

**VILLAGE OF HAMPSHIRE, ILLINOIS**  

---

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**  
**APRIL 30, 2018**

**VILLAGE OF HAMPSHIRE, ILLINOIS**

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## **INTRODUCTORY SECTION**

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**List of Principal Officials  
April 30, 2018**

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**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**

November 19, 2020

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, 2018, 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, 2018, 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, 2018

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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, 2018. Please read it in conjunction with the Village's financial statements, which begin on page 15.

#### FINANCIAL HIGHLIGHTS

- The Village's net position increased as a result of this year's operations. Net position of the governmental activities increased by \$249,021, or 0.8 percent and net position of the business-type activities decreased by \$140,061, or 0.3 percent.
- During the year, government-wide revenues for the primary government totaled \$7,110,486 while expenses totaled \$7,001,526, resulting in an increase to net position of \$108,960.
- The Village's net position totaled \$79,877,079 on April 30, 2018, which includes \$74,297,204 net investment in capital assets, \$3,754,628 subject to external restrictions, and \$1,825,247 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 \$294,748, resulting in ending fund balance of \$1,755,416, an increase of 20.2 percent.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 15- 18) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 19. 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 on pages 15 -18 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, 2018

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### 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, 2018

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### USING THIS ANNUAL REPORT – Continued

#### Fund Financial Statements – Continued

##### Governmental Funds – Continued

The Village maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, SSA 13 Improvements, Transportation Impact Fees, SSA 14 Improvements, and Public Use Funds, all of which are considered major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all of the governmental funds, except the SSA 13 Improvements Fund, the Capital Improvements Fund, and the TIF Revenue Bonds of 2009A/Tuscany Woods Line of Credit. A budgetary comparison schedule for the budgeted funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19 - 24 of this report.

##### Proprietary Funds

The Village maintains two proprietary fund types: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water, sewer and garbage operations. The Village utilizes a health insurance fund to mitigate the burden of increases in health insurance costs.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the Village. The health insurance fund is reported separately as an internal service fund.

The basic proprietary fund financial statements can be found on pages 25 – 28 of this report.

##### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Hampshire's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 29 - 30 of this report.

# VILLAGE OF HAMPSHIRE, ILLINOIS

## Management's Discussion and Analysis April 30, 2018

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### USING THIS ANNUAL REPORT – Continued

#### Fund Financial Statements – Continued

#### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 - 66 of this report.

#### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's General Fund budgetary comparison schedule and disclosures regarding the Village's Illinois Municipal Retirement Fund and Police Pension Fund. Required supplementary information can be found on pages 67 - 74 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 75 - 98 of this report.

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2018**

**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 \$79,877,079.

	Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 7,481,611	7,095,279	2,185,802	1,462,653	9,667,413	8,557,932
Capital Assets	30,371,333	30,421,725	48,242,764	49,494,695	78,614,097	79,916,420
Total Assets	37,852,944	37,517,004	50,428,566	50,957,348	88,281,510	88,474,352
Deferred Outflows	978,599	418,016	5,133	54,161	983,732	472,177
Total Assets/Deferred Outflows	38,831,543	37,935,020	50,433,699	51,011,509	89,265,242	88,946,529
Long-Term Debt	3,519,610	3,637,962	1,970,141	2,444,104	5,489,751	6,082,066
Other Liabilities	975,279	1,080,283	640,838	674,357	1,616,117	1,754,640
Total Liabilities	4,494,889	4,718,245	2,610,979	3,118,461	7,105,868	7,836,706
Deferred Inflows	2,212,562	1,341,704	69,733	-	2,282,295	1,341,704
Total Liabilities/Deferred Inflows	6,707,451	6,059,949	2,680,712	3,118,461	9,388,163	9,178,410
Net Position						
Net Investment in						
Capital Assets	28,486,649	28,344,203	45,810,555	46,604,787	74,297,204	74,948,990
Restricted	3,754,628	3,936,921	-	-	3,754,628	3,936,921
Unrestricted (Deficit)	(117,185)	(406,053)	1,942,432	1,288,261	1,825,247	882,208
Total Net Position	32,124,092	31,875,071	47,752,987	47,893,048	79,877,079	79,768,119

A large portion of the Village’s net position, \$74,297,204 or 93.0 percent, reflects its investment in capital assets (for example, land, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$3,754,628 or 4.7 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 \$1,825,247 or 2.3 percent represents unrestricted net position and may be used to meet the government’s ongoing obligations to citizens and creditors.



VILLAGE OF HAMPSHIRE, ILLINOIS

Management’s Discussion and Analysis  
 April 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$ 688,841	737,456	3,101,470	3,037,595	3,790,311	3,775,051
Operating Grants/Contrib.	153,030	152,216	503	-	153,533	152,216
General Revenues						
Property and Replacement Taxes	1,070,036	1,051,107	-	-	1,070,036	1,051,107
Sales and Use Taxes	844,891	732,307	-	-	844,891	732,307
Income Taxes	504,463	662,763	-	-	504,463	662,763
Utility Taxes	407,476	423,532	-	-	407,476	423,532
Hotel/Motel Taxes	17,006	-	-	-	17,006	-
Interest Income	34,322	17,427	45	13	34,367	17,440
Miscellaneous	279,197	251,491	9,206	39,560	288,403	291,051
Total Revenues	3,999,262	4,028,299	3,111,224	3,077,168	7,110,486	7,105,467
Expenses						
General Government	777,420	761,548	-	-	777,420	761,548
Police Protection	1,780,246	1,677,234	-	-	1,780,246	1,677,234
Highways and Streets	1,128,406	1,121,773	-	-	1,128,406	1,121,773
Planning and Zoning	1,292	1,183	-	-	1,292	1,183
Interest on Long-Term Debt	62,877	73,343	-	-	62,877	73,343
Water and Sewer	-	-	2,703,797	2,766,372	2,703,797	2,766,372
Garbage	-	-	547,488	517,316	547,488	517,316
Total Expenses	3,750,241	3,635,081	3,251,285	3,283,688	7,001,526	6,918,769
Change in Net Position Before Transfers	249,021	393,218	(140,061)	(206,520)	108,960	186,698
Transfers	-	84,734	-	(84,734)	-	-
Change in Net Position	249,021	477,952	(140,061)	(291,254)	108,960	186,698
Net Position - Beginning	31,875,071	31,397,119	47,893,048	48,184,302	79,768,119	79,581,421
Net Position-Ending	32,124,092	31,875,071	47,752,987	47,893,048	79,877,079	79,768,119

# VILLAGE OF HAMPSHIRE, ILLINOIS

## Management's Discussion and Analysis April 30, 2018

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

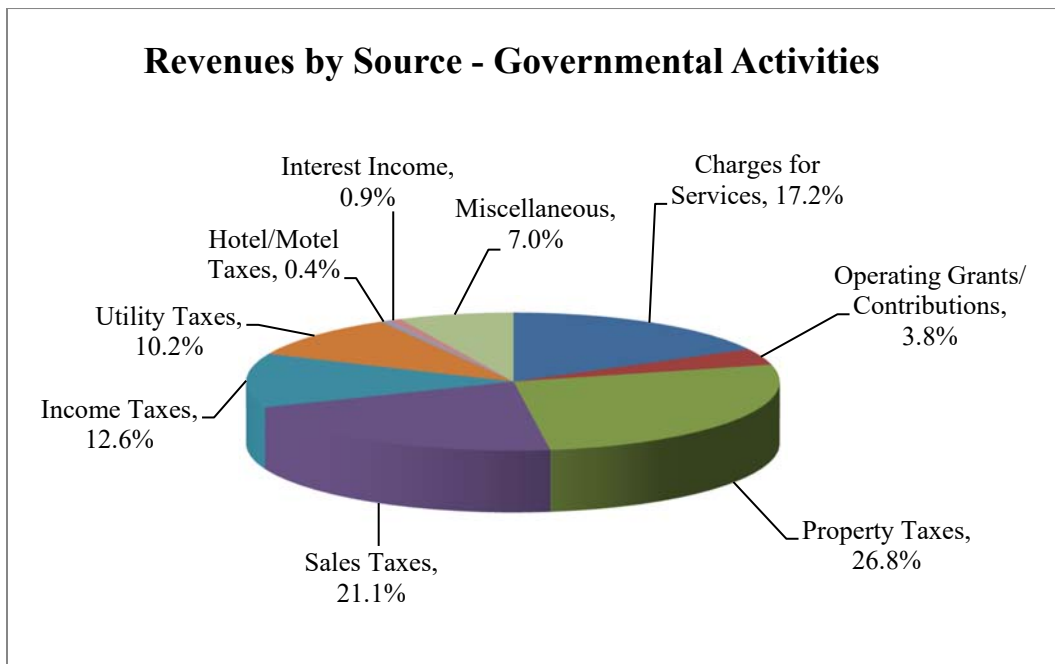
Net position of the Village's governmental activities increased by 0.8 percent (\$32,124,092 in 2018 compared to \$31,875,071 in 2017). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, was a deficit of \$117,185 at April 30, 2018.

Net position of business-type activities decreased by 0.3 percent (\$47,752,987 in 2018 compared to \$47,893,048 in 2017).

#### Governmental Activities

Revenues for governmental activities totaled \$3,999,262, while the cost of all governmental functions totaled \$3,750,241. This results in an increase of \$249,021. In 2017, revenues of \$4,028,299 were more than expenses of \$3,635,081 resulting in an increase of \$393,218 prior to transfers in of \$84,734. During 2018, the Village continued to see increases in some of its state shared revenues. However, revenues for the governmental activities decreased \$29,037 and expenses increased \$115,160.

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.



