838	\$ 1,206,616	\$ 1,910	\$ -
Public safety	4,615,520	41,994	-	-
Public works	1,628,027	-	65,528	130,000
Community development	727,285	-	-	-
Interest and fiscal charges	1,103,407	-	-	-
Total Governmental Activities	11,251,077	1,248,610	67,438	130,000
Business-type Activities				
Water and Sewer	1,130,421	1,108,601	-	-
Total Business-type Activities	1,130,421	1,108,601	-	-
Total	\$ 12,381,498	\$ 2,357,211	\$ 67,438	\$ 130,000

General Revenues

Taxes

Real estate taxes

Sales taxes

Utility taxes

Amusement taxes

Intergovernmental

Intergovernmental

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total General Revenues

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (1,968,312)	\$ -	\$ (1,968,312)
(4,573,526)	-	(4,573,526)
(1,432,499)	-	(1,432,499)
(727,285)	-	(727,285)
<u>(1,103,407)</u>	<u>-</u>	<u>(1,103,407)</u>
<u>(9,805,029)</u>	<u>-</u>	<u>(9,805,029)</u>
-	(21,820)	(21,820)
-	(21,820)	(21,820)
<u>(9,805,029)</u>	<u>(21,820)</u>	<u>(9,826,849)</u>
4,859,992	-	4,859,992
5,342,355	-	5,342,355
485,869	-	485,869
313,259	-	313,259
331,076	-	331,076
98,762	-	98,762
21,003	688	21,691
<u>176,048</u>	<u>146,623</u>	<u>322,671</u>
<u>11,628,364</u>	<u>147,311</u>	<u>11,775,675</u>
1,823,335	125,491	1,948,826
<u>25,225,138</u>	<u>3,203,041</u>	<u>28,428,179</u>
<u>\$ 27,048,473</u>	<u>\$ 3,328,532</u>	<u>\$ 30,377,005</u>

See accompanying notes to financial statements.

VILLAGE OF HODGKINS

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2014

	General	Tax Increment Redevelopment Project Area Special Revenue	Series 2007 Special Tax Allocation	Bond and Interest
ASSETS				
Cash and investments	\$ 7,000,546	\$ -	\$ 1,234,073	\$ 1,704,560
Receivables				
Property tax receivable	2,895,564	-	473,091	-
Other taxes	1,296,030	-	187,463	-
Intergovernmental receivables	58,863	-	-	-
Prepaid items	63,516	-	-	-
Due from other funds	453,764	-	251,210	-
Due from fiduciary funds	-	-	-	17,179
Restricted assets	250,484	-	-	-
TOTAL ASSETS	\$ 12,018,767	\$ -	\$ 2,145,837	\$ 1,721,739

See accompanying notes to financial statements.

<u>Series 2009 Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 862,614	\$ 1,699,823	\$ 12,501,616
1,002,130	336,130	4,706,915
-	-	1,483,493
-	4,777	63,640
-	-	63,516
-	588,330	1,293,304
-	-	17,179
-	-	250,484
<u>\$ 1,864,744</u>	<u>\$ 2,629,060</u>	<u>\$ 20,380,147</u>

See accompanying notes to financial statements.

VILLAGE OF HODGKINS

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2014

	General	Tax Increment Redevelopment Project Area Special Revenue	Series 2007 Special Tax Allocation	Bond and Interest
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 385,295	\$ -	\$ 359,130	\$ -
Police pension contribution payable	2,690	-	-	-
Accrued salaries	65,613	-	-	-
Payroll taxes payable	(488)	-	-	-
Interest payable	-	-	-	-
Other	29,461	-	-	-
Due to other funds	<u>277,954</u>	-	-	<u>588,330</u>
Total Liabilities	<u>760,525</u>	<u>-</u>	<u>359,130</u>	<u>588,330</u>
Deferred Inflows of Resources				
Property taxes levied for a future period	2,895,564	-	473,091	-
Unavailable - intergovernmental revenues	17,429	-	-	-
Unavailable - other tax revenue	<u>446,755</u>	-	<u>57,763</u>	-
Total Deferred Inflows of Resources	<u>3,359,748</u>	<u>-</u>	<u>530,854</u>	<u>-</u>
Fund Balances				
Nonspendable for prepaid items	63,516	-	-	-
Restricted for debt service purposes	-	-	849,943	1,133,409
Restricted for capital projects	-	-	-	-
Restricted for public safety	-	-	-	-
Restricted for street improvements	-	-	-	-
Restricted for TIF district development	-	-	405,910	-
Restricted for legal	250,484	-	-	-
Assigned to capital projects	-	-	-	-
Unassigned (deficit)	<u>7,584,494</u>	-	-	-
Total Fund Balances	<u>7,898,494</u>	<u>-</u>	<u>1,255,853</u>	<u>1,133,409</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 12,018,767</u>	 <u>\$ -</u>	 <u>\$ 2,145,837</u>	 <u>\$ 1,721,739</u>

See accompanying notes to financial statements.

Series 2009 Debt Service	Nonmajor Governmental Funds	Totals
\$ 750,000	\$ 174,059	\$ 1,668,484
-	-	2,690
-	-	65,613
-	-	(488)
112,614	-	112,614
-	-	29,461
<u>-</u>	<u>168,192</u>	<u>1,034,476</u>
<u>862,614</u>	<u>342,251</u>	<u>2,912,850</u>
1,002,130	336,130	4,706,915
-	-	17,429
<u>-</u>	<u>-</u>	<u>504,518</u>
<u>1,002,130</u>	<u>336,130</u>	<u>5,228,862</u>
-	-	63,516
-	-	1,983,352
-	55,159	55,159
-	287,947	287,947
-	315,192	315,192
-	-	405,910
-	-	250,484
-	1,336,622	1,336,622
<u>-</u>	<u>(44,241)</u>	<u>7,540,253</u>
<u>-</u>	<u>1,950,679</u>	<u>12,238,435</u>
<u>\$ 1,864,744</u>	<u>\$ 2,629,060</u>	<u>\$ 20,380,147</u>

See accompanying notes to financial statements.

VILLAGE OF HODGKINS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2014

Total Fund Balances - Governmental Funds \$ 12,238,435

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note III C. 27,679,365

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 521,947

Assets held for resale are not current financial resources and are reported in the statement of net position, but not in the funds. 630,170

Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

Bonds and capital leases payable (12,710,668)

Net pension obligation (341,299)

OPEB obligation (764,505)

Interest payable (204,972)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 27,048,473

VILLAGE OF HODGKINS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	General	Tax Increment Redevelopment Project Area Special Revenue	Series 2007 Special Tax Allocation	Bond and Interest
REVENUES				
Property taxes	\$ 2,865,580	\$ -	\$ 473,091	\$ 219,451
Other taxes	6,942,046	-	776,020	-
Intergovernmental	328,482	-	-	-
Licenses and permits	435,581	-	-	-
Fines, forfeitures and penalties	29,522	-	-	-
Charges for services	368,945	-	-	-
Investment income	16,611	-	1	-
Other	1,906,123	-	-	-
Total Revenues	12,892,890	-	1,249,112	219,451
EXPENDITURES				
Current				
General government	1,877,782	-	-	-
Public safety	4,438,820	-	-	-
Public works	1,062,871	-	-	-
TIF area development	551,402	-	11,873	-
Community development	22,000	-	-	-
Capital Outlay	235,739	-	-	-
Debt Service				
Principal	22,258	2,650,000	415,000	135,000
Interest and fiscal charges	1,311	66,250	788,322	6,243
Total Expenditures	8,212,183	2,716,250	1,215,195	141,243
Excess (deficiency) of revenues over expenditures	4,680,707	(2,716,250)	33,917	78,208
OTHER FINANCING SOURCES (USES)				
Transfers in	20,020	-	11,873	-
Transfers out	(11,873)	-	-	(3,760)
Total Other Financing Sources (Uses)	8,147	-	11,873	(3,760)
Net Change in Fund Balances	4,688,854	(2,716,250)	45,790	74,448
FUND BALANCES - Beginning of Year	3,209,640	2,716,250	1,210,063	1,058,961
FUND BALANCES - END OF YEAR	\$ 7,898,494	\$ -	\$ 1,255,853	\$ 1,133,409

See accompanying notes to financial statements.

Series 2009 Debt Service	Nonmajor Governmental Funds	Totals
\$ 975,228	\$ 326,642	\$ 4,859,992
-	-	7,718,066
-	294,290	622,772
-	-	435,581
-	10,000	39,522
-	11,267	380,212
-	4,391	21,003
-	43,946	1,950,069
<u>975,228</u>	<u>690,536</u>	<u>16,027,217</u>
-	318,317	2,196,099
-	16,646	4,455,466
-	28,916	1,091,787
-	-	563,275
-	-	22,000
-	288,159	523,898
750,000	-	3,972,258
225,228	-	1,087,354
<u>975,228</u>	<u>652,038</u>	<u>13,912,137</u>
-	38,498	2,115,080
-	-	31,893
-	(16,260)	(31,893)
-	(16,260)	-
-	22,238	2,115,080
-	1,928,441	10,123,355
<u>\$ -</u>	<u>\$ 1,950,679</u>	<u>\$ 12,238,435</u>

See accompanying notes to financial statements.

VILLAGE OF HODGKINS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2014

Net change in fund balances - total governmental funds	\$ 2,115,080
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

A portion of capital outlay that is reported as an expenditure in the fund financial statements is capitalized in the government-wide financial statements	647,251
Depreciation is reported in the government-wide financial statements	(1,164,453)
The net effect of various miscellaneous transactions involving capital assets (sale, disposal, transfer, etc.) is to decrease net position.	(754,959)

The net effect of transfers from capital assets to assets held for resale increases net position.	82,170
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Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(2,886,591)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	3,972,258
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Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Amortization of debt premiums/discounts	1,764
Amortization of deferred charge on refunding	(94,212)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Net pension obligation	(1,039)
OPEB obligation	(170,329)
Accrued interest on debt	76,395

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,823,335</u>
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VILLAGE OF HODGKINS

STATEMENT OF NET POSITION PROPRIETARY FUND As of December 31, 2014

	<u>Water and Sewer</u>
ASSETS	
Current Assets	
Cash and investments	\$ 919,608
Receivables (net)	
Accounts	226,746
Due from other funds	28,865
Prepaid items	688
Total Current Assets	<u>1,175,907</u>
Noncurrent Assets	
Capital assets (net of accumulated depreciation)	
Land	8,357
Land improvements	18,958
Buildings	346,130
Equipment	22,711
Infrastructure	2,165,045
Total Noncurrent Assets	<u>2,561,201</u>
Total Assets	<u>3,737,108</u>
LIABILITIES	
Current Liabilities	
Accounts payable	117,424
Accrued salaries	3,459
Due to other funds	287,693
Total Current Liabilities	<u>408,576</u>
Total Liabilities	<u>408,576</u>
NET POSITION	
Net investment in capital assets	2,561,202
Unrestricted	<u>767,330</u>
TOTAL NET POSITION	<u>\$ 3,328,532</u>

See accompanying notes to financial statements.

VILLAGE OF HODGKINS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND

For the Year Ended December 31, 2014

	<u>Water and Sewer</u>
OPERATING REVENUES	
Water sales	\$ 1,070,307
Sewer collections	38,294
Franchise/tower leases	<u>146,623</u>
Total Operating Revenues	<u>1,255,224</u>
OPERATING EXPENSES	
Source of water	668,595
Repairs and maintenance	113,057
Refunds	4,129
Administrative expense	237,335
Other expenses	1,023
Depreciation	<u>106,282</u>
Total Operating Expenses	<u>1,130,421</u>
Operating Income	<u>124,803</u>
NONOPERATING REVENUES	
Investment income	<u>688</u>
Total Nonoperating Revenues	<u>688</u>
Change in Net Position	125,491
NET POSITION - Beginning of Year	<u>3,203,041</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,328,532</u></u>

See accompanying notes to financial statements.

VILLAGE OF HODGKINS

STATEMENT OF CASH FLOWS PROPRIETARY FUND For the Year Ended December 31, 2014

	Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 1,180,473
Paid to suppliers for goods and services	(892,271)
Paid to employees for services	(74,917)
Net Cash Flows From Operating Activities	<u>213,285</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	688
Net Cash Flows From Investing Activities	<u>688</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfund - in from other funds	3,604
Net Cash Flows From Noncapital Financing Activities	<u>3,604</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(331,772)
Net Cash Flows From Capital and Related Financing Activities	<u>(331,772)</u>
Net Change in Cash and Cash Equivalents	(114,195)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,033,803</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 919,608</u>

See accompanying notes to financial statements.

