

**CITY OF HARVEY, ILLINOIS**



**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
APRIL 30, 2009**

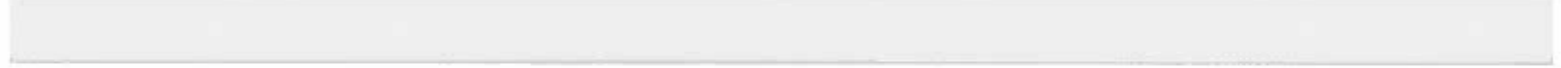


**CITY OF HARVEY, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**  
**APRIL 30, 2009**

Prepared by:  
Finance Department



# CITY OF HARVEY, ILLINOIS

## TABLE OF CONTENTS

	PAGE
<b><u>FINANCIAL SECTION</u></b>	
<b>INDEPENDENT AUDITORS' REPORT .....</b>	<b>1 - 2</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS .....</b>	<b>MD&amp;A 1 - 11</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Position .....	3 - 4
Statement of Activities .....	5 - 6
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	7 - 8
Reconciliation of Total Governmental Fund Balance to	
Net Position of Governmental Activities .....	9
Statement of Revenues, Expenditures and Changes in	
Fund Balances – Governmental Funds .....	10 - 11
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities .....	12
Statement of Net Position – Proprietary Funds .....	13
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	14
Statement of Cash Flows – Proprietary Funds .....	15
Statement of Fiduciary Plan Net Position .....	16
Statement of Changes in Fiduciary Plan Net Position .....	17
Notes to the Financial Statements .....	18 - 59
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Funding Progress and Employer Contributions	
Illinois Municipal Retirement Fund .....	60
Police Pension Fund .....	61
Firefighters' Pension Fund .....	62
Other Post-Employment Benefit Plan .....	63
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
General Fund .....	64

# CITY OF HARVEY, ILLINOIS

## TABLE OF CONTENTS

	PAGE
<b><u>FINANCIAL SECTION – Continued</u></b>	
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
Schedule of Revenues – Budget and Actual – General Fund .....	65 - 66
Schedule of Expenditures – Budget and Actual – General Fund .....	67 - 71
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Debt Service Fund .....	72
Road – Capital Projects Fund .....	73
Water – Capital Projects Fund .....	74
TIF I Dixie Square – Capital Projects Fund .....	75
Combining Balance Sheet – Nonmajor Governmental Funds .....	76
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Governmental Funds .....	77
Combining Balance Sheet – Nonmajor Governmental – Special Revenue Funds .....	78
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Governmental – Special Revenue Funds .....	79
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Motor Fuel Tax – Special Revenue Fund .....	80
911 Emergency Surcharge Tax – Special Revenue Fund .....	81
Combining Balance Sheet – Nonmajor Governmental – Debt Service Funds .....	82
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Governmental – Debt Service Funds .....	83
Combining Balance Sheet – Nonmajor Governmental – Capital Projects Funds .....	84 - 85
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Governmental – Capital Projects Funds .....	86 - 87
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Community Development – Capital Projects Fund .....	88
Motor Fuel Tax – Capital Projects Fund .....	89
TIF II Center Street – Capital Projects Fund .....	90
TIF III Cresco Business Park – Capital Projects Fund .....	91
TIF V RPM Business Park – Capital Projects Fund .....	92
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Water – Enterprise Fund .....	93
Combining Statement of Net Position – Nonmajor Enterprise Funds .....	94
Combining Statement of Revenues, Expenses and Changes in Net Position	
Nonmajor Enterprise Funds .....	95
Combining Statement of Cash Flows – Nonmajor Enterprise Funds .....	96
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Pace Bus Terminal Parking – Enterprise Fund .....	97
Metra Lot – Enterprise Fund .....	98
Commuter Parking Lot – Enterprise Fund .....	99
Sewer – Enterprise Fund .....	100

CITY OF HARVEY, ILLINOIS

TABLE OF CONTENTS

---

	PAGE
<b><u>FINANCIAL SECTION – Continued</u></b>	
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES – Continued</b>	
Combining Statement of Fiduciary Plan Net Position – Pension Trust Funds.....	101
Combining Statement of Changes in Fiduciary Plan Net Position – Pension Trust Funds.....	102
<b>SUPPLEMENTAL SCHEDULES</b>	
Long-Term Debt Requirements	
General Obligation Bonds of 2000 .....	103
General Obligation Bonds of 2002B .....	104
General Obligation Refunding Bonds of 2002C .....	105
General Obligation Refunding Bonds of 2007A .....	106
General Obligation Refunding Bonds of 2007B .....	107
General Obligation Alternate Revenue Bonds of 2008A .....	108
General Obligation Refunding Capital Appreciation Bonds of 2002A.....	109
Installment Contract of 2004 .....	110





## **FINANCIAL SECTION**

**This section includes:**

- **Independent Auditors' Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Statements and Schedules**



## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the City's independent auditing firm.



## INDEPENDENT AUDITORS' REPORT

December 9, 2013

The Honorable City Mayor  
Members of the City Council  
City of Harvey, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harvey, Illinois, as of and for the year ended April 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents, and the related notes to the financial statements. We did not audit the financial statements of Firefighters' Pension Trust Fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighter's Pension Trust Fund, is based on the report of the other auditors.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

*Opinions*

As described in Note 4, the financial statements do not disclose the composition of the net pension obligation nor a liability to be recognized when the accumulated annual pension cost exceed the accumulated contributions for the Firefighters' Pension Plan. The effects of those departures on the financial statements are not reasonably determinable. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

In our opinion, except for the effect of such adjustments, if any, as might have been disclosed with respect to the net pension obligation and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Harvey, Illinois, as of April 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matters*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Harvey, Illinois', financial statements as a whole. The combining and individual fund financial statements and schedules, and supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules and supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.



LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

1 2 3 4 5 6 7 8 9 10 11 12

10

11



## **CITY OF HARVEY, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2009**

---

Our discussion and analysis of the City of Harvey's financial performance provides an overview of the City of Harvey's financial activities for the fiscal year ended April 30, 2009. Please read it in conjunction with the City of Harvey's financial statements, which begin on page 3.

#### **FINANCIAL HIGHLIGHTS**

- The City of Harvey's net position decreased as a result of this year's operations. While net position of business-type activities increased by \$3,025,984, or 42.9 percent, net position of the governmental activities decreased by \$23,005,547, or 109.5 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$34,849,798, while expenses totaled \$54,829,361, resulting in a decrease to net position of \$19,979,563.
- The City of Harvey's net position totaled (\$34,055,256) on April 30, 2009, which includes (\$24,021,461) net investment in capital assets, \$7,693,412 subject to external restrictions, and (\$17,612,207) unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a deficit this year of \$4,070,693, resulting in ending fund balance of (\$10,436,256), a decrease of 63.9 percent.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3-6) provide information about the activities of the City of Harvey as a whole and present a longer-term view of the City of Harvey's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City of Harvey's operations in more detail than the government-wide statements by providing information about the City of Harvey's most significant funds. The remaining statements provide financial information about activities for which the City of Harvey acts solely as a trustee or agent for the benefit of those outside of the government.

## **CITY OF HARVEY, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2009**

---

#### **USING THIS ANNUAL REPORT – Continued**

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

The government-wide financial statements provide readers with a broad overview of the City of Harvey's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3-6 of this report.

The Statement of Net Position reports information on all of the City of Harvey's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Harvey is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City of Harvey's property tax base and the condition of the City of Harvey's infrastructure, is needed to assess the overall health of the City of Harvey.

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 earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Harvey 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 of the City of Harvey include general government, public safety, public works, and community development. The business-type activities of the City of Harvey include water, sewer and parking operations.

##### **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 City of Harvey, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Harvey can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

## **CITY OF HARVEY, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2009**

---

#### **USING THIS ANNUAL REPORT – Continued**

##### **Fund Financial Statements – Continued**

##### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City of Harvey's near-term financing requirements.

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

The City of Harvey maintains twenty-one 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 Fund, Debt Service Fund, Road Fund, Water Fund, Economic Development Fund, TIF I Dixie Square Fund, and Hotel/Motel Fund, which are considered major funds. Data from the other fourteen 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 elsewhere in this report.

The City of Harvey adopts an annual appropriated budget for all of the governmental funds except the Special Assessment Fund, the Dixie Sibley Fund, the TIF IV Wyman Gordon Fund, the Hotel/Motel Fund, the Economic Development Fund, and the nonmajor debt service funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 7-12 of this report.

##### **Proprietary Funds**

The City of Harvey maintains only enterprise proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Harvey utilizes enterprise funds to account for its water, sewer, and parking operations.

## **CITY OF HARVEY, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2009**

---

#### **USING THIS ANNUAL REPORT – Continued**

##### **Fund Financial Statements – Continued**

##### **Proprietary Funds – Continued**

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, which is considered to be a major fund. Individual fund data for the four nonmajor enterprise funds are provided elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 13-15 of this report.

##### **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 statements because the resources of those funds are not available to support the City of Harvey's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 16-17 of this report.

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-59 of this report.

##### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Harvey's I.M.R.F. and police and fire employee pension obligations, other post-employment benefit plan and budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 60-64 of this report. Combining and individual fund statements and schedules can be found on pages 65-102 of this report.

## CITY OF HARVEY, ILLINOIS

### Management's Discussion and Analysis April 30, 2009

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City of Harvey, liabilities/deferred inflows exceeded assets/deferred outflows by \$34,055,256.

	Governmental		Net Position			
	Activities		Business-type		Total	
	2009	2008	2009	2008	2009	2008
Current/Other Assets	\$ 11,899,434	25,686,070	11,318,347	9,748,899	23,217,781	35,434,969
Capital Assets	6,374,256	5,181,227	10,050,278	9,408,553	16,424,534	14,589,780
Total Assets	18,273,690	30,867,297	21,368,625	19,157,452	39,642,315	50,024,749
Long-Term Debt	50,265,292	45,627,721	8,955,459	4,257,314	59,220,751	49,885,035
Other Liabilities/Deferred Inflows	12,027,909	12,345,993	2,448,911	2,265,867	14,476,820	14,611,860
Total Liabilities	62,293,201	57,973,714	11,404,370	6,523,181	73,697,571	64,496,895
Net Postion						
Net Investment in Capital Assets	(24,819,033)	(33,651,011)	682,572	3,485,734	(24,136,461)	(30,165,277)
Restricted	7,693,412	268,730	-	-	7,693,412	268,730
Unrestricted (Deficit)	(26,893,890)	6,275,864	9,281,683	9,148,537	(17,612,207)	15,424,401
Total Net Position	(44,019,511)	(27,106,417)	9,964,255	12,634,271	(34,055,256)	(14,472,146)

A large portion of the City of Harvey's net position, (\$24,136,461), reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Harvey uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Harvey's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$7,693,412, of the City of Harvey's net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$17,612,207), represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

# CITY OF HARVEY, ILLINOIS

## Management's Discussion and Analysis April 30, 2009

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 3,346,960	3,228,567	8,408,677	8,397,500	11,755,637	11,626,067
Operating Grants/Contrib.	252,589	337,514	-	-	252,589	337,514
General Revenues						
Property Taxes	12,035,510	8,595,325	-	-	12,035,510	8,595,325
Utility Taxes	1,280,266	1,399,541	-	-	1,280,266	1,399,541
Telecommunication Taxes	1,220,373	1,171,557	-	-	1,220,373	1,171,557
Sales Taxes	2,353,713	2,893,893	-	-	2,353,713	2,893,893
Income Taxes	2,592,844	2,820,313	-	-	2,592,844	2,820,313
Other General Revenues	3,146,491	2,679,035	212,375	25,467	3,358,866	2,704,502
Total Revenues	26,228,746	23,125,745	8,621,052	8,422,967	34,849,798	31,548,712
<b>Expenses</b>						
General Government	14,324,922	10,644,393	-	-	14,324,922	10,644,393
Public Safety	9,894,175	9,928,888	-	-	9,894,175	9,928,888
Public Works	10,592,240	5,418,555	-	-	10,592,240	5,418,555
Community Development	5,595,841	-	-	-	5,595,841	-
Interest on Long-Term Debt	2,799,223	2,168,301	-	-	2,799,223	2,168,301
Water	-	-	10,146,383	6,942,687	10,146,383	6,942,687
Sewer	-	-	1,112,855	464,551	1,112,855	464,551
Parking	-	-	363,722	321,427	363,722	321,427
Total Expenses	43,206,401	28,160,137	11,622,960	7,728,665	54,829,361	35,888,802
Change in Net Position Before Transfers	(16,977,655)	(5,034,392)	(3,001,908)	694,302	(19,979,563)	(4,340,090)
Transfers	(6,027,892)	(917,450)	6,027,892	917,450	-	-
Change in Net Position	(23,005,547)	(5,951,842)	3,025,984	1,611,752	(19,979,563)	(4,340,090)
Net Position - Beginning as Restated	(21,013,964)	(21,154,575)	6,938,271	11,022,519	(14,075,693)	(10,132,056)
Net Position - Ending	(44,019,511)	(27,106,417)	9,964,255	12,634,271	(34,055,256)	(14,472,146)

Net position of the City of Harvey's governmental activities decreased by 109.5 percent (a \$44,019,511 deficit in 2009 compared to a \$21,013,964 deficit in 2008). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit \$26,893,890 at April 30, 2009.

Net position of business-type activities increased by 43.6 percent (\$9,964,255 in 2009 compared to a restated \$6,938,271 in 2008).

## CITY OF HARVEY, ILLINOIS

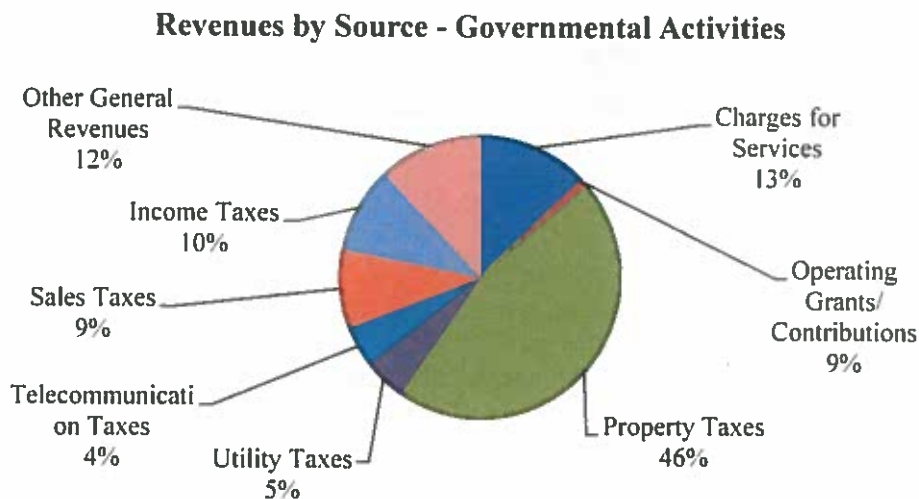
### Management's Discussion and Analysis April 30, 2009

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

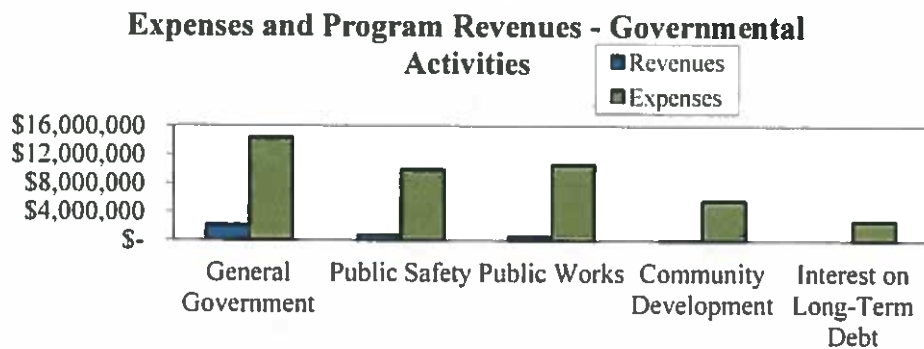
##### Governmental Activities

Revenues for governmental activities totaled \$26,228,746, while the cost of all governmental functions totaled \$43,206,401. This results in a deficit of \$16,977,655 prior to transfers out of \$6,027,892. In 2008, expenses of \$28,160,137 exceeded revenues of \$23,125,745, resulting in a deficit of \$5,034,392 prior to transfers out of \$917,450. The large deficit in 2009 was due in part to the planned capital expenses and an increase in self insurance claims.

The following table graphically depicts the major revenue sources of the City of Harvey. It depicts very clearly the reliance of property taxes to fund governmental activities. It also clearly identifies the less significant percentage the City receives from income and sales taxes.



