

VILLAGE OF HAMPSHIRE, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2019

VILLAGE OF HAMPSHIRE, ILLINOIS

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INTRODUCTORY SECTION

VILLAGE OF HAMPSHIRE, ILLINOIS

**List of Principal Officials
April 30, 2019**

VILLAGE PRESIDENT

Jeffrey Magnussen

VILLAGE BOARD OF TRUSTEES

Aaron Kelly

Christine Klein

Toby Koth

Ryan Krajecki

Michael Reid Jr.

Erik Robinson

ADMINISTRATIVE

Jay Hedges, Village Manager

Linda R. Vasquez, Village Clerk

Lori A. Lyons, Finance Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

February 1, 2021

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hampshire, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hampshire, Illinois, as of April 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The other supplementary information and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2019

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, 2019. Please read it in conjunction with the Village's financial statements, which begin on page 16.

FINANCIAL HIGHLIGHTS

- The Village's net position decreased as a result of this year's operations. Net position of the governmental activities decreased by \$1,614,539, or 5.0 percent and net position of the business-type activities decreased by \$724,217, or 1.5 percent.
- During the year, government-wide revenues for the primary government totaled \$7,325,033 while expenses totaled \$9,663,789, resulting in a decrease to net position of \$2,338,756.
- The Village's net position totaled \$77,538,323 on April 30, 2019, which includes \$73,798,915 net investment in capital assets, \$2,675,628 subject to external restrictions, and \$1,063,780 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a decrease in fund balance this year of \$313,285, resulting in ending fund balance of \$1,442,131, a decrease of 17.8 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 16- 19) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 20. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 16 -19 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, 2019

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, highways and streets, police protection, and economic development. The business-type activities of the Village include water, sewer, and garbage operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2019

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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

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

The basic governmental fund financial statements can be found on pages 20 - 25 of this report.

Proprietary Funds

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

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

The basic proprietary fund financial statements can be found on pages 26 – 29 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Hampshire's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 30 - 31 of this report.

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2019

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 - 67 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's General Fund budgetary comparison schedule and disclosures regarding the Village's Illinois Municipal Retirement Fund and Police Pension Fund. Required supplementary information can be found on pages 68 - 76 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 77 - 97 of this report.

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2019

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 \$77,538,323.

	Net Position					
	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	2019	2018
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 5,614,924	7,481,611	1,914,769	2,185,802	7,529,693	9,667,413
Capital Assets	30,130,688	30,371,333	47,330,364	48,242,764	77,461,052	78,614,097
Total Assets	35,745,612	37,852,944	49,245,133	50,428,566	84,990,745	88,281,510
Deferred Outflows	1,346,934	978,599	93,251	5,133	1,440,185	983,732
Total Assets/Deferred Outflows	37,092,546	38,831,543	49,338,384	50,433,699	86,430,930	89,265,242
Long-Term Debt	3,617,795	3,519,610	1,477,340	1,970,141	5,095,135	5,489,751
Other Liabilities	893,080	975,279	823,492	640,838	1,716,572	1,616,117
Total Liabilities	4,510,875	4,494,889	2,300,832	2,610,979	6,811,707	7,105,868
Deferred Inflows	2,072,118	2,212,562	8,782	69,733	2,080,900	2,282,295
Total Liabilities/Deferred Inflows	6,582,993	6,707,451	2,309,614	2,680,712	8,892,607	9,388,163
Net Position						
Net Investment in						
Capital Assets	28,429,092	28,486,649	45,369,823	45,810,555	73,798,915	74,297,204
Restricted	2,675,628	3,754,628	-	-	2,675,628	3,754,628
Unrestricted (Deficit)	(595,167)	(117,185)	1,658,947	1,942,432	1,063,780	1,825,247
Total Net Position	30,509,553	32,124,092	47,028,770	47,752,987	77,538,323	79,877,079

A large portion of the Village's net position, \$73,798,915 or 95.2 percent, reflects its investment in capital assets (for example, land, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$2,675,628 or 3.5 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used, specifically for debt service requirements. The remaining \$1,063,780 or 1.4 percent represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Management's Discussion and Analysis
April 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$ 660,756	688,841	3,108,360	3,101,470	3,769,116	3,790,311
Operating Grants/Contrib.	152,039	153,030	-	503	152,039	153,533
General Revenues						
Property and Replacement Taxes	1,141,996	1,070,036	-	-	1,141,996	1,070,036
Sales and Use Taxes	762,770	844,891	-	-	762,770	844,891
Income Taxes	712,208	504,463	-	-	712,208	504,463
Utility Taxes	416,841	407,476	-	-	416,841	407,476
Hotel/Motel Taxes	22,209	17,006	-	-	22,209	17,006
Investment Income	52,706	34,322	54	45	52,760	34,367
Miscellaneous	291,672	279,197	3,422	9,206	295,094	288,403
Total Revenues	4,213,197	3,999,262	3,111,836	3,111,224	7,325,033	7,110,486
Expenses						
General Government	2,156,083	777,420	-	-	2,156,083	777,420
Police Protection	1,922,820	1,780,246	-	-	1,922,820	1,780,246
Highways and Streets	1,685,530	1,128,406	-	-	1,685,530	1,128,406
Planning and Zoning	2,511	1,292	-	-	2,511	1,292
Interest on Long-Term Debt	60,792	62,877	-	-	60,792	62,877
Water and Sewer	-	-	3,244,686	2,703,797	3,244,686	2,703,797
Garbage	-	-	591,367	547,488	591,367	547,488
Total Expenses	5,827,736	3,750,241	3,836,053	3,251,285	9,663,789	7,001,526
Change in Net Position	(1,614,539)	249,021	(724,217)	(140,061)	(2,338,756)	108,960
Net Position - Beginning	32,124,092	31,875,071	47,752,987	47,893,048	79,877,079	79,768,119
Net Position-Ending	30,509,553	32,124,092	47,028,770	47,752,987	77,538,323	79,877,079

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

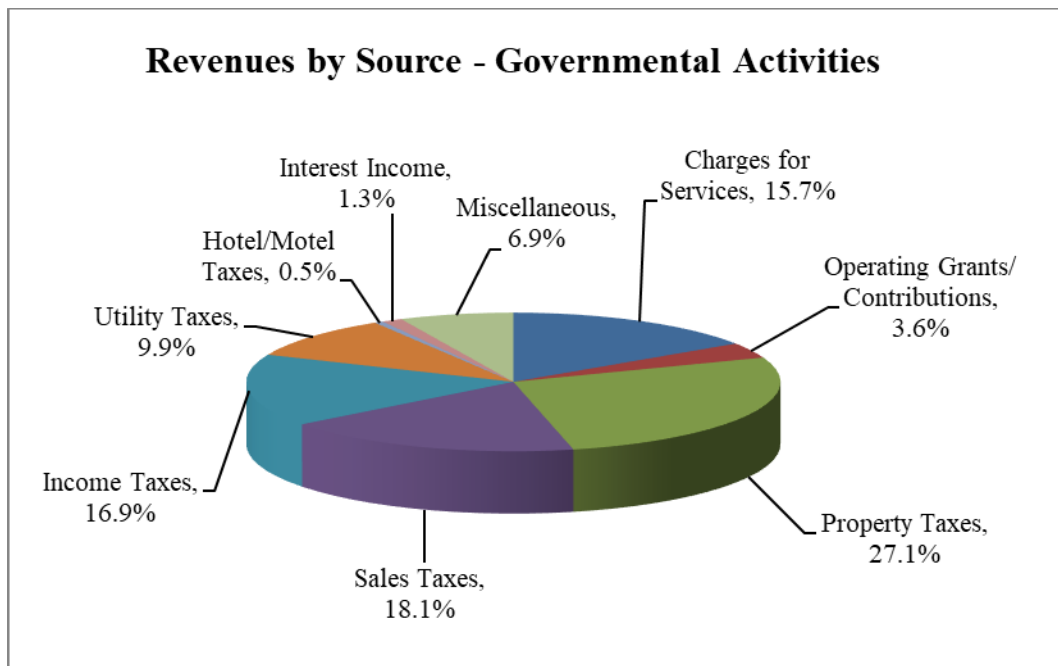
Net position of the Village's governmental activities decreased by 5.0 percent (\$30,509,553 in 2019 compared to \$32,124,092 in 2018). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, was a deficit of \$595,167 at April 30, 2019.

Net position of business-type activities decreased by 1.5 percent (\$47,028,770 in 2019 compared to \$47,752,987 in 2018).

Governmental Activities

Revenues for governmental activities totaled \$4,213,197, while the cost of all governmental functions totaled \$5,827,736. This results in a decrease of \$1,614,539. In 2018, revenues of \$3,999,262 were more than expenses of \$3,750,241 resulting in an increase of \$249,021. During 2019, the Village continued to see increases in some of its state shared revenues; however, revenues for the governmental activities increased \$213,935, while expenses increased \$2,077,495.

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.



