

VILLAGE OF HAMPSHIRE, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2022

VILLAGE OF HAMPSHIRE, ILLINOIS

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INTRODUCTORY SECTION

VILLAGE OF HAMPSHIRE, ILLINOIS

**List of Principal Officials
April 30, 2022**

VILLAGE PRESIDENT

Michael J. Reid, Jr.

VILLAGE BOARD OF TRUSTEES

Aaron Kelly

Heather Fodor

Toby Koth

Lionel Mott

Laura Pollastrini

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 AUDITOR'S REPORT

October 28, 2022

The Honorable Village President
Members of the Board of Trustees
Village of Hampshire, Illinois

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2022

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, 2022. Please read it in conjunction with the Village's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The Village's net position increased as a result of this year's operations. Net position of the governmental activities increased by \$948,276, or 3.3 percent and net position of the business-type activities decreased by \$157,996, or 0.3 percent.
- During the year, government-wide revenues for the primary government totaled \$10,102,475 while expenses totaled \$9,312,195, resulting in an increase to net position of \$790,280.
- The Village's net position totaled \$76,338,922 on April 30, 2022, which includes \$72,824,901 net investment in capital assets, \$3,044,061 subject to external restrictions, and \$469,960 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 \$370,265, resulting in ending fund balance of \$2,157,879, an increase of 20.7 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 provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The government wide financial statements can be found in the financial section of this report.

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2022

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 three categories: governmental funds, proprietary funds, and fiduciary 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.

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2022

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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

Proprietary Funds

The Village maintains one proprietary fund type: enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water, sewer and garbage operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Garbage Fund, which are considered to be major funds of the Village.

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.

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.

Other Information

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2022**

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 \$76,338,922.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2022	2021
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 8,101,388	7,034,885	3,889,324	3,010,124	11,990,712	10,045,009
Capital Assets	30,511,429	30,545,090	44,434,307	45,146,161	74,945,736	75,691,251
Total Assets	38,612,817	37,579,975	48,323,631	48,156,285	86,936,448	85,736,260
Deferred Outflows	1,043,253	1,081,738	342,944	347,065	1,386,197	1,428,803
Total Assets/Deferred Outflows	39,656,070	38,661,713	48,666,575	48,503,350	88,322,645	87,165,063
Long-Term Debt	5,240,953	5,973,682	662,425	988,057	5,903,378	6,961,739
Other Liabilities	1,172,409	1,016,676	887,033	625,165	2,059,442	1,641,841
Total Liabilities	6,413,362	6,990,358	1,549,458	1,613,222	7,962,820	8,603,580
Deferred Inflows	3,548,282	2,925,205	472,621	87,636	4,020,903	3,012,841
Total Liabilities/Deferred Inflows	9,961,644	9,915,563	2,022,079	1,700,858	11,983,723	11,616,421
Net Position						
Net Investment in						
Capital Assets	29,053,651	29,142,699	43,771,250	44,166,857	72,824,901	73,309,556
Restricted	3,044,061	2,894,177	-	-	3,044,061	2,894,177
Unrestricted (Deficit)	(2,403,286)	(3,290,726)	2,873,246	2,635,635	469,960	(655,091)
Total Net Position	29,694,426	28,746,150	46,644,496	46,802,492	76,338,922	75,548,642

A large portion of the Village’s net position, \$72,824,901 or 95.4 percent, reflects its investment in capital assets (for example, land, construction in progress, buildings and improvements, vehicles, machinery and equipment, and infrastructure and underground water and sewer lines), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$3,044,061 or 4.0 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 balance of unrestricted net position is \$469,960 or 0.6 percent.

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 826,806	763,345	3,480,264	3,338,374	4,307,070	4,101,719
Operating Grants/Contrib.	358,208	776,545	237,335	79,300	595,543	855,845
Capital Grants/Contrib.	223,208	495,127	125,600	220,060	348,808	715,187
General Revenues						
Taxes						
Property Taxes	1,359,257	1,290,073	-	-	1,359,257	1,290,073
Sales and Use Taxes	1,457,241	974,800	-	-	1,457,241	974,800
Income Taxes	1,200,252	886,173	-	-	1,200,252	886,173
Utility Taxes	449,367	388,327	-	-	449,367	388,327
Cannabis Excise Taxes	10,935	5,459	-	-	10,935	5,459
Hotel/Motel Taxes	24,451	14,093	-	-	24,451	14,093
Intergovernmental - Unrestricted						
Replacement Taxes	57,161	24,883			57,161	24,883
Investment Income	4,938	6,963	57	19	4,995	6,982
Miscellaneous	284,193	231,511	3,202	466	287,395	231,977
Total Revenues	6,256,017	5,857,299	3,846,458	3,638,219	10,102,475	9,495,518
Expenses						
General Government	1,212,012	986,930	-	-	1,212,012	986,930
Highways and Streets	2,078,441	1,852,677	-	-	2,078,441	1,852,677
Police Protection	1,941,186	2,010,272	-	-	1,941,186	2,010,272
Planning and Zoning	952	1,103	-	-	952	1,103
Interest on Long-Term Debt	54,203	56,228	-	-	54,203	56,228
Water and Sewer	-	-	3,379,040	2,848,264	3,379,040	2,848,264
Garbage	-	-	646,361	698,199	646,361	698,199
Total Expenses	5,286,794	4,907,210	4,025,401	3,546,463	9,312,195	8,453,673
Change in Net Position Before Transfers	969,223	950,089	(178,943)	91,756	790,280	1,041,845
Transfers	(20,947)	84,464	20,947	(84,464)	-	-
Change in Net Position	948,276	1,034,553	(157,996)	7,292	790,280	1,041,845
Net Position - Beginning	28,746,150	27,711,597	46,802,492	46,795,200	75,548,642	74,506,797
Net Position - Ending	29,694,426	28,746,150	46,644,496	46,802,492	76,338,922	75,548,642

Net position of the Village's governmental activities increased by 3.3 percent (\$29,694,426 in 2022 compared to \$28,746,150 in 2021). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, was a deficit of \$2,403,286 at April 30, 2022.

Net position of business-type activities decreased by less than one percent (\$46,644,496 in 2022 compared to \$46,802,492 in 2021).

VILLAGE OF HAMPSHIRE, ILLINOIS

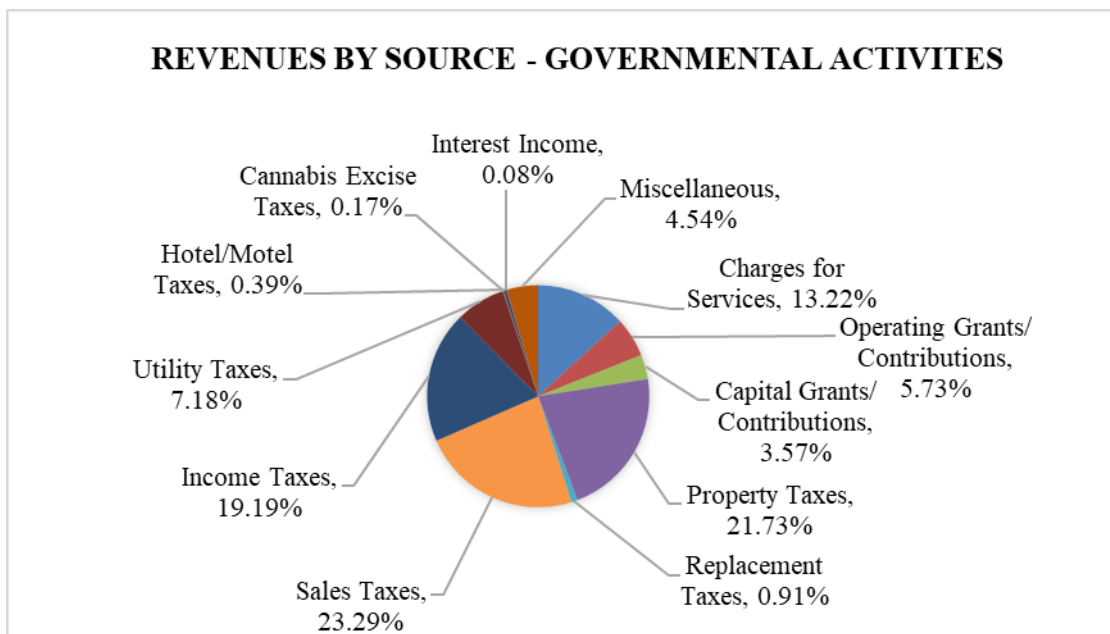
Management's Discussion and Analysis April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities

Revenues for governmental activities totaled \$6,256,017, while the cost of all governmental functions totaled \$5,286,794. This results in an increase of \$969,223 before a transfer out of \$20,947 to the Water and Sewer Fund. In 2021, revenues of \$5,857,299 were more than expenses of \$4,907,210 resulting in an increase of \$950,089, prior to transfers in of \$84,464. During 2022, the Village continued to see increases in some of its state shared revenues; revenues for the governmental activities increased \$398,718, while expenses increased \$379,584.

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.