VILLAGE OF HODGKINS

STATEMENT OF CASH FLOWS PROPRIETARY FUND

For the Year Ended December 31, 2014

	<u>Water and Sewer</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 124,803
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities	
Depreciation	106,282
Changes in assets and liabilities	
(Increase) decrease in accounts receivable	(74,751)
Increase (decrease) in accounts payable	57,434
Increase (decrease) in accrued salaries	(262)
Increase (decrease) in prepaid expenses	<u>(221)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 213,285</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
None	

See accompanying notes to financial statements.

VILLAGE OF HODGKINS

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of December 31, 2014

	<u>Police Pension Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash	\$ 84,159	\$ 42,278
Investments		
Money markets	135,149	-
Certificates of deposit	1,948,290	-
Government securities	892,682	-
Corporate bonds	2,422,895	-
Mutual funds	1,666,285	-
Stocks	4,236,096	-
Receivables		
Accrued interest	41,273	-
Prepaid items	4,980	-
Total Assets	<u>11,431,809</u>	<u>42,278</u>
LIABILITIES		
Payroll taxes payable	13,091	-
Due to primary government	-	17,179
Available for bond holders	-	25,099
Total Liabilities	<u>13,091</u>	<u>42,278</u>
NET POSITION		
Held in trust for pension benefits	<u>\$ 11,418,718</u>	<u>\$ -</u>

See accompanying notes to financial statements.

VILLAGE OF HODGKINS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended December 31, 2014

	<u>Police Pension Trust</u>
ADDITIONS	
Contributions	
Employer	\$ 976,267
Plan members	<u>171,931</u>
Total Contributions	<u>1,148,198</u>
Investment income	
Net appreciation (depreciation) in fair value of investments	659,669
Investment income	244,267
Less: Investment management fees	<u>(51,757)</u>
Total Investment Income	<u>852,179</u>
Total Additions	<u>2,000,377</u>
DEDUCTIONS	
Pension payments to retired members	726,568
Audit and accounting	19,015
Legal	7,440
Miscellaneous	<u>19,264</u>
Total Deductions	<u>772,287</u>
Change in Net Position	1,228,090
NET POSITION - Beginning of Year	<u>10,190,628</u>
NET POSITION - END OF YEAR	<u><u>\$ 11,418,718</u></u>

See accompanying notes to financial statements.

VILLAGE OF HODGKINS

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VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Hodgkins, Illinois (the village) was incorporated in 1896. The village is a home-rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The village operates under a President-Trustee form of government and provides the following services as authorized by its charter: public safety (police protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Village of Hodgkins, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Component Unit

The Police Pension Employees Retirement System (PPERS) is established for the village's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the village's President, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The Village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund. Complete financial statements of the individual component unit may be obtained at the Village's administrative offices.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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 revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditure/expenses.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The village reports the following major governmental funds:

- General Fund - accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Tax Increment Redevelopment Project Area Special Revenue Fund - accounts for incremental real estate and sales tax revenues received from the village's Tax Increment Financing District that are legally restricted or committed for debt service and for the redevelopment of sites within the Redevelopment Project Area along Joliet Road for more market oriented commercial uses of the properties to enhance the value of those properties and improve their contributions to the village and its surrounding area.
- Series 2007 Special Tax Allocation Fund - accounts for incremental real estate and sales tax revenues received from the village's Tax Increment Financing District that are legally restricted or committed for debt service and for the redevelopment of sites within the Redevelopment Project Area at 67th Street and LaGrange Road.
- Bond and Interest Fund - accounts for the accumulation of resources that are restricted, committed, or assigned for the payment of, general long-term debt principal, interest and related costs.
- Series 2009 Debt Service Fund - accounts for the accumulation of resources that are restricted, committed, or assigned for the payment of, general long-term debt principal, interest and related costs.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The village reports the following major enterprise fund:

Water and Sewer Fund - accounts for operation of the water distribution and sewer systems.

The village reports the following nonmajor governmental funds:

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

Illinois Municipal Retirement Fund
Motor Fuel Tax Fund
Police Seizure and Forfeiture Fund

911 Emergency Telephone Fund
Community Development Block Grant Fund

Capital Projects Funds - 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.

67th Street Project Fund
Future Projects Fund

Special Service Area #2 Fund
Series 2009 Project Fund

In addition, the village reports the following fund type:

Pension trust fund is used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans.

Police Pension Trust Fund

Agency fund is used to account for and report assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Special Service Area Agency Fund

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and 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, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net position in excess of \$10,000,000 and an appointed investment adviser may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The village has adopted an investment policy. The Village follows the state statute for allowable investments.

Interest Rate Risk

The Village's investment policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements of ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. The Village will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances, unless matched to a specific cash flow.

The police pension's investment policy seeks to ensure preservation of capital in the pension's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The police pension's policy does not limit investment maturities. However, the policy requires the police pension's investment portfolio to be sufficiently liquid to meet all operating requirements as they come due.

Credit Risk

State statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The Village minimizes its risk by limiting investments to the safest types of securities; pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Village will do business; and diversifying the investment portfolio so that potential losses on individual securities will be minimized. The police pension's investment policy authorizes investments in any type of security allowed for in Illinois Statutes regarding the investment of public funds.

Concentration of Credit Risk

The Village's investment policy requires the investments to be diversified by limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities).

Custodial Credit Risk - Deposits

With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Village's investment policy requires full collateralization on non-negotiable certificates of deposit and does not discuss collateral or insurance on other types of deposits or investments. The police pension's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be collateralized.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Custodial Credit Risk - Investments

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The police pension's investment policy states the assets may be held at a bank or trust company authorized to do business in Illinois or the Illinois Funds. The assets may also be held at a broker/dealer if they are registered with the Security and Exchange Association of Security Dealers and is a member of SIPC. The assets must be registered in the pension's name, in the nominee name of the bank or trust company authorized to do business in Illinois, or in the nominee name of the Illinois Funds.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note III. A. for further information.

2. Receivables

Property taxes for levy year 2014 attaches as an enforceable lien on January 1, 2014, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

Tax bills are prepared by the Cook County Treasurer and issued on or about February 1, and July 1, and are payable in two installments, on or about March 1, and August 1, or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2014 property tax levy is recognized as a receivable and deferred inflow of resources in fiscal 2014, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2014, the property taxes receivable and deferred inflows consisted of the estimated amount collectible from the 2014 levy.

The property tax receivable is shown net of an allowance for uncollectibles. The allowance is equal to 2% (\$86,405) of outstanding property taxes at December 31, 2014.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items to be recorded as an expenditure/expense when consumed rather than when purchased.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 for general capital assets infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Land Improvements	20 Years
Machinery and Equipment	2-20 Years
Infrastructure	20-50 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

In 2002, the village issued \$53,400,000 in Environmental Improvement Bonds, of which \$41,080,000 is outstanding at year end, in connection with the construction of a new biosolids processing facility by Metropolitan Biosolids Management, L.L.C. at the Stickney Water Reclamation Facility of the Metropolitan Water Reclamation District of Greater Chicago. These bonds are neither a debt of the village nor a pledge of its full faith and credit, nor do they give rise to a pecuniary liability of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

7. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definitions of "restricted" or "net investment in capital assets."

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column.

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not expendable or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Equity Classifications (cont.)

Fund Statements (cont.)

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the village that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Board may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed, or assigned for those purposes.

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

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General	\$ 8,202,588	\$ 8,212,183	\$ 9,595
Illinois Municipal Retirement	300,000	300,454	454

The village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2014, the following individual fund held a deficit balance:

Fund	Amount	Reason
Illinois Municipal Retirement	\$ 44,241	Excess expenditures over revenues.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The village's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 11,700,906	\$ 12,037,360	Custodial Credit Risk - Deposits
Money markets - bond funds	2,096,686	2,096,686	Credit risk, Interest Rate Risk
Money markets - other than bond funds	135,149	135,149	N/A
US treasuries	164,130	164,130	Custodial Credit Risk - Investments and Interest Rate Risk
US agencies	728,552	728,552	Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, and Interest Rate Risk
Stock equities	4,236,096	4,236,096	Custodial Credit Risk - Investments, Concentration of Credit Risk
Mutual funds	1,666,285	1,666,285	N/A
Corporate bonds	2,422,895	2,422,895	Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk
Negotiable certificate of deposits	1,948,290	1,948,290	Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk
Petty cash	553	-	N/A
Total Deposits and Investments	\$ 25,099,542	\$ 25,435,443	

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements

Per statement of net position

Cash and investments	\$ 13,421,224
Restricted cash and investments	250,484

Per statement of net position- fiduciary funds

Cash - pension	84,159
Cash - agency	42,278
Money markets	135,149
Negotiable certificates of deposit	1,948,290
Government securities	892,682
Corporate bonds	2,422,895
Mutual funds	1,666,285
Stock equities	<u>4,236,096</u>

Total Deposits and Investments \$ 25,099,542

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held at an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

The village and police pension do not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The village and police pension do not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk (cont.)

As of December 31, 2014, the village's and police pension's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
US agencies	AA+	Aaa
Corporate bonds	AAA - A-	Aaa - Baa2
Negotiable certificates of deposits	Not Rated	Not Rated

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2014, none of the police pension's investments that are subject to this risk were invested in an issuer that was more than 5% of plan net position.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2014, the village's and police pension's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1-5	6-10	More than 10
Money markets - village	\$ 2,096,686	\$ 2,096,686	\$ -	\$ -	\$ -
U.S. treasuries - police	164,130	-	-	99,330	64,800
U.S. agencies - police	728,552	-	84,507	417,416	226,629
Negotiable certificate of deposits - police	1,948,290	55,017	1,893,273	-	-
Corporate bonds - police	<u>2,422,895</u>	<u>-</u>	<u>734,766</u>	<u>937,906</u>	<u>750,223</u>
Totals	<u>\$ 7,360,553</u>	<u>\$ 2,151,703</u>	<u>\$ 2,712,546</u>	<u>\$ 1,454,652</u>	<u>\$ 1,041,652</u>

See Note I.D.1. for further information on deposit and investment policies.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Series 2009 Debt Service Fund	Series 2007 Special Tax Allocation Fund	Non-Major Funds	Totals
Receivables					
Real estate tax	\$ 2,954,657	\$ 1,022,582	\$ 473,091	\$ 342,990	\$ 4,793,320
Replacement tax	18,662	-	-	-	18,662
Court fines	1,522	-	-	-	1,522
Sales tax	1,235,276	-	187,463	-	1,422,739
Income tax	38,679	-	-	-	38,679
Motor fuel tax	-	-	-	4,777	4,777
Utility tax	32,199	-	-	-	32,199
Amusement tax	11,789	-	-	-	11,789
Telecommunication tax	4,059	-	-	-	4,059
Wagering tax	<u>12,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,707</u>
Gross receivables	4,309,550	1,022,582	660,554	347,767	6,340,453
Less: Allowance for uncollectibles	<u>(59,093)</u>	<u>(20,452)</u>	<u>-</u>	<u>(6,860)</u>	<u>(86,405)</u>
Net Total Receivables	<u>\$ 4,250,457</u>	<u>\$ 1,002,130</u>	<u>\$ 660,554</u>	<u>\$ 340,907</u>	<u>\$ 6,254,048</u>

All of the receivables on the balance sheet are expected to be collected within one year.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,993,317	\$ -	\$ 172,170	\$ 2,821,147
Total Capital Assets Not Being Depreciated/ Amortized	2,993,317	-	172,170	2,821,147
Capital assets being depreciated				
Land improvements	3,329,661	346,272	220,001	3,455,932
Buildings	9,887,731	4,154	400,000	9,491,885
Equipment	2,759,613	192,265	59,982	2,891,896
Infrastructure	25,626,788	104,560	-	25,731,348
Total Capital Assets Being Depreciated	41,603,793	647,251	679,983	41,571,061
Total Capital Assets	44,597,110	647,251	852,153	44,392,208
Less: Accumulated depreciation for				
Land improvements	(382,835)	(161,887)	26,694	(518,028)
Buildings	(1,255,575)	(188,568)	20,000	(1,424,143)
Equipment	(1,837,372)	(193,317)	50,500	(1,980,189)
Infrastructure	(12,169,802)	(620,681)	-	(12,790,483)
Total Accumulated Depreciation	(15,645,584)	(1,164,453)	97,194	(16,712,843)
Net Capital Assets Being Depreciated	25,958,209	(517,202)	582,789	24,858,218
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 28,951,526	\$ (517,202)	\$ 754,959	\$ 27,679,365

