



44 N. Walkup Ave.  
Crystal Lake, IL 60014  
T: 815-459-0700  
GRA-CPA.COM

Accounting • Auditing • Consulting

# Village of Hebron, Illinois

Annual Financial Report

For the Year Ended April 30, 2019

# VILLAGE OF HEBRON, ILLINOIS

## TABLE OF CONTENTS

*Year Ended April 30, 2019*

	<b><u>Pages</u></b>
Independent Auditor's Report	1-2
Other Information:	
Management's Discussion and Analysis - Unaudited	3-12
Basic Financial Statements:	
Government-wide	
Statement of Net Position – Modified Cash Basis	13
Government-wide	
Statement of Activities and Changes in Net Position – Modified Cash Basis	14
Governmental Fund	
Balance Sheet	15
Governmental Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance	16
Governmental Fund	
Reconciliation of the Governmental Fund Statements to the Government-wide Statement of Net Position and Statement of Activities	17
Proprietary Fund	
Statement of Net Position – Modified Cash Basis	18
Proprietary Fund	
Statement of Revenues, Expenses and Changes in Net Position – Modified Cash Basis	19
Proprietary Fund	
Statement of Cashflows – Modified Cash Basis	20
Fiduciary Fund	
Statement of Net Position – Modified Cash Basis	21

# VILLAGE OF HEBRON, ILLINOIS

## TABLE OF CONTENTS

*Year Ended April 30, 2019*

	<b><u>Pages</u></b>
Notes to Basic Financials:	
Notes to Financial Statements	22-41
Other Information:	
General Fund Schedule of Revenues	
- Budget and Actual	42
General Fund Schedule of Expenditures	
- Budget and Actual	43-47
Proprietary Fund	
Schedule of Expenditures - Budget and Actual – Modified Cash Basis	48-51
Motor Tax Fund Schedule of Revenues and	
Expenditures - Budget and Actual	52
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios	53
Multi-year Schedule of Pension Contributions	54
Notes to Other Information	55-56



44 N. Walkup Ave.  
Crystal Lake, IL 60014  
T: 815-459-0700  
GRA-CPA.com

## INDEPENDENT AUDITOR'S REPORT

To the President  
and Members of the Board of Trustees  
Village of Hebron, Illinois

### Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Hebron, Illinois (Village) as of and for the year ended April 30, 2019, which collectively comprise the Village's basic financial statements as listed in the accompanying 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 the modified cash basis of accounting as described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### 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 entity'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 entity'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 financial statement 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.

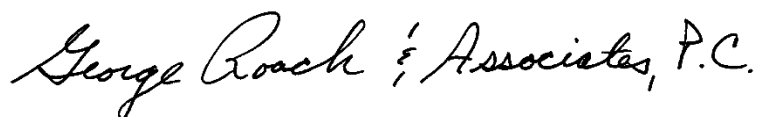
## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Hebron, Illinois as of April 30, 2019, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of Hebron, Illinois' basic financial statements. The management's discussion and analysis and budgetary comparison information as listed in the table of contents as other information, which are the responsibility of management are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.

## Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

A handwritten signature in black ink that reads "George Roach & Associates, P.C." The signature is written in a cursive, flowing style.

George Roach & Associates, P.C.  
Crystal Lake, Illinois  
September 25, 2019

OTHER INFORMATION –

MANAGEMENT DISCUSSION AND ANALYSIS -  
UNAUDITED

# VILLAGE OF HEBRON, ILLINOIS

## Management Discussion and Analysis - Unaudited

April 30, 2019

As management of the Village of Hebron (Village), we offer readers of the Village's statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2019.

## FINANCIAL HIGHLIGHTS

---

- The assets of the Village exceeded its liabilities at April 30, 2019 by \$2,212,072 (*net position*). Of this amount, \$777,431 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- At April 30, 2019, the Village's governmental funds reported combined ending fund balances of \$632,142.
- At April 30, 2019, the unassigned fund balance for the General Fund was \$502,256.

## OVERVIEW OF THE FINANCIAL STATEMENTS

---

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

### Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business.

Modified Cash Basis presents information on all of the Village's assets and liabilities, with the difference between the two 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.

The Modified Cash Basis presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported on a cash basis as soon as cash is received or disbursed, regardless of when the underlying event giving rise to the change occurred.

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-

# VILLAGE OF HEBRON, ILLINOIS

## *Management Discussion and Analysis - Unaudited*

*April 30, 2019*

type activities). The governmental activities of the Village include general government, public safety, public works and transportation, culture and recreation, and economic development. The business-type activities of the Village include water and sewer.

