

VILLAGE OF HAMPSHIRE,
ILLINOIS

ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2014

VILLAGE OF HAMPSHIRE, ILLINOIS

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INTRODUCTORY SECTION

VILLAGE OF HAMPSHIRE, ILLINOIS

**List of Principal Officials
April 30, 2014**

VILLAGE PRESIDENT

Jeffrey Magnussen

VILLAGE BOARD OF TRUSTEES

George Brust

Martin Ebert

Janet Kraus

Michael Reid Jr.

Orris Ruth

Rob Whaley

ADMINISTRATIVE

Linda R. Vasquez, Village Clerk

Lori A. Lyons, Finance Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

December 17, 2014

The Honorable Village President
Members of the Board of Trustees and Village Manager
Village of Hampshire, 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 Village of Hampshire, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hampshire, Illinois, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hampshire, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and supplemental 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 supplemental 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Lauterbach + Amen LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

Our discussion and analysis of the Village of Hampshire's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2014. Please read it in conjunction with the Village's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village's net position decreased as a result of this year's operations. Net position of the governmental activities decreased by \$535,927, or 1.6 percent and net position of the business-type activities decreased by \$1,122,271, or 2.2 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$5,908,122 while expenses totaled \$7,566,320, resulting in a decrease to net position of \$1,658,198.
- The Village's net position totaled \$82,193,060 on April 30, 2014, which includes \$77,974,970 net investment in capital assets, \$4,309,236 subject to external restrictions, and (\$91,146) unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase in fund balance this year of \$38,196, resulting in ending fund balance of \$98,294, a decrease of 63.6 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 Village as a whole and present a longer-term view of the Village'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 Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village'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 Village's assets and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's capital assets, is needed to assess the overall health of the Village.

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

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 Village 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 Village include general government, highways and streets, police protection, and economic development. The business-type activities of the Village include water, sewer, and garbage 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 Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and proprietary funds.

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 Village'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.

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The Village maintains nineteen 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, SSA 13 Improvement, Transportation Impact Fees, SSA 16 – 19 Improvements, SSA 14 Improvements, and Public Use Funds, all of which are considered major funds. Data from the other thirteen 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 Village adopts an annual appropriated budget for all of the governmental funds, except the SSA 13 Improvements Fund, the SSA 16-19 Improvements Fund, the SSA 14 Improvements Fund, the Capital Improvements Fund, the TIF Revenue Bonds of 2009A/Tuscany Woods Line of Credit Fund, the Equipment Replacement Fund and the Health Insurance Fund. A budgetary comparison schedule for the budgeted 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 Village maintains two proprietary fund types: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water, sewer and garbage operations. The Village utilizes a health insurance fund to mitigate the burden of increases in health insurance costs.

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 and Sewer Fund, which is considered to be a major fund of the Village. The health insurance fund is reported separately as an internal service fund.

The basic proprietary fund financial statements can be found on pages 13 - 16 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 Village of Hampshire'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 17 - 18 of this report.

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

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 19 - 52 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 Village's General Fund budgetary comparison schedule and disclosures regarding the Village's Illinois Municipal Retirement Fund and Police Pension Fund. Required supplementary information can be found on pages 53 - 55 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 56 - 79 of this report.

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

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 Village, assets exceeded liabilities and deferred inflows by \$82,193,060.

	Governmental		Net Position		Total	
	Activities		Business-type			
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 5,638,241	6,030,330	364,372	565,482	6,002,613	6,595,812
Capital Assets	31,215,573	31,449,567	53,445,096	54,646,295	84,660,669	86,095,862
Total Assets	36,853,814	37,479,897	53,809,468	55,211,777	90,663,282	92,691,674
Long-Term Debt	2,353,052	2,481,122	3,784,179	4,105,639	6,137,231	6,586,761
Other Liabilities	784,385	687,140	596,054	544,786	1,380,439	1,231,926
Deferred Inflows	952,552	931,762	-	-	952,552	931,762
Total Liabilities/Deferred Inflows	4,089,989	4,100,024	4,380,233	4,650,425	8,470,222	8,750,449
Net Position						
Net Investment in						
Capital Assets	28,655,028	28,764,577	49,319,942	50,178,429	77,974,970	78,943,006
Restricted	4,309,236	4,689,171	-	-	4,309,236	4,689,171
Unrestricted (Deficit)	(200,439)	(73,875)	109,293	382,923	(91,146)	309,048
Total Net Position	32,763,825	33,379,873	49,429,235	50,561,352	82,193,060	83,941,225

A large portion of the Village's net position, \$77,974,970 or 95.0 percent, reflects its investment in capital assets (for example, land, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village'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, \$4,309,236 or 5.2 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used, specifically for debt service requirements. The remaining (\$91,146) represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Management's Discussion and Analysis
April 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for Services	\$ 663,602	506,715	2,107,013	2,045,268	2,770,615	2,551,983
Operating Grants/Contrib.	165,086	160,817	-	-	165,086	160,817
Capital Grants/Contrib.	156,596	-	-	-	156,596	-
General Revenues						
Property and Replacement Taxes	955,590	933,320	-	-	955,590	933,320
Sales and Use Taxes	724,001	662,066	-	-	724,001	662,066
Income Taxes	542,063	501,341	-	-	542,063	501,341
Utility Taxes	451,116	430,152	-	-	451,116	430,152
Interest Income	2,505	4,366	9	190	2,514	4,556
Miscellaneous	140,541	131,169	-	-	140,541	131,169
Total Revenues	3,801,100	3,329,946	2,107,022	2,045,458	5,908,122	5,375,404
Expenses						
General Government	913,039	912,325	-	-	913,039	912,325
Police Protection	1,617,164	1,502,019	-	-	1,617,164	1,502,019
Highways and Streets	1,784,541	1,045,822	-	-	1,784,541	1,045,822
Planning and Zoning	535	-	-	-	535	-
Interest on Long-Term Debt	104,073	192,364	-	-	104,073	192,364
Water and Sewer	-	-	2,717,734	2,504,044	2,717,734	2,504,044
Garbage	-	-	429,234	400,075	429,234	400,075
Total Expenses	4,419,352	3,652,530	3,146,968	2,904,119	7,566,320	6,556,649
Change in Net Position Before Transfers	(618,252)	(322,584)	(1,039,946)	(858,661)	(1,658,198)	(1,181,245)
Transfers	82,325	34,000	(82,325)	(34,000)	-	-
Change in Net Position	(535,927)	(288,584)	(1,122,271)	(892,661)	(1,658,198)	(1,181,245)
Net Position - Beginning as Restated	33,299,752	33,668,457	50,551,506	51,454,013	83,851,258	85,122,470
Net Position-Ending	32,763,825	33,379,873	49,429,235	50,561,352	82,193,060	83,941,225

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

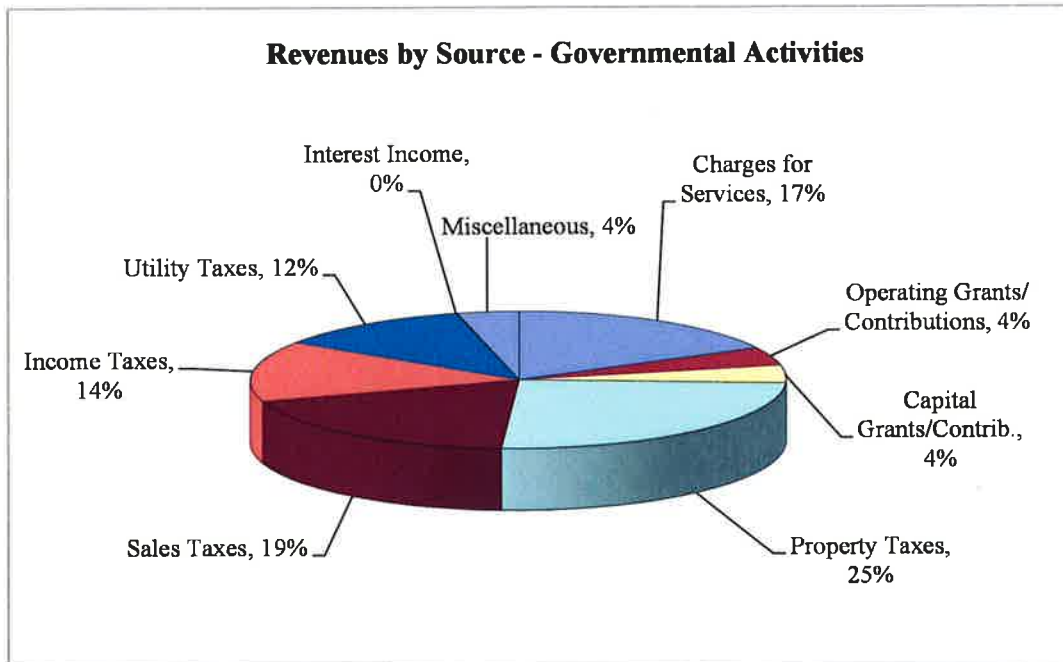
Net position of the Village's governmental activities decreased by 1.6 percent (\$32,763,825 in 2014, compared to a restated \$33,299,752 in 2013). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, was a deficit of \$200,439 at April 30, 2014.

Net position of business-type activities decreased by 2.2 percent (\$49,429,235 in 2014 compared to a restated \$50,551,506 in 2013).

Governmental Activities

Revenues for governmental activities totaled \$3,801,100, while the cost of all governmental functions totaled \$4,419,352. This results in a decrease of \$618,252 prior to transfers in of \$82,325. In 2013, revenues of \$3,329,946 were less than expenses of \$3,652,530 resulting in a decrease of \$322,584 prior to transfers in of \$34,000. During 2014, the Village continued to see increases in some of its state shared revenues, including sales and uses taxes and income taxes and telecommunication utility taxes. Overall revenues for the governmental activities increased \$471,154 and expenses increased \$762,072.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes and state shared revenues to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from utility taxes and telecommunication taxes.



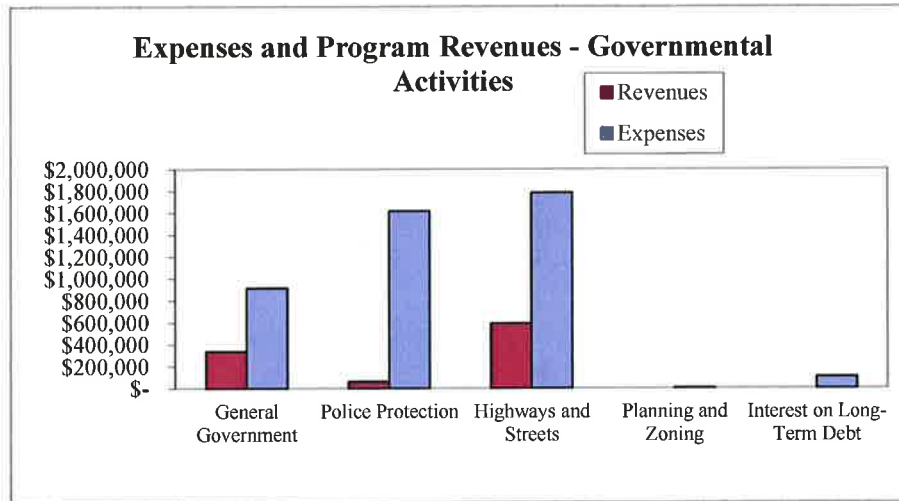
VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

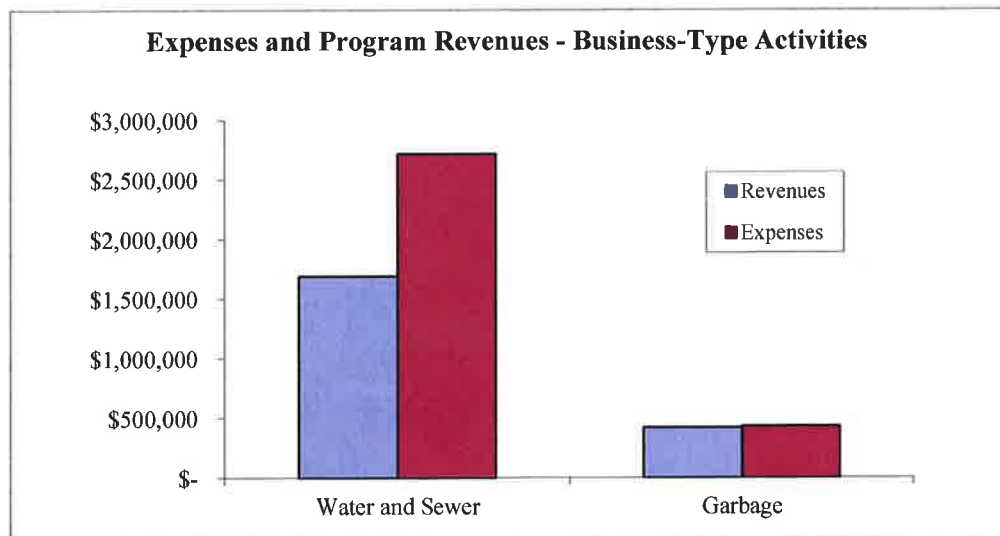
Governmental Activities – Continued

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



Business-Type activities

Business-Type activities reported total revenues of \$2,107,022, while the cost of all business-type activities totaled \$3,146,968. This results in a decrease in net position of \$1,039,955 prior to transfers out of \$82,325. In 2013, revenues of \$2,045,458 were less than expenses of \$2,904,119, resulting in a decrease in net position of \$858,661 prior to transfers out of \$34,000. The decrease in the current year is a result of higher depreciation charges.