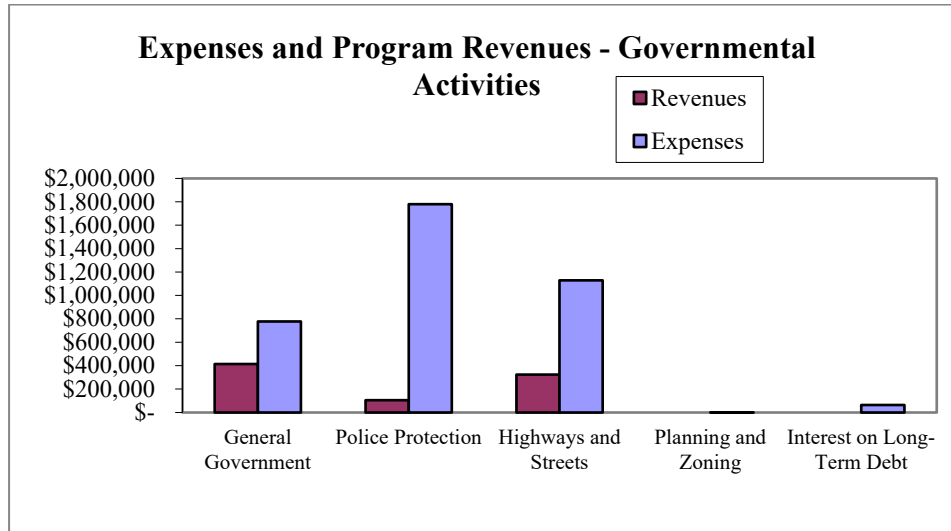
VILLAGE OF HAMPSHIRE, ILLINOIS

Management’s Discussion and Analysis  
April 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

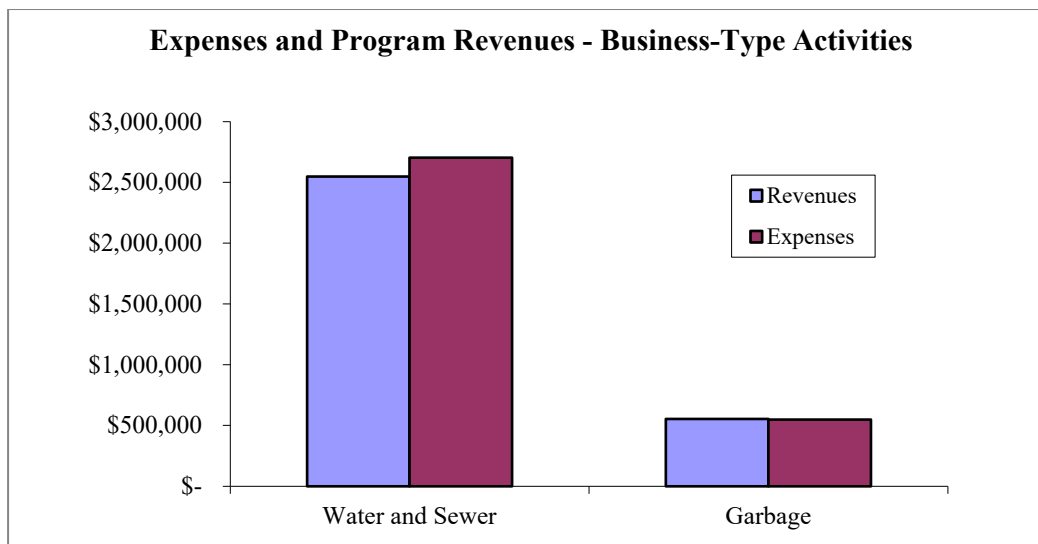
Governmental Activities – Continued

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 \$3,111,224, while the cost of all business-type activities totaled \$3,251,285. This results in a decrease in net position of \$140,061. In 2017, revenues of \$3,077,168 were less than expenses of \$3,283,688, resulting in a decrease in net position of \$206,520 prior to transfers out of \$84,734. 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, 2018

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### 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 \$5,093,689, which is \$118,895 higher than last year's total of \$4,974,794. Of the \$5,093,689 total, the Village has an unassigned fund balance of \$1,294,075.

The General Fund reported fund balance for the year of \$1,755,416. Total revenues in the General Fund were \$177,091 greater than the amount budgeted due primarily to the number of building permits issued and conservative budgeting for State shared revenues. In addition, expenditures were \$125,654 less than budgeted. These factors resulted in an overall increase in fund balance of \$294,748 or 20.2%.

The General Fund is the chief operating fund of the Village. At April 30, 2018, unassigned fund balance in the General Fund was \$1,580,894 which represents 90.1 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 50.2 percent of total General Fund expenditures.

The Village reports four capital projects funds as major funds: SSA 13 Improvement Fund, Transportation Impact Fees Fund, SSA 14 Improvements Fund, and Public Use Fund. The SSA 13 Improvement reported a \$1 change in fund balance. The Transportation Impact Fees Fund reported an increase in fund balance of \$159,462 due to the Village not spending in this fund during the current year. The SSA 14 Improvement Fund reported a \$169,156 decrease. The Public Use Fund reported a decrease of \$145,907.

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

# VILLAGE OF HAMPSHIRE, ILLINOIS

## Management's Discussion and Analysis April 30, 2018

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### 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 \$146,398 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 \$6,337 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 \$3,457,988 compared to budgeted revenues of \$3,280,897. All revenue categories were greater than what budgeted.

The General Fund actual expenditures for the year were \$3,147,440 with budgeted expenditures of \$3,273,094. The Village worked during the year to control costs in the General Fund and experienced less personnel costs than budget expectations.

#### 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, 2018 was \$78,614,097 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, machinery and equipment, and underground water and sewer lines.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 20,962,535	20,868,259	1,201,448	1,201,448	22,163,983	22,069,707
Construction in Progress	-	-	104,247	168	104,247	168
Buildings	7,420	8,480	21,428,694	22,032,233	21,436,114	22,040,713
Machinery and Equipment	410,701	448,095	130,356	128,618	541,057	576,713
Underground Water and Sewer Lines	8,990,677	9,096,891	25,378,019	26,132,228	34,368,696	35,229,119
Total	30,371,333	30,421,725	48,242,764	49,494,695	78,614,097	79,916,420

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2018**

**CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued**

**Capital Assets – Continued**

This year’s major additions included:

Land	\$ 94,276
Construction in Progress	104,079
Vehicles and Equipment	<u>135,422</u>
	<u><u>333,777</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 \$4,316,893 as compared to \$4,967,430 the previous year, a decrease of 13.1 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Installment Contracts	\$ 133,917	159,455	-	-	133,917	159,455
General Obligations/ Alternate Revenue Bonds	1,750,767	1,888,067	1,004,734	1,245,872	2,755,501	3,133,939
TIF Revenue Bonds	-	30,000	-	-	-	30,000
IEPA Loans	-	-	1,427,475	1,644,036	1,427,475	1,644,036
Total	<u>1,884,684</u>	<u>2,077,522</u>	<u>2,432,209</u>	<u>2,889,908</u>	<u>4,316,893</u>	<u>4,967,430</u>

During the year, the Village did not issue any new long-term debt. 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 \$16,088,817.

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, 2018**

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#### **ECOMONIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The downturn in the economy during the Great Recession affected the Village most notable in the slowdown of new residential development. While the Village annexed several acres of commercial and residential property, for a long time virtually all new residential and commercial development ceased. With more than one hundred new residential building permits issued in each of the last three years, the Village is experiencing a promising upturn in the housing market. The Village is also seeing new investment in existing commercial properties within its corporate limits.

The Village considered many factors when adopting the fiscal year 2019 budget, including tax rates, fees for services and the overall economy of the area. The Village continues to be conservative with General Fund financial resources and is focusing on improving fund balance for future economic downturns. Utility rates were increased 1.9% to cover higher operating costs. The Village continues to focus on sustaining the current level of services while being more efficient in providing those services.

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.

#### **REQUESTS FOR INFORMAITON**

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, 2018**

	Governmental Activities	Business- Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 5,305,247	1,519,261	6,824,508
Receivables - Net of Allowances	1,424,997	448,624	1,873,621
Notes Receivable	157,807	-	157,807
Prepays	44,986	31,616	76,602
Internal Balances	19,927	(19,927)	-
Total Current Assets	6,952,964	1,979,574	8,932,538
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	20,962,535	1,305,695	22,268,230
Depreciable Capital Assets	12,891,265	64,583,801	77,475,066
Accumulated Depreciation	(3,482,467)	(17,646,732)	(21,129,199)
Total Capital Assets	30,371,333	48,242,764	78,614,097
Other Assets			
Net Pension Asset - IMRF	528,647	206,228	734,875
Total Noncurrent Assets	30,899,980	48,448,992	79,348,972
Total Assets	37,852,944	50,428,566	88,281,510
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	13,159	5,133	18,292
Deferred Items - Police Pension	965,440	-	965,440
Total Deferred Outflows of Resources	978,599	5,133	983,732
Total Assets and Deferred Outflows of Resources	38,831,543	50,433,699	89,265,242