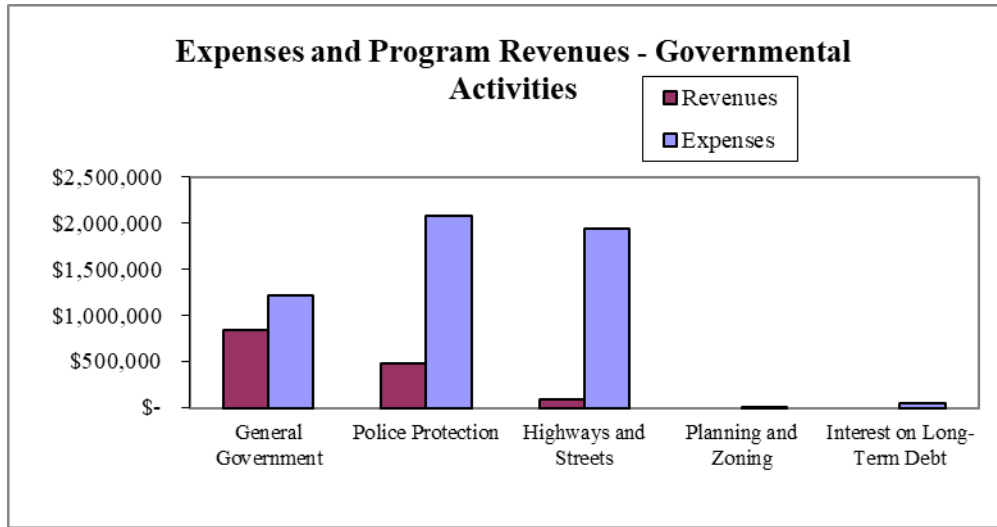
VILLAGE OF HAMPSHIRE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

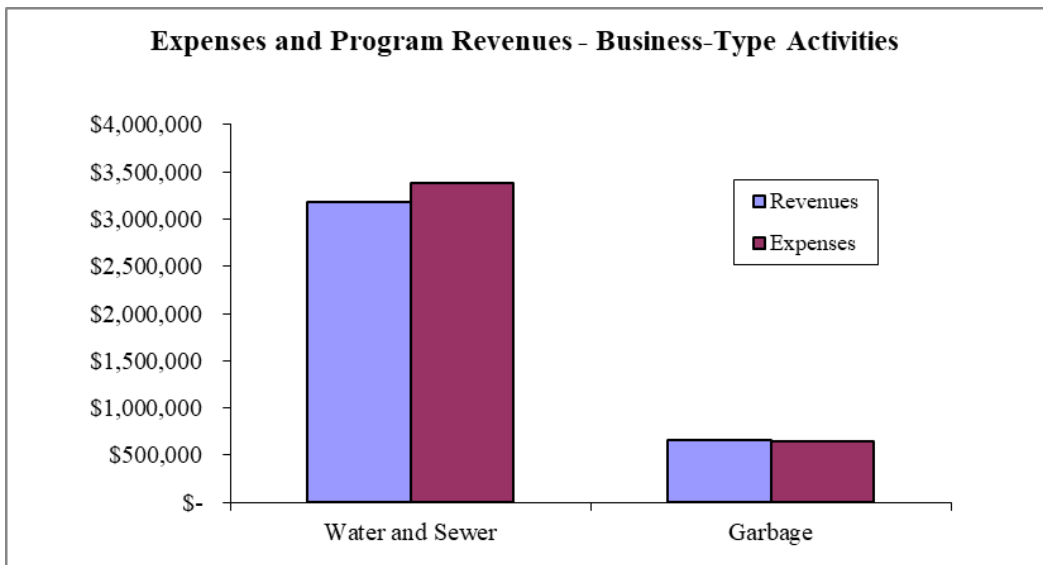
Governmental Activities – Continued

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 \$3,846,458, while the cost of all business-type activities totaled \$4,025,401. This results in a decrease to net position of \$178,943, before transfers in of \$20,947. In 2021, revenues of \$3,638,219 were more than expenses of \$3,546,463, resulting in an increase in net position of \$91,756, prior to transfers out of \$84,464. The decrease is due to the result of depreciation, a non-cash expense.



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

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The Village's governmental funds reported combining ending fund balances of \$4,773,160, which is \$568,618 higher than last year's total of \$4,204,542. Of the \$4,773,160 total, the Village has an unassigned fund balance of \$1,642,484.

The General Fund reported fund balance for the year of \$2,157,879. Total revenues in the General Fund were \$1,088,747 higher than the amount budgeted due primarily to the building permit activity, conservative budgeting for State shared revenues, and strong utility tax receipts. In addition, expenditures were \$256,838 higher than budgeted. These factors resulted in an overall increase in fund balance of \$370,265 or 20.7%.

The General Fund is the chief operating fund of the Village. At April 30, 2022, unassigned fund balance in the General Fund was \$1,989,872 which represents 92.2 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 39.2 percent of total General Fund expenditures.

The Village reports one special revenue fund as a major fund: The Tax Increment Financing Fund. The Tax Increment Financing Fund reported an increase in fund balance of \$14,255. This is due to a transfer in from the Public Use Fund in the amount of \$25,000.

The Village reports two capital projects funds as major funds: Transportation Impact Fees Fund and Public Use Fund. The Transportation Impact Fees Fund reported an increase in fund balance of \$114,440 due to building permit activity and no expenditures recorded in this fund during the current year. The Public Use Fund reported an increase of \$45,377.

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2022

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 \$162,636 due mainly to depreciation and amortization costs and a transfer out of \$33,136 a nonmajor governmental fund.

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 \$4,640 due to collections exceeding garbage expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

It has been the practice of the Village to not adopt budget amendments during or after the fiscal year. This year was no exception and no General Fund budget amendments occurred during the fiscal year. General Fund actual revenues for the year totaled \$5,348,031 compared to budgeted revenues of \$4,259,284. All revenue categories, except for charges for services and investment income, were greater than what was budgeted. Additionally, ARPA funding was received.

The General Fund actual expenditures for the year were \$5,080,084 with budgeted expenditures of \$4,823,246. General government, highways and streets, and police protection expenditures came in \$58,571, \$134,800, and \$134,992 under budget, respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2022 was \$74,945,736 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, machinery and equipment, and infrastructure and underground water and sewer lines.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land	\$ 20,962,535	20,962,535	1,201,448	1,201,448	22,163,983	22,163,983
Construction in Progress	142,088	76,234	537,177	144,798	679,265	221,032
Buildings and Improvements	61,616	32,474	19,160,618	19,742,391	19,222,234	19,774,865
Vehicles, Machinery and Equipment	874,009	725,822	627,884	634,700	1,501,893	1,360,522
Infrastructure and Underground Water and Sewer Lines	8,471,181	8,748,025	22,907,180	23,422,824	31,378,361	32,170,849
Total	30,511,429	30,545,090	44,434,307	45,146,161	74,945,736	75,691,251

VILLAGE OF HAMPSHIRE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Capital Assets – Continued

Construction in Progress	\$ 478,653
Buildings and Improvements	31,081
Vehicles, Machinery and Equipment	416,638
Infrastructure and Underground	
Water and Sewer Lines	280,596
	1,206,968

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 \$2,120,835 as compared to \$2,381,695 the previous year, a decrease of 11.0 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2022	2021
	2022	2021	2022	2021	2022	2021
Installment Contracts	\$ 137,011	179,524	-	-	137,011	179,524
General Obligations/ Alternate Revenue Bonds	1,138,267	1,222,867	161,733	237,133	1,300,000	1,460,000
Debt Certificates	182,500	-	-	-	182,500	-
IEPA Loans	-	-	501,324	742,171	501,324	742,171
 Totals	1,457,778	1,402,391	663,057	979,304	2,120,835	2,381,695

During the year, the Village did not issue new 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 \$21,966,867.

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, 2022

ECOMONIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village considered many factors when developing and setting the subsequent fiscal year's budget including the need for increased demands for Village services due to continued growth in both residential and business areas.

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

Property taxes continue to provide a stable revenue source. The Village also receives revenues from other sources including state shared revenues, sales tax, intergovernmental revenues, grants, fines and fees for services. The Village has benefited greatly from the certification of the 2020 census with the Village's official population increasing by 37.8% to 7,667. This increase has led to an increase in per capita State Shared Revenues. This increase will not only provide additional funds for General Fund but additional Motor Fuel Tax receipts for road related expenditures.

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

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Lori Lyons, Finance Director, Village of Hampshire, 234 S. State Street, PO Box 457, Hampshire, IL 60140.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Statement of Net Position

April 30, 2022

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

Statement of Net Position

April 30, 2022

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 5,096,713	2,700,068	7,796,781
Receivables - Net of Allowances	2,082,605	822,508	2,905,113
Prepays	67,874	64,243	132,117
Internal Balances	16,579	(16,579)	-
Total Current Assets	<u>7,263,771</u>	<u>3,570,240</u>	<u>10,834,011</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	21,104,623	1,738,625	22,843,248
Depreciable Capital Assets	14,557,858	66,027,118	80,584,976
Accumulated Depreciation	(5,151,052)	(23,331,436)	(28,482,488)
Total Capital Assets	<u>30,511,429</u>	<u>44,434,307</u>	<u>74,945,736</u>
Other Assets			
Net Pension Asset - IMRF	837,617	319,084	1,156,701
Total Noncurrent Assets	<u>31,349,046</u>	<u>44,753,391</u>	<u>76,102,437</u>
Total Assets	<u>38,612,817</u>	<u>48,323,631</u>	<u>86,936,448</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	83,625	31,856	115,481
Deferred Items - Police Pension	959,628	-	959,628
Deferred Items - ARO	-	311,088	311,088
Total Deferred Outflows of Resources	<u>1,043,253</u>	<u>342,944</u>	<u>1,386,197</u>
Total Assets and Deferred Outflows of Resources	<u>39,656,070</u>	<u>48,666,575</u>	<u>88,322,645</u>