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

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis

April 30, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unrestricted 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 Village's governmental funds reported combining ending fund balances of \$4,115,251, which is \$430,257 lower than last year's total of \$4,545,508. Of the \$4,115,251 total, the Village has an unassigned deficit of \$234,436.

The General Fund reported fund balance for the year of \$98,294, a decrease of \$38,196 or 63.6 percent. While revenues increased in the General Fund, expenditures increased as well.

The General Fund is the chief operating fund of the Village. At April 30, 2014, unassigned fund balance in the General Fund was \$34,597, which represents 35.2 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 1.1 percent of total General Fund expenditures.

The Village reports five capital projects funds as major funds: SSA 13 Improvement Fund, Transportation Impact Fees Fund, SSA 16 – 19 Improvements Fund, SSA 14 Improvements Fund, and Public Use Fund. The SSA 13 Improvement Fund reported a decrease in fund balance of \$311,186 due to planned expenditures coupled with no revenues. The Transportation Impact Fees Fund reported an increase in fund balance of \$109,891 due to the Village not spending in this fund during the current year. The SSA SSA 16-19 Improvement Fund reported a decrease in fund balance of \$13 while SSA 14 Improvement Fund reported a \$36 increase; neither fund with activity. The Public Use Fund reported an increase of \$103,292.

All other governmental funds of the Village are reported as nonmajor funds, including the Motor Fuel Tax Fund, Road and Bridge Fund, Revolving Loan Fund, Special Service Areas Fund, Evidence Fund, Tax Increment Financing Fund, Hotel/Motel Tax Fund, SSA Bond 5-55 Fund, Capital Improvements Fund, TIF Revenue Bonds of 2009A/Tuscany Woods Line of Credit Fund, 2006A Bonds Fund, Equipment Replacement Fund, and Early Warning Impact Fee Fund.

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

The Village'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 and Sewer Fund as a major proprietary fund that account for the provision of water and sewer services to the residents of the Village. In the current year, the Water and Sewer Fund reported a decrease in net position of \$1,110,698 due mainly to depreciation costs.

The Village also reports the Garbage fund as a major proprietary fund, which accounts for the provision of garbage service to the residents of the Village. In the current year, the Garbage Fund reported a decrease in net position of \$11,573 due to garbage expenses exceeding collections.

GENERAL FUND BUDGETARY HIGHLIGHTS

No amendments were made to the General Fund budget during the year. General Fund actual revenues for the year totaled \$2,993,653 compared to budgeted revenues of \$2,849,482. Taxes, licenses and permits, and miscellaneous revenues were all higher than budgeted.

The General Fund actual expenditures for the year were \$3,158,325 with budgeted expenditures of \$2,937,958. The Village worked during the year to control costs in the General Fund but had unexpected costs in general government, police protection and highways and streets functions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2014 was \$84,660,669 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, machinery and equipment, and underground water and sewer lines.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 20,868,259	20,868,259	1,201,448	1,201,448	22,069,707	22,069,707
Construction in Progress	-	-	705,435	605,748	705,435	605,748
Buildings	11,660	12,720	23,822,357	24,441,177	23,834,017	24,453,897
Machinery and Equipment	390,170	355,683	70,390	31,351	460,560	387,034
Underground Water and Sewer Lines	9,945,484	10,212,905	27,645,466	28,366,571	37,590,950	38,579,476
Total	31,215,573	31,449,567	53,445,096	54,646,295	84,660,669	86,095,862

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis
April 30, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Capital Assets – Continued

This year's major additions included:

Construction in Progress	\$ 99,687
Vehicles, Machinery and Equipment	<u>170,142</u>
	<u>269,829</u>

Additional information on the Village's capital assets can be found in note 3 on pages 32 - 33 of this report.

Debt Administration

At year-end, the Village had total outstanding debt of \$6,666,385 as compared to \$7,152,856 the previous year, a decrease of 6.8 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	2014	2013
	2014	2013	2014	2013	2014	2013
Installment Contracts	\$ 147,764	122,309	-	-	147,764	122,309
General Obligations/ Alternate Revenue Bonds	1,117,781	1,242,681	1,845,603	1,952,906	2,963,384	3,195,587
TIF Revenue Bonds	1,295,000	1,320,000	-	-	1,295,000	1,320,000
IEPA Loans	-	-	2,260,237	2,454,960	2,260,237	2,454,960
Debt Certificates	-	-	-	60,000	-	60,000
Total	<u>2,560,545</u>	<u>2,684,990</u>	<u>4,105,840</u>	<u>4,467,866</u>	<u>6,666,385</u>	<u>7,152,856</u>

During the year the Village issued installment contracts of \$150,385 and made annual payments on all other long-term debt issuances. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt margin for the Village is \$12,297,870.

Additional information on the Village's long-term debt can be found in Note 3 on pages 35 - 42 of this report.

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis

April 30, 2014

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The downturn in the economy has affected the Village most notably in the slowdown of new residential development. Although the Village annexed several acres of commercial and residential property, virtually all new residential development had ceased. Continuing problems within the housing market including pressure from foreclosures and distressed properties make it unlikely significant new residential development will occur in the near future. The Village remains optimistic, however, about the recent number of new residential building permits issued and is beginning to see a modest upturn in the housing market.

Furthermore, the slumping economy has caused a sharp decline in interest rates and interest earnings. Until the economy improves, interest rates are expected to remain flat.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village'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 Village of Hampshire, 234 South State Street, PO Box 457, Hampshire, IL 60140.

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.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Net Position
April 30, 2014**

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

Statement of Net Position

April 30, 2014

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 3,519,959	430,634	3,950,593
Receivables - Net of Allowances	1,344,439	423,328	1,767,767
Notes Receivable	226,141	-	226,141
Prepays	40,447	17,665	58,112
Internal Balances	507,255	(507,255)	-
Total Current Assets	5,638,241	364,372	6,002,613
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	20,868,259	1,906,883	22,775,142
Depreciable Capital Assets	12,503,767	63,563,703	76,067,470
Accumulated Depreciation	(2,156,453)	(12,025,490)	(14,181,943)
Total Noncurrent Assets	31,215,573	53,445,096	84,660,669
Total Assets	36,853,814	53,809,468	90,663,282

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

	Governmental Activities	Business- Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	176,344	160,177	336,521
Accrued Payroll	68,918	10,472	79,390
Accrued Interest Payable	35,249	42,963	78,212
Deposits Payable	186,349	-	186,349
Other Liabilities	20,293	28,623	48,916
Current Portion of Long-term Debt	297,232	353,819	651,051
Total Current Liabilities	<u>784,385</u>	<u>596,054</u>	<u>1,380,439</u>
Noncurrent Liabilities			
Net Pension Obligation	14,368	-	14,368
Installment Contracts	97,603	9,931	107,534
General Obligation Alternate Revenue Bonds	971,081	1,713,978	2,685,059
TIF Revenue Bonds	1,270,000	-	1,270,000
IEPA Loan	-	2,060,270	2,060,270
Total Noncurrent Liabilities	<u>2,353,052</u>	<u>3,784,179</u>	<u>6,137,231</u>
Total Liabilities	<u>3,137,437</u>	<u>4,380,233</u>	<u>7,517,670</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	952,552	-	952,552
Total Liabilities and Deferred Inflows of Resources	<u>4,089,989</u>	<u>4,380,233</u>	<u>8,470,222</u>
NET POSITION			
Net Investment in Capital Assets	28,655,028	49,319,942	77,974,970
Restricted			
Police Impound Fees	23,250	-	23,250
Highways and Streets	2,456,094	-	2,456,094
Public Safety	5,374	-	5,374
Subdivision Maintenance	52,507	-	52,507
Economic Development	1,013,708	-	1,013,708
Tourism	36,253	-	36,253
Public Use	722,050	-	722,050
Unrestricted	<u>(200,439)</u>	<u>109,293</u>	<u>(91,146)</u>
Total Net Position	<u>32,763,825</u>	<u>49,429,235</u>	<u>82,193,060</u>

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended April 30, 2014**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Primary Government				
Governmental Activities				
General Government	\$ 913,039	336,227	-	-
Police Protection	1,617,164	59,551	-	-
Highways and Streets	1,784,541	267,824	165,086	156,596
Planning and Zoning	535	-	-	-
Interest on Long-Term Debt	104,073	-	-	-
Total Governmental Activities	4,419,352	663,602	165,086	156,596
Business-Type Activities				
Water and Sewer	2,717,734	1,689,352	-	-
Garbage	429,234	417,661	-	-
Total Business-Type Activities	3,146,968	2,107,013	-	-
Total Primary Government	7,566,320	2,770,615	165,086	156,596

General Revenues
 Taxes
 Property Taxes
 Replacement Taxes
 Sales and Use Taxes
 Income Taxes
 Utility Taxes
 Investment 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	Total
(576,812)	-	(576,812)
(1,557,613)	-	(1,557,613)
(1,195,035)	-	(1,195,035)
(535)	-	(535)
(104,073)	-	(104,073)
<u>(3,434,068)</u>	<u>-</u>	<u>(3,434,068)</u>
-	(1,028,382)	(1,028,382)
-	(11,573)	(11,573)
<u>-</u>	<u>(1,039,955)</u>	<u>(1,039,955)</u>
<u>(3,434,068)</u>	<u>(1,039,955)</u>	<u>(4,474,023)</u>
933,593	-	933,593
21,997	-	21,997
724,001	-	724,001
542,063	-	542,063
451,116	-	451,116
2,505	9	2,514
140,541	-	140,541
82,325	(82,325)	-
<u>2,898,141</u>	<u>(82,316)</u>	<u>2,815,825</u>
(535,927)	(1,122,271)	(1,658,198)
<u>33,299,752</u>	<u>50,551,506</u>	<u>83,851,258</u>
<u>32,763,825</u>	<u>49,429,235</u>	<u>82,193,060</u>

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Governmental Funds - Balance Sheet
April 30, 2014**

	General	SSA 13 Improvement	Transportation Impact Fees
ASSETS			
Cash and Investments	\$ -	917,053	191,476
Receivables - Net of Allowances			
Property Taxes	778,937	-	-
Other Taxes	381,631	-	-
Due from Other Funds	2,361,456	-	145,387
Notes Receivable	-	-	-
Prepays	40,447	-	-
Total Assets	3,562,471	917,053	336,863
LIABILITIES			
Accounts Payable	86,342	-	-
Accrued Payroll	68,645	-	-
Deposits Payable	186,349	-	-
Other Liabilities	20,293	-	-
Due to Other Funds	2,248,240	-	-
Compensated Absences Payable	75,371	-	-
Total Liabilities	2,685,240	-	-
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	778,937	-	-
Total Liabilities and Deferred Inflows of Resources	3,464,177	-	-
FUND BALANCES			
Nonspendable	40,447	-	-
Restricted	23,250	917,053	336,863
Unassigned	34,597	-	-
Total Fund Balances	98,294	917,053	336,863
Total Liabilities, Deferred Inflows of Resources and Fund Balances	3,562,471	917,053	336,863