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 347,763
Public safety	160,562
Public works, which includes the depreciation of infrastructure	656,128
Total Governmental Activities Depreciation Expense	\$ 1,164,453

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 8,357	\$ -	\$ -	\$ 8,357
Total Capital Assets Not Being Depreciated/ Amortized	8,357	-	-	8,357
Capital assets being depreciated				
Land improvements	54,610	1,522	-	56,132
Buildings	626,566	-	-	626,566
Equipment	125,204	13,486	-	138,690
Infrastructure	4,180,263	316,764	-	4,497,027
Total Capital Assets Being Depreciated/Amortized	4,986,643	331,772	-	5,318,415
Total Capital Assets	4,995,000	331,772	-	5,326,772
Less: Accumulated depreciation for				
Land improvements	(35,741)	(1,433)	-	(37,174)
Buildings	(267,905)	(12,531)	-	(280,436)
Equipment	(111,029)	(4,950)	-	(115,979)
Infrastructure	(2,244,614)	(87,368)	-	(2,331,982)
Total Accumulated Depreciation/Amortization	(2,659,289)	(106,282)	-	(2,765,571)
Net Capital Assets Being Depreciated	2,327,354	225,490	-	2,552,844
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 2,335,711	\$ 225,490	\$ -	\$ 2,561,201

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water and sewer	\$ 106,282
Total Business-type Activities Depreciation Expense	\$ 106,282

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General	Non-major governmental funds	\$ 166,071
Series 2007 special tax allocation	General	251,210
General	Water and sewer	287,693
Water and sewer	General	28,865
Non-major governmental funds	Bond and interest	588,330
Total - Fund Financial Statements		1,322,169
Less: Government-wide eliminations		(1,063,341)
Total Internal Balances - Government-Wide Statement of Net Position		\$ 258,828

All amounts are due within one year.

Balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
General	Bond and interest	\$ 3,760
	Non-major governmental funds	16,260
General Series 2007 special tax allocation	General	11,873
Total - Fund Financial Statements		31,893
Less: Fund eliminations		(31,893)
Total Transfers - Government-Wide Statement of Activities		\$ -

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation debt	\$ 5,135,000	\$ -	\$ 885,000	\$ 4,250,000	\$ 775,000
Tax increment financing bonds	11,585,000	-	3,065,000	8,520,000	440,000
Add/(Subtract) Deferred Amounts For					
(Discounts)/Premiums	(57,668)	-	1,764	(59,432)	-
Sub-totals	16,662,332	-	3,951,764	12,710,568	1,215,000
Other Liabilities					
Capital leases	22,258	-	22,258	-	-
Vouchers payable	100	-	-	100	-
Net pension obligation	340,260	1,039	-	341,299	-
OPEB obligation	594,176	170,329	-	764,505	-
Total Other Liabilities	956,794	171,368	22,258	1,105,904	-
Total Governmental Activities Long-Term Liabilities	\$ 17,619,126	\$ 171,368	\$ 3,974,022	\$ 13,816,472	\$ 1,215,000

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Bonds in the governmental funds will be retired by future property tax levies or taxes accumulated by the debt service fund.

<u>Governmental Activities</u> <u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2014</u>
Series 2009	11/17/09	1/1/20	3.512%- 5.268%	\$ 5,000,000	\$ 4,250,000
Total Governmental Activities - General Obligation Debt					\$ 4,250,000

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2015	\$ 775,000	\$ 198,888
2016	800,000	167,903
2017	850,000	133,519
2018	900,000	93,416
2019	<u>925,000</u>	<u>47,804</u>
Totals	<u>\$ 4,250,000</u>	<u>\$ 641,530</u>

Tax Increment Financing Bonds

Tax increment financing bonds are payable from incremental taxes derived from a separately created tax increment financing district.

The village has pledged future incremental property tax and sales tax revenues to repay tax increment bonds issued in December 2007. Proceeds from the bonds provided financing for the 67th and LaGrange TIF District. The bonds are payable solely from the incremental property taxes and sales taxes generated in the TIF District as well as capitalized interest received at the time of the bond sale and are payable through January 1, 2027. Annual principal and interest payments on the bonds are expected to require 76.8% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$11,665,476. Principal and interest paid for the current year and total incremental property and sales tax revenues were \$844,192 and \$1,249,111, respectively.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Tax Increment Financing Bonds (cont.)

Tax Increment Financing Bonds at December 31, 2014, consists of the following:

<u>Governmental Activities</u> Tax Increment Financing Bonds	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2014</u>
Series 2007	12/12/07	1/1/27	4.40% - 5.15%	\$ 9,700,000	\$ <u>8,520,000</u>
Total Governmental Activities Tax Increment Financing Bonds					\$ <u><u>8,520,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Tax Increment Financing Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 440,000	\$ 409,943
2016	485,000	388,668
2017	500,000	366,013
2018	525,000	342,044
2019	575,000	315,919
2020-2024	3,390,000	1,116,251
2025-2027	2,605,000	206,638
Totals	\$ 8,520,000	\$ 3,145,476

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Subordinate Lien Sales Tax Revenue Note, Series 2007

The Village has pledged certain future incremental revenues of the 67th and LaGrange Road TIF to repay the Series 2007 Taxable Subordinate Lien Sales Tax Revenue Note (the note) in the amount of \$3,500,000. Principal and interest on the note are only due when sufficient incremental revenues are available. Incremental revenues that are available to repay the note are those remaining after the village has paid TIF administrative expenses, paid current principal and interest on the 2007 Series Bonds, and has reserved funds for the next year's principal and interest requirement on the 2007 Series Bonds.

Interest on the note is payable at a rate of 6.8%. If incremental revenues are not sufficient to pay for the current interest amount the current interest is considered deferred accrued interest and will be subject to the stated interest rate and payable once sufficient incremental revenues become available. At final maturity, if there is an insufficiency of pledged incremental revenues to pay any amount of current interest, deferred interest or outstanding principal those balances are considered extinguished. Since the village does not have an obligation to repay the note if incremental revenues are not available, a liability related to the future debt service on this note has not been included in the village's financial statements. As of December 31, 2013, the ending balance of the note including current and deferred accrued interest was \$4,713,668. For the year ended December 31, 2013, interest expenditures related to this note in the amount of \$359,130 have been recorded in the Series 2007 Special Tax Allocation Fund.

Other Debt Information

Other Debt

During the fiscal year ending December 31, 2008, the village issued special assessment vouchers for assessment #2 in the amount of \$840,000 with an interest rate of 4.75%. The vouchers are due in annual installments beginning December 1, 2008 with a final maturity of December 1, 2016. During 2014, the village made principal and interest payments of \$100,000 and \$14,963, respectively. As of December 31, 2014, the balance of the outstanding vouchers was \$215,000. As the village has no legal obligation to use other resources to retire the debt, they are not recorded as long-term liabilities. However, the village may be required to retire the vouchers in order to entice contractors to do future work with the village.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The village believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan Descriptions

The village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; and the Police Pension Plan which is a single-employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan does issue a separate report on the pension plan. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. Effective January 1, 2011, IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service, or age 62 with 35 years of service are entitled to an annual retirement benefit as described above. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. For calendar year 2013, the village's required contribution rate and actual contribution rate was 13.33%.

Police Pension

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The village accounts for the plan as a pension trust fund.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

At December 31, 2014, the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits	10
Current employees	<u>20</u>
Total	<u><u>30</u></u>

As provided for in the Illinois Compiled Statutes, the Police Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the village's contributions must accumulate to the point where past service cost for the Police Pension Plan is 90% by the year 2040. For the year ended December 31, 2014, the village's contribution was 58.24% of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Summary of Significant Accounting Policies

Police Pension Plan

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

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

Annual Pension Cost

The village annual required contribution for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2013	January 1, 2014
Contribution rates:		
Employer	13.33%	58.24%
Employee	4.50%	9.91%
Annual required contribution	\$158,968	\$977,306
Contributions made	\$158,968	\$976,267
Actuarial cost method	Entry-age normal 5 year smoothed	Entry-age normal
Asset valuation method	market	Market
Amortization method	Level percentage of payroll, closed	Level percentage of payroll
Amortization period	23 years	30 years
Actuarial assumptions:		
Investment rate of return	7.50%	7.00%
	Compounded annually	Compounded annually
Projected salary increases	0.4 to 10.0%	4.25 - 12.5%
Inflation rate included	4.00%	3.00%
Cost-of-living adjustments	3.00%	3.00%

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Obligation

The following is the net pension obligation calculation from the January 1, 2014 actuarial report:

Net Pension Obligation:	Police Pension
Annual required contribution	\$ 977,306
Adjustment to annual required contribution	-
Annual pension cost	977,306
Contributions made	(976,267)
Change in net pension obligation	1,039
Net pension obligation, beginning of year	340,260
Net pension obligation, end of year	\$ 341,299

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2014	\$ 158,968	\$ 977,306
	2013	152,476	737,566
	2012	141,851	693,437
Contributions made	2014	\$ 158,968	\$ 976,267
	2013	152,476	741,248
	2012	141,851	675,762
Percentage of APC contributed	2014	100%	99.89%
	2013	100%	100.50%
	2012	100%	97.45%
Net pension obligation	2014	\$ -	\$ 341,299
	2013	-	340,260
	2012	-	343,942

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Funded Status and Funding Progress

The village's actuarial value of plan assets for the current year and related information is as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	12/31/2013	1/1/2014
Actuarial Valuation of Assets (a)	\$ 2,716,366	\$ 9,414,038
Actuarial Accrued Liability (AAL) - Entry Age (b)	3,595,993	18,922,682
Unfunded AAL (UAAL) (b - a)	879,627	9,508,644
Funded Ratio (a/b)	75.54 %	49.75 %
Covered Payroll (c)	1,192,557	1,676,173
UAAL as a Percentage of Covered Payroll ((b-a)/c)	73.76 %	567.28 %

B. RISK MANAGEMENT

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The village participates in a public entity risk pool called to provide coverage for losses from (torts; theft of, damage to, or destruction of assets; and errors and omission). However, other risks, such as (workers compensation and health care of its employees) are accounted for and financed by the village in the general fund.

Public Entity Risk Pool

MICA

The Village participates in the Municipal Insurance Cooperative Agency (MICA). MICA insures all of the Village's property, general liability, automobile, employee dishonesty, and excess liability claims, up to specified limits. The agency is a separate entity, which sets rates and purchases commercial excess and stop-loss coverage. The Village pays an annual premium to the pool for coverage. The Village has also purchased policies with commercial companies for excess coverage, above those covered by MICA.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

The village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS

The village administers a single-employer defined benefit healthcare plan. The plan provides for eligible retirees through the village's which covers both active and retired members. Benefit provisions are established through

Contribution requirements are established through collective bargaining agreements or Village ordinance and may be amended only through negotiations between the Village and the union or through amendment to the Village ordinance. The Village contributes 50 percent of the current year premiums for a single plan for eligible retired plan members retiring from ages 50 to 55 and 100 percent of the current year premiums for a single plan for eligible retired plan members retiring at age 55. For fiscal year 2014, the Village contributed \$84,850 to the plan.

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

Annual required contribution	\$	251,218
Interest on net OPEB obligation		23,767
Adjustment to annual required contribution		<u>(19,806)</u>
Annual OPEB cost		255,179
Contributions made		<u>(84,850)</u>
Increase in net OPEB obligation		170,329
Net OPEB Obligation - Beginning of Year		<u>594,176</u>
Net OPEB Obligation - End of Year	\$	<u><u>764,505</u></u>

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 255,179	33.38%	\$ 764,505
2013	232,723	31.35%	594,176
2012	232,723	31.35%	434,411

The funded status of the plan as of December 31, 2011, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 2,704,579
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,704,579
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 3,206,980
UAAL as a percentage of covered payroll	84.33%

Actuarial valuations of an ongoing plan involve estimates for 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 annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

VILLAGE OF HODGKINS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

In the December 31, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 5% initially, reduced by decrements to an ultimate rate of 6%. Both rates include a 3% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2014, was 30 years.