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

	Governmental Activities	Business- Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 220,094	134,499	354,593
Accrued Payroll	39,276	5,938	45,214
Accrued Interest Payable	21,680	26,333	48,013
Deposits Payable	327,645	-	327,645
Other Liabilities	30,982	-	30,982
Current Portion of Long-term Debt	335,602	474,068	809,670
Total Current Liabilities	<u>975,279</u>	<u>640,838</u>	<u>1,616,117</u>
Noncurrent Liabilities			
Net Pension Liability - Police Pension	1,863,272	-	1,863,272
Installment Contracts	77,071	-	77,071
Compensated Absences Payable	-	9,600	9,600
General Obligation Alternate Revenue Bonds	1,579,267	755,458	2,334,725
IEPA Loan	-	1,205,083	1,205,083
Total Noncurrent Liabilities	<u>3,519,610</u>	<u>1,970,141</u>	<u>5,489,751</u>
Total Liabilities	<u>4,494,889</u>	<u>2,610,979</u>	<u>7,105,868</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	178,754	69,733	248,487
Deferred Items - Police Pension	899,786	-	899,786
Property Taxes	1,134,022	-	1,134,022
Total Deferred Inflows of Resources	<u>2,212,562</u>	<u>69,733</u>	<u>2,282,295</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,707,451</u>	<u>2,680,712</u>	<u>9,388,163</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	28,486,649	45,810,555	74,297,204
Restricted			
Police Impound Fees	61,314	-	61,314
Tree Replacement	68,222	-	68,222
Highways and Streets	2,063,291	-	2,063,291
Public Safety	3,051	-	3,051
Subdivision Maintenance	48,124	-	48,124
Economic Development	1,030,436	-	1,030,436
Tourism	76,489	-	76,489
Public Use	403,701	-	403,701
Unrestricted (Deficit)	<u>(117,185)</u>	<u>1,942,432</u>	<u>1,825,247</u>
Total Net Position	<u>32,124,092</u>	<u>47,752,987</u>	<u>79,877,079</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, 2018**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Primary Government				
Governmental Activities				
General Government	\$ 777,420	413,693	-	-
Police Protection	1,780,246	104,544	-	-
Highways and Streets	1,128,406	170,604	153,030	-
Planning and Zoning	1,292	-	-	-
Interest on Long-Term Debt	62,877	-	-	-
Total Governmental Activities	3,750,241	688,841	153,030	-
Business-Type Activities				
Water and Sewer	2,703,797	2,547,645	503	-
Garbage	547,488	553,825	-	-
Total Business-Type Activities	3,251,285	3,101,470	503	-
Total Primary Government	7,001,526	3,790,311	153,533	-
			General Revenues	
			Taxes	
			Property Taxes	
			Replacement Taxes	
			Sales and Use Taxes	
			Income Taxes	
			Utility Taxes	
			Hotel/Motel 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
(363,727)	-	(363,727)
(1,675,702)	-	(1,675,702)
(804,772)	-	(804,772)
(1,292)	-	(1,292)
(62,877)	-	(62,877)
(2,908,370)	-	(2,908,370)
-	(155,649)	(155,649)
-	6,337	6,337
-	(149,312)	(149,312)
(2,908,370)	(149,312)	(3,057,682)
1,050,367	-	1,050,367
19,669	-	19,669
844,891	-	844,891
504,463	-	504,463
407,476	-	407,476
17,006	-	17,006
34,322	45	34,367
279,197	9,206	288,403
3,157,391	9,251	3,166,642
249,021	(140,061)	108,960
31,875,071	47,893,048	79,768,119
32,124,092	47,752,987	79,877,079

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

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Governmental Funds - Balance Sheet  
April 30, 2018**

	General	SSA #13 Improvements
<b>ASSETS</b>		
Cash and Investments	\$ 1,847,012	-
Receivables - Net of Allowances		
Property Taxes	946,134	-
Other Taxes	278,239	-
Due from Other Funds	306,097	-
Notes Receivable	-	-
Prepays	44,986	-
	<hr/>	<hr/>
Total Assets	<u>3,422,468</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts Payable	215,759	-
Accrued Payroll	39,276	-
Deposits Payable	327,645	-
Other Liabilities	30,982	-
Due to Other Funds	-	-
Compensated Absences Payable	107,256	-
Total Liabilities	<hr/> 720,918	<hr/> -
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	946,134	-
Total Liabilities and Deferred Inflows of Resources	<hr/> 1,667,052	<hr/> -
<b>FUND BALANCES</b>		
Nonspendable	44,986	-
Restricted	129,536	-
Unassigned	1,580,894	-
Total Fund Balances	<hr/> 1,755,416	<hr/> -
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>3,422,468</u>	<u>-</u>

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

Capital Projects				
Transportation Impact Fees	SSA #14 Improvements	Public Use	Nonmajor	Totals
909,595	-	407,208	2,141,432	5,305,247
-	-	-	187,888	1,134,022
-	-	-	12,736	290,975
-	-	-	-	306,097
-	-	-	157,807	157,807
-	-	-	-	44,986
909,595	-	407,208	2,499,863	7,239,134
-	-	3,507	828	220,094
-	-	-	-	39,276
-	-	-	-	327,645
-	-	-	-	30,982
-	-	-	286,170	286,170
-	-	-	-	107,256
-	-	3,507	286,998	1,011,423
-	-	-	187,888	1,134,022
-	-	3,507	474,886	2,145,445
-	-	-	-	44,986
909,595	-	403,701	2,311,796	3,754,628
-	-	-	(286,819)	1,294,075
909,595	-	403,701	2,024,977	5,093,689
909,595	-	407,208	2,499,863	7,239,134

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, 2018**

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<b>Total Governmental Fund Balances</b>	<b>\$ 5,093,689</b>
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	30,371,333
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	528,647
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(165,595)
Deferred Items - Police Pension	65,654
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	(1,863,272)
Installment Contracts	(133,917)
General Obligation/Alternate Revenue Bonds	(1,750,767)
Accrued Interest Payable	<u>(21,680)</u>
<b>Net Position of Governmental Activities</b>	<b><u>32,124,092</u></b>

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, 2018**

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**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, 2018**

	General	SSA #13 Improvements
Revenues		
Taxes	\$ 2,651,734	-
Intergovernmental	-	-
Charges for Services	186,095	-
Licenses and Permits	216,810	-
Fines and Forfeits	104,358	-
Investment Income	19,794	-
Miscellaneous	279,197	-
Total Revenues	<u>3,457,988</u>	<u>-</u>
Expenditures		
Current		
General Government	683,773	-
Highways and Streets	633,614	-
Police Protection	1,756,908	-
Planning and Zoning	1,292	-
Debt Service		
Principal Retirement	63,938	-
Interest and Fiscal Charges	7,915	1
Total Expenditures	<u>3,147,440</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>310,548</u>	<u>(1)</u>
Other Financing Sources (Uses)		
Debt Issuance	34,200	-
Transfers In	-	-
Transfers Out	(50,000)	-
	<u>(15,800)</u>	<u>-</u>
Net Change in Fund Balances	294,748	(1)
Fund Balances - Beginning	<u>1,460,668</u>	<u>1</u>
Fund Balances - Ending	<u><u>1,755,416</u></u>	<u>-</u>

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

Capital Projects				
Transportation				
Impact Fees	SSA #14 Improvements	Public Use	Nonmajor	Totals
-	-	-	192,138	2,843,872
-	-	-	153,216	153,216
170,144	-	10,788	460	367,487
-	-	-	-	216,810
-	-	-	-	104,358
-	210	582	13,736	34,322
-	-	-	-	279,197
170,144	210	11,370	359,550	3,999,262
-	-	94,277	15,706	793,756
10,682	169,366	-	257,393	1,071,055
-	-	-	-	1,756,908
-	-	-	-	1,292
-	-	-	163,100	227,038
-	-	-	56,602	64,518
10,682	169,366	94,277	492,801	3,914,567
159,462	(169,156)	(82,907)	(133,251)	84,695
-	-	-	-	34,200
-	-	-	113,000	113,000
-	-	(63,000)	-	(113,000)
-	-	(63,000)	113,000	34,200
159,462	(169,156)	(145,907)	(20,251)	118,895
750,133	169,156	549,608	2,045,228	4,974,794
909,595	-	403,701	2,024,977	5,093,689

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, 2018**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 118,895</b>
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Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital Outlays	171,396
Depreciation Expense	(221,788)
Disposals - Cost	(21,542)
Disposals - Accumulated Depreciation	21,542

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	308,277
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The net effect of deferred outflows (inflows) of resources related to the  
pensions not reported in the funds.

Change in Deferred Items - IMRF	(291,941)
Change in Deferred Items - Police Pension	45,497

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	(75,794)
Debt Issuance	(34,200)
Retirement of Debt	227,038

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>1,641</u>
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**Changes in Net Position of Governmental Activities**

<u><u>249,021</u></u>
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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, 2018**

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**See Following Page**

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
April 30, 2018**

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 1,519,261	-	1,519,261
Receivables - Net of Allowances			
Accounts	359,494	89,130	448,624
Prepays	31,616	-	31,616
Total Current Assets	1,910,371	89,130	1,999,501
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	1,305,695	-	1,305,695
Depreciable Capital Assets	64,583,801	-	64,583,801
Accumulated Depreciation	(17,646,732)	-	(17,646,732)
Total Capital Assets	48,242,764	-	48,242,764
Other Assets			
Net Pension Asset	206,228	-	206,228
Total Noncurrent Assets	48,448,992	-	48,448,992
Total Assets	50,359,363	89,130	50,448,493
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	5,133	-	5,133
Total Assets and Deferred Outflows of Resources	50,364,496	89,130	50,453,626

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

	Business-Type Activities - Enterprise		
	Water and	Garbage	Totals
	Sewer		
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 89,262	45,237	134,499
Accrued Payroll	5,938	-	5,938
Accrued Interest Payable	26,333	-	26,333
Due to Other Funds	1,740	18,187	19,927
Compensated Absences Payable	2,400	-	2,400
General Obligation Bonds	249,276	-	249,276
IEPA Loan	222,392	-	222,392
Total Current Liabilities	<u>597,341</u>	<u>63,424</u>	<u>660,765</u>
Noncurrent Liabilities			
Compensated Absences Payable	9,600	-	9,600
General Obligation Bonds	755,458	-	755,458
IEPA Loan	1,205,083	-	1,205,083
Total Noncurrent Liabilities	<u>1,970,141</u>	<u>-</u>	<u>1,970,141</u>
 Total Liabilities	 2,567,482	 63,424	 2,630,906
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	69,733	-	69,733
 Total Liabilities and Deferred Inflows of Resources	 <u>2,637,215</u>	 <u>63,424</u>	 <u>2,700,639</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	45,810,555	-	45,810,555
Unrestricted	1,916,726	25,706	1,942,432
 Total Net Position	 <u>47,727,281</u>	 <u>25,706</u>	 <u>47,752,987</u>