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

<u>Capital Projects</u>				
<u>SSA 16 - 19</u> <u>Improvements</u>	<u>SSA 14</u> <u>Improvements</u>	<u>Public</u> <u>Use</u>	<u>Nonmajor</u>	<u>Total</u>
127,655	160,550	244,504	1,878,721	3,519,959
-	-	-	173,615	952,552
-	-	-	10,256	391,887
-	-	507,040	831,425	3,845,308
-	-	-	226,141	226,141
-	-	-	-	40,447
<u>127,655</u>	<u>160,550</u>	<u>751,544</u>	<u>3,120,158</u>	<u>8,976,294</u>
-	-	-	1,722	88,064
-	-	-	273	68,918
-	-	-	-	186,349
-	-	-	-	20,293
-	-	29,494	1,191,762	3,469,496
-	-	-	-	75,371
-	-	29,494	1,193,757	3,908,491
-	-	-	173,615	952,552
-	-	29,494	1,367,372	4,861,043
-	-	-	-	40,447
127,655	160,550	722,050	2,021,819	4,309,240
-	-	-	(269,033)	(234,436)
<u>127,655</u>	<u>160,550</u>	<u>722,050</u>	<u>1,752,786</u>	<u>4,115,251</u>
<u>127,655</u>	<u>160,550</u>	<u>751,544</u>	<u>3,120,158</u>	<u>8,976,294</u>

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position - Governmental Activities**

April 30, 2014

Total Governmental Fund Balances \$ 4,115,251

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. 31,215,573

Internal service funds are used by the Village to charge the costs of health
insurance to individual funds.
The assets and liabilities of the internal service fund are included in the
governmental activities in the Statement of Net Position. 43,163

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Net Pension Obligation	(14,368)
Installment Contracts	(147,764)
General Obligation/Alternate Revenue Bonds	(1,117,781)
TIF Revenue Bonds	(1,295,000)
Accrued Interest Payable	<u>(35,249)</u>

Net Position of Governmental Activities 32,763,825

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2014**

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

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

	General	SSA 13 Improvement	Transportation Impact Fees
Revenues			
Taxes	\$ 2,474,675	-	-
Charges for Services	87,892	-	161,964
Intergovernmental	-	-	-
Licenses and Permits	231,997	-	-
Fines and Forfeits	57,684	-	-
Investment Income	905	68	7
Miscellaneous	140,500	15	-
Total Revenues	2,993,653	83	161,971
Expenditures			
Current			
General Government	893,490	-	-
Highways and Streets	584,086	311,269	-
Police Protection	1,569,141	-	-
Planning and Zoning	535	-	-
Debt Service			
Principal Retirement	98,605	-	-
Interest and Fiscal Charges	12,468	-	-
Total Expenditures	3,158,325	311,269	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(164,672)	(311,186)	161,971
Other Financing Sources (Uses)			
Debt Issuance	120,560	-	-
Transfers In	115,238	-	-
Transfers Out	(32,930)	-	(52,080)
	202,868	-	(52,080)
Net Change in Fund Balances	38,196	(311,186)	109,891
Fund Balances - Beginning as Restated	60,098	1,228,239	226,972
Fund Balances - Ending	98,294	917,053	336,863

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

Capital Projects				
SSA 16 - 19 Improvements	SSA 14 Improvements	Public Use	Nonmajor	Total
-	-	-	198,095	2,672,770
-	-	-	2,704	252,560
-	-	103,156	323,549	426,705
-	-	-	-	231,997
-	-	-	-	57,684
13	10	193	1,309	2,505
-	26	-	-	140,541
13	36	103,349	525,657	3,784,762
-	-	57	19,492	913,039
-	-	-	688,847	1,584,202
-	-	-	-	1,569,141
-	-	-	-	535
-	-	-	146,400	245,005
-	-	-	93,514	105,982
-	-	57	948,253	4,417,904
13	36	103,292	(422,596)	(633,142)
-	-	-	-	120,560
-	-	-	167,335	282,573
-	-	-	(115,238)	(200,248)
-	-	-	52,097	202,885
13	36	103,292	(370,499)	(430,257)
127,642	160,514	618,758	2,123,285	4,545,508
127,655	160,550	722,050	1,752,786	4,115,251

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

VILLAGE OF HAMPSHIRE, ILLINOIS

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

For the Fiscal Year Ended April 30, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (430,257)

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	120,560
Depreciation Expense	(354,554)

The net effect of various miscellaneous transactions involving capital assets
is to decrease net position.

Disposals - Cost	(44,942)
Disposals - Accumulated Depreciation	44,942

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 Net Pension Obligation	(14,368)
Debt Issuance	(120,560)
Retirement of Debt	245,005

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.

1,909

Internal service funds are used by the Village to charge the costs of health
insurance to individual funds.

The net revenue of certain activities of internal service funds is
reported with governmental activities.

16,338

Changes in Net Position of Governmental Activities

(535,927)

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Net Position - Proprietary Funds
April 30, 2014**

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2014

	Business-Type Activities - Enterprise			Governmental
	Water and Sewer	Garbage	Total	Activities Internal Service
ASSETS				
Current Assets				
Cash and Investments	\$ 239,758	190,876	430,634	-
Receivables - Net of Allowances Accounts	342,006	81,322	423,328	-
Due from Other Funds	1,258,586	12,051	1,270,637	43,163
Prepays	17,665	-	17,665	-
Total Current Assets	1,858,015	284,249	2,142,264	43,163
Noncurrent Assets				
Capital Assets				
Nondepreciable Capital Assets	1,906,883	-	1,906,883	-
Depreciable Capital Assets	63,563,703	-	63,563,703	-
Accumulated Depreciation	(12,025,490)	-	(12,025,490)	-
Total Noncurrent Assets	53,445,096	-	53,445,096	-
Total Assets	55,303,111	284,249	55,587,360	43,163

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

	Business-Type Activities - Enterprise			Governmental
	Water and	Garbage	Total	Activities
	Sewer			Internal Service
LIABILITIES				
Current Liabilities				
Accounts Payable	125,278	34,899	160,177	-
Accrued Payroll	10,472	-	10,472	-
Accrued Interest Payable	42,963	-	42,963	-
Other Liabilities	28,623	-	28,623	-
Due to Other Funds	1,567,223	210,669	1,777,892	-
Compensated Absences Payable	12,844	-	12,844	-
Installment Contracts	9,383	-	9,383	-
General Obligation Bonds	131,625	-	131,625	-
IEPA Loan	199,967	-	199,967	-
Total Current Liabilities	2,128,378	245,568	2,373,946	-
Noncurrent Liabilities				
Installment Contracts	9,931	-	9,931	-
General Obligation Bonds	1,713,978	-	1,713,978	-
IEPA Loan	2,060,270	-	2,060,270	-
Total Noncurrent Liabilities	3,784,179	-	3,784,179	-
Total Liabilities	5,912,557	245,568	6,158,125	-
NET POSITION				
Net Investment in Capital Assets	49,319,942	-	49,319,942	-
Unrestricted	70,612	38,681	109,293	43,163
Total Net Position	49,390,554	38,681	49,429,235	43,163

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2014

	Business-Type Activities - Enterprise			Governmental
	Water and Sewer	Garbage	Total	Activities Internal Service
Operating Revenues				
Charges for Services	\$ 1,677,887	417,661	2,095,548	16,338
Operating Expenses				
Operations				
Water Department	570,447	-	570,447	-
Sewer Department	606,033	429,234	1,035,267	-
System Improvements	85,690	-	85,690	-
Depreciation	1,350,468	-	1,350,468	-
Total Operating Expenses	2,612,638	429,234	3,041,872	-
Operating Income (Loss)	(934,751)	(11,573)	(946,324)	16,338
Nonoperating Revenues (Expenses)				
Tap On Fees	11,465	-	11,465	-
Investment Income	9	-	9	-
Interest and Fiscal Charges	(105,096)	-	(105,096)	-
	(93,622)	-	(93,622)	-
Income (Loss) Before Transfers	(1,028,373)	(11,573)	(1,039,946)	16,338
Transfers Out	(82,325)	-	(82,325)	-
Change in Net Position	(1,110,698)	(11,573)	(1,122,271)	16,338
Net Position - Beginning as Restated	50,501,252	50,254	50,551,506	26,825
Net Position - Ending	49,390,554	38,681	49,429,235	43,163

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2014

	Business-Type Activities - Enterprise			Governmental
	Water and		Total	Internal Service
	Sewer	Garbage		
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,382,395	403,362	2,785,757	-
Payments to Employees	(181,881)	-	(181,881)	-
Payments to Suppliers	(1,399,834)	(409,881)	(1,809,715)	-
	<u>800,680</u>	<u>(6,519)</u>	<u>794,161</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities				
Transfers Out	(82,325)	-	(82,325)	-
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(149,269)	-	(149,269)	-
Issuance of Capital Debt	29,825	-	29,825	-
Principal on Capital Debt	(372,537)	-	(372,537)	-
Interest on Capital Debt	(105,096)	-	(105,096)	-
	<u>(597,077)</u>	<u>-</u>	<u>(597,077)</u>	<u>-</u>
Cash Flows from Investing Activities				
Interest Received	9	-	9	-
Net Change in Cash and Cash Equivalents	121,287	(6,519)	114,768	-
Cash and Cash Equivalents - Beginning	118,471	197,395	315,866	-
Cash and Cash Equivalents - Ending	<u>239,758</u>	<u>190,876</u>	<u>430,634</u>	<u>-</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(934,751)	(11,573)	(946,324)	16,338
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used In) Operating Activities:				
Depreciation Expense	1,350,468	-	1,350,468	-
Other Income	11,465	-	11,465	-
(Increase) Decrease in Current Assets	693,043	(14,299)	678,744	(16,338)
Increase (Decrease) in Current Liabilities	(319,545)	19,353	(300,192)	-
Net Cash Provided by Operating Activities	<u>800,680</u>	<u>(6,519)</u>	<u>794,161</u>	<u>-</u>

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Net Position - Fiduciary Funds
April 30, 2014**

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 600,960	3,018,236
Cash with Fiscal Agent	-	296,491
Due from Other Funds	-	112,215
	<hr/>	<hr/>
Total Assets	600,960	3,426,942
	<hr/>	<hr/>
LIABILITIES		
Account Payable	80	-
Due to Park District and Village Parks	-	542,390
Due to School District	-	156,180
Due to Library Districts	-	75,225
Due to Fire District	-	52,060
Due to Others	-	560
Due to Other Funds	-	111,474
Due to Bondholders	-	2,489,053
	<hr/>	<hr/>
Total Liabilities	80	3,426,942
	<hr/>	<hr/>
NET POSITION		
Net Plan Position Held in Trust for Pension Benefits	<hr/> 600,880 <hr/>	<hr/> - <hr/>

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Statement of Changes in Net Position - Fiduciary Funds
For the Fiscal Year Ended April 30, 2014

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 126,076
Contributions - Plan Members	<u>76,928</u>
Total Contributions	<u>203,004</u>
Investment Income	
Interest Earned	127
Net Change in Fair Value	<u>-</u>
	127
Less Investment Expenses	<u>-</u>
Net Investment Income	<u>127</u>
Total Additions	<u>203,131</u>
Deductions	
Administration	5,490
Benefits and Refunds	<u>-</u>
Total Deductions	<u>5,490</u>
Change in Net Position	197,641
Net Plan Position Held in Trust for Pension Benefits	
Beginning	<u>403,239</u>
Ending	<u><u>600,880</u></u>

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Hampshire, Illinois, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police protection, highway and street maintenance and reconstruction, planning and zoning, economic development, water, sewer and garbage services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP), except as described in the Basis of Presentation below. 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 Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the primary government, the Village of Hampshire.