E. TAX INCREMENT FINANCING DISTRICT

The Village of Hodgkins has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the village and its surrounding areas. As part of the redevelopment plans, the village has made significant improvements to utilities, public parking, intersections, and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Construction and development in the RPA's were the responsibility of developers and are substantially complete. To entice development of the areas, the village created tax increment financing (TIF) districts to finance public improvements made within the RPA's.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- Statement No. 71, *Pension - Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF HODGKINS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2014

With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
REVENUES				
Property taxes	\$ 1,953,010	\$ 2,865,580	\$ 912,570	\$ 2,864,013
Other taxes	5,180,000	6,942,046	1,762,046	3,583,918
Intergovernmental	358,000	328,482	(29,518)	355,032
Licenses and permits	1,182,426	435,581	(746,845)	401,930
Fines, forfeitures and penalties	18,000	29,522	11,522	26,107
Charges for services	10,750	368,945	358,195	356,775
Investment income	10,000	16,611	6,611	34,294
Other	<u>229,000</u>	<u>1,906,123</u>	<u>1,677,123</u>	<u>397,358</u>
Total Revenues	<u>8,941,186</u>	<u>12,892,890</u>	<u>3,951,704</u>	<u>8,019,427</u>
EXPENDITURES				
CURRENT				
General government	1,635,044	1,877,782	(242,738)	1,574,724
Public safety	4,509,587	4,438,820	70,767	4,018,679
Public works	1,106,127	1,062,871	43,256	959,899
TIF area development	485,000	551,402	(66,402)	252,405
Community development	24,000	22,000	2,000	24,000
DEBT SERVICE				
Principal	-	22,258	(22,258)	21,020
Interest and fiscal charges	200	1,311	(1,111)	2,549
CAPITAL OUTLAY				
Capital Outlay	<u>442,630</u>	<u>235,739</u>	<u>206,891</u>	<u>295,843</u>
Total Expenditures	<u>8,202,588</u>	<u>8,212,183</u>	<u>(9,595)</u>	<u>7,149,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>738,598</u>	<u>4,680,707</u>	<u>3,942,109</u>	<u>870,308</u>
OTHER FINANCING SOURCES				
Transfers in	-	20,020	20,020	-
Transfers out	<u>-</u>	<u>(11,873)</u>	<u>(11,873)</u>	<u>(793,476)</u>
Total Other Financing Sources	<u>-</u>	<u>8,147</u>	<u>8,147</u>	<u>(793,476)</u>
Net Change in Fund Balance	<u>\$ 738,598</u>	4,688,854	<u>\$ 3,950,256</u>	76,832
FUND BALANCE - Beginning of Year		<u>3,209,640</u>		<u>3,132,808</u>
FUND BALANCE - END OF YEAR		<u>\$ 7,898,494</u>		<u>\$ 3,209,640</u>

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF HODGKINS

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS As of and For the Year Ended December 31, 2014

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$ 158,968	100.00%	\$ -
12/31/12	152,476	100.00%	-
12/31/11	141,851	100.00%	-

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/13	\$ 2,716,366	\$ 3,595,993	\$ 879,627	75.54%	\$ 1,192,557	73.76%
12/31/12	2,249,538	3,297,193	1,047,655	68.23%	1,235,621	84.79%
12/31/11	2,070,659	3,094,988	1,024,329	66.90%	1,167,500	87.74%
12/31/10	1,823,978	2,629,344	805,366	69.37%	1,083,441	74.33%
12/31/09	1,559,297	2,314,872	755,575	67.36%	1,064,020	71.01%
12/31/08	1,313,844	2,023,852	710,008	64.92%	1,020,201	69.59%

Digest of Changes

Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to financial statements.

Valuation date	12/31/2013
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	20 years
Asset valuation method	5 year smoothing market value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.0%
Inflation factor	3.0%
Cost of living adjustments	0.4% to 10.0%

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF HODGKINS

POLICE PENSION FUND
 SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
 As of and For the Year Ended December 31, 2014

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
12/31/14	\$ 977,306	99.89%	\$ 341,299
12/31/13	737,566	100.50%	340,260
12/31/12	693,437	98.93%	343,942

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
01/01/14	\$ 9,414,038	\$18,922,682	\$ 9,508,644	49.75%	\$ 1,676,173	567.28%
01/01/13	8,956,879	17,578,794	8,621,915	50.95%	1,582,840	544.71%
01/01/12	8,285,973	16,334,918	8,048,945	50.73%	1,528,837	526.48%
01/01/11	8,131,530	14,582,828	6,451,298	55.76%	1,473,992	437.68%
01/01/09	7,013,015	11,506,722	4,493,707	60.95%	1,532,813	293.17%
01/01/08	6,448,425	10,869,594	4,421,169	59.33%	1,451,968	304.49%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	1/1/2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	4.25% - 12.5%
Inflation factor	3.00%

VILLAGE OF HODGKINS

RETIREE'S HEALTH PLAN
 SCHEDULE OF FUNDING PROGRESS
 As of and for the Year Ended December 31, 2014

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
12/31/14	\$ 255,179	33 %
12/31/11	232,723	31 %
12/31/08	232,723	31 %

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/14	\$ -	\$ 2,704,579	\$ 2,704,579	0%	\$ 3,184,356	84.93%
12/31/11	-	2,679,410	2,679,410	0%	3,151,832	85.01%
12/31/08	-	360,873	360,873	0%	3,163,270	11%

The village is required to present the above information for the three most recent actuarial studies.

VILLAGE OF HODGKINS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2014

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse at fiscal year end.

Prior to December 31, the village comptroller submits to the village Board a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to March 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the General Fund, Illinois Municipal Retirement Fund, 911 Emergency Telephone Fund, Motor Fuel Tax Fund and Community Development Block Grant Fund.

The village is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the village Board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, department, and account.

SUPPLEMENTARY INFORMATION

VILLAGE OF HODGKINS

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2014
with Comparative Actual Amounts for the Year Ended December 31, 2013

	2014		Variance with Final Budget	2013 Actual
	Original and Final Budget	Actual		
REVENUES				
Property taxes	\$ 1,953,010	\$ 2,865,580	\$ 912,570	\$ 2,864,013
OTHER TAXES				
Sales	4,400,000	6,142,558	1,742,558	2,792,052
Utility taxes	410,000	468,430	58,430	443,158
Telecommunication taxes	20,000	17,799	(2,201)	22,367
Amusement	160,000	131,147	(28,853)	151,692
Other	<u>190,000</u>	<u>182,112</u>	<u>(7,888)</u>	<u>174,649</u>
Total Other taxes	<u>5,180,000</u>	<u>6,942,046</u>	<u>1,762,046</u>	<u>3,583,918</u>
INTERGOVERNMENTAL				
State income tax	200,000	181,626	(18,374)	202,501
Personal property replacement tax	130,000	125,590	(4,410)	128,812
Court fines	<u>28,000</u>	<u>21,266</u>	<u>(6,734)</u>	<u>23,719</u>
Total Intergovernmental	<u>358,000</u>	<u>328,482</u>	<u>(29,518)</u>	<u>355,032</u>
Licenses and permits	1,182,426	435,581	(746,845)	401,930
Fines, forfeitures and penalties	18,000	29,522	11,522	26,107
Charges for services	10,750	368,945	358,195	356,775
Investment income	10,000	16,611	6,611	34,294
OTHER				
County gas refund	2,000	1,295	(705)	-
Damaged property	10,000	30,907	20,907	5,607
Proceeds from Des Plaines River Casino	110,000	102,752	(7,248)	103,736
Miscellaneous	107,000	85,564	(21,436)	166,416
Reimbursement of TIF administrative	-	1,684,990	1,684,990	121,499
Food pantry donations	<u>-</u>	<u>615</u>	<u>615</u>	<u>100</u>
Total Other	<u>229,000</u>	<u>1,906,123</u>	<u>1,677,123</u>	<u>397,358</u>
TOTAL REVENUES	<u>\$ 8,941,186</u>	<u>\$ 12,892,890</u>	<u>\$ 3,951,704</u>	<u>\$ 8,019,427</u>

VILLAGE OF HODGKINS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2014

With Comparative Actual Amounts for the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance with Final Budget	2013 Actual
GENERAL GOVERNMENT				
Salaries	\$ 457,570	\$ 433,437	\$ 24,133	\$ 494,171
Employee benefits	92,840	93,262	(422)	90,144
Uniform allowance	2,250	2,175	75	2,250
Office and computer supplies	13,000	13,294	(294)	15,127
Computer equipment repair	1,500	845	655	1,500
Office equipment repair	500	15	485	-
Office equipment	1,000	176	824	650
Maintenance agreement	15,000	13,287	1,713	11,194
Legal retainer and services	205,000	237,547	(32,547)	187,070
Litigation	1,000	-	1,000	-
Consultant	12,000	18,000	(6,000)	4,510
Heating	15,000	14,979	21	14,283
Newspaper notices	3,500	4,618	(1,118)	4,934
Administration vehicle	-	32,885	(32,885)	-
Telephone services	25,000	28,372	(3,372)	25,796
Administrative gasoline	800	350	450	212
Public relations	40,000	29,854	10,146	21,606
Printing and postage	4,600	6,648	(2,048)	5,261
Membership dues and contributions	13,000	13,782	(782)	11,434
Zoning board of appeals	1,000	275	725	325
Educational seminars	1,500	-	1,500	1,437
Amusement center	18,590	18,589	1	18,589
Neighborhood improvements	10,000	1,115	8,885	-
Miscellaneous	3,000	9,126	(6,126)	1,616
Flowers & plant	1,000	530	470	560
Glass lettering	100	-	100	-
Lunchroom supplies	1,400	1,411	(11)	1,388
Clerk's expenditures	500	210	290	105
Mayor's expenditures	4,000	440	3,560	1,405
Bank fees	2,000	1,698	302	2,359
Aging well	16,000	20,331	(4,331)	25,269
Auditing	150,000	110,640	39,360	103,373
Street lighting	55,000	43,390	11,610	43,140
Park District insurance	-	(23,242)	23,242	1,671
Liability & property insurance	235,000	220,436	14,564	207,133
Damage to Village property	5,000	38,150	(33,150)	5,651
Laidlaw Bus Company	-	273,277	(273,277)	42,693
Other	16,394	8,212	8,182	4,720
Real estate tax rebate	175,000	180,607	(5,607)	173,732
Utilities	1,000	17,427	(16,427)	12,224
Building maintenance	-	3,739	(3,739)	255
Village website	5,000	1,550	3,450	-
Street and bridge - engineer	15,000	2,696	12,304	5,791
Street and bridge - street lights and signs	10,000	-	10,000	8,750
Street and bridge - repair streets	5,000	-	5,000	529

VILLAGE OF HODGKINS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2014

With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
Emergency preparedness	\$ 5,000	\$ 2,461	\$ 2,539	\$ 2,645
Computer software	5,000	-	5,000	-
Senior services	-	1,188	(1,188)	19,222
Community development	24,000	22,000	2,000	24,000
Total General Government	<u>1,669,044</u>	<u>1,899,782</u>	<u>(230,738)</u>	<u>1,598,724</u>
PUBLIC SAFETY				
Salaries	2,303,690	2,205,860	97,830	2,101,630
Contribution expenditures	837,346	976,267	(138,921)	741,248
Employee benefits	579,000	563,669	15,331	590,941
In service training	5,000	3,668	1,332	1,670
Personnel expenditures	34,215	44,977	(10,762)	34,244
Office and computer supplies	4,500	1,831	2,669	2,861
Computer equipment supplies	23,000	6,875	16,125	3,181
Office equipment maintenance & repairs	6,500	2,242	4,258	2,886
Tools & equipment	5,000	4,190	810	8,031
Computer maintenance & repairs	31,000	45,559	(14,559)	12,231
Squad car emergency repairs	23,000	10,256	12,744	26,082
Portable maintenance & repairs	2,500	-	2,500	4,341
Squad car maintenance	18,000	15,915	2,085	25,923
Building maintenance	85,000	104,552	(19,552)	53,618
Uniforms & incidentals	20,000	16,389	3,611	20,259
Gasoline	70,000	53,036	16,964	52,455
Police equipment supplies	19,500	17,912	1,588	15,715
Printing and postage	8,000	5,439	2,561	3,520
Utilities	18,000	8,725	9,275	8,794
Public relations	4,000	2,347	1,653	3,108
D.A.R.E.	7,500	7,689	(189)	4,119
L.E.A.D.S. / CABS	20,000	18,570	1,430	23,843
Communications (dispatch)	161,180	161,180	-	157,249
Animal welfare	300	104	196	74
Schools	15,000	18,283	(3,283)	13,794
Civil service	10,000	375	9,625	10,414
Legal	40,000	50,579	(10,579)	38,395
Dues & publications	6,000	6,609	(609)	5,295
Miscellaneous	20,114	21,141	(1,027)	1,767
Lunchroom supplies	2,000	1,896	104	871
Juvenile	4,000	1,704	2,296	1,824
Investigation	3,000	4,595	(1,595)	1,812
Miscellaneous	10,000	520	9,480	5,911
Chief's expenditures	2,500	756	1,744	1,339
Photo finishing/supplies	2,000	268	1,732	314
Prisoner lodging	1,000	304	696	366
Base station maintenance contract	30,000	-	30,000	-