The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



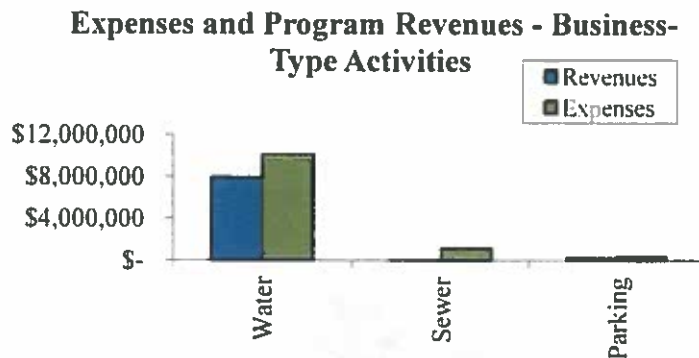
## CITY OF HARVEY, ILLINOIS

### Management's Discussion and Analysis April 30, 2009

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

##### Business-Type activities

Business-Type activities posted total revenues of \$8,621,052, while the cost of all business-type activities totaled \$11,622,960. This results in a deficit of \$3,001,908 prior to transfers in of \$6,027,892. In 2008, revenues of \$8,422,967 exceed expenses of \$7,728,665, resulting in a surplus of \$917,450 prior to transfers in of \$917,450. The deficit in the current year is mainly due contractual services coming in significantly over budget in all enterprise funds.



The above graph compares program revenues to expenses for utility operations.

#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Harvey uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

##### Governmental Funds

The focus of the City of Harvey's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City of Harvey's governmental funds reported combining ending fund balances of \$1,971,427, which is \$16,060,381, or 89.1 percent, lower than last year's total of \$18,031,808. Of the \$1,971,427 total, (\$6,778,835) of the fund balance constitutes unrestricted fund balance.

The General Fund reported a deficit in fund balance for the year of \$4,070,693, a decrease of 63.9 percent. This was due in large part to revenues for taxes, intergovernmental items, and charges for services being significantly lower than budgeted. Specifically, the budgeted amount for these three revenue sources totaled \$23,491,266 and the actual amount totaled \$18,176,066. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.



## **CITY OF HARVEY, ILLINOIS**

### **Management's Discussion and Analysis**

**April 30, 2009**

---

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued**

### **Governmental Funds – Continued**

The General Fund is the chief operating fund of the Village. At April 30, 2009, unassigned fund balance in the General Fund was (\$11,119,660).

The Debt Service Fund reported a deficit for the year of \$321,819, due mainly to net transfers of \$564,907.

The Road Fund reported a deficit in the current year of \$4,451,387, due primarily to planned capital expenditures for the year.

The Water (capital projects) Fund reported a deficit in the current year of \$5,153,532, due to a transfer out to the Water (business-type) Fund to close the capital projects fund.

The Economic Development Fund reported a deficit of \$2,598,596 for the year, due to planned capital expenditures.

The TIF I Dixie Square Fund reported a surplus for the year of \$558,549. This increase was due to property taxes received during the year with no expenditures.

The Hotel/Motel Fund reported an increase of \$13,827 during the year. The Fund had a debt issuance of \$6,025,000 along developer expenditures of \$5,400,925 and \$610,268 of interest payments.

### **Proprietary Funds**

The City of Harvey's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water Fund as a major proprietary fund. The Water Fund accounts for all of the operations of the water system. Water is purchased from the City of Chicago. Water is sold to all municipal customers at a rate of \$2.622 per hundred cubic feet for the first 3000 cubic feet of water. The spread between purchase and sale rates is intended to finance the operations of the utility system, including labor costs, supplies, and infrastructure maintenance.

The City of Harvey intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The surplus in the Water Fund during the current fiscal year was \$4,113,054, while the previous fiscal year reported a surplus of \$1,796,916. Unrestricted net position in the Water Fund totaled \$8,359,480 at April 30, 2009.

## CITY OF HARVEY, ILLINOIS

### Management's Discussion and Analysis April 30, 2009

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Harvey Council made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$20,750,653, compared to budgeted revenues of \$25,384,966. As stated earlier, revenues for taxes, intergovernmental items and charges for services were significantly lower than budgeted.

The General Fund actual expenditures for the year were \$1,311,099 lower than budgeted (\$25,000,721 actual compared to \$26,311,820 budgeted). This is due mainly to the public safety function being under budget by \$1,817,951.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

The City of Harvey's investment in capital assets for its governmental and business type activities as of April 30, 2009 was \$16,424,534 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and property, machinery and equipment, vehicles and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 227,133	227,133	608,738	608,738	835,871	835,871
Construction in Progress	2,711,311	69,547	303,947	5,498	3,015,258	75,045
Buildings and Property	1,517,839	1,720,479	368,943	55,247	1,886,782	1,775,726
Machinery and Equipment	965,716	397,100	325,893	335,876	1,291,609	732,976
Vehicles	952,257	998,086	-	-	952,257	998,086
Infrastructure	-	-	8,442,757	7,813,622	8,442,757	7,813,622
Total	6,374,256	3,412,345	10,050,278	8,818,981	16,424,534	12,231,326

This year's major additions included:

Construction in Progress	\$ 2,976,210
Buildings and Property	361,152
Machinery and Equipment	753,712
Vehicles	131,903
Infrastructure	1,082,642
	<u>5,305,619</u>

Additional information on the City of Harvey's capital assets can be found in note 3 on pages 35-36 of this report.

## CITY OF HARVEY, ILLINOIS

### Management's Discussion and Analysis April 30, 2009

#### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

##### Debt Administration

At year-end, the City of Harvey had total outstanding debt of \$46,937,803 as compared to \$41,496,603 the previous year, an increase of 13.1 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 30,731,750	30,845,500	9,203,250	9,704,500	39,935,000	40,550,000
General Obligation Refunding						
Capital Appreciation Bonds	671,712	636,881	-	-	671,712	636,881
Tax Increment Financing						
Revenue Bonds	6,025,000	100,000	-	-	6,025,000	100,000
Installment Contract Payable	54,861	109,722	-	-	54,861	109,722
Line of Credit	251,230	100,000	-	-	251,230	100,000
Total	37,734,553	31,792,103	9,203,250	9,704,500	46,937,803	41,496,603

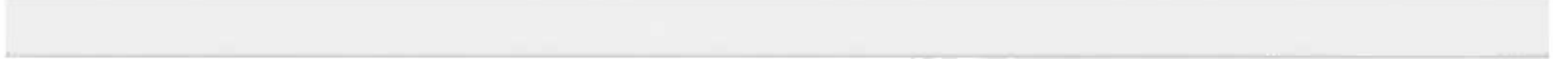
Additional information on the City of Harvey's long-term debt can be found in Note 3 on pages 38-43 of this report.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2010 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The City is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation and unemployment rates.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Harvey's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to City of Harvey, 15320 Broadway Avenue, Harvey, Illinois 60426.



## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds
  - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.



**CITY OF HARVEY, ILLINOIS**

**Statement of Net Position**  
**April 30, 2009**

---

**See Following Page**

**CITY OF HARVEY, ILLINOIS**

**Statement of Net Position**

**April 30, 2009**

	Primary Government		
	Governmental Activities	Business- Type Activities	Totals
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 9,049,510	1,287,415	10,336,925
Receivables - Net of Allowances	10,539,943	1,657,509	12,197,452
Internal Balances	(8,373,423)	8,373,423	-
Inventories	683,404	-	683,404
Total Current Assets	11,899,434	11,318,347	23,217,781
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Nondepreciable Capital Assets	2,938,444	912,685	3,851,129
Depreciable Capital Assets	16,823,023	24,395,685	41,218,708
Accumulated Depreciation	(13,387,211)	(15,258,092)	(28,645,303)
Total Noncurrent Assets	6,374,256	10,050,278	16,424,534
Total Assets	18,273,690	21,368,625	39,642,315

The notes to the financial statements are an integral part of this statement.



	Primary Government		
	Governmental Activities	Business- Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 1,166,207	1,366,524	2,532,731
Accrued Payroll	352,194	12,719	364,913
Accrued Interest Payable	1,056,850	164,239	1,221,089
Deposits Payable	493,242	350,991	844,233
Other Payables	100,000	-	100,000
Due to Other Governments	23,943	-	23,943
Current Portion of Long-Term Debt	1,043,052	554,438	1,597,490
Total Current Liabilities	4,235,488	2,448,911	6,684,399
Noncurrent Liabilities			
Compensated Absences Payable	1,811,842	113,753	1,925,595
Net Pension Obligation Payable	4,767,718	-	4,767,718
Net Other Post-Employment Benefit Payable	9,109	-	9,109
Self Insurance Claims Payable	6,797,195	-	6,797,195
General Obligation Bonds Payable - Net	30,347,716	8,841,706	39,189,422
Revenues Bonds Payable	5,860,000	-	5,860,000
Capital Appreciation Bonds Payable	671,712	-	671,712
Total Noncurrent Liabilities	50,265,292	8,955,459	59,220,751
Total Liabilities	54,500,780	11,404,370	65,905,150
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	7,792,421	-	7,792,421
Total Liabilities and Deferred Inflows of Resources	62,293,201	11,404,370	73,697,571
<b>NET POSITION</b>			
Net Investment in Capital Assets	(24,819,033)	682,572	(24,136,461)
Restricted			
Public Safety	1,008,937	-	1,008,937
Capital Projects	5,116,567	-	5,116,567
Debt Service	1,567,908	-	1,567,908
Unrestricted	(26,893,890)	9,281,683	(17,612,207)
Total Net Position	(44,019,511)	9,964,255	(34,055,256)

The notes to the financial statements are an integral part of this statement.

# CITY OF HARVEY, ILLINOIS

## Statement of Activities Year Ended April 30, 2009

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 14,324,922	1,905,459	252,589	-
Public Safety	9,894,175	761,441	-	-
Public Works	10,592,240	588,393	782,858	-
Community Development	5,595,841	91,667	-	-
Interest on Long-Term Debt	2,799,223	-	-	-
Total Governmental Activities	43,206,401	3,346,960	1,035,447	-
<b>Business-Type Activities</b>				
Water	10,146,383	7,926,994	-	-
Pace Bus Terminal Parking	46,361	7,941	-	-
Metra Lot	165,724	166,806	-	-
Commuter Parking Lot	151,637	86,450	-	-
Sewer	1,112,855	220,486	-	-
Total Business-Type Activities	11,622,960	8,408,677	-	-
Total Primary Government	54,829,361	11,755,637	1,035,447	-
<b>General Revenues</b>				
Taxes				
Property Taxes				
Utility Taxes				
Telecommunication Taxes				
Other Taxes				
Intergovernmental - Unrestricted				
State Sales Taxes				
Income Taxes				
Local Use Taxes				
Replacement Taxes				
Interest Income				
Miscellaneous				
Transfers - Internal Activity				
Change in Net Position				
Net Position - Beginning as Restated				
Net Position - Ending				

The notes to the financial statements are an integral part of this statement.

Net Expense/Revenue		
Primary Government		
Governmental Activities	Business Type Activities	Totals
(12,166,874)	-	(12,166,874)
(9,132,734)	-	(9,132,734)
(9,220,989)	-	(9,220,989)
(5,504,174)	-	(5,504,174)
(2,799,223)	-	(2,799,223)
(38,823,994)	-	(38,823,994)
-	(2,219,389)	(2,219,389)
-	(38,420)	(38,420)
-	1,082	1,082
-	(65,187)	(65,187)
-	(892,369)	(892,369)
-	(3,214,283)	(3,214,283)
(38,823,994)	(3,214,283)	(42,038,277)
12,035,510	-	12,035,510
1,280,266	-	1,280,266
1,220,373	-	1,220,373
341,678	-	341,678
2,353,713	-	2,353,713
2,592,844	-	2,592,844
425,819	-	425,819
734,400	-	734,400
369,452	208,001	577,453
492,284	4,374	496,658
(6,027,892)	6,027,892	-
15,818,447	6,240,267	22,058,714
(23,005,547)	3,025,984	(19,979,563)
(21,013,964)	6,938,271	(14,075,693)
(44,019,511)	9,964,255	(34,055,256)

The notes to the financial statements are an integral part of this statement.

**CITY OF HARVEY, ILLINOIS****Balance Sheet - Governmental Funds****April 30, 2009**

	General	Debt Service	Road
<b>ASSETS</b>			
Cash and Investments	\$ -	493,585	58,234
Receivables - Net of Allowances			
Taxes	7,835,647	2,239,977	-
Accounts	302,689	-	-
Other	101,722	-	-
Due from Other Funds	220,602	2,653,482	600,000
Inventories	683,404	-	-
Total Assets	9,144,064	5,387,044	658,234
<b>LIABILITIES</b>			
Accounts Payable	643,331	2,775	213,385
Accrued Payroll	352,194	-	-
Deposits Payable	493,242	-	-
Other Payables	100,000	-	-
Due to Other Governments	23,943	-	-
Due to Other Funds	12,373,222	561,478	-
Total Liabilities	13,985,932	564,253	213,385
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	5,594,388	2,198,033	-
Total Liabilities and Deferred Inflows of Resources	19,580,320	2,762,286	213,385
<b>FUND BALANCES</b>			
Nonspendable	683,404	-	-
Restricted	-	2,624,758	-
Assigned	-	-	444,849
Unassigned	(11,119,660)	-	-
Total Fund Balances	(10,436,256)	2,624,758	444,849
Total Liabilities, Deferred Inflows of Resources and Fund Balances	9,144,064	5,387,044	658,234

The notes to the financial statements are an integral part of this statement.

Capital Projects					
Water	Economic Development	TIF I Dixie Square	Hotel/ Motel	Nonmajor	Totals
-	3,206,032	1,978,885	13,827	3,298,947	9,049,510
-	-	-	-	59,908	10,135,532
-	-	-	-	-	302,689
-	-	-	-	-	101,722
-	134,031	-	-	845,595	4,453,710
-	-	-	-	-	683,404
-	3,340,063	1,978,885	13,827	4,204,450	24,726,567
-	-	-	-	58,234	917,725
-	-	-	-	-	352,194
-	-	-	-	-	493,242
-	-	-	-	-	100,000
-	-	-	-	-	23,943
-	-	-	-	140,915	13,075,615
-	-	-	-	199,149	14,962,719
-	-	-	-	-	7,792,421
-	-	-	-	199,149	22,755,140
-	-	-	-	-	683,404
-	-	1,978,885	-	4,146,619	8,750,262
-	3,340,063	-	13,827	-	3,798,739
-	-	-	-	(141,318)	(11,260,978)
-	3,340,063	1,978,885	13,827	4,005,301	1,971,427
-	3,340,063	1,978,885	13,827	4,204,450	24,726,567

The notes to the financial statements are an integral part of this statement.

**CITY OF HARVEY, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to  
Net Position of Governmental Activities**

**April 30, 2009**

<b>Total Governmental Fund Balances</b>	<b>\$ 1,971,427</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	6,374,256
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest Payable	(1,056,850)
Compensated Absences Payable	(2,264,803)
Net Pension Obligation Payable	(4,767,718)
Net Other Post-Employment Benefit Obligation Payable	(9,109)
Self Insurance Claims Payable	(6,797,195)
General Obligation Bonds Payable - Net	(30,466,716)
General Obligation Refunding Capital Appreciation Bonds Payable	(671,712)
Revenue Bonds Payable	(6,025,000)
Installment Contract Payable	(54,861)
Line of Credit	<u>(251,230)</u>
<b>Net Position of Governmental Activities</b>	<b><u>(44,019,511)</u></b>

The notes to the financial statements are an integral part of this statement.

**CITY OF HARVEY, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
Year Ended April 30, 2009**

---

**See Following Page**

# CITY OF HARVEY, ILLINOIS

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Year Ended April 30, 2009

	General	Debt Service	Road
<b>Revenues</b>			
Taxes	\$ 10,394,217	2,960,049	-
Licenses and Permits	1,091,898	-	-
Intergovernmental	6,359,365	-	-
Charges for Services	1,422,484	-	-
Fines and Forfeits	787,518	-	-
Interest	202,887	1,529	49,421
Miscellaneous	492,284	-	-
Total Revenues	20,750,653	2,961,578	49,421
<b>Expenditures</b>			
Current			
General Government	9,059,712	-	-
Public Safety	8,544,351	-	-
Public Works	5,605,422	-	-
Community Development	194,916	-	-
Capital Outlay	751,575	-	4,500,808
Debt Service			
Principal Retirement	803,631	213,750	-
Interest and Fiscal Charges	41,114	2,504,740	-
Total Expenditures	25,000,721	2,718,490	4,500,808
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,250,068)	243,088	(4,451,387)
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	-	-	-
Disposal of Capital Assets	79,778	-	-
Transfers In	99,597	821,337	-
Transfers Out	-	(1,386,244)	-
	179,375	(564,907)	-
Net Change in Fund Balances	(4,070,693)	(321,819)	(4,451,387)
Fund Balances - Beginning as Restated	(6,365,563)	2,946,577	4,896,236
Fund Balances - Ending	(10,436,256)	2,624,758	444,849

The notes to the financial statements are an integral part of this statement.



