

VILLAGE OF HAMPSHIRE, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2020**

VILLAGE OF HAMPSHIRE, ILLINOIS

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INTRODUCTORY SECTION

VILLAGE OF HAMPSHIRE, ILLINOIS

**List of Principal Officials
April 30, 2020**

VILLAGE PRESIDENT

Jeffrey Magnussen

VILLAGE BOARD OF TRUSTEES

Aaron Kelly

Christine Klein

Toby Koth

Ryan Krajecki

Michael Reid Jr.

Erik Robinson

ADMINISTRATIVE

Jay Hedges, Village Manager

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

April 5, 2021

The Honorable Village President
Members of the Board of Trustees
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, 2020, 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hampshire, Illinois' basic financial statements. The introductory section, other supplementary information, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information 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, 2020

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, 2020. Please read it in conjunction with the Village's financial statements, which can be found in the financial section of this report.

FINANCIAL HIGHLIGHTS

- The Village's net position decreased as a result of this year's operations. Net position of the governmental activities decreased by \$2,797,956, or 9.2 percent and net position of the business-type activities decreased by \$233,570, or 0.5 percent.
- During the year, government-wide revenues for the primary government totaled \$7,988,480 while expenses totaled \$11,020,006, resulting in a decrease to net position of \$3,031,526.
- The Village's net position totaled \$74,506,797 on April 30, 2020, which includes \$73,127,238 net investment in capital assets, \$2,550,137 subject to external restrictions, and (\$1,170,578) 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 \$123,822, resulting in ending fund balance of \$1,565,953, an increase of 8.6 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 (which can be found in the financial section of this report) 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 can be found in the financial section of this report. 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 manner similar to a private-sector business. The government wide financial statements can be found in the financial section of this report.

The Statement of Net Position reports information on all of the Village's assets and deferred outflows of resources 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, 2020

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, 2020

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The Village maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Tax Increment Financing, Transportation Impact Fees, and Public Use Funds, all of which are considered major funds. Data from the other eleven 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 TIF Revenue Bonds of 2009A/Tuscany Woods Line of Credit 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 in the financial section of this report.

Proprietary Funds

The Village maintains one proprietary fund type: enterprise 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.

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 and the Garbage Fund, which are considered to be major funds of the Village.

The basic proprietary fund financial statements can be found in the financial section 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 in the financial section of this report.

Notes to the Financial Statements

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2020**

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

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 in the financial section of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Other supplementary information can be found in the financial section of this report.

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/deferred outflows exceeded liabilities/deferred inflows by \$74,506,797.

	Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 6,358,698	5,614,924	2,517,525	1,914,769	8,876,223	7,529,693
Capital Assets	30,153,668	30,130,688	46,128,227	47,330,364	76,281,895	77,461,052
Total Assets	36,512,366	35,745,612	48,645,752	49,245,133	85,158,118	84,990,745
Deferred Outflows	1,129,482	1,346,934	14,780	93,251	1,144,262	1,440,185
Total Assets/Deferred Outflows	37,641,848	37,092,546	48,660,532	49,338,384	86,302,380	86,430,930
Long-Term Debt	6,430,327	3,617,795	979,304	1,477,340	7,409,631	5,095,135
Other Liabilities	1,325,087	893,080	839,328	823,492	2,164,415	1,716,572
Total Liabilities	7,755,414	4,510,875	1,818,632	2,300,832	9,574,046	6,811,707
Deferred Inflows	2,174,837	2,072,118	46,700	8,782	2,221,537	2,080,900
Total Liabilities/Deferred Inflows	9,930,251	6,582,993	1,865,332	2,309,614	11,795,583	8,892,607
Net Position						
Net Investment in						
Capital Assets	28,476,351	28,429,092	44,650,887	45,369,823	73,127,238	73,798,915
Restricted	2,550,137	2,675,628	-	-	2,550,137	2,675,628
Unrestricted (Deficit)	(3,314,891)	(595,167)	2,144,313	1,658,947	(1,170,578)	1,063,780
Total Net Position	27,711,597	30,509,553	46,795,200	47,028,770	74,506,797	77,538,323

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

A large portion of the Village's net position, \$73,127,238 or 98.1 percent, reflects its investment in capital assets (for example, land, construction in progress, buildings and improvements, vehicles, machinery and equipment, and infrastructure and underground water and sewer lines), 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, \$2,550,137 or 3.4 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 (\$1,170,578) or (1.6) percent represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2020	2019
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	\$ 866,606	660,756	3,305,204	3,108,360	4,171,810	3,769,116
Operating Grants/Contrib.	207,974	152,039	-	-	207,974	152,039
General Revenues						
Property Taxes	1,206,985	1,121,794	-	-	1,206,985	1,121,794
Replacement Taxes	26,560	20,202	-	-	26,560	20,202
Sales and Use Taxes	867,993	762,770	-	-	867,993	762,770
Income Taxes	801,773	712,208	-	-	801,773	712,208
Utility Taxes	385,774	416,841	-	-	385,774	416,841
Cannabis Excise Taxes	1,375	-	-	-	1,375	-
Hotel/Motel Taxes	22,988	22,209	-	-	22,988	22,209
Investment Income	68,640	52,706	44	54	68,684	52,760
Miscellaneous	225,683	291,672	881	3,422	226,564	295,094
Total Revenues	4,682,351	4,213,197	3,306,129	3,111,836	7,988,480	7,325,033
Expenses						
General Government	1,103,974	2,156,083	-	-	1,103,974	2,156,083
Police Protection	1,575,388	1,922,820	-	-	1,575,388	1,922,820
Highways and Streets	4,745,681	1,685,530	-	-	4,745,681	1,685,530
Planning and Zoning	732	2,511	-	-	732	2,511
Interest on Long-Term Debt	54,532	60,792	-	-	54,532	60,792
Water and Sewer	-	-	2,886,665	3,244,686	2,886,665	3,244,686
Garbage	-	-	653,034	591,367	653,034	591,367
Total Expenses	7,480,307	5,827,736	3,539,699	3,836,053	11,020,006	9,663,789
Change in Net Position	(2,797,956)	(1,614,539)	(233,570)	(724,217)	(3,031,526)	(2,338,756)
Net Position - Beginning	30,509,553	32,124,092	47,028,770	47,752,987	77,538,323	79,877,079
Net Position-Ending	27,711,597	30,509,553	46,795,200	47,028,770	74,506,797	77,538,323

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

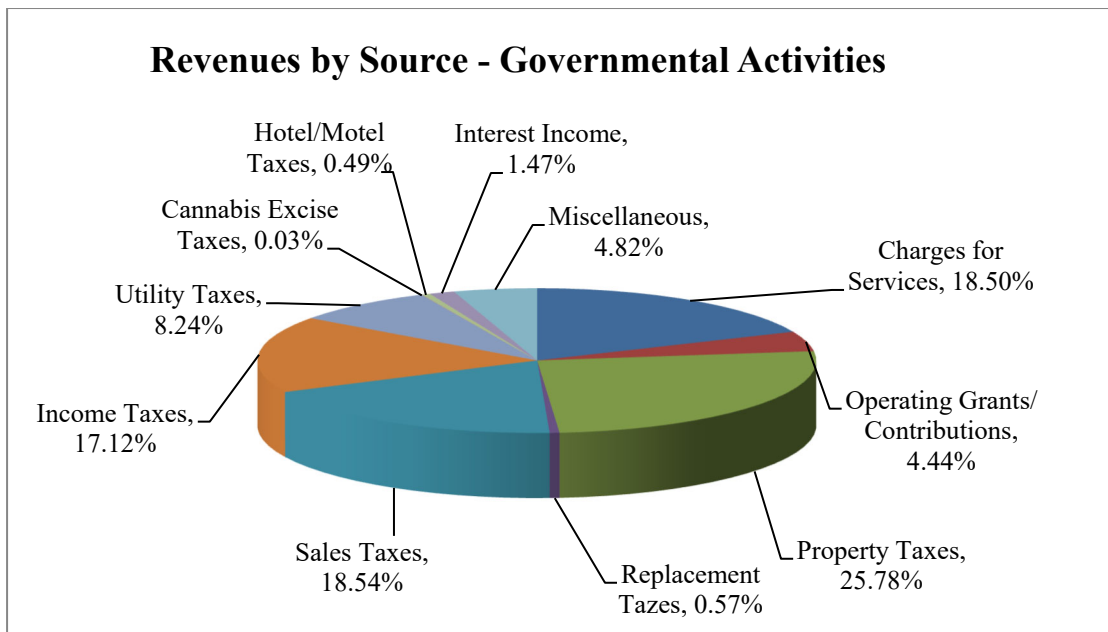
Net position of the Village's governmental activities decreased by 9.2 percent (\$27,711,597 in 2020 compared to \$30,509,553 in 2019). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, was a deficit of \$3,314,891 at April 30, 2020.

Net position of business-type activities decreased by 0.5 percent (\$46,795,200 in 2020 compared to \$47,028,770 in 2019).

Governmental Activities

Revenues for governmental activities totaled \$4,682,351, while the cost of all governmental functions totaled \$7,480,307. This results in a decrease of \$2,797,956. In 2019, revenues of \$4,213,197 were less than expenses of \$5,827,736 resulting in a decrease of \$1,614,539. During 2020, the Village continued to see increases in some of its state shared revenues; however, revenues for the governmental activities increased \$469,154, while expenses increased \$1,652,571.

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.