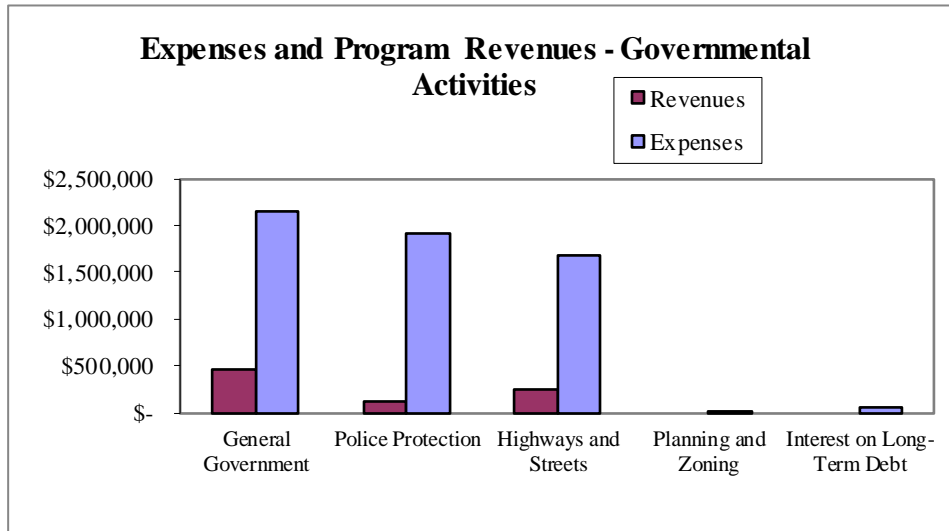
VILLAGE OF HAMPSHIRE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

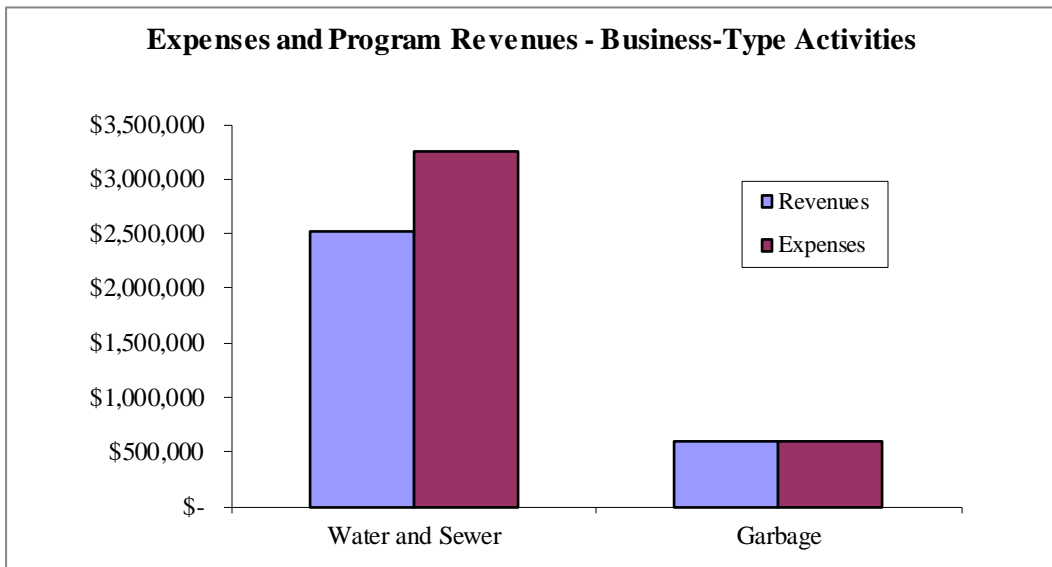
Governmental Activities – Continued

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



Business-Type activities

Business-Type activities reported total revenues of \$3,111,836, while the cost of all business-type activities totaled \$3,836,053. This results in a decrease in net position of \$724,217. In 2018, revenues of \$3,111,224 were less than expenses of \$3,251,285, resulting in a decrease in net position of \$140,061. The decrease in the current year is a result of non-cash depreciation expense.



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

VILLAGE OF HAMPSHIRE, ILLINOIS

Management's Discussion and Analysis April 30, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The Village's governmental funds reported combining ending fund balances of \$3,640,072, which is \$1,453,617 lower than last year's total of \$5,093,689. Of the \$3,640,072 total, the Village has an unassigned fund balance of \$890,874.

The General Fund reported fund balance for the year of \$1,442,131. Total revenues in the General Fund were \$288,055 greater than the amount budgeted due primarily to the number of building permits issued and conservative budgeting for State shared revenues. In addition, expenditures were \$255,295 greater than budgeted. These factors resulted in an overall decrease in fund balance of \$313,285 or 17.8%.

The General Fund is the chief operating fund of the Village. At April 30, 2019, unassigned fund balance in the General Fund was \$1,270,057 which represents 88.1 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 33.0 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 a decrease in fund balance of \$92,364.

The Village reports two capital projects funds as major funds: Transportation Impact Fees Fund and Public Use Fund. The Transportation Impact Fees Fund reported a decrease in fund balance of \$24,983 due to Village spending on various projects during the current year. The Public Use Fund reported a decrease of \$19,157.

All other governmental funds of the Village are reported as nonmajor funds, including the Motor Fuel Tax Fund, Road and Bridge Fund, Revolving Loan Fund, Special Service Areas Fund, Evidence Fund, Hotel/Motel Tax Fund, Capital Bonds, 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, 2019**

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 \$729,491 due mainly to depreciation costs.

The Village also reports the Garbage fund as a major proprietary fund, which accounts for the provision of garbage service to the residents of the Village. In the current year, the Garbage Fund reported an increase in net position of \$5,274 due to collections exceeding garbage expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

No amendments were made to the General Fund budget during the year. General Fund actual revenues for the year totaled \$3,705,585 compared to budgeted revenues of \$3,417,530. All revenue categories, except for Miscellaneous Income, were greater than what was budgeted.

The General Fund actual expenditures for the year were \$3,854,355 with budgeted expenditures of \$3,599,060. The Village worked during the year to control costs in the General Fund, however, contractual services and other expenses came in over budget by \$201,946 and \$113,508, 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, 2019 was \$77,461,052 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, machinery and equipment, and infrastructure and underground water and sewer lines.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 20,962,535	20,962,535	1,201,448	1,201,448	22,163,983	22,163,983
Construction in Progress	-	-	69,128	104,247	69,128	104,247
Buildings and Improvements	6,360	7,420	20,911,461	21,428,694	20,917,821	21,436,114
Vehicles, Machinery and Equipment	441,719	410,701	508,439	130,356	950,158	541,057
Infrastructure and Underground Water and Sewer Lines	8,720,074	8,990,677	24,639,888	25,378,019	33,359,962	34,368,696
Total	30,130,688	30,371,333	47,330,364	48,242,764	77,461,052	78,614,097

VILLAGE OF HAMPSHIRE, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Capital Assets – Continued

This year’s major additions included:

Construction in Progress	\$	68,960
Buildings and Improvements		80,961
Vehicles, Machinery and Equipment		530,520
Infrastructure and Underground Water and Sewer Lines		16,747
		<u>697,188</u>

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

Debt Administration

At year-end, the Village had total outstanding debt of \$3,662,137 as compared to \$4,316,893 the previous year, a decrease of 15.2 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Installment Contracts	\$ 122,329	133,917	-	-	122,329	133,917
General Obligations/ Alternate Revenue Bonds	1,579,267	1,750,767	755,458	1,004,734	2,334,725	2,755,501
IEPA Loans	-	-	1,205,083	1,427,475	1,205,083	1,427,475
Total	<u>1,701,596</u>	<u>1,884,684</u>	<u>1,960,541</u>	<u>2,432,209</u>	<u>3,662,137</u>	<u>4,316,893</u>

During the year, the Village did issue one new installment contract. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village is \$17,260,253.

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, 2019

ECOMONIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The condition of the national and state economies has shown some improvement which has also had a positive impact on the local economic picture. The Village continues to see modest residential growth and a renewed interest in commercial properties at the north end of the corporate limits. The proximity to Interstate 90 with the interchange at US Highway 20 has positively affected the Village's economic well-being.

The Village considered many factors when adopting the fiscal year 2020 budget, including tax rates, fees for service and the overall economy of the area. Focus has been placed on improving the downtown area to retain the established businesses as well as attract new businesses to the community. The Village continues the process of planning for enhancements to both the water and sewer systems. The Village continue to place emphasis on maintaining the current level of services while being more efficient in providing those services.

As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined, however, the Village continues to plan for the decline in revenues and increase in expenditures that impact will have in the Village in the future.