Capital Projects					
Water	Economic Development	TIF I Dixie Square	Hotel/ Motel	Nonmajor	Totals
-	-	531,897	-	991,664	14,877,827
-	-	-	-	-	1,091,898
-	-	-	-	782,858	7,142,223
-	-	-	-	45,060	1,467,544
-	-	-	-	-	787,518
-	81,195	26,652	20	7,748	369,452
-	-	-	-	-	492,284
-	81,195	558,549	20	1,827,330	26,228,746
-	-	-	-	-	9,059,712
-	-	-	-	-	8,544,351
-	-	-	-	448,540	6,053,962
-	-	-	5,400,925	-	5,595,841
-	2,679,791	-	-	1,006,470	8,938,644
-	-	-	-	-	1,017,381
-	-	-	610,268	-	3,156,122
-	2,679,791	-	6,011,193	1,455,010	42,366,013
-	(2,598,596)	558,549	(6,011,173)	372,320	(16,137,267)
-	-	-	6,025,000	-	6,025,000
-	-	-	-	-	79,778
-	-	-	-	412,287	1,333,221
(5,153,532)	-	-	-	(821,337)	(7,361,113)
(5,153,532)	-	-	6,025,000	(409,050)	76,886
(5,153,532)	(2,598,596)	558,549	13,827	(36,730)	(16,060,381)
5,153,532	5,938,659	1,420,336	-	4,042,031	18,031,808
-	3,340,063	1,978,885	13,827	4,005,301	1,971,427

The notes to the financial statements are an integral part of this statement.

## CITY OF HARVEY, ILLINOIS

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended April 30, 2009

---

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (16,060,381)</b>
---	------------------------

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 Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	3,499,394
Depreciation Expense	(537,483)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Additions to Compensated Absences Payable	(41,749)
Additions to Net Pension Obligation Payable	(1,149,732)
Additions to Net Other Post-Employment Benefit Obligation Payable	(9,109)
Additions to Self Insurance Claims	(4,055,767)
Issuance of Debt	(6,025,000)
Additions to Accretion - General Obligation Capital Appreciation Bonds	(34,831)
Retirement of Debt	1,017,381
Amortization of Debt Related Items	(165,060)

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

556,790
---------

**Changes in Net Assets of Governmental Activities**

<u>(23,005,547)</u>
---------------------

The notes to the financial statements are an integral part of this statement.

**CITY OF HARVEY, ILLINOIS**

**Statement of Net Position - Proprietary Funds**  
**April 30, 2009**

	Business-Type Activities - Enterprise		
	Water	Nonmajor	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ -	1,287,415	1,287,415
Receivables - Net of Allowances			
Customer Billings	1,218,838	91,435	1,310,273
Unbilled Services	239,801	7,435	247,236
Other	100,000	-	100,000
Due from Other Funds	10,135,487	784,569	10,920,056
Total Current Assets	11,694,126	2,170,854	13,864,980
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	430,435	482,250	912,685
Depreciable Capital Assets	17,230,267	7,165,418	24,395,685
Accumulated Depreciation	(9,430,166)	(5,827,926)	(15,258,092)
Total Noncurrent Assets	8,230,536	1,819,742	10,050,278
Total Assets	19,924,662	3,990,596	23,915,258
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	1,207,856	158,668	1,366,524
Accrued Payroll	6,889	5,830	12,719
Accrued Interest Payable	164,239	-	164,239
Deposits Payable	350,991	-	350,991
Due to Other Funds	1,469,993	1,076,640	2,546,633
Current Portion of Long-Term Debt	552,935	1,503	554,438
Total Current Liabilities	3,752,903	1,242,641	4,995,544
Noncurrent Liabilities			
Compensated Absences Payable	107,743	6,010	113,753
General Obligation Bonds Payable - Net	8,841,706	-	8,841,706
Total Noncurrent Liabilities	8,949,449	6,010	8,955,459
Total Liabilities	12,702,352	1,248,651	13,951,003
<b>NET POSITION</b>			
Net Investment in Capital Assets	(1,137,170)	1,819,742	682,572
Unrestricted	8,359,480	922,203	9,281,683
Total Net Position	7,222,310	2,741,945	9,964,255

The notes to the financial statements are an integral part of this statements.

# CITY OF HARVEY, ILLINOIS

## Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds Year Ended April 30, 2009

	Business-Type Activities - Enterprise		
	Water	Nonmajor	Totals
Operating Revenues			
Charges for Services	\$ 7,926,994	481,683	8,408,677
Miscellaneous	4,374	-	4,374
Total Operating Revenues	7,931,368	481,683	8,413,051
Operating Expenses			
Operations	9,275,045	1,312,925	10,587,970
Depreciation and Amortization	375,279	163,652	538,931
Total Operating Expenses	9,650,324	1,476,577	11,126,901
Operating Income (Loss)	(1,718,956)	(994,894)	(2,713,850)
Nonoperating Revenues (Expenses)			
Interest Income	200,580	7,421	208,001
Interest Expense	(496,059)	-	(496,059)
	(295,479)	7,421	(288,058)
Income (Loss) Before Transfers	(2,014,435)	(987,473)	(3,001,908)
Transfers In	6,127,489	-	6,127,489
Transfers Out	-	(99,597)	(99,597)
Change in Net Position	4,113,054	(1,087,070)	3,025,984
Net Position - Beginning as Restated	3,109,256	3,829,015	6,938,271
Net Position - Ending	7,222,310	2,741,945	9,964,255

The notes to the financial statements are an integral part of this statement.

# CITY OF HARVEY, ILLINOIS

## Statement of Cash Flows - Proprietary Funds Year Ended April 30, 2009

	Business-Type Activities - Enterprise		
	Water	Nonmajor	Totals
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers and Users	\$ 4,702,856	349,011	5,051,867
Payments to Employees	(778,949)	(185,913)	(964,862)
Payments to Suppliers	(7,772,417)	(244,859)	(8,017,276)
	(3,848,510)	(81,761)	(3,930,271)
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers In	6,127,489	-	6,127,489
Transfers Out	-	(99,597)	(99,597)
	6,127,489	(99,597)	6,027,892
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Capital Assets	(1,711,641)	(58,587)	(1,770,228)
Debt Repayment	(501,250)	-	(501,250)
Interest Payments	(496,059)	-	(496,059)
	(2,708,950)	(58,587)	(2,767,537)
<b>Cash Flows from Investing Activities</b>			
Interest Received	200,580	7,421	208,001
<b>Net Change in Cash and Cash Equivalents</b>	(229,391)	(232,524)	(461,915)
<b>Cash and Cash Equivalents - Beginning</b>	229,391	1,519,939	1,749,330
<b>Cash and Cash Equivalents - Ending</b>	-	1,287,415	1,287,415
<b>Reconciliation of Operating Income to Net Cash Provided</b>			
(Used) by Operating Activities			
Operating Income (Loss)	(1,718,956)	(994,894)	(2,713,850)
Adjustments to Reconcile Operating Income to Net Income to Net Cash			
Provided by (Used in) Operating Activities:			
Depreciation and Amortization Expense	375,279	163,652	538,931
(Increase) Decrease in Current Assets	(3,228,512)	(132,672)	(3,361,184)
Increase (Decrease) in Current Liabilities	723,679	882,153	1,605,832
<b>Net Cash Provided by Operating Activities</b>	(3,848,510)	(81,761)	(3,930,271)

The notes to the financial statement are an integral part of this statement.

**CITY OF HARVEY, ILLINOIS**

**Statement of Fiduciary Plan Net Position  
April 30, 2009**

	<u>Pension Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 714,291
Investments	
U.S. Government and Agency Securities	17,155,584
Stock Equities	4,719,878
Equity Mutual Funds	5,027,511
Money Market Mutual Funds	497,191
Receivables	
Accrued Interest	143,209
Due from Other Funds	248,482
Reserve Uncollectible - Interfund	(248,482)
Other Assets	9,002
Prepays	<u>12,746</u>
Total Assets	28,279,412
<b>LIABILITIES</b>	
Accounts Payable	<u>5,087</u>
<b>NET POSITION</b>	
Held in Trust for Pension Benefits	<u><u>28,274,325</u></u>

The notes to the financial statement are an integral part of this statement.

**CITY OF HARVEY, ILLINOIS**

**Statement of Changes in Fiduciary Plan Net Position  
Year Ended April 30, 2009**

	<u>Pension Trust</u>
<b>Additions</b>	
Contributions - Employer	\$ 36,265
Contributions - Plan Members	428,034
Total Contributions	<u>464,299</u>
<b>Investment Income</b>	
Interest Earned	1,052,647
Net Change in Fair Value	<u>(5,191,438)</u>
	(4,138,791)
Less Investment Expenses	<u>(195,215)</u>
Net Investment Income	<u>(4,334,006)</u>
Total Additions	<u>(3,869,707)</u>
<b>Deductions</b>	
Administration	123,812
Benefits and Refunds	<u>2,968,055</u>
Total Deductions	<u>3,091,867</u>
Change in Net Position	(6,961,574)
<b>Net Position Held in Trust for Pension Benefits</b>	
Beginning as Restated	<u>35,235,899</u>
Ending	<u>28,274,325</u>

The notes to the financial statement are an integral part of this statement.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Harvey, Illinois (the City) is located in Cook County and was first incorporated in 1890 under the provisions of the constitution and general statutes of the State of Illinois. The City operates under a Council administrator form of government. The City Council consists of six elected members that exercise all powers of the City but are accountable to their constituents of all their actions. The City provides the following services as authorized by the charter police protection, fire protection, public works operations, road and bridge maintenance and general administration.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

#### **REPORTING ENTITY**

The City's financial reporting entity comprises the following:

Primary Government:

City of Harvey

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the City. Based upon the criteria set forth in the GASB Statement No. 39, there are no component units included in the reporting entity.

#### **Police Pension Employees Retirement System**

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary City because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a pension trust fund.



## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **REPORTING ENTITY – Continued**

###### **Firefighters' Pension Employees Retirement System**

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the City President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

##### **BASIS OF PRESENTATION**

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

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The City's water, airport, and refuse services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **BASIS OF PRESENTATION – Continued**

##### **Government-Wide Statements – Continued**

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc.).

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

##### **Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity/net position, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **BASIS OF PRESENTATION – Continued**

##### **Fund Financial Statements – Continued**

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either have debt outstanding or a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

##### **Governmental Funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

**General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains two special revenue funds.

**Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The City maintains five debt service funds. The Debt Service Fund, a major fund, is used to account for the accumulation of financial resources for the payment of principal and interest on the City's long-term debt.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **BASIS OF PRESENTATION – Continued**

##### **Fund Financial Statements – Continued**

##### **Governmental Funds – Continued**

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains thirteen capital projects funds. The Road Fund, a major fund, is used to account for the proceeds of debt used for the acquisition or construction of capital projects. The Water Capital Project Fund, also a major fund, is used to account for the proceeds of debt used for the acquisition of construction of capital projects. The Economic Development Fund, also a major fund, is used to account for the proceeds of debt used for the acquisition of construction of capital projects. The TIF I Dixie Square, a major fund, is used to account for the restricted incremental property taxes of the Dixie Square Tax Incremental Financing District. The Hotel/Motel Fund, also a major fund, is used to account for the assigned proceeds of the debt issuance and the uses of those funds.

##### **Proprietary Funds**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains five enterprise funds. The Water Fund, a major fund, is used to account for the provision of water to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

##### **Fiduciary Funds**

Fiduciary funds are used to report assets held in a trustee or agency capacity by the City for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **BASIS OF PRESENTATION – Continued**

##### **Fund Financial Statements – Continued**

##### **Fiduciary Funds – Continued**

**Pension trust funds** are used to account for assets held in a trustee capacity by the City for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the government through an annual property tax levy. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire Department.

The City's pension trust funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

##### **Measurement Focus**

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

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

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

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

###### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70.

A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Income tax will exceed the sixty day recognition period due to the State of Illinois and the long delay with releasing these funds. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize 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. Proprietary funds distinguish 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 City’s enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system.

Operating expenses for enterprise 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.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY**

##### **Cash and Investments**

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### **Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

##### **Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

##### **Inventories**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued**

###### **Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Property	5 – 40 Years
Machinery and Equipment	5 – 40 Years
Vehicles	5 – 20 Years
Infrastructure	15 – 40 Years
Other Equipment	3 – 15 Years

###### **Compensated Absences**

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.



## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued**

###### **Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund types Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures/expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

###### **Net Position**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets—Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted—Consists of net position with constraints placed on the 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 legislations.

Unrestricted—All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

##### **BUDGETARY INFORMATION**

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

- Prior to July 31, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- The budget document is available for public inspection for at least ten days prior to passage of the annual appropriation ordinance by the City Council, which is also required to hold at least one public hearing.
- Subsequently, the budget is legally enacted through passage of an ordinance prior to July 31.
- Formal budgetary integration is employed as a management control device during the year for all funds, except for the Special Assessment Fund, the Dixie Sibley Fund, the TIF IV Wyman Gordon Fund, the Hotel/Motel Fund, the Economic Development Fund, and the nonmajor debt service funds.
- Budgets for those funds were adopted on a basis consistent with generally accepted accounting principles.
- Budgetary authority lapses at year-end.
- State law requires that “expenditures be made in conformity with appropriation/budget”. As under the Budget Act, transfers between line items and department may be made by administrative action. Amounts to be transferred between funds would require City Board approval. The level of legal control is generally considered to be the fund budget in total.
- Budget amounts are as originally adopted.

##### **DEFICIT FUND EQUITY**

The following funds had deficit fund equity as of the date of this report:

<u>Fund</u>	<u>Deficit</u>
General Fund	\$ 10,436,256
911 Emergency Surcharge Tax	6,884
Community Development	134,434

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

#### **NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continued**

##### **EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS**

The following fund had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

<u>Fund</u>	<u>Excess</u>
Debt Service	\$ 509,490
911 Emergency Surcharge Tax	994,470
TIF III Cresco Business Park	174,692
TIF V RPM Business Park	20,849
Water	1,750,440
Pace Bus Terminal Parking	32,061
Commuter Parking Lot	33,059
Sewer	585,826

#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS**

##### **PROPERTY TAXES**

Property taxes for 2009 attach as an enforceable lien on January 1, 2009, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1, 2010, and August 1, 2010. The County collects such taxes and remits them periodically.

##### **DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Metropolitan Investment Fund.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

##### **DEPOSITS AND INVESTMENTS – Continued**

The deposits and investments of the Pension Funds are held separately from those of other City funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the Pension Fund's net position. Pension Funds of at least 5 million that have appointed an investment advisor may, through that investment advisor, invest up to thirty-five percent of the plan's net position in common and preferred stocks that meet specific restrictions.

##### **City Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$8,775,063 and the bank balances totaled \$9,720,348. In addition, the City has \$1,561,862 invested in IMET at year-end.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit risk. At year-end, the City's investment in IMET Investment Trust Convenience Fund is rated AA+ by Standard & Poor's and the 1-3 Year Fund is rated AA+ by Standard & Poor's.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy does not address concentration risk. At year-end, the City's investment in IMET represents more than 5 percent of the total cash and investment portfolio.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### City Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

**Custodial Credit Risk.** In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy does not mitigate custodial credit risk for deposits. At year-end, \$3,727,403 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

For investments, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy does not mitigate custodial credit risk for investments and the City's investment in IMET is noncategorizable.

##### Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

**Deposits.** At year-end, the carrying amount of the Fund's deposits totaled \$594,086 and the bank balances totaled \$594,086.

**Investments.** At year-end, the Fund has the following investments and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 1,586,168	335,035	327,127	924,006	-
U.S. Agencies	6,229,255	1,176,039	1,275,219	1,239,018	2,538,979
Illinois Funds	83,804	83,804	-	-	-
	7,899,227	1,594,878	1,602,346	2,163,024	2,538,979

**Interest Rate Risk.** The investment portfolio shall remain sufficiently liquid to enable the Fund to meet all operating requirements which may be reasonably anticipated.

**Credit Risk.** The Fund helps limit its exposure to credit risk by primarily investing only in investments authorized by Articles 1 and 3 of the Illinois Pension Code, as amended from time to time, and as authorized by other applicable law, including but not limited to Sections 1-113.2 through 1-113.4 of the Illinois Pension Code (40 ILCS 5/1-113.2-1-113.4). The investments in the securities of U.S. government agencies were all rated AAA by Standard & Poor's or by Moody's Investor Services or were small issues that were unrated.

**Custodial Credit Risk.** The Fund's investment policy states that except for bank managed money market mutual funds, deposits in excess of federally insured limits in financial institutions will be required to be secured by some form of collateral. At April 30, 2009, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Concentration Risk.* The Fund's investment policy states the Fund shall diversity investments to avoid incurring unreasonable risks from the practice of concentrating investments in specific security types and/or individual financial institutions. At April 30, 2009, the Fund does not have any investments over 5% of plan net position (other than U.S. Government guaranteed obligations). In addition to the securities and fair values listed above, the Fund also has \$3,968,213 invested in mutual funds and \$1,807,665 invested in stock equities.

##### Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$36,401 and the bank balances totaled \$41,916.

*Investments.* The Fund assumes any callable securities will not be called. At year-end, the Fund has the following investments and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 2,302,814	265,932	1,264,397	237,094	535,391
U.S. Agencies	7,037,347	-	1,727,352	712,822	4,597,173
Money Market Mutual Funds	497,191	497,191	-	-	-
	9,837,352	763,123	2,991,749	949,916	5,132,564

*Interest Rate Risk.* In accordance with the Fund's investment policy, the fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

*Credit Risk.* The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. government agencies were all rated triple A by Standard & Poor's or by Moody's Investor Services or were small issues that were unrated. The Fund's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2009

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Unrated investments are listed on the following table:

Investment	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mortgage Corporation	\$ 49,623	5.500%	August 1, 2035
Federal Home Loan Mortgage Corporation	90,307	6.500%	August 1, 2036
Federal Home Loan Mortgage Corporation	69,853	6.500%	September 1, 2036
Federal Home Loan Mortgage Corporation	91,750	6.000%	November 1, 2036
Federal Home Loan Mortgage Corporation	81,388	6.000%	November 1, 2036
Federal Home Loan Mortgage Corporation	35,060	6.000%	August 1, 2037
Federal Home Loan Mortgage Corporation	47,653	6.000%	March 1, 2037
Federal Home Loan Mortgage Corporation	35,603	5.500%	May 1, 2038
Federal Home Loan Mortgage Corporation	49,653	6.500%	September 1, 2036
Federal Home Loan Mortgage Corporation	52,581	6.500%	November 1, 2037
Federal National Mortgage Association	74,854	5.500%	July 1, 2036
Federal National Mortgage Association	134,647	6.000%	July 1, 2036
Federal National Mortgage Association	135,060	6.500%	August 1, 2036
Federal National Mortgage Association	95,452	6.000%	October 1, 2036
Federal National Mortgage Association	85,554	5.000%	December 1, 2036
Federal National Mortgage Association	127,393	6.000%	November 1, 2036
Federal National Mortgage Association	89,522	5.500%	November 1, 2036
Federal National Mortgage Association	92,630	5.500%	November 1, 2036
Federal National Mortgage Association	91,447	6.000%	December 1, 2036
Federal National Mortgage Association	9,634	5.158%	January 1, 2036
Federal National Mortgage Association	82,988	6.000%	April 1, 2037
Federal National Mortgage Association	94,945	6.000%	January 1, 2037
Federal National Mortgage Association	32,131	6.000%	September 1, 2037
Federal National Mortgage Association	226,718	6.500%	November 1, 2037
Federal National Mortgage Association	31,375	6.500%	January 1, 2038
Federal National Mortgage Association	302,494	5.500%	July 1, 2038
Federal National Mortgage Association	47,825	6.000%	February 1, 2038
Federal National Mortgage Association	67,384	6.000%	January 1, 2038
Federal National Mortgage Association	437,828	5.500%	August 1, 2037
Federal National Mortgage Association	260,740	5.500%	August 1, 2037
Federal National Mortgage Association	279,314	5.000%	January 1, 2024
Federal National Mortgage Association	909,369	5.000%	March 1, 2039

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

---

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Custodial Credit Risk - Deposits.* At April 30, 2009, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance. The Fund's investment policy does not require collateral.

*Custodial Credit Risk – Investments.* Money market mutual funds and equity mutual funds are not subject to custodial credit risk disclosures. The Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Fund, to act as custodial for its securities and collateral.

*Concentration Risk.* At April 30, 2009, the Fund does not have any investments over 5% of plan net position (other than U.S. Government guaranteed obligations). In addition to the securities and fair values listed above, the Fund also has \$1,059,298 invested in mutual funds and \$2,912,213 invested in stock equities. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier, are back by the issuing organization. Although unlike treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. The Fund's investment policy has a stated target that 55 percent of its portfolio be in fixed income securities and 45 percent in equities. The Pension Board has diversified its equity mutual fund holdings as follows:

Investment	Par Value
Lazard Emerging Markets Fund	\$ 343,510
Thornburg International Value Fund	341,303
Causeway International Value Fund	325,759
SPDR KBW Regional Banking Fund	18,565
Ishares Trust Russell 2000 Index Fund	14,556
ISHares Trust Russell Midcap Index Fund	15,605
	<u>1,059,298</u>



# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements April 30, 2009

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### CAPITAL ASSETS

##### Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 227,133	-	-	227,133
Construction in Progress	69,547	2,677,791	36,027	2,711,311
	<u>296,680</u>	<u>2,677,791</u>	<u>36,027</u>	<u>2,938,444</u>
Depreciable Capital Assets				
Buildings and Property	7,041,930	30,602	-	7,072,532
Machinery and Equipment	3,071,431	695,125	-	3,766,556
Vehicles	5,852,032	131,903	-	5,983,935
	<u>15,965,393</u>	<u>857,630</u>	<u>-</u>	<u>16,823,023</u>
Less Accumulated Depreciation				
Buildings and Property	5,321,451	233,242	-	5,554,693
Machinery and Equipment	2,674,331	126,509	-	2,800,840
Vehicles	4,853,946	177,732	-	5,031,678
	<u>12,849,728</u>	<u>537,483</u>	<u>-</u>	<u>13,387,211</u>
Total Net Depreciable Capital Assets	<u>3,115,665</u>	<u>320,147</u>	<u>-</u>	<u>3,435,812</u>
Total Net Capital Assets	<u>3,412,345</u>	<u>2,997,938</u>	<u>36,027</u>	<u>6,374,256</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 220,143
Public Safety	200,092
Public Works	<u>117,248</u>
	<u>537,483</u>

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements

April 30, 2009

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### CAPITAL ASSETS – Continued

##### Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases/ Transfers	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 608,738	-	-	608,738
Construction in Progress	5,498	298,449	-	303,947
	<u>614,236</u>	<u>298,449</u>	<u>-</u>	<u>912,685</u>
Depreciable Capital Assets				
Buildings and Property	505,637	330,550	-	836,187
Machinery and Equipment	2,109,469	58,587	-	2,168,056
Infrastructure	20,308,800	1,082,642	-	21,391,442
	<u>22,923,906</u>	<u>1,471,779</u>	<u>-</u>	<u>24,395,685</u>
Less Accumulated Depreciation				
Buildings and Property	450,390	16,854	-	467,244
Machinery and Equipment	1,773,593	68,570	-	1,842,163
Infrastructure	12,495,178	453,507	-	12,948,685
	<u>14,719,161</u>	<u>538,931</u>	<u>-</u>	<u>15,258,092</u>
Total Net Depreciable Capital Assets	<u>8,204,745</u>	<u>932,848</u>	<u>-</u>	<u>9,137,593</u>
Total Net Capital Assets	<u>8,818,981</u>	<u>1,231,297</u>	<u>-</u>	<u>10,050,278</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 375,279
Commuter Parking Lot	43,278
Sewer	<u>120,374</u>
	<u>538,931</u>

# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements April 30, 2009

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

##### Interfund Balances

Interfund balances are advances in anticipation of receipts. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Business-Type	\$ 220,602
Debt Service	General	1,183,489
Debt Service	Water	1,469,993
Road	General	600,000
Economic Development	Nonmajor Governmental	134,031
Nonmajor Governmental	General	277,233
Nonmajor Governmental	Debt Service	561,478
Nonmajor Governmental	Nonmajor Governmental	6,884
Water	General	9,404,345
Water	Nonmajor Business-Type	731,142
Nonmajor Business-Type	General	659,673
Nonmajor Business-Type	Nonmajor Business-Type	124,896
Police Pension	General	122,709
Firefighters' Pension	General	125,773
		<u>15,622,248</u>

##### Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
General	Nonmajor Business-Type	\$ 99,597
Debt Service	Nonmajor Governmental	821,337
Nonmajor Governmental	Debt Service	412,287
Water	Debt Service	973,957
Water	Water Capital Projects	5,153,532
		<u>7,460,710</u>

# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements April 30, 2009

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT

##### General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds issued for business-type activities are reported in the proprietary funds as they are expected to be repaid from proprietary revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Restated Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2000, due in annual installments of \$115,000 to \$320,000 plus interest at 6.00% to 6.50% through February 1, 2020.	Water	\$ 1,030,000	-	290,000	740,000
General Obligation Bonds of 2002B, due in annual installments of \$305,000 to \$420,000 plus interest at 5.25% to 5.60% through May 1, 2023.	Debt Service	2,530,000	-	-	2,530,000
General Obligation Refunding Bonds of 2002C, due in annual installments of \$65,000 to \$750,000 plus interest at 2.00% to 5.00% through February 1, 2020.	Debt Service	2,040,500		113,750	1,926,750
	Water	3,789,500	-	211,250	3,578,250
General Obligation Refunding Bonds of 2007A, due in annual installments of \$540,000 to \$2,840,000 plus interest at 5.50% to 5.625% through December 1, 2032.	Debt Service	17,275,000	-	-	17,275,000
	Water	5,000,000	-	-	5,000,000

# **CITY OF HARVEY, ILLINOIS**

## **Notes to the Financial Statements April 30, 2009**

### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

#### **LONG-TERM DEBT – Continued**

##### **General Obligation Bonds – Continued**

<u>Issue</u>	<u>Fund Debt Retired by</u>	<u>Restated Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
General Obligation Refunding Bonds of 2007B, due in annual installments of \$295,000 to \$1,275,000 plus interest at 7.25% to 7.75% through December 1, 2024.	Debt Service	\$ 9,000,000	-	-	9,000,000
		40,665,000	-	615,000	40,050,000

##### **Revenue Bonds**

The City also issued bonds for which the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds currently outstanding are as follows:

<u>Issue</u>	<u>Fund Debt Retired by</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
Hotel-Motel Tax and Sales Tax Revenue Bonds of 2008A, due in annual installments of \$160,000 to \$525,000 plus interest at 6.85% through August 1, 2028.	General Fund	\$ -	6,025,000	-	6,025,000
Tax Increment Financing Revenue Bonds of 1996B, due in annual installments of \$100,000 plus interest of 8.50% through December 1, 2008.	Debt Service	100,000	-	100,000	-
		100,000	6,025,000	100,000	6,025,000

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### LONG-TERM DEBT – Continued

##### General Obligation Refunding Capital Appreciation Bonds

The City has issued general obligation refunding capital appreciation bonds for the acquisition and construction of major capital improvements. General obligation refunding capital appreciation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Capital Appreciation Bonds of 2002A, due in annual installments of \$145,701 to \$166,017 plus interest of 5.30% to 5.50% through May 1, 2015.	Debt Service	\$ 636,881	34,831	-	671,712

##### Installment Contract Payable

The City also issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Installment Contract of 2004, due in annual installments of \$54,861 plus interest at 5.85% through April 1, 2010.	General	\$ 109,722	-	54,861	54,861

##### Line of Credit

In 2008, the City entered into an agreement with Mutual Bank to establish a \$2 million line of credit. The line of credit will provide cash flow until property tax revenues are received in June of 2011. Interest will be paid monthly at a rate per annum equal to the daily LIBOR rate plus 1.2%. At April 30, 2009, the outstanding borrowings under this agreement are \$251,230.

# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements April 30, 2009

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

#### Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 2,223,054	83,498	41,749	2,264,803	452,961
Net Pension Obligation	3,617,986	1,149,732	-	4,767,718	-
Net Other Post-Employment Benefit Obligation	-	9,109	-	9,109	-
Self Insurance Claims	2,741,428	6,913,996	2,858,229	6,797,195	-
General Obligation Bonds	30,845,500	-	113,750	30,731,750	119,000
Plus/Less Unamortized Items:					
Premium	656,600	-	26,712	629,888	-
Loss on Refunding	(1,086,694)	-	(191,772)	(894,922)	-
General Obligation Refunding Capital Appreciation Bonds	636,881	34,831	-	671,712	-
Revenue Bonds	100,000	6,025,000	100,000	6,025,000	165,000
Installment Contract Payable	109,722	-	54,861	54,861	54,861
Line of Credit	1,000,000	-	748,770	251,230	251,230
	<u>40,844,477</u>	<u>14,216,166</u>	<u>3,752,299</u>	<u>51,308,344</u>	<u>1,043,052</u>
<b>Business-Type Activities</b>					
Compensated Absences	\$ 137,383	9,616	4,808	142,191	28,438
General Obligation Bonds	9,819,500	-	501,250	9,318,250	526,000
Plus Unamortized Items:					
Premium	54,064	-	4,608	49,456	-
	<u>10,010,947</u>	<u>9,616</u>	<u>510,666</u>	<u>9,509,897</u>	<u>554,438</u>

For the governmental activities, compensated absences, the net pension obligation, and the net other post-employment benefit obligation are generally liquidated by the General Fund. The general obligation bonds, general obligation refunding capital appreciation bonds, tax increment financing revenue bonds, installment contract payable and the line of credit are being paid by the General, Debt Service, and Hotel/Motel Funds.

For the business-type activities, the Water, Metra Lot and Sewer Funds liquidate the compensated absences. The Water Fund makes payments on the general obligation bonds.

# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements April 30, 2009

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

#### Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities							
	General Obligation Bonds		Revenue Bonds		Capital Appreciation Bonds		Installment Contract Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 119,000	1,867,903	165,000	599,547	-	-	54,861	3,301
2011	122,500	1,863,440	160,000	397,375	-	-	-	-
2012	208,250	1,859,030	170,000	386,031	-	-	-	-
2013	262,500	1,851,325	180,000	374,000	-	-	-	-
2014	443,750	1,838,856	195,000	361,109	300,000	-	-	-
2015	817,500	1,810,404	205,000	347,359	300,000	-	-	-
2016	861,250	1,754,679	220,000	332,750	300,000	-	-	-
2017	1,213,250	1,695,978	235,000	317,110	-	-	-	-
2018	1,292,000	1,619,227	255,000	300,266	-	-	-	-
2019	1,159,000	1,536,901	270,000	282,219	-	-	-	-
2020	1,232,750	1,461,210	290,000	262,969	-	-	-	-
2021	1,543,176	1,380,002	310,000	242,344	-	-	-	-
2022	1,731,751	1,278,814	330,000	220,344	-	-	-	-
2023	1,845,527	1,165,507	355,000	196,797	-	-	-	-
2024	1,520,426	1,044,682	375,000	171,703	-	-	-	-
2025	1,693,788	940,808	405,000	144,890	-	-	-	-
2026	1,504,534	818,962	430,000	116,187	-	-	-	-
2027	1,589,843	736,214	460,000	85,594	-	-	-	-
2028	1,675,151	648,772	490,000	52,938	-	-	-	-
2029	1,768,215	556,638	525,000	18,047	-	-	-	-
2030	1,869,035	457,176	-	-	-	-	-	-
2031	1,973,731	352,044	-	-	-	-	-	-
2032	2,082,306	241,030	-	-	-	-	-	-
2033	2,202,517	123,892	-	-	-	-	-	-
Total	30,731,750	28,903,494	6,025,000	5,209,579	900,000	-	54,861	3,301



## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### LONG-TERM DEBT – Continued

##### Debt Service Requirements to Maturity – Continued

Fiscal Year	Business-Type Activities	
	General Obligation	
	Bonds	
	Principal	Interest
2010	\$ 526,000	481,957
2011	547,500	455,369
2012	501,750	427,979
2013	487,500	406,654
2014	276,250	383,498
2015	292,500	370,376
2016	308,750	355,751
2017	321,750	340,314
2018	338,000	326,479
2019	351,000	311,269
2020	367,250	295,473
2021	126,824	278,580
2022	158,249	271,606
2023	169,473	262,902
2024	179,574	253,580
2025	121,212	243,704
2026	435,466	237,038
2027	460,157	213,086
2028	484,849	187,778
2029	511,785	161,112
2030	540,965	132,324
2031	571,269	101,894
2032	602,694	69,760
2033	637,483	35,860
Total	9,318,250	6,604,343

##### Defeased Debt

In prior years the City defeased general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements which normally satisfy defeasance, have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's basic financial statements. Defeased bonds of \$6,290,000 remain outstanding as of the date of this report.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

---

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### NET POSITION/FUND BALANCES

##### Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2009:

##### Governmental Activities

Capital Assets - Net of Accumulated Depreciation	\$ 6,374,256
Less Capital Related Debt:	
General Obligation Bonds of 2002B	(2,530,000)
General Obligation Refunding Bonds of 2002C	(1,926,750)
General Obligation Refunding Bonds of 2007A	(17,275,000)
General Obligation Refunding Bonds of 2007B	(9,000,000)
Unamortized Premium	(629,888)
Unamortized Loss on Refunding	894,922
General Obligation Refunding Capital Appreciation Bonds of 2002A	(671,712)
Installment Notes Payable of 2004	(54,861)
Net Investment in Capital Assets	<u>(24,819,033)</u>

##### Business-Type Activities

Capital Assets - Net of Accumulated Depreciation	10,050,278
Less Capital Related Debt:	
General Obligation Bonds of 2000	(740,000)
General Obligation Refunding Bonds of 2002C	(3,578,250)
General Obligation Refunding Bonds of 2007A	(5,000,000)
Unamortized Premium	(49,456)
Net Investment in Capital Assets	<u>682,572</u>

# CITY OF HARVEY, ILLINOIS

## Notes to the Financial Statements April 30, 2009

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### NET POSITION/FUND BALANCES – Continued

##### Fund Balance Classifications

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

**Assigned Fund Balance.** The City reports assigned fund balance in the Road, the Economic Development, and the Hotel/Motel Funds, all major funds. The City's management has assigned these funds to future improvement projects and equipment and vehicle purchases based on approved management expenditures as determined through the annual budget process.