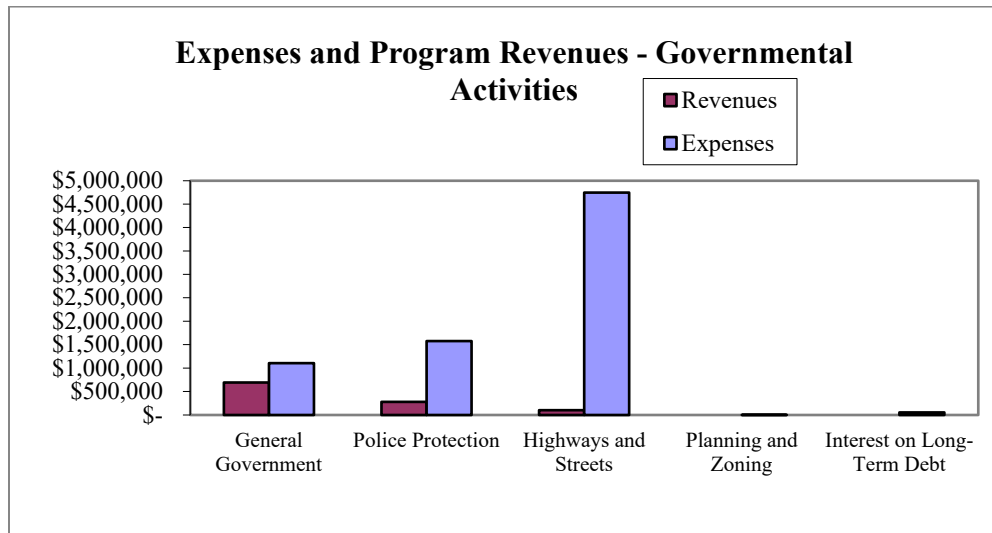
VILLAGE OF HAMPSHIRE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

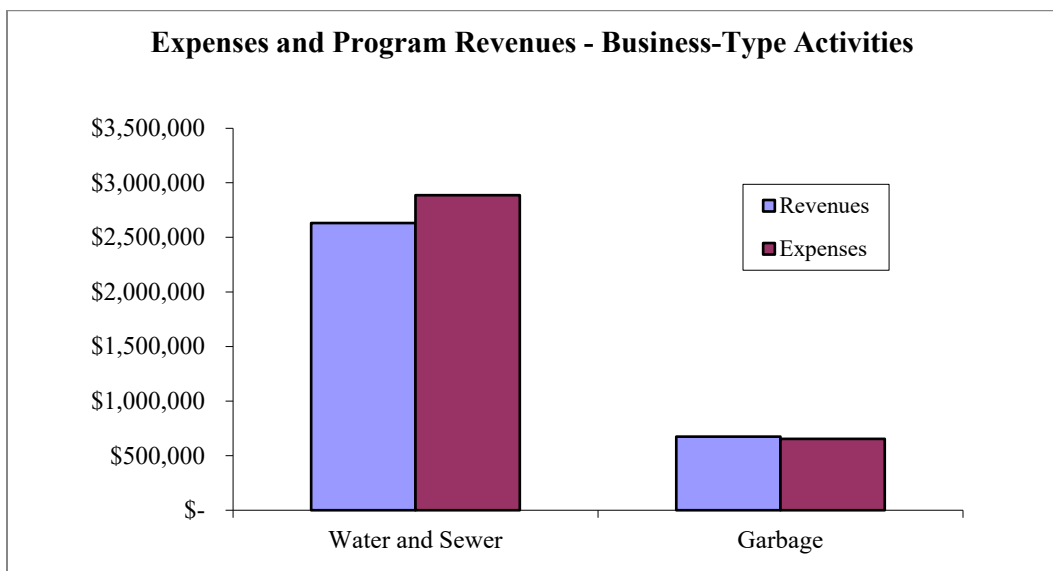
Governmental Activities – Continued

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 \$3,306,129, while the cost of all business-type activities totaled \$3,539,699. This results in a decrease in net position of \$233,570. In 2019, revenues of \$3,111,836 were less than expenses of \$3,836,053, resulting in a decrease in net position of \$724,217. The decrease in the current year is a result of non-cash depreciation expense.



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

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2020

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 \$3,646,151, which is \$6,079 higher than last year's total of \$3,640,072. Of the \$3,646,151 total, the Village has an unassigned fund balance of \$1,015,352.

The General Fund reported fund balance for the year of \$1,565,953. Total revenues in the General Fund were \$131,789 high than the amount budgeted due primarily to the number of building permits issued, tax collections coming in higher than budgeted, and conservative budgeting for State shared revenues. In addition, expenditures were \$666,710 lower than budgeted. These factors resulted in an overall increase in fund balance of \$123,822 or 8.6%.

The General Fund is the chief operating fund of the Village. At April 30, 2020, unassigned fund balance in the General Fund was \$1,382,962 which represents 88.3 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 32.5 percent of total General Fund expenditures.

The Village reports one special revenue fund as a major fund: The Tax Increment Financing Fund. The Tax Increment Financing Fund reported an increase in fund balance of \$12,003. This is due to the annual payment of the 2016 General Obligation Bond offset by the transfer in from the Public Use Fund.

The Village reports two capital projects funds as major funds: Transportation Impact Fees Fund and Public Use Fund. The Transportation Impact Fees Fund reported an increase in fund balance of \$69,302 due to the Village spending less on various projects during the current year. The Public Use Fund reported a decrease of \$47,923.

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2020

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 \$255,064 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 an increase in net position of \$21,494 due to collections exceeding garbage expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

No amendments were made to the General Fund budget during the year. General Fund actual revenues for the year totaled \$4,120,391 compared to budgeted revenues of \$3,988,602. All revenue categories, except for intergovernmental and miscellaneous income, were greater than what was budgeted.

The General Fund actual expenditures for the year were \$4,253,569 with budgeted expenditures of \$4,920,279. The Village worked during the year to control costs in the General Fund, however, contractual services and commodities came in over budget by \$55,542 and \$5,373, respectively.

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, 2020 was \$76,281,895 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, machinery and equipment, and infrastructure and underground water and sewer lines.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 20,962,535	20,962,535	1,201,448	1,201,448	22,163,983	22,163,983
Construction in Progress	-	-	69,128	69,128	69,128	69,128
Buildings and Improvements	5,300	6,360	20,326,926	20,911,461	20,332,226	20,917,821
Vehicles, Machinery and Equipment	736,362	441,719	629,299	508,439	1,365,661	950,158
Infrastructure and Underground Water and Sewer Lines	8,449,471	8,720,074	23,901,426	24,639,888	32,350,897	33,359,962
Total	30,153,668	30,130,688	46,128,227	47,330,364	76,281,895	77,461,052

VILLAGE OF HAMPSHIRE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Capital Assets – Continued

This year’s major additions included:

Vehicles, Machinery and Equipment	\$	635,332
Infrastructure and Underground Water and Sewer Lines		<u>16,443</u>
		<u><u>651,775</u></u>

Additional information on the Village’s capital assets can be found in Note 3 of this report.

Debt Administration

At year-end, the Village had total outstanding debt of \$3,154,657 as compared to \$3,662,137 the previous year, a decrease of 13.9 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Installment Contracts	\$ 271,650	122,329	-	-	271,650	122,329
General Obligations/ Alternate Revenue Bonds	1,405,667	1,579,267	500,638	755,458	1,906,305	2,334,725
IEPA Loans	-	-	976,702	1,205,083	976,702	1,205,083
Totals	<u>1,677,317</u>	<u>1,701,596</u>	<u>1,477,340</u>	<u>1,960,541</u>	<u>3,154,657</u>	<u>3,662,137</u>

During the year, the Village did issue one new installment contract. 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 limit for the Village is \$18,827,001.

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village considered many factors when developing and setting the subsequent fiscal year's budget. The majority of the FY2020-2021 budget process was completed when State of Illinois' Executive Order imposing "stay at home" restrictions was enacted, and the impact and duration of the COVID-19 crisis was uncertain. After consideration, the Village Board elected to adopt the budget, as presented, and monitor the situation while placing hold on current staffing levels and evaluating all expenditures as the emergency continues to evolve.

Prior to the pandemic, the national and state economies had shown improvement which was having a positive impact on the local economic picture as well. The Village has continued to see modest residential growth, as well as interest in commercial and industrial property development particularly in the area near the Interstate 90 interchange at US Highway 20.

Property taxes continue to provide a stable revenue source. The Village also receives revenues from other sources including state shared revenues, sales tax, intergovernmental revenues, grants, fines and fees for services. State income and use taxes are an important source of revenue for the Village, and the Village is monitoring the potential impact on State Shared revenues resulting from the state's financial woes as well as the impact of COVID-19.

Public Act-101-0627 which went into effect on January 24, 2020 changed the benefits of nine members of the Hampshire Police Pension Fund. This legislative change will result in a significant increase in the required annual employer contribution to the Fund beginning in fiscal year 2021-2022.

The Village's primary goal continues to be maintaining current service levels while being more efficient in providing them. Great focus in recent years have been maintaining and improving fund balances for future economic downturns. This focus will help the Village weather COVID-19 crisis. Management will continue to monitor the situation for this and the following years' budgetary position as the situation continues to develop.