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 305,859	518,658	824,517
Accrued Payroll	97,800	12,627	110,427
Accrued Interest Payable	18,741	7,717	26,458
Deposits Payable	256,003	-	256,003
Other Liabilities	184,051	-	184,051
Current Portion of Long-term Debt	309,955	348,031	657,986
Total Current Liabilities	<u>1,172,409</u>	<u>887,033</u>	<u>2,059,442</u>
Noncurrent Liabilities			
Net Pension Liability - Police Pension	3,939,946	-	3,939,946
Installment Contracts	93,011	-	93,011
General Obligation Alternate Revenue Source Bonds	1,051,567	83,433	1,135,000
IEPA Loan	-	253,992	253,992
Debt Certificates	156,429	-	156,429
Asset Retirement Obligation	-	325,000	325,000
Total Noncurrent Liabilities	<u>5,240,953</u>	<u>662,425</u>	<u>5,903,378</u>
Total Liabilities	<u>6,413,362</u>	<u>1,549,458</u>	<u>7,962,820</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	434,848	165,653	600,501
Deferred Items - Police Pension	1,619,720	-	1,619,720
Grants	-	306,968	306,968
Property Taxes	1,493,714	-	1,493,714
Total Deferred Inflows of Resources	<u>3,548,282</u>	<u>472,621</u>	<u>4,020,903</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,961,644</u>	<u>2,022,079</u>	<u>11,983,723</u>
NET POSITION			
Net Investment in Capital Assets	29,053,651	43,771,250	72,824,901
Restricted			
Police Impound Fees	62,274	-	62,274
E-Citation	1,502	-	1,502
Tree Replacement	36,357	-	36,357
Highways and Streets	2,357,159	-	2,357,159
Subdivision Maintenance	58,851	-	58,851
Tourism	47,773	-	47,773
Public Use	396,979	-	396,979
Debt Service	83,166	-	83,166
Unrestricted (Deficit)	<u>(2,403,286)</u>	<u>2,873,246</u>	<u>469,960</u>
Total Net Position	<u>29,694,426</u>	<u>46,644,496</u>	<u>76,338,922</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, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Primary Government				
Governmental Activities				
General Government	\$ 1,212,012	619,902	118,365	101,000
Highways and Streets	2,078,441	116,204	239,843	122,208
Police Protection	1,941,186	90,700	-	-
Planning and Zoning	952	-	-	-
Interest on Long-Term Debt	54,203	-	-	-
Total Governmental Activities	5,286,794	826,806	358,208	223,208
Business-Type Activities				
Water and Sewer	3,379,040	2,817,463	237,335	125,600
Garbage	646,361	662,801	-	-
Total Business-Type Activities	4,025,401	3,480,264	237,335	125,600
Total Primary Government	9,312,195	4,307,070	595,543	348,808

General Revenues

Taxes

Property Taxes

Sales and Use Taxes

Income Taxes

Utility Taxes

Cannabis Excise Taxes

Hotel/Motel Taxes

Intergovernmental - Unrestricted

Replacement Taxes

Investment Income

Miscellaneous

Transfers

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
(372,745)	-	(372,745)
(1,600,186)	-	(1,600,186)
(1,850,486)	-	(1,850,486)
(952)	-	(952)
(54,203)	-	(54,203)
(3,878,572)	-	(3,878,572)
-	(198,642)	(198,642)
-	16,440	16,440
-	(182,202)	(182,202)
(3,878,572)	(182,202)	(4,060,774)
1,359,257	-	1,359,257
1,457,241	-	1,457,241
1,200,252	-	1,200,252
449,367	-	449,367
10,935	-	10,935
24,451	-	24,451
57,161	-	57,161
4,938	57	4,995
284,193	3,202	287,395
(20,947)	20,947	-
4,826,848	24,206	4,851,054
948,276	(157,996)	790,280
28,746,150	46,802,492	75,548,642
29,694,426	46,644,496	76,338,922

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Governmental Funds - Balance Sheet

April 30, 2022

	<u>General</u>
ASSETS	
Cash and Investments	\$ 2,592,763
Receivables - Net of Allowances	
Property Taxes	1,194,415
Other Taxes	469,224
Due from Other Funds	28,412
Prepays	<u>67,874</u>
 Total Assets	 <u><u>4,352,688</u></u>
LIABILITIES	
Accounts Payable	274,097
Accrued Payroll	97,258
Deposits Payable	256,003
Other Liabilities	184,051
Due to Other Funds	35,801
Compensated Absences Payable	<u>153,184</u>
Total Liabilities	1,000,394
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>1,194,415</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>2,194,809</u></u>
FUND BALANCES	
Nonspendable	67,874
Restricted	100,133
Unassigned	<u>1,989,872</u>
Total Fund Balances	<u><u>2,157,879</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>4,352,688</u></u>

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

Special Revenue	Capital Projects				
Tax Increment Financing	Transportation Impact Fees	Public Use	Nonmajor	Totals	
2,612	1,171,175	46,979	1,283,184	5,096,713	
126,044	-	-	274,255	1,594,714	
-	-	-	18,667	487,891	
-	-	350,000	35,801	414,213	
-	-	-	-	67,874	
128,656	1,171,175	396,979	1,611,907	7,661,405	
-	-	-	31,762	305,859	
-	-	-	542	97,800	
-	-	-	-	256,003	
-	-	-	-	184,051	
350,000	-	-	11,833	397,634	
-	-	-	-	153,184	
350,000	-	-	44,137	1,394,531	
126,044	-	-	173,255	1,493,714	
476,044	-	-	217,392	2,888,245	
-	-	-	-	67,874	
-	1,171,175	396,979	1,394,515	3,062,802	
(347,388)	-	-	-	1,642,484	
(347,388)	1,171,175	396,979	1,394,515	4,773,160	
128,656	1,171,175	396,979	1,611,907	7,661,405	

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, 2022

Total Governmental Fund Balances	\$ 4,773,160
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.	30,511,429
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	837,617
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(351,223)
Deferred Items - Police Pension	(660,092)
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	(3,939,946)
Installment Contracts	(137,011)
General Obligation Alternate Revenue Source Bonds	(1,138,267)
Debt Certificates	(182,500)
Accrued Interest Payable	<u>(18,741)</u>
Net Position of Governmental Activities	<u><u>29,694,426</u></u>

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2022**

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, 2022

	<u>General</u>
Revenues	
Taxes	\$ 4,247,351
Intergovernmental	172,351
Charges for Services	290,141
Licenses and Permits	259,451
Fines and Forfeitures	90,700
Investment Income	3,844
Miscellaneous	284,193
Total Revenues	<u>5,348,031</u>
Expenditures	
General Government	1,253,179
Highways and Streets	1,050,673
Police Protection	2,701,970
Planning and Zoning	952
Debt Service	
Principal Retirement	58,800
Interest and Fiscal Charges	14,510
Total Expenditures	<u>5,080,084</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>267,947</u>
Other Financing Sources (Uses)	
Debt Issuance	182,500
Disposal of Capital Assets	12,202
Transfers In	11,800
Transfers Out	(104,184)
	<u>102,318</u>
Net Change in Fund Balances	370,265
Fund Balances - Beginning	<u>1,787,614</u>
Fund Balances - Ending	<u><u>2,157,879</u></u>

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

<u>Special Revenue</u>	<u>Capital Projects</u>			
Tax	Transportation			
Increment	Impact	Public		
Financing	Fees	Use	Nonmajor	Totals
54,181	-	-	199,971	4,501,503
-	-	-	466,226	638,577
-	114,440	70,310	1,764	476,655
-	-	-	-	259,451
-	-	-	-	90,700
2	-	67	1,025	4,938
-	-	-	-	284,193
54,183	114,440	70,377	668,986	6,256,017
3,438	-	-	54,508	1,311,125
-	-	-	616,665	1,667,338
-	-	-	-	2,701,970
-	-	-	-	952
25,800	-	-	42,513	127,113
35,690	-	-	2,456	52,656
64,928	-	-	716,142	5,861,154
(10,745)	114,440	70,377	(47,156)	394,863
-	-	-	-	182,500
-	-	-	-	12,202
25,000	-	-	71,437	108,237
-	-	(25,000)	-	(129,184)
25,000	-	(25,000)	71,437	173,755
14,255	114,440	45,377	24,281	568,618
(361,643)	1,056,735	351,602	1,370,234	4,204,542
(347,388)	1,171,175	396,979	1,394,515	4,773,160

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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 568,618
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	430,659
Depreciation Expense	(463,788)
Disposals - Cost	(49,438)
Disposals - Accumulated Depreciation	48,906
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	240,271
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(148,916)
Change in Deferred Items - Police Pension	(379,638)
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	758,536
Retirement of Debt	127,113
Issuance of Debt	(182,500)
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(1,547)
Changes in Net Position of Governmental Activities	948,276

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, 2022**

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2022

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 2,700,068	-	2,700,068
Receivables - Net of Allowances			
Accounts	687,404	135,104	822,508
Due from Other Funds	70,587	-	70,587
Prepays	64,243	-	64,243
Total Current Assets	<u>3,522,302</u>	<u>135,104</u>	<u>3,657,406</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	1,738,625	-	1,738,625
Depreciable Capital Assets	66,027,118	-	66,027,118
Accumulated Depreciation	(23,331,436)	-	(23,331,436)
Total Capital Assets	<u>44,434,307</u>	<u>-</u>	<u>44,434,307</u>
Other Assets			
Net Pension Asset - IMRF	319,084	-	319,084
Total Noncurrent Assets	<u>44,753,391</u>	<u>-</u>	<u>44,753,391</u>
Total Assets	<u>48,275,693</u>	<u>135,104</u>	<u>48,410,797</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	31,856	-	31,856
Deferred Items - ARO	311,088	-	311,088
Total Deferred Outflows of Resources	<u>342,944</u>	<u>-</u>	<u>342,944</u>
Total Assets and Deferred Outflows of Resources	<u>48,618,637</u>	<u>135,104</u>	<u>48,753,741</u>

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

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 518,658	-	518,658
Accrued Payroll	12,627	-	12,627
Accrued Interest Payable	7,717	-	7,717
Due to Other Funds	16,579	70,587	87,166
Compensated Absences Payable	22,399	-	22,399
General Obligation Alternate Revenue Source Bonds	78,300	-	78,300
IEPA Loan	247,332	-	247,332
Total Current Liabilities	903,612	70,587	974,199
Noncurrent Liabilities			
General Obligation Alternate Revenue Source Bonds	83,433	-	83,433
IEPA Loan	253,992	-	253,992
Asset Retirement Obligation	325,000	-	325,000
Total Noncurrent Liabilities	662,425	-	662,425
Total Liabilities	1,566,037	70,587	1,636,624
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	165,653	-	165,653
Grants	306,968	-	306,968
Total Deferred Inflows of Resources	472,621	-	472,621
Total Liabilities and Deferred Inflows of Resources	2,038,658	70,587	2,109,245
NET POSITION			
Net Investment in Capital Assets	43,771,250	-	43,771,250
Unrestricted	2,808,729	64,517	2,873,246
Total Net Position	46,579,979	64,517	46,644,496