	Capital Projects							Totals
	General	Debt Service	Road	Water	Economic Development	TIF I Dixie Square	Hotel/Motel	
Fund Balances								
Nonspendable	\$ 683,404	-	-	-	-	-	-	683,404
Restricted								
Public Safety	-	-	-	-	-	-	-	1,008,937
Capital Projects	-	-	-	-	-	1,978,885	-	3,137,682
Debt Service	-	2,624,758	-	-	-	-	-	2,624,758
	-	2,624,758	-	-	-	1,978,885	-	4,146,619
Assigned								
Capital Projects	-	-	444,849	-	3,340,063	-	13,827	-
Unassigned	(11,119,660)	-	-	-	-	-	-	(141,318)
Total Fund Balances	(10,436,256)	2,624,758	444,849	-	3,340,063	1,978,885	13,827	4,005,301

##### Net Position/Fund Balances Restatements

The City has restated its financial statements for governmental activities and in the Water Fund to correct an error in the recognition of long-term debt. In addition, beginning fund balance in several funds was restated to correct errors in the recognition of cash, receivables and payables. The following is a summary of the fund balances as originally reported and as restated:

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### NET POSITION/FUND BALANCES – Continued

##### Net Position/Fund Balances Restatements – Continued

Net Position/Fund Balances	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ (27,106,417)	(21,013,964)	6,092,453
Business-Type Activities	12,634,271	6,938,271	(5,696,000)
General	(8,377,985)	(6,365,563)	2,012,422
Debt Service	2,662,494	2,946,577	284,083
Motor Fuel Tax	268,729	410,453	141,724
Water	8,805,256	3,109,256	(5,696,000)
Police Pension	17,886,230	17,705,859	(180,371)

#### NOTE 4 – OTHER INFORMATION

##### RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees.

The City is self-insured for a portion of its general liability and property damage claims. Under this program, the City has a self-insurance retention of between \$75,000 and \$100,000 for each general liability and property damage claim based on type of claim. A purchased insurance policy covers losses after the self-retention portion is paid up to \$1,000,000 each property damage claim. All administration and claim processing is done by an independent administrator.

The City carries commercial coverage for its workers' compensation and employee health insurance claims. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The City currently reports all of its risk management activities in the General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported that was determined using historical claims data.

As of April 30, 2009 the amount of these liabilities total \$6,797,195 which is the City's best estimate based on available information. Changes in the reported liability since April 30, 2009 resulted in the following:

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **RISK MANAGEMENT – Continued**

Claims Payable - April 30, 2007	\$ 2,601,181
Incurred Claims	3,690,654
Claims Paid	<u>(3,550,407)</u>
Claims Payable - April 30, 2008	2,741,428
Incurred Claims	6,913,996
Claims Paid	<u>(2,858,229)</u>
Claims Payable - April 30, 2009	<u>6,797,195</u>

##### **CONTINGENT LIABILITIES**

###### **Litigation**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

###### **Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

##### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS**

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the City at 15320 Broadway Avenue, Harvey, Illinois 60426. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org). Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

## **CITY OF HARVEY, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2009**

---

### **NOTE 4 – OTHER INFORMATION – Continued**

#### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

##### **Plan Descriptions, Provisions and Funding Policies**

###### **Illinois Municipal Retirement System**

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011 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 percent 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 percent for each year thereafter. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. For the calendar year 2008, the employer contribution rate used by the employer was equal to the employer annual required contribution rate of 1.02 percent. For calendar year 2009, the employer contribution rate used by the employer was equal to the employer annual required contribution rate of 1.37%.

###### **Police Pension Plan**

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

---

#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Plan Descriptions, Provisions and Funding Policies – Continued

#### Police Pension Plan – Continued

At April 30, 2009, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	46
Current Employees	
Vested	19
Nonvested	<u>17</u>
	<u>82</u>

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The 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. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or  $\frac{1}{2}$  of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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 City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

---

#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Plan Descriptions, Provisions and Funding Policies – Continued

##### Firefighters' Pension Fund

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At April 30, 2009, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	69
Current Employees	
Vested	26
Nonvested	<u>23</u>
	<u>118</u>

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. 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 monthly salary attached to the rank at the date of retirement.



## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

###### **Plan Descriptions, Provisions and Funding Policies – Continued**

###### **Firefighters' Pension Plan – Continued**

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by  $\frac{1}{12}$  of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a firefighter hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or  $\frac{1}{2}$  of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees, if any, are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded.

###### **Summary of Significant Accounting Policies and Plan Asset Matters**

###### **Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

###### **Summary of Significant Accounting Policies and Plan Asset Matters – Continued**

###### **Method Used to Value Investments**

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

###### **Significant Investments**

There are no investments in any one organization that represent 5 percent or more of net position available for benefits for the Police Pension or Firefighters' Pension Plans. Information for IMRF is not available.

###### **Related Party Transactions**

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

###### **Annual Pension Cost and Net Pension Obligation**

The pension liability (asset) for each plan is as follows:

	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution	\$ 331,719	1,077,837	1,409,556
Interest on Net Pension Obligation (Asset)	(6,266)	259,797	253,531
Adjustment to Annual Required Contribution	4,605	(481,695)	(477,090)
Annual Pension Cost	330,058	855,939	1,185,997
Actual Contribution	18,084	18,181	36,265
Change in NPO/(NPA)	311,974	837,758	1,149,732
NPO/(NPA) - Beginning of Year	(83,435)	3,701,421	3,617,986
NPO/(NPA) - End of Year	228,539	4,539,179	4,767,718

**CITY OF HARVEY, ILLINOIS****Notes to the Financial Statements  
April 30, 2009****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued****Annual Pension Cost and Net Pension Obligation – Continued**

The City's actuarial assumptions and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	1.02%	11.94%	26.334%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2008	4/30/2008	4/30/2007
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	24 Years	25 Years	26 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded Annually	7.00% Compounded Annually
Projected Salary Increases	.4 to 11.6%	4.50%	5.50%
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Trend Information

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

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2007	\$ 127,870	\$ 248,873	\$ 1,011,869
	2008	39,027	238,961	1,143,946
	2009	35,311	330,058	855,939
Actual Contributions	2007	127,870	250,781	615,407
	2008	39,027	240,869	771,471
	2009	35,311	18,084	18,181
Percentage of APC Contributed	2007	100.00%	100.77%	60.82%
	2008	100.00%	100.80%	67.44%
	2009	100.00%	5.48%	2.12%
Net Pension Obligation/ (Asset)	2007	-	(91,632)	3,025,840
	2008	-	(83,435)	3,701,421
	2009	-	228,539	4,539,179

**CITY OF HARVEY, ILLINOIS****Notes to the Financial Statements  
April 30, 2009****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued****Funded Status and Funding Progress**

The City's funded status for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/2008	4/30/2008	4/30/2007
Percent Funded	112.94%	90.67%	59.16%
Accuarial Accrued Liability for Benefits	\$8,887,231	\$19,727,769	\$29,943,558
Actuarial Value of Assets	\$10,037,147	\$17,886,230	\$17,715,906
Over (Under) Funded Actuarial Accrued Liability (UAAL)	\$1,149,916	(\$1,841,539)	(\$12,227,652)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$3,546,703	\$2,017,677	\$2,336,973
Ratio of UAAL to Covered Payroll	0.00%	91.27%	523.23%

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

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

---

#### NOTE 4 – OTHER INFORMATION – Continued

##### OTHER POST-EMPLOYMENT BENEFITS

###### Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the City offers post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's General Fund.

The City offers post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are not eligible for benefits.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2009, retirees contributed \$54,071 to the plan. Active employees do not contribute to the post-employment health care plan until retirement.

At April 30, 2009, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	25
Active Employees	<u>213</u>
Total	<u>238</u>
Participating Employers	1

The City does not currently have a funding policy.

## CITY OF HARVEY, ILLINOIS

### Notes to the Financial Statements April 30, 2009

#### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Annual OPEB Costs and Net OPEB Obligation

The City first had an actuarial valuation performed for the plan as of April 30, 2009 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2009.

The net OPEB obligation (NOPEBO) as of April 30, 2009 was calculated as follows:

Annual Required Contribution	\$ 310,152
Interest on the Net OPEB Obligation	-
Adjustment to the ARC	-
	<hr/>
Annual OPEB Cost	310,152
Actual Contribution	(301,043)
	<hr/>
Increase in the Net OPEB Obligation	9,109
Net OPEB Obligation - Beginning of Year	-
	<hr/>
Net OPEB Obligation - End of Year	<u>9,109</u>

##### Trend Information

The City's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2007	\$ N/A	\$ N/A	N/A	\$ N/A
2008	N/A	N/A	N/A	N/A
2009	310,152	301,043	97.06%	9,109

##### Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost 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.

## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **OTHER POST-EMPLOYMENT BENEFITS – Continued**

##### **Funded Status and Funding Progress – Continued**

The funded status of the plan as of April 30, 2009 was as follows:

Actuarial Accrued Liability (AAL)	\$ -
Actuarial Value of Plan Assets	7,342,645
Unfunded Actuarial Accrued Liability (UAAL)	7,342,645
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	10,844,820
UAAL as a Percentage of Covered Payroll	67.71%

##### **Actuarial Methods and Assumptions**

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

In the April 30, 2009 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2009 was 30 years.

##### **SUBSEQUENT EVENTS**

On September 27, 2010, the City issued \$5,000,000 of Tax Increment Allocation Revenue Bonds, Series 2010. The bonds bear interest at a rate of 7.50% and are due in installments from \$860,000 to \$1,150,000 through December 1, 2019.



## **CITY OF HARVEY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

---

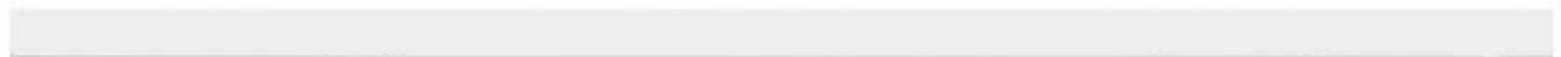
#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **SUBSEQUENT EVENTS – Continued**

On August 16, 2012, the City issued \$2,130,000 of General Obligation Bonds, Series 2012. The bonds bear interest at a rate of 10.0% and are due in installments from \$95,946 to \$337,730 through February 1, 2025.

Subsequent to the year-end the Hotel/Motel Conference Center project fell through. The capital assets that were being built by the Hotel-Motel Tax and Sales Tax Bonds, Series 2008 we taken over by a developer in FY2010, therefore will not be recorded as capital assets of the City. The City will still be responsible for payments on the Hotel-Motel Tax and Sales Tax Bonds, Series 2008.

On January 28, 2013 the City established the Dixie Highway Corridor Redevelopment Projects Tax Increment Finance District.



## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedules of Funding Progress and Employer Contributions
  - Illinois Municipal Retirement Fund (IMRF)
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefit Plan (OPEB)
- Budgetary Comparison Schedules
  - General Fund

### **Notes to the Required Supplementary Information**

**Budgetary Information** – Budgets are adopted on a basis consistent with generally accepted accounting principles.

20



# CITY OF HARVEY, ILLINOIS

## Illinois Municipal Retirement Fund

### Required Supplementary Information Schedule of Funding Progress and Employer Contributions

April 30, 2009

#### Funding Progress

Actuarial Valuation Date Dec. 31,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2003	\$ 11,586,809	\$ 7,423,424	156.08%	\$ (4,163,385)	\$ 3,923,866	0.00%
2004	12,063,025	8,045,931	149.93%	(4,017,094)	3,709,004	0.00%
2005	13,139,416	8,499,756	154.59%	(4,639,660)	3,334,094	0.00%
2006	13,980,368	8,818,911	158.53%	(5,161,457)	3,465,304	0.00%
2007	13,963,661	8,742,775	159.72%	(5,220,886)	3,453,715	0.00%
2008	10,037,147	8,887,231	112.94%	(1,149,916)	3,461,845	0.00%

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2004	\$ 39,239	\$ 39,239	100.00%
2005	37,461	37,461	100.00%
2006	131,697	131,697	100.00%
2007	127,870	127,870	100.00%
2008	39,027	39,027	100.00%
2009	35,311	35,311	100.00%

# CITY OF HARVEY, ILLINOIS

## Police Pension Fund

### Required Supplementary Information Schedule of Funding Progress and Employer Contributions

April 30, 2009

#### Funding Progress

Actuarial Valuation Date Apr. 30,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2003	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2004	16,248,036	17,316,397	93.83%	1,068,361	2,469,715	43.26%
2005	16,463,419	17,198,493	95.73%	735,074	1,826,126	40.25%
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	17,978,808	18,731,804	95.98%	752,996	1,695,449	44.41%
2008	17,886,230	19,727,769	90.67%	1,841,539	2,017,677	91.27%

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2004	\$ 250,864	\$ 250,864	100.00%
2005	301,664	301,664	100.00%
2006	N/A	N/A	N/A
2007	250,781	250,781	100.00%
2008	232,672	240,869	96.60%
2009	18,084	331,719	5.45%

N/A - Not Available

# CITY OF HARVEY, ILLINOIS

## Firefighters' Pension Fund

### Required Supplementary Information Schedule of Funding Progress and Employer Contributions

April 30, 2009

#### Funding Progress

Actuarial Valuation Date Apr. 30,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2003	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2004	17,200,600	26,930,068	63.87%	9,729,468	2,116,038	459.80%
2005	16,699,170	28,156,218	59.31%	11,457,048	2,169,217	528.17%
2006	16,782,216	29,027,130	57.82%	12,244,914	2,370,048	516.65%
2007	17,715,906	29,943,558	59.16%	12,227,652	2,336,973	523.23%
2008	N/A	N/A	N/A	N/A	N/A	N/A

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2004	\$ 40,022	\$ 849,510	4.71%
2005	9,885	880,632	1.12%
2006	38,304	945,580	4.05%
2007	615,407	1,061,219	57.99%
2008	771,471	1,077,837	71.58%
2009	18,181	1,077,837	1.69%

# CITY OF HARVEY, ILLINOIS

## Other Post-Employment Benefit Plan

### Required Supplementary Information

### Schedule of Funding Progress and Employer Contributions

April 30, 2009

#### Funding Progress

Actuarial Valuation Date Apr. 30,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2004	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	-	7,342,645	0.00%	7,342,645	10,844,820	67.71%

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2004	\$ N/A	\$ N/A	N/A
2005	N/A	N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	N/A	N/A	N/A
2009	301,043	310,152	97.06%

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. Information for prior years is not available. The City is required to have an actuarial valuation performed biennially.



# CITY OF HARVEY, ILLINOIS

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2009

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 12,422,086	12,422,086	10,394,217
Licenses and Permits	806,550	806,550	1,091,898
Intergovernmental	8,347,500	8,347,500	6,359,365
Charges for Services	2,721,680	2,721,680	1,422,484
Fines and Forfeitures	524,125	524,125	787,518
Interest	10,000	10,000	202,887
Miscellaneous	553,025	553,025	492,284
Total Revenues	25,384,966	25,384,966	20,750,653
<b>Expenditures</b>			
General Government	9,189,777	9,189,777	9,059,712
Public Safety	10,362,302	10,362,302	8,544,351
Public Works	5,497,491	5,497,491	5,605,422
Community Development	328,750	328,750	194,916
Capital Outlay	798,500	798,500	751,575
Debt Service			
Principal Retirement	65,000	65,000	803,631
Interest and Fiscal Charges	70,000	70,000	41,114
Total Expenditures	26,311,820	26,311,820	25,000,721
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(926,854)	(926,854)	(4,250,068)
<b>Other Financing Sources</b>			
Disposal of Capital Assets	1,000,000	1,000,000	79,778
Transfers In	-	-	99,597
	1,000,000	1,000,000	179,375
<b>Net Change in Fund Balance</b>	73,146	73,146	(4,070,693)
<b>Fund Balance - Beginning as Restated</b>			(6,365,563)
<b>Fund Balance - Ending</b>			(10,436,256)



## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedule – Major Enterprise Fund
- Combining Statements – Nonmajor Enterprise Funds
- Budgetary Comparison Schedules – Nonmajor Enterprise Funds
- Combining Statements – Pension Trust Funds

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

---

## **GENERAL FUND**

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

---

## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are created to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for the operations of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided by the City's share of gasoline taxes.