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The Village's sworn 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 Village's President, 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 Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels.

Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police protection, highway and street maintenance and reconstruction, planning and zoning, economic development and general administrative services are classified as governmental activities. The Village's water, sewer and garbage 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 Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, police protection, highways and streets, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, interest income, etc.). The Village allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid through the General Fund. This government-wide focus concentrates on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Village 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 comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, 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. Nonmajor funds by category are summarized into a single column. 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 Village electively added funds, as major funds, which either had debt outstanding or 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 Village 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 Village:

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 Village:

General fund is the general operating fund of the Village. 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.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Special revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains seven non-major 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 Village maintains one nonmajor debt service fund.

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 Village maintains five major capital projects funds, the SSA 13 Improvement, Transportation Impact Fees, SSA 16 - 19 Improvements, SSA 14 Improvements and Public Use Funds. The SSA 13 Improvement Fund is used to account for the proceeds from the SSA 13 bond issue and the capital improvements benefiting SSA 13. The Transportation Impact Fees Fund is used to account for the proceeds of transportation impact fees and the improvements funded by the fees. The SSA 16 - 19 Improvements Fund is used to account for the proceeds from the SSA 16-19 bond issue and the capital improvements benefiting SSA 16 - 19. The SSA 14 Improvements Fund is used to account for the proceeds from the SSA 14 bond issue received by the Village and the capital improvements benefiting SSA 14. The Public Use Fund is used to account for the proceeds of public use impact fees and the improvements funded by the fees. The Village also maintains five non-major capital projects 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 fund of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is 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 Village maintains two major enterprise funds, the Water and Sewer Fund and the Garbage Fund. The Water and Sewer Fund is used to account for the provision of potable water and sewer services to the residents and businesses of the Village. The Garbage Fund is used to account for the provision of solid waste services to the residents and businesses of the Village financed by user fees.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains one internal service fund, the Health Insurance Fund, which mitigates the burden of increases in health insurance costs. The Village has various arrangements for medical, dental and vision insurance coverage for employees. The Village's plan is to charge the department from which the employee is associated a set amount building net assets. The accumulated resources will be used in the future to lessen the amount of premium increases charged to employees and the employees' departments. The department charges account for the revenues in this fund.

Fiduciary Funds

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

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. Financing is provided by employee contributions, the Village's contribution and investment income.

Agency funds are used to account for assets held by the Village in a purely custodial capacity. The agency fund is used to account for the collection and remittance of impact fees for the Park District, Library Districts, School District, and Fire Protection District and collection of taxes from special service areas 9, 14 and 16 through 19 and remittance to bondholders.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the Village, 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.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined 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 fiduciary 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. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow 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 Village 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. 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.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

All proprietary, pension trust and agency 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 Village's enterprise funds are charges to customers for sales and services. The Village 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.

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, 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 occur 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. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays

Prepays are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

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 \$10,000 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 Village as a whole. Infrastructure, such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets is 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. Donated capital assets are capitalized at estimated fair market value on the date donated.

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

Buildings and Improvements	10 – 50 Years
Vehicles and Equipment	5 – 20 Years
Underground Water/Sewer Lines	25 – 50 Years
Infrastructure	25 – 50 Years

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 type 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 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.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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 that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the Village submit requests for budgets so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested budgets for the next fiscal year.

The proposed budget is presented to the Village Board for review. The Village Board holds public hearings and may add to, subtract from, or change budgeted amounts, but may not change the form of the budget.

The Finance Director is authorized to transfer budgeted amounts within any fund; however, the Board of Trustees must approve any revisions that alter the total expenditures of any fund. State statutes establish that expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at the end of the fiscal year. No supplemental appropriations were made during the year.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

Budgets are prepared for all funds except the SSA 13 Improvement Fund, the SSA 16 - 19 Improvements Fund, the SSA 14 Improvements Fund, the TIF Revenue Bonds of 2009A/Tuscany Woods Line of Credit Fund, the SSA Bond 5-55 Fund and the Health Insurance Fund.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget for the fiscal year:

<u>Fund</u>	<u>Excess</u>
General	\$ 220,367
Public Use	57
Motor Fuel Tax	1,790
Revolving Loan	1,710
Evidence	1,742
2006A Bonds	15,476
Water and Sewer	27,648
Garbage	15,745

DEFICIT FUND BALANCE

The following funds reported deficit fund equity at year-end:

<u>Fund</u>	<u>Deficit</u>
Tax Increment Financing	\$ 256,767
Capital Improvements	12,266

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all 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 Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Permitted Deposits and Investments - Statutes authorize the Village 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, Illinois Funds and the Illinois Metropolitan Investment Fund. The deposits and investments of the Pension Funds are held separately from those of other Village 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 and 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 assets. 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 assets in common and preferred stocks that meet specific restrictions.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$3,820,804 and the bank balances totaled \$3,101,604. The Village also has \$129,789 invested in the Illinois Funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy states that the portfolio should be structured to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market and limiting investments to a maximum maturity of three years from purchase, unless designated for a specific purpose. The Village's investment in the Illinois Funds has an average maturity of less than one year.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village limits its exposure to credit risk by primarily investing in external investment pools. The Village's investment in the Illinois Funds was rated AAAm by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by an independent third-party custodian designated by the treasurer and evidenced by safekeeping receipts and a custodial agreement. At year-end \$296,492 of the bank balance of the deposits was not covered by federal depository or equivalent insurance, and represents cash at paying agent for debt service payments. The Village's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that investments shall be diversified to the best of the Village's ability based on the type of funds invested and the cash flow needs of those funds. At year-end, the Village has no investments over 5 percent of the total cash and investment portfolio.

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 \$600,960 and the bank balances totaled \$601,685.

Interest Rate Risk. The Fund's investment policy states assets shall be sufficiently liquid to enable the Fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of bank failure, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Fund's investment policy states that investment contracts and agreements of life insurance companies licensed to do business in the state of Illinois shall be rated at least A+ by Moody's and AA+ by Standard and Poor's, and securities issued by the state of Illinois, or any county, township, or municipal corporation within the state of Illinois should not be rated less than Aa by Moody's or AA+ by Standard and Poor's.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

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

Credit Risk. The Fund’s investment policy limits credit risk by restricting investments to those allowed by the Illinois Pension Code, Illinois Compiled Statutes Chapter 40 Act 5 Articles 1 and 3, and the Public Funds Investment Act.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Fund’s investment in a single issuer. The Fund’s investment policy states that investments shall be undertaken in a manner that seeks to ensure the preservation of capital. As such, the Board has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio when possible. Diversification is to be interpreted to include diversification by asset type, characteristics, number of investments, and in the case of investment money managers, by investment style. At year-end, the Fund does not have any investments over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations).

PROPERTY TAXES

Property taxes for 2013 attach as an enforceable lien on January 1, 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 County Collector and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

COMMUNITY DEVELOPMENT ASSISTANCE PROGRAM – REVOLVING LOAN FUND

The Village provides financing for qualified recipients under the Community Development Assistance Program (CDAP). Principal balances outstanding as of April 30, 2014 total \$226,141. Minimum future receipts from recipients under this program are as follows:

Year Ended April 30	Principal	Interest	Total
2015	\$ 207,138	12,022	219,160
2016	19,003	267	19,270
	<u>226,141</u>	<u>12,289</u>	<u>238,430</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

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	\$ 20,868,259	-	-	20,868,259
Depreciable Capital Assets				
Buildings and Improvements	58,800	-	-	58,800
Vehicles and Equipment	1,056,362	120,560	44,942	1,131,980
Infrastructure	11,312,987	-	-	11,312,987
	<u>12,428,149</u>	<u>120,560</u>	<u>44,942</u>	<u>12,503,767</u>
Less Accumulated Depreciation				
Buildings and Improvements	46,080	1,060	-	47,140
Vehicles and Equipment	700,679	86,073	44,942	741,810
Infrastructure	1,100,082	267,421	-	1,367,503
	<u>1,846,841</u>	<u>354,554</u>	<u>44,942</u>	<u>2,156,453</u>
Total Net Depreciable Capital Assets	<u>10,581,308</u>	<u>(233,994)</u>	<u>-</u>	<u>10,347,314</u>
Total Net Capital Assets	<u>31,449,567</u>	<u>(233,994)</u>	<u>-</u>	<u>31,215,573</u>

Depreciation expense was charged to governmental activities as follows:

Public Safety	\$ 33,655
Highways and Streets	<u>320,899</u>
	<u>354,554</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,201,448	-	-	1,201,448
Construction in Progress	605,748	99,687	-	705,435
	<u>1,807,196</u>	<u>99,687</u>	<u>-</u>	<u>1,906,883</u>
Depreciable Capital Assets				
Buildings	28,725,498	-	-	28,725,498
Machinery and Equipment	305,030	49,582	-	354,612
Underground Water and Sewer Lines	34,483,593	-	-	34,483,593
	<u>63,514,121</u>	<u>49,582</u>	<u>-</u>	<u>63,563,703</u>
Less Accumulated Depreciation				
Buildings	4,284,321	618,820	-	4,903,141
Machinery and Equipment	273,679	10,543	-	284,222
Underground Water and Sewer Lines	6,117,022	721,105	-	6,838,127
	<u>10,675,022</u>	<u>1,350,468</u>	<u>-</u>	<u>12,025,490</u>
 Total Net Depreciable Capital Assets	 <u>52,839,099</u>	 <u>(1,300,886)</u>	 <u>-</u>	 <u>51,538,213</u>
 Total Net Capital Assets	 <u>54,646,295</u>	 <u>(1,201,199)</u>	 <u>-</u>	 <u>53,445,096</u>

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

Water and Sewer	<u>\$ 1,350,468</u>
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VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report is as follows:

Receivable Fund	Payable Fund	Amount
General	Public Use	\$ 29,494
General	Nonmajor Governmental	701,574
General	Water and Sewer	1,471,716
General	Garbage	154,165
General	Agency	4,507
Transportation Impact Fees	General	66,163
Transportation Impact Fees	Nonmajor Governmental	51,062
Transportation Impact Fees	Garbage	28,162
Public Use	General	503,290
Public Use	Agency	3,750
Nonmajor Governmental	General	472,462
Nonmajor Governmental	Nonmajor Governmental	242,757
Nonmajor Governmental	Water and Sewer	87,864
Nonmajor Governmental	Garbage	28,342
Water and Sewer	General	1,062,217
Water and Sewer	Nonmajor Governmental	196,369
Garbage	General	12,051
Health Insurance	General	35,520
Health Insurance	Water and Sewer	7,643
Agency	General	96,537
		<u>5,255,645</u>

Interfund balances are advances in anticipation of receipts.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 115,238
Nonmajor Governmental	General	32,930
Nonmajor Governmental	Transportation Impact Fees	52,080
Nonmajor Governmental	Water and Sewer	<u>82,325</u>
		<u><u>282,573</u></u>

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.