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 Lori Lyons, Finance Director, Village of Hampshire, 234 S. 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, 2020**

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Net Position
April 30, 2020**

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 4,302,944	1,722,228	6,025,172
Receivables - Net of Allowances	1,571,897	626,380	2,198,277
Notes Receivable	15	-	15
Prepays	61,252	53,228	114,480
Internal Balances	29,578	(29,578)	-
Total Current Assets	<u>5,965,686</u>	<u>2,372,258</u>	<u>8,337,944</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	20,962,535	1,270,576	22,233,111
Depreciable Capital Assets	13,467,290	65,365,389	78,832,679
Accumulated Depreciation	(4,276,157)	(20,507,738)	(24,783,895)
Total Capital Assets	<u>30,153,668</u>	<u>46,128,227</u>	<u>76,281,895</u>
Other Assets			
Net Pension Asset - IMRF	393,012	145,267	538,279
Total Noncurrent Assets	<u>30,546,680</u>	<u>46,273,494</u>	<u>76,820,174</u>
Total Assets	<u>36,512,366</u>	<u>48,645,752</u>	<u>85,158,118</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	39,983	14,780	54,763
Deferred Items - Police Pension	1,089,499	-	1,089,499
Total Deferred Outflows of Resources	<u>1,129,482</u>	<u>14,780</u>	<u>1,144,262</u>
Total Assets and Deferred Outflows of Resources	<u>37,641,848</u>	<u>48,660,532</u>	<u>86,302,380</u>

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 349,236	295,880	645,116
Accrued Payroll	69,140	9,593	78,733
Accrued Interest Payable	19,410	16,628	36,038
Deposits Payable	419,587	-	419,587
Other Liabilities	56,212	-	56,212
Current Portion of Long-term Debt	411,502	517,227	928,729
Total Current Liabilities	<u>1,325,087</u>	<u>839,328</u>	<u>2,164,415</u>
Noncurrent Liabilities			
Net Pension Liability - Police Pension	5,032,055	-	5,032,055
Installment Contracts	175,405	-	175,405
General Obligation Alternate Revenue Source Bonds	1,222,867	237,133	1,460,000
IEPA Loan	-	742,171	742,171
Total Noncurrent Liabilities	<u>6,430,327</u>	<u>979,304</u>	<u>7,409,631</u>
Total Liabilities	<u>7,755,414</u>	<u>1,818,632</u>	<u>9,574,046</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	126,345	46,700	173,045
Deferred Items - Police Pension	755,589	-	755,589
Property Taxes	1,292,903	-	1,292,903
Total Deferred Inflows of Resources	<u>2,174,837</u>	<u>46,700</u>	<u>2,221,537</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,930,251</u>	<u>1,865,332</u>	<u>11,795,583</u>
NET POSITION			
Net Investment in Capital Assets	28,476,351	44,650,887	73,127,238
Restricted			
Police Impound Fees	61,490	-	61,490
Tree Replacement	60,249	-	60,249
Highways and Streets	1,918,226	-	1,918,226
Subdivision Maintenance	8,427	-	8,427
Tourism	70,813	-	70,813
Public Use	336,621	-	336,621
Debt Service	94,311	-	94,311
Unrestricted (Deficit)	<u>(3,314,891)</u>	<u>2,144,313</u>	<u>(1,170,578)</u>
Total Net Position	<u>27,711,597</u>	<u>46,795,200</u>	<u>74,506,797</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, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Primary Government				
Governmental Activities				
General Government	\$ 1,103,974	692,733	-	-
Highways and Streets	1,575,388	72,367	207,974	-
Police Protection	4,745,681	101,506	-	-
Planning and Zoning	732	-	-	-
Interest on Long-Term Debt	54,532	-	-	-
Total Governmental Activities	7,480,307	866,606	207,974	-
Business-Type Activities				
Water and Sewer	2,886,665	2,630,676	-	-
Garbage	653,034	674,528	-	-
Total Business-Type Activities	3,539,699	3,305,204	-	-
Total Primary Government	11,020,006	4,171,810	207,974	-

- General Revenues
- Taxes
- Property Taxes
- Sales and Use Taxes
- Income Taxes
- Utility Taxes
- Cannabis Excise Taxes
- Hotel/Motel Taxes
- Intergovernmental - Unrestricted
- Replacement Taxes
- Investment Income
- Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(411,241)	-	(411,241)
(1,295,047)	-	(1,295,047)
(4,644,175)	-	(4,644,175)
(732)	-	(732)
(54,532)	-	(54,532)
(6,405,727)	-	(6,405,727)
-	(255,989)	(255,989)
-	21,494	21,494
-	(234,495)	(234,495)
(6,405,727)	(234,495)	(6,640,222)
1,206,985	-	1,206,985
867,993	-	867,993
801,773	-	801,773
385,774	-	385,774
1,375	-	1,375
22,988	-	22,988
26,560	-	26,560
68,640	44	68,684
225,683	881	226,564
3,607,771	925	3,608,696
(2,797,956)	(233,570)	(3,031,526)
30,509,553	47,028,770	77,538,323
27,711,597	46,795,200	74,506,797

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Governmental Funds - Balance Sheet
April 30, 2020

	<u>General</u>
ASSETS	
Cash and Investments	\$ 2,227,496
Receivables - Net of Allowances	
Property Taxes	1,056,063
Other Taxes	261,724
Due from Other Funds	37,971
Notes Receivable	15
Prepays	<u>61,252</u>
 Total Assets	 <u><u>3,644,521</u></u>
LIABILITIES	
Accounts Payable	345,156
Accrued Payroll	69,140
Deposits Payable	419,587
Other Liabilities	56,212
Due to Other Funds	-
Compensated Absences Payable	<u>132,457</u>
Total Liabilities	1,022,552
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>1,056,016</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>2,078,568</u></u>
FUND BALANCES	
Nonspendable	61,252
Restricted	121,739
Unassigned	<u>1,382,962</u>
Total Fund Balances	<u><u>1,565,953</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>3,644,521</u></u>

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

Special Revenue	Capital Projects				
Tax Increment Financing	Transportation Impact Fees	Public Use	Nonmajor	Totals	
12,916	918,402	-	1,144,130	4,302,944	
47,524	-	-	189,363	1,292,950	
-	-	-	17,223	278,947	
-	35,512	344,584	-	418,067	
-	-	-	-	15	
-	-	-	-	61,252	
60,440	953,914	344,584	1,350,716	6,354,175	
-	-	-	4,080	349,236	
-	-	-	-	69,140	
-	-	-	-	419,587	
-	-	-	-	56,212	
380,096	-	7,963	430	388,489	
-	-	-	-	132,457	
380,096	-	7,963	4,510	1,415,121	
47,524	-	-	189,363	1,292,903	
427,620	-	7,963	193,873	2,708,024	
-	-	-	-	61,252	
-	953,914	336,621	1,157,273	2,569,547	
(367,180)	-	-	(430)	1,015,352	
(367,180)	953,914	336,621	1,156,843	3,646,151	
60,440	953,914	344,584	1,350,716	6,354,175	

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, 2020

Total Governmental Fund Balances	\$ 3,646,151
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.	30,153,668
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	393,012
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(86,362)
Deferred Items - Police Pension	333,910
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net Pension Liability - Police Pension	(5,032,055)
Installment Contracts	(271,650)
General Obligation Alternate Revenue Source Bonds	(1,405,667)
Accrued Interest Payable	<u>(19,410)</u>
Net Position of Governmental Activities	<u><u>27,711,597</u></u>

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2020**

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, 2020

	<u>General</u>
Revenues	
Taxes	\$ 3,053,959
Intergovernmental	24,630
Charges for Services	320,970
Licenses and Permits	338,339
Fines and Forfeitures	101,366
Investment Income	55,444
Miscellaneous	225,683
Total Revenues	<u>4,120,391</u>
Expenditures	
Current	
General Government	1,049,111
Highways and Streets	1,147,029
Police Protection	1,972,479
Planning and Zoning	732
Debt Service	
Principal Retirement	75,579
Interest and Fiscal Charges	8,639
Total Expenditures	<u>4,253,569</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(133,178)</u>
Other Financing Sources (Uses)	
Debt Issuance	220,000
Transfers In	37,000
Transfers Out	-
	<u>257,000</u>
Net Change in Fund Balances	123,822
Fund Balances - Beginning	<u>1,442,131</u>
Fund Balances - Ending	<u><u>1,565,953</u></u>

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

<u>Special Revenue</u>	<u>Capital Projects</u>			
Tax	Transportation	Public		
Increment	Impact	Use	Nonmajor	Totals
Financing	Fees			
35,530	-	-	197,399	3,286,888
-	-	-	210,044	234,674
-	71,984	33,424	383	426,761
-	-	-	-	338,339
-	-	-	-	101,366
28	-	675	12,493	68,640
-	-	-	-	225,683
35,558	71,984	34,099	420,319	4,682,351
830	-	22	28,016	1,077,979
-	2,682	-	392,991	1,542,702
-	-	-	1,553	1,974,032
-	-	-	-	732
30,100	-	-	138,600	244,279
37,625	-	-	10,284	56,548
68,555	2,682	22	571,444	4,896,272
(32,997)	69,302	34,077	(151,125)	(213,921)
-	-	-	-	220,000
45,000	-	-	-	82,000
-	-	(82,000)	-	(82,000)
45,000	-	(82,000)	-	220,000
12,003	69,302	(47,923)	(151,125)	6,079
(379,183)	884,612	384,544	1,307,968	3,640,072
(367,180)	953,914	336,621	1,156,843	3,646,151

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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 6,079
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	435,023
Depreciation Expense	(412,043)
An addition to a net pension asset is not considered to be an increase in a financial asset in the governmental funds.	
Change in Net Pension Asset - IMRF	263,889
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(304,034)
Change in Deferred Items - Police Pension	58,412
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.	
Change in Net Pension Liability - Police Pension	(2,871,577)
Debt Issuance	(220,000)
Retirement of Debt	244,279
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.	
	<u>2,016</u>
Changes in Net Position of Governmental Activities	<u><u>(2,797,956)</u></u>

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, 2020**

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Net Position - Proprietary Funds
April 30, 2020**

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 1,722,228	-	1,722,228
Receivables - Net of Allowances			
Accounts	488,423	137,957	626,380
Prepays	53,228	-	53,228
Total Current Assets	<u>2,263,879</u>	<u>137,957</u>	<u>2,401,836</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	1,270,576	-	1,270,576
Depreciable Capital Assets	65,365,389	-	65,365,389
Accumulated Depreciation	(20,507,738)	-	(20,507,738)
Total Capital Assets	<u>46,128,227</u>	<u>-</u>	<u>46,128,227</u>
Other Assets			
Net Pension Asset - IMRF	145,267	-	145,267
Total Noncurrent Assets	<u>46,273,494</u>	<u>-</u>	<u>46,273,494</u>
 Total Assets	 48,537,373	 137,957	 48,675,330
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	14,780	-	14,780
 Total Assets and Deferred Outflows of Resources	 <u>48,552,153</u>	 <u>137,957</u>	 <u>48,690,110</u>