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, 2019**

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 3,848,785	1,301,359	5,150,144
Receivables - Net of Allowances	1,521,702	555,743	2,077,445
Notes Receivable	26,472	-	26,472
Prepays	52,144	44,258	96,402
Internal Balances	36,698	(36,698)	-
Total Current Assets	5,485,801	1,864,662	7,350,463
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	20,962,535	1,270,576	22,233,111
Depreciable Capital Assets	13,032,267	65,148,637	78,180,904
Accumulated Depreciation	(3,864,114)	(19,088,849)	(22,952,963)
Total Capital Assets	30,130,688	47,330,364	77,461,052
Other Assets			
Net Pension Asset - IMRF	129,123	50,107	179,230
Total Noncurrent Assets	30,259,811	47,380,471	77,640,282
Total Assets	35,745,612	49,245,133	84,990,745
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	240,303	93,251	333,554
Deferred Items - Police Pension	1,106,631	-	1,106,631
Total Deferred Outflows of Resources	1,346,934	93,251	1,440,185
Total Assets and Deferred Outflows of Resources	37,092,546	49,338,384	86,430,930

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

	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 316,664	297,648	614,312
Accrued Payroll	54,072	5,526	59,598
Accrued Interest Payable	21,426	21,559	42,985
Deposits Payable	114,101	-	114,101
Other Liabilities	33,591	-	33,591
Current Portion of Long-term Debt	353,226	498,759	851,985
Total Current Liabilities	<u>893,080</u>	<u>823,492</u>	<u>1,716,572</u>
Noncurrent Liabilities			
Net Pension Liability - Police Pension	2,160,478	-	2,160,478
Installment Contracts	51,650	-	51,650
General Obligation Alternate Revenue Source Bonds	1,405,667	500,638	1,906,305
IEPA Loan	-	976,702	976,702
Total Noncurrent Liabilities	<u>3,617,795</u>	<u>1,477,340</u>	<u>5,095,135</u>
Total Liabilities	<u>4,510,875</u>	<u>2,300,832</u>	<u>6,811,707</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	22,631	8,782	31,413
Deferred Items - Police Pension	831,133	-	831,133
Property Taxes	1,218,354	-	1,218,354
Total Deferred Inflows of Resources	<u>2,072,118</u>	<u>8,782</u>	<u>2,080,900</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,582,993</u>	<u>2,309,614</u>	<u>8,892,607</u>
NET POSITION			
Net Investment in Capital Assets	28,429,092	45,369,823	73,798,915
Restricted			
Police Impound Fees	59,587	-	59,587
Tree Replacement	60,343	-	60,343
Highways and Streets	1,818,978	-	1,818,978
Public Safety	981	-	981
Subdivision Maintenance	34,700	-	34,700
Tourism	75,316	-	75,316
Public Use	384,544	-	384,544
Debt Service	241,179	-	241,179
Unrestricted (Deficit)	<u>(595,167)</u>	<u>1,658,947</u>	<u>1,063,780</u>
Total Net Position	<u>30,509,553</u>	<u>47,028,770</u>	<u>77,538,323</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, 2019

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Primary Government				
Governmental Activities				
General Government	\$ 2,156,083	459,074	-	-
Police Protection	1,922,820	113,147	-	-
Highways and Streets	1,685,530	88,535	152,039	-
Planning and Zoning	2,511	-	-	-
Interest on Long-Term Debt	60,792	-	-	-
Total Governmental Activities	5,827,736	660,756	152,039	-
Business-Type Activities				
Water and Sewer	3,244,686	2,511,719	-	-
Garbage	591,367	596,641	-	-
Total Business-Type Activities	3,836,053	3,108,360	-	-
Total Primary Government	9,663,789	3,769,116	152,039	-
			General Revenues	
			Taxes	
			Property Taxes	
			Replacement Taxes	
			Sales and Use Taxes	
			Income Taxes	
			Utility Taxes	
			Hotel/Motel Taxes	
			Investment Income	
			Miscellaneous	
			Change in Net Position	
			Net Position - Beginning	
			Net Position - Ending	

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(1,697,009)	-	(1,697,009)
(1,809,673)	-	(1,809,673)
(1,444,956)	-	(1,444,956)
(2,511)	-	(2,511)
(60,792)	-	(60,792)
(5,014,941)	-	(5,014,941)
-	(732,967)	(732,967)
-	5,274	5,274
-	(727,693)	(727,693)
(5,014,941)	(727,693)	(5,742,634)
1,121,794	-	1,121,794
20,202	-	20,202
762,770	-	762,770
712,208	-	712,208
416,841	-	416,841
22,209	-	22,209
52,706	54	52,760
291,672	3,422	295,094
3,400,402	3,476	3,403,878
(1,614,539)	(724,217)	(2,338,756)
32,124,092	47,752,987	79,877,079
30,509,553	47,028,770	77,538,323

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Governmental Funds - Balance Sheet

April 30, 2019

	<u>General</u>
ASSETS	
Cash and Investments	\$ 1,658,090
Receivables - Net of Allowances	
Property Taxes	1,003,031
Other Taxes	291,035
Due from Other Funds	36,698
Notes Receivable	26,472
Prepays	<u>52,144</u>
 Total Assets	 <u><u>3,067,470</u></u>
LIABILITIES	
Accounts Payable	311,597
Accrued Payroll	54,072
Deposits Payable	114,101
Other Liabilities	33,591
Due to Other Funds	-
Compensated Absences Payable	<u>108,947</u>
Total Liabilities	622,308
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>1,003,031</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,625,339</u>
FUND BALANCES	
Nonspendable	52,144
Restricted	119,930
Unassigned	<u>1,270,057</u>
Total Fund Balances	<u>1,442,131</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>3,067,470</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	
913	854,143	39,960	1,295,679	3,848,785	
40,315	-	-	175,008	1,218,354	
-	-	-	12,313	303,348	
-	35,512	344,584	-	416,794	
-	-	-	-	26,472	
-	-	-	-	52,144	
41,228	889,655	384,544	1,483,000	5,865,897	
-	5,043	-	24	316,664	
-	-	-	-	54,072	
-	-	-	-	114,101	
-	-	-	-	33,591	
380,096	-	-	-	380,096	
-	-	-	-	108,947	
380,096	5,043	-	24	1,007,471	
40,315	-	-	175,008	1,218,354	
420,411	5,043	-	175,032	2,225,825	
-	-	-	-	52,144	
-	884,612	384,544	1,307,968	2,697,054	
(379,183)	-	-	-	890,874	
(379,183)	884,612	384,544	1,307,968	3,640,072	
41,228	889,655	384,544	1,483,000	5,865,897	

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, 2019

Total Governmental Fund Balances	\$ 3,640,072
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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.	30,130,688
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A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	129,123
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	217,672
Deferred Items - Police Pension	275,498

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	(2,160,478)
Installment Contracts	(122,329)
General Obligation Alternate Revenue Source Bonds	(1,579,267)
Accrued Interest Payable	(21,426)

Net Position of Governmental Activities	<u>30,509,553</u>
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VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2019**

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, 2019

	<u>General</u>
Revenues	
Taxes	\$ 2,846,554
Intergovernmental	-
Charges for Services	256,649
Licenses and Permits	159,844
Fines and Forfeitures	113,047
Investment Income	37,819
Miscellaneous	291,672
Total Revenues	<u>3,705,585</u>
Expenditures	
Current	
General Government	963,424
Highways and Streets	938,263
Police Protection	1,865,762
Planning and Zoning	2,511
Debt Service	
Principal Retirement	75,788
Interest and Fiscal Charges	8,607
Total Expenditures	<u>3,854,355</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(148,770)</u>
Other Financing Sources (Uses)	
Debt Issuance	60,000
Transfers In	-
Transfers Out	(224,515)
	<u>(164,515)</u>
Net Change in Fund Balances	(313,285)
Fund Balances - Beginning	<u>1,755,416</u>
Fund Balances - Ending	<u><u>1,442,131</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
33,580	-	-	175,890	3,056,024
-	-	-	152,139	152,139
-	86,707	42,581	1,828	387,765
-	-	-	-	159,844
-	-	-	-	113,047
20	-	1,262	13,605	52,706
-	-	-	-	291,672
<u>33,600</u>	<u>86,707</u>	<u>43,843</u>	<u>343,462</u>	<u>4,213,197</u>
118,740	-	-	1,057,662	2,139,826
-	111,690	-	364,628	1,414,581
-	-	-	-	1,865,762
-	-	-	-	2,511
30,800	-	-	136,500	243,088
39,424	-	-	13,015	61,046
<u>188,964</u>	<u>111,690</u>	<u>-</u>	<u>1,571,805</u>	<u>5,726,814</u>
(155,364)	(24,983)	43,843	(1,228,343)	(1,513,617)
-	-	-	-	60,000
63,000	-	-	224,515	287,515
-	-	(63,000)	-	(287,515)
<u>63,000</u>	<u>-</u>	<u>(63,000)</u>	<u>224,515</u>	<u>60,000</u>
(92,364)	(24,983)	(19,157)	(1,003,828)	(1,453,617)
(286,819)	909,595	403,701	2,311,796	5,093,689
<u>(379,183)</u>	<u>884,612</u>	<u>384,544</u>	<u>1,307,968</u>	<u>3,640,072</u>

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, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (1,453,617)

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	167,471
Depreciation Expense	(408,116)
Disposals - Cost	(26,469)
Disposals - Accumulated Depreciation	26,469

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	(399,524)
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The net effect of deferred outflows (inflows) of resources related to the
pensions not reported in the funds.