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, 2022

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
Operating Revenues			
Charges for Services	\$ 2,817,463	662,801	3,480,264
Operating Expenses			
Operations			
Water Department	928,602	-	928,602
Sewer Department	859,977	-	859,977
Garbage Department	-	646,361	646,361
Water Reconstruction	31,914	-	31,914
System Improvements	88,941	-	88,941
Depreciation and Amortization	1,448,963	-	1,448,963
Total Operating Expenses	3,358,397	646,361	4,004,758
Operating Income (Loss)	(540,934)	16,440	(524,494)
Nonoperating Revenues (Expenses)			
Investment Income	57	-	57
Grants	237,335	-	237,335
Other Income	3,202	-	3,202
Interest and Fiscal Charges	(20,643)	-	(20,643)
	219,951	-	219,951
Income (Loss) Before Transfers and Contributions	(320,983)	16,440	(304,543)
Contributions	125,600	-	125,600
Transfers In	65,883	-	65,883
Transfers Out	(33,136)	(11,800)	(44,936)
	158,347	(11,800)	146,547
Change in Net Position	(162,636)	4,640	(157,996)
Net Position - Beginning	46,742,615	59,877	46,802,492
Net Position - Ending	46,579,979	64,517	46,644,496

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, 2022**

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 2,691,699	674,283	3,365,982
Payments to Employees	(312,749)	-	(312,749)
Payments to Suppliers	(911,856)	(662,483)	(1,574,339)
	<u>1,467,094</u>	<u>11,800</u>	<u>1,478,894</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	65,883	-	65,883
Transfers Out	(33,136)	(11,800)	(44,936)
	<u>32,747</u>	<u>(11,800)</u>	<u>20,947</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(650,709)	-	(650,709)
Disposal of Capital Assets	53,112	-	53,112
Principal on Capital Debt	(316,247)	-	(316,247)
Interest on Capital Debt	(20,643)	-	(20,643)
	<u>(934,487)</u>	<u>-</u>	<u>(934,487)</u>
Cash Flows from Investing Activities			
Interest Received	57	-	57
	<u>57</u>	<u>-</u>	<u>57</u>
Net Change in Cash and Cash Equivalents	565,411	-	565,411
Cash and Cash Equivalents - Beginning	2,134,657	-	2,134,657
Cash and Cash Equivalents - Ending	<u>2,700,068</u>	<u>-</u>	<u>2,700,068</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(540,934)	16,440	(524,494)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used In) Operating Activities:			
Depreciation and Amortization	1,448,963	-	1,448,963
Other Income (Expenses)	240,537	-	240,537
(Increase) Decrease in Current Assets	(366,301)	11,482	(354,819)
Increase (Decrease) in Current Liabilities	684,829	(16,122)	668,707
	<u>1,467,094</u>	<u>11,800</u>	<u>1,478,894</u>
Net Cash Provided by Operating Activities			
Noncash Capital and Related Financing Activities			
Capital Contributions	125,600	-	125,600
	<u>125,600</u>	<u>-</u>	<u>125,600</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, 2022**

	Pension Trust	Custodial
ASSETS		
Cash and Cash Equivalents	\$ 3,376,964	1,607,780
LIABILITIES		
Accounts Payable	520	-
NET POSITION		
Restricted		
Pensions	3,376,444	-
Individuals, Organizations, and Other Governments	-	1,607,780
Total Net Position	3,376,444	1,607,780

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, 2022**

	Pension Trust	Custodial
Additions		
Contributions - Employer	\$ 647,752	-
Contributions - Plan Members	368,015	-
Total Contributions	<u>1,015,767</u>	<u>-</u>
Investment Income		
Interest Earned	2,080	287
Property Taxes		
Total Additions	<u>-</u>	<u>1,148,792</u>
	<u>1,017,847</u>	<u>1,149,079</u>
Deductions		
Administration	12,930	-
Benefits and Refunds	151,681	-
Professional Services	-	44,787
Debt Service		
Principal Retirement	-	1,142,966
Total Deductions	<u>164,611</u>	<u>1,187,753</u>
Change in Fiduciary Net Position	853,236	(38,674)
Net Position Restricted for Pensions, Individuals, Organizations, and Other Governments		
Beginning	<u>2,523,208</u>	<u>1,646,454</u>
Ending	<u>3,376,444</u>	<u>1,607,780</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, 2022

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, 2022, 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, 2022

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, 2022

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, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one major and four nonmajor special revenue funds. The Tax Increment Financing Fund, a major fund, is used to account for expenditures of incremental property taxes and sales tax generated in the designated downtown Tax Increment Financing area.

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Village maintains one nonmajor debt service fund.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains two major capital projects funds, Transportation Impact Fees Fund and Public Use Fund. The Transportation Impact Fees Fund is used to account for the proceeds of transportation impact fees and the improvements funded by the fees. The Public Use Fund is used to account for the proceeds of public use impact fees and the improvements funded by the fees. The Village also maintains four nonmajor capital projects funds.

Proprietary Funds

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

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

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

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

Custodial funds are used to account for assets held by the Village in a purely custodial capacity. The Special Service Areas #13 and #14 Fund is used to account for the collection of taxes from special service areas #13 and #14 and remittance to bondholders.

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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, pension trust, and custodial fund equity is classified as net position.

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, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

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

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

Cash and Investments

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

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

Receivables

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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.

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, 2022

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 a consumption/acquisition of net assets 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, 2022

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

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

Budgets are prepared for all funds except the TIF Revenue Bonds of 2009A/Tuscany Woods Line of Credit Fund and the Early Warning Impact Fees Fund.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
General	\$ 256,338
Tax Increment Financing	1,325
Police Pension	89,683

DEFICIT FUND BALANCE

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

Fund	Deficit
Tax Increment Financing	\$ 347,388

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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 \$5,188,665 and the bank balances totaled \$7,326,059. The Village also has \$2,608,116 invested in the Illinois Funds at year-end, which are measured by net asset value per share determined by the pool.

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, 2022

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 \$3,376,964 and the bank balances totaled \$3,378,959.

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. At year-end, the Fund does not have any investments.

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. At year-end, the Fund does not have any investments.

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, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2020 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2022 are listed in the table on the previous page.

Rate of Return

For the year ended April 30, 2022, 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 2021 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by County Collector and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 20,962,535	-	-	20,962,535
Construction in Progress	76,234	65,854	-	142,088
	<u>21,038,769</u>	<u>65,854</u>	<u>-</u>	<u>21,104,623</u>
Depreciable Capital Assets				
Buildings and Improvements	87,223	31,081	-	118,304
Vehicles, Machinery and Equipment	2,138,019	326,138	49,438	2,414,719
Infrastructure	12,017,249	7,586	-	12,024,835
	<u>14,242,491</u>	<u>364,805</u>	<u>49,438</u>	<u>14,557,858</u>
Less Accumulated Depreciation				
Buildings and Improvements	54,749	1,939	-	56,688
Vehicles, Machinery and Equipment	1,412,197	177,419	48,906	1,540,710
Infrastructure	3,269,224	284,430	-	3,553,654
	<u>4,736,170</u>	<u>463,788</u>	<u>48,906</u>	<u>5,151,052</u>
Total Net Depreciable Capital Assets	<u>9,506,321</u>	<u>(98,983)</u>	<u>532</u>	<u>9,406,806</u>
Total Net Capital Assets	<u>30,545,090</u>	<u>(33,129)</u>	<u>532</u>	<u>30,511,429</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 3,912
Highways and Streets	411,103
Police Protection	<u>48,773</u>
	<u>463,788</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2022**

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	144,798	412,799	20,420	537,177
	<u>1,346,246</u>	<u>412,799</u>	<u>20,420</u>	<u>1,738,625</u>
Depreciable Capital Assets				
Buildings and Improvements	28,847,129	-	-	28,847,129
Vehicles, Machinery and Equipment	1,312,646	90,500	-	1,403,146
Underground Water and Sewer Lines	35,536,525	293,430	53,112	35,776,843
	<u>65,696,300</u>	<u>383,930</u>	<u>53,112</u>	<u>66,027,118</u>
Less Accumulated Depreciation				
Buildings and Improvements	9,104,738	581,773	-	9,686,511
Vehicles, Machinery and Equipment	677,946	97,316	-	775,262
Underground Water and Sewer Lines	12,113,701	755,962	-	12,869,663
	<u>21,896,385</u>	<u>1,435,051</u>	<u>-</u>	<u>23,331,436</u>
Total Net Depreciable Capital Assets	<u>43,799,915</u>	<u>(1,051,121)</u>	<u>53,112</u>	<u>42,695,682</u>
Total Net Capital Assets	<u>45,146,161</u>	<u>(638,322)</u>	<u>73,532</u>	<u>44,434,307</u>

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

Water and Sewer	<u>\$ 1,435,051</u>
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VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	11,833
General	Water and Sewer	16,579
Public Use	Tax Increment Financing	350,000
Nonmajor Governmental	General	35,801
Water and Sewer	Garbage	<u>70,587</u>
		<u><u>484,800</u></u>

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	General	\$ 38,301
Water and Sewer	General	65,883
Tax Increment Financing	Public Use	25,000
General	Garbage	11,800
Nonmajor Governmental	Water and Sewer	<u>33,136</u>
		<u><u>174,120</u></u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Installment Contracts

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Installment Contract of 2020 - Due in monthly installments of \$3,984 including interest at 3.26% through March 20, 2025.	General	\$ 179,524	-	42,513	137,011