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

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 239,975	55,905	295,880
Accrued Payroll	9,593	-	9,593
Accrued Interest Payable	16,628	-	16,628
Due to Other Funds	-	29,578	29,578
Compensated Absences Payable	19,191	-	19,191
General Obligation Alternate Revenue Source Bonds	263,505	-	263,505
IEPA Loan	234,531	-	234,531
Total Current Liabilities	783,423	85,483	868,906
Noncurrent Liabilities			
General Obligation Alternate Revenue Source Bonds	237,133	-	237,133
IEPA Loan	742,171	-	742,171
Total Noncurrent Liabilities	979,304	-	979,304
Total Liabilities	1,762,727	85,483	1,848,210
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	46,700	-	46,700
Total Liabilities and Deferred Inflows of Resources	1,809,427	85,483	1,894,910
NET POSITION			
Net Investment in Capital Assets	44,650,887	-	44,650,887
Unrestricted	2,091,839	52,474	2,144,313
Total Net Position	46,742,726	52,474	46,795,200

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, 2020

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
Operating Revenues			
Charges for Services	\$ 2,504,561	674,528	3,179,089
Operating Expenses			
Operations			
Water Department	718,981	-	718,981
Sewer Department	652,546	-	652,546
Water Reconstruction	21,308	-	21,308
Garbage Department	-	653,034	653,034
System Improvements	31,067	-	31,067
Depreciation	1,418,889	-	1,418,889
Total Operating Expenses	2,842,791	653,034	3,495,825
Operating Income (Loss)	(338,230)	21,494	(316,736)
Nonoperating Revenues (Expenses)			
Tap On Fees	126,115	-	126,115
Investment Income	44	-	44
Other Income	881	-	881
Interest and Fiscal Charges	(43,874)	-	(43,874)
	83,166	-	83,166
Change in Net Position	(255,064)	21,494	(233,570)
Net Position - Beginning	46,997,790	30,980	47,028,770
Net Position - Ending	46,742,726	52,474	46,795,200

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, 2020**

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 2,556,953	652,836	3,209,789
Payments to Employees	(242,518)	-	(242,518)
Payments to Suppliers	(1,149,783)	(652,836)	(1,802,619)
	<u>1,164,652</u>	<u>-</u>	<u>1,164,652</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(216,752)	-	(216,752)
Principal on Capital Debt	(483,201)	-	(483,201)
Interest on Capital Debt	(43,874)	-	(43,874)
	<u>(743,827)</u>	<u>-</u>	<u>(743,827)</u>
Cash Flows from Investing Activities			
Interest Received	44	-	44
	<u>44</u>	<u>-</u>	<u>44</u>
Net Change in Cash and Cash Equivalents	420,869	-	420,869
Cash and Cash Equivalents - Beginning	<u>1,301,359</u>	<u>-</u>	<u>1,301,359</u>
Cash and Cash Equivalents - Ending	<u><u>1,722,228</u></u>	<u><u>-</u></u>	<u><u>1,722,228</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(338,230)	21,494	(316,736)
Adjustments to Reconcile Operating Income to Net Income to Net Cash			
Provided by (Used In) Operating Activities:			
Depreciation Expense	1,418,889	-	1,418,889
Other Income (Expenses)	126,996	-	126,996
(Increase) Decrease in Current Assets	(74,604)	(21,692)	(96,296)
Increase (Decrease) in Current Liabilities	31,601	198	31,799
	<u>1,481,882</u>	<u>(21,494)</u>	<u>1,460,388</u>
Net Cash Provided by Operating Activities	<u><u>1,164,652</u></u>	<u><u>-</u></u>	<u><u>1,164,652</u></u>

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Fiduciary Net Position
April 30, 2020**

	Pension Trust	Custodial
ASSETS		
Cash and Cash Equivalents	\$ 2,276,060	1,991,586
LIABILITIES		
Accounts Payable	79	-
NET POSITION		
Restricted		
Pensions	2,275,981	-
Individuals, Organizations, and Other Governments	-	1,991,586
Total Net Position	2,275,981	1,991,586

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2020

	Pension Trust	Custodial
Additions		
Contributions - Employer	\$ 277,000	-
Contributions - Plan Members	92,505	-
Total Contributions	<u>369,505</u>	<u>-</u>
Investment Income		
Interest Earned	29,950	42,808
Net Change in Fair Value	-	-
	<u>29,950</u>	<u>42,808</u>
Less Investment Expenses	-	-
Net Investment Income	<u>29,950</u>	<u>42,808</u>
Property Taxes	-	1,649,174
Total Additions	<u>399,455</u>	<u>1,691,982</u>
Deductions		
Administration	10,192	-
Benefits and Refunds	54,264	-
Professional Services	-	297,954
Debt Service		
Principal Retirement	-	1,502,903
Total Deductions	<u>64,456</u>	<u>1,800,857</u>
Change in Fiduciary Net Position	334,999	(108,875)
Net Position Restricted for Pensions, Individuals, Organizations, and Other Governments		
Beginning	<u>1,940,982</u>	<u>2,100,461</u>
Ending	<u><u>2,275,981</u></u>	<u><u>1,991,586</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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Hampshire (Village), 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 and three elected police employees constitute the pension board. Although there are 3 retirees in fiscal year-end April 30, 2020, there are no elected pension beneficiaries. 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, 2020

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, 2020

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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – 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 one major and five non-major special revenue funds.

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. 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 two major capital projects funds, Transportation Impact Fees Fund and Public Use Fund. The Transportation Impact Fees Fund is used to account for the proceeds of transportation impact fees and the improvements funded by the fees. 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 four 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 funds 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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial 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.

Custodial funds are used to account for assets held by the Village in a purely custodial capacity. The Special Service Areas #9, #14, and #16 - #19 Fund is used to account for the collection of taxes from special service areas #9, #14 and #16 - #19 and remittance to bondholders.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and custodial). 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.

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.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus – Continued

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. Custodial 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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

All proprietary, pension trust and custodial 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. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Village's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition 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, Machinery and Equipment	5 - 20 Years
Underground Water and Sewer Lines	25 - 50 Years
Infrastructure	25 - 50 Years

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Deferred Outflows/Inflows of Resources

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

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 expenditure.

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.”

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

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 statues 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.

Budgets are prepared for all funds except the TIF Revenue Bonds of 2009A/Tuscany Woods Line of Credit 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:

Fund	Excess
Transportation Impact Fees	\$ 2,682
Road and Bridge	27,491
Evidence	553
Hotel/Motel Tax	2,016
Capital Bonds	148,884
Early Warning Impace Fees	22
Garbage	62,859
Police Pension	45
Special Service Areas #9, #14, and #16 - #19	87,983

DEFICIT FUND BALANCE

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

Fund	Deficit
Tax Increment Financing	\$ 367,180
Evidence	430

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

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.

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, and Illinois Funds.

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund 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; credit unions, 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 Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), 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 and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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. The Illinois Funds is not registered with the SEC as an investment company. 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 \$4,650,358 and the bank balances totaled \$4,727,583. The Village also has \$1,374,814 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.

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, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance. 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 does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements
April 30, 2020

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

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$2,276,060 and the bank balances totaled \$2,276,060.

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.

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 (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	100%	0.0%

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration Risk – Continued. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2020 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2020 are listed in the table on the previous page.

Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2019 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.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

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	\$ 20,962,535	-	-	20,962,535
Depreciable Capital Assets				
Buildings and Improvements	58,800	-	-	58,800
Vehicles, Machinery and Equipment	1,532,875	435,023	-	1,967,898
Infrastructure	11,440,592	-	-	11,440,592
	<u>13,032,267</u>	435,023	-	<u>13,467,290</u>
Less Accumulated Depreciation				
Buildings and Improvements	52,440	1,060	-	53,500
Vehicles, Machinery and Equipment	1,091,156	140,380	-	1,231,536
Infrastructure	2,720,518	270,603	-	2,991,121
	<u>3,864,114</u>	412,043	-	<u>4,276,157</u>
Total Net Depreciable Capital Assets	<u>9,168,153</u>	22,980	-	<u>9,191,133</u>
Total Net Capital Assets	<u>30,130,688</u>	22,980	-	<u>30,153,668</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 1,011
Highways and Streets	362,865
Police Protection	<u>48,167</u>
	<u>412,043</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

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	69,128	-	-	69,128
	<u>1,270,576</u>	-	-	<u>1,270,576</u>
Depreciable Capital Assets				
Buildings and Improvements	28,847,129	-	-	28,847,129
Vehicles, Machinery and Equipment	1,054,598	200,309	-	1,254,907
Underground Water and Sewer Lines	35,246,910	16,443	-	35,263,353
	<u>65,148,637</u>	<u>216,752</u>	-	<u>65,365,389</u>
Less Accumulated Depreciation				
Buildings and Improvements	7,935,668	584,535	-	8,520,203
Vehicles, Machinery and Equipment	546,159	79,449	-	625,608
Underground Water and Sewer Lines	10,607,022	754,905	-	11,361,927
	<u>19,088,849</u>	<u>1,418,889</u>	-	<u>20,507,738</u>
Total Net Depreciable Capital Assets	<u>46,059,788</u>	<u>(1,202,137)</u>	-	<u>44,857,651</u>
Total Net Capital Assets	<u>47,330,364</u>	<u>(1,202,137)</u>	-	<u>46,128,227</u>

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

Water and Sewer	<u>\$ 1,418,889</u>
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VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages and result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances as of the date of this report is as follows:

Receivable Fund	Payable Fund	Amount
General	Public Use	\$ 7,963
General	Nonmajor Governmental	430
General	Garbage	29,578
Transportation Impact Fees	Tax Increment Financing	35,512
Public Use	Tax Increment Financing	344,584
		<u>418,067</u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Public Use	\$ 37,000 (2)
Tax Increment Financing	Public Use	<u>45,000 (1)</u>
		<u>82,000</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 and (2) 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