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, 2018**

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
Operating Revenues			
Charges for Services	\$ 2,288,455	553,825	2,842,280
Operating Expenses			
Operations			
Water Department	602,562	-	602,562
Sewer Department	558,784	547,488	1,106,272
Water Reconstruction	15,078	-	15,078
System Improvements	46,410	-	46,410
Depreciation	1,414,312	-	1,414,312
Total Operating Expenses	2,637,146	547,488	3,184,634
Operating Income (Loss)	(348,691)	6,337	(342,354)
Nonoperating Revenues (Expenses)			
Tap On Fees	259,190	-	259,190
Investment Income	45	-	45
Grant	503	-	503
Other Income	9,206	-	9,206
Interest and Fiscal Charges	(66,651)	-	(66,651)
	202,293	-	202,293
Change in Net Position	(146,398)	6,337	(140,061)
Net Position - Beginning	47,873,679	19,369	47,893,048
Net Position - Ending	47,727,281	25,706	47,752,987

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, 2018**

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 2,644,433	589,909	3,234,342
Payments to Employees	(155,820)	-	(155,820)
Payments to Suppliers	(2,821,718)	(604,927)	(3,426,645)
	<u>(333,105)</u>	<u>(15,018)</u>	<u>(348,123)</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(162,381)	-	(162,381)
Principal on Capital Debt	(457,699)	-	(457,699)
Interest on Capital Debt	(66,651)	-	(66,651)
	<u>(686,731)</u>	<u>-</u>	<u>(686,731)</u>
Cash Flows from Investing Activities			
Interest Received	45	-	45
Net Change in Cash and Cash Equivalents	(1,019,791)	(15,018)	(1,034,809)
Cash and Cash Equivalents - Beginning	2,539,052	15,018	2,554,070
Cash and Cash Equivalents - Ending	<u>1,519,261</u>	<u>-</u>	<u>1,519,261</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(348,691)	6,337	(342,354)
Adjustments to Reconcile Operating Income to Net Income to Net Cash			
Provided by (Used In) Operating Activities:			
Depreciation Expense	1,414,312	-	1,414,312
Other Income (Expenses)	268,899	-	268,899
(Increase) Decrease in Current Assets	87,079	36,084	123,163
Increase (Decrease) in Current Liabilities	(1,754,704)	(57,439)	(1,812,143)
Net Cash Provided by Operating Activities	<u>(333,105)</u>	<u>(15,018)</u>	<u>(348,123)</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, 2018**

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	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	<u>\$ 1,638,899</u>	<u>2,711,659</u>
<b>LIABILITIES</b>		
Due to Park District and Village Parks	-	308,160
Due to School Districts	-	67,924
Due to Library Districts	-	120,514
Due to Fire Districts	-	187,907
Due to Others	-	16,328
Due to Bondholders	<u>-</u>	<u>2,010,826</u>
Total Liabilities	<u>-</u>	<u>2,711,659</u>
<b>NET POSITION</b>		
Net Position Restricted for Pensions	<u>1,638,899</u>	

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, 2018**

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	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 200,000
Contributions - Plan Members	<u>86,757</u>
Total Contributions	<u>286,757</u>
Investment Income	
Interest Earned	10,624
Net Change in Fair Value	<u>-</u>
	10,624
Less Investment Expenses	<u>-</u>
Net Investment Income	<u>10,624</u>
Total Additions	<u>297,381</u>
Deductions	
Administration	6,352
Benefits and Refunds	<u>31,202</u>
Total Deductions	<u>37,554</u>
Change in Fiduciary Net Position	259,827
Net Position Restricted for Pensions	
Beginning	<u>1,379,072</u>
Ending	<u><u>1,638,899</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, 2018**

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#### **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, 2018, 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, 2018

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#### 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, 2018

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### 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, 2018

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

*Enterprise funds* are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains two major enterprise funds, the Water and Sewer Fund and the Garbage Fund. The Water and Sewer Fund is used to account for the provision of potable water and sewer services to the residents and businesses of the Village. The Garbage Fund is used to account for the provision of solid waste services to the residents and businesses of the Village financed by user fees.

# VILLAGE OF HAMPSHIRE, ILLINOIS

## Notes to the Financial Statements

April 30, 2018

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### 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 agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

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

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

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

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

#### 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, 2018

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### 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. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

##### Basis of Accounting

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

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



## VILLAGE OF HAMPSHIRE, ILLINOIS

### Notes to the Financial Statements

April 30, 2018

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

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

###### Basis of Accounting – Continued

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

###### Cash and Investments

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

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. 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, 2018

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### 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, 2018

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### 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, 2018**

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**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 SSA 13 Improvement Fund, the Capital Improvements Fund, and the TIF Revenue Bonds of 2009A/Tuscany Woods Line of Credit.

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

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

<u>Fund</u>	<u>Excess</u>
SSA #14 Improvements	\$ 169,366
Public Use	94,277
Road and Bridge	153,067
Revolving Loan	325
Evidence	528
Hotel/Motel Tax	3
Garbage	9,688

**DEFICIT FUND BALANCE**

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

<u>Fund</u>	<u>Deficit</u>
Tax Increment Financing	\$ 286,819

## VILLAGE OF HAMPSHIRE, ILLINOIS

### Notes to the Financial Statements

April 30, 2018

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#### 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, Illinois Funds and the Illinois Metropolitan Investment Fund.

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, 2018

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#### 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 \$5,770,320 and the bank balances totaled \$5,854,906. The Village also has \$1,054,188 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, 2018**

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**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 \$1,638,899 and the bank balances totaled \$1,638,899.

*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, 2018**

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**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 2019 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, 2019 are listed in the table on the previous page.

**Rate of Return**

For the year ended April 30, 2018, 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 2017 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by County Collector and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

**COMMUNITY DEVELOPMENT ASSISTANCE PROGRAM – REVOLVING LOAN FUND**

The Village provides financing for qualified recipients under the Community Development Assistance Program (CDAP). Principal balances outstanding as of April 30, 2018 total \$157,807. Minimum future receipts from recipients under this program are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	<u>\$ 157,807</u>	<u>9,960</u>	<u>167,767</u>



**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2018**

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

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 20,868,259	94,276	-	20,962,535
Depreciable Capital Assets				
Buildings and Improvements	58,800	-	-	58,800
Vehicles and Equipment	1,336,295	77,120	21,542	1,391,873
Infrastructure	11,440,592	-	-	11,440,592
	<u>12,835,687</u>	<u>77,120</u>	<u>21,542</u>	<u>12,891,265</u>
Less Accumulated Depreciation				
Buildings and Improvements	50,320	1,060	-	51,380
Vehicles and Equipment	888,200	114,514	21,542	981,172
Infrastructure	2,343,701	106,214	-	2,449,915
	<u>3,282,221</u>	<u>221,788</u>	<u>21,542</u>	<u>3,482,467</u>
Total Net Depreciable Capital Assets	<u>9,553,466</u>	<u>(144,668)</u>	<u>-</u>	<u>9,408,798</u>
Total Net Capital Assets	<u>30,421,725</u>	<u>(50,392)</u>	<u>-</u>	<u>30,371,333</u>

Depreciation expense was charged to governmental activities as follows:

Public Safety	\$ 38,187
Highways and Streets	<u>183,601</u>
	<u>221,788</u>

# VILLAGE OF HAMPSHIRE, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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### 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	168	104,079	-	104,247
	<u>1,201,616</u>	<u>104,079</u>	<u>-</u>	<u>1,305,695</u>
Depreciable Capital Assets				
Buildings	28,766,168	-	-	28,766,168
Machinery and Equipment	529,168	58,302	-	587,470
Underground Water and Sewer Lines	35,230,163	-	-	35,230,163
	<u>64,525,499</u>	<u>58,302</u>	<u>-</u>	<u>64,583,801</u>
Less Accumulated Depreciation				
Buildings	6,733,935	603,539	-	7,337,474
Machinery and Equipment	400,550	56,564	-	457,114
Underground Water and Sewer Lines	9,097,935	754,209	-	9,852,144
	<u>16,232,420</u>	<u>1,414,312</u>	<u>-</u>	<u>17,646,732</u>
Total Net Depreciable Capital Assets	<u>48,293,079</u>	<u>(1,356,010)</u>	<u>-</u>	<u>46,937,069</u>
Total Net Capital Assets	<u>49,494,695</u>	<u>(1,251,931)</u>	<u>-</u>	<u>48,242,764</u>

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

Water and Sewer \$ 1,414,312

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2018**

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

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Balances**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 286,170
General	Water and Sewer	1,740
General	Garbage	<u>18,187</u>
		<u><u>306,097</u></u>

Interfund balances are advances in anticipation of receipts.