### **911 Emergency Surcharge Tax Fund**

The 911 Emergency Surcharge Tax Fund is used to account for expenditures for the emergency dispatch center. Financing is provided by the 911 emergency system fee collected on phone bills addressed in the City of Harvey.

---

## **DEBT SERVICE FUNDS**

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

### **Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal and interest on the City's long-term debt.

### **1988 General Obligation Fund**

The 1988 General Obligation Fund was used to account for the accumulation of financial resources for the payment of principal and interest on the City's 1998 General Obligation Bond debt. The fund was closed into Debt Service Fund in the year ended April 30, 2009.

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

---

### **DEBT SERVICE FUNDS – Continued**

#### **1994 MFT Fund**

The 1994 MFT Debt Service Fund was used to account for the accumulation of financial resources for the payment of principal and interest on the City's 1994 MFT Bond debt. The fund was closed into Debt Service Fund in the year ended April 30, 2009.

#### **1996 General Obligation Fund**

The 1996 General Obligation Fund was used to account for the accumulation of financial resources for the payment of principal and interest on the City's 1996 General Obligation Bond debt. The fund was closed into Debt Service Fund in the year ended April 30, 2009.

#### **2002 MFT Fund**

The 2002 Motor Fuel Tax Debt Service Fund was used to account for the accumulation of financial resources for the payment of principal and interest on the City's 2002 Motor Fuel Tax Bond debt. The fund was closed into Debt Service Fund in the year ended April 30, 2009.

---

### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

#### **Road Fund**

The Road Fund is used to account for the proceeds of debt used for the acquisition or construction of capital projects.

#### **Water Capital Project Fund**

The Water Capital Project Fund is used to account for the proceeds of debt used for the acquisition or construction of capital projects.

#### **Economic Development Fund**

The Economic Development Fund is used to account for the proceeds of debt used for the acquisition or construction of capital projects.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

---

## **CAPITAL PROJECTS FUNDS – Continued**

### **TIF I Dixie Square Fund**

The TIF I Dixie Square Fund is used to account for the incremental property taxes of the Dixie Square Tax Incremental Financing District and the use of those funds.

### **Hotel/Motel Fund**

The Hotel Motel Fund is used to account for the proceeds of the debt issuance and the uses of those funds.

### **Community Development Fund**

The Community Development Fund is used to account for expenditures associated with redevelopment projects within the City of Harvey. Financing is provided by grant revenue.

### **Special Assessment Fund**

The Special Assessment Fund is used to account for revenue from prior special assessments and expenditures associated with improvements to specific assessment areas.

### **Motor Fuel Tax Capital Project Fund**

The Motor Fuel Tax Capital Project Fund is used to account for revenue and expenditures associated with the design, construction, and maintenance of streets and sidewalks. Expenditures must meet criteria established by the State.

### **Dixie Sibley Fund**

The Dixie Sibley Capital Project Fund is used to account for the incremental property taxes of the Dixie Sibley Tax Incremental Financing District and the use of those funds.

### **TIF II Center Street Fund**

The TIF II Center Street Fund is used to account for the incremental property taxes of the TIF II Tax Incremental Financing District and the use of those funds.

### **TIF III Cresco Business Park Fund**

The TIF III Cresco Business Park Fund is used to account for the incremental property taxes of the Cresco Business Park Tax Incremental Financing District and the use of those funds.

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

---

### **CAPITAL PROJECTS FUNDS – Continued**

#### **TIF IV Wyman Gordon Fund**

The TIF IV Wyman Gordon Fund is used to account for the incremental property taxes of the Wyman Gordon Tax Incremental Financing District and the use of those funds.

#### **TIF V RPM Business Park Fund**

The TIF V RPM Business Park Fund is used to account for the incremental property taxes of the TIF V RPM Business Park Tax Incremental Financing District and the use of those funds.

---

### **ENTERPRISE FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

#### **Water Fund**

The Water Fund is used to account for the provision of water to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

#### **Pace Bus Terminal Parking Fund**

The Pace Bus Terminal Parking Fund is used to account for the receipt of parking charges and for related expenses.

#### **Metra Lot Fund**

The Metra Lot Fund is used to account for the receipt of parking charges at the 147<sup>th</sup> Street parking lot and for related expenses.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

---

## **ENTERPRISE FUNDS – Continued**

### **Commuter Parking Lot Fund**

The Commuter Parking Lot Fund is used to account for the receipt of parking charges at the 155<sup>th</sup> Street lot and for related expenses.

### **Sewer Fund**

The Sewer Fund is used to account for the provision of sewer services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations and maintenance, billing, and collections.

---

## **PENSION TRUST FUNDS**

### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

### **Firefighters' Pension Fund**

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

---



# CITY OF HARVEY, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual Year Ended April 30, 2009

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property	\$ 7,952,086	7,952,086	7,551,900
RE Transaction Tax	215,000	215,000	144,108
Utility	1,600,000	1,600,000	1,280,266
Telecommunication	1,210,000	1,210,000	1,220,373
Liquor	1,200,000	1,200,000	-
Franchise	150,000	150,000	149,898
Hotel/Motel	95,000	95,000	47,672
	<u>12,422,086</u>	<u>12,422,086</u>	<u>10,394,217</u>
<b>Licenses and Permits</b>			
<b>Licenses</b>			
Amusement	1,300	1,300	-
Vehicles	280,000	280,000	259,124
Liquor	35,300	35,300	130,000
Business	50,000	50,000	81,454
Landlord	5,200	5,200	900
Vending Machines	5,400	5,400	9,632
Contractors	26,000	26,000	22,200
Other	700	700	195
<b>Permits</b>			
Building	380,000	380,000	548,707
Electric	20,000	20,000	19,321
Public Hearing/Special Use	1,500	1,500	2,646
Plumbing	600	600	15,332
Other	550	550	2,387
	<u>806,550</u>	<u>806,550</u>	<u>1,091,898</u>
<b>Intergovernmental</b>			
Federal/State Grant	200,000	200,000	252,589
Replacement Tax	700,000	700,000	734,400
State Sales Tax	4,107,500	4,107,500	2,353,713
State Income Tax	2,700,000	2,700,000	2,592,844
State Use Tax	490,000	490,000	425,819
TIF Reimbursement	150,000	150,000	-
	<u>8,347,500</u>	<u>8,347,500</u>	<u>6,359,365</u>

# CITY OF HARVEY, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual - Continued Year Ended April 30, 2009

	Budget		Actual
	Original	Final	
<b>Charges for Services</b>			
Debris Usage/Mowing Fees	\$ 5,000	5,000	1,446
Refuse Collection Fees	1,333,560	1,333,560	1,113,710
Garbage Can Replacement Fee	9,000	9,000	7,962
Towing Collection Fees	31,000	31,000	45,322
Vacant Property Registration Fees	650,000	650,000	800
Public Safety Registration	100,000	100,000	28,208
Inspection Point of Sale	60,000	60,000	51,130
Birth/Death Certificate Fees	50,000	50,000	45,932
Zoning Fees	1,000	1,000	20,250
Lift Fees	400,000	400,000	-
Civil Service Testing Fees	4,100	4,100	2,750
Rental Unit Inspections	22,000	22,000	30,395
Photostats	14,800	14,800	16,222
Rents	27,000	27,000	48,794
Special Events	11,400	11,400	8,303
Other	2,820	2,820	1,260
	<u>2,721,680</u>	<u>2,721,680</u>	<u>1,422,484</u>
<b>Fines and Forfeitures</b>			
Housing Court	70,000	70,000	69,467
Drug Seizure Forfeitures	4,000	4,000	-
Police	450,000	450,000	716,381
Other	125	125	1,670
	<u>524,125</u>	<u>524,125</u>	<u>787,518</u>
<b>Interest</b>			
Investment Income	<u>10,000</u>	<u>10,000</u>	<u>202,887</u>
<b>Miscellaneous</b>			
Refunds/Reimbursements	149,500	149,500	451,752
Miscellaneous	<u>403,525</u>	<u>403,525</u>	<u>40,532</u>
	<u>553,025</u>	<u>553,025</u>	<u>492,284</u>
<b>Total Revenues</b>	<u>25,384,966</u>	<u>25,384,966</u>	<u>20,750,653</u>

# CITY OF HARVEY, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual Year Ended April 30, 2009

	Budget		Actual
	Original	Final	
<b>General Government</b>			
<b>Mayor</b>			
Personnel Services	\$ 58,749	58,749	58,683
Other Services/Expenditures	30,000	30,000	28,257
	<u>88,749</u>	<u>88,749</u>	<u>86,940</u>
<b>Mayor's Office</b>			
Personnel Services	186,100	186,100	207,819
Commodities	6,961	6,961	8,221
Contractual Services	188,284	188,284	141,972
Other Services/Expenditures	86,535	86,535	71,393
Equipment	4,500	4,500	7,276
	<u>472,380</u>	<u>472,380</u>	<u>436,681</u>
<b>Legal Department</b>			
Personnel Services	195,000	195,000	188,192
Commodities	100	100	-
Contractual Services	82,000	82,000	47,852
Other Services/Expenditures	1,000	1,000	-
	<u>278,100</u>	<u>278,100</u>	<u>236,044</u>
<b>Aldermen</b>			
Personnel Services	147,518	147,518	148,223
Other Services/Expenditures	147,333	147,333	147,110
	<u>294,851</u>	<u>294,851</u>	<u>295,333</u>
<b>City Clerk</b>			
Personnel Services	88,743	88,743	91,479
Commodities	2,000	2,000	2,676
Contractual Services	4,900	4,900	7,476
Other Services/Expenditures	10,000	10,000	3,026
Equipment	4,500	4,500	1,944
	<u>110,143</u>	<u>110,143</u>	<u>106,601</u>

# CITY OF HARVEY, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2009

	Budget		
	Original	Final	Actual
General Government - Continued			
City Treasurer			
Personnel Services	\$ 14,853	14,853	15,686
Commodities	100	100	84
Contractual Services	1,898	1,898	2,372
Other Services/Expenditures	1,100	1,100	1,367
	17,951	17,951	19,509
Finance Department			
Personnel Services	-	-	527
Commodities	8,000	8,000	3,524
Contractual Services	576,000	576,000	554,108
Other Services/Expenditures	16,300	16,300	49,673
Equipment	4,500	4,500	7,115
	604,800	604,800	614,947
Planning and Development			
Personnel Services	644,303	644,303	484,190
Commodities	28,000	28,000	31,994
Contractual Services	221,000	221,000	171,242
Other Services/Expenditures	31,000	31,000	4,944
Equipment	60,000	60,000	23,050
	984,303	984,303	715,420
Miscellaneous Grant			
Other Services/Expenditures	200,000	200,000	49,810
Equipment	-	-	26,000
	200,000	200,000	75,810
Miscellaneous Appropriations/Specific Purpose			
Personnel Services	2,605,000	2,605,000	3,205,914
Contractual Services	830,000	830,000	628,342
Other Services/Expenditures	2,703,500	2,703,500	2,638,171
	6,138,500	6,138,500	6,472,427
Total General Government	9,189,777	9,189,777	9,059,712

# CITY OF HARVEY, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2009

	Budget		Actual
	Original	Final	
<b>Public Safety</b>			
<b>Police Department</b>			
Personnel Services	\$ 5,261,983	5,261,983	4,831,235
Commodities	295,000	295,000	210,778
Contractual Services	327,000	327,000	283,472
Other Services/Expenditures	81,000	81,000	87,556
Equipment	25,000	25,000	29,843
	<u>5,989,983</u>	<u>5,989,983</u>	<u>5,442,884</u>
<b>Fire Department</b>			
Personnel Services	4,136,219	4,136,219	2,896,873
Commodities	40,100	40,100	16,915
Contractual Services	101,500	101,500	116,697
Other Services/Expenditures	54,500	54,500	27,328
Equipment	40,000	40,000	43,654
	<u>4,372,319</u>	<u>4,372,319</u>	<u>3,101,467</u>
<b>Total Public Safety</b>	<u>10,362,302</u>	<u>10,362,302</u>	<u>8,544,351</u>
<b>Public Works</b>			
<b>Streets Administration</b>			
Personnel Services	173,067	173,067	162,619
Commodities	1,000	1,000	1,512
Contractual Services	1,500	1,500	6,984
Other Services/Expenditures	1,500	1,500	3,366
	<u>177,067</u>	<u>177,067</u>	<u>174,481</u>
<b>Street Maintenance Department</b>			
Personnel Services	405,389	405,389	462,421
Commodities	320,000	320,000	158,753
Contractual Services	1,841,500	1,841,500	1,721,055
Other Services/Expenditures	350,500	350,500	418,116
Equipment	20,500	20,500	7,544
	<u>2,937,889</u>	<u>2,937,889</u>	<u>2,767,889</u>
<b>Special Maintenance</b>			
Personnel Services	<u>55,000</u>	<u>55,000</u>	<u>-</u>

# CITY OF HARVEY, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2009

	Budget		Actual
	Original	Final	
Public Works - Continued			
Vehicle Maintenance Division			
Personnel Services	\$ 257,859	257,859	197,821
Commodities	25,000	25,000	19,062
Contractual Services	6,000	6,000	11,724
Other Services/Expenditures	398,000	398,000	9,205
Equipment	-	-	11,382
	<u>686,859</u>	<u>686,859</u>	<u>249,194</u>
Public Property/Utility Maintenance			
Personnel Services	252,776	252,776	184,714
Commodities	2,000	2,000	2,472
Contractual Services	863,900	863,900	641,845
Other Services/Expenditures	522,000	522,000	1,584,827
	<u>1,640,676</u>	<u>1,640,676</u>	<u>2,413,858</u>
Total Public Works	<u>5,497,491</u>	<u>5,497,491</u>	<u>5,605,422</u>
Community Development			
Poet - Adult Grant			
Personnel Services	30,000	30,000	11,219
Commodities	470	470	653
Contractual Services	2,100	2,100	2,303
Other Services/Expenditures	21,680	21,680	13,747
	<u>54,250</u>	<u>54,250</u>	<u>27,922</u>
Community Center			
Personnel Services	165,000	165,000	69,507
Commodities	5,000	5,000	1,027
Contractual Services	14,500	14,500	58,314
Other Services/Expenditures	85,000	85,000	8,011
Equipment	5,000	5,000	30,135
	<u>274,500</u>	<u>274,500</u>	<u>166,994</u>
Total Community Development	<u>328,750</u>	<u>328,750</u>	<u>194,916</u>

# CITY OF HARVEY, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued Year Ended April 30, 2009

	Budget		Actual
	Original	Final	
Capital Outlay			
General Government			
Office Furniture	\$ 7,500	7,500	-
Equipment Purchase	125,000	125,000	144,075
Vehicle Purchase	110,000	110,000	69,339
City Wide Capital Projects	156,000	156,000	30,298
50/50 Sidewalk Program	100,000	100,000	-
Public Works			
Vehicles	-	-	270,957
Curb, Gutters and Sidewalks	300,000	300,000	236,906
Total Capital Outlay	798,500	798,500	751,575
Debt Service			
Principal Retirement	65,000	65,000	803,631
Interest and Fiscal Charges	70,000	70,000	41,114
Total Debt Service	135,000	135,000	844,745
Total Expenditures	26,311,820	26,311,820	25,000,721

# CITY OF HARVEY, ILLINOIS

## Debt Service Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2009

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,000,000	2,000,000	2,960,049
Interest	45,000	45,000	1,529
Total Revenues	<u>2,045,000</u>	<u>2,045,000</u>	<u>2,961,578</u>
Expenditures			
Debt Service			
Principal Retirement	709,000	709,000	213,750
Interest and Fiscal Charges	1,500,000	1,500,000	2,504,740
Total Expenditures	<u>2,209,000</u>	<u>2,209,000</u>	<u>2,718,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(164,000)</u>	<u>(164,000)</u>	<u>243,088</u>
Other Financing Sources (Uses)			
Transfers In	-	-	821,337
Transfers Out	-	-	(1,386,244)
	<u>-</u>	<u>-</u>	<u>(564,907)</u>
Net Change in Fund Balance	<u>(164,000)</u>	<u>(164,000)</u>	(321,819)
Fund Balance - Beginning as Restated			<u>2,946,577</u>
Fund Balance - Ending			<u>2,624,758</u>



**CITY OF HARVEY, ILLINOIS**

**Road - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 100,000	100,000	49,421
Expenditures			
Capital Outlay			
Capital Projects	5,000,000	5,000,000	4,500,808
Net Change in Fund Balance	<u>(4,900,000)</u>	<u>(4,900,000)</u>	(4,451,387)
Fund Balance - Beginning			<u>4,896,236</u>
Fund Balance - Ending			<u>444,849</u>