Change in Deferred Items - IMRF	383,267
Change in Deferred Items - Police Pension	209,844

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	(297,206)
Debt Issuance	(60,000)
Retirement of Debt	243,088

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.

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Changes in Net Position of Governmental Activities

(1,614,539)

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, 2019**

See Following Page

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Net Position - Proprietary Funds
April 30, 2019**

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 1,301,359	-	1,301,359
Receivables - Net of Allowances			
Accounts	439,478	116,265	555,743
Prepays	44,258	-	44,258
Total Current Assets	1,785,095	116,265	1,901,360
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	1,270,576	-	1,270,576
Depreciable Capital Assets	65,148,637	-	65,148,637
Accumulated Depreciation	(19,088,849)	-	(19,088,849)
Total Capital Assets	47,330,364	-	47,330,364
Other Assets			
Net Pension Asset - IMRF	50,107	-	50,107
Total Noncurrent Assets	47,380,471	-	47,380,471
Total Assets	49,165,566	116,265	49,281,831
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	93,251	-	93,251
Total Assets and Deferred Outflows of Resources	49,258,817	116,265	49,375,082

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	\$ 249,061	48,587	297,648
Accrued Payroll	5,526	-	5,526
Accrued Interest Payable	21,559	-	21,559
Due to Other Funds	-	36,698	36,698
Compensated Absences Payable	15,558	-	15,558
General Obligation Alternate Revenue Source Bonds	254,820	-	254,820
IEPA Loan	228,381	-	228,381
Total Current Liabilities	<u>774,905</u>	<u>85,285</u>	<u>860,190</u>
Noncurrent Liabilities			
General Obligation Alternate Revenue Source Bonds	500,638	-	500,638
IEPA Loan	976,702	-	976,702
Total Noncurrent Liabilities	<u>1,477,340</u>	<u>-</u>	<u>1,477,340</u>
Total Liabilities	2,252,245	85,285	2,337,530
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	8,782	-	8,782
Total Liabilities and Deferred Inflows of Resources	<u>2,261,027</u>	<u>85,285</u>	<u>2,346,312</u>
NET POSITION			
Net Investment in Capital Assets	45,369,823	-	45,369,823
Unrestricted	1,627,967	30,980	1,658,947
Total Net Position	<u>46,997,790</u>	<u>30,980</u>	<u>47,028,770</u>

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2019**

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
Operating Revenues			
Charges for Services	\$ 2,442,929	596,641	3,039,570
Operating Expenses			
Operations			
Water Department	764,519	-	764,519
Sewer Department	548,967	591,367	1,140,334
Water Reconstruction	389,378	-	389,378
System Improvements	44,223	-	44,223
Depreciation	1,442,117	-	1,442,117
Total Operating Expenses	3,189,204	591,367	3,780,571
Operating Income (Loss)	(746,275)	5,274	(741,001)
Nonoperating Revenues (Expenses)			
Tap On Fees	68,790	-	68,790
Investment Income	54	-	54
Other Income	3,422	-	3,422
Interest and Fiscal Charges	(55,482)	-	(55,482)
	16,784	-	16,784
Change in Net Position	(729,491)	5,274	(724,217)
Net Position - Beginning	47,727,281	25,706	47,752,987
Net Position - Ending	46,997,790	30,980	47,028,770

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, 2019**

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 2,490,518	569,506	3,060,024
Payments to Employees	(193,688)	-	(193,688)
Payments to Suppliers	(1,457,919)	(569,506)	(2,027,425)
	<u>838,911</u>	<u>-</u>	<u>838,911</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(529,717)	-	(529,717)
Principal on Capital Debt	(471,668)	-	(471,668)
Interest on Capital Debt	(55,482)	-	(55,482)
	<u>(1,056,867)</u>	<u>-</u>	<u>(1,056,867)</u>
Cash Flows from Investing Activities			
Interest Received	54	-	54
	<u>54</u>	<u>-</u>	<u>54</u>
Net Change in Cash and Cash Equivalents	(217,902)	-	(217,902)
Cash and Cash Equivalents - Beginning	1,519,261	-	1,519,261
	<u>1,519,261</u>	<u>-</u>	<u>1,519,261</u>
Cash and Cash Equivalents - Ending	<u>1,301,359</u>	<u>-</u>	<u>1,301,359</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(746,275)	5,274	(741,001)
Adjustments to Reconcile Operating Income to Net Income to Net Cash			
Provided by (Used In) Operating Activities:			
Depreciation Expense	1,442,117	-	1,442,117
Other Income (Expenses)	72,212	-	72,212
(Increase) Decrease in Current Assets	(24,623)	(27,135)	(51,758)
Increase (Decrease) in Current Liabilities	95,480	21,861	117,341
	<u>1,482,986</u>	<u>(21,864)</u>	<u>1,461,122</u>
Net Cash Provided by Operating Activities	<u>838,911</u>	<u>-</u>	<u>838,911</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, 2019

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	<u>\$ 1,940,982</u>	<u>2,778,459</u>
LIABILITIES		
Due to Park District and Village Parks	-	320,039
Due to School Districts	-	22,536
Due to Library Districts	-	129,679
Due to Fire Districts	-	191,115
Due to Others	-	11,458
Due to Bondholders	<u>-</u>	<u>2,103,632</u>
Total Liabilities	<u>-</u>	<u>2,778,459</u>
NET POSITION		
Net Position Restricted for Pensions	<u>1,940,982</u>	

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2019**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 215,000
Contributions - Plan Members	<u>90,191</u>
Total Contributions	<u>305,191</u>
Investment Income	
Interest Earned	30,372
Net Change in Fair Value	<u>-</u>
	30,372
Less Investment Expenses	<u>(79)</u>
Net Investment Income	<u>30,293</u>
Total Additions	<u>335,484</u>
Deductions	
Administration	8,993
Benefits and Refunds	<u>24,408</u>
Total Deductions	<u>33,401</u>
Change in Fiduciary Net Position	302,083
Net Position Restricted for Pensions	
Beginning	<u>1,638,899</u>
Ending	<u><u>1,940,982</u></u>

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

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, 2019, 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, 2019

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, 2019

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, 2019

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 six non-major special revenue funds.

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

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

Proprietary Funds

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

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

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

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus – Continued

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

All proprietary and fiduciary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

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

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

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

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

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

Cash and Investments

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

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

Prepays

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure, such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

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

Buildings and Improvements	10 - 50 Years
Vehicles, Machinery and Equipment	5 - 20 Years
Underground Water and Sewer Lines	25 - 50 Years
Infrastructure	25 - 50 Years

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Deferred Outflows/Inflows of Resources

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

Long-Term Obligations

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

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

Net Position

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

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

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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 Revolving Loan fund, Capital Improvements fund, and the TIF Revenue Bonds of 2009A/Tuscany Woods Line of Credit fund.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

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

<u>Fund</u>	<u>Excess</u>
General	\$ 255,295
Tax Increment Financing	17,836
Special Service Areas	18,735
Garbage	37,648

DEFICIT FUND BALANCE

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

<u>Fund</u>	<u>Deficit</u>
Tax Increment Financing	\$ 379,183

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$4,520,951 and the bank balances totaled \$4,371,304. The Village also has \$629,193 invested in the Illinois Funds.

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

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

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

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that investments shall be diversified to the best of the Village's ability based on the type of funds invested and the cash flow needs of those funds. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$1,940,982 and the bank balances totaled \$1,940,982.

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

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

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

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

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

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2019 are listed in the table on the previous page.

Rate of Return

For the year ended April 30, 2019, 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 2018 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, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 20,962,535	-	-	20,962,535
Depreciable Capital Assets				
Buildings and Improvements	58,800	-	-	58,800
Vehicles, Machinery and Equipment	1,391,873	167,471	26,469	1,532,875
Infrastructure	11,440,592	-	-	11,440,592
	<u>12,891,265</u>	<u>167,471</u>	<u>26,469</u>	<u>13,032,267</u>
Less Accumulated Depreciation				
Buildings and Improvements	51,380	1,060	-	52,440
Vehicles, Machinery and Equipment	981,172	136,453	26,469	1,091,156
Infrastructure	2,449,915	270,603	-	2,720,518
	<u>3,482,467</u>	<u>408,116</u>	<u>26,469</u>	<u>3,864,114</u>
Total Net Depreciable Capital Assets	<u>9,408,798</u>	<u>(240,645)</u>	<u>-</u>	<u>9,168,153</u>
Total Net Capital Assets	<u><u>30,371,333</u></u>	<u><u>(240,645)</u></u>	<u><u>-</u></u>	<u><u>30,130,688</u></u>

Depreciation expense was charged to governmental activities as follows:

Highways and Streets	\$ 352,807
Police Protection	<u>55,309</u>
	<u><u>408,116</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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	104,247	68,960	104,079	69,128
	<u>1,305,695</u>	<u>68,960</u>	<u>104,079</u>	<u>1,270,576</u>
Depreciable Capital Assets				
Buildings and Improvements	28,766,168	80,961	-	28,847,129
Vehicles, Machinery and Equipment	587,470	467,128	-	1,054,598
Underground Water and Sewer Lines	35,230,163	16,747	-	35,246,910
	<u>64,583,801</u>	<u>564,836</u>	<u>-</u>	<u>65,148,637</u>
Less Accumulated Depreciation				
Buildings and Improvements	7,337,474	598,194	-	7,935,668
Vehicles, Machinery and Equipment	457,114	89,045	-	546,159
Underground Water and Sewer Lines	9,852,144	754,878	-	10,607,022
	<u>17,646,732</u>	<u>1,442,117</u>	<u>-</u>	<u>19,088,849</u>
Total Net Depreciable Capital Assets	<u>46,937,069</u>	<u>(877,281)</u>	<u>-</u>	<u>46,059,788</u>
Total Net Capital Assets	<u>48,242,764</u>	<u>(808,321)</u>	<u>104,079</u>	<u>47,330,364</u>

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

Water and Sewer	<u><u>\$ 1,442,117</u></u>
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VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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	Garbage	\$ 36,698
Transportation Impact Fees	Tax Increment Financing	35,512
Public Use	Tax Increment Financing	<u>344,584</u>
		<u><u>416,794</u></u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Tax Increment Financing	Public Use	\$ 63,000 (1)
Nonmajor Governmental	General	<u>224,515 (2)</u>
		<u><u>287,515</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

LONG-TERM DEBT

Noncommitment Debt – Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$17,013,000. 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, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Loan

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan of 2002 - Due in semi-annual installments of \$129,550 including interest at 2.675% through November 15, 2023.	Water and Sewer	\$ 1,427,475	-	222,392	1,205,083

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
Panasonic Toughbook Installment Contract of 2015 - Due in monthly installments of \$876 including interest at 3.25% through August 14, 2018.	General	\$ 3,489	-	3,489	-
Squad Cars Installment Contract of 2016 - Due in monthly installments of \$1,438.34 including interest at 2.25% through July 25, 2019	General	21,228	-	16,957	4,271
Snow Plow Installment Contract of 2017 - Due in annual installments of \$25,920 to \$27,089 including interest at 2.75% through July 6, 2020.	General	75,000	-	25,000	50,000
Equipment Installment Contract of 2017 - Due in annual installments of \$11,400 interest free through July 10, 2020.	General	34,200	-	11,400	22,800

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Installment Contracts – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Installment Contract of 2019 - Due in annual installments of \$14,742 to 30,008 including interest at 3.42% through October 15, 2020.	General	\$ -	60,000	14,742	45,258
		<u>133,917</u>	<u>60,000</u>	<u>71,588</u>	<u>122,329</u>

General Obligation Alternate Revenue Source Bonds

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Taxable General Obligation Alternate Bonds of 2010 - Due in annual installments of \$51,564 to \$66,305 plus interest of 1.15% - 4.80% through December 15, 2020.	Water and Sewer	\$ 190,501	-	60,776	129,725
General Obligation (Alternate Revenue Source) Refunding Bonds of 2012 - Due in annual installments of \$95,000 to \$340,000 plus interest of 2.00% - 2.75% through December 15, 2023.	Capital Bonds	580,767	-	136,500	444,267
	Water and Sewer	814,233	-	188,500	625,733
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 Tax Increment Financing	140,400	-	4,200	136,200
		<u>1,029,600</u>	-	<u>30,800</u>	<u>998,800</u>
		<u>2,755,501</u>	-	<u>420,776</u>	<u>2,334,725</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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	\$ 107,256	3,382	1,691	108,947	108,947
Net Pension Liability - Police Pension	1,863,272	297,206	-	2,160,478	-
Installment Contracts	133,917	60,000	71,588	122,329	70,679
General Obligation Alternate Revenue Source Bonds	1,750,767	-	171,500	1,579,267	173,600
	<u>3,855,212</u>	<u>360,588</u>	<u>244,779</u>	<u>3,971,021</u>	<u>353,226</u>
Business-Type Activities					
Compensated Absences	12,000	7,116	3,558	15,558	15,558
General Obligation Alternate Revenue Source Bonds	1,004,734	-	249,276	755,458	254,820
IEPA Loan	1,427,475	-	222,392	1,205,083	228,381
	<u>2,444,209</u>	<u>7,116</u>	<u>475,226</u>	<u>1,976,099</u>	<u>498,759</u>

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

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

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

Fiscal Year	Governmental Activities				Business-Type Activities			
	Installment Contracts		General Obligation Alternate Revenue Source Bonds		IEPA Loan		General Obligation Alternate Revenue Source Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 70,679	2,509	173,600	53,510	228,381	30,719	254,820	6,068
2021	51,650	850	182,800	49,613	234,530	24,570	263,505	3,183
2022	-	-	84,600	45,421	240,847	18,253	75,400	-
2023	-	-	86,700	43,184	247,333	11,767	78,300	-
2024	-	-	81,567	40,809	253,992	5,107	83,433	-
2025	-	-	185,000	35,100	-	-	-	-
2026	-	-	190,000	27,600	-	-	-	-
2027	-	-	190,000	20,000	-	-	-	-
2028	-	-	200,000	12,200	-	-	-	-
2029	-	-	205,000	4,100	-	-	-	-
Totals	<u>122,329</u>	<u>3,359</u>	<u>1,579,267</u>	<u>331,537</u>	<u>1,205,083</u>	<u>90,416</u>	<u>755,458</u>	<u>9,251</u>

Legal Debt Margin

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

Assessed Valuation - 2018	<u>\$ 200,118,875</u>
Legal Debt Limit - 8.625% of Assessed Value	17,260,253
Amount of Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>17,260,253</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

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	\$ 52,144	-	-	-	-	52,144
Restricted						
Police Impound Fees	59,587	-	-	-	-	59,587
Tree Replacement	60,343	-	-	-	-	60,343
Highways and Streets	-	-	884,612	-	934,366	1,818,978
Public Safety	-	-	-	-	981	981
Subdivision Maintenance	-	-	-	-	34,700	34,700
Tourism	-	-	-	-	75,316	75,316
Public Use	-	-	-	384,544	-	384,544
Debt Service	-	-	-	-	262,605	262,605
	119,930	-	884,612	384,544	1,307,968	2,697,054
Unassigned	1,270,057	(379,183)	-	-	-	890,874
Total Fund Balances	1,442,131	(379,183)	884,612	384,544	1,307,968	3,640,072

NET INVESTMENT IN CAPITAL ASSETS

Governmental Activities

Capital Assets - Net of Accumulated Depreciation \$ 30,130,688

Less Capital Related Debt:

Installment Contracts Payable (122,329)

General Obligation (ARS) Bonds of 2012 (444,267)

General Obligation (ARS) Bonds of 2016 (1,135,000) (1,701,596)

Net Investment in Capital Assets 28,429,092

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET INVESTMENT IN CAPITAL ASSETS - Continued

Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		47,330,364
Less Capital Related Debt:		
General Obligation (ARS) Bonds of 2010	(129,725)	
General Obligation (ARS) Bonds of 2012	(625,733)	
IEPA Loan of 2002	(1,205,083)	<u>(1,960,541)</u>
Net Investment in Capital Assets		<u>45,369,823</u>

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

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

CONTINGENT LIABILITIES

Litigation

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

Sales Tax Rebates

The Village has a sales tax rebate agreement which was designed to induce a vendor to locate and retain their business within the Village. The first agreement originating in 2000, covered point-of-sale transactions within the Village. The agreement has been amended from time to time with the latest amendment occurring in 2010. The 2010 amendment calls for a rebate of 50% of the sales tax receipts received by the Village starting with the first dollar. The sales tax rebate is payable to the vendor each year once the August sales tax remittance has been received by the Village from the State of Illinois. The Village has recorded \$33,591 in sales tax rebate expenses in the General Fund in the current year. As of April 30, 2019, the amount due to the vendor is \$33,591, recorded as a liability in the General Fund.