VILLAGE OF HODGKINS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2014

With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
Portables	\$ 3,000	\$ 672	\$ 2,328	\$ 6,681
Telephones/pagers	30,000	39,373	(9,373)	28,343
Police grants	10,000	8,893	1,107	3,530
Police website	5,000	5,600	(600)	-
Lupita	29,742	-	29,742	-
Total Public Safety	<u>4,509,587</u>	<u>4,438,820</u>	<u>70,767</u>	<u>4,018,679</u>
PUBLIC WORKS				
Salaries	485,981	470,404	15,577	468,299
Employee benefits	155,000	122,236	32,764	133,536
Training personnel	3,000	1,707	1,293	3,406
Engineering fees	20,000	14,677	5,323	9,597
Miscellaneous	64,446	62,550	1,896	56,280
Safety equipment	5,000	2,960	2,040	3,726
Equipment maintenance & repair	25,000	13,406	11,594	19,316
Building maintenance & repair	6,000	10,804	(4,804)	4,995
Tire repair	4,000	2,479	1,521	3,559
Garbage removal	100,000	105,026	(5,026)	98,614
Kitchen supplies	750	442	308	511
Uniforms and safety shoes	5,000	3,886	1,114	4,021
Gasoline	16,000	17,847	(1,847)	14,444
Heat	10,000	6,823	3,177	7,072
Office supplies	1,500	281	1,219	1,936
Equipment supplies	15,000	7,715	7,285	7,605
Community services	42,000	42,000	-	42,000
Mechanic's tools and equipment	4,000	237	3,763	113
Communications	7,000	8,121	(1,121)	7,872
Equipment rental	2,000	4,223	(2,223)	300
Repairs to building and grounds	15,000	891	14,109	3,167
Repairs to street lights	18,000	16,156	1,844	19,586
Renovations	6,000	3,133	2,867	14,670
Consultant and legal fees	2,000	-	2,000	-
Health Dept inspections	4,000	2,160	1,840	2,880
Beautification	10,000	7,959	2,041	12,037
Elevator inspection				
reimbursements	7,500	5,535	1,965	5,870
Decorations and flags	5,000	9,863	(4,863)	2,724
Park Ridge	20,000	-	20,000	-
Dues	500	105	395	60
Utility locates	-	105,153	(105,153)	-
Meetings and seminars	2,000	-	2,000	18
Pest control	3,000	2,562	438	3,402
Cleaning	2,500	3,059	(559)	2,081
Alarm testing	3,000	3,063	(63)	2,612
Office equipment	1,000	96	904	244
Building inspector expenditures	1,000	1,211	(211)	456

VILLAGE OF HODGKINS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2014

With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
Postage	\$ 750	\$ -	\$ 750	\$ 153
Maintenance agreement	9,000	3,430	5,570	1,978
Pavement repairs	1,500	584	916	594
Tolls/IPass	200	87	113	165
Trainings and meetings	2,500	-	2,500	-
Total Public Works	<u>1,086,127</u>	<u>1,062,871</u>	<u>23,256</u>	<u>959,899</u>
TIF AREA DEVELOPMENT				
TIF area development	485,000	551,402	(66,402)	252,405
Total TIF area development	<u>485,000</u>	<u>551,402</u>	<u>(66,402)</u>	<u>252,405</u>
DEBT SERVICE				
Principal				
Principal - public works	-	22,258	(22,258)	21,020
Total Principal	<u>-</u>	<u>22,258</u>	<u>(22,258)</u>	<u>21,020</u>
Interest				
Interest - general government	200	-	200	-
Interest - public works	-	1,311	(1,311)	2,549
Total Interest	<u>200</u>	<u>1,311</u>	<u>(1,111)</u>	<u>2,549</u>
Total Debt Service	<u>200</u>	<u>23,569</u>	<u>(23,369)</u>	<u>23,569</u>
CAPITAL OUTLAY				
General Government				
Computer equipment	10,000	1,934	8,066	11,846
CDBG - Village portion	75,000	54,382	20,618	46,978
Purchase of property	60,000	-	60,000	48,424
Street resurfacing	5,000	150	4,850	-
Village hall	25,000	31,697	(6,697)	55,398
Leon Cook Overpass	2,000	-	2,000	-
Total General Government	<u>177,000</u>	<u>88,163</u>	<u>88,837</u>	<u>162,646</u>
Public Safety				
Computer equipment	40,000	11,594	28,406	2,428
Office equipment	5,000	514	4,486	247
Squad cars	94,130	66,021	28,109	60,591
Squad car equipment	10,000	108	9,892	6,888
Squad car emergency equipment	1,000	623	377	576
Squad car computers	37,000	15,156	21,844	24,438
Total Public Safety	<u>187,130</u>	<u>94,016</u>	<u>93,114</u>	<u>95,168</u>

VILLAGE OF HODGKINS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014		Variance with Final Budget	2013 Actual
	Original and Final Budget	Actual		
Public Works				
Tools	\$ 7,500	\$ 1,618	\$ 5,882	\$ 6,392
Sidewalks and aprons	10,000	12,864	(2,864)	19
Equipment and backhoe	24,000	19,975	4,025	19,775
Computer	2,000	1,599	401	-
Salt truck	25,000	13,117	11,883	486
8890 67th Street	<u>20,000</u>	<u>4,387</u>	<u>15,613</u>	<u>11,357</u>
Total Public Works	<u>88,500</u>	<u>53,560</u>	<u>34,940</u>	<u>38,029</u>
Total Capital Outlay	<u>452,630</u>	<u>235,739</u>	<u>216,891</u>	<u>295,843</u>
TOTAL EXPENDITURES	<u><u>\$ 8,202,588</u></u>	<u><u>\$ 8,212,183</u></u>	<u><u>\$ (9,595)</u></u>	<u><u>\$ 7,149,119</u></u>

VILLAGE OF HODGKINS

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2014

	Special Revenue Funds				
	Illinois Municipal Retirement	911 Emergency Telephone	Motor Fuel Tax	Community Development Block Grant	Police Seizure and Forfeiture
ASSETS					
Cash and investments	\$ -	\$ 221,869	\$ 447,771	\$ 125,337	\$ 68,649
Receivables					
Property tax receivable	336,130	-	-	-	-
Motor fuel tax	-	-	4,777	-	-
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 336,130</u>	<u>\$ 221,869</u>	<u>\$ 452,548</u>	<u>\$ 125,337</u>	<u>\$ 68,649</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 28,614	\$ 2,530	\$ 137,356	\$ -	\$ -
Due to other funds	15,627	-	-	125,337	41
Total Liabilities	<u>44,241</u>	<u>2,530</u>	<u>137,356</u>	<u>125,337</u>	<u>41</u>
Deferred Inflows of Resources					
Property taxes levied for a future period	336,130	-	-	-	-
Total Deferred Inflows of Resources	<u>336,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

<u>Capital Projects Funds</u>				<u>Total Nonmajor Governmental Funds</u>
<u>67th Street Project</u>	<u>Special Service Area #2</u>	<u>Future Projects</u>	<u>Series 2009 Project</u>	
\$ -	\$ 27,958	\$ 716,611	\$ 91,628	\$ 1,699,823
-	-	-	-	336,130
-	-	-	-	4,777
-	-	<u>565,182</u>	<u>23,148</u>	<u>588,330</u>
<u>\$ -</u>	<u>\$ 27,958</u>	<u>\$ 1,281,793</u>	<u>\$ 114,776</u>	<u>\$ 2,629,060</u>

\$ -	\$ 750	\$ -	\$ 4,809	\$ 174,059
-	<u>27,187</u>	-	-	<u>168,192</u>
-	<u>27,937</u>	-	<u>4,809</u>	<u>342,251</u>

-	-	-	-	<u>336,130</u>
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-	-	-	-	<u>336,130</u>
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VILLAGE OF HODGKINS

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2014

	Special Revenue Funds				
	Illinois Municipal Retirement	911 Emergency Telephone	Motor Fuel Tax	Community Development Block Grant	Police Seizure and Forfeiture
Fund Balances (Deficit)					
Restricted for capital projects	-	-	-	-	-
Restricted for public safety	-	219,339	-	-	68,608
Restricted for street improvements	-	-	315,192	-	-
Assigned to capital projects	-	-	-	-	-
Unassigned (deficit)	<u>(44,241)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (deficit)	<u>(44,241)</u>	<u>219,339</u>	<u>315,192</u>	<u>-</u>	<u>68,608</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 336,130</u>	 <u>\$ 221,869</u>	 <u>\$ 452,548</u>	 <u>\$ 125,337</u>	 <u>\$ 68,649</u>

<u>Capital Projects Funds</u>				<u>Total Nonmajor Governmental Funds</u>
<u>67th Street Project</u>	<u>Special Service Area #2</u>	<u>Future Projects</u>	<u>Series 2009 Project</u>	
-	21	-	55,138	55,159
-	-	-	-	287,947
-	-	-	-	315,192
-	-	1,281,793	54,829	1,336,622
-	-	-	-	(44,241)
<u>-</u>	<u>21</u>	<u>1,281,793</u>	<u>109,967</u>	<u>1,950,679</u>
<u>\$ -</u>	<u>\$ 27,958</u>	<u>\$ 1,281,793</u>	<u>\$ 114,776</u>	<u>\$ 2,629,060</u>

VILLAGE OF HODGKINS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Special Revenue Funds				
	Illinois Municipal Retirement	911 Emergency Telephone	Motor Fuel Tax	Community Development Block Grant	Police Seizure and Forfeiture
REVENUES					
Property taxes	\$ 326,642	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	164,290	130,000	-
Fines, forfeitures and penalties	-	-	-	-	10,000
Charges for services	-	11,267	-	-	-
Investment income	-	5	241	348	225
Other	-	-	-	-	7,369
Total Revenues	326,642	11,272	164,531	130,348	17,594
EXPENDITURES					
Current					
General government	300,454	-	13,054	-	-
Public safety	-	9,805	-	-	6,841
Public works	-	-	28,166	-	-
Capital Outlay	-	-	157,811	130,348	-
Total Expenditures	300,454	9,805	199,031	130,348	6,841
Excess (deficiency) of revenues over expenditures	26,188	1,467	(34,500)	-	10,753
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	26,188	1,467	(34,500)	-	10,753
FUND BALANCES (DEFICIT)					
- Beginning of Year	(70,429)	217,872	349,692	-	57,855
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (44,241)	\$ 219,339	\$ 315,192	\$ -	\$ 68,608

<u>Capital Projects Funds</u>				
<u>67th Street Project</u>	<u>Special Service Area #2</u>	<u>Future Projects</u>	<u>Series 2009 Project</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 326,642
-	-	-	-	294,290
-	-	-	-	10,000
-	-	-	-	11,267
-	-	3,566	6	4,391
-	-	-	36,577	43,946
-	-	<u>3,566</u>	<u>36,583</u>	<u>690,536</u>
-	-	-	4,809	318,317
-	-	-	-	16,646
-	750	-	-	28,916
-	-	-	-	288,159
-	<u>750</u>	-	<u>4,809</u>	<u>652,038</u>
-	(750)	<u>3,566</u>	<u>31,774</u>	<u>38,498</u>
(16,260)	-	-	-	(16,260)
(16,260)	-	-	-	(16,260)
(16,260)	(750)	3,566	31,774	22,238
<u>16,260</u>	<u>771</u>	<u>1,278,227</u>	<u>78,193</u>	<u>1,928,441</u>
<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 1,281,793</u>	<u>\$ 109,967</u>	<u>\$ 1,950,679</u>