General Obligation Alternate Revenue Source Bonds

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation (Alternate Revenue Source) 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.	General/ Capital Bonds	\$ 162,867	-	54,600	108,267
	Water and Sewer	237,133	-	75,400	161,733
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	125,700	-	4,200	121,500
	Tax Increment Financing	934,300	-	25,800	908,500
		<u>1,460,000</u>	<u>-</u>	<u>160,000</u>	<u>1,300,000</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Loan

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan of 2002 - Due in semi-annual installments of \$129,550 including interest at 2.675% through November 15, 2023.	Water and Sewer	\$ 742,171	-	240,847	501,324

Debt Certificates

The Village issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates have been issued for governmental activities. Debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Debt Certificates of 2021 - Due in annual installments of \$26,701 plus interest at 2.25% through June 1, 2028.	General	\$ -	182,500	-	182,500

Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells are 3 to 87 years.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 134,314	37,740	18,870	153,184	153,184
Net Pension Liability - Police Pension	4,698,482	-	758,536	3,939,946	-
Installment Contracts	179,524	-	42,513	137,011	44,000
General Obligation Alternate					
Revenue Source Bonds	1,222,867	-	84,600	1,138,267	86,700
Debt Certificates	-	182,500	-	182,500	26,071
	<u>6,235,187</u>	<u>220,240</u>	<u>904,519</u>	<u>5,550,908</u>	<u>309,955</u>
Business-Type Activities					
Compensated Absences	18,608	7,582	3,791	22,399	22,399
General Obligation Alternate					
Revenue Source Bonds	237,133	-	75,400	161,733	78,300
IEPA Loan	742,171	-	240,847	501,324	247,332
Asset Retirement Obligation	325,000	-	-	325,000	-
	<u>1,322,912</u>	<u>7,582</u>	<u>320,038</u>	<u>1,010,456</u>	<u>348,031</u>

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

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

Noncommitment Debt – Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$13,995,000. 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, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

Fiscal Year	Governmental Activities						Business-Type Activities			
	Installment Contracts		General Obligation Alternate Revenue Source Bonds		Debt Certificates		General Obligation Alternate Revenue Source Bonds		IEPA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 44,000	3,808	86,700	43,184	26,071	3,611	78,300	-	247,333	11,767
2024	45,456	2,352	81,567	40,809	26,071	3,520	83,433	-	253,991	5,109
2025	47,555	253	185,000	35,100	26,071	2,941	-	-	-	-
2026	-	-	190,000	27,600	26,071	2,346	-	-	-	-
2027	-	-	190,000	20,000	26,071	1,760	-	-	-	-
2028	-	-	200,000	12,200	26,071	1,173	-	-	-	-
2029	-	-	205,000	4,100	26,071	588	-	-	-	-
Totals	137,011	6,413	1,138,267	182,993	182,500	15,940	161,733	-	501,324	16,876

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 - 2021	<u>\$ 254,688,311</u>
Legal Debt Limit - 8.625% of Assessed Value	21,966,867
Debt Certificates, Series 2021	<u>182,500</u>
Legal Debt Margin	<u><u>21,784,367</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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

	General	Special Revenue	Capital Projects		Nonmajor	Totals
		Tax Increment Financing	Transportation Impact Fees	Public Use		
Fund Balances						
Nonspendable	\$ 67,874	-	-	-	-	67,874
Restricted						
Police Impound Fees	62,274	-	-	-	-	62,274
E-Citation	1,502	-	-	-	-	1,502
Tree Replacement	36,357	-	-	-	-	36,357
Highways and Streets	-	-	1,171,175	-	1,185,984	2,357,159
Public Use	-	-	-	396,979	-	396,979
Subdivision Maintenance	-	-	-	-	58,851	58,851
Tourism	-	-	-	-	47,773	47,773
Debt Service	-	-	-	-	101,907	101,907
	100,133	-	1,171,175	396,979	1,394,515	3,062,802
Unassigned	1,989,872	(347,388)	-	-	-	1,642,484
Total Fund Balances	2,157,879	(347,388)	1,171,175	396,979	1,394,515	4,773,160

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of April 30, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 30,511,429
Less Capital Related Debt:	
Installment Contracts Payable	(137,011)
General Obligation (ARS) Bonds of 2012	(108,267)
General Obligation (ARS) Bonds of 2016	(1,030,000)
General Obligation Debt Certificates of 2021	(182,500)
Net Investment in Capital Assets	<u>29,053,651</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET INVESTMENT IN CAPITAL ASSETS - Continued

Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 44,434,307
Less Capital Related Debt:	
General Obligation (ARS) Bonds of 2012	(161,733)
IEPA Loan of 2002	<u>(501,324)</u>
Net Investment in Capital Assets	<u><u>43,771,250</u></u>

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village’s employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

Litigation

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

Sales Tax Rebates

The Village has a sales tax rebate agreement which was designed to induce a vendor to locate and retain their business within the Village. The first agreement originating in 2000, covered point-of-sale transactions within the Village. The agreement has been amended from time to time with the latest amendment occurring in 2010. The 2010 amendment calls for a rebate of 50% of the sales tax receipts received by the Village starting with the first dollar. The sales tax rebate is payable to the vendor each year once the August sales tax remittance has been received by the Village from the State of Illinois. The Village has a second agreement which originated in 2018 and calls for a rebate of 50% of the sale tax receipts received by the Village, starting with the first dollar. The sales tax rebate is payable to the three vendors party to this agreement via an Escrow Agent. To date an Escrow Agent has not been named and no disbursements have made as of year-end. The Village has record \$103,942 in sales tax rebate expenses in the General Fund in the current year. As of April 30, 2022, the amount due to the vendor is \$93,999, recorded as a liability in the General Fund.

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Grants

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

Financial Impact due to COVID-19

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the Village at 234 South State Street, PO Box 457, Hampshire, Illinois 60140. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amounts recognized for the two pension plans are:

	Net Pension Liability/ (Asset)	Deferred Outflows	Deferred Inflows	Pension Expense/ (Revenue)
IMRF	\$ (1,156,701)	115,481	600,501	(108,469)
Police Pension	3,939,946	959,628	1,619,720	268,854
	<u>2,783,245</u>	<u>1,075,109</u>	<u>2,220,221</u>	<u>160,385</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

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

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

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2021, 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	13
Active Plan Members	<u>18</u>
Total	<u><u>45</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% 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, 2022, the Village's contribution was 3.68% of covered payroll.

Net Pension (Asset). The Village's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% - 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

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

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	\$ (668,010)	(1,156,701)	(1,556,322)

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 3,712,626	4,503,583	(790,957)
Changes for the Year:			
Service Cost	100,345	-	100,345
Interest on the Total Pension Liability	266,784	-	266,784
Difference Between Expected and Actual Experience of the Total Pension Liability	73,413	-	73,413
Changes of Assumptions	-	-	-
Contributions - Employer	-	41,654	(41,654)
Contributions - Employees	-	76,041	(76,041)
Net Investment Income	-	770,177	(770,177)
Benefit Payments, including Refunds of Employee Contributions	(166,031)	(166,031)	-
Other (Net Transfer)	-	(81,586)	81,586
Net Changes	274,511	640,255	(365,744)
Balances at December 31, 2021	3,987,137	5,143,838	(1,156,701)

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2022**

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, 2022, the Village recognized pension revenue of \$108,469. At April 30, 2022, 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	\$ 104,070	(77)	103,993
Change in Assumptions	-	(13,222)	(13,222)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(587,202)	(587,202)
Total Pension Expense to be Recognized in Future Periods	104,070	(600,501)	(496,431)
Pension Contributions Made Subsequent to the Measurement Date	11,411	-	11,411
Total Deferred Amounts Related to IMRF	115,481	(600,501)	(485,020)

\$11,411 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, 2023. 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
2023	\$ (89,671)
2024	(191,431)
2025	(125,652)
2026	(89,677)
2027	-
Thereafter	-
Total	(496,431)

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements
April 30, 2022

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, 2022, 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	3
Active Plan Members	<u>13</u>
Total	<u><u>17</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, 2022

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 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or 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, 2022, the Village's contribution was 59.64% 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, 2022**

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, 2022, using the following actuarial methods and assumptions:

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

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

Discount Rate

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Net Pension Liability	\$ 5,404,007	3,939,946	2,786,690

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2021	\$ 7,221,690	2,523,208	4,698,482
Changes for the Year:			
Service Cost	445,908	-	445,908
Interest on the Total Pension Liability	329,068	-	329,068
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(528,595)	-	(528,595)
Changes of Assumptions	-	-	-
Contributions - Employer	-	647,752	(647,752)
Contributions - Employees	-	368,015	(368,015)
Net Investment Income	-	2,080	(2,080)
Benefit Payments, including Refunds of Employee Contributions	(151,681)	(151,681)	-
Administrative Expense	-	(12,930)	12,930
Net Changes	94,700	853,236	(758,536)
Balances at April 30, 2022	7,316,390	3,376,444	3,939,946

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2022**

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, 2022, the Village recognized pension expense of \$268,854. At April 30, 2022, 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	\$ 213,002	(1,538,599)	(1,325,597)
Change in Assumptions	518,873	(81,121)	437,752
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>227,753</u>	-	<u>227,753</u>
Total Deferred Amounts Related to Police Pension	<u>959,628</u>	<u>(1,619,720)</u>	<u>(660,092)</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 (Inflows) of Resources
2023	\$ (19,517)
2024	(31,207)
2025	(46,133)
2026	(69,215)
2027	(98,180)
Thereafter	<u>(395,840)</u>
Total	<u>(660,092)</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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, 2022.

SUBSEQUENT EVENT

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$850,665 to be received in two installments. On August 13, 2021 the Village received their first installment of \$425,333. The Village has received their second installment of \$425,333 on September 19, 2022.