LONG-TERM DEBT

Installment Contracts

The Village enters into installment contracts to provide funds for the acquisition of capital assets. Installment contracts currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
International Plow Truck Equipment Installment Contract of 2008 - Due in monthly installments of \$1,677 including interest at 4.10% through June 1, 2013.	General	\$ 3,001	-	3,001	-

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Installment Contracts – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
International Plow Truck Installment Contract of 2011 - Due in monthly installments of \$2,533 including interest at 4.00% through May 1, 2016.	General	\$ 87,941	-	27,328	60,613
Dodge Charger Installment Contract of 2011 - Due in annual installments of \$8,478 including interest at 6.50% through June 17, 2013.	General	7,961	-	7,961	-
Ford Expedition Installment Contract of 2011 - Due in annual installments of \$9,384 including interest at 6.50% through July 18, 2013.	General	8,811	-	8,811	-
Dodge Charger Installment Contract of 2012 - Due in annual installments of \$8,017 including interest at 6.50% through July 18, 2014.	General	14,595	-	7,068	7,527
Dodge Charger Installment Contract of 2013 - Due in annual installments of \$16,080 including interest at 4.00% through July 3, 2015.	General	-	45,355	16,080	29,275
Dodge Ram Installment Contract of 2013 - Due in annual installments of \$10,511 including interest at 5.84% through January 28, 2016.	Water and Sewer	-	29,825	10,511	19,314

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Installment Contracts – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
International TerraStar Dump Truck with Plow Installment Contract of 2014 - Due in annual installments of \$25,912 including interest at 1.947% through July 9, 2016.	General	\$ -	75,205	24,856	50,349
		<u>122,309</u>	<u>150,385</u>	<u>105,616</u>	<u>167,078</u>

General Obligation Alternate Revenue Source Bonds

The Village issues bonds for which the Village pledges income derived from specific revenue sources to pay debt service. Alternate revenue source bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. Alternate revenue source bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation (Alternate Revenue Source) Bonds of 2006 - Due in annual installments of \$60,000 to \$135,000 plus interest of 4.10% - 5.00% through December 15, 2015.	2006A Bonds	\$ 175,000	-	85,000	90,000
Taxable General Obligation Alternate Bonds of 2010 - Due in annual installments of \$51,564 to \$66,305 plus interest of 1.15% - 4.80% through December 15, 2020.	Water and Sewer	465,587	-	52,203	413,384
General Obligation (Alternate Revenue Source) Refunding Bonds of 2012 - Due in annual installments of \$95,000 to \$135,000 plus interest of 2.00% - 2.75% through December 15, 2023.	Capital Projects Water and Sewer	1,067,681	-	39,900	1,027,781
		<u>1,487,319</u>	-	55,100	1,432,219
		<u>3,195,587</u>	-	<u>232,203</u>	<u>2,963,384</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

TIF Revenue Bonds

The Village issues bonds for which the Village pledges income derived from specific revenue sources to pay debt service. TIF revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
TIF Revenue Bonds of 2009A - Due in annual installments of \$25,000 to \$215,000, plus interest of 5.25%, through December 15, 2028.	Tax Increment Financing	\$ 1,320,000	-	25,000	1,295,000

IEPA Loan

The Village has entered into an agreement with the IEPA to provide low interest financing for water and sewer improvements. IEPA revolving loan currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan of 2002 - Due in semi-annual installments of \$129,550 including interest at 2.675% through November 15, 2023.	Water and Sewer	\$ 2,454,960	-	194,723	2,260,237

Debt Certificates

The Village issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates are direct obligations and pledge the full faith and credit of the Village. Debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Debt Certificates of 2003 - Due in annual installments of \$25,000 to \$215,000 plus interest of 1.70% - 4.50% through December 15, 2020.	Water and Sewer	\$ 60,000	-	60,000	-

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Noncommitment Debt – Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$26,523,469. These bonds are not an obligation of the government and are secured by the levy of an annual tax on the real property within the special service area. The government is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the tax, and forwarding the collections to bondholders.

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 80,121	4,750	9,500	75,371	75,371
Net Pension Obligation	-	14,368	-	14,368	-
Installment Contracts	122,309	120,560	95,105	147,764	50,161
General Obligation Alternate					
Revenue Bonds	1,242,681	-	124,900	1,117,781	146,700
TIF Revenue Bonds	1,320,000	-	25,000	1,295,000	25,000
	<u>2,765,111</u>	<u>139,678</u>	<u>254,505</u>	<u>2,650,284</u>	<u>297,232</u>
Business-Type Activities					
Compensated Absences	9,847	5,994	2,997	12,844	12,844
Installment Contracts	-	29,825	10,511	19,314	9,383
General Obligation Alternate					
Revenue Bonds	1,952,906	-	107,303	1,845,603	131,625
IEPA Loan	2,454,960	-	194,723	2,260,237	199,967
Debt Certificates	60,000	-	60,000	-	-
	<u>4,477,713</u>	<u>35,819</u>	<u>375,534</u>	<u>4,137,998</u>	<u>353,819</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

For governmental activities, payments on the compensated absences, the net pension obligation, and the installment contracts are being made by the General Fund. The 2006A Bonds and SSA Bond 5-55 Funds make payments on the general obligation alternate revenue bonds. The Tax Increment Financing Fund makes payments on the TIF revenue bonds. For business-type activities, the Water and Sewer Fund makes payments on the installment contracts, general obligation alternate revenue bonds, IEPA loan and debt certificates. Compensated absences are being liquidated by the Water and Sewer Fund.

Debt Service Requirements to Maturity

Fiscal Year Ending April 30	Governmental Activities					
	Installment Contracts		General Obligation Alternate Revenue Bonds		TIF Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 50,161	4,329	146,700	26,011	25,000	67,986
2016	69,662	2,722	126,000	20,827	30,000	66,676
2017	27,941	504	132,300	18,307	30,000	65,100
2018	-	-	132,300	15,661	30,000	63,526
2019	-	-	136,500	13,015	30,000	61,950
2020	-	-	138,600	10,285	30,000	60,376
2021	-	-	142,800	7,513	35,000	58,800
2022	-	-	54,600	4,371	30,000	56,962
2023	-	-	56,700	3,034	30,000	55,388
2024	-	-	51,281	1,559	35,000	53,812
2025	-	-	-	-	185,000	51,975
2026	-	-	-	-	190,000	42,262
2027	-	-	-	-	195,000	32,287
2028	-	-	-	-	205,000	22,050
2029	-	-	-	-	215,000	11,287
Total	147,764	7,555	1,117,781	120,581	1,295,000	770,437

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity – Continued

Fiscal Year Ending April 30	Business-Type Activities					
	Installment Contracts		General Obligation			
	Principal	Interest	Alternate Revenue Bonds		IEPA Loan	
Principal			Interest	Principal	Interest	
2015	\$ 9,383	1,128	131,625	46,490	199,967	59,133
2016	9,931	580	228,712	43,537	205,352	53,748
2017	-	-	239,108	38,360	210,882	48,218
2018	-	-	241,138	32,676	216,561	42,539
2019	-	-	249,276	26,684	222,392	36,708
2020	-	-	254,820	20,271	228,381	30,719
2021	-	-	263,505	13,557	234,530	24,570
2022	-	-	75,400	6,037	240,847	18,253
2023	-	-	78,300	4,189	247,333	11,767
2024	-	-	83,719	2,153	253,992	5,107
Total	19,314	1,708	1,845,603	233,956	2,260,237	330,762

Defeased Debt

In prior years, the government defeased general obligation (alternative revenue source) 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 government's basic financial statements. Defeased bonds of \$1,005,000 remain outstanding as of the date of this report.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2013	<u>\$ 142,583,995</u>
Legal Debt Limit - 8.625% of Assessed Value	12,297,870
Amount of Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>12,297,870</u>

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2014:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation		\$ 31,215,573
Less Capital Related Debt:		
Installment Contracts of 2008, 2011, 2012, 2013 and 2014	(147,764)	
General Obligation (ARS) Bonds of 2006	(90,000)	
General Obligation (ARS) Bonds of 2012	(1,027,781)	
TIF Revenue Bonds of 2009A	(1,295,000)	<u>(2,560,545)</u>
Net Investment in Capital Assets		<u>28,655,028</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION CLASSIFICATIONS – Continued

Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		53,445,096
Less Capital Related Debt:		
Installment Contract of 2013	(19,314)	
General Obligation Alternate Bonds of 2010	(413,384)	
General Obligation (ARS) Bonds of 2012	(1,432,219)	
IEPA Loan of 2002	(2,260,237)	<u>(4,125,154)</u>
Net Investment in Capital Assets		<u><u>49,319,942</u></u>

FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Capital Projects						Nonmajor	Total
	General	SSA 13 Improvement	Transportation Impact Fees	SSA 16 - 19 Improvements	SSA 14 Improvements	Public Use		
Fund Balances								
Nonspendable	\$ 40,447	-	-	-	-	-	-	40,447
Restricted								
Police Impound Fees	23,250	-	-	-	-	-	-	23,250
Highways and Streets	-	917,053	336,863	127,655	160,550	-	913,973	2,456,094
Public Safety	-	-	-	-	-	-	5,374	5,374
Subdivision Maintenance	-	-	-	-	-	-	52,507	52,507
Economic Development	-	-	-	-	-	-	1,013,708	1,013,708
Tourism	-	-	-	-	-	-	36,253	36,253
Debt Service	-	-	-	-	-	-	4	4
Public Use	-	-	-	-	-	722,050	-	722,050
	<u>23,250</u>	<u>917,053</u>	<u>336,863</u>	<u>127,655</u>	<u>160,550</u>	<u>722,050</u>	<u>2,021,819</u>	<u>4,309,240</u>
Unassigned	34,597	-	-	-	-	-	(269,033)	(234,436)
Total Fund Balances	<u>98,294</u>	<u>917,053</u>	<u>336,863</u>	<u>127,655</u>	<u>160,550</u>	<u>722,050</u>	<u>1,752,786</u>	<u>4,115,251</u>

Minimum Fund Balance Policy. The Villages policy manual states that the General Fund should maintain a minimum fund balance equal to no less than 10% and no more than 20% of the subsequent year's budgeted operating expenditures.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

In the governmental funds financial statements, the Village 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 Village 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.

FUND BALANCE/NET POSITION RESTATEMENT

<u>Fund Balance/Net Position</u>	<u>As Reported</u>	<u>As Restated</u>	<u>Increase</u>
General	\$ 140,219	60,098	(80,121)
Water and Sewer	50,511,098	50,501,252	(9,846)
Governmental Activities	33,379,873	33,299,752	(80,121)
Business-Type Activities	50,561,352	50,551,506	(9,846)

Beginning fund balance/net position were restated to reflect errors in recognition of compensated absences.

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through participation in the Illinois Municipal League Risk Management Association and private insurance coverage. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Illinois Municipal League Risk Management Association (IMLRMA)

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Illinois Municipal League Risk Management Association (IMLRMA) – Continued

Each member appoints one delegate to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Association beyond its representation on the Board of Directors.

There is no applicable annual deductible for the plan. The Villages' policy is to record any related expenditures in the year in which they are notified and pay the assessment. The Village is not aware of any additional assessments that may be owed at April 30, 2014.

CONTINGENT LIABILITIES

Litigation

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

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 Village expects such amounts, if any, to be immaterial.

Sales Tax Rebates

The Village has two sales tax rebate agreements which were designed to induce a vendor to locate their business and personnel within the Village and a developer to acquire and improve property within the Village. The first agreement originating in 2000, covered point-of-sale transactions within the Village. The agreement has been amended from time to time with the latest amendment occurring in 2010. The 2010 amendment calls for a rebate of 50% of the sales tax receipts received by the Village starting with the first dollar.

The first sales tax rebate is payable to the vendor each year once the August sales tax remittance has been received by the Village from the State of Illinois. In the second agreement, the Village has agreed to rebate 50% of the total sales tax revenues resulting from the operations at the retail facility on the Subject Property to a total amount of \$29,203. The second sales tax rebate, which was completed in September of 2013, is payable to the developer each year following receipt of the April sales tax remittance from the State of Illinois. As of April 30, 2014, sales tax rebates of \$53,646 were remitted. The Village has recorded this liability in the General Fund.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. 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. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement Fund

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. 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 Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2013 was 11.99 percent.

The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually, and (e) and inflation rate of 3%. The actuarial value of the plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. 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 December 31, 2013 was 30 years.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

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 Village accounts for the plan as a pension trust fund.

At April 30, 2014, the date of the most recent actuarial valuation, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them.	-
Current Employees Vested and Nonvested	<u>11</u>
	<u>11</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 (under any qualifying pension plan), attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 (or without previous tier 1 service time from another qualifying pension plan), 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 ½ 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.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – Continued

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the Village's contributions must accumulate to the point where the past service cost for the Police 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.