Noncommitment Debt – Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$15,695,000. 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.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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
Squad Cars Installment Contract of 2016 - Due in monthly installments of \$1,438.34 including interest at 2.25% through July 25, 2019	General	\$ 4,271	-	4,271	-
Snow Plow Installment Contract of 2017 - Due in annual installments of \$25,920 to \$27,089 including interest at 2.75% through July 6, 2020.	General	50,000	-	25,000	25,000
Equipment Installment Contract of 2017 - Due in annual installments of \$11,400 interest free through July 10, 2020.	General	22,800	-	11,400	11,400
Installment Contract of 2019 - Due in annual installments of \$14,742 to 30,008 including interest at 3.42% through October 15, 2020.	General	45,258	-	30,008	15,250
Installment Contract of 2020 - Due in monthly installments of \$3,984 including interest at 3.26% through March 20, 2025.	General	-	220,000	-	220,000
		<u>122,329</u>	<u>220,000</u>	<u>70,679</u>	<u>271,650</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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
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	\$ 129,725	-	63,420	66,305
General Obligation (Alternate Revenue Source) Refunding Bonds of 2012 - Due in annual installments of \$95,000 to \$340,000 plus interest of 2.00% - 2.75% through December 15, 2023.	Capital Bonds	444,267	-	138,600	305,667
	Water and Sewer	625,733	-	191,400	434,333
General Obligation (Alternate Revenue Source) Refunding Bonds of 2016 - Due in annual installments of \$5,000 to \$205,000 plus interest of 3.00% - 4.00% through December 15, 2028.	General	136,200	-	4,900	131,300
	Tax Increment Financing	998,800	-	30,100	968,700
		<u>2,334,725</u>	<u>-</u>	<u>428,420</u>	<u>1,906,305</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Loans Payable

The Village has entered into loan agreements with the IEPA to provide low interest financing for water and sewer improvements. IEPA loans 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	\$ 1,205,083	-	228,381	976,702

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	\$ 108,947	47,020	23,510	132,457	132,457
Net Pension Liability - Police Pension	2,160,478	2,871,577	-	5,032,055	-
Installment Contracts	122,329	220,000	70,679	271,650	96,245
General Obligation Alternate Revenue Source Bonds	1,579,267	-	173,600	1,405,667	182,800
	<u>3,971,021</u>	<u>3,138,597</u>	<u>267,789</u>	<u>6,841,829</u>	<u>411,502</u>
Business-Type Activities					
Compensated Absences	15,558	7,266	3,633	19,191	19,191
General Obligation Alternate Revenue Source Bonds	755,458	-	254,820	500,638	263,505
IEPA Loan	1,205,083	-	228,381	976,702	234,531
	<u>1,976,099</u>	<u>7,266</u>	<u>486,834</u>	<u>1,496,531</u>	<u>517,227</u>

For governmental activities, payments on the compensated absences, the net pension liability, and the installment contracts are being made by the General Fund. The General Fund, the Capital Bonds Fund and the Tax Increment Financing Fund make payments on the general obligation alternate revenue source bonds.

For business-type activities, the Water and Sewer Fund makes payments on the compensated absences, the general obligation alternate revenue bonds source and the IEPA loan.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

Fiscal Year	Governmental Activities				Business-Type Activities			
	Installment Contracts		General Obligation Alternate Revenue Source Bonds		IEPA Loan		General Obligation Alternate Revenue Source Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 96,245	8,051	182,800	49,613	234,531	24,569	263,505	3,183
2022	42,652	5,158	84,600	45,421	240,847	18,253	75,400	-
2023	44,085	3,725	86,700	43,184	247,333	11,767	78,300	-
2024	45,559	2,251	81,567	40,809	253,991	5,109	83,433	-
2025	43,109	717	185,000	35,100	-	-	-	-
2026	-	-	190,000	27,600	-	-	-	-
2027	-	-	190,000	20,000	-	-	-	-
2028	-	-	200,000	12,200	-	-	-	-
2029	-	-	205,000	4,100	-	-	-	-
Totals	<u>271,650</u>	<u>19,902</u>	<u>1,405,667</u>	<u>278,027</u>	<u>976,702</u>	<u>59,698</u>	<u>500,638</u>	<u>3,183</u>

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 - 2019	<u>\$ 218,284,064</u>
Legal Debt Limit - 8.625% of Assessed Value	18,827,001
Amount of Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>18,827,001</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

In the governmental fund 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.

Minimum Fund Balance Policy. The Village's 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.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village's policy manual states that the General Fund should maintain a minimum fund balance equal to 10% of budgeted operating expenditures.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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

	General	Special Revenue	Capital Projects		Nonmajor	Totals
		Tax Increment Financing	Transportation Impact Fees	Public Use		
Fund Balances						
Nonspendable	\$ 61,252	-	-	-	-	61,252
Restricted						
Police Impound Fees	61,490	-	-	-	-	61,490
Tree Replacement	60,249	-	-	-	-	60,249
Highways and Streets	-	-	953,914	-	964,312	1,918,226
Subdivision Maintenance	-	-	-	-	8,427	8,427
Tourism	-	-	-	-	70,813	70,813
Public Use	-	-	-	336,621	-	336,621
Debt Service	-	-	-	-	113,721	113,721
	121,739	-	953,914	336,621	1,157,273	2,569,547
Unassigned	1,382,962	(367,180)	-	-	(430)	1,015,352
Total Fund Balances	1,565,953	(367,180)	953,914	336,621	1,156,843	3,646,151

NET INVESTMENT IN CAPITAL ASSETS

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 30,153,668
Less Capital Related Debt:	
Installment Contracts Payable	(271,650)
General Obligation (ARS) Bonds of 2012	(305,667)
General Obligation (ARS) Bonds of 2016	<u>(1,100,000)</u>
Net Investment in Capital Assets	<u>28,476,351</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET INVESTMENT IN CAPITAL ASSETS - Continued

Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 46,128,227
Less Capital Related Debt:	
General Obligation (ARS) Bonds of 2010	(66,305)
General Obligation (ARS) Bonds of 2012	(434,333)
IEPA Loan of 2002	<u>(976,702)</u>
Net Investment in Capital Assets	<u>44,650,887</u>

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. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. 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.

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.

Sales Tax Rebates

The Village has a sales tax rebate agreement which was designed to induce a vendor to locate and retain their business 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 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. The Village has recorded \$52,212 in sales tax rebate expenses in the General Fund in the current year. As of April 30, 2020, the amount due to the vendor is \$30,988, recorded as a liability in the General Fund.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

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.

Financial Impact due to COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the Village at 234 South State Street, PO Box 457, Hampshire, Illinois 60140. 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 online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount recognized for the two pension plans is:

	Net Pension Liabilities/ (Asset)	Deferred Outflows	Deferred Inflows	Pension Expenses
IMRF	\$ (538,279)	54,763	173,045	77,137
Police Pension	5,032,055	1,089,499	755,589	3,090,165
	4,493,776	1,144,262	928,634	3,167,302

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

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

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	13
Inactive Plan Members Entitled to but not yet Receiving Benefits	15
Active Plan Members	<u>16</u>
Total	<u><u>44</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2020, the Village's contribution was 1.86% of covered payroll.

Net Pension Asset. The Village's net pension asset was measured as of December 31, 2019. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.25% - 14.25%
Cost of Living Adjustments	3.50%
Inflation	2.50%

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as in the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension (asset) to changes in the discount rate. The table below presents the net pension (asse) of the Village calculated using the discount rate as well as what the Village’s net pension (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	\$ (89,470)	(538,279)	(908,685)

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2018	\$ 3,280,253	3,459,483	(179,230)
Changes for the Year:			
Service Cost	73,182	-	73,182
Interest on the Total Pension Liability	235,821	-	235,821
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,658)	-	(1,658)
Changes of Assumptions	-	-	-
Contributions - Employer	-	5,993	(5,993)
Contributions - Employees	-	34,574	(34,574)
Net Investment Income	-	654,781	(654,781)
Benefit Payments, including Refunds of Employee Contributions	(128,293)	(128,293)	-
Other (Net Transfer)	-	(28,954)	28,954
Net Changes	179,052	538,101	(359,049)
Balances at December 31, 2019	3,459,305	3,997,584	(538,279)

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2020, the Village recognized pension expense of \$77,137. At April 30, 2020, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 18,276	(1,131)	17,145
Change in Assumptions	25,564	-	25,564
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(171,914)	(171,914)
Total Pension Expense to be Recognized in Future Periods	43,840	(173,045)	(129,205)
Pension Contributions Made Subsequent to the Measurement Date	10,923	-	10,923
Total Deferred Amounts Related to IMRF	<u>54,763</u>	<u>(173,045)</u>	<u>(118,282)</u>

\$10,923 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2021	\$ (7,798)
2022	(54,698)
2023	14,929
2024	(81,638)
2025	-
Thereafter	<u>-</u>
Total	<u><u>(129,205)</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>11</u>
Total	<u><u>14</u></u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older 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 annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2020, the Village's contribution was 28.98% of covered payroll.

Concentrations. At year-end, the Pension Plan does not have any investments over 5 percent of the total net position restricted for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	5.00%
Salary Increases	3.75% - 9.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on the Pub-2010 adjusted for plan status, demographics, and Illinois public pension data, as described.

Discount Rate

The discount rate used to measure the total pension liability was 5.00%, the same as in the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Net Pension Liability	\$ 6,722,257	5,032,055	3,748,557

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2019	\$ 4,101,460	1,940,982	2,160,478
Changes for the Year:			
Service Cost	269,484	-	269,484
Interest on the Total Pension Liability	203,716	-	203,716
Changes of Benefit Terms	2,738,836	-	2,738,836
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(68,997)	-	(68,997)
Changes of Assumptions	117,801	-	117,801
Contributions - Employer	-	277,000	(277,000)
Contributions - Employees	-	92,505	(92,505)
Net Investment Income	-	29,950	(29,950)
Benefit Payments, including Refunds of Employee Contributions	(54,264)	(54,264)	-
Administrative Expense	-	(10,192)	10,192
Net Changes	3,206,576	334,999	2,871,577
Balances at April 30, 2020	7,308,036	2,275,981	5,032,055

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements
April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2020, the Village recognized pension expense of \$3,090,165. At April 30, 2020, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 276,654	(642,506)	(365,852)
Change in Assumptions	671,356	(113,083)	558,273
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	141,489	-	141,489
Total Deferred Amounts Related to Police Pension	<u>1,089,499</u>	<u>(755,589)</u>	<u>333,910</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2021	\$ 71,237
2022	60,839
2023	44,920
2024	33,230
2025	18,307
Thereafter	<u>105,377</u>
Total	<u>333,910</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

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, there is no participation. As the Village provides no explicit benefit, and there is no participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Therefore, the Village has not recorded a liability as of April 30, 2020.