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/(Asset)
 - Illinois Municipal Retirement Fund
 - Police Pension Fund

- Schedule of Investment Returns
 - Police Pension Fund

- Budgetary Comparison Schedule
 - General Fund
 - Tax Increment Financing - Special Revenue Fund

Notes to the Required Supplementary Information

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 22,680	\$ 22,680	\$ -	\$ 533,645	4.25%
2017	17,491	17,491	-	586,761	2.98%
2018	21,539	21,539	-	632,999	3.40%
2019	17,892	17,892	-	701,731	2.55%
2020	15,763	15,763	-	847,182	1.86%
2021	36,020	36,020	-	1,019,918	3.53%
2022	40,133	40,133	-	1,090,310	3.68%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note:

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 208,600	\$ 208,600	\$ -	\$ 855,320	24.39%
2016	186,085	187,000	915	802,621	23.30%
2017	198,691	200,000	1,309	856,700	23.35%
2018	190,291	200,000	9,709	884,543	22.61%
2019	200,658	215,000	14,342	868,836	24.75%
2020	276,739	277,000	261	955,972	28.98%
2021	295,328	300,000	4,672	1,048,820	28.60%
2022	647,752	647,752	-	1,086,050	59.64%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.25%
Investment Rate of Return	5.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Pub-2010 adjusted for plan status, demographics, and Illinois Public Pension data, as described

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 (Asset)
April 30, 2022**

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension (Asset)

April 30, 2022

	<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 (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 (Asset) 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.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2015 through 2017.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
60,047	63,618	62,490	73,182	88,545	100,345
203,596	216,673	220,027	235,821	248,194	266,784
32,613	(12,862)	67,112	(1,658)	105,373	73,413
-	(93,507)	93,870	-	(28,354)	-
(121,474)	(125,892)	(131,391)	(128,293)	(160,437)	(166,031)
174,782	48,030	312,108	179,052	253,321	274,511
2,745,333	2,920,115	2,968,145	3,280,253	3,459,305	3,712,626
2,920,115	2,968,145	3,280,253	3,459,305	3,712,626	3,987,137
16,007	19,465	25,167	5,993	33,653	41,654
25,365	27,034	30,865	34,574	45,476	76,041
213,592	584,171	(206,886)	654,781	557,730	770,177
(121,474)	(125,892)	(131,391)	(128,293)	(160,437)	(166,031)
18,983	(36,712)	38,708	(28,954)	29,577	(81,586)
152,473	468,066	(243,537)	538,101	505,999	640,255
3,082,481	3,234,954	3,703,020	3,459,483	3,997,584	4,503,583
3,234,954	3,703,020	3,459,483	3,997,584	4,503,583	5,143,838
(314,839)	(734,875)	(179,230)	(538,279)	(790,957)	(1,156,701)
110.78%	124.76%	105.46%	115.56%	121.30%	129.01%
563,656	600,766	684,914	768,308	1,010,582	1,090,431
(55.86%)	(122.32%)	(26.17%)	(70.06%)	(78.27%)	(106.08%)

VILLAGE OF HAMPSHIRE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2022**

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

Note:

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

4/30/2016	4/30/2017	4/30/2018	4/30/2019	4/30/2020	4/30/2021	4/30/2022
183,590	173,052	193,433	254,642	269,484	437,092	445,908
157,006	170,016	189,057	171,357	203,716	325,280	329,068
-	-	-	-	2,738,836	-	-
(303,520)	91,838	(761,677)	268,220	(68,997)	(703,924)	(528,595)
186,769	(94,941)	746,010	(70,522)	117,801	-	-
-	(14,029)	(31,202)	(24,408)	(54,264)	(144,794)	(151,681)
223,845	325,936	335,621	599,289	3,206,576	(86,346)	94,700
2,616,769	2,840,614	3,166,550	3,502,171	4,101,460	7,308,036	7,221,690
2,840,614	3,166,550	3,502,171	4,101,460	7,308,036	7,221,690	7,316,390
187,000	200,000	200,000	215,000	277,000	300,000	647,752
82,415	83,612	86,757	90,191	92,505	100,347	368,015
-	-	-	-	-	-	-
299	385	10,624	30,293	29,950	3,344	2,080
-	(14,029)	(31,202)	(24,408)	(54,264)	(144,794)	(151,681)
(7,555)	(5,882)	(6,352)	(8,993)	(10,192)	(11,670)	(12,930)
262,159	264,086	259,827	302,083	334,999	247,227	853,236
852,827	1,114,986	1,379,072	1,638,899	1,940,982	2,275,981	2,523,208
1,114,986	1,379,072	1,638,899	1,940,982	2,275,981	2,523,208	3,376,444
1,725,628	1,787,478	1,863,272	2,160,478	5,032,055	4,698,482	3,939,946
39.25%	43.55%	46.80%	47.32%	31.14%	34.94%	46.15%
802,621	856,700	884,543	868,836	955,975	1,048,820	1,086,050
215.00%	208.65%	210.65%	248.66%	526.38%	447.98%	362.78%

VILLAGE OF HAMPSHIRE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2022**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	0.03%
2016	0.03%
2017	0.03%
2018	0.03%
2019	0.03%
2020	0.03%
2021	0.03%
2022	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, 2022

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 3,433,838	3,433,838	4,247,351
Intergovernmental	20,104	20,104	172,351
Charges for Services	308,010	308,010	290,141
Licenses and Permits	179,695	179,695	259,451
Fines and Forfeitures	90,000	90,000	90,700
Investment Income	5,000	5,000	3,844
Miscellaneous Income	222,637	222,637	284,193
Total Revenues	<u>4,259,284</u>	<u>4,259,284</u>	<u>5,348,031</u>
Expenditures			
General Government	1,194,608	1,194,608	1,253,179
Highways and Streets	915,873	915,873	1,050,673
Police Protection	2,566,978	2,566,978	2,701,970
Planning and Zoning	1,195	1,195	952
Debt Service			
Principal Retirement	108,810	108,810	58,800
Interest and Fiscal Charges	35,782	35,782	14,510
Total Expenditures	<u>4,823,246</u>	<u>4,823,246</u>	<u>5,080,084</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(563,962)</u>	<u>(563,962)</u>	<u>267,947</u>
Other Financing Sources (Uses)			
Debt Issuance	-	-	182,500
Disposal of Capital Assets	4,000	4,000	12,202
Transfers In	551,630	551,630	11,800
Transfers Out	-	-	(104,184)
	<u>555,630</u>	<u>555,630</u>	<u>102,318</u>
Net Change in Fund Balance	<u>(8,332)</u>	<u>(8,332)</u>	370,265
Fund Balance - Beginning			<u>1,787,614</u>
Fund Balance - Ending			<u><u>2,157,879</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, 2022

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 53,208	53,208	54,181
Investment Income	10	10	2
Total Revenues	<u>53,218</u>	<u>53,218</u>	<u>54,183</u>
Expenditures			
General Government			
Professional Services	2,500	2,500	3,438
Debt Service			
Principal Retirement	25,800	25,800	25,800
Interest and Fiscal Charges	35,303	35,303	35,690
Total Expenditures	<u>63,603</u>	<u>63,603</u>	<u>64,928</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,385)	(10,385)	(10,745)
Other Financing Sources			
Transfers In	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Net Change in Fund Balance	<u>14,615</u>	<u>14,615</u>	14,255
Fund Balance - Beginning			<u>(361,643)</u>
Fund Balance - Ending			<u>(347,388)</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Budgetary Comparison Schedule – Fiduciary Funds
- Comprehensive Year-End Financial Report

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Tax Increment Financing Fund

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

Motor Fuel Tax Fund

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

Road and Bridge Fund

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

Special Service Areas Fund

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

Hotel/Motel Tax Fund

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

INDIVIDUAL FUND SCHEDULES

DEBT SERVICE FUND

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

Capital Bonds Fund

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

CAPITAL PROJECTS FUNDS

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

Transportation Impact Fees Fund

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

Public Use Fund

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

Capital Improvements Fund

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

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

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

Equipment Replacement Fund

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

Early Warning Impact Fees Fund

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

INDIVIDUAL FUND SCHEDULES

ENTERPRISE FUNDS

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

Water and Sewer Fund

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

Garbage Fund

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

TRUST AND CUSTODIAL FUNDS

PENSION TRUST FUND

Police Pension Fund

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

CUSTODIAL FUND

Special Service Areas #13 and #14 Fund

The Special Service Areas #13 and #14 Fund is used to account for the for the collection of taxes from special service areas #13 and #14 and related remittance to the bondholders.