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 Plan. 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.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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	IMRF	Police Pension
Annual Pension Cost (APC)	2012	\$ 126,101	\$ N/A
	2013	86,104	121,222
	2014	70,097	140,444
Actual Contributions	2012	126,101	N/A
	2013	86,104	121,222
	2014	70,097	126,076
Percentage of APC Contributed	2012	100.00%	N/A
	2013	100.00%	100.00%
	2014	100.00%	89.77%
Net Pension Obligation	2012	-	N/A
	2013	-	-
	2014	-	14,368

Annual Pension Cost and Net Pension Obligation

The pension liability as determined in accordance with GASB Statement No. 27, “Accounting for Pensions by State and Local Governmental Employers.” The net pension obligation for the Police Pension Plan is as follows:

	Police Pension
Annual Required Contribution	\$ 140,444
Interest on Net Pension Obligation	-
Adjustment to Annual Required Contribution	-
Annual Pension Cost	140,444
Actual Contribution	126,076
Increase / Decrease to the NPO	14,368
NPO Beginning of Year	-
NPO End of Year	14,368

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

The actuarial assumptions and related plan information for the IMRF and Police Pension Plans are as follows:

	IMRF	Police Pension
Contribution Rates		
Employer	11.99%	16.02%
Employee	4.50%	9.91%
Actuarial Valuation Date	12/31/2013	4/30/2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	30 Years	27 Years
Asset Valuation Method	5-Year Smoothed Market	Market
Actuarial Assumptions		
Investment Rate of Return	7.50% Compounded Annually	6.00% Compounded Annually
Projected Salary Increases	.4 to 10.0%	5.00%
Inflation Rate Included	4.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

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

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	12/31/13	4/30/14
Percent Funded	128.77%	24.90%
Actuarial Accrued Liability for Benefits	\$1,208,960	\$2,413,011
Actuarial Value of Assets	\$1,556,834	\$600,880
Over (Under) Funded Actuarial Accrued Liability (UAAL)	\$347,874	(\$1,812,131)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$584,631	\$786,835
Ratio of UAAL to Covered Payroll	(59.50%)	230.31%

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.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village's health insurance plan. Therefore, there has been 0% utilization and, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Additionally, the Village had no former employees for which the Village was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any post-employment benefit liability as of April 30, 2014.

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:

- Schedule of Funding Progress and Employer Contributions
 Illinois Municipal Retirement Fund
 Police Pension Fund
- Budgetary Comparison Schedule – General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 April 30, 2014

Funding Progress

Actuarial Valuation 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)
2008	\$ 1,690,822	\$ 2,161,087	78.24%	\$ 470,265	\$ 1,291,206	36.42%
2009	1,580,847	2,104,546	75.12%	523,699	1,334,950	39.23%
2010	1,782,282	2,317,563	76.90%	535,281	1,163,715	46.00%
2011	1,378,253	2,181,700	63.17%	803,447	1,184,048	67.86%
2012	1,555,670	2,000,925	77.75%	445,255	559,041	79.65%
2013	1,556,834	1,208,960	128.77%	(347,874)	584,631	(59.50%)

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2009	\$ 122,277	\$ 122,277	100.00%
2010	125,218	125,218	100.00%
2011	119,630	119,630	100.00%
2012	126,101	126,101	100.00%
2013	86,104	86,104	100.00%
2014	70,097	70,097	100.00%

VILLAGE OF HAMPSHIRE, ILLINOIS

Police Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 April 30, 2014

Funding Progress

Actuarial Valuation 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)
2008	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	403,239	2,448,519	16.47%	2,045,280	745,796	274.24%
2013	600,880	2,413,011	24.90%	1,812,131	786,835	230.31%

Employer Contributions

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
2009	\$ N/A	\$ N/A	N/A
2010	N/A	N/A	N/A
2011	N/A	N/A	N/A
2012	N/A	N/A	N/A
2013	121,222	121,222	100.00%
2014	126,076	140,444	89.77%

N/A - The Village established a Police Pension Fund effective May 1, 2012.

VILLAGE OF HAMPSHIRE, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 2,356,875	2,356,875	2,474,675
Charges for Services	187,280	187,280	87,892
Licenses and Permits	139,700	139,700	231,997
Fines and Forfeits	70,000	70,000	57,684
Investment Income	1,000	1,000	905
Miscellaneous Income	94,627	94,627	140,500
Total Revenues	<u>2,849,482</u>	<u>2,849,482</u>	<u>2,993,653</u>
Expenditures			
General Government	792,074	792,074	893,490
Police Protection	1,508,029	1,508,029	1,569,141
Highways and Streets	491,226	491,226	584,086
Planning and Zoning	2,384	2,384	535
Debt Service			
Principal Retirement	98,605	98,605	98,605
Interest and Fiscal Charges	45,640	45,640	12,468
Total Expenditures	<u>2,937,958</u>	<u>2,937,958</u>	<u>3,158,325</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(88,476)</u>	<u>(88,476)</u>	<u>(164,672)</u>
Other Financing Sources (Uses)			
Debt Issuance	-	-	120,560
Transfers In	138,476	138,476	115,238
Transfers Out	-	-	(32,930)
	<u>138,476</u>	<u>138,476</u>	<u>202,868</u>
Net Change in Fund Balance	<u>50,000</u>	<u>50,000</u>	38,196
Fund Balance - Beginning as Restated			<u>60,098</u>
Fund Balance - Ending			<u>98,294</u>

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 Schedules – Enterprise Funds
- Budgetary Comparison Schedule – Police Pension – Pension Trust Fund
- Statement of Changes in Assets and Liabilities – Agency Fund

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 maintenance and construction of streets and roads as approved by the Illinois Department of Transportation.

Road and Bridge Fund

The Road and Bridge Fund is used to account for the revenues and expenditures associated with the maintenance of local roads. Revenue is provided through a tax levy.

Revolving Loan Fund

The Revolving Loan Fund is used to account for the revenues and expenditures associated with the business development loans made.

Special Service Areas Fund

The Special Service Areas Fund is used to account for the revenues and expenditures used in the maintenance of various special service areas in the Village.

Evidence Fund

The Evidence Fund is used to account for the resources provided by the seizure of assets through application of the local and state laws.

Tax Increment Financing Fund

The Tax Increment Financing Fund is used to account for expenditures of incremental property taxes and sales tax generated in the designated downtown Tax Increment Financing area.

Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund is used to account for the revenues and expenditures associated with the collection of the hotel/motel tax within the Village.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

DEBT SERVICE FUND

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

SSA Bond Fund 5-55

The SSA Bond Fund 5-55 Fund is used to account for the accumulation of money used for the future payments of SSA #5 outstanding debts.

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.

SSA 13 Improvement Fund

The SSA 13 Improvements Fund is used to account for the proceeds from the SSA 13 bond issue (reported as contributions from property owners), received by the Village and the capital improvements benefiting SSA 13.

Transportation Impact Fees Fund

The Transportation Impact Fees Fund is used to account for the proceeds of transportation impact fees charged by the Village and the improvements funded by the fees.

SSA 16 – 19 Improvements Fund

The SSA Improvements Fund is used to account for the proceeds from the SSA 16 – 19 bond issue (reported as contributions from property owners), received by the Village and the capital improvements benefiting SSA 16 – 19.

SSA 14 Improvements Fund

The SSA 14 Improvements Fund is used to account for the proceeds from the SSA #14 bond issue (reported as contributions from property owners), received by the Village and the capital improvements benefiting SSA #14.

Public Use Fund

The Public Use Fund is used to account for the proceeds of public use impact fees charged by the Village and the improvements funded by the fees.

Capital Improvements Fund

The Capital Improvements Fund is used to account for transfers from other funds for various construction projects.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS – Continued

TIF Revenue Bonds of 2009A/Tuscany Woods Line of Credit Fund

The TIF Revenue Bonds of 2009A/Tuscany Woods Line of Credit Fund is used for servicing projects related to the TIF Revenue Bonds of 2009A and the Tuscany Woods line of credit.

2006A Bonds Fund

The 2006A Bonds Fund is used to account for the proceeds of the 2006 Alternate Revenue Source Bonds to construct various Village improvements.

Equipment Replacement Fund

The Equipment Replacement Fund is used to account for the purchase of replacement vehicles for the Village fleet. Revenue is provided through excess funds.

Early Warning Impact Fees Fund

The Early Warning Impact Fees Fund is used to account for proceeds of early warning impact fees charged by the Village and the improvements funded by the fees.

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 and Sewer Fund

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents and businesses of the Village financed by user fees.

Garbage Fund

The Garbage Fund is used to account for the provision of solid waste services to the residents and businesses of the Village financed by user fees.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies, or to other governmental units, on a cost-reimbursement basis.

Health Insurance Fund

The Health Insurance Fund is used to mitigate the burden of increases in health insurance costs. The Village has various arrangements for medical, dental and vision insurance coverage for employees. The Village's plan is to charge the department from which the employee is associated a set amount building net assets. The accumulated resources will be used in the future to lessen the amount of premium increases charged to employees and the employees' departments. The department charges account for the revenues in this fund.

TRUST AND AGENCY FUNDS

PENSION TRUST FUND

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 Village at amounts determined by an annual actuarial study.

AGENCY FUND

The Agency Fund is used to account for the collection and remittance of impact fees for the Park District, Library Districts, School District and Fire Protection District and the collection of taxes from special service areas 9, 14, and 16 through 19 and related remittance to the bondholders.

VILLAGE OF HAMPSHIRE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 741,877	741,877	735,498
Sales and Use Taxes	646,516	646,516	724,001
State Income Taxes	509,482	509,482	542,063
Replacement Taxes	19,000	19,000	21,997
Utility Taxes	440,000	440,000	451,116
	<u>2,356,875</u>	<u>2,356,875</u>	<u>2,474,675</u>
Charges for Services	<u>187,280</u>	<u>187,280</u>	<u>87,892</u>
Licenses and Permits	<u>139,700</u>	<u>139,700</u>	<u>231,997</u>
Fines and Forfeits	<u>70,000</u>	<u>70,000</u>	<u>57,684</u>
Investment Income	<u>1,000</u>	<u>1,000</u>	<u>905</u>
Miscellaneous Income	<u>94,627</u>	<u>94,627</u>	<u>140,500</u>
Total Revenues	<u>2,849,482</u>	<u>2,849,482</u>	<u>2,993,653</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2014**

	Budget		Actual
	Original	Final	
General Government			
Personal Services	\$ 196,374	196,374	232,621
Contractual Services	506,400	506,400	565,950
Commodities	13,900	13,900	15,028
Other Expenditures	42,000	42,000	66,557
Capital Outlay	33,400	33,400	13,334
	<u>792,074</u>	<u>792,074</u>	<u>893,490</u>
Police Protection			
Personal Services	1,199,779	1,199,779	1,270,631
Contractual Services	173,900	173,900	172,180
Commodities	78,300	78,300	71,847
Capital Outlay	56,050	56,050	54,483
	<u>1,508,029</u>	<u>1,508,029</u>	<u>1,569,141</u>
Highways and Streets			
Personal Services	266,610	266,610	320,008
Contractual Services	142,850	142,850	138,210
Commodities	49,000	49,000	50,463
Other Expenditures	750	750	200
Capital Outlay	32,016	32,016	75,205
	<u>491,226</u>	<u>491,226</u>	<u>584,086</u>
Planning and Zoning			
Personal Services	1,884	1,884	452
Contractual Services	500	500	83
	<u>2,384</u>	<u>2,384</u>	<u>535</u>
Debt Service			
Principal Retirement	98,605	98,605	98,605
Interest and Fiscal Charges	45,640	45,640	12,468
	<u>144,245</u>	<u>144,245</u>	<u>111,073</u>
Total Expenditures	<u>2,937,958</u>	<u>2,937,958</u>	<u>3,158,325</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Transportation Impact Fees - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 75,000	75,000	161,964
Investment Income	40	40	7
Total Revenues	<u>75,040</u>	<u>75,040</u>	<u>161,971</u>
Expenditures			
Streets and Highways	<u>300,000</u>	<u>300,000</u>	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(224,960)	(224,960)	161,971
Other Financing (Uses)			
Transfers Out	<u>(58,449)</u>	<u>(58,449)</u>	<u>(52,080)</u>
Net Change in Fund Balance	<u>(283,409)</u>	<u>(283,409)</u>	109,891
Fund Balance - Beginning			<u>226,972</u>
Fund Balance - Ending			<u><u>336,863</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Public Use - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 50,000	50,000	103,156
Investment Income	10,000	10,000	193
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>103,349</u>
Expenditures			
General Government	-	-	<u>57</u>
Net Change in Fund Balance	<u>60,000</u>	<u>60,000</u>	103,292
Fund Balance - Beginning			<u>618,758</u>
Fund Balance - Ending			<u><u>722,050</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2014