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

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

The aggregate amount recognized for the two pension plans is:

	Net Pension Liabilities/ (Asset)	Deferred Outflows	Deferred Inflows	Pension Expenses
IMRF	\$ (179,230)	333,554	31,413	41,201
Police Pension	2,160,478	1,106,631	831,133	302,362
	<u>1,981,248</u>	<u>1,440,185</u>	<u>862,546</u>	<u>343,563</u>

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

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

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

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	13
Inactive Plan Members Entitled to but not yet Receiving Benefits	15
Active Plan Members	<u>13</u>
Total	<u><u>41</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2019, the Village's contribution was 2.55% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.75% - 14.50%
Cost of Living Adjustments	3.50%
Inflation	2.50%

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25% and 7.50% the 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, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset) \$	246,160	(179,230)	(530,231)

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2017	\$ 2,968,145	3,703,020	(734,875)
Changes for the Year:			
Service Cost	62,490	-	62,490
Interest on the Total Pension Liability	220,027	-	220,027
Difference Between Expected and Actual Experience of the Total Pension Liability	67,112	-	67,112
Changes of Assumptions	93,870	-	93,870
Contributions - Employer	-	25,167	(25,167)
Contributions - Employees	-	30,865	(30,865)
Net Investment Income	-	(206,886)	206,886
Benefit Payments, including Refunds of Employee Contributions	(131,391)	(131,391)	-
Other (Net Transfer)	-	38,708	(38,708)
Net Changes	312,108	(243,537)	555,645
Balances at December 31, 2018	3,280,253	3,459,483	(179,230)

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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, 2019, the Village recognized pension expense of \$41,201. At April 30, 2019, 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	\$ 42,694	(3,798)	38,896
Change in Assumptions	59,717	(27,615)	32,102
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	229,143	-	229,143
Total Pension Expense to be Recognized in Future Periods	331,554	(31,413)	300,141
Pension Contributions Made Subsequent to the Measurement Date	2,000	-	2,000
Total Deferred Amounts Related to IMRF	333,554	(31,413)	302,141

\$2,000 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, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2020	\$ 101,657
2021	74,369
2022	27,469
2023	96,646
2024	-
Thereafter	-
Total	300,141

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>14</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, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2019, the Village's contribution was 24.75% 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, 2019

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, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	5.00%
Salary Increases	3.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2018 using improvement scale MP-2016. The actuarial assumptions used in the April 30, 2019 valuation were based on the results of an actuarial experience study conducted by the independent actuary in 2016.

Discount Rate

The discount rate used to measure the total pension liability was 5.00%, and 4.91% 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, 2019**

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	\$ 3,042,834	2,160,478	1,473,760

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2018	\$ 3,502,171	1,638,899	1,863,272
Changes for the Year:			
Service Cost	254,642	-	254,642
Interest on the Total Pension Liability	171,357	-	171,357
Difference Between Expected and Actual Experience of the Total Pension Liability	268,220	-	268,220
Changes of Assumptions	(70,522)	-	(70,522)
Contributions - Employer	-	215,000	(215,000)
Contributions - Employees	-	90,191	(90,191)
Net Investment Income	-	30,293	(30,293)
Benefit Payments, including Refunds of Employee Contributions	(24,408)	(24,408)	-
Administrative Expense	-	(8,993)	8,993
Net Changes	599,289	302,083	297,206
Balances at April 30, 2019	4,101,460	1,940,982	2,160,478

VILLAGE OF HAMPSHIRE, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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, 2019, the Village recognized pension expense of \$302,362. At April 30, 2019, 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	\$ 308,480	(702,069)	(393,589)
Change in Assumptions	662,125	(129,064)	533,061
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	136,026	-	136,026
Total Deferred Amounts Related to Police Pension	<u>1,106,631</u>	<u>(831,133)</u>	<u>275,498</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2020	\$ 46,298
2021	52,516
2022	42,118
2023	26,199
2024	14,512
Thereafter	<u>93,855</u>
Total	<u>275,498</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Notes to the Financial Statements

April 30, 2019

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, 2019.

SUBSEQUENT EVENT

Financial Impact due to COVID-19

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

Police Pension Amendment

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

Debt Issuances

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund

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

- Schedule of Investment Returns
 - Police Pension Fund

- Budgetary Comparison Schedule
 - General Fund
 - 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, 2019**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-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, 2019**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	5.00%
Investment Rate of Return	6.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2016 Mortality Table (BCHA)

Note:

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2019**

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

Note:

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

<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>
60,047	63,618	62,490
203,596	216,673	220,027
32,613	(12,862)	67,112
-	(93,507)	93,870
<u>(121,474)</u>	<u>(125,892)</u>	<u>(131,391)</u>
174,782	48,030	312,108
<u>2,745,333</u>	<u>2,920,115</u>	<u>2,968,145</u>
<u>2,920,115</u>	<u>2,968,145</u>	<u>3,280,253</u>
16,007	19,465	25,167
25,365	27,034	30,865
213,592	584,171	(206,886)
<u>(121,474)</u>	<u>(125,892)</u>	<u>(131,391)</u>
18,983	(36,712)	38,708
152,473	468,066	(243,537)
<u>3,082,481</u>	<u>3,234,954</u>	<u>3,703,020</u>
<u>3,234,954</u>	<u>3,703,020</u>	<u>3,459,483</u>
<u>(314,839)</u>	<u>(734,875)</u>	<u>(179,230)</u>
110.78%	124.76%	105.46%
563,656	600,766	684,914
(55.86%)	(122.32%)	(26.17%)

VILLAGE OF HAMPSHIRE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2019**

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

Note:

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

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

VILLAGE OF HAMPSHIRE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2019**

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%

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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 2,741,830	2,741,830	2,846,554
Charges for Services	120,759	120,759	256,649
Licenses and Permits	145,675	145,675	159,844
Fines and Forfeitures	97,750	97,750	113,047
Investment Income	11,500	11,500	37,819
Miscellaneous Income	300,016	300,016	291,672
Total Revenues	3,417,530	3,417,530	3,705,585
Expenditures			
General Government	851,979	851,979	963,424
Highways and Streets	727,721	727,721	938,263
Police Protection	1,905,547	1,905,547	1,865,762
Planning and Zoning	2,701	2,701	2,511
Debt Service			
Principal Retirement	108,049	108,049	75,788
Interest and Fiscal Charges	3,063	3,063	8,607
Total Expenditures	3,599,060	3,599,060	3,854,355
Excess (Deficiency) of Revenues Over (Under) Expenditures	(181,530)	(181,530)	(148,770)
Other Financing Sources (Uses)			
Debt Issuance	129,700	129,700	60,000
Disposal of Capital Assets	20,000	20,000	-
Transfers Out	(149,515)	(149,515)	(224,515)
	185	185	(164,515)
Net Change in Fund Balance	(181,345)	(181,345)	(313,285)
Fund Balance - Beginning			1,755,416
Fund Balance - Ending			1,442,131

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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 32,963	32,963	33,580
Investment Income	12	12	20
Total Revenues	<u>32,975</u>	<u>32,975</u>	<u>33,600</u>
Expenditures			
General Government			
Professional Services	102,500	102,500	118,740
Debt Service			
Principal Retirement	30,100	30,100	30,800
Interest and Fiscal Charges	38,528	38,528	39,424
Total Expenditures	<u>171,128</u>	<u>171,128</u>	<u>188,964</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,153)	(138,153)	(155,364)
Other Financing Sources			
Transfers In	<u>63,000</u>	<u>63,000</u>	<u>63,000</u>
Net Change in Fund Balance	<u>(75,153)</u>	<u>(75,153)</u>	(92,364)
Fund Balance - Beginning			<u>(286,819)</u>
Fund Balance - Ending			<u><u>(379,183)</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

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.

Revolving Loan Fund

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

Special Service Areas Fund

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

Evidence Fund

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

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 AGENCY FUNDS

PENSION TRUST FUND

Police Pension Fund

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

AGENCY FUND

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

VILLAGE OF HAMPSHIRE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 927,210	927,210	934,533
Sales and Use Taxes	727,500	727,500	762,770
State Income Taxes	665,658	665,658	712,208
Replacement Taxes	22,430	22,430	20,202
Utility Taxes	399,032	399,032	416,841
	<u>2,741,830</u>	<u>2,741,830</u>	<u>2,846,554</u>
Charges for Services	<u>120,759</u>	<u>120,759</u>	<u>256,649</u>
Licenses and Permits	<u>145,675</u>	<u>145,675</u>	<u>159,844</u>
Fines and Forfeitures	<u>97,750</u>	<u>97,750</u>	<u>113,047</u>
Investment Income	<u>11,500</u>	<u>11,500</u>	<u>37,819</u>
Miscellaneous Income	<u>300,016</u>	<u>300,016</u>	<u>291,672</u>
Total Revenues	<u>3,417,530</u>	<u>3,417,530</u>	<u>3,705,585</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
General Government			
Personal Services	\$ 272,552	272,552	271,823
Contractual Services	480,277	480,277	508,183
Commodities	15,650	15,650	13,504
Other Expenditures	52,000	52,000	167,023
Capital Outlay	31,500	31,500	2,891
	<u>851,979</u>	<u>851,979</u>	<u>963,424</u>
Highways and Streets			
Personal Services	374,471	374,471	387,596
Contractual Services	224,500	224,500	397,617
Commodities	57,000	57,000	64,938
Other Expenditures	1,750	1,750	235
Capital Outlay	70,000	70,000	87,877
	<u>727,721</u>	<u>727,721</u>	<u>938,263</u>
Police Protection			
Personal Services	1,545,896	1,545,896	1,513,881
Contractual Services	209,701	209,701	210,836
Commodities	63,750	63,750	60,707
Capital Outlay	86,200	86,200	80,338
	<u>1,905,547</u>	<u>1,905,547</u>	<u>1,865,762</u>
Planning and Zoning			
Personal Services	2,201	2,201	2,223
Contractual Services	500	500	288
	<u>2,701</u>	<u>2,701</u>	<u>2,511</u>
Debt Service			
Principal Retirement	108,049	108,049	75,788
Interest and Fiscal Charges	3,063	3,063	8,607
	<u>111,112</u>	<u>111,112</u>	<u>84,395</u>
Total Expenditures	<u>3,599,060</u>	<u>3,599,060</u>	<u>3,854,355</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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 65,440	65,440	86,707
Expenditures			
Highways and Streets	149,775	149,775	111,690
Net Change in Fund Balance	<u>(84,335)</u>	<u>(84,335)</u>	(24,983)
Fund Balance - Beginning			<u>909,595</u>
Fund Balance - Ending			<u>884,612</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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 21,270	21,270	42,581
Investment Income	40	40	1,262
Total Revenues	21,310	21,310	43,843
Expenditures			
General Government	350,000	350,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(328,690)	(328,690)	43,843
Other Financing (Uses)			
Transfers Out	(63,000)	(63,000)	(63,000)
Net Change in Fund Balance	<u>(391,690)</u>	<u>(391,690)</u>	(19,157)
Fund Balance - Beginning			<u>403,701</u>
Fund Balance - Ending			<u>384,544</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2019