**CITY OF HARVEY, ILLINOIS****Water - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 105,000	105,000	-
Expenditures			
Capital Outlay			
Capital Projects	4,750,000	4,750,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,645,000)	(4,645,000)	-
Other Financing (Uses)			
Transfers Out	-	-	(5,153,532)
Net Change in Fund Balance	<u>(4,645,000)</u>	<u>(4,645,000)</u>	(5,153,532)
Fund Balance - Beginning			<u>5,153,532</u>
Fund Balance - Ending			<u>-</u>

**CITY OF HARVEY, ILLINOIS**

**TIF I Dixie Square - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 700,000	700,000	531,897
Interest	10,000	10,000	26,652
Total Revenues	710,000	710,000	558,549
Expenditures			
Public Works			
Contractual Services	40,000	40,000	-
Other Services/Expenditures	180,000	180,000	-
Total Expenditures	220,000	220,000	-
Net Change in Fund Balance	490,000	490,000	558,549
Fund Balance - Beginning			1,420,336
Fund Balance - Ending			1,978,885

**CITY OF HARVEY, ILLINOIS****Nonmajor Governmental Funds****Combining Balance Sheet****April 30, 2009**

	Special Revenue	Debt Service	Capital Projects	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 216,265	-	3,082,682	3,298,947
Receivables - Net of Allowances				
Other Taxes	59,908	-	-	59,908
Due from Other Funds	761,703	-	83,892	845,595
Total Assets	1,037,876	-	3,166,574	4,204,450
<b>LIABILITIES</b>				
Accounts Payable	28,939	-	29,295	58,234
Due to Other Funds	6,884	-	134,031	140,915
Total Liabilities	35,823	-	163,326	199,149
<b>FUND BALANCES</b>				
Restricted	1,008,937	-	3,137,682	4,146,619
Unassigned	(6,884)	-	(134,434)	(141,318)
Total Fund Balances	1,002,053	-	3,003,248	4,005,301
Total Liabilities and Fund Balances	1,037,876	-	3,166,574	4,204,450

**CITY OF HARVEY, ILLINOIS****Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended April 30, 2009**

	Special Revenue	Debt Service	Capital Projects	Totals
<b>Revenues</b>				
Taxes	\$ -	-	991,664	991,664
Intergovernmental	782,858	-	-	782,858
Charges for Services	45,060	-	-	45,060
Interest	1,291	-	6,457	7,748
Total Revenues	829,209	-	998,121	1,827,330
<b>Expenditures</b>				
Public Works	185,665	-	262,875	448,540
Capital Outlay	1,006,470	-	-	1,006,470
Total Expenditures	1,192,135	-	262,875	1,455,010
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(362,926)	-	735,246	372,320
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	412,287	-	412,287
Transfers Out	-	(821,337)	-	(821,337)
	-	(409,050)	-	(409,050)
<b>Net Change in Fund Balances</b>	(362,926)	(409,050)	735,246	(36,730)
<b>Fund Balances - Beginning as Restated</b>	1,364,979	409,050	2,268,002	4,042,031
<b>Fund Balances - Ending</b>	1,002,053	-	3,003,248	4,005,301

**CITY OF HARVEY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2009**

	Motor Fuel Tax	911 Emergency Surcharge Tax	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 216,265	-	216,265
Receivables - Net of Allowances			
Other Taxes	59,908	-	59,908
Due from Other Funds	761,703	-	761,703
Total Assets	1,037,876	-	1,037,876
<b>LIABILITIES</b>			
Accounts Payable	28,939	-	28,939
Due to Other Funds	-	6,884	6,884
Total Liabilities	28,939	6,884	35,823
<b>FUND BALANCES</b>			
Restricted	1,008,937	-	1,008,937
Unassigned	-	(6,884)	(6,884)
Total Fund Balances	1,008,937	(6,884)	1,002,053
Total Liabilities and Fund Balances	1,037,876	-	1,037,876

**CITY OF HARVEY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended April 30, 2009**

	Motor Fuel Tax	911 Emergency Surcharge Tax	Totals
Revenues			
Intergovernmental	\$ 782,858	-	782,858
Charges for Services	-	45,060	45,060
Interest	1,291	-	1,291
Total Revenues	784,149	45,060	829,209
Expenditures			
Public Works	185,665	-	185,665
Capital Outlay	-	1,006,470	1,006,470
Total Expenditures	185,665	1,006,470	1,192,135
Net Change in Fund Balances	598,484	(961,410)	(362,926)
Fund Balances - Beginning as Restated	410,453	954,526	1,364,979
Fund Balances - Ending	1,008,937	(6,884)	1,002,053

**CITY OF HARVEY, ILLINOIS****Motor Fuel Tax - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 700,000	700,000	782,858
Interest	3,000	3,000	1,291
Total Revenues	<u>703,000</u>	<u>703,000</u>	<u>784,149</u>
<b>Expenditures</b>			
Public Works			
Contractual Services	215,000	215,000	185,665
Debt Service			
Interest and Fiscal Charges	2,600	2,600	-
Total Expenditures	<u>217,600</u>	<u>217,600</u>	<u>185,665</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	485,400	485,400	598,484
Other Financing (Uses)			
Transfers Out	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>135,400</u>	<u>135,400</u>	598,484
Fund Balance - Beginning as Restated			<u>410,453</u>
Fund Balance - Ending			<u><u>1,008,937</u></u>



**CITY OF HARVEY, ILLINOIS****911 Emergency Surcharge Tax - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
911 Tax on User	\$ 143,000	143,000	45,060
Expenditures			
Public Safety			
Contractual Services	12,000	12,000	-
Capital Outlay			
Equipment	-	-	1,006,470
Total Expenditures	12,000	12,000	1,006,470
Net Change in Fund Balance	131,000	131,000	(961,410)
Fund Balance - Beginning			954,526
Fund Balance - Ending			(6,884)

**CITY OF HARVEY, ILLINOIS**

**Nonmajor Governmental - Debt Service Funds**

**Combining Balance Sheet  
April 30, 2009**

	1988 General Obligation	1994 MFT	1996 General Obligation	2002 MFT	Totals
<b>ASSETS</b>					
Cash and Investments	\$ -	-	-	-	-
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	-	-	-	-	-
Fund Balances					
Restricted	-	-	-	-	-
Total Liabilities and Fund Balances	-	-	-	-	-

# CITY OF HARVEY, ILLINOIS

## Nonmajor Governmental - Debt Service Funds

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances Year Ended April 30, 2009

	1988 General Obligation	1994 MFT	1996 General Obligation	2002 MFT	Totals
Revenues	\$ -	-	-	-	-
Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers In	-	156,526	255,761	-	412,287
Transfers Out	(601,794)	-	-	(219,543)	(821,337)
	(601,794)	156,526	255,761	(219,543)	(409,050)
Net Change in Fund Balances	(601,794)	156,526	255,761	(219,543)	(409,050)
Fund Balances - Beginning	601,794	(156,526)	(255,761)	219,543	409,050
Fund Balances - Ending	-	-	-	-	-

**CITY OF HARVEY, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet  
April 30, 2009**

	<u>Community Development</u>	<u>Special Assessment</u>
<b>ASSETS</b>		
Cash and Investments	\$ -	-
Due from Other Funds	-	28,892
		<u>28,892</u>
Total Assets	-	<u>28,892</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts Payable	403	28,892
Due to Other Funds	134,031	-
Total Liabilities	<u>134,434</u>	<u>28,892</u>
Fund Balances		
Restricted	-	-
Unassigned	(134,434)	-
Total Fund Balances	<u>(134,434)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>-</u>	<u>28,892</u>

Motor Fuel Tax	Dixie Sibley	TIF II Center Street	TIF III Cresco Business Park	TIF IV Wyman Gordon	TIF V RPM Business Park	Totals
465,401	193,893	1,649,247	228,862	126,339	418,940	3,082,682
-	-	55,000	-	-	-	83,892
465,401	193,893	1,704,247	228,862	126,339	418,940	3,166,574
-	-	-	-	-	-	29,295
-	-	-	-	-	-	134,031
-	-	-	-	-	-	163,326
465,401	193,893	1,704,247	228,862	126,339	418,940	3,137,682
-	-	-	-	-	-	(134,434)
465,401	193,893	1,704,247	228,862	126,339	418,940	3,003,248
465,401	193,893	1,704,247	228,862	126,339	418,940	3,166,574

**CITY OF HARVEY, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended April 30, 2009**

	<u>Community Development</u>	<u>Special Assessment</u>
Revenues		
Taxes	\$ -	-
Interest	58	-
Total Revenues	<u>58</u>	<u>-</u>
Expenditures		
Public Works	<u>1,903</u>	<u>-</u>
Net Change in Fund Balances	(1,845)	-
Fund Balances - Beginning	<u>(132,589)</u>	<u>-</u>
Fund Balances - Ending	<u><u>(134,434)</u></u>	<u><u>-</u></u>

Motor Fuel Tax	Dixie Sibley	TIF II Center Street	TIF III Cresco Business Park	TIF IV Wyman Gordon	TIF V RPM Business Park	Totals
-	-	608,241	141,838	-	241,585	991,664
-	-	3,055	1,701	1	1,642	6,457
-	-	611,296	143,539	1	243,227	998,121
-	-	53,538	184,692	1,893	20,849	262,875
-	-	557,758	(41,153)	(1,892)	222,378	735,246
465,401	193,893	1,146,489	270,015	128,231	196,562	2,268,002
465,401	193,893	1,704,247	228,862	126,339	418,940	3,003,248

**CITY OF HARVEY, ILLINOIS****Community Development - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Federal/State Grant	\$ 300,000	300,000	-
Interest	-	-	58
Total Revenues	300,000	300,000	58
Expenditures			
Public Works			
Personnel Services	5,000	5,000	-
Contractual Services	25,000	25,000	1,903
Capital Outlay	270,000	270,000	-
Total Expenditures	300,000	300,000	1,903
Net Change in Fund Balance	-	-	(1,845)
Fund Balance - Beginning			(132,589)
Fund Balance - Ending			(134,434)



**CITY OF HARVEY, ILLINOIS**

**Motor Fuel Tax - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ -	-	-
Expenditures			
Capital Outlay			
MFT Capital Project	10,000	10,000	-
Net Change in Fund Balance	<u>(10,000)</u>	<u>(10,000)</u>	-
Fund Balance - Beginning			<u>465,401</u>
Fund Balance - Ending			<u>465,401</u>

**CITY OF HARVEY, ILLINOIS****TIF II Center Street - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 206,000	206,000	608,241
Interest	20,000	20,000	3,055
Total Revenues	226,000	226,000	611,296
Expenditures			
Public Works			
Other Services/Expenditures	200,000	200,000	53,538
Capital Outlay			
Equipment	300,000	300,000	-
Total Expenditures	500,000	500,000	53,538
Net Change in Fund Balance	(274,000)	(274,000)	557,758
Fund Balance - Beginning			1,146,489
Fund Balance - Ending			1,704,247

**CITY OF HARVEY, ILLINOIS****TIF III Cresco Business Park - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 120,000	120,000	141,838
Interest	2,000	2,000	1,701
Total Revenues	122,000	122,000	143,539
Expenditures			
Public Works			
Other Services/Expenditures	10,000	10,000	184,692
Net Change in Fund Balance	112,000	112,000	(41,153)
Fund Balance - Beginning			270,015
Fund Balance - Ending			228,862

**CITY OF HARVEY, ILLINOIS****TIF V RPM Business Park - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 90,000	90,000	241,585
Interest	800	800	1,642
Total Revenues	90,800	90,800	243,227
Expenditures			
Public Works			
Contractual Services	-	-	20,849
Net Change in Fund Balance	90,800	90,800	222,378
Fund Balance - Beginning			196,562
Fund Balance - Ending			418,940

**CITY OF HARVEY, ILLINOIS****Water - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Sales	\$ 7,990,000	7,990,000	7,722,109
Other	182,000	182,000	204,885
Miscellaneous	50,000	50,000	4,374
Total Operating Revenues	8,222,000	8,222,000	7,931,368
Operating Expenses			
Operations			
Personnel Services	923,455	923,455	854,576
Commodities	550,350	550,350	187,576
Contractual Services	5,773,600	5,773,600	7,641,703
Other Services/Expenses	2,200	2,200	27,236
Equipment	70,000	70,000	7,126
Permanent Improvements	205,000	205,000	556,828
Depreciation and Amortization	400,000	400,000	375,279
Total Operating Expenses	7,924,605	7,924,605	9,650,324
Operating Income (Loss)	297,395	297,395	(1,718,956)
Nonoperating Revenues (Expenses)			
Interest Income	-	-	200,580
Interest Expense	-	-	(496,059)
	-	-	(295,479)
Income (Loss) Before Transfers	297,395	297,395	(2,014,435)
Transfers In	-	-	6,127,489
Change in Net Position	297,395	297,395	4,113,054
Net Position - Beginning as Restated			3,109,256
Net Position - Ending			7,222,310

# CITY OF HARVEY, ILLINOIS

## Nonmajor Enterprise Funds

### Combining Statement of Net Position April 30, 2009

	Pace Bus Terminal Parking	Metra Lot	Commuter Parking Lot	Sewer	Totals
<b>ASSETS</b>					
Current Assets					
Cash and Investments	\$ 11,568	753,806	522,041	-	1,287,415
Receivables - Net of Allowances					
Customer Billings	-	-	-	91,435	91,435
Unbilled Services	-	-	-	7,435	7,435
Due from Other Funds	-	124,896	-	659,673	784,569
Total Current Assets	11,568	878,702	522,041	758,543	2,170,854
Noncurrent Assets					
Capital Assets					
Nondepreciable Capital Assets	-	-	482,250	-	482,250
Depreciable Capital Assets	-	175,246	1,307,969	5,682,203	7,165,418
Accumulated Depreciation	-	(175,246)	(1,059,550)	(4,593,130)	(5,827,926)
Total Noncurrent Assets	-	-	730,669	1,089,073	1,819,742
Total Assets	11,568	878,702	1,252,710	1,847,616	3,990,596
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	3,179	2,151	915	152,423	158,668
Accrued Payroll	-	3,207	918	1,705	5,830
Due to Other Funds	-	220,602	124,896	731,142	1,076,640
Compensated Absences	-	1,266	-	237	1,503
Total Current Liabilities	3,179	227,226	126,729	885,507	1,242,641
Noncurrent Liabilities					
Compensated Absences	-	5,064	-	946	6,010
Total Liabilities	3,179	232,290	126,729	886,453	1,248,651
<b>NET POSITION</b>					
Net Investment in Capital Assets	-	-	730,669	1,089,073	1,819,742
Unrestricted	8,389	646,412	395,312	(127,910)	922,203
Total Net Position	8,389	646,412	1,125,981	961,163	2,741,945

# CITY OF HARVEY, ILLINOIS

## Nonmajor Enterprise Funds

### Combining Statement of Revenues, Expenses and Changes in Net Position Year Ended April 30, 2009

	Pace Bus Terminal Parking	Metra Lot	Commuter Parking Lot	Sewer	Totals
Operating Revenues					
Charges for Services	\$ 7,941	166,806	86,450	220,486	481,683
Operating Expenses					
Operations					
Personnel Services	-	123,828	87,816	54,697	266,341
Commodities	-	7,788	31	1,699	9,518
Contractual Services	46,361	34,108	20,512	936,085	1,037,066
Depreciation and Amortization	-	-	43,278	120,374	163,652
Total Operating Expenses	46,361	165,724	151,637	1,112,855	1,476,577
Operating Income (Loss)	(38,420)	1,082	(65,187)	(892,369)	(994,894)
Nonoperating Revenues					
Interest Income	1,008	6,106	307	-	7,421
Income (Loss) Before Transfers	(37,412)	7,188	(64,880)	(892,369)	(987,473)
Transfers Out	-	-	(99,597)	-	(99,597)
Change in Net Position	(37,412)	7,188	(164,477)	(892,369)	(1,087,070)
Net Position - Beginning	45,801	639,224	1,290,458	1,853,532	3,829,015
Net Position - Ending	8,389	646,412	1,125,981	961,163	2,741,945