VILLAGE OF HODGKINS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ILLINOIS MUNICIPAL RETIREMENT FUND - NONMAJOR SPECIAL REVENUE FUND

For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
REVENUES				
Property taxes	\$ 310,000	\$ 326,642	\$ 16,642	\$ 306,090
Total Revenues	<u>310,000</u>	<u>326,642</u>	<u>16,642</u>	<u>306,090</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Employer's share of I.M.R.F.	169,000	183,005	(14,005)	187,935
Employer's share of Social Security	<u>131,000</u>	<u>117,449</u>	<u>13,551</u>	<u>125,477</u>
Total Expenditures	<u>300,000</u>	<u>300,454</u>	<u>(454)</u>	<u>313,412</u>
Net Change in Fund Balance	<u>\$ 10,000</u>	26,188	<u>\$ 16,188</u>	(7,322)
FUND BALANCE (DEFICIT) - Beginning of Year		<u>(70,429)</u>		<u>(63,107)</u>
FUND BALANCE (DEFICIT) - END OF YEAR		<u>\$ (44,241)</u>		<u>\$ (70,429)</u>

VILLAGE OF HODGKINS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 911 EMERGENCY TELEPHONE FUND - NONMAJOR SPECIAL REVENUE FUND

For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
REVENUES				
Charges for services	\$ 20,000	\$ 11,267	\$ (8,733)	\$ 24,942
Investment income	50	5	(45)	5
Total Revenues	20,050	11,272	(8,778)	24,947
EXPENDITURES				
PUBLIC SAFETY				
Contract fee	2,000	2,100	(100)	2,100
Legal	1,000	-	1,000	-
Conferences	4,500	2,303	2,197	1,012
Public relations	1,000	-	1,000	311
Telephone charges	6,000	5,117	883	7,439
Miscellaneous	500	285	215	167
Total public safety	15,000	9,805	5,195	11,029
CAPITAL OUTALY				
Equipment	20,000	-	20,000	30,017
Reverse system	3,000	-	3,000	-
Total capital outaly	23,000	-	23,000	30,017
Total Expenditures	38,000	9,805	28,195	41,046
Net Change in Fund Balance	\$ (17,950)	1,467	\$ 19,417	(16,099)
FUND BALANCE - Beginning of Year		217,872		233,971
FUND BALANCE - END OF YEAR		\$ 219,339		\$ 217,872

VILLAGE OF HODGKINS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX FUND - NONMAJOR SPECIAL REVENUE FUND

For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance with Final Budget	
REVENUES				
INTERGOVERNMENTAL				
Motor fuel tax	\$ 42,000	\$ 65,528	\$ 23,528	\$ 46,415
Other state payments	-	-	-	99,211
Other local government grants	135,000	98,762	(36,238)	453,985
Investment income	100	241	141	185
Total Revenues	177,100	164,531	(12,569)	599,796
EXPENDITURES				
PUBLIC WORKS				
Engineering	2,000	15,379	(13,379)	69,529
Pavement repairs	5,000	1,149	3,851	18,507
Street cleaning	3,000	2,025	975	1,568
Snow and ice control	40,000	-	40,000	-
Street repairs	10,000	4,875	5,125	174,247
Street signs and paint	2,100	3,417	(1,317)	4,264
Sidewalk, curb and gutter repairs	2,000	-	2,000	554
Street lighting	45,000	1,305	43,695	435
Miscellaneous	15,000	13,054	1,946	16,840
Street lighting	230,000	134,073	95,927	-
East Ave. Engineering Fees	100,000	23,738	76,262	-
Total Expenditures	454,100	199,015	255,085	285,944
Net Change in Fund Balance	\$ (277,000)	(34,484)	\$ 242,516	313,852
FUND BALANCE - Beginning of Year		349,692		35,840
FUND BALANCE - END OF YEAR		\$ 315,208		\$ 349,692

VILLAGE OF HODGKINS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT FUND NONMAJOR SPECIAL REVENUE FUND

For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014		Variance with Final Budget	2013 Actual
	Original and Final Budget	Actual		
REVENUES				
INTERGOVERNMENTAL				
Federal grants	\$ 130,000	\$ 130,000	\$ -	\$ 100,000
Investment income	<u>500</u>	<u>348</u>	<u>(152)</u>	<u>726</u>
Total Revenues	<u>130,500</u>	<u>130,348</u>	<u>(152)</u>	<u>100,726</u>
EXPENDITURES				
CAPITAL OUTLAY				
Street lighting	190,000	130,348	59,652	100,711
Miscellaneous	<u>2,550</u>	<u>-</u>	<u>2,550</u>	<u>35</u>
Total Expenditures	<u>192,550</u>	<u>130,348</u>	<u>62,202</u>	<u>100,746</u>
Net Change in Fund Balance	<u>\$ (62,050)</u>	-	<u>\$ 62,050</u>	(20)
FUND BALANCE - Beginning of Year		-		<u>20</u>
FUND BALANCE - END OF YEAR		<u>\$ -</u>		<u>\$ -</u>

VILLAGE OF HODGKINS

TAX INCREMENT REDEVELOPMENT PROJECT AREA
DEBT SERVICE REQUIREMENTS
SENIOR LIEN TAX INCREMENT REVENUE BONDS, SERIES 2007
December 31, 2014

Year	Principal			Interest Due	Total Debt Service Requirements
	Issued	Paid	Outstanding		
2008	\$ -	\$ -	\$ -	\$ -	\$ -
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	50,000	50,000	-	-	-
2012	330,000	330,000	-	-	-
2013	385,000	385,000	-	-	-
2014	415,000	415,000	-	-	-
2015	440,000	-	440,000	409,943	849,943
2016	485,000	-	485,000	388,668	873,668
2017	500,000	-	500,000	366,013	866,013
2018	525,000	-	525,000	342,044	867,044
2019	575,000	-	575,000	315,919	890,919
2020	600,000	-	600,000	288,013	888,013
2021	625,000	-	625,000	258,294	883,294
2022	690,000	-	690,000	225,748	915,748
2023	725,000	-	725,000	190,726	915,726
2024	750,000	-	750,000	153,470	903,470
2025	825,000	-	825,000	112,914	937,914
2026	850,000	-	850,000	69,783	919,783
2027	930,000	-	930,000	23,941	953,941
Total	<u>\$ 9,700,000</u>	<u>\$ 1,180,000</u>	<u>\$ 8,520,000</u>	<u>\$ 3,145,476</u>	<u>\$ 11,665,476</u>

Date of Issue	December 12, 2007
Date of Maturity	January 1, 2027
Authorized Issue	\$9,700,000
Denomination of Bonds	\$5,000
Principal Date	January 1
Interest Date	January 1 and July 1
Interest Rates	4.40% - 5.15%
Paying Agent	Bank of New York - Chicago, Illinois
Purpose	Redevelopment projects

VILLAGE OF HODGKINS

SERIES 2009
DEBT SERVICE REQUIREMENTS
BUILD AMERICA BONDS, SERIES 2009
December 31, 2014

Year	Principal			Interest Due	Total Debt Service Requirements	Levy Provision
	Issued	Paid	Outstanding			
2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2010	-	-	-	-	-	135,762
2011	-	-	-	-	-	225,228
2012	-	-	-	-	-	225,228
2013	-	-	-	-	-	225,228
2014	750,000	750,000	-	-	-	975,228
2015	775,000	-	775,000	198,888	973,888	973,888
2016	800,000	-	800,000	167,903	967,903	967,903
2017	850,000	-	850,000	133,519	983,519	983,519
2018	900,000	-	900,000	93,416	993,416	993,416
2019	925,000	-	925,000	47,804	972,804	972,804
Total	<u>\$ 5,000,000</u>	<u>\$ 750,000</u>	<u>\$ 4,250,000</u>	<u>\$ 641,530</u>	<u>\$ 4,891,530</u>	<u>\$ 6,678,204</u>

Date of Issue	November 17, 2009
Date of Maturity	January 1, 2020
Authorized Issue	\$5,000,000
Denomination of Bonds	\$5,000
Principal Date	January 1
Interest Date	January 1 and July 1
Interest Rate	3.512% - 5.268%
Paying Agent	State Bank of Countryside-Countryside, Illinois
Purpose	Capital Projects

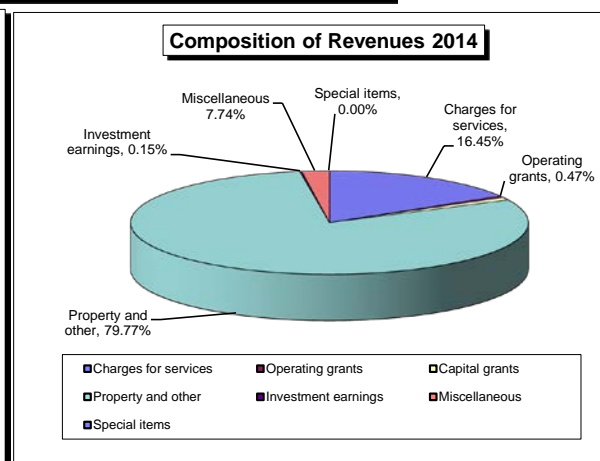
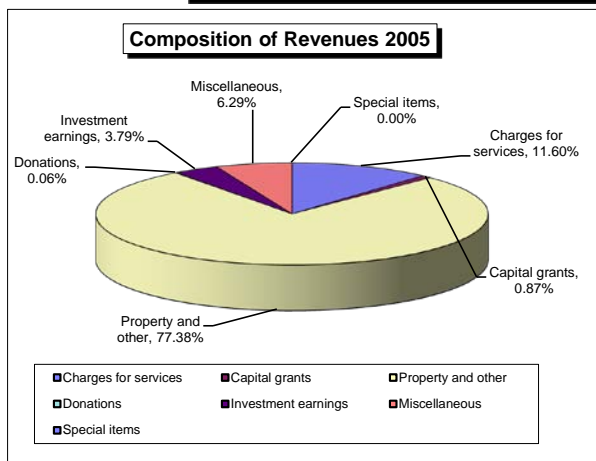
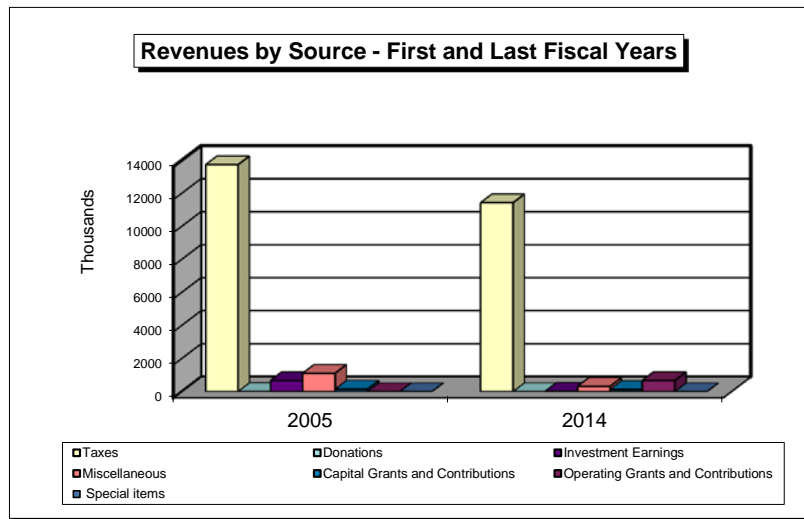
VILLAGE OF HODGKINS

COMMUNITY DEVELOPMENT BLOCK GRANT SCHEDULE OF PROJECT ACTIVITY For the Year Ended December 31, 2014

	<u>Chester Avenue and Cobb Street Lights</u>
Project numbers	<u>1306-11</u>
Original budget	\$ <u>130,000</u>
Current budget authority	\$ <u>130,000</u>
Project drawdowns:	
Current	\$ 130,000
Cumulative	130,000
Project disbursements:	
Current	130,000
Cumulative	130,000
Project payable (receivable)	\$ <u>-</u>
Project fund balance	\$ <u>-</u>
Project cash balance	\$ <u>-</u>
Questioned costs	<u>NONE</u>
Project complete	<u>YES</u>
Payable to (receivable from) county, December 31, 2014	\$ <u>-</u>