	Special Revenue				
	Motor Fuel Tax	Road and Bridge	Revolving Loan	Special Service Areas	Evidence
ASSETS					
Cash and Investments	\$ 500,057	95,903	-	34,724	981
Receivables - Net of Allowances					
Property Taxes	-	110,858	-	64,150	-
Other Taxes	12,313	-	-	-	-
Total Assets	<u>512,370</u>	<u>206,761</u>	<u>-</u>	<u>98,874</u>	<u>981</u>
LIABILITIES					
Accounts Payable	-	-	-	24	-
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	-	110,858	-	64,150	-
Total Liabilities and Deferred Inflows of Resources	<u>-</u>	<u>110,858</u>	<u>-</u>	<u>64,174</u>	<u>-</u>
FUND BALANCES					
Restricted	<u>512,370</u>	<u>95,903</u>	<u>-</u>	<u>34,700</u>	<u>981</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>512,370</u>	<u>206,761</u>	<u>-</u>	<u>98,874</u>	<u>981</u>

Capital Projects							
Hotel/ Motel Tax	Debt Service Capital Bonds	Capital Improvements	TIF Revenue Bonds of 2009A/ Tuscany Woods Line of Credit	Equipment Replacement	Early Warning Impact Fees	Totals	
75,316	262,605	112,848	79,613	127,108	6,524	1,295,679	
-	-	-	-	-	-	175,008	
-	-	-	-	-	-	12,313	
75,316	262,605	112,848	79,613	127,108	6,524	1,483,000	
-	-	-	-	-	-	24	
-	-	-	-	-	-	175,008	
-	-	-	-	-	-	175,032	
75,316	262,605	112,848	79,613	127,108	6,524	1,307,968	
75,316	262,605	112,848	79,613	127,108	6,524	1,483,000	

VILLAGE OF HAMPSHIRE, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2019**

	Special Revenue				
	Motor Fuel Tax	Road and Bridge	Revolving Loan	Special Service Areas	Evidence
Revenues					
Taxes	\$ -	106,024	-	47,657	-
Charges for Services	-	-	-	-	-
Intergovernmental	152,039	-	-	-	100
Investment Income	11,514	163	-	10	8
Total Revenues	163,553	106,187	-	47,667	108
Expenditures					
General Government	-	-	1,030,436	-	2,178
Highways and Streets	99,344	183,615	-	61,091	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	99,344	183,615	1,030,436	61,091	2,178
Excess (Deficiency) of Revenues Over (Under) Expenditures	64,209	(77,428)	(1,030,436)	(13,424)	(2,070)
Other Financing Sources					
Transfers In	-	-	-	-	-
Net Change in Fund Balances	64,209	(77,428)	(1,030,436)	(13,424)	(2,070)
Fund Balances - Beginning	448,161	173,331	1,030,436	48,124	3,051
Fund Balances - Ending	512,370	95,903	-	34,700	981

Capital Projects						
Hotel/ Motel Tax	Debt Service Capital Bonds	Capital Improvements	TIF Revenue Bonds of 2009A/ Tuscany Woods Line of Credit	Equipment Replacement	Early Warning Impact Fees	Totals
22,209	-	-	-	-	-	175,890
-	-	-	-	-	1,828	1,828
-	-	-	-	-	-	152,139
1,666	-	89	-	155	-	13,605
23,875	-	89	-	155	1,828	343,462
25,048	-	-	-	-	-	1,057,662
-	-	-	-	20,578	-	364,628
-	136,500	-	-	-	-	136,500
-	13,015	-	-	-	-	13,015
25,048	149,515	-	-	20,578	-	1,571,805
(1,173)	(149,515)	89	-	(20,423)	1,828	(1,228,343)
-	149,515	75,000	-	-	-	224,515
(1,173)	-	75,089	-	(20,423)	1,828	(1,003,828)
76,489	262,605	37,759	79,613	147,531	4,696	2,311,796
75,316	262,605	112,848	79,613	127,108	6,524	1,307,968

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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 140,382	140,382	152,039
Investment Income	2,200	2,200	11,514
Total Revenues	<u>142,582</u>	<u>142,582</u>	<u>163,553</u>
Expenditures			
Highways and Streets	<u>132,000</u>	<u>132,000</u>	<u>99,344</u>
Net Change in Fund Balance	<u>10,582</u>	<u>10,582</u>	64,209
Fund Balance - Beginning			<u>448,161</u>
Fund Balance - Ending			<u>512,370</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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 105,606	105,606	106,024
Investment Income	30	30	163
Total Revenues	<u>105,636</u>	<u>105,636</u>	<u>106,187</u>
Expenditures			
Highways and Streets	<u>195,800</u>	<u>195,800</u>	<u>183,615</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,164)	(90,164)	(77,428)
Other Financing (Uses)			
Transfers Out	<u>(130,700)</u>	<u>(130,700)</u>	-
Net Change in Fund Balance	<u>(220,864)</u>	<u>(220,864)</u>	(77,428)
Fund Balance - Beginning			<u>173,331</u>
Fund Balance - Ending			<u><u>95,903</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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 46,991	46,991	47,657
Investment Income	-	-	10
Total Revenues	<u>46,991</u>	<u>46,991</u>	<u>47,667</u>
Expenditures			
Highways and Streets	<u>42,356</u>	<u>42,356</u>	<u>61,091</u>
Net Change in Fund Balance	<u>4,635</u>	<u>4,635</u>	(13,424)
Fund Balance - Beginning			<u>48,124</u>
Fund Balance - Ending			<u><u>34,700</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Evidence - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Evidence Money/DUI/Drug	\$ 1,000	1,000	100
Investment Income	10	10	8
Total Revenues	<u>1,010</u>	<u>1,010</u>	<u>108</u>
Expenditures			
General Government	<u>2,378</u>	<u>2,378</u>	<u>2,178</u>
Net Change in Fund Balance	<u>(1,368)</u>	<u>(1,368)</u>	(2,070)
Fund Balance - Beginning			<u>3,051</u>
Fund Balance - Ending			<u><u>981</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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Hotel/Motel Tax	\$ 20,000	20,000	22,209
Investment Income	820	820	1,666
Total Revenues	<u>20,820</u>	<u>20,820</u>	23,875
Expenditures			
General Government	<u>37,000</u>	<u>37,000</u>	25,048
Net Change in Fund Balance	<u>(16,180)</u>	<u>(16,180)</u>	(1,173)
Fund Balance - Beginning			<u>76,489</u>
Fund Balance - Ending			<u><u>75,316</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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 5	5	-
Expenditures			
Debt Service			
Principal Retirement	342,973	342,973	136,500
Interest and Fiscal Charges	13,015	13,015	13,015
Total Expenditures	355,988	355,988	149,515
Excess (Deficiency) of Revenues Over (Under) Expenditures	(355,983)	(355,983)	(149,515)
Other Financing Sources			
Transfers In	355,988	355,988	149,515
Net Change in Fund Balance	5	5	-
Fund Balance - Beginning			262,605
Fund Balance - Ending			262,605

VILLAGE OF HAMPSHIRE, ILLINOIS

Equipment Replacement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 35	35	155
Expenditures			
Highways and Streets	150,000	150,000	20,578
Net Change in Fund Balance	<u>(149,965)</u>	<u>(149,965)</u>	(20,423)
Fund Balance - Beginning			<u>147,531</u>
Fund Balance - Ending			<u>127,108</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Early Warning Impact Fees - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 190	190	1,828
Expenditures			
Highways and Streets	-	-	-
Net Change in Fund Balance	<u>190</u>	<u>190</u>	1,828
Fund Balance - Beginning			<u>4,696</u>
Fund Balance - Ending			<u>6,524</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, 2019**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,555,580	2,555,580	2,442,929
Operating Expenses			
Operations			
Water Department	756,690	756,690	764,519
Sewer Department	885,124	885,124	548,967
Water Reconstruction	883,917	883,917	389,378
System Improvements	63,000	63,000	44,223
Depreciation	-	-	1,442,117
Total Operating Expenses	2,588,731	2,588,731	3,189,204
Operating (Loss)	(33,151)	(33,151)	(746,275)
Nonoperating Revenues (Expenses)			
Tap On Fees	114,650	114,650	68,790
Investment Income	32	32	54
Other Income	-	-	3,422
Interest and Fiscal Charges	(531,925)	(531,925)	(55,482)
	(417,243)	(417,243)	16,784
Change in Net Position	(450,394)	(450,394)	(729,491)
Net Position - Beginning			47,727,281
Net Position - Ending			46,997,790