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2014

	Special Revenue					
	Motor Fuel Tax	Road and Bridge	Revolving Loan	Special Service Areas	Evidence	Tax Increment Financing
ASSETS						
Cash and Investments	\$ -	5,020	792,194	124,654	4,082	-
Receivables - Net of Allowances						
Property Taxes	-	115,263	-	40,400	-	17,952
Other Taxes	10,256	-	-	-	-	-
Due from Other Funds	297,576	249,971	-	-	1,292	-
Notes Receivable	-	-	226,141	-	-	-
Total Assets	307,832	370,254	1,018,335	165,054	5,374	17,952
LIABILITIES						
Accounts Payable			-	-	-	-
Accrued Payroll	-	-	-	273	-	-
Due to Other Funds	182,974	-	4,627	71,874	-	256,767
Total Liabilities	182,974	-	4,627	72,147	-	256,767
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	-	115,263	-	40,400	-	17,952
Total Liabilities and Deferred Inflows of Resources	182,974	115,263	4,627	112,547	-	274,719
FUND BALANCES						
Restricted	124,858	254,991	1,013,708	52,507	5,374	-
Unassigned	-	-	-	-	-	(256,767)
Total Fund Balances	124,858	254,991	1,013,708	52,507	5,374	(256,767)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	307,832	370,254	1,018,335	165,054	5,374	17,952

Hotel/ Motel Tax	Debt Service SSA Bond Fund 5-55	Capital Projects					Early Warning Impact Fees	Totals
		Capital Improvements	TIF Revenue Bonds of 2009A/ Tuscany Woods Line of Credit	2006A Bonds	Equipment Replacement			
13,678	2,527	27	800,379	132,986	470	2,704	1,878,721	
-	-	-	-	-	-	-	173,615	
-	-	-	-	-	-	-	10,256	
22,575	-	-	-	213,163	46,848	-	831,425	
-	-	-	-	-	-	-	226,141	
<u>36,253</u>	<u>2,527</u>	<u>27</u>	<u>800,379</u>	<u>346,149</u>	<u>47,318</u>	<u>2,704</u>	<u>3,120,158</u>	
-	-	-	1,722	-	-	-	1,722	
-	-	-	-	-	-	-	273	
-	2,523	12,293	567,306	55,800	37,598	-	1,191,762	
-	2,523	12,293	569,028	55,800	37,598	-	1,193,757	
-	-	-	-	-	-	-	173,615	
-	2,523	12,293	569,028	55,800	37,598	-	1,367,372	
36,253	4	-	231,351	290,349	9,720	2,704	2,021,819	
-	-	(12,266)	-	-	-	-	(269,033)	
<u>36,253</u>	<u>4</u>	<u>(12,266)</u>	<u>231,351</u>	<u>290,349</u>	<u>9,720</u>	<u>2,704</u>	<u>1,752,786</u>	
<u>36,253</u>	<u>2,527</u>	<u>27</u>	<u>800,379</u>	<u>346,149</u>	<u>47,318</u>	<u>2,704</u>	<u>3,120,158</u>	

VILLAGE OF HAMPSHIRE, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2014

	Special Revenue					
	Motor Fuel Tax	Road and Bridge	Revolving Loan	Special Service Areas	Evidence	Tax Increment Financing
Revenues						
Taxes	\$ -	116,301	-	44,989	-	19,820
Charges for Services	-	-	-	-	-	-
Intergovernmental	165,086	-	-	-	1,867	-
Investment Income	9	7	1,186	-	9	-
Total Revenues	165,095	116,308	1,186	44,989	1,876	19,820
Expenditures						
General Government	-	-	3,710	-	1,742	1,140
Highways and Streets	256,790	-	-	31,563	-	-
Debt Service						
Principal Retirement	-	-	-	-	-	21,500
Interest and Fiscal Charges	-	-	-	-	-	63,410
Total Expenditures	256,790	-	3,710	31,563	1,742	86,050
Excess (Deficiency) of Revenues Over (Under) Expenditures	(91,695)	116,308	(2,524)	13,426	134	(66,230)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	(115,238)	-	-	-	-
	-	(115,238)	-	-	-	-
Net Change in Fund Balances	(91,695)	1,070	(2,524)	13,426	134	(66,230)
Fund Balances - Beginning	216,553	253,921	1,016,232	39,081	5,240	(190,537)
Fund Balances - Ending	124,858	254,991	1,013,708	52,507	5,374	(256,767)

Capital Projects								
Hotel/ Motel Tax	Debt Service SSA Bond 5-55	Capital Improvements	TIF Revenue		Equipment Replacement	Early Warning Impact Fees	Totals	
			Bonds of 2009A/ Tuscany Woods Line of Credit	2006A Bonds				
16,985	-	-	-	-	-	-	198,095	
-	-	-	-	-	-	2,704	2,704	
-	-	-	156,596	-	-	-	323,549	
56	4	-	-	38	-	-	1,309	
17,041	4	-	156,596	38	-	2,704	525,657	
12,900	-	-	-	-	-	-	19,492	
-	-	(958)	401,452	-	-	-	688,847	
-	-	-	-	124,900	-	-	146,400	
-	-	-	-	30,104	-	-	93,514	
12,900	-	(958)	401,452	155,004	-	-	948,253	
4,141	4	958	(244,856)	(154,966)	-	2,704	(422,596)	
-	-	-	-	167,335	-	-	167,335	
-	-	-	-	-	-	-	(115,238)	
-	-	-	-	167,335	-	-	52,097	
4,141	4	958	(244,856)	12,369	-	2,704	(370,499)	
32,112	-	(13,224)	476,207	277,980	9,720	-	2,123,285	
36,253	4	(12,266)	231,351	290,349	9,720	2,704	1,752,786	

VILLAGE OF HAMPSHIRE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 150,000	150,000	165,086
Investment Income	-	-	9
Total Revenues	150,000	150,000	165,095
Expenditures			
Highways and Streets	255,000	255,000	256,790
Net Change in Fund Balance	<u>(105,000)</u>	<u>(105,000)</u>	(91,695)
Fund Balance - Beginning			<u>216,553</u>
Fund Balance - Ending			<u>124,858</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Road and Bridge - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 116,725	116,725	115,238
Replacement Taxes	-	-	1,063
Investment Income	-	-	7
Total Revenues	<u>116,725</u>	<u>116,725</u>	<u>116,308</u>
Expenditures			
Highways and Streets	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	116,725	116,725	116,308
Other Financing (Uses)			
Transfers Out	<u>(116,725)</u>	<u>(116,725)</u>	<u>(115,238)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	1,070
Fund Balance - Beginning			<u>253,921</u>
Fund Balance - Ending			<u>254,991</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Revolving Loan - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 1,000	1,000	1,186
Expenditures			
General Government	2,000	2,000	3,710
Net Change in Fund Balance	<u>(1,000)</u>	<u>(1,000)</u>	(2,524)
Fund Balance - Beginning			<u>1,016,232</u>
Fund Balance - Ending			<u>1,013,708</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Special Service Areas - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 44,492	44,492	44,989
Expenditures			
Highways and Streets	44,663	44,663	31,563
Net Change in Fund Balance	<u>(171)</u>	<u>(171)</u>	13,426
Fund Balance - Beginning			<u>39,081</u>
Fund Balance - Ending			<u>52,507</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Evidence - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Evidence Money/DUI/Drug	\$ 1,000	1,000	1,867
Investment Income	-	-	9
Total Revenues	1,000	1,000	1,876
Expenditures			
General Government	-	-	1,742
Net Change in Fund Balance	1,000	1,000	134
Fund Balance - Beginning			5,240
Fund Balance - Ending			5,374

VILLAGE OF HAMPSHIRE, ILLINOIS

Tax Increment Financing - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 19,416	19,416	19,820
Expenditures			
General Government			
Professional Services	-	-	1,140
Debt Service			
Principal Retirement	21,500	21,500	21,500
Interest and Fiscal Charges	69,971	69,971	63,410
Total Expenditures	91,471	91,471	86,050
Net Change in Fund Balance	(72,055)	(72,055)	(66,230)
Fund Balance - Beginning			(190,537)
Fund Balance - Ending			(256,767)

VILLAGE OF HAMPSHIRE, ILLINOIS

Hotel/Motel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Hotel/Motel Tax	\$ 15,000	15,000	16,985
Investment Income	40	40	56
Total Revenues	<u>15,040</u>	<u>15,040</u>	<u>17,041</u>
Expenditures			
General Government	<u>19,000</u>	<u>19,000</u>	<u>12,900</u>
Net Change in Fund Balance	<u>(3,960)</u>	<u>(3,960)</u>	4,141
Fund Balance - Beginning			<u>32,112</u>
Fund Balance - Ending			<u>36,253</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Capital Improvements - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ -	-	-
Expenditures			
Highways and Streets	1,157,700	1,157,700	(958)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,157,700)	(1,157,700)	958
Other Financing Sources (Uses)			
Transfers In	1,157,700	1,157,700	-
Net Change in Fund Balance	-	-	958
Fund Balance - Beginning			(13,224)
Fund Balance - Ending			(12,266)

VILLAGE OF HAMPSHIRE, ILLINOIS

2006A Bonds - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ -	-	38
Expenditures			
Debt Service			
Principal Retirement	80,000	80,000	124,900
Interest and Fiscal Charges	59,528	59,528	30,104
Total Expenditures	139,528	139,528	155,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	(139,528)	(139,528)	(154,966)
Other Financing Sources			
Transfers In	141,128	141,128	167,335
Net Change in Fund Balance	1,600	1,600	12,369
Fund Balance - Beginning			277,980
Fund Balance - Ending			290,349

VILLAGE OF HAMPSHIRE, ILLINOIS

Equipment Replacement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ -	-	-
Expenditures			
Highways and Streets	467	467	-
Net Change in Fund Balance	<u>(467)</u>	<u>(467)</u>	-
Fund Balance - Beginning			<u>9,720</u>
Fund Balance - Ending			<u>9,720</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Early Warning Impact Fees - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 500	500	2,704
Expenditures			
Highways and Streets	-	-	-
Net Change in Fund Balance	<u>500</u>	<u>500</u>	2,704
Fund Balance - Beginning			<u>-</u>
Fund Balance - Ending			<u>2,704</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,585,433	1,585,433	1,677,887
Operating Expenses			
Operations			
Water Department	477,143	477,143	570,447
Sewer Department	635,143	635,143	606,033
System Improvements	122,236	122,236	85,690
Depreciation	-	-	1,350,468
Total Operating Expenses	1,234,522	1,234,522	2,612,638
Operating Income (Loss)	350,911	350,911	(934,751)
Nonoperating Revenues (Expenses)			
Tap On Fees	-	-	11,465
Investment Income	-	-	9
Interest and Fiscal Charges	(252,226)	(252,226)	(105,096)
	(252,226)	(252,226)	(93,622)
Income (Loss) Before Transfers	98,685	98,685	(1,028,373)
Transfers Out	(727,264)	(727,264)	(82,325)
Change in Net Position	(628,579)	(628,579)	(1,110,698)
Net Position - Beginning as Restated			50,501,252
Net Position - Ending			49,390,554