VILLAGE OF HAMPSHIRE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 1,108,223	1,108,223	1,129,556
Sales and Use Taxes	1,011,826	1,011,826	1,457,241
State Income Taxes	950,441	950,441	1,200,252
Utility Taxes	357,660	357,660	449,367
Cannabis Excise Taxes	5,688	5,688	10,935
	<u>3,433,838</u>	<u>3,433,838</u>	<u>4,247,351</u>
Intergovernmental			
Replacement Taxes	20,104	20,104	53,986
Grants	-	-	118,365
	<u>20,104</u>	<u>20,104</u>	<u>172,351</u>
Charges for Services	<u>308,010</u>	<u>308,010</u>	<u>290,141</u>
Licenses and Permits	<u>179,695</u>	<u>179,695</u>	<u>259,451</u>
Fines and Forfeitures	<u>90,000</u>	<u>90,000</u>	<u>90,700</u>
Investment Income	<u>5,000</u>	<u>5,000</u>	<u>3,844</u>
Miscellaneous Income	<u>222,637</u>	<u>222,637</u>	<u>284,193</u>
Total Revenues	<u>4,259,284</u>	<u>4,259,284</u>	<u>5,348,031</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Budget		Actual
	Original	Final	
General Government			
Personal Services	\$ 587,747	587,747	557,710
Contractual Services	482,279	482,279	548,055
Commodities	25,080	25,080	21,260
Other Expenditures	92,677	92,677	107,200
Capital Outlay	6,825	6,825	18,954
	<u>1,194,608</u>	<u>1,194,608</u>	<u>1,253,179</u>
Highways and Streets			
Personal Services	476,430	476,430	516,630
Contractual Services	254,640	254,640	209,772
Commodities	59,500	59,500	70,784
Other Expenditures	1,000	1,000	250
Capital Outlay	124,303	124,303	253,237
	<u>915,873</u>	<u>915,873</u>	<u>1,050,673</u>
Police Protection			
Personal Services	2,174,162	2,174,162	2,151,371
Contractual Services	289,946	289,946	291,805
Commodities	64,150	64,150	64,898
Capital Outlay	38,720	38,720	193,896
	<u>2,566,978</u>	<u>2,566,978</u>	<u>2,701,970</u>
Planning and Zoning			
Personal Services	<u>1,195</u>	<u>1,195</u>	<u>952</u>
Debt Service			
Principal Retirement	108,810	108,810	58,800
Interest and Fiscal Charges	35,782	35,782	14,510
	<u>144,592</u>	<u>144,592</u>	<u>73,310</u>
Total Expenditures	<u><u>4,823,246</u></u>	<u><u>4,823,246</u></u>	<u><u>5,080,084</u></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, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 89,980	89,980	114,440
Expenditures			
Highways and Streets	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	89,980	89,980	114,440
Other Financing (Uses)			
Transfers Out	(75,200)	(75,200)	-
Net Change in Fund Balance	<u>14,780</u>	<u>14,780</u>	114,440
Fund Balance - Beginning			<u>1,056,735</u>
Fund Balance - Ending			<u><u>1,171,175</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Public Use - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 39,160	39,160	70,310
Investment Income	100	100	67
Total Revenues	39,260	39,260	70,377
Expenditures			
General Government	69,000	69,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,740)	(29,740)	70,377
Other Financing (Uses)			
Transfers Out	(25,000)	(25,000)	(25,000)
Net Change in Fund Balance	<u>(54,740)</u>	<u>(54,740)</u>	45,377
Fund Balance - Beginning			<u>351,602</u>
Fund Balance - Ending			<u>396,979</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2022

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2022

	Special Revenue			
	Motor Fuel Tax	Road and Bridge	Special Service Areas	Hotel/ Motel Tax
ASSETS				
Cash and Investments	\$ 827,534	48,264	59,448	47,773
Receivables - Net of Allowances				
Property Taxes	-	122,655	50,600	-
Other Taxes	18,667	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	846,201	170,919	110,048	47,773
LIABILITIES				
Accounts Payable	6,919	-	55	-
Accrued Payroll	-	-	542	-
Due to Other Funds	-	-	-	-
Total Liabilities	6,919	-	597	-
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	122,655	50,600	-
Total Liabilities and Deferred Inflows of Resources	6,919	122,655	51,197	-
FUND BALANCES				
Restricted	839,282	48,264	58,851	47,773
Total Liabilities, Deferred Inflows of Resources and Fund Balances	846,201	170,919	110,048	47,773

Debt Service Capital Bonds	Capital Projects				Totals
	Capital Improvements	TIF Revenue Bonds of 2009A/ Tuscany Woods Line of Credit	Equipment Replacement	Early Warning Impact Fees	
113,740	1,522	60,910	115,344	8,649	1,283,184
-	101,000	-	-	-	274,255
-	-	-	-	-	18,667
-	35,801	-	-	-	35,801
113,740	138,323	60,910	115,344	8,649	1,611,907
-	24,788	-	-	-	31,762
-	-	-	-	-	542
11,833	-	-	-	-	11,833
11,833	24,788	-	-	-	44,137
-	-	-	-	-	173,255
11,833	24,788	-	-	-	217,392
101,907	113,535	60,910	115,344	8,649	1,394,515
113,740	138,323	60,910	115,344	8,649	1,611,907

VILLAGE OF HAMPSHIRE, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2022

	Special Revenue			
	Motor Fuel Tax	Road and Bridge	Special Service Areas	Hotel/ Motel Tax
Revenues				
Charges for Services	-	-	-	-
Taxes	\$ -	118,727	56,793	24,451
Intergovernmental	362,051	3,175	-	-
Investment Income	948	5	33	6
Total Revenues	<u>362,999</u>	<u>121,907</u>	<u>56,826</u>	<u>24,457</u>
Expenditures				
General Government	-	-	-	35,626
Highways and Streets	305,076	218,624	27,111	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>305,076</u>	<u>218,624</u>	<u>27,111</u>	<u>35,626</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	57,923	(96,717)	29,715	(11,169)
Other Financing Sources				
Transfers In	-	-	-	-
Net Change in Fund Balances	57,923	(96,717)	29,715	(11,169)
Fund Balances - Beginning	<u>781,359</u>	<u>144,981</u>	<u>29,136</u>	<u>58,942</u>
Fund Balances - Ending	<u><u>839,282</u></u>	<u><u>48,264</u></u>	<u><u>58,851</u></u>	<u><u>47,773</u></u>

Debt Service Capital Bonds	Capital Projects				Totals
	Capital Improvements	TIF Revenue Bonds of 2009A/ Tuscany Woods Line of Credit	Equipment Replacement	Early Warning Impact Fees	
-	-	-	-	1,764	1,764
-	-	-	-	-	199,971
-	101,000	-	-	-	466,226
15	2	-	16	-	1,025
15	101,002	-	16	1,764	668,986
-	179	18,703	-	-	54,508
-	65,854	-	-	-	616,665
42,513	-	-	-	-	42,513
2,456	-	-	-	-	2,456
44,969	66,033	18,703	-	-	716,142
(44,954)	34,969	(18,703)	16	1,764	(47,156)
33,136	38,301	-	-	-	71,437
(11,818)	73,270	(18,703)	16	1,764	24,281
113,725	40,265	79,613	115,328	6,885	1,370,234
101,907	113,535	60,910	115,344	8,649	1,394,515

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, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 408,269	408,269	239,843
REBUILD Allotments	183,312	183,312	122,208
Investment Income	840	840	948
Total Revenues	<u>592,421</u>	<u>592,421</u>	<u>362,999</u>
Expenditures			
Highways and Streets	<u>1,051,065</u>	<u>1,051,065</u>	<u>305,076</u>
Net Change in Fund Balance	<u>(458,644)</u>	<u>(458,644)</u>	57,923
Fund Balance - Beginning			<u>781,359</u>
Fund Balance - Ending			<u><u>839,282</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, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 116,492	116,492	118,727
Intergovernmental			
Replacement Taxes	-	-	3,175
Investment Income	5	5	5
Total Revenues	<u>116,497</u>	<u>116,497</u>	<u>121,907</u>
Expenditures			
Highways and Streets	<u>250,074</u>	<u>250,074</u>	<u>218,624</u>
Net Change in Fund Balance	<u>(133,577)</u>	<u>(133,577)</u>	(96,717)
Fund Balance - Beginning			<u>144,981</u>
Fund Balance - Ending			<u><u>48,264</u></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, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 55,679	55,679	56,793
Investment Income	75	75	33
Total Revenues	<u>55,754</u>	<u>55,754</u>	<u>56,826</u>
Expenditures			
Highways and Streets	<u>55,493</u>	<u>55,493</u>	<u>27,111</u>
Net Change in Fund Balance	<u>261</u>	<u>261</u>	29,715
Fund Balance - Beginning			<u>29,136</u>
Fund Balance - Ending			<u><u>58,851</u></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, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Hotel/Motel Tax	\$ 12,000	12,000	24,451
Investment Income	25	25	6
Total Revenues	<u>12,025</u>	<u>12,025</u>	<u>24,457</u>
Expenditures			
General Government	<u>50,000</u>	<u>50,000</u>	<u>35,626</u>
Net Change in Fund Balance	<u>(37,975)</u>	<u>(37,975)</u>	(11,169)
Fund Balance - Beginning			<u>58,942</u>
Fund Balance - Ending			<u><u>47,773</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Capital Bonds - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ -	-	15
Expenditures			
Debt Service			
Principal Retirement	-	-	42,513
Interest and Fiscal Charges	-	-	2,456
System Improvements	140,000	140,000	-
Total Expenditures	140,000	140,000	44,969
Excess (Deficiency) of Revenues Over (Under) Expenditures	(140,000)	(140,000)	(44,954)
Other Financing Sources			
Transfers In	26,279	26,279	33,136
Net Change in Fund Balance	<u>(113,721)</u>	<u>(113,721)</u>	(11,818)
Fund Balance - Beginning			<u>113,725</u>
Fund Balance - Ending			<u>101,907</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Capital Improvement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 1,030,435	1,030,435	101,000
Investment Income	20	20	2
Total Revenues	<u>1,030,455</u>	<u>1,030,455</u>	<u>101,002</u>
Expenditures			
General Government	-	-	179
Highways and Streets	1,061,000	1,061,000	65,854
Total Expenses	<u>1,061,000</u>	<u>1,061,000</u>	<u>66,033</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(30,545)	(30,545)	34,969
Other Financing (Uses)			
Transfers In	-	-	38,301
Net Change in Fund Balance	<u>(30,545)</u>	<u>(30,545)</u>	73,270
Fund Balance - Beginning			<u>40,265</u>
Fund Balance - Ending			<u><u>113,535</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Equipment Replacement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 15	15	16
Expenditures			
Highways and Streets	140,000	140,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(139,985)	(139,985)	16
Other Financing Sources			
Transfers In	30,000	30,000	-
Net Change in Fund Balance	<u>(109,985)</u>	<u>(109,985)</u>	16
Fund Balance - Beginning			<u>115,328</u>
Fund Balance - Ending			<u>115,344</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, 2022