# **CITY OF HARVEY, ILLINOIS**

## **Combining Statement of Cash Flows - Nonmajor Enterprise Funds Year Ended April 30, 2009**

	Pace Bus Terminal Parking	Metra Lot	Commuter Parking Lot	Sewer	Totals
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 7,941	41,910	86,450	212,710	349,011
Payments to Suppliers	(46,795)	72,265	(28,709)	(182,674)	(185,913)
Payments to Employees	-	(114,186)	(80,336)	(50,337)	(244,859)
	<u>(38,854)</u>	<u>(11)</u>	<u>(22,595)</u>	<u>(20,301)</u>	<u>(81,761)</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers Out	-	-	(99,597)	-	(99,597)
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of Capital Assets	-	-	-	(58,587)	(58,587)
<b>Cash Flows from Investing Activities</b>					
Interest Received	1,008	6,106	307	-	7,421
<b>Net Change in Cash and Cash Equivalents</b>	<u>(37,846)</u>	<u>6,095</u>	<u>(121,885)</u>	<u>(78,888)</u>	<u>(232,524)</u>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>49,414</u>	<u>747,711</u>	<u>643,926</u>	<u>78,888</u>	<u>1,519,939</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>11,568</u>	<u>753,806</u>	<u>522,041</u>	<u>-</u>	<u>1,287,415</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	<u>(38,420)</u>	<u>1,082</u>	<u>(65,187)</u>	<u>(892,369)</u>	<u>(994,894)</u>
<b>Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities</b>					
Depreciation and Amortization Expense	-	-	43,278	120,374	163,652
(Increase) Decrease in Current Assets	-	(124,896)	-	(7,776)	(132,672)
Increase (Decrease) in Current Liabilities	(434)	123,803	(686)	759,470	882,153
<b>Net Cash Provided by Operating Activities</b>	<u>(38,854)</u>	<u>(11)</u>	<u>(22,595)</u>	<u>(20,301)</u>	<u>(81,761)</u>



**CITY OF HARVEY, ILLINOIS****Pace Bus Terminal Parking - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 17,800	17,800	7,941
Operating Expenses			
Operations			
Commodities	300	300	-
Contractual Services	14,000	14,000	46,361
Total Operating Expenses	14,300	14,300	46,361
Operating Income (Loss)	3,500	3,500	(38,420)
Nonoperating Revenues			
Interest Income	260	260	1,008
Change in Net Position	3,760	3,760	(37,412)
Net Position - Beginning			45,801
Net Position - Ending			8,389

**CITY OF HARVEY, ILLINOIS****Metra Lot - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 165,000	165,000	166,806
Operating Expenses			
Operations			
Personnel Services	197,400	197,400	123,828
Commodities	20,400	20,400	7,788
Contractual Services	27,600	27,600	34,108
Depreciation and Amortization	1,500	1,500	-
Total Operating Expenses	246,900	246,900	165,724
Operating Income (Loss)	(81,900)	(81,900)	1,082
Nonoperating Revenues			
Interest Income	7,500	7,500	6,106
Change in Net Position	(74,400)	(74,400)	7,188
Net Position - Beginning			639,224
Net Position - Ending			646,412

**CITY OF HARVEY, ILLINOIS****Commuter Parking Lot - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 96,000	96,000	86,450
Operating Expenses			
Operations			
Personnel Services	65,500	65,500	87,816
Commodities	5,900	5,900	31
Contractual Services	3,900	3,900	20,512
Depreciation and Amortization	-	-	43,278
Total Operating Expenses	75,300	75,300	151,637
Operating Income (Loss)	20,700	20,700	(65,187)
Nonoperating Revenues			
Interest Income	800	800	307
Income (Loss) Before Transfers	21,500	21,500	(64,880)
Transfers Out	-	-	(99,597)
Change in Net Position	21,500	21,500	(164,477)
Net Position - Beginning			1,290,458
Net Position - Ending			1,125,981

**CITY OF HARVEY, ILLINOIS****Sewer - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
Year Ended April 30, 2009**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 260,000	260,000	220,486
Operating Expenses			
Operations			
Personnel Services	72,655	72,655	54,697
Commodities	3,000	3,000	1,699
Contractual Services	331,000	331,000	936,085
Depreciation and Amortization	-	-	120,374
Total Operating Expenses	406,655	406,655	1,112,855
Operating Income (Loss)	(146,655)	(146,655)	(892,369)
Nonoperating Revenues			
Interest Income	3,000	3,000	-
Change in Net Position	(143,655)	(143,655)	(892,369)
Net Position - Beginning			1,853,532
Net Position - Ending			961,163

**CITY OF HARVEY, ILLINOIS****Pension Trust Funds****Combining Statement of Fiduciary Plan Net Position  
April 30, 2009**

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 677,890	36,401	714,291
Investments			
U.S. Government and Agency Securities	7,815,423	9,340,161	17,155,584
Stock Equities	1,807,665	2,912,213	4,719,878
Equity Mutual Funds	3,968,213	1,059,298	5,027,511
Money Market Mutual Funds	-	497,191	497,191
Receivables			
Accrued Interest	86,227	56,982	143,209
Due from Other Funds	122,709	125,773	248,482
Reserve Uncollectible - Interfund	(122,709)	(125,773)	(248,482)
Other Assets	9,002	-	9,002
Prepays	-	12,746	12,746
Total Assets	14,364,420	13,914,992	28,279,412
<b>LIABILITIES</b>			
Accounts Payable	260	4,827	5,087
<b>NET POSITION</b>			
Held in Trust for Pension Benefits	<u>14,364,160</u>	<u>13,910,165</u>	<u>28,274,325</u>

**CITY OF HARVEY, ILLINOIS****Pension Trust Funds****Combining Statement of Changes in Fiduciary Plan Net Position  
Year Ended April 30, 2009**

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 18,084	18,181	36,265
Contributions - Plan Members	190,329	237,705	428,034
Total Contributions	208,413	255,886	464,299
 Investment Income			
Interest Income	86,781	965,866	1,052,647
Net Change in Fair Value	(2,231,749)	(2,959,689)	(5,191,438)
	(2,144,968)	(1,993,823)	(4,138,791)
Less Investment Expenses	(75,107)	(120,108)	(195,215)
Net Investment Income	(2,220,075)	(2,113,931)	(4,334,006)
 Total Additions	(2,011,662)	(1,858,045)	(3,869,707)
 <b>Deductions</b>			
Administration	90,275	33,537	123,812
Benefits and Refunds	1,239,762	1,728,293	2,968,055
Total Deductions	1,330,037	1,761,830	3,091,867
 Change in Net Position	(3,341,699)	(3,619,875)	(6,961,574)
 <b>Net Position Held in Trust for Pension Benefits</b>			
Beginning as Restated	17,705,859	17,530,040	35,235,899
 Ending	14,364,160	13,910,165	28,274,325

## **SUPPLEMENTAL SCHEDULES**





**CITY OF HARVEY, ILLINOIS****Long-Term Debt Requirements  
General Obligation Bonds of 2000****April 30, 2009**

Date of Issue	April 1, 2000
Date of Maturity	February 1, 2012
Authorized Issue	\$6,500,000
Denomination of Bonds	\$5,000
Interest Rates	6.00% to 6.50%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	LaSalle Bank National Association, Chicago IL

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Aug. 1	Amount	Feb. 1	Amount
2010	\$ 305,000	44,515	349,515	2009	22,258	2010	22,257
2011	320,000	26,215	346,215	2010	13,108	2011	13,107
2012	115,000	7,015	122,015	2011	3,508	2012	3,507
	<u>740,000</u>	<u>77,745</u>	<u>817,745</u>		<u>38,874</u>		<u>38,871</u>

# CITY OF HARVEY, ILLINOIS

## Long-Term Debt Requirements General Obligation Bonds of 2002B

April 30, 2009

Date of Issue	July 1, 2002
Date of Maturity	May 1, 2023
Authorized Issue	\$2,530,000
Denomination of Bonds	\$5,000
Interest Rates	5.25% to 5.60%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	LaSalle Bank National Association, Chicago IL

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2010	\$ -	138,218	138,218	2009	69,109	2009	69,109
2011	-	138,218	138,218	2010	69,109	2010	69,109
2012	-	138,218	138,218	2011	69,109	2011	69,109
2013	-	138,218	138,218	2012	69,109	2012	69,109
2014	-	138,218	138,218	2013	69,109	2013	69,109
2015	-	138,218	138,218	2014	69,109	2014	69,109
2016	-	138,218	138,218	2015	69,109	2015	69,109
2017	305,000	138,218	443,218	2016	69,109	2016	69,109
2018	325,000	122,204	447,204	2017	61,102	2017	61,102
2019	340,000	104,980	444,980	2018	52,490	2018	52,490
2020	360,000	86,620	446,620	2019	43,310	2019	43,310
2021	380,000	66,820	446,820	2020	33,410	2020	33,410
2022	400,000	45,920	445,920	2021	22,960	2021	22,960
2023	420,000	23,520	443,520	2022	11,760	2022	11,760
	<u>2,530,000</u>	<u>1,555,808</u>	<u>4,085,808</u>		<u>777,904</u>		<u>777,904</u>

# **CITY OF HARVEY, ILLINOIS**

## **Long-Term Debt Requirements General Obligation Refunding Bonds of 2002C**

**April 30, 2009**

Date of Issue	December 1, 2002
Date of Maturity	February 1, 2020
Authorized Issue	\$7,000,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 5.00%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	LaSalle Bank National Association, Chicago IL

### **CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Aug. 1	Amount	Feb. 1	Amount
2010	\$ 340,000	244,402	584,402	2009	122,201	2010	122,201
2011	350,000	231,652	581,652	2010	115,826	2011	115,826
2012	595,000	219,052	814,052	2011	109,526	2012	109,526
2013	750,000	197,038	947,038	2012	98,519	2013	98,519
2014	425,000	161,412	586,412	2013	80,706	2014	80,706
2015	450,000	141,224	591,224	2014	70,612	2015	70,612
2016	475,000	118,726	593,726	2015	59,363	2016	59,363
2017	495,000	94,976	589,976	2016	47,488	2017	47,488
2018	520,000	73,690	593,690	2017	36,845	2018	36,845
2019	540,000	50,290	590,290	2018	25,145	2019	25,145
2020	565,000	25,990	590,990	2019	12,995	2020	12,995
	<u>5,505,000</u>	<u>1,558,452</u>	<u>7,063,452</u>		<u>779,226</u>		<u>779,226</u>

# CITY OF HARVEY, ILLINOIS

## Long-Term Debt Requirements General Obligation Refunding Bonds of 2007A

April 30, 2009

Date of Issue	July 15, 2007
Date of Maturity	December 1, 2032
Authorized Issue	\$22,275,000
Denomination of Bonds	\$5,000
Interest Rates	5.50% to 5.625%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Depository Trust Company, New York, NY

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2010	\$ -	1,241,076	1,241,076	2009	620,538	2009	620,538
2011	-	1,241,074	1,241,074	2010	620,537	2010	620,537
2012	-	1,241,076	1,241,076	2011	620,538	2011	620,538
2013	-	1,241,074	1,241,074	2012	620,537	2012	620,537
2014	-	1,241,076	1,241,076	2013	620,538	2013	620,538
2015	-	1,241,074	1,241,074	2014	620,537	2014	620,537
2016	-	1,241,076	1,241,076	2015	620,538	2015	620,538
2017	-	1,241,074	1,241,074	2016	620,537	2016	620,537
2018	-	1,241,076	1,241,076	2017	620,538	2017	620,538
2019	-	1,241,074	1,241,074	2018	620,537	2018	620,537
2020	-	1,241,074	1,241,074	2019	620,537	2019	620,537
2021	565,000	1,241,074	1,806,074	2020	620,537	2020	620,537
2022	705,000	1,210,000	1,915,000	2021	605,000	2021	605,000
2023	755,000	1,171,226	1,926,226	2022	585,613	2022	585,613
2024	800,000	1,129,700	1,929,700	2023	564,850	2023	564,850
2025	540,000	1,085,700	1,625,700	2024	542,850	2024	542,850
2026	1,940,000	1,056,000	2,996,000	2025	528,000	2025	528,000
2027	2,050,000	949,300	2,999,300	2026	474,650	2026	474,650
2028	2,160,000	836,550	2,996,550	2027	418,275	2027	418,275
2029	2,280,000	717,750	2,997,750	2028	358,875	2028	358,875
2030	2,410,000	589,500	2,999,500	2029	294,750	2029	294,750
2031	2,545,000	453,938	2,998,938	2030	226,969	2030	226,969
2032	2,685,000	310,782	2,995,782	2031	155,391	2031	155,391
2033	2,840,000	159,750	2,999,750	2032	79,875	2032	79,875
	<u>22,275,000</u>	<u>24,563,094</u>	<u>46,838,094</u>		<u>12,281,547</u>		<u>12,281,547</u>

**CITY OF HARVEY, ILLINOIS****Long-Term Debt Requirements  
General Obligation Refunding Bonds of 2007B****April 30, 2009**

Date of Issue	July 15, 2007
Date of Maturity	December 1, 2024
Authorized Issue	\$9,000,000
Denomination of Bonds	\$5,000
Interest Rates	7.25% to 7.75%
Interest Date	December 1
Principal Maturity Date	December 1
Payable at	Depository Trust Company, New York, NY

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		Totals
	Principal	Interest	
2010	\$ -	681,650	681,650
2011	-	681,650	681,650
2012	-	681,650	681,650
2013	-	681,650	681,650
2014	295,000	681,650	976,650
2015	660,000	660,263	1,320,263
2016	695,000	612,413	1,307,413
2017	735,000	562,025	1,297,025
2018	785,000	508,737	1,293,737
2019	630,000	451,825	1,081,825
2020	675,000	403,000	1,078,000
2021	725,000	350,688	1,075,688
2022	785,000	294,500	1,079,500
2023	840,000	233,663	1,073,663
2024	900,000	168,562	1,068,562
2025	1,275,000	98,812	1,373,812
	9,000,000	7,752,738	16,752,738

# CITY OF HARVEY, ILLINOIS

## Long-Term Debt Requirements

### Hotel-Motel Tax and Sales Tax Revenue Bonds of 2008A

April 30, 2009

Date of Issue	August 27, 2008
Date of Maturity	August 1, 2028
Authorized Issue	\$6,025,000
Denomination of Bonds	\$5,000
Interest Rate	6.875%
Interest Dates	August 1 and February 1
Principal Maturity Date	August 1
Payable at	Amalgamated Bank, Chicago IL

## CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Aug. 1	Amount	Feb. 1	Amount
2010	\$ 165,000	599,547	764,547	2009	398,110	2010	201,437
2011	160,000	397,375	557,375	2010	201,438	2011	195,937
2012	170,000	386,031	556,031	2011	195,937	2012	190,094
2013	180,000	374,000	554,000	2012	190,094	2013	183,906
2014	195,000	361,109	556,109	2013	183,906	2014	177,203
2015	205,000	347,359	552,359	2014	177,203	2015	170,156
2016	220,000	332,750	552,750	2015	170,156	2016	162,594
2017	235,000	317,110	552,110	2016	162,594	2017	154,516
2018	255,000	300,266	555,266	2017	154,516	2018	145,750
2019	270,000	282,219	552,219	2018	145,750	2019	136,469
2020	290,000	262,969	552,969	2019	136,469	2020	126,500
2021	310,000	242,344	552,344	2020	126,500	2021	115,844
2022	330,000	220,344	550,344	2021	115,844	2022	104,500
2023	355,000	196,797	551,797	2022	104,500	2023	92,297
2024	375,000	171,703	546,703	2023	92,297	2024	79,406
2025	405,000	144,890	549,890	2024	79,406	2025	65,484
2026	430,000	116,187	546,187	2025	65,484	2026	50,703
2027	460,000	85,594	545,594	2026	50,703	2027	34,891
2028	490,000	52,938	542,938	2027	34,891	2028	18,047
2029	525,000	18,047	543,047	2028	18,047	2029	-
	<u>6,025,000</u>	<u>5,209,579</u>	<u>11,234,579</u>		<u>2,803,845</u>		<u>2,405,734</u>

**CITY OF HARVEY, ILLINOIS****Long-Term Debt Requirements****General Obligation Refunding Capital Appreciation Bonds of 2002A****April 30, 2009**

---

---

Date of Issue	July 1, 2002
Date of Maturity	May 1, 2015
Denomination of Bonds	\$5,000
Interest Rates	5.30% to 5.50%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	LaSalle Bank National Association, Chicago IL

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Beginning Principal Balance</b>	<b>Accretion</b>	<b>Principal Payment</b>	<b>Ending Principal Balance</b>
2010	\$ 671,712	36,735	-	708,447
2011	708,447	38,746	-	747,193
2012	747,193	40,865	-	788,058
2013	788,058	43,099	-	831,157
2014	831,157	37,508	300,000	568,665
2015	568,665	23,306	300,000	291,971
2016	291,971	8,029	300,000	-
		<u>228,288</u>	<u>900,000</u>	

**CITY OF HARVEY, ILLINOIS**

**Long-Term Debt Requirements  
Installment Contract of 2004**

**April 30, 2009**

---

---

Date of Issue	April 1, 2006
Date of Maturity	April 1, 2010
Authorized Issue	\$274,303
Interest Rate	5.85%
Interest Date	April 1
Principal Maturity Date	April 1
Payable at	United Central Bank

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		Totals
	Principal	Interest	
2010	\$ 54,861	3,301	58,162