VILLAGE OF HODGKINS
GOVERNMENT-WIDE REVENUES
 Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010
Program revenues						
Charges for services	\$ 2,060,012	\$ 1,780,691	\$ 1,741,948	\$ 2,456,182	\$ 3,150,540	\$ 2,573,719
Operating grants and contributions	-	70,759	72,920	56,544	57,926	65,093
Capital grants and contributions	155,289	840,000	1,457,252	87,400	93,156	459,579
Total program revenues	2,215,301	2,691,450	3,272,120	2,600,126	3,301,622	3,098,391
General revenues						
Property and other taxes	13,738,128	16,921,795	16,418,433	17,652,421	17,276,809	17,371,684
Donations	10,437	-	-	-	-	-
Investment earnings	672,948	409,581	482,423	412,810	92,421	77,642
Miscellaneous	1,116,446	1,574,798	723,788	466,807	88,233	527,765
Total general revenues	15,537,959	18,906,174	17,624,644	18,532,038	17,457,463	17,977,091
Special items	-	-	-	1,983,514	-	-
Total revenues	\$ 17,753,260	\$ 21,597,624	\$ 20,896,764	\$ 23,115,678	\$ 20,759,085	\$ 21,075,482



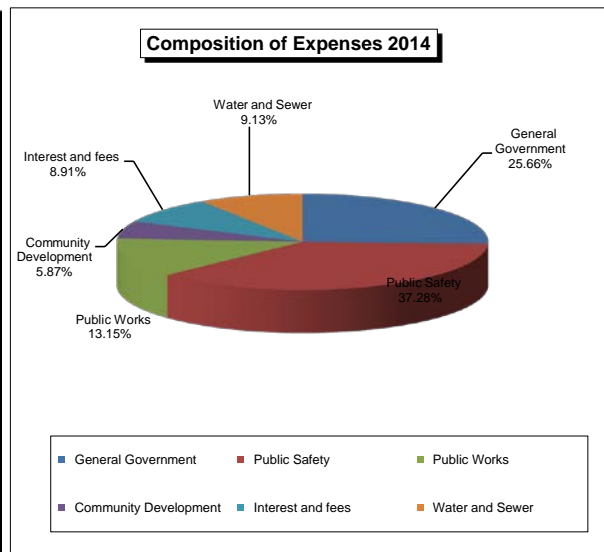
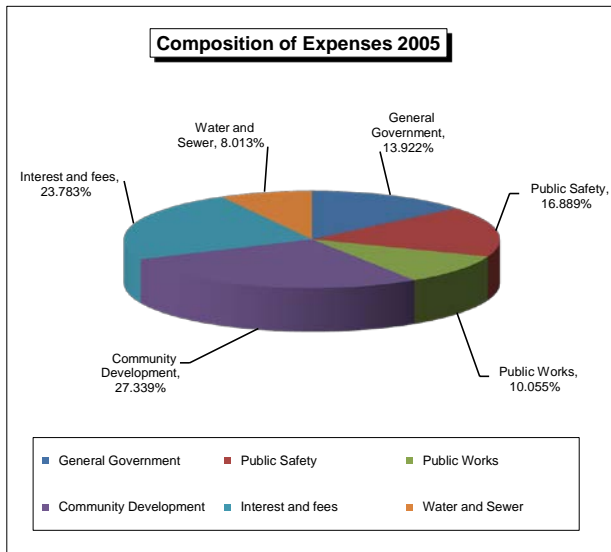
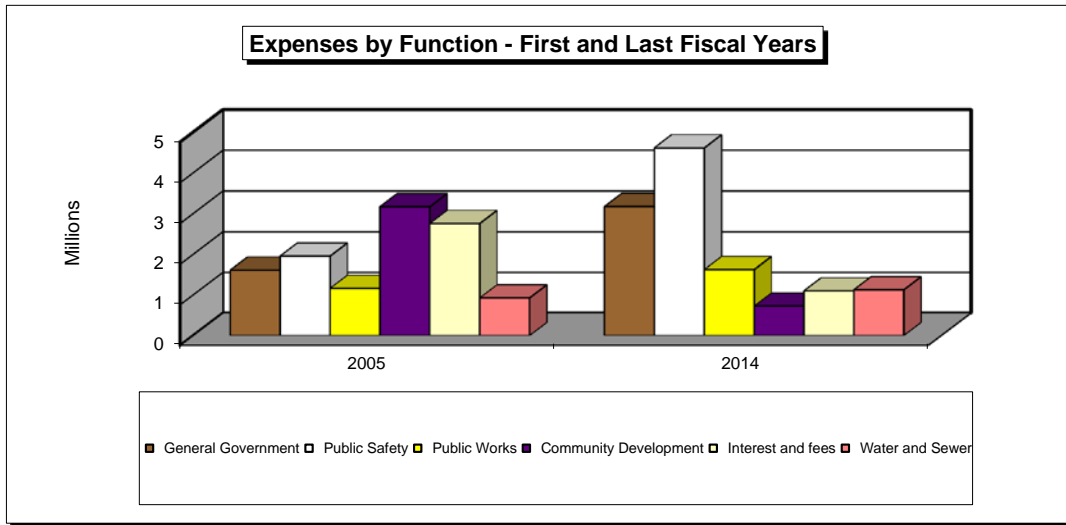
SOURCE OF INFORMATION: 2004 - 2013 Financial statements

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 2,420,973	\$ 1,894,410	\$ 1,934,305	\$ 2,357,211
60,369	55,554	46,515	67,438
<u>777,538</u>	<u>230,000</u>	<u>653,196</u>	<u>130,000</u>
<u>3,258,880</u>	<u>2,179,964</u>	<u>2,634,016</u>	<u>2,554,649</u>
15,003,953	16,541,461	14,491,830	11,431,313
-	-	-	-
49,453	15,999	39,539	21,691
<u>192,319</u>	<u>325,116</u>	<u>1,734,173</u>	<u>322,671</u>
<u>15,245,725</u>	<u>16,882,576</u>	<u>16,265,542</u>	<u>11,775,675</u>
-	-	-	-
<u>\$ 18,504,605</u>	<u>\$ 19,062,540</u>	<u>\$ 18,899,558</u>	<u>\$ 14,330,324</u>

VILLAGE OF HODGKINS

GOVERNMENT-WIDE EXPENSES BY FUNCTION Last Ten Fiscal Years

	2005	2006	2007	2008	2009
Governmental activities					
General government	\$ 1,614,908	\$ 2,032,864	\$ 1,788,743	\$ 1,444,788	\$ 2,103,912
Public safety	1,959,114	2,127,531	3,124,159	4,076,980	3,695,537
Public works	1,166,382	1,252,322	2,766,164	2,494,767	1,774,692
Community development	3,171,380	8,826,911	7,743,568	13,406,889	9,179,574
Interest and fees	2,758,793	1,150,351	1,961,963	1,702,509	1,490,597
Total governmental activities	10,670,577	15,389,979	17,384,597	23,125,933	18,244,312
Business-type activities					
Water and sewer	929,497	1,018,481	989,630	982,420	939,025
Total business-type activities	929,497	1,018,481	989,630	982,420	939,025
Total expenses	\$11,600,074	\$16,408,460	\$18,374,227	\$24,108,353	\$19,183,337



<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 2,208,317	\$ 2,286,829	\$ 2,250,624	\$ 2,668,300	\$ 3,176,838
3,661,620	3,844,837	4,127,840	4,302,057	4,615,520
1,827,017	1,716,411	1,805,336	1,700,365	1,628,027
5,415,613	5,000,425	4,172,966	6,371,204	727,285
<u>1,535,164</u>	<u>1,347,398</u>	<u>1,498,163</u>	<u>1,305,446</u>	<u>1,103,407</u>
<u>14,647,731</u>	<u>14,195,900</u>	<u>13,854,929</u>	<u>16,347,372</u>	<u>11,251,077</u>
<u>1,078,611</u>	<u>999,625</u>	<u>1,065,732</u>	<u>1,005,294</u>	<u>1,130,421</u>
<u>1,078,611</u>	<u>999,625</u>	<u>1,065,732</u>	<u>1,005,294</u>	<u>1,130,421</u>
<u>\$15,726,342</u>	<u>\$15,195,525</u>	<u>\$14,920,661</u>	<u>\$17,352,666</u>	<u>\$12,381,498</u>

VILLAGE OF HODGKINS

GENERAL GOVERNMENTAL REVENUES BY SOURCE Last Ten Fiscal Years

Fiscal Year	Property Tax	Other Taxes	Intergovernmental	Licenses and Permits	Investment Earnings	Miscellaneous
2014	\$ 4,859,992	\$ 7,718,066	\$ 622,772	\$ 435,581	\$ 21,003	\$ 2,369,803
2013	4,667,634	7,893,043	1,054,643	401,930	38,993	822,185
2012	4,838,616	11,446,382	595,862	313,065	15,494	671,825
2011	3,716,879	10,932,500	408,788	364,168	48,876	1,348,138
2010	7,950,727	9,064,103	851,901	245,448	76,380	1,863,669
2009	7,415,931	9,056,170	914,363	349,581	90,137	2,121,169
2008	7,690,043	9,540,594	493,549	432,065	406,714	1,703,454
2007	6,752,972	9,278,558	569,193	341,568	476,073	1,563,269
2006	6,888,717	9,923,431	448,759	307,243	399,287	2,043,031
2005	6,177,853	7,203,771	476,742	472,420	669,548	1,745,459

Fiscal Year	Property Tax	Road and Bridge Tax	Total Property Tax	Sales Tax	Utility Tax	Amusement Tax
2014	\$ 4,822,129	\$ 37,863	\$ 4,859,992	\$ 6,918,578	\$ 468,430	\$ 131,147
2013	4,629,771	37,863	4,667,634	7,101,177	443,158	151,692
2012	4,800,753	37,863	4,838,616	10,677,753	401,089	176,582
2011	3,680,317	36,562	3,716,879	10,121,776	436,939	171,937
2010	7,918,769	31,958	7,950,727	8,225,373	453,186	184,171
2009	7,374,070	41,861	7,415,931	8,243,753	430,670	189,181
2008	7,654,927	35,116	7,690,043	8,680,730	484,930	192,371
2007	6,715,442	37,530	6,752,972	8,552,291	496,028	204,478
2006	6,856,206	32,511	6,888,717	9,197,360	492,264	214,885
2005	6,143,496	34,357	6,177,853	6,505,605	479,045	219,121

Note: Information includes revenues for all governmental fund types.

SOURCE OF INFORMATION: 2005 - 2014 Annual Financial Statements

<u>Total</u>
\$ 16,027,217
14,878,428
17,881,244
16,819,349
20,052,228
19,947,351
20,266,419
18,981,633
20,010,468
16,745,793

<u>Miscellaneous Other Tax</u>	<u>Total Other Tax</u>	<u>Income Tax</u>	<u>Replacement Tax</u>	<u>Miscellaneous Intergovern- mental</u>	<u>Total Intergovern- mental</u>
\$ 199,911	\$ 7,718,066	\$ 181,626	\$ 125,590	\$ 315,556	\$ 622,772
197,016	7,893,043	202,501	128,812	723,330	1,054,643
190,958	11,446,382	170,186	112,722	312,954	595,862
201,847	10,932,499	156,716	116,717	135,355	408,788
201,373	9,064,103	163,839	124,676	563,386	851,901
192,566	9,056,170	137,332	118,721	658,310	914,363
182,563	9,540,594	202,034	134,741	156,774	493,549
25,761	9,278,558	190,246	145,502	233,445	569,193
18,922	9,923,431	174,845	119,125	154,789	448,759
-	7,203,771	160,086	113,938	202,718	476,742

VILLAGE OF HODGKINS

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	TIF Area Development	Public Works	Debt Service
2014	\$ 2,196,099	\$ 4,455,466	\$ 563,275	\$ 1,091,787	\$ 5,059,612
2013	2,027,475	4,031,693	8,133,182	1,245,992	4,668,993
2012	1,990,794	3,863,769	4,157,359	1,085,106	4,767,409
2011	1,975,593	3,605,093	4,904,673	1,083,390	5,137,808
2010	1,859,955	3,425,870	5,467,441	1,004,424	4,897,867
2009	1,797,134	3,459,915	9,279,375	971,776	4,910,561
2008	1,557,803	3,409,915	13,609,680	976,558	5,447,811
2007	1,934,492	2,943,455	9,431,534	1,349,903	3,909,415
2006**	1,991,130	1,960,707	8,826,911	651,940	1,428,477
2005	1,608,055	1,779,754	-	584,997	8,688,257

** TIF Area Development is separate from capital outlay beginning in this fiscal year.

Note: Information includes expenditures from all governmental fund types.