**Interfund Transfers**

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Nonmajor Governmental	General	\$ 50,000 (2)
Nonmajor Governmental	Public Use	<u>63,000 (1)</u>
		<u><u>113,000</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them 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 \$17,744,000. 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, 2018**

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

**LONG-TERM DEBT – Continued**

**IEPA Loan**

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan of 2002 - Due in semi-annual installments of \$129,550 including interest at 2.675% through November 15, 2023.	Water and Sewer	\$ 1,644,036	-	216,561	<u>1,427,475</u>

**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
Dodge Charger Installment Contract of 2016 - Due in annual installments of \$8,372 including interest at 5.50% through June 25, 2017.	General	\$ 7,936	-	7,936	-
Panasonic Toughbook Installment Contract of 2015 - Due in monthly installments of \$876 including interest at 3.25% through August 14, 2018.	General	13,711	-	10,222	3,489
Squad Cars Installment Contract of 2016 - Due in monthly installments of \$1,438.34 including interest at 2.25% through July 25, 2019	General	37,808	-	16,580	21,228
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	100,000	-	25,000	75,000

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2018**

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

**LONG-TERM DEBT – Continued**

**Installment Contracts – Continued**

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Equipment Installment Contract of 2017 - Due in annual installments of \$11,400 interest free through July 10, 2020.	General	\$ -	34,200	-	34,200
		<u>159,455</u>	<u>34,200</u>	<u>59,738</u>	<u>133,917</u>

**General Obligation Alternate Revenue Source Bonds**

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
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	\$ 248,939	-	58,438	190,501
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 Water and Sewer	713,067	-	132,300	580,767
		996,933	-	182,700	814,233
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 Tax Increment Financing	141,000	-	600	140,400
		<u>1,034,000</u>	-	<u>4,400</u>	<u>1,029,600</u>
		<u>3,133,939</u>	-	<u>378,438</u>	<u>2,755,501</u>

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2018**

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

**LONG-TERM DEBT – Continued**

**TIF Revenue Bonds**

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
TIF Revenue Bonds of 2009A - Due in annual installments of \$25,000 to \$215,000, plus interest of 5.25%, through December 15, 2017.	Tax Increment Financing	\$ 30,000	-	30,000	-

**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
<b>Governmental Activities</b>					
Compensated Absences	\$ 95,297	23,918	11,959	107,256	107,256
Net Pension Liability - Police Pension	1,787,478	75,794	-	1,863,272	-
Installment Contracts	159,455	34,200	59,738	133,917	56,846
General Obligation Alternate Revenue Bonds	1,888,067	-	137,300	1,750,767	171,500
TIF Revenue Bonds	30,000	-	30,000	-	-
	<u>3,960,297</u>	<u>133,912</u>	<u>238,997</u>	<u>3,855,212</u>	<u>335,602</u>
<b>Business-Type Activities</b>					
Compensated Absences	14,869	2,869	5,738	12,000	2,400
General Obligation Alternate Revenue Bonds	1,245,872	-	241,138	1,004,734	249,276
IEPA Loan	1,644,036	-	216,561	1,427,475	222,392
	<u>2,904,777</u>	<u>2,869</u>	<u>463,437</u>	<u>2,444,209</u>	<u>474,068</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 Capital Bonds Fund makes payments on the general obligation alternate revenue bonds. The Tax Increment Financing Fund makes payments on the TIF revenue bonds.

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2018**

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

**LONG-TERM DEBT – Continued**

**Long-Term Liability Activity – Continued**

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

**Debt Service Requirements to Maturity**

Fiscal Year	Governmental Activities			
	Installment Contracts		General Obligation Alternate Revenue Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 56,846	2,416	171,500	57,290
2020	40,671	1,408	173,600	53,510
2021	36,400	696	182,800	49,613
2022	-	-	84,600	45,421
2023	-	-	86,700	43,184
2024	-	-	81,567	40,809
2025	-	-	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	133,917	4,520	1,750,767	388,826

Fiscal Year	Business-Type Activities			
	IEPA Loan		General Obligation Alternate Revenue Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 222,392	36,708	249,276	8,712
2020	228,381	30,719	254,820	6,068
2021	234,530	24,570	263,505	3,183
2022	240,847	18,253	75,400	-
2023	247,333	11,767	78,300	-
2024	253,992	5,107	83,433	-
Totals	1,427,475	127,124	1,004,734	17,963

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2018**

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

**LONG-TERM DEBT – Continued**

**Legal Debt Margin**

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

Assessed Valuation - 2017	<u>\$ 186,537,007</u>
Legal Debt Limit - 8.625% of Assessed Value	16,088,817
Amount of Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>16,088,817</u>

**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.



**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2018**

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

**FUND BALANCE CLASSIFICATIONS – Continued**

*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.

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

	Capital Projects					Nonmajor	Totals
	General	SSA 13 Improvement	Transportation Impact Fees	SSA 14 Improvements	Public Use		
Fund Balances							
Nonspendable	\$ 44,986	-	-	-	-	-	44,986
Restricted							
Police Impound Fees	61,314	-	-	-	-	-	61,314
Tree Replacement	68,222	-	-	-	-	-	68,222
Highways and Streets	-	-	909,595	-	-	1,153,696	2,063,291
Public Safety	-	-	-	-	-	3,051	3,051
Subdivision Maintenance	-	-	-	-	-	48,124	48,124
Economic Development	-	-	-	-	-	1,030,436	1,030,436
Tourism	-	-	-	-	-	76,489	76,489
Public Use	-	-	-	-	403,701	-	403,701
	129,536	-	909,595	-	403,701	2,311,796	3,754,628
Unassigned	1,580,894	-	-	-	-	(286,819)	1,294,075
Total Fund Balances	1,755,416	-	909,595	-	403,701	2,024,977	5,093,689

# VILLAGE OF HAMPSHIRE, ILLINOIS

## Notes to the Financial Statements

April 30, 2018

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

#### NET INVESTMENT IN CAPITAL ASSETS

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation		\$ 30,371,333
Less Capital Related Debt:		
Installment Contracts Payable	(133,917)	
General Obligation (ARS) Bonds of 2012	(580,767)	
General Obligation (ARS) Bonds of 2016	(1,170,000)	<u>(1,884,684)</u>
Net Investment in Capital Assets		<u>28,486,649</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		48,242,764
Less Capital Related Debt:		
General Obligation (ARS) Bonds of 2010	(190,501)	
General Obligation (ARS) Bonds of 2012	(814,233)	
IEPA Loan of 2002	(1,427,475)	<u>(2,432,209)</u>
Net Investment in Capital Assets		<u>45,810,555</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.

## VILLAGE OF HAMPSHIRE, ILLINOIS

### Notes to the Financial Statements

April 30, 2018

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#### 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.

###### 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 \$49,195 in sales tax rebate expenses in the General Fund in the current year. As of April 30, 2018, the amount due to the vendor is \$38,858, recorded as a liability in the General Fund.

##### 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](http://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.

###### 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.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements  
April 30, 2018

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

*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.

*Plan Membership.* As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	14
Inactive Plan Members Entitled to but not yet Receiving Benefits	17
Active Plan Members	<u>13</u>
Total	<u><u>44</u></u>

# VILLAGE OF HAMPSHIRE, ILLINOIS

## Notes to the Financial Statements

April 30, 2018

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Illinois Municipal Retirement Fund (IMRF) – Continued

##### Plan Descriptions – Continued

*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, 2018, the Village’s contribution was 3.40% of covered payroll.

*Net Pension Liability.* The Village’s net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability 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, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.39% - 14.25%
Cost of Living Adjustments	3.50%
Inflation	2.50%

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.

# VILLAGE OF HAMPSHIRE, ILLINOIS

## Notes to the Financial Statements

April 30, 2018

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### 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.* 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%

##### Discount Rate

The discount rate used to measure the total pension liability was 7.50%, the same as 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, 2018**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Discount Rate Sensitivity**

The following is a sensitivity 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset) \$	(361,461)	(734,875)	(1,043,845)

**Changes in the Net Pension (Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2016	\$ 2,920,115	3,234,954	(314,839)
Changes for the Year:			
Service Cost	63,618	-	63,618
Interest on the Total Pension Liability	216,673	-	216,673
Difference Between Expected and Actual Experience of the Total Pension Liability	(12,862)	-	(12,862)
Changes of Assumptions	(93,507)	-	(93,507)
Contributions - Employer	-	19,465	(19,465)
Contributions - Employees	-	27,034	(27,034)
Net Investment Income	-	584,171	(584,171)
Benefit Payments, including Refunds of Employee Contributions	(125,892)	(125,892)	-
Other (Net Transfer)	-	(36,712)	36,712
Net Changes	48,030	468,066	(420,036)
Balances at December 31, 2017	2,968,145	3,703,020	(734,875)

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2018**

**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, 2018, the Village recognized pension expense of \$12,225. At April 30, 2018, 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	\$ 9,499	(8,330)	1,169
Change in Assumptions	-	(60,561)	(60,561)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(179,596)	(179,596)
Total Pension Expense to be Recognized in Future Periods	9,499	(248,487)	(238,988)
Pension Contributions Made Subsequent to the Measurement Date	8,793	-	8,793
Total Deferred Amounts Related to IMRF	<u>18,292</u>	<u>(248,487)</u>	<u>(230,195)</u>

\$8,793 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, 2019.

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 (Inflows) of Resources
2019	\$ (50,128)
2020	(53,562)
2021	(66,119)
2022	(69,179)
2023	-
Thereafter	-
Total	<u>(238,988)</u>



**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2018**

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**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, 2018, 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>12</u>
Total	<u><u>15</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, 2018

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#### 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 1<sup>st</sup> 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, 2018, the Village's contribution was 22.61% 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, 2018**

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**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, 2018, 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	3.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2018 using improvement scale MP-2016. The actuarial assumptions used in the April 30, 2018 valuation were based on the results of an actuarial experience study conducted by the independent actuary in 2016.

**Discount Rate**

A Single Discount Rate of 4.91% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 5.00%, the municipal bond rate is 3.97%, and the resulting single discount rate is 4.91%.