### 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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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 a government'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 Village'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 this comparison between governmental funds and governmental activities.

***Proprietary funds*** - The Village maintains one type of proprietary fund (enterprise fund). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer services. Proprietary funds 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 services, all of which are considered to be major funds of the Village.

***Fiduciary funds*** - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village utilizes a fiduciary fund to segregate developer deposits.



# VILLAGE OF HEBRON, ILLINOIS

## Management Discussion and Analysis - Unaudited

April 30, 2019

### Notes to the financial statements

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. Required supplementary information consists of more detailed data on budget to actual revenues and expenditures.

### Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the Village's progress in meeting its obligation to provide as fully adequate as possible services to its residents.

The Village adopts an annual budget for all funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

---

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$2,212,072 at April 30, 2019. Of the Village's net position, \$1,290,216 reflects its investment in capital assets (e.g., land, infrastructure, buildings, systems and equipment); less any related outstanding debt used to acquire those assets. 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.

Village of Hebron - Net Position						
	Governmental Activities		Business-Type Activities		Total	
	4/30/2019	4/30/2018	4/30/2019	4/30/2018	4/30/2019	4/30/2018
Current and Other Assets	\$ 633,145	\$ 651,746	\$ 294,472	\$ 445,982	\$ 927,617	\$ 1,097,728
Capital Assets, net	946,743	997,611	4,296,229	4,104,726	5,242,972	5,102,337
<b>Total Assets</b>	<b>\$ 1,579,888</b>	<b>\$ 1,649,357</b>	<b>\$ 4,590,701</b>	<b>\$ 4,550,708</b>	<b>\$ 6,170,589</b>	<b>\$ 6,200,065</b>
Current Liabilities	\$ 51,102	\$ 49,587	\$ 194,003	\$ 192,078	\$ 245,105	\$ 241,665
Noncurrent Liabilities	214,066	243,337	3,499,346	3,693,285	3,713,412	3,936,622
<b>Total Liabilities</b>	<b>265,168</b>	<b>292,924</b>	<b>3,693,349</b>	<b>3,885,363</b>	<b>3,958,517</b>	<b>4,178,287</b>
Net Position:						
Net Investment in Capital Assets	684,921	708,205	605,295	221,714	1,290,216	929,919
Restricted	129,886	109,352	14,539	2,566	144,425	111,918
Unrestricted	499,913	538,876	277,518	441,065	777,431	979,941
<b>Total Net Position</b>	<b>\$ 1,314,720</b>	<b>\$ 1,356,433</b>	<b>\$ 897,352</b>	<b>\$ 665,345</b>	<b>\$ 2,212,072</b>	<b>\$ 2,021,778</b>

# VILLAGE OF HEBRON, ILLINOIS

## Management Discussion and Analysis - Unaudited

April 30, 2019

An additional portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$777,431) may be used to meet the Village's ongoing obligations to citizens and creditors.

At April 30, 2019, the Village is able to report positive balances in all categories of net position. Key elements of net asset activity for the year are as follows:

	Village of Hebron - Activities and Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2019	4/30/2018	4/30/2019	4/30/2018	4/30/2019	4/30/2018
Program Revenues						
Charges for Services	\$ 109,098	\$ 92,623	\$ 788,888	\$ 694,599	\$ 897,986	\$ 787,222
Operating Grants and Contributions	3,114	980	-	-	3,114	980
General Revenues						
Property Taxes	204,558	197,118	-	-	204,558	197,118
Other taxes	343,306	336,721	-	-	343,306	336,721
Utility Taxes	56,256	59,715	-	-	56,256	59,715
Other	25,016	15,579	1,569	13,580	26,585	29,159
Interest	11,464	4,787	825	796	12,289	5,583
<b>Total Revenues</b>	<b>752,812</b>	<b>707,523</b>	<b>791,282</b>	<b>708,975</b>	<b>1,544,094</b>	<b>1,416,498</b>
Expenses						
General Government	211,321	229,921	-	-	211,321	229,921
Public Safety	327,055	187,587	-	-	327,055	187,587
Streets and roads	197,720	163,406	-	-	197,720	163,406
Buildings	46,716	17,509	-	-	46,716	17,509
Interest on Long-Term Debt	11,713	17,604	45,091	69,996	56,804	87,600
Proprietary Activities	-	-	516,284	501,361	516,284	501,361
<b>Total Expenses</b>	<b>794,525</b>	<b>616,027</b>	<b>561,375</b>	<b>571,357</b>	<b>1,355,900</b>	<b>1,187,384</b>
Increase/(Decrease) in Net Position	(41,713)	91,496	229,907	137,618	188,194	229,114
Net Position - Beginning of Year	1,356,433	1,258,197	665,345	528,875	2,021,778	1,787,072
Transfers in/(out)	-	6,740	-	(6,740)	-	-
Contributed capital	-	-	2,100	5,592	2,100	5,592
<b>Net Position - End of Year</b>	<b>\$ 1,314,720</b>	<b>\$ 1,356,433</b>	<b>\$ 897,352</b>	<b>\$ 665,345</b>	<b>\$ 2,212,072</b>	<b>\$ 2,021,778</b>