VILLAGE OF HAMPSHIRE, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Operations			
Water Department			
Personal Services	\$ 128,293	128,293	137,691
Contractual Services	353,127	353,127	483,018
Commodities	114,500	114,500	108,061
Miscellaneous	160,770	160,770	35,749
	<u>756,690</u>	<u>756,690</u>	<u>764,519</u>
Sewer Department			
Personal Services	143,837	143,837	146,590
Contractual Services	654,187	654,187	290,758
Commodities	52,500	52,500	58,370
Miscellaneous	34,600	34,600	53,249
	<u>885,124</u>	<u>885,124</u>	<u>548,967</u>
Water Reconstruction			
Contractual Services	<u>883,917</u>	<u>883,917</u>	<u>389,378</u>
Total Operations	<u>2,525,731</u>	<u>2,525,731</u>	<u>1,702,864</u>
System Improvements			
Water Department	<u>63,000</u>	<u>63,000</u>	<u>44,223</u>
Depreciation			
Water Department	-	-	508,089
Sewer Department	-	-	934,028
Total Depreciation	<u>-</u>	<u>-</u>	<u>1,442,117</u>
Total Operating Expenses	<u>2,588,731</u>	<u>2,588,731</u>	<u>3,189,204</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, 2019**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 553,719	553,719	596,641
Operating Expenses			
Operations			
Sewer Department	553,719	553,719	591,367
Change in Net Position	<u>-</u>	<u>-</u>	5,274
Net Position - Beginning			<u>25,706</u>
Net Position - Ending			<u>30,980</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, 2019**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 215,000	215,000	215,000
Contributions - Plan Members	90,300	90,300	90,191
Total Contributions	<u>305,300</u>	<u>305,300</u>	<u>305,191</u>
Investment Income			
Interest Earned	7,350	7,350	30,372
Net Change in Fair Value	-	-	-
	<u>7,350</u>	<u>7,350</u>	<u>30,372</u>
Less Investment Expenses	-	-	(79)
Net Investment Income	<u>7,350</u>	<u>7,350</u>	<u>30,293</u>
Total Additions	<u>312,650</u>	<u>312,650</u>	<u>335,484</u>
Deductions			
Administration	12,150	12,150	8,993
Benefits and Refunds	30,665	30,665	24,408
Total Deductions	<u>42,815</u>	<u>42,815</u>	<u>33,401</u>
Change in Fiduciary Net Position	<u>269,835</u>	<u>269,835</u>	302,083
Net Position Restricted for Pensions			
Beginning			<u>1,638,899</u>
Ending			<u><u>1,940,982</u></u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Agency Fund

**Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2019**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Cash Equivalents	\$ 2,711,659	2,778,459	2,711,659	2,778,459
LIABILITIES				
Due to Park District and Village Parks	308,160	320,039	308,160	320,039
Due to School Districts	67,924	22,536	67,924	22,536
Due to Library Districts	120,514	129,679	120,514	129,679
Due to Fire Districts	187,907	191,115	187,907	191,115
Due to Others	16,328	11,458	16,328	11,458
Due to Bondholders	2,010,826	2,103,632	2,010,826	2,103,632
Total Liabilities	2,711,659	2,778,459	2,711,659	2,778,459

SUPPLEMENTAL SCHEDULES

VILLAGE OF HAMPSHIRE, ILLINOIS

**Schedule of Tax Data - Last Ten Tax Levy Years
April 30, 2019**

	2009	2010	2011	2012
Assessed Valuation	\$ 196,154,394	180,785,131	168,805,218	154,913,352
Tax Rates by Fund				
General	0.1404	0.1256	0.2627	0.2945
Police Protection	0.0802	0.0775	0.0727	0.0816
Special Revenue Funds				
Audit	0.0073	0.0725	0.0245	0.0276
Liability	0.0386	0.0339	0.0380	0.0480
Illinois Municipal Retirement	0.0511	0.0494	0.0208	0.0188
Social Security	0.0351	0.0373	0.0129	0.0137
Total Tax Rates	0.3527	0.3962	0.4316	0.4842
Tax Extension by Fund				
General	\$ 274,232	226,601	442,682	456,162
Police Protection	156,705	139,797	122,485	126,482
Special Revenue Funds				
Audit	14,301	130,732	41,344	42,694
Liability	75,414	61,183	64,093	74,391
Illinois Municipal Retirement	99,899	89,073	34,976	29,172
Social Security	68,559	67,283	21,783	21,236
Total Tax Extensions	689,110	714,669	727,363	750,137
Total Collections - All Funds				
Levy Collections through April 30	677,651	702,147	715,525	735,499
Percent Collected	98.34%	98.25%	98.37%	98.05%

Note: The 2017 levy is not collected until fiscal year 2019.

2013	2014	2015	2016	2017	2018
142,583,995	138,815,939	146,693,736	170,980,247	186,537,007	200,118,875
0.3462	0.3626	0.3454	0.2943	0.2803	0.2769
0.0920	0.1037	0.1571	0.1757	0.1750	0.1778
0.0173	0.0144	0.0130	0.0114	0.0127	0.0099
0.0541	0.0588	0.0326	0.0286	0.0211	0.0209
0.0212	0.0284	0.0130	0.0014	0.0071	0.0067
0.0154	0.0203	0.0137	0.0120	0.0111	0.0102
0.5463	0.5883	0.5748	0.5234	0.5072	0.5024
493,570	503,366	506,663	503,226	522,776	554,175
131,202	143,948	230,388	300,383	326,490	355,843
24,710	20,058	19,120	19,545	23,603	19,770
77,166	81,639	47,799	48,859	39,337	41,813
30,261	39,400	19,120	2,445	13,278	13,344
22,028	28,230	20,077	20,521	20,652	20,412
778,936	816,640	843,166	894,979	946,134	1,005,357
764,121	806,718	831,279	875,235	934,533	-
98.10%	98.78%	98.59%	97.79%	98.77%	0.00%

VILLAGE OF HAMPSHIRE, ILLINOIS

**Schedule of Water/Sewer Data
April 30, 2019**

Number of Water Users	2,786
Water Rate per 1,000 Gallons	\$ 4.93
Number of Sewer Users	2,806
Sewer Rate per 1,000 Gallons	\$ 6.15
Sewer User Billings Charge per Billing	\$ 1.00
Capital Improvements per Billing	\$ 20.00

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**Squad Cars Installment Contract of 2016
April 30, 2019**

Date of Issue	July 25, 2016
Date of Maturity	July 25, 2019
Authorized Issue	\$50,000
Interest Rate	2.25%
Principal Maturity and Interest Dates	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>
2020	\$ 4,271	16	4,287

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**Snow Plow Installment Contract of 2017
April 30, 2019**

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 25,000	1,392	26,392
2021	25,000	696	25,696
	<u>50,000</u>	<u>2,088</u>	<u>52,088</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2017

April 30, 2019

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 11,400	-	11,400
2021	11,400	-	11,400
	<u>22,800</u>	<u>-</u>	<u>22,800</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2019

April 30, 2019

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 30,008	1,101	31,109
2021	15,250	154	15,404
	<u>45,258</u>	<u>1,255</u>	<u>46,513</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**Taxable General Obligation Alternate Bonds of 2010
April 30, 2019**

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 63,420	6,068	69,488
2021	66,305	3,183	69,488
	<u>129,725</u>	<u>9,251</u>	<u>138,976</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Alternate Revenue Source) Refunding Bonds of 2012
April 30, 2019**

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>
2020	\$ 330,000	24,488	354,488
2021	340,000	17,887	357,887
2022	130,000	10,408	140,408
2023	135,000	7,223	142,223
2024	135,000	3,712	138,712
	<u>1,070,000</u>	<u>63,718</u>	<u>1,133,718</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Alternate Revenue Source) Refunding Bonds of 2016
April 30, 2019**

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>
2020	\$ 35,000	43,225	78,225
2021	40,000	42,100	82,100
2022	30,000	41,050	71,050
2023	30,000	40,150	70,150
2024	30,000	39,250	69,250
2025	185,000	35,100	220,100
2026	190,000	27,600	217,600
2027	190,000	20,000	210,000
2028	200,000	12,200	212,200
2029	205,000	4,100	209,100
	<u>1,135,000</u>	<u>304,775</u>	<u>1,439,775</u>

VILLAGE OF HAMPSHIRE, ILLINOIS

Long-Term Debt Requirements

IEPA Loan of 2002

April 30, 2019

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>
2020	\$ 228,381	30,719	259,100
2021	234,530	24,570	259,100
2022	240,847	18,253	259,100
2023	247,333	11,767	259,100
2024	253,992	5,107	259,099
	<u>1,205,083</u>	<u>90,416</u>	<u>1,295,499</u>