VILLAGE OF HAMPSHIRE, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Operations			
Water Department			
Personal Services	\$ 170,374	170,374	123,131
Contractual Services	208,850	208,850	358,079
Commodities	84,650	84,650	76,369
Miscellaneous	13,269	13,269	12,868
	<u>477,143</u>	<u>477,143</u>	<u>570,447</u>
Sewer Department			
Personal Services	176,319	176,319	147,363
Contractual Services	369,955	369,955	378,457
Commodities	58,600	58,600	49,945
Miscellaneous	30,269	30,269	30,268
	<u>635,143</u>	<u>635,143</u>	<u>606,033</u>
Total Operations	<u>1,112,286</u>	<u>1,112,286</u>	<u>1,176,480</u>
System Improvements			
Water Department	61,500	61,500	38,952
Sewer Department	1,000	1,000	-
Sewer Capital Project & Equipment	-	-	36,050
Sanitary & Storm Sewer Improvement	59,736	59,736	10,688
	<u>122,236</u>	<u>122,236</u>	<u>85,690</u>
Depreciation			
Water Department	-	-	455,492
Sewer Department	-	-	894,976
	<u>-</u>	<u>-</u>	<u>1,350,468</u>
Total Depreciation	<u>-</u>	<u>-</u>	<u>1,350,468</u>
Total Operating Expenses	<u>1,234,522</u>	<u>1,234,522</u>	<u>2,612,638</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Garbage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2014

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 407,716	407,716	417,661
Operating Expenses			
Operations			
Sewer Department	413,489	413,489	429,234
Change in Net Position	<u>(5,773)</u>	<u>(5,773)</u>	(11,573)
Net Position - Beginning			<u>50,254</u>
Net Position - Ending			<u>38,681</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2014**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 126,075	126,075	126,076
Contributions - Plan Members	78,429	78,429	76,928
Total Contributions	204,504	204,504	203,004
Investment Income			
Interest Earned	-	-	127
Net Change in Fair Value	-	-	-
	-	-	127
Less Investment Expenses	-	-	-
Net Investment Income	-	-	127
Total Additions	204,504	204,504	203,131
Deductions			
Administration	9,000	9,000	5,490
Benefits and Refunds	-	-	-
Total Deductions	9,000	9,000	5,490
Net Increase	195,504	195,504	197,641
Net Position Held in Trust for Pension Benefits			
Beginning			403,239
Ending			600,880

VILLAGE OF HAMPSHIRE, ILLINOIS

Agency Fund

**Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2014**

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>
ASSETS				
Cash with Fiscal Agent	\$ 298,488	306,360	308,357	296,491
Cash and Cash Equivalents	2,542,306	3,025,861	2,637,470	2,930,697
Due from Other Funds	112,215	13,178	28,856	96,537
Total Assets	<u>2,953,009</u>	<u>3,345,399</u>	<u>2,974,683</u>	<u>3,323,725</u>
LIABILITIES				
Due to Park District and Village Parks	269,686	586,815	314,111	542,390
Due to School Districts	112,482	1,026,568	982,870	156,180
Due to Library Districts	59,822	46,285	30,882	75,225
Due to Fire Districts	25,834	139,957	113,731	52,060
Due to Others	2,943	648	3,031	560
Due to Other Funds	107,524	179,029	278,296	8,257
Due to Bondholders	2,374,718	1,366,097	1,251,762	2,489,053
Total Liabilities	<u>2,953,009</u>	<u>3,345,399</u>	<u>2,974,683</u>	<u>3,323,725</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF HAMPSHIRE, ILLINOIS

**Schedule of Tax Data - Last Ten Tax Levy Years
April 30, 2014**

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

**Schedule of Tax Data - Last Ten Tax Levy Years
April 30, 2014**

	2004	2005	2006	2007
Assessed Valuation	\$ 118,013,685	134,812,215	152,273,309	171,620,628
Tax Rates by Fund				
General	0.1122	0.1138	0.1176	0.1294
Police Protection	0.0295	0.0313	0.0350	0.0646
Special Revenue Funds				
Audit	0.0221	0.0356	0.0093	0.0087
Liability	0.0718	0.0641	0.0542	0.0408
Illinois Municipal Retirement	0.0718	0.0641	0.0745	0.0645
Social Security	0.0699	0.0612	0.0685	0.0591
Total Tax Rates	0.3773	0.3701	0.3591	0.3671
Tax Extension by Fund				
General	\$ 132,423	153,528	179,121	209,691
Police Protection	34,755	42,220	53,346	104,744
Special Revenue Funds				
Audit	26,069	47,978	14,146	14,169
Liability	84,687	86,360	82,518	66,120
Illinois Municipal Retirement	84,687	86,360	113,470	104,539
Social Security	82,527	82,521	104,380	95,814
Total Tax Extensions	445,148	498,967	546,981	595,077
Total Collections - All Funds				
Levy Collections through April 30	444,445	494,579	546,273	580,576
Percent Collected	99.84%	99.12%	99.87%	97.56%

Note: The 2013 levy is not collected until fiscal year 2015.

2008	2009	2010	2011	2012	2013
195,010,364	196,154,394	180,785,131	168,805,218	154,913,352	142,583,995
0.1377	0.1404	0.1256	0.2627	0.2945	0.3462
0.0800	0.0802	0.0775	0.0727	0.0816	0.0920
0.0073	0.0073	0.0725	0.0245	0.0276	0.0173
0.0398	0.0386	0.0339	0.0380	0.0480	0.0541
0.0489	0.0511	0.0494	0.0208	0.0188	0.0212
0.0330	0.0351	0.0373	0.0129	0.0137	0.0154
0.3467	0.3527	0.3962	0.4316	0.4842	0.5463
267,398	274,232	226,601	442,682	456,162	493,570
155,276	156,705	139,797	122,485	126,482	131,202
14,137	14,301	130,732	41,344	42,694	24,710
77,282	75,414	61,183	64,093	74,391	77,166
94,932	99,899	89,073	34,976	29,172	30,261
63,979	68,559	67,283	21,783	21,236	22,028
673,004	689,110	714,669	727,363	750,137	778,936
662,244	677,651	702,147	715,525	735,499	-
98.40%	98.34%	98.25%	98.37%	98.05%	0.00%

VILLAGE OF HAMPSHIRE, ILLINOIS

**Schedule of Water/Sewer Data
April 30, 2014**

Number of Water Users	2,215
Water Rate per 1,000 Gallons Over 5,000 Gallons	\$ 4.28
Number of Sewer Users	2,234
Sewer Rate per 1,000 Gallons	\$ 5.35
Sewer User Billings Charge per Billing	\$ 1.00
Capital Improvements per Billing	\$ 10.00

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**International Plow Truck Installment Contract of 2011
April 30, 2014**

Date of Issue	April 1, 2011
Date of Maturity	May 1, 2016
Authorized Issue	\$137,321
Interest Rate	4.00%
Principal Maturity and Interest Dates	Monthly
Payable at	First American Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30			
	Principal	Interest	Totals
2015	\$ 28,457	1,937	30,394
2016	29,632	761	30,393
2017	2,524	9	2,533
	<u>60,613</u>	<u>2,707</u>	<u>63,320</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**Dodge Charger Installment Contract of 2012
April 30, 2014**

Date of Issue	July 18, 2012
Date of Maturity	July 18, 2014
Authorized Issue	\$22,612
Interest Rate	6.50%
Principal Maturity and Interest Dates	Annually
Payable at	Ford Motor Credit Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30			
	Principal	Interest	Totals
2015	\$ 7,527	489	8,016

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

Dodge Charger Installment Contract of 2013
April 30, 2014

Date of Issue	July 3, 2013
Date of Maturity	July 3, 2015
Authorized Issue	\$45,355
Interest Rate	4.00%
Principal Maturity and Interest Dates	Annually
Payable at	Ford Motor Credit Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30			
	Principal	Interest	Totals
2015	\$ 14,177	1,903	16,080
2016	15,098	981	16,079
	<u>29,275</u>	<u>2,884</u>	<u>32,159</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**Dodge Ram Installment Contract of 2013
April 30, 2014**

Date of Issue	January 28, 2013
Date of Maturity	January 28, 2016
Authorized Issue	\$29,825
Interest Rate	5.84%
Principal Maturity and Interest Dates Payable at	Annually Ally Contract Processing Center

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30			
	Principal	Interest	Totals
2015	\$ 9,383	1,128	10,511
2016	9,931	580	10,511
	<u>19,314</u>	<u>1,708</u>	<u>21,022</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**International TerraStar Dump Truck with Plow Installment Contract of 2014
April 30, 2014**

Date of Issue	July 9, 2013
Date of Maturity	July 9, 2016
Authorized Issue	\$75,205
Interest Rate	1.947%
Principal Maturity and Interest Dates	Annually
Payable at	Edgar County Bank & Trust Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year Ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015	\$ -	-	-
2016	24,932	980	25,912
2017	25,417	495	25,912
	<u>50,349</u>	<u>1,475</u>	<u>51,824</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Alternate Revenue Source) Bonds of 2006
April 30, 2014**

Date of Issue	June 1, 2006
Date of Maturity	December 15, 2015
Authorized Issue	\$1,600,000
Denomination of Bonds	\$5,000
Interest Rates	4.10% to 5.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Mellon

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30			
	Principal	Interest	Totals
2015	\$ 90,000	4,050	94,050

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**Taxable General Obligation Alternate Bonds of 2010
April 30, 2014**

Date of Issue	December 16, 2010
Date of Maturity	December 15, 2020
Authorized Issue	\$568,582
Denomination of Bonds	\$5,000
Interest Rate	1.15% to 4.80%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	County of Kane, Illinois

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30			
	Principal	Interest	Totals
2015	\$ 53,325	16,164	69,489
2016	54,712	14,776	69,488
2017	56,408	13,080	69,488
2018	58,438	11,049	69,487
2019	60,776	8,712	69,488
2020	63,420	6,068	69,488
2021	66,305	3,183	69,488
	<u>413,384</u>	<u>73,032</u>	<u>486,416</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Alternate Revenue Source) Refunding Bonds of 2012
April 30, 2014**

Date of Issue	December 20, 2012
Date of Maturity	December 15, 2023
Authorized Issue	\$2,555,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 2.75%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Mellon

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30			
	Principal	Interest	Totals
2015	\$ 135,000	52,287	187,287
2016	300,000	49,588	349,588
2017	315,000	43,587	358,587
2018	315,000	37,288	352,288
2019	325,000	30,987	355,987
2020	330,000	24,488	354,488
2021	340,000	17,887	357,887
2022	130,000	10,408	140,408
2023	135,000	7,223	142,223
2024	135,000	3,712	138,712
	<u>2,460,000</u>	<u>277,455</u>	<u>2,737,455</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

TIF Revenue Bonds of 2009A

April 30, 2014

Date of Issue	May 15, 2009
Date of Maturity	December 15, 2028
Authorized Issue	\$1,400,000
Denomination of Bonds	\$5,000
Interest Rate	5.25%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Mellon

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30	Principal	Interest	Totals
2015	\$ 25,000	67,986	92,986
2016	30,000	66,676	96,676
2017	30,000	65,100	95,100
2018	30,000	63,526	93,526
2019	30,000	61,950	91,950
2020	30,000	60,376	90,376
2021	35,000	58,800	93,800
2022	30,000	56,962	86,962
2023	30,000	55,388	85,388
2024	35,000	53,812	88,812
2025	185,000	51,975	236,975
2026	190,000	42,262	232,262
2027	195,000	32,287	227,287
2028	205,000	22,050	227,050
2029	215,000	11,287	226,287
	<u>1,295,000</u>	<u>770,437</u>	<u>2,065,437</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

IEPA Loan of 2002

April 30, 2014

Date of Issue	April 18, 2002
Date of Maturity	November 15, 2023
Authorized Issue	\$3,993,045
Interest Rate	2.675%
Interest Dates	May 15 and November 15
Principal Maturity Date	May 15 and November 15
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30	Principal	Interest	Totals
2015	\$ 199,967	59,133	259,100
2016	205,352	53,748	259,100
2017	210,882	48,218	259,100
2018	216,561	42,539	259,100
2019	222,392	36,708	259,100
2020	228,381	30,719	259,100
2021	234,530	24,570	259,100
2022	240,847	18,253	259,100
2023	247,333	11,767	259,100
2024	253,992	5,107	259,099
	<u>2,260,237</u>	<u>330,762</u>	<u>2,590,999</u>