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2018**

**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 (3.91%)	Current Discount Rate (4.91%)	1% Increase (5.91%)
Net Pension Liability	\$ 2,656,173	1,863,272	1,250,095

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	\$ 3,166,550	1,379,072	1,787,478
Changes for the Year:			
Service Cost	193,433	-	193,433
Interest on the Total Pension Liability	189,057	-	189,057
Difference Between Expected and Actual Experience of the Total Pension Liability	(761,677)	-	(761,677)
Changes of Assumptions	746,010	-	746,010
Contributions - Employer	-	200,000	(200,000)
Contributions - Employees	-	86,757	(86,757)
Net Investment Income	-	10,624	(10,624)
Benefit Payments, including Refunds of Employee Contributions	(31,202)	(31,202)	-
Administrative Expense	-	(6,352)	6,352
Net Changes	335,621	259,827	75,794
Balances at April 30, 2018	3,502,171	1,638,899	1,863,272

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2018**

**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, 2018, the Village recognized pension expense of \$248,307. At April 30, 2018, 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	\$ 72,086	(825,263)	(753,177)
Change in Assumptions	761,534	(74,523)	687,011
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	131,820	-	131,820
Total Deferred Amounts Related to Police Pension	<u>965,440</u>	<u>(899,786)</u>	<u>65,654</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/ (Inflows) of Resources
2019	\$ 18,433
2020	18,430
2021	24,648
2022	14,250
2024	(1,666)
Thereafter	<u>(8,441)</u>
Total	<u>65,654</u>

## VILLAGE OF HAMPSHIRE, ILLINOIS

### Notes to the Financial Statements

April 30, 2018

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#### 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, 2018.

##### **SUBSEQUENT EVENT**

###### **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.

###### **Police Pension Amendment**

Effective January 24, 2020, Public Act 101-0627 amended Article 3 of the Illinois Pension Code. This amendment impacts six active plan members and all three inactive plan members of the Hampshire Police Pension Fund qualifying these individuals as Tier 1 members. This new legislation will be used by the pension fund's actuary in determining calculations of the future benefit obligations, the Village's levy requirement and the net pension liability. The full impact of these changes to the Hampshire Police Pension plan and the Village has not yet been estimated.

###### **Debt Issuances**

On June 26, 2019, the Village issued \$5,325,000 of Special Service Area 13 Special Tax Refunding Bonds, due in annual installments of \$190,000 to \$430,000, plus interest through March 1, 2037.

On March 18, 2020, the Village executed a Promissory Note with Resource Bank in the amount of \$220,000 due in monthly installments and maturing on March 20, 2025.

## **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

### 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, 2018**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2014 (Base Year 2012)

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, 2018

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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%

#### 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	3.25%
Investment Rate of Return	5.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2016 Mortality Table (BCHA)

#### 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, 2018**

	<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.

<u>12/31/2016</u>	<u>12/31/2017</u>
60,047	63,618
203,596	216,673
32,613	(12,862)
-	(93,507)
<u>(121,474)</u>	<u>(125,892)</u>
174,782	48,030
<u>2,745,333</u>	<u>2,920,115</u>
<u>2,920,115</u>	<u>2,968,145</u>
16,007	19,465
25,365	27,034
213,592	584,171
(121,474)	(125,892)
<u>18,983</u>	<u>(36,712)</u>
152,473	468,066
<u>3,082,481</u>	<u>3,234,954</u>
<u>3,234,954</u>	<u>3,703,020</u>
<u>(314,839)</u>	<u>(734,875)</u>
110.78%	124.76%
563,656	600,766
(55.86%)	(122.32%)

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2018**

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	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 154,285
Interest	143,727
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.

2016	2017	2018
183,590	173,052	193,433
157,006	170,016	189,057
(303,520)	91,838	(761,677)
186,769	(94,941)	746,010
-	(14,029)	(31,202)
223,845	325,936	335,621
2,616,769	2,840,614	3,166,550
2,840,614	3,166,550	3,502,171
187,000	200,000	200,000
82,415	83,612	86,757
-	-	-
299	385	10,624
-	(14,029)	(31,202)
(7,555)	(5,882)	(6,352)
262,159	264,086	259,827
852,827	1,114,986	1,379,072
1,114,986	1,379,072	1,638,899
1,725,628	1,787,478	1,863,272
39.25%	43.55%	46.80%
802,621	856,700	884,543
215.00%	208.65%	210.65%

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
April 30, 2018**

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

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 2,625,591	2,625,591	2,651,734
Charges for Services	156,365	156,365	186,095
Licenses and Permits	177,000	177,000	216,810
Fines and Forfeits	68,000	68,000	104,358
Investment Income	6,000	6,000	19,794
Miscellaneous Income	247,941	247,941	279,197
Total Revenues	<u>3,280,897</u>	<u>3,280,897</u>	<u>3,457,988</u>
Expenditures			
General Government	754,218	754,218	683,773
Highways and Streets	676,434	676,434	633,614
Police Protection	1,828,536	1,828,536	1,756,908
Planning and Zoning	2,494	2,494	1,292
Debt Service			
Principal Retirement	3,600	3,600	63,938
Interest and Fiscal Charges	7,812	7,812	7,915
Total Expenditures	<u>3,273,094</u>	<u>3,273,094</u>	<u>3,147,440</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,803</u>	<u>7,803</u>	<u>310,548</u>
Other Financing Sources (Uses)			
Debt Issuance	97,500	97,500	34,200
Disposal of Capital Assets	3,000	3,000	-
Transfers Out	(124,499)	(124,499)	(50,000)
	<u>(23,999)</u>	<u>(23,999)</u>	<u>(15,800)</u>
Net Change in Fund Balance	<u>(16,196)</u>	<u>(16,196)</u>	294,748
Fund Balance - Beginning			<u>1,460,668</u>
Fund Balance - Ending			<u><u>1,755,416</u></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 – Internal Service Fund
- Budgetary Comparison Schedule – Police Pension – Pension Trust Fund
- Statement of Changes in Assets and Liabilities – Agency Fund



# INDIVIDUAL FUND SCHEDULES

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## GENERAL FUND

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

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## SPECIAL REVENUE FUNDS

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

### Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the maintenance and construction of streets and roads as approved by the Illinois Department of Transportation.

### Road and Bridge Fund

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

### Revolving Loan Fund

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

### Special Service Areas Fund

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

### Evidence Fund

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

### Tax Increment Financing Fund

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

### Hotel/Motel Tax Fund

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

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# INDIVIDUAL FUND SCHEDULES

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## **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.

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## **CAPITAL PROJECTS FUNDS**

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

### **SSA #13 Improvements Fund**

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

### **Transportation Impact Fees Fund**

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

### **SSA # 14 Improvements Fund**

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

### **Public Use Fund**

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

### **Capital Improvements Fund**

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

### **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.

# INDIVIDUAL FUND SCHEDULES

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## CAPITAL PROJECTS FUNDS – Continued

### 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.

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## 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.

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# INDIVIDUAL FUND SCHEDULES

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## TRUST AND AGENCY FUNDS

### PENSION TRUST FUND

#### Police Pension Fund

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

### AGENCY FUND

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

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**VILLAGE OF HAMPSHIRE, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2018**

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	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 877,079	877,079	875,235
Sales and Use Taxes	778,707	778,707	844,891
State Income Taxes	533,770	533,770	504,463
Replacement Taxes	18,560	18,560	19,669
Utility Taxes	417,475	417,475	407,476
	<u>2,625,591</u>	<u>2,625,591</u>	<u>2,651,734</u>
Charges for Services	<u>156,365</u>	<u>156,365</u>	<u>186,095</u>
Licenses and Permits	<u>177,000</u>	<u>177,000</u>	<u>216,810</u>
Fines and Forfeits	<u>68,000</u>	<u>68,000</u>	<u>104,358</u>
Investment Income	<u>6,000</u>	<u>6,000</u>	<u>19,794</u>
Miscellaneous Income	<u>247,941</u>	<u>247,941</u>	<u>279,197</u>
Total Revenues	<u>3,280,897</u>	<u>3,280,897</u>	<u>3,457,988</u>

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
General Government			
Personal Services	\$ 267,168	267,168	260,089
Contractual Services	406,950	406,950	345,777
Commodities	14,300	14,300	14,408
Other Expenditures	49,000	49,000	58,652
Capital Outlay	16,800	16,800	4,847
	<u>754,218</u>	<u>754,218</u>	<u>683,773</u>
Highways and Streets			
Personal Services	313,734	313,734	326,101
Contractual Services	179,950	179,950	197,681
Commodities	56,000	56,000	54,146
Other Expenditures	750	750	-
Capital Outlay	126,000	126,000	55,686
	<u>676,434</u>	<u>676,434</u>	<u>633,614</u>
Police Protection			
Personal Services	1,439,922	1,439,922	1,428,231
Contractual Services	198,334	198,334	192,638
Commodities	57,850	57,850	53,794
Capital Outlay	132,430	132,430	82,245
	<u>1,828,536</u>	<u>1,828,536</u>	<u>1,756,908</u>
Planning and Zoning			
Personal Services	1,744	1,744	1,292
Contractual Services	750	750	-
	<u>2,494</u>	<u>2,494</u>	<u>1,292</u>
Debt Service			
Principal Retirement	3,600	3,600	63,938
Interest and Fiscal Charges	7,812	7,812	7,915
	<u>11,412</u>	<u>11,412</u>	<u>71,853</u>
Total Expenditures	<u>3,273,094</u>	<u>3,273,094</u>	<u>3,147,440</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, 2018**

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	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 65,440	65,440	170,144
Expenditures			
Highways and Streets	50,000	50,000	10,682
Net Change in Fund Balance	<u>15,440</u>	<u>15,440</u>	159,462
Fund Balance - Beginning			<u>750,133</u>
Fund Balance - Ending			<u>909,595</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

SSA #14 Improvements - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2018

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	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 10	10	210
Miscellaneous	20	20	-
Total Revenues	30	30	210
Expenditures			
Highways and Streets	-	-	169,366
Net Change in Fund Balance	30	30	(169,156)
Fund Balance - Beginning			169,156
Fund Balance - Ending			-

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**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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 11,500	11,500	10,788
Investment Income	225	225	582
Total Revenues	11,725	11,725	11,370
Expenditures			
General Government	-	-	94,277
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,725	11,725	(82,907)
Other Financing (Uses)			
Transfers Out	(60,000)	(60,000)	(63,000)
Net Change in Fund Balance	<u>(48,275)</u>	<u>(48,275)</u>	(145,907)
Fund Balance - Beginning			<u>549,608</u>
Fund Balance - Ending			<u><u>403,701</u></u>