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,957,385	2,957,385	2,817,463
Operating Expenses			
Operations			
Water Department	1,060,739	1,060,739	928,602
Sewer Department	1,027,833	1,027,833	859,977
Water Reconstruction	-	-	31,914
System Improvements	143,960	143,960	88,941
Depreciation and Amortization	-	-	1,448,963
Total Operating Expenses	2,232,532	2,232,532	3,358,397
Operating Income (Loss)	724,853	724,853	(540,934)
Nonoperating Revenues (Expenses)			
Tap On Fees	19,000	19,000	-
Investment Income	23	23	57
Grants	-	-	237,335
Other Income	250	250	3,202
Interest and Fiscal Charges	(340,537)	(340,537)	(20,643)
	(321,264)	(321,264)	219,951
Income (Loss) Before Transfers and Contributions	403,589	403,589	(320,983)
Contributions	-	-	125,600
Transfers In	-	-	65,883
Transfers Out	(480,687)	(480,687)	(33,136)
	(480,687)	(480,687)	158,347
Change in Net Position	(77,098)	(77,098)	(162,636)
Net Position - Beginning			46,742,615
Net Position - Ending			46,579,979

VILLAGE OF HAMPSHIRE, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Operations			
Water Department			
Personal Services	\$ 241,128	241,128	201,591
Contractual Services	637,341	637,341	560,036
Commodities	146,000	146,000	130,811
Miscellaneous	36,270	36,270	36,164
	<u>1,060,739</u>	<u>1,060,739</u>	<u>928,602</u>
Sewer Department			
Personal Services	244,817	244,817	188,865
Contractual Services	615,156	615,156	488,443
Commodities	112,590	112,590	128,831
Miscellaneous	55,270	55,270	53,838
	<u>1,027,833</u>	<u>1,027,833</u>	<u>859,977</u>
Total Operations	<u>2,088,572</u>	<u>2,088,572</u>	<u>1,788,579</u>
Water Reconstruction	-	-	31,914
System Improvements			
Water Department	<u>143,960</u>	<u>143,960</u>	<u>88,941</u>
Depreciation and Amortization			
Water Department	-	-	519,491
Sewer Department	-	-	929,472
Total Depreciation and Amortization	<u>-</u>	<u>-</u>	<u>1,448,963</u>
Total Operating Expenses	<u>2,232,532</u>	<u>2,232,532</u>	<u>3,358,397</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, 2022

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 886,203	886,203	662,801
Operating Expenses			
Operations			
Garbage Department	874,400	874,400	646,361
Income before Transfers	11,803	11,803	16,440
Transfers Out	(11,800)	(11,800)	(11,800)
Change in Net Position	<u>3</u>	<u>3</u>	4,640
Net Position - Beginning			<u>59,877</u>
Net Position - Ending			<u>64,517</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, 2022

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 647,752	647,752	647,752
Contributions - Plan Members	110,819	110,819	368,015
Total Contributions	<u>758,571</u>	<u>758,571</u>	<u>1,015,767</u>
Investment Income			
Interest Earned	<u>13,200</u>	<u>13,200</u>	<u>2,080</u>
Total Additions	<u>771,771</u>	<u>771,771</u>	<u>1,017,847</u>
Deductions			
Administration	22,100	22,100	12,930
Benefits and Refunds	<u>52,828</u>	<u>52,828</u>	<u>151,681</u>
Total Deductions	<u>74,928</u>	<u>74,928</u>	<u>164,611</u>
Change in Fiduciary Net Position	<u>696,843</u>	<u>696,843</u>	853,236
Net Position Restricted for Pensions			
Beginning			<u>2,523,208</u>
Ending			<u>3,376,444</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Special Service Areas #13 and #14 - Custodial Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2022

	Budget		Actual
	Original	Final	
Additions			
Property Taxes	\$ 768,018	768,018	1,148,792
Investment Income	4,000	4,000	287
Total Additions	<u>772,018</u>	<u>772,018</u>	<u>1,149,079</u>
Deductions			
Professional Services	50,000	50,000	44,787
Debt Service			
Principal Retirement	1,142,964	1,142,964	1,142,966
Total Deductions	<u>1,192,964</u>	<u>1,192,964</u>	<u>1,187,753</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(420,946)	(420,946)	(38,674)
Other Financing Sources			
Debt Issuance	<u>380,770</u>	<u>380,770</u>	-
Change in Fiduciary Net Position	<u>(40,176)</u>	<u>(40,176)</u>	(38,674)
Net Position Restricted for Individuals, Organizations, and Other Governments			
Beginning			<u>1,646,454</u>
Ending			<u><u>1,607,780</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Consolidated Year-End Financial Report
April 30, 2022**

CSFA #	Program Name	State	Federal	Other	Totals
420-00-0505	Grants Management Program	\$ -	28,630	-	28,630
420-00-1867	Installation and/or Replacement of Utilities	-	208,705	-	208,705
420-75-1638	Community Development Block Grant Revolving Loan Fund Closeout Program	101,000	-	-	101,000
494-00-0967	High-Growth Cities Program	92,671	-	-	92,671
494-00-2356	Local Rebuild Illinois Bond Program	212,405	-	-	212,405
	Other Grant Programs and Activities	-	-	-	-
	All Other Costs Not Allocated		118,364	6,637	125,001
		-	-	8,543,783	8,543,783
	Totals	406,076	355,699	8,550,420	9,312,195



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

October 28, 2022

The Honorable Village President
Members of the Board of Trustees
Village of Hampshire, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated October 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. According, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

VILLAGE OF HAMPSHIRE, ILLINOIS

**Schedule of Tax Data - Last Ten Tax Levy Years
April 30, 2022**

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

**Schedule of Tax Data - Last Ten Tax Levy Years
April 30, 2022**

	2012	2013	2014	2015
Assessed Valuation	\$ 154,913,352	142,583,995	138,815,939	146,693,736
Tax Rates by Fund				
General	0.2945	0.3462	0.3626	0.3454
Police Protection	0.0816	0.0920	0.1037	0.1571
Special Revenue Funds				
Audit	0.0276	0.0173	0.0144	0.0130
Liability	0.0480	0.0541	0.0588	0.0326
Illinois Municipal Retirement	0.0188	0.0212	0.0284	0.0130
Social Security	0.0137	0.0154	0.0203	0.0137
Total Tax Rates	0.4842	0.5463	0.5883	0.5748
Tax Extension by Fund				
General	\$ 456,162	493,570	503,366	506,663
Police Protection	126,482	131,202	143,948	230,388
Special Revenue Funds				
Audit	42,694	24,710	20,058	19,120
Liability	74,391	77,166	81,639	47,799
Illinois Municipal Retirement	29,172	30,261	39,400	19,120
Social Security	21,236	22,028	28,230	20,077
Total Tax Extensions	750,137	778,936	816,640	843,166
Total Collections - All Funds				
Levy Collections through April 30	\$ 735,499	764,121	806,718	831,279
Percent Collected	98.05%	98.10%	98.78%	98.59%

Note: The 2021 levy is not collected until fiscal year 2023.

2016	2017	2018	2019	2020	2021
170,980,247	186,537,007	200,118,875	218,284,064	234,759,552	254,688,311
0.2943	0.2803	0.2769	0.2727	0.2923	0.2809
0.1757	0.1750	0.1778	0.1720	0.1709	0.1663
0.0114	0.0127	0.0099	0.0096	0.0103	0.0099
0.0286	0.0211	0.0209	0.0189	0.0085	0.0119
0.0014	0.0071	0.0067	0.0019	0.0019	0.0032
0.0120	0.0111	0.0102	0.0099	0.0062	0.0059
0.5234	0.5072	0.5024	0.4850	0.4901	0.4780
503,226	522,776	554,175	595,261	686,120	715,371
300,383	326,490	355,843	375,449	401,129	423,590
19,545	23,603	19,770	20,955	24,220	25,156
48,859	39,337	41,813	41,256	20,058	30,186
2,445	13,278	13,344	4,147	4,564	8,051
20,521	20,652	20,412	21,610	14,522	15,093
894,979	946,134	1,005,357	1,058,678	1,150,613	1,217,446
875,235	934,533	997,044	1,053,834	1,129,555	-
97.79%	98.77%	99.17%	99.54%	98.17%	0.00%

VILLAGE OF HAMPSHIRE, ILLINOIS

Schedule of Water/Sewer Data

April 30, 2022

Number of Water Users	2,938
Water Rate per 1,000 Gallons	\$ 5.06
Number of Sewer Users	2,956
Sewer Rate per 1,000 Gallons	\$ 6.31
Sewer User Billing Charge per Billing	\$ 1.00
Capital Improvements per Billing	\$ 20.00

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2020

April 30, 2022

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 44,000	3,808	47,808
2024	45,456	2,352	47,808
2025	47,555	253	47,808
	<u>137,011</u>	<u>6,413</u>	<u>143,424</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Alternate Revenue Source) Refunding Bonds of 2012
April 30, 2022**

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>
2023	\$ 135,000	7,223	142,223
2024	135,000	3,712	138,712
	<u>270,000</u>	<u>10,935</u>	<u>280,935</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Alternate Revenue Source) Refunding Bonds of 2016
April 30, 2022**

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>
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>1,030,000</u>	<u>178,400</u>	<u>1,208,400</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

IEPA Loan of 2002

April 30, 2022

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>
2023	\$ 247,333	11,767	259,100
2024	253,991	5,109	259,100
	<u>501,324</u>	<u>16,876</u>	<u>518,200</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Debt Certificates of 2021
April 30, 2022**

Date of Issue	July 15, 2021
Date of Maturity	June 1, 2028
Authorized Issue	\$182,500
Interest Rate	2.25%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1 and June 1
Payable at	Heartland Bank and Trust Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 26,071	3,611	29,683
2024	26,071	3,520	29,591
2025	26,071	2,941	29,013
2026	26,071	2,346	28,418
2027	26,071	1,760	27,831
2028	26,071	1,173	27,245
2029	26,071	588	26,660
	<u>182,500</u>	<u>15,940</u>	<u>198,440</u>