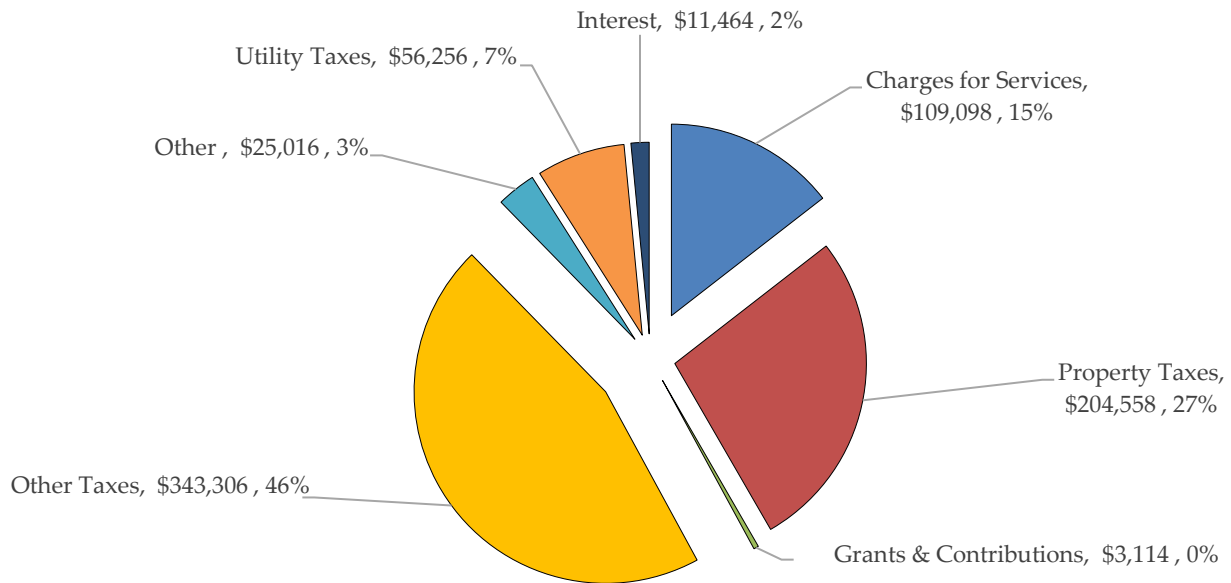
# VILLAGE OF HEBRON, ILLINOIS

Management Discussion and Analysis - Unaudited

April 30, 2019

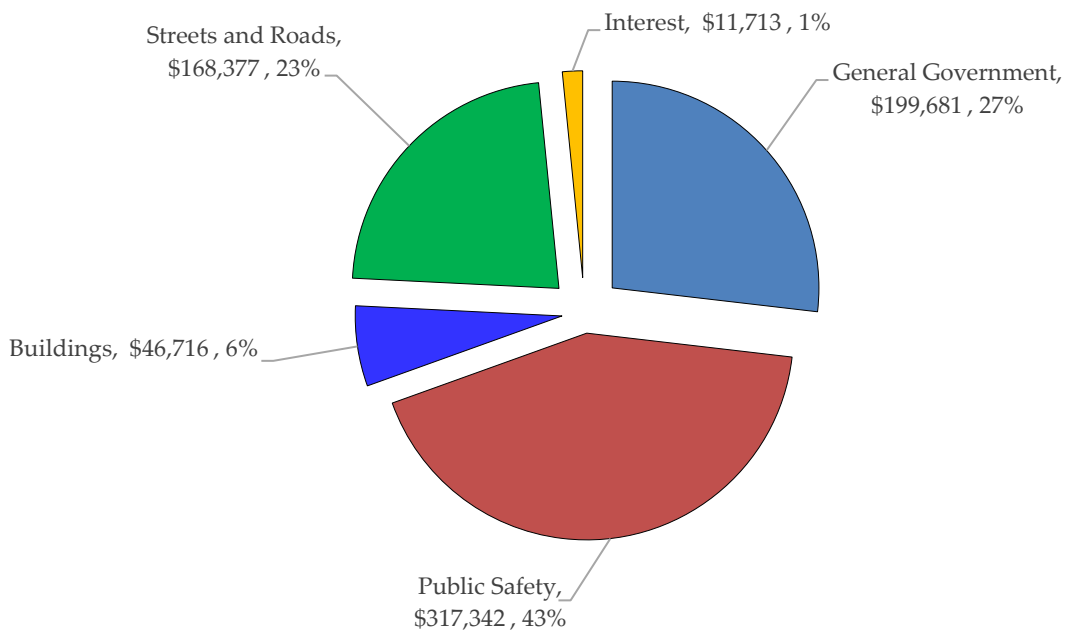
## 2019 GOVERNMENTAL REVENUES

ROUNDED TO THE NEAREST PERCENT



## 2019 GOVERNMENTAL EXPENSES

ROUNDED TO THE NEAREST PERCENT



# VILLAGE OF HEBRON, ILLINOIS

*Management Discussion and Analysis - Unaudited*

*April 30, 2019*

## FINANCIAL ANALYSIS OF THE VILLAGE'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. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the fiscal year.

At April 30, 2019, the Village's governmental funds reported combined ending fund balances of \$632,142. A portion of this amount (\$502,256) constitutes unassigned fund balance, which is available, to meet the Village's ongoing obligations to citizens and creditors. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed for specific restricted purposes.

The General Fund is the chief operating fund of the Village. At April 30, 2019, the fund balance of the General Fund was \$502,256.

### General Fund Budgetary Highlights

- The General Fund revenues exceeded the estimated revenues by \$30,467.
- The General Fund expenditures were less than the estimated expenditures by \$262,696.

# VILLAGE OF HEBRON, ILLINOIS

## Management Discussion and Analysis - Unaudited

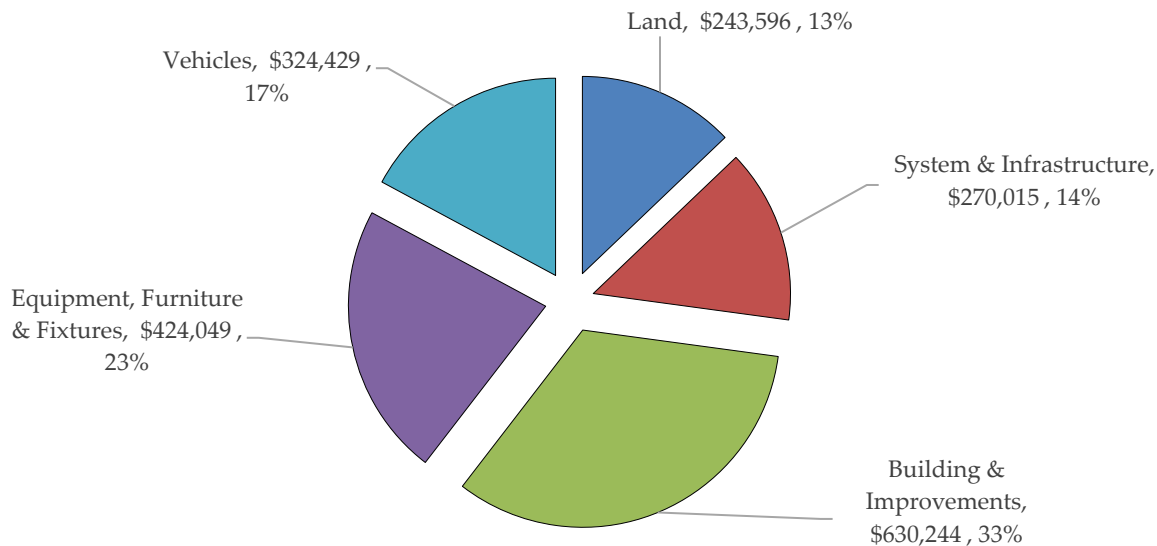
April 30, 2019

### CAPITAL ASSETS

The Village's fixed assets as of April 30, 2019 amount to \$5,262,699 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, vehicles, and infrastructure.