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 Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
 - Illinois Municipal Retirement Fund
 - Police Pension Fund

- Schedule of Investment Returns
 - Police Pension Fund

- Budgetary Comparison Schedule
 - General Fund
 - Tax Increment Financing - Special Revenue 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 Employer Contributions
April 30, 2020**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 22,680	\$ 22,680	\$ -	\$ 533,645	4.25%
2017	17,491	17,491	-	586,761	2.98%
2018	21,539	21,539	-	632,999	3.40%
2019	17,892	17,892	-	701,731	2.55%
2020	15,763	15,763	-	847,182	1.86%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2017 (Base Year 2015)

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF HAMPSHIRE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2020**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 208,600	\$ 208,600	\$ -	\$ 855,320	24.39%
2016	186,085	187,000	915	802,621	23.30%
2017	198,691	200,000	1,309	856,700	23.35%
2018	190,291	200,000	9,709	884,543	22.61%
2019	200,658	215,000	14,342	868,836	24.75%
2020	276,739	277,000	261	955,972	28.98%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.25%
Investment Rate of Return	5.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF HAMPSHIRE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2020

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 60,074
Interest	191,432
Differences Between Expected and Actual Experience	30,658
Changes of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(118,436)</u>
Net Change in Total Pension Liability	163,728
Total Pension Liability - Beginning	<u>2,581,605</u>
Total Pension Liability - Ending	<u><u>2,745,333</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 22,680
Contributions - Members	29,559
Net Investment Income	15,942
Benefit Payments, Including Refunds of Member Contributions	(118,436)
Administrative Expense	<u>(88,769)</u>
Net Change in Plan Fiduciary Net Position	(139,024)
Plan Net Position - Beginning	<u>3,221,505</u>
Plan Net Position - Ending	<u><u>3,082,481</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ (337,148)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	112.28%
Covered Payroll	\$ 533,645
Employer's Net Pension Liability as a Percentage of Covered Payroll	(63.18%)

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2016	12/31/2017	12/31/2018	12/31/2019
60,047	63,618	62,490	73,182
203,596	216,673	220,027	235,821
32,613	(12,862)	67,112	(1,658)
-	(93,507)	93,870	-
(121,474)	(125,892)	(131,391)	(128,293)
174,782	48,030	312,108	179,052
2,745,333	2,920,115	2,968,145	3,280,253
2,920,115	2,968,145	3,280,253	3,459,305
16,007	19,465	25,167	5,993
25,365	27,034	30,865	34,574
213,592	584,171	(206,886)	654,781
(121,474)	(125,892)	(131,391)	(128,293)
18,983	(36,712)	38,708	(28,954)
152,473	468,066	(243,537)	538,101
3,082,481	3,234,954	3,703,020	3,459,483
3,234,954	3,703,020	3,459,483	3,997,584
(314,839)	(734,875)	(179,230)	(538,279)
110.78%	124.76%	105.46%	115.56%
563,656	600,766	684,914	768,308
(55.86%)	(122.32%)	(26.17%)	(70.06%)

VILLAGE OF HAMPSHIRE, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2020

	<u>4/30/2015</u>
Total Pension Liability	
Service Cost	\$ 154,285
Interest	143,727
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	(176,846)
Change of Assumptions	117,723
Benefit Payments, Including Refunds of Member Contributions	<u>(35,131)</u>
Net Change in Total Pension Liability	203,758
Total Pension Liability - Beginning	<u>2,413,011</u>
Total Pension Liability - Ending	<u><u>2,616,769</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 208,600
Contributions - Members	83,662
Contributions - Other	50
Net Investment Income	215
Benefit Payments, Including Refunds of Member Contributions	(35,131)
Administrative Expense	<u>(5,449)</u>
Net Change in Plan Fiduciary Net Position	251,947
Plan Net Position - Beginning	<u>600,880</u>
Plan Net Position - Ending	<u><u>852,827</u></u>
Employer's Net Pension Liability	<u><u>\$ 1,763,942</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.59%
Covered Payroll	\$ 855,320
Employer's Net Pension Liability as a Percentage of Covered Payroll	206.23%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

4/30/2016	4/30/2017	4/30/2018	4/30/2019	4/30/2020
183,590	173,052	193,433	254,642	269,484
157,006	170,016	189,057	171,357	203,716
-	-	-	-	2,738,836
(303,520)	91,838	(761,677)	268,220	(68,997)
186,769	(94,941)	746,010	(70,522)	117,801
-	(14,029)	(31,202)	(24,408)	(54,264)
223,845	325,936	335,621	599,289	3,206,576
2,616,769	2,840,614	3,166,550	3,502,171	4,101,460
2,840,614	3,166,550	3,502,171	4,101,460	7,308,036
187,000	200,000	200,000	215,000	277,000
82,415	83,612	86,757	90,191	92,505
-	-	-	-	-
299	385	10,624	30,293	29,950
-	(14,029)	(31,202)	(24,408)	(54,264)
(7,555)	(5,882)	(6,352)	(8,993)	(10,192)
262,159	264,086	259,827	302,083	334,999
852,827	1,114,986	1,379,072	1,638,899	1,940,982
1,114,986	1,379,072	1,638,899	1,940,982	2,275,981
1,725,628	1,787,478	1,863,272	2,160,478	5,032,055
39.25%	43.55%	46.80%	47.32%	31.14%
802,621	856,700	884,543	868,836	955,975
215.00%	208.65%	210.65%	248.66%	526.38%

VILLAGE OF HAMPSHIRE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2020**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	0.03%
2016	0.03%
2017	0.03%
2018	0.03%
2019	0.03%
2020	0.03%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 2,993,582	2,993,582	3,053,959
Intergovernmental	223,500	223,500	24,630
Charges for Services	329,250	329,250	320,970
Licenses and Permits	139,675	139,675	338,339
Fines and Forfeitures	103,000	103,000	101,366
Investment Income	11,500	11,500	55,444
Miscellaneous Income	188,095	188,095	225,683
Total Revenues	<u>3,988,602</u>	<u>3,988,602</u>	<u>4,120,391</u>
Expenditures			
General Government	1,407,764	1,407,764	1,049,111
Highways and Streets	1,338,400	1,338,400	1,147,029
Police Protection	2,062,635	2,062,635	1,972,479
Planning and Zoning	4,634	4,634	732
Debt Service			
Principal Retirement	75,579	75,579	75,579
Interest and Fiscal Charges	31,267	31,267	8,639
Total Expenditures	<u>4,920,279</u>	<u>4,920,279</u>	<u>4,253,569</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(931,677)</u>	<u>(931,677)</u>	<u>(133,178)</u>
Other Financing Sources (Uses)			
Debt Issuance	344,680	344,680	220,000
Transfers In	37,000	37,000	37,000
Transfers Out	(65,226)	(65,226)	-
	<u>316,454</u>	<u>316,454</u>	<u>257,000</u>
Net Change in Fund Balance	<u>(615,223)</u>	<u>(615,223)</u>	123,822
Fund Balance - Beginning			<u>1,442,131</u>
Fund Balance - Ending			<u><u>1,565,953</u></u>

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 37,325	37,325	35,530
Investment Income	10	10	28
Total Revenues	<u>37,335</u>	<u>37,335</u>	<u>35,558</u>
Expenditures			
General Government			
Professional Services	2,500	2,500	830
Debt Service			
Principal Retirement	30,100	30,100	30,100
Interest and Fiscal Charges	48,125	48,125	37,625
Total Expenditures	<u>80,725</u>	<u>80,725</u>	<u>68,555</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,390)	(43,390)	(32,997)
Other Financing Sources			
Transfers In	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
Net Change in Fund Balance	<u>1,610</u>	<u>1,610</u>	12,003
Fund Balance - Beginning			<u>(379,183)</u>
Fund Balance - Ending			<u>(367,180)</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 – Fiduciary Funds

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

The General Fund, a major 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.

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.

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.

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.

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.

INDIVIDUAL FUND SCHEDULES

DEBT SERVICE FUND

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

Capital Bonds Fund

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

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.

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.

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.

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.

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.

INDIVIDUAL FUND SCHEDULES

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.

TRUST AND CUSTODIAL 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.