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**April 30, 2018**

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**See Following Page**

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet  
April 30, 2018**

	Special Revenue				
	Motor Fuel Tax	Road and Bridge	Revolving Loan	Special Service Areas	Evidence
<b>ASSETS</b>					
Cash and Investments	\$ 435,425	173,331	872,629	48,303	3,051
Receivables - Net of Allowances					
Property Taxes	-	106,358	-	47,950	-
Other Taxes	12,736	-	-	-	-
Notes Receivable	-	-	157,807	-	-
<b>Total Assets</b>	<b>448,161</b>	<b>279,689</b>	<b>1,030,436</b>	<b>96,253</b>	<b>3,051</b>
<b>LIABILITIES</b>					
Accounts Payable	-	-	-	179	-
Due to Other Funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>179</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	-	106,358	-	47,950	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>-</b>	<b>106,358</b>	<b>-</b>	<b>48,129</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted	448,161	173,331	1,030,436	48,124	3,051
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>448,161</b>	<b>173,331</b>	<b>1,030,436</b>	<b>48,124</b>	<b>3,051</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>448,161</b>	<b>279,689</b>	<b>1,030,436</b>	<b>96,253</b>	<b>3,051</b>

		Capital Projects						
Tax Increment Financing	Hotel/ Motel Tax	Debt Service Capital Bonds	Capital Improvements	TIF Revenue		Early Warning Impact Fees	Totals	
				Bonds of 2009A/ Tuscany Woods Line of Credit	Equipment Replacement			
-	76,489	262,605	37,759	79,613	147,531	4,696	2,141,432	
33,580	-	-	-	-	-	-	187,888	
-	-	-	-	-	-	-	12,736	
-	-	-	-	-	-	-	157,807	
33,580	76,489	262,605	37,759	79,613	147,531	4,696	2,499,863	
649	-	-	-	-	-	-	828	
286,170	-	-	-	-	-	-	286,170	
286,819	-	-	-	-	-	-	286,998	
33,580	-	-	-	-	-	-	187,888	
320,399	-	-	-	-	-	-	474,886	
-	76,489	262,605	37,759	79,613	147,531	4,696	2,311,796	
(286,819)	-	-	-	-	-	-	(286,819)	
(286,819)	76,489	262,605	37,759	79,613	147,531	4,696	2,024,977	
33,580	76,489	262,605	37,759	79,613	147,531	4,696	2,499,863	

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2018**

	Special Revenue				
	Motor Fuel Tax	Road and Bridge	Revolving Loan	Special Service Areas	Evidence
Revenues					
Taxes	\$ -	103,257	-	42,349	-
Charges for Services	-	-	-	-	-
Intergovernmental	153,030	-	-	-	186
Investment Income	4,837	80	7,709	-	30
Total Revenues	157,867	103,337	7,709	42,349	216
Expenditures					
General Government	-	-	1,325	-	2,328
Highways and Streets	61,195	153,067	-	43,131	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	61,195	153,067	1,325	43,131	2,328
Excess (Deficiency) of Revenues Over (Under) Expenditures	96,672	(49,730)	6,384	(782)	(2,112)
Other Financing Sources					
Transfers In	-	-	-	-	-
Net Change in Fund Balances	96,672	(49,730)	6,384	(782)	(2,112)
Fund Balances - Beginning	351,489	223,061	1,024,052	48,906	5,163
Fund Balances - Ending	448,161	173,331	1,030,436	48,124	3,051

		Capital Projects						
Tax Increment Financing	Hotel/ Motel Tax	Debt Service Capital Bonds	TIF Revenue				Early Warning Impact Fees	Totals
			Capital Improvements	Bonds of 2009A/ Tuscany Woods Line of Credit	Equipment Replacement			
29,526	17,006	-	-	-	-	-	-	192,138
-	-	-	-	-	-	-	460	460
-	-	-	-	-	-	-	-	153,216
11	1,002	-	23	-	44	-	-	13,736
29,537	18,008	-	23	-	44	460	-	359,550
2,050	10,003	-	-	-	-	-	-	15,706
-	-	-	-	-	-	-	-	257,393
30,800	-	132,300	-	-	-	-	-	163,100
40,942	-	15,660	-	-	-	-	-	56,602
73,792	10,003	147,960	-	-	-	-	-	492,801
(44,255)	8,005	(147,960)	23	-	44	460	-	(133,251)
63,000	-	-	-	-	50,000	-	-	113,000
18,745	8,005	(147,960)	23	-	50,044	460	-	(20,251)
(305,564)	68,484	410,565	37,736	79,613	97,487	4,236	-	2,045,228
(286,819)	76,489	262,605	37,759	79,613	147,531	4,696	-	2,024,977

**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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 164,580	164,580	153,030
Investment Income	850	850	4,837
Total Revenues	<u>165,430</u>	<u>165,430</u>	<u>157,867</u>
Expenditures			
Highways and Streets	<u>209,700</u>	<u>209,700</u>	<u>61,195</u>
Net Change in Fund Balance	<u>(44,270)</u>	<u>(44,270)</u>	96,672
Fund Balance - Beginning			<u>351,489</u>
Fund Balance - Ending			<u><u>448,161</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 102,149	102,149	103,257
Investment Income	5	5	80
Total Revenues	<u>102,154</u>	<u>102,154</u>	<u>103,337</u>
Expenditures			
Highways and Streets	<u>-</u>	<u>-</u>	<u>153,067</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	102,154	102,154	(49,730)
Other Financing (Uses)			
Transfers Out	<u>(130,700)</u>	<u>(130,700)</u>	<u>-</u>
Net Change in Fund Balance	<u>(28,546)</u>	<u>(28,546)</u>	(49,730)
Fund Balance - Beginning			<u>223,061</u>
Fund Balance - Ending			<u><u>173,331</u></u>



**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Revolving Loan - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2018**

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	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 7,492	7,492	7,709
Expenditures			
General Government	1,000	1,000	1,325
Net Change in Fund Balance	<u>6,492</u>	<u>6,492</u>	6,384
Fund Balance - Beginning			<u>1,024,052</u>
Fund Balance - Ending			<u>1,030,436</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, 2018**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 41,552	41,552	42,349
Expenditures			
Highways and Streets	54,527	54,527	43,131
Net Change in Fund Balance	<u>(12,975)</u>	<u>(12,975)</u>	(782)
Fund Balance - Beginning			<u>48,906</u>
Fund Balance - Ending			<u>48,124</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, 2018**

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	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Evidence Money/DUI/Drug	\$ 2,000	2,000	186
Investment Income	10	10	30
Total Revenues	<u>2,010</u>	<u>2,010</u>	<u>216</u>
Expenditures			
General Government	<u>1,800</u>	<u>1,800</u>	<u>2,328</u>
Net Change in Fund Balance	<u>210</u>	<u>210</u>	(2,112)
Fund Balance - Beginning			<u>5,163</u>
Fund Balance - Ending			<u><u>3,051</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 29,199	29,199	29,526
Investment Income	-	-	11
Total Revenues	<u>29,199</u>	<u>29,199</u>	<u>29,537</u>
Expenditures			
General Government			
Professional Services	20,500	20,500	2,050
Debt Service			
Principal Retirement	30,800	30,800	30,800
Interest and Fiscal Charges	39,556	39,556	40,942
Total Expenditures	<u>90,856</u>	<u>90,856</u>	<u>73,792</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,657)	(61,657)	(44,255)
Other Financing Sources			
Transfers In	<u>63,000</u>	<u>63,000</u>	<u>63,000</u>
Net Change in Fund Balance	<u>1,343</u>	<u>1,343</u>	18,745
Fund Balance - Beginning			<u>(305,564)</u>
Fund Balance - Ending			<u>(286,819)</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, 2018**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Hotel/Motel Tax	\$ 20,000	20,000	17,006
Investment Income	240	240	1,002
Total Revenues	<u>20,240</u>	<u>20,240</u>	18,008
Expenditures			
General Government	<u>10,000</u>	<u>10,000</u>	10,003
Net Change in Fund Balance	<u>10,240</u>	<u>10,240</u>	8,005
Fund Balance - Beginning			<u>68,484</u>
Fund Balance - Ending			<u>76,489</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ -	-	-
Expenditures			
Debt Service			
Principal Retirement	345,586	345,586	132,300
Interest and Fiscal Charges	23,284	23,284	15,660
Total Expenditures	368,870	368,870	147,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	(368,870)	(368,870)	(147,960)
Other Financing Sources			
Transfers In	375,700	375,700	-
Net Change in Fund Balance	6,830	6,830	(147,960)
Fund Balance - Beginning			410,565
Fund Balance - Ending			262,605

**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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ -	-	44
Expenditures			
Highways and Streets	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	44
Other Financing Sources			
Transfers In	50,000	50,000	50,000
Net Change in Fund Balance	<u>50,000</u>	<u>50,000</u>	50,044
Fund Balance - Beginning			<u>97,487</u>
Fund Balance - Ending			<u><u>147,531</u></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, 2018**

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	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 385	385	460
Expenditures			
Highways and Streets	-	-	-
Net Change in Fund Balance	<u>385</u>	<u>385</u>	460
Fund Balance - Beginning			<u>4,236</u>
Fund Balance - Ending			<u>4,696</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, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,410,811	2,410,811	2,288,455
Operating Expenses			
Operations			
Water Department	1,183,894	1,183,894	602,562
Sewer Department	688,613	688,613	558,784
Water Reconstruction	1,539,668	1,539,668	15,078
System Improvements	145,350	145,350	46,410
Depreciation	-	-	1,414,312
Total Operating Expenses	3,557,525	3,557,525	2,637,146
Operating (Loss)	(1,146,714)	(1,146,714)	(348,691)
Nonoperating Revenues (Expenses)			
Tap On Fees	114,600	114,600	259,190
Investment Income	5	5	45
Grant	820	820	503
Other Income	-	-	9,206
Interest and Fiscal Charges	(80,573)	(80,573)	(66,651)
	34,852	34,852	202,293
Change in Net Position	(1,111,862)	(1,111,862)	(146,398)
Net Position - Beginning			47,873,679
Net Position - Ending			47,727,281