SOURCE OF INFORMATION: 2005- 2014 Annual Financial Statements

<u>Capital Outlay</u>	<u>Community Development</u>	<u>Total</u>
\$ 523,898	\$ 22,000	\$ 13,912,137
865,524	24,000	20,996,859
1,952,213	24,000	17,840,650
819,817	24,000	17,550,374
2,971,796	24,000	19,651,353
6,484,470	-	26,903,231
823,929	-	25,825,696
1,090,170	-	20,658,969
400,706	-	15,259,871
5,029,750	-	17,690,813

VILLAGE OF HODGKINS

PROPERTY TAX RATES, LEVIES AND COLLECTIONS Last Ten Tax Levy Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Rates Extended*				
Corporate	0.9736	0.9952	1.0094	0.8645
Bond and Interest	0.5792	0.4948	0.4774	0.3736
Police Pension	0.4261	0.3825	0.3326	0.2319
Municipal Retirement	0.0911	0.0837	0.0733	0.0448
Social Security	<u>0.0667</u>	<u>0.0630</u>	<u>0.0543</u>	<u>0.0383</u>
Total Rates Extended	<u>2.1367</u>	<u>2.0192</u>	<u>1.9470</u>	<u>1.5531</u>
Levies Extended				
Corporate	\$ 1,970,400	\$ 2,130,272	\$ 2,241,039	\$ 2,325,084
Bond and Interest	1,172,295	1,059,348	1,059,912	1,004,702
Police Pension	862,466	818,850	738,430	623,833
Municipal Retirement	184,370	179,220	162,740	120,510
Social Security	<u>134,930</u>	<u>134,930</u>	<u>120,510</u>	<u>103,000</u>
Total Levies Extended	<u>\$ 4,324,461</u>	<u>\$ 4,322,620</u>	<u>\$ 4,322,631</u>	<u>\$ 4,177,129</u>
Total Collections	<u>\$ 4,158,152</u>	<u>\$ 4,272,584</u>	<u>\$ 4,146,476</u>	<u>\$ 3,838,056</u>
Percentage Received	<u>96.15%</u>	<u>98.84%</u>	<u>95.92%</u>	<u>91.88%</u>

SOURCE OF INFORMATION: Cook County Levy, Rate and Extension Reports and Agency Collection Distribution Reports (Cook County Treasurer's website) for 2004 to 2013

* Tax Rates are expressed in dollars per \$100 of Assessed Valuation.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
0.7260	0.5335	0.5908	0.5978	0.5495	0.6800
0.4557	0.2624	0.2798	0.2965	0.2861	0.2278
0.2188	0.1649	0.1827	0.1827	0.1703	0.1308
0.0578	0.0462	0.0397	0.0324	0.0312	0.0096
<u>0.0603</u>	<u>0.0482</u>	<u>0.0647</u>	<u>0.0786</u>	<u>0.0722</u>	<u>0.0384</u>
<u>1.5186</u>	<u>1.0552</u>	<u>1.1577</u>	<u>1.1880</u>	<u>1.1093</u>	<u>1.0866</u>
\$ 1,475,887	\$ 1,356,510	\$ 1,317,370	\$ 1,253,510	\$ 1,198,900	\$ 1,314,383
926,422	667,131	623,936	621,830	624,304	440,344
444,754	419,210	406,850	383,160	371,644	252,865
117,420	117,420	88,580	67,980	67,980	18,540
<u>122,570</u>	<u>122,570</u>	<u>144,200</u>	<u>164,800</u>	<u>157,590</u>	<u>74,160</u>
<u>\$ 3,087,053</u>	<u>\$ 2,682,841</u>	<u>\$ 2,580,936</u>	<u>\$ 2,491,280</u>	<u>\$ 2,420,418</u>	<u>\$ 2,100,292</u>
<u>\$ 2,979,262</u>	<u>\$ 2,670,193</u>	<u>\$ 2,615,201</u>	<u>\$ 2,466,002</u>	<u>\$ 2,363,116</u>	<u>\$ 1,983,513</u>
<u>96.51%</u>	<u>99.53%</u>	<u>101.33%</u>	<u>98.99%</u>	<u>97.63%</u>	<u>94.44%</u>

VILLAGE OF HODGKINS

EQUALIZED ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY Last Ten Tax Levy Years

Tax Levy Year	Total Equalized Assessed Valuation	Amount of Increase (Decrease) Over Previous Year	Percentage Increase (Decrease) Over Previous Year	Actual Estimated Value*
2013	202,387,052	(11,664,256)	-5.45%	\$ 607,161,156
2012	214,051,308	(7,957,037)	-3.58%	642,153,924
2011 (1)	222,008,345	(46,950,561)	-17.46%	666,025,035
2010	268,958,906	65,682,410	32.31%	806,876,718
2009	203,276,496	(50,984,518)	-20.05%	609,829,488
2008 (1)	254,261,014	31,297,841	14.04%	762,783,042
2007	222,963,173	13,262,577	6.32%	668,889,519
2006	209,700,596	(8,499,377)	-3.90%	629,101,788
2005 (1)	218,199,973	24,899,307	12.88%	654,599,919
2004	193,300,666	31,828,465	19.71%	579,901,998

NOTES:

(1) Represents a tri-annual reassessment year

SOURCE OF INFORMATION: Cook County Levy, Rate and Extension Reports for 2004 to 2013

* Represents three times the Equalized Assessed Valuation.

VILLAGE OF HODGKINS

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA Last Ten Fiscal Years

Fiscal Year Ended <u>December 31</u>	Tax Levy Year	Gross General Bonded Debt	Available in the Debt Service Fund	Net General Bonded Debt	Equalized Assessed Valuation
2014	2013	\$ 4,250,000	\$ 1,133,409	3,116,591	\$ 202,387,052
2013	2012	5,135,000	1,058,961	4,076,039	214,051,308
2012	2011	5,880,000	1,033,710	4,846,290	222,008,345
2011	2010	6,595,000	960,884	5,634,116	268,958,906
2010	2009	7,230,000	1,173,916	6,056,084	203,276,496
2009	2008	7,745,000	971,853	6,773,147	254,261,014
2008	2007	3,240,000	996,444	2,243,556	222,963,173
2007	2006	3,675,000	860,713	2,814,287	209,700,596
2006	2005	4,090,000	623,022	3,466,978	218,199,973
2005	2004	4,490,000	(59,057)	4,549,057	193,300,666

SOURCE OF INFORMATION: 2005 - 2014 Annual Financial Statements

NOTE: Population estimates are based on information received from the bureau of the census and local city and village governmental data.

<u>Percentage of Net General Bonded Debt to Assessed Valuation</u>	<u>Estimated Population</u>	<u>Net General Bonded Debt Per Capita</u>
1.54	1,897	1,643
1.90	1,897	2,149
2.18	1,897	2,555
2.09	1,897	2,970
2.98	2,134	2,838
2.66	2,134	3,174
1.01	2,134	1,051
1.34	2,134	1,319
1.59	2,134	1,625
2.35	2,134	2,132

VILLAGE OF HODGKINS

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO
TOTAL GENERAL GOVERNMENTAL EXPENDITURES
Last Ten Fiscal Years

Year Ended December 31	All Governmental Fund Types - Total Expenditures	Debt Service Fund Expenditures (1)	Ratio of Annual Debt Service Fund Expenditures to all Governmental Fund Types - Total Expenditures
2014	\$ 13,912,137	\$ 1,116,471	8.03%
2013	20,996,859	1,008,953	4.81%
2012	17,840,650	1,009,440	5.66%
2011	17,550,374	1,069,473	6.09%
2010	19,651,353	746,894	3.80%
2009	26,903,231	658,861	2.45%
2008	24,600,696	594,225	2.42%
2007	20,658,969	592,569	2.87%
2006	15,259,871	595,275	3.90%
2005	17,690,814	468,281	2.65%

NOTE: (1) Debt Service Fund expenditures represent payment of principal and interest on General Bonded Debt in the Village's Bond and Interest Fund and Series 2009 Debt Service Fund.

SOURCE OF INFORMATION: 2005 - 2014 Annual Financial Statements

VILLAGE OF HODGKINS

SCHEDULE OF LEGAL DEBT MARGIN December 31, 2014

The Village is a home rule municipality.

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

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

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

VILLAGE OF HODGKINS

DEMOGRAPHIC STATISTICS Last Ten Fiscal Years

<u>Year</u>	<u>Hodgkins Population</u>	<u>Cook County Population</u>
2005	2,134	5,350,269
2006	2,134	5,350,269
2007	2,134	5,350,269
2008	2,134	5,350,269
2009	2,134	5,350,269
2010	2,134	5,194,675
2011	1,897	5,194,675
2012	1,897	5,194,675
2013	1,897	5,194,675 *
2014	1,897	5,194,675 *

* Obtained from 2010 Census Data, <http://2010.census.gov/2010census/data/>

VILLAGE OF HODGKINS

MISCELLANEOUS STATISTICS
DECEMBER 31, 2014

The Village of Hodgkins is located in Southwest Cook County 17 miles from the City of Chicago and is bounded on the North by Route 66, Santa Fe Railroad on the South, Willow Springs Road on the West, and Des Plaines River on the East. Its population, reported on the 2010 census was 1,897. The village's source of pride lies in achieving an atmosphere conducive to family life, while at the same time nurturing a healthy relationship with the many businesses located within its boundaries.

In the mid-1960's, the Santa Fe Railroad made available 275 acres of land for development. Located in the Santa Fe Improvement Park are Continental Baking Company, Certified Grocers of Illinois, along with many smaller industries. Also located at the West end of the village, is the United Parcel Service hub constructed in 1991. In addition, the Santa Fe Industrial Park expanded with the construction of a new Intermodal Facility. During the late 1970's and early 1980's, the motor freight industry began to decline and many of these companies were forced to cease operation. The village took two major steps to insure the economic stability of the village. In 1985, it joined the Village of McCook to create the McCook-Hodgkins Enterprise Zone. In 1986, it created a Tax Increment Finance District, both of these tools allowed the village to offer certain incentives to new businesses desiring to locate in the village. Ettleson Cadillac/Oldsmobile/Buick, Advantage Chevrolet, and the Quarry Shopping Center were constructed on the sites formerly occupied by the trucking terminals. Major anchor stores include Sam's Club, Wal*Mart, Kohls, Menards, OfficeMax, Target, and Pep Boys. Restaurants include Applebee's, Lone Star Steakhouse and Saloon, Casciani's Pizzeria, Salerno Pincente Risorante, and a Subway Sandwiches. Located on the South West corner of East Avenue is a Citgo Mini-Mart-Gas Station. By utilizing all of the economic development tools available to it, the Village of Hodgkins brought approximately 5,300 new jobs to the Western Suburbs by 1995.

The village offers outstanding services to its residents. The new Noel B. Cummings Administration Center is now open. The building was dedicated to our Village President, Noel B. Cummings, in September 2008. The Village Administration Center and the Clerk's office, open from 8:00 a.m. to 5:00 p.m., have a postal sub station and offer residents village information. Village Board meetings are scheduled for the second Monday of every month at 7:00 p.m. and held at the Noel B. Cummings Administration Center at 8990 Lyon Street. The Police Department is located at 6015 Lenzi Avenue. Hodgkins has a Public Works Department, Water Department and an ESDA Department. The Park District and Library District offer state of the art facilities and schedule a myriad of activities all year long.

Located within the village is Hodgkins Elementary School, located on Kane and Cobb Streets, with classrooms from Kindergarten to 6th grade. Students in 7th and 8th grade attend Gurrie Junior High located in LaGrange, both are in District 105. Lyons Township High School District 204 is located in Western Springs and LaGrange. The community college is the College of DuPage, located in Glen Ellyn.