CUSTODIAL FUND

Special Service Areas #9, #14, and #16 - #19 Fund

The Special Service Areas #9, #14, and #16 - #19 Fund is used to account for the for 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, 2020

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 982,972	982,972	997,044
Sales and Use Taxes	879,000	879,000	867,993
State Income Taxes	725,610	725,610	801,773
Utility Taxes	406,000	406,000	385,774
Cannabis Excise Taxes	-	-	1,375
	<u>2,993,582</u>	<u>2,993,582</u>	<u>3,053,959</u>
Intergovernmental			
Replacement Taxes	17,500	17,500	24,630
Grants	206,000	206,000	-
	<u>223,500</u>	<u>223,500</u>	<u>24,630</u>
Charges for Services	<u>329,250</u>	<u>329,250</u>	<u>320,970</u>
Licenses and Permits	<u>139,675</u>	<u>139,675</u>	<u>338,339</u>
Fines and Forfeitures	<u>103,000</u>	<u>103,000</u>	<u>101,366</u>
Investment Income	<u>11,500</u>	<u>11,500</u>	<u>55,444</u>
Miscellaneous Income	<u>188,095</u>	<u>188,095</u>	<u>225,683</u>
Total Revenues	<u>3,988,602</u>	<u>3,988,602</u>	<u>4,120,391</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2020

	Budget		Actual
	Original	Final	
General Government			
Personal Services	\$ 405,024	405,024	343,583
Contractual Services	572,990	572,990	616,652
Commodities	16,850	16,850	23,450
Other Expenditures	395,400	395,400	61,811
Capital Outlay	17,500	17,500	3,615
	<u>1,407,764</u>	<u>1,407,764</u>	<u>1,049,111</u>
Highways and Streets			
Personal Services	450,380	450,380	463,395
Contractual Services	291,500	291,500	301,349
Commodities	63,000	63,000	69,646
Other Expenditures	1,000	1,000	16
Capital Outlay	532,520	532,520	312,623
	<u>1,338,400</u>	<u>1,338,400</u>	<u>1,147,029</u>
Police Protection			
Personal Services	1,707,828	1,707,828	1,586,306
Contractual Services	234,307	234,307	236,838
Commodities	64,900	64,900	57,027
Capital Outlay	55,600	55,600	92,308
	<u>2,062,635</u>	<u>2,062,635</u>	<u>1,972,479</u>
Planning and Zoning			
Personal Services	4,134	4,134	732
Contractual Services	500	500	-
	<u>4,634</u>	<u>4,634</u>	<u>732</u>
Debt Service			
Principal Retirement	75,579	75,579	75,579
Interest and Fiscal Charges	31,267	31,267	8,639
	<u>106,846</u>	<u>106,846</u>	<u>84,218</u>
Total Expenditures	<u>4,920,279</u>	<u>4,920,279</u>	<u>4,253,569</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, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 65,440	65,440	71,984
Expenditures			
Highways and Streets	-	-	2,682
Net Change in Fund Balance	<u>65,440</u>	<u>65,440</u>	69,302
Fund Balance - Beginning			<u>884,612</u>
Fund Balance - Ending			<u>953,914</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, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 28,480	28,480	33,424
Investment Income	400	400	675
Total Revenues	28,880	28,880	34,099
Expenditures			
General Government	400,000	400,000	22
Excess (Deficiency) of Revenues Over (Under) Expenditures	(371,120)	(371,120)	34,077
Other Financing (Uses)			
Transfers Out	(82,000)	(82,000)	(82,000)
Net Change in Fund Balance	<u>(453,120)</u>	<u>(453,120)</u>	(47,923)
Fund Balance - Beginning			<u>384,544</u>
Fund Balance - Ending			<u>336,621</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2020

	Special Revenue				
	Motor Fuel Tax	Road and Bridge	Special Service Areas	Evidence	Hotel/ Motel Tax
ASSETS					
Cash and Investments	\$ 602,272	30,813	10,007	-	72,589
Receivables - Net of Allowances					
Property Taxes	-	112,762	76,601	-	-
Other Taxes	16,499	-	-	-	724
Total Assets	<u>618,771</u>	<u>143,575</u>	<u>86,608</u>	<u>-</u>	<u>73,313</u>
LIABILITIES					
Accounts Payable	-	-	1,580	-	2,500
Due to Other Funds	-	-	-	430	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,580</u>	<u>430</u>	<u>2,500</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	-	112,762	76,601	-	-
Total Liabilities and Deferred Inflows of Resources	<u>-</u>	<u>112,762</u>	<u>78,181</u>	<u>430</u>	<u>2,500</u>
FUND BALANCES					
Restricted	618,771	30,813	8,427	-	70,813
Unassigned	-	-	-	(430)	-
Total Fund Balances	<u>618,771</u>	<u>30,813</u>	<u>8,427</u>	<u>(430)</u>	<u>70,813</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>618,771</u>	<u>143,575</u>	<u>86,608</u>	<u>-</u>	<u>73,313</u>

Debt Service Capital Bonds	Capital Projects				Totals
	Capital Improvements	TIF Revenue Bonds of 2009A/ Tuscany Woods Line of Credit	Equipment Replacement	Early Warning Impact Fees	
113,721	112,931	79,613	115,299	6,885	1,144,130
-	-	-	-	-	189,363
-	-	-	-	-	17,223
113,721	112,931	79,613	115,299	6,885	1,350,716
-	-	-	-	-	4,080
-	-	-	-	-	430
-	-	-	-	-	4,510
-	-	-	-	-	189,363
-	-	-	-	-	193,873
113,721	112,931	79,613	115,299	6,885	1,157,273
-	-	-	-	-	(430)
113,721	112,931	79,613	115,299	6,885	1,156,843
113,721	112,931	79,613	115,299	6,885	1,350,716

VILLAGE OF HAMPSHIRE, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2020

	Special Revenue				
	Motor Fuel Tax	Road and Bridge	Special Service Areas	Evidence	Hotel/ Motel Tax
Revenues					
Taxes	\$ -	110,426	63,985	-	22,988
Intergovernmental	207,974	1,930	-	140	-
Charges for Services	-	-	-	-	-
Investment Income	11,481	45	220	2	525
Total Revenues	219,455	112,401	64,205	142	23,513
Expenditures					
General Government	-	-	-	-	28,016
Highways and Streets	113,054	177,491	90,478	-	-
Police Protection	-	-	-	1,553	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	113,054	177,491	90,478	1,553	28,016
Net Change in Fund Balances	106,401	(65,090)	(26,273)	(1,411)	(4,503)
Fund Balances - Beginning	512,370	95,903	34,700	981	75,316
Fund Balances - Ending	618,771	30,813	8,427	(430)	70,813

Debt Service Capital Bonds	Capital Projects				Totals
	Capital Improvements	TIF Revenue Bonds of 2009A/ Tuscany Woods Line of Credit	Equipment Replacement	Early Warning Impact Fees	
-	-	-	-	-	197,399
-	-	-	-	-	210,044
-	-	-	-	383	383
-	83	-	137	-	12,493
-	83	-	137	383	420,319
-	-	-	-	-	28,016
-	-	-	11,946	22	392,991
-	-	-	-	-	1,553
138,600	-	-	-	-	138,600
10,284	-	-	-	-	10,284
148,884	-	-	11,946	22	571,444
(148,884)	83	-	(11,809)	361	(151,125)
262,605	112,848	79,613	127,108	6,524	1,307,968
113,721	112,931	79,613	115,299	6,885	1,156,843

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, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 138,747	138,747	205,284
Grants	100,000	100,000	2,690
Investment Income	3,171	3,171	11,481
Total Revenues	<u>241,918</u>	<u>241,918</u>	219,455
Expenditures			
Highways and Streets	<u>709,475</u>	<u>709,475</u>	113,054
Net Change in Fund Balance	<u>(467,557)</u>	<u>(467,557)</u>	106,401
Fund Balance - Beginning			<u>512,370</u>
Fund Balance - Ending			<u><u>618,771</u></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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 109,043	109,043	110,426
Intergovernmental			
Replacement Taxes	-	-	1,930
Investment Income	55	55	45
Total Revenues	109,098	109,098	112,401
Expenditures			
Highways and Streets	150,000	150,000	177,491
Net Change in Fund Balance	<u>(40,902)</u>	<u>(40,902)</u>	(65,090)
Fund Balance - Beginning			<u>95,903</u>
Fund Balance - Ending			<u>30,813</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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 62,867	62,867	63,985
Investment Income	-	-	220
Total Revenues	<u>62,867</u>	<u>62,867</u>	<u>64,205</u>
Expenditures			
Highways and Streets	<u>122,457</u>	<u>122,457</u>	<u>90,478</u>
Net Change in Fund Balance	<u>(59,590)</u>	<u>(59,590)</u>	(26,273)
Fund Balance - Beginning			<u>34,700</u>
Fund Balance - Ending			<u><u>8,427</u></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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Evidence Money/DUI/Drug	\$ 250	250	140
Investment Income	5	5	2
Total Revenues	<u>255</u>	<u>255</u>	<u>142</u>
Expenditures			
Police Protection	<u>1,000</u>	<u>1,000</u>	<u>1,553</u>
Net Change in Fund Balance	<u>(745)</u>	<u>(745)</u>	(1,411)
Fund Balance - Beginning			<u>981</u>
Fund Balance - Ending			<u>(430)</u>

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, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Hotel/Motel Tax	\$ 20,000	20,000	22,988
Investment Income	800	800	525
Total Revenues	<u>20,800</u>	<u>20,800</u>	<u>23,513</u>
Expenditures			
General Government	<u>26,000</u>	<u>26,000</u>	<u>28,016</u>
Net Change in Fund Balance	<u>(5,200)</u>	<u>(5,200)</u>	(4,503)
Fund Balance - Beginning			<u>75,316</u>
Fund Balance - Ending			<u><u>70,813</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Capital Bonds - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 5	5	-
Expenditures			
Debt Service			
Principal Retirement	-	-	138,600
Interest and Fiscal Charges	-	-	10,284
Total Expenditures	-	-	148,884
Net Change in Fund Balance	<u>5</u>	<u>5</u>	(148,884)
Fund Balance - Beginning			<u>262,605</u>
Fund Balance - Ending			<u>113,721</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 20	20	83
Expenditures			
Highways and Streets	-	-	-
Net Change in Fund Balance	<u>20</u>	<u>20</u>	83
Fund Balance - Beginning			<u>112,848</u>
Fund Balance - Ending			<u>112,931</u>