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Water and Sewer - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Operations			
Water Department			
Personal Services	\$ 118,003	118,003	117,893
Contractual Services	808,061	808,061	336,565
Commodities	97,310	97,310	99,589
Miscellaneous	160,520	160,520	48,515
	<u>1,183,894</u>	<u>1,183,894</u>	<u>602,562</u>
Sewer Department			
Personal Services	137,745	137,745	142,703
Contractual Services	413,198	413,198	317,701
Commodities	69,650	69,650	44,660
Miscellaneous	68,020	68,020	53,720
	<u>688,613</u>	<u>688,613</u>	<u>558,784</u>
Water Reconstruction			
Contractual Services	<u>1,539,668</u>	<u>1,539,668</u>	<u>15,078</u>
Total Operations	<u>3,412,175</u>	<u>3,412,175</u>	<u>1,176,424</u>
System Improvements			
Water Department	61,600	61,600	46,410
Sewer Department	<u>83,750</u>	<u>83,750</u>	-
Total System Improvements	<u>145,350</u>	<u>145,350</u>	<u>46,410</u>
Depreciation			
Water Department	-	-	486,149
Sewer Department	<u>-</u>	<u>-</u>	<u>928,163</u>
Total Depreciation	<u>-</u>	<u>-</u>	<u>1,414,312</u>
Total Operating Expenses	<u>3,557,525</u>	<u>3,557,525</u>	<u>2,637,146</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, 2018**

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	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 550,213	550,213	553,825
Operating Expenses			
Operations			
Sewer Department	537,800	537,800	547,488
Change in Net Position	<u>12,413</u>	<u>12,413</u>	6,337
Net Position - Beginning			<u>19,369</u>
Net Position - Ending			<u>25,706</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, 2018**

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 200,000	200,000	200,000
Contributions - Plan Members	87,500	87,500	86,757
Total Contributions	<u>287,500</u>	<u>287,500</u>	<u>286,757</u>
<b>Investment Income</b>			
Interest Earned	350	350	10,624
Net Change in Fair Value	-	-	-
	<u>350</u>	<u>350</u>	<u>10,624</u>
Less Investment Expenses	-	-	-
Net Investment Income	<u>350</u>	<u>350</u>	<u>10,624</u>
Total Additions	<u>287,850</u>	<u>287,850</u>	<u>297,381</u>
<b>Deductions</b>			
Administration	14,500	14,500	6,352
Benefits and Refunds	30,565	30,565	31,202
Total Deductions	<u>45,065</u>	<u>45,065</u>	<u>37,554</u>
Change in Fiduciary Net Position	<u>242,785</u>	<u>242,785</u>	259,827
<b>Net Position Restricted for Pensions</b>			
Beginning			<u>1,379,072</u>
Ending			<u>1,638,899</u>

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Agency Fund**

**Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2018**

	Beginning Balances	Additions	Deductions	Ending Balances
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,557,307	2,711,659	2,557,307	2,711,659
Cash with Fiscal Agent	298,534	-	298,534	-
Due from Other Funds	27,440	-	27,440	-
	<u>2,883,281</u>	<u>2,711,659</u>	<u>2,883,281</u>	<u>2,711,659</u>
<b>LIABILITIES</b>				
Due to Park District and Village Parks	547,519	308,160	547,519	308,160
Due to School Districts	22,968	67,924	22,968	67,924
Due to Library Districts	94,772	120,514	94,772	120,514
Due to Fire Districts	70,840	187,907	70,840	187,907
Due to Others	9,202	16,328	9,202	16,328
Due to Other Funds	21,041	-	21,041	-
Due to Bondholders	2,116,939	2,010,826	2,116,939	2,010,826
Total Liabilities	<u>2,883,281</u>	<u>2,711,659</u>	<u>2,883,281</u>	<u>2,711,659</u>

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Schedule of Tax Data - Last Ten Tax Levy Years  
April 30, 2018**

	2008	2009	2010	2011
Assessed Valuation	\$ 195,010,364	196,154,394	180,785,131	168,805,218
Tax Rates by Fund				
General	0.1377	0.1404	0.1256	0.2627
Police Protection	0.0800	0.0802	0.0775	0.0727
Special Revenue Funds				
Audit	0.0073	0.0073	0.0725	0.0245
Liability	0.0398	0.0386	0.0339	0.0380
Illinois Municipal Retirement	0.0489	0.0511	0.0494	0.0208
Social Security	0.0330	0.0351	0.0373	0.0129
Total Tax Rates	0.3467	0.3527	0.3962	0.4316
Tax Extension by Fund				
General	\$ 267,398	274,232	226,601	442,682
Police Protection	155,276	156,705	139,797	122,485
Special Revenue Funds				
Audit	14,137	14,301	130,732	41,344
Liability	77,282	75,414	61,183	64,093
Illinois Municipal Retirement	94,932	99,899	89,073	34,976
Social Security	63,979	68,559	67,283	21,783
Total Tax Extensions	673,004	689,110	714,669	727,363
Total Collections - All Funds				
Levy Collections through April 30	662,244	677,651	702,147	715,525
Percent Collected	98.40%	98.34%	98.25%	98.37%

Note: The 2016 levy is not collected until fiscal year 2018.

2012	2013	2014	2015	2016	2017
154,913,352	142,583,995	138,815,939	146,693,736	170,980,247	186,537,007
0.2945	0.3462	0.3626	0.3454	0.2943	0.2803
0.0816	0.0920	0.1037	0.1571	0.1757	0.1750
0.0276	0.0173	0.0144	0.0130	0.0114	0.0127
0.0480	0.0541	0.0588	0.0326	0.0286	0.0211
0.0188	0.0212	0.0284	0.0130	0.0014	0.0071
0.0137	0.0154	0.0203	0.0137	0.0120	0.0111
0.4842	0.5463	0.5883	0.5748	0.5234	0.5072
456,162	493,570	503,366	506,663	503,226	522,776
126,482	131,202	143,948	230,388	300,383	326,490
42,694	24,710	20,058	19,120	19,545	23,603
74,391	77,166	81,639	47,799	48,859	39,337
29,172	30,261	39,400	19,120	2,445	13,278
21,236	22,028	28,230	20,077	20,521	20,652
750,137	778,936	816,640	843,166	894,979	946,134
735,499	764,121	806,718	831,279	875,235	-
98.05%	98.10%	98.78%	98.59%	97.79%	0.00%



**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Schedule of Water/Sewer Data  
April 30, 2018**

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Number of Water Users	2,711
Water Rate per 1,000 Gallons	\$ 4.84
Number of Sewer Users	2,730
Sewer Rate per 1,000 Gallons	\$ 6.04
Sewer User Billings Charge per Billing	\$ 1.00
Capital Improvements per Billing	\$ 20.00

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Long-Term Debt Requirements**

**Panasonic Toughbook Installment Contract of 2015  
April 30, 2018**

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Date of Issue	August 14, 2015
Date of Maturity	August 14, 2018
Authorized Issue	\$30,000
Interest Rate	3.25%
Principal Maturity and Interest Dates	Monthly
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>
2019	\$ 3,489	24	3,513

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Long-Term Debt Requirements**

**Dodge Charger Installment Contract of 2017  
April 30, 2018**

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Date of Issue	July 25, 2016
Date of Maturity	July 25, 2019
Authorized Issue	\$50,000
Interest Rate	2.25%
Principal Maturity and Interest Dates Payable at	Monthly Resource Bank

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2019	\$ 16,957	303	17,260
2020	4,271	16	4,287
	<u>21,228</u>	<u>319</u>	<u>21,547</u>

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Long-Term Debt Requirements**

**Snow Plow Installment Contract of 2017  
April 30, 2018**

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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>
2019	\$ 25,000	2,089	27,089
2020	25,000	1,392	26,392
2021	25,000	696	25,696
	<u>75,000</u>	<u>4,177</u>	<u>79,177</u>

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Long-Term Debt Requirements**

**Installment Contract of 2017  
April 30, 2018**

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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>
2019	\$ 11,400	-	11,400
2020	11,400	-	11,400
2021	11,400	-	11,400
	<u>34,200</u>	<u>-</u>	<u>34,200</u>

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Long-Term Debt Requirements**

**Taxable General Obligation Alternate Bonds of 2010  
April 30, 2018**

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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>
2019	\$ 60,776	8,712	69,488
2020	63,420	6,068	69,488
2021	66,305	3,183	69,488
	<u>190,501</u>	<u>17,963</u>	<u>208,464</u>

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation (Alternate Revenue Source) Refunding Bonds of 2012  
April 30, 2018**

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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>
2019	\$ 325,000	30,987	355,987
2020	330,000	24,488	354,488
2021	340,000	17,887	357,887
2022	130,000	10,408	140,408
2023	135,000	7,223	142,223
2024	135,000	3,712	138,712
	<u>1,395,000</u>	<u>94,705</u>	<u>1,489,705</u>

**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation (Alternate Revenue Source) Refunding Bonds of 2016  
April 30, 2018**

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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>
2019	\$ 35,000	44,275	79,275
2020	35,000	43,225	78,225
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>1,170,000</u>	<u>349,050</u>	<u>1,519,050</u>



**VILLAGE OF HAMPSHIRE, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Loan of 2002**

**April 30, 2018**

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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>
2019	\$ 222,392	36,708	259,100
2020	228,381	30,719	259,100
2021	234,530	24,570	259,100
2022	240,847	18,253	259,100
2023	247,333	11,767	259,100
2024	253,992	5,107	259,099
	<u>1,427,475</u>	<u>127,124</u>	<u>1,554,599</u>