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 15	15	137
Expenditures			
Highways and Streets	100,000	100,000	11,946
Net Change in Fund Balance	<u>(99,985)</u>	<u>(99,985)</u>	(11,809)
Fund Balance - Beginning			<u>127,108</u>
Fund Balance - Ending			<u>115,299</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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 190	190	383
Expenditures			
Highways and Streets	-	-	22
Net Change in Fund Balance	<u>190</u>	<u>190</u>	361
Fund Balance - Beginning			<u>6,524</u>
Fund Balance - Ending			<u>6,885</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, 2020**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,656,574	2,656,574	2,504,561
Operating Expenses			
Operations			
Water Department	887,257	887,257	718,981
Sewer Department	870,640	870,640	652,546
Water Reconstruction	-	-	21,308
System Improvements	100,000	100,000	31,067
Depreciation	-	-	1,418,889
Total Operating Expenses	1,857,897	1,857,897	2,842,791
Operating Income (Loss)	798,677	798,677	(338,230)
Nonoperating Revenues (Expenses)			
Tap On Fees	75,450	75,450	126,115
Investment Income	42	42	44
Other Income	3,500	3,500	881
Interest and Fiscal Charges	(534,191)	(534,191)	(43,874)
	(455,199)	(455,199)	83,166
Change in Net Position	343,478	343,478	(255,064)
Net Position - Beginning			46,997,790
Net Position - Ending			46,742,726

VILLAGE OF HAMPSHIRE, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2020

	Budget		Actual
	Original	Final	
Operations			
Water Department			
Personal Services	\$ 203,287	203,287	203,695
Contractual Services	518,850	518,850	367,565
Commodities	124,350	124,350	112,066
Miscellaneous	40,770	40,770	35,655
	<u>887,257</u>	<u>887,257</u>	<u>718,981</u>
Sewer Department			
Personal Services	150,810	150,810	166,347
Contractual Services	580,660	580,660	357,765
Commodities	69,900	69,900	74,577
Miscellaneous	69,270	69,270	53,857
	<u>870,640</u>	<u>870,640</u>	<u>652,546</u>
Water Reconstruction			
Contractual Services	-	-	21,308
			<u>21,308</u>
Total Operations	<u>1,757,897</u>	<u>1,757,897</u>	<u>1,392,835</u>
System Improvements			
Water Department	<u>100,000</u>	<u>100,000</u>	<u>31,067</u>
Depreciation			
Water Department	-	-	497,292
Sewer Department	-	-	921,597
			<u>1,418,889</u>
Total Depreciation	<u>-</u>	<u>-</u>	<u>1,418,889</u>
Total Operating Expenses	<u>1,857,897</u>	<u>1,857,897</u>	<u>2,842,791</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, 2020

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 594,477	594,477	674,528
Operating Expenses			
Operations			
Garbage Department	590,175	590,175	653,034
Change in Net Position	<u>4,302</u>	<u>4,302</u>	21,494
Net Position - Beginning			<u>30,980</u>
Net Position - Ending			<u>52,474</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, 2020**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 275,000	275,000	277,000
Contributions - Plan Members	100,000	100,000	92,505
Total Contributions	375,000	375,000	369,505
Investment Income			
Interest Earned	13,200	13,200	29,950
Net Change in Fair Value	-	-	-
	13,200	13,200	29,950
Less Investment Expenses	-	-	-
Net Investment Income	13,200	13,200	29,950
Total Additions	388,200	388,200	399,455
Deductions			
Administration	15,600	15,600	10,192
Benefits and Refunds	48,811	48,811	54,264
Total Deductions	64,411	64,411	64,456
Change in Fiduciary Net Position	323,789	323,789	334,999
Net Position Restricted for Pensions			
Beginning			1,940,982
Ending			2,275,981

VILLAGE OF HAMPSHIRE, ILLINOIS

Special Service Areas #9, #14, and #16 - #19 - Custodial Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2020

	Budget		Actual
	Original	Final	
Additions			
Property Taxes	\$ 1,753,557	1,753,557	1,649,174
Investment Income	32,850	32,850	42,808
Total Additions	<u>1,786,407</u>	<u>1,786,407</u>	<u>1,691,982</u>
Deductions			
Professional Services	166,947	166,947	297,954
Debt Service			
Principal Retirement	<u>1,545,927</u>	<u>1,545,927</u>	<u>1,502,903</u>
Total Deductions	<u>1,712,874</u>	<u>1,712,874</u>	<u>1,800,857</u>
Change in Fiduciary Net Position	<u>73,533</u>	<u>73,533</u>	(108,875)
Net Position Restricted for Individuals, Organizations, and Other Governments			
Beginning			<u>2,100,461</u>
Ending			<u>1,991,586</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF HAMPSHIRE, ILLINOIS

**Schedule of Tax Data - Last Ten Tax Levy Years
April 30, 2020**

	2010	2011	2012	2013
Assessed Valuation	\$ 180,785,131	168,805,218	154,913,352	142,583,995
Tax Rates by Fund				
General	0.1256	0.2627	0.2945	0.3462
Police Protection	0.0775	0.0727	0.0816	0.0920
Special Revenue Funds				
Audit	0.0725	0.0245	0.0276	0.0173
Liability	0.0339	0.0380	0.0480	0.0541
Illinois Municipal Retirement	0.0494	0.0208	0.0188	0.0212
Social Security	0.0373	0.0129	0.0137	0.0154
Total Tax Rates	0.3962	0.4316	0.4842	0.5463
Tax Extension by Fund				
General	\$ 226,601	442,682	456,162	493,570
Police Protection	139,797	122,485	126,482	131,202
Special Revenue Funds				
Audit	130,732	41,344	42,694	24,710
Liability	61,183	64,093	74,391	77,166
Illinois Municipal Retirement	89,073	34,976	29,172	30,261
Social Security	67,283	21,783	21,236	22,028
Total Tax Extensions	714,669	727,363	750,137	778,936
Total Collections - All Funds				
Levy Collections through April 30	\$ 702,147	715,525	735,499	764,121
Percent Collected	98.25%	98.37%	98.05%	98.10%

Note: The 2019 levy is not collected until fiscal year 2021.

2014	2015	2016	2017	2018	2019
138,815,939	146,693,736	170,980,247	186,537,007	200,118,875	218,284,064
0.3626	0.3454	0.2943	0.2803	0.2769	0.2727
0.1037	0.1571	0.1757	0.1750	0.1778	0.1720
0.0144	0.0130	0.0114	0.0127	0.0099	0.0096
0.0588	0.0326	0.0286	0.0211	0.0209	0.0189
0.0284	0.0130	0.0014	0.0071	0.0067	0.0019
0.0203	0.0137	0.0120	0.0111	0.0102	0.0099
0.5883	0.5748	0.5234	0.5072	0.5024	0.4850
503,366	506,663	503,226	522,776	554,175	595,261
143,948	230,388	300,383	326,490	355,843	375,449
20,058	19,120	19,545	23,603	19,770	20,955
81,639	47,799	48,859	39,337	41,813	41,256
39,400	19,120	2,445	13,278	13,344	4,147
28,230	20,077	20,521	20,652	20,412	21,610
816,640	843,166	894,979	946,134	1,005,357	1,058,678
806,718	831,279	875,235	934,533	997,044	-
98.78%	98.59%	97.79%	98.77%	99.17%	0.00%

VILLAGE OF HAMPSHIRE, ILLINOIS

**Schedule of Water/Sewer Data
April 30, 2020**

Number of Water Users	2,836
Water Rate per 1,000 Gallons	\$ 4.93
Number of Sewer Users	2,856
Sewer Rate per 1,000 Gallons	\$ 6.15
Sewer User Billings Charge per Billing	\$ 1.00
Capital Improvements per Billing	\$ 20.00

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

Snow Plow Installment Contract of 2017

April 30, 2020

Date of Issue	March 6, 2017
Date of Maturity	July 6, 2020
Authorized Issue	\$100,000
Interest Rate	2.75%
Principal Maturity and Interest Dates	Annually
Payable at	German American State Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	<u>\$ 25,000</u>	<u>696</u>	<u>25,696</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**Equipment Installment Contract of 2017
April 30, 2020**

Date of Issue	July 10, 2017
Date of Maturity	July 10, 2020
Authorized Issue	\$34,200
Interest Rate	0.00%
Principal Maturity and Interest Dates	Annually
Payable at	Resource Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 11,400	-	11,400

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2019

April 30, 2020

Date of Issue	October 11, 2018
Date of Maturity	October 15, 2020
Authorized Issue	\$60,000
Interest Rate	3.42%
Principal Maturity and Interest Dates	Monthly
Payable at	Resource Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 15,250	154	15,404

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2020

April 30, 2020

Date of Issue	March 18, 2020
Date of Maturity	March 20, 2025
Authorized Issue	\$220,000
Interest Rate	3.26%
Principal Maturity and Interest Dates	Monthly
Payable at	Resource Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 44,595	7,201	51,796
2022	42,652	5,158	47,810
2023	44,085	3,725	47,810
2024	45,559	2,251	47,810
2025	43,109	717	43,826
	<u>220,000</u>	<u>19,052</u>	<u>239,052</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**Taxable General Obligation Alternate Bonds of 2010
April 30, 2020**

Date of Issue	December 16, 2010
Date of Maturity	December 15, 2020
Authorized Issue	\$568,582
Denomination of Bonds	\$5,000
Interest Rates	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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 66,305	3,183	69,488

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Alternate Revenue Source) Refunding Bonds of 2012
April 30, 2020**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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>740,000</u>	<u>39,230</u>	<u>779,230</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Alternate Revenue Source) Refunding Bonds of 2016
April 30, 2020**

Date of Issue	April 7, 2016
Date of Maturity	December 15, 2028
Authorized Issue	\$1,175,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 4.00%
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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 40,000	42,100	82,100
2022	30,000	41,050	71,050
2023	30,000	40,150	70,150
2024	30,000	39,250	69,250
2025	185,000	35,100	220,100
2026	190,000	27,600	217,600
2027	190,000	20,000	210,000
2028	200,000	12,200	212,200
2029	205,000	4,100	209,100
	<u>1,100,000</u>	<u>261,550</u>	<u>1,361,550</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

IEPA Loan of 2002

April 30, 2020

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 234,531	24,569	259,100
2022	240,847	18,253	259,100
2023	247,333	11,767	259,100
2024	253,991	5,109	259,100
	<u>976,702</u>	<u>59,698</u>	<u>1,036,400</u>