	Village of Hebron - Capital Assets					
	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 243,596	\$ 241,982	\$ 75,769	\$ 75,769	\$ 319,365	\$ 317,751
System & Infrastructure	270,015	270,015	7,887,006	7,887,006	8,157,021	8,157,021
Buildings & improvements	630,244	630,244	471,178	108,128	1,101,422	738,372
Equipment, furniture, and fixtures	424,049	424,049	227,291	227,291	651,340	651,340
Vehicles	324,429	329,850	54,802	54,802	379,231	384,652
<b>Total Capital Assets</b>	<b>1,892,333</b>	<b>1,896,140</b>	<b>8,716,046</b>	<b>8,352,996</b>	<b>10,608,379</b>	<b>10,249,136</b>
Accumulated depreciation	925,865	898,529	4,419,815	4,248,270	5,345,680	5,146,799
<b>Total Net Capital Assets</b>	<b>\$ 966,468</b>	<b>\$ 997,611</b>	<b>\$ 4,296,231</b>	<b>\$ 4,104,726</b>	<b>\$ 5,262,699</b>	<b>\$ 5,102,337</b>

### 2019 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - (at Cost)

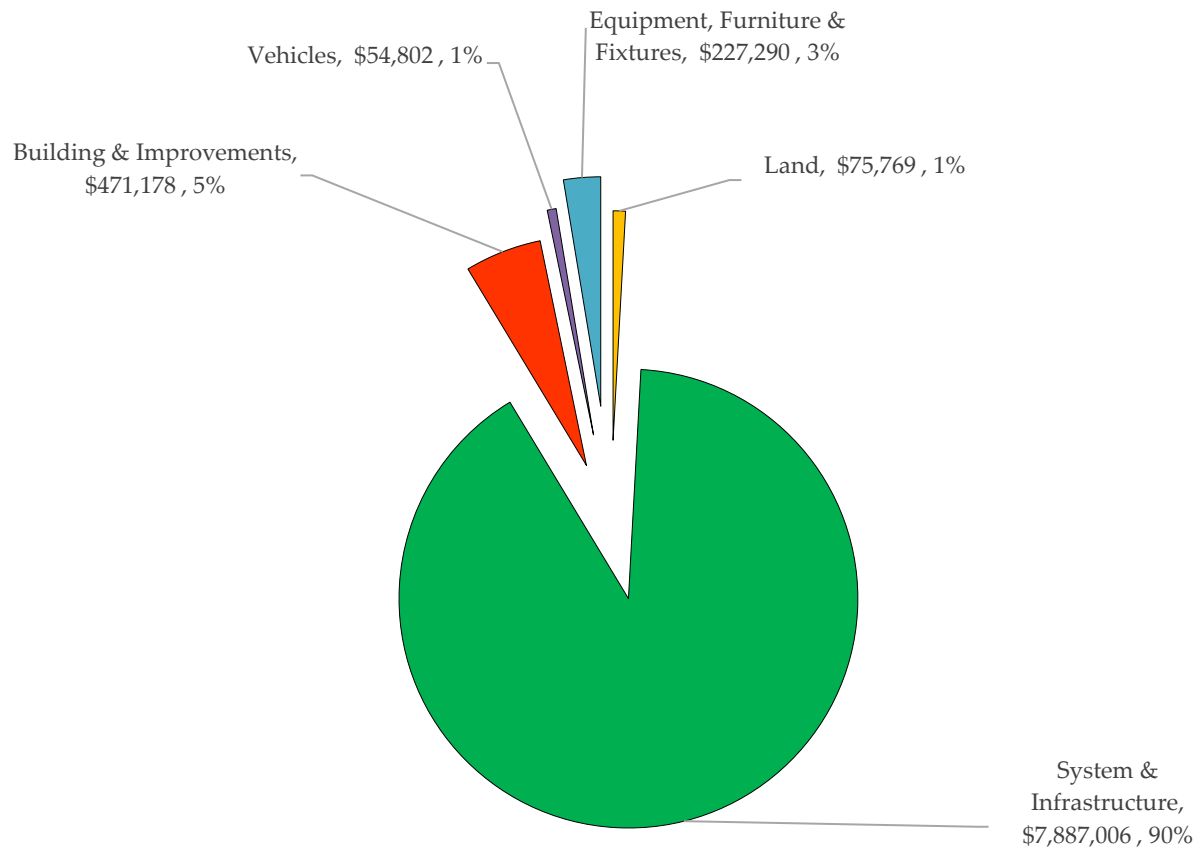


# VILLAGE OF HEBRON, ILLINOIS

Management Discussion and Analysis - Unaudited

April 30, 2019

## 2019 BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - (at Cost)



# VILLAGE OF HEBRON, ILLINOIS

## Management Discussion and Analysis - Unaudited

April 30, 2019

### ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Village for 2018 is \$23,448,946. That represents a decrease in EAV of \$595,821 over the prior year's EAV. Taxes recorded in these financial statements are distributions received from the 2017 levy. A summary of the assessed valuations and extensions for tax years 2018, 2017 and 2016 is as follows:

**VILLAGE OF HEBRON, ILLINOIS**  
Assessed Valuations, Extended Tax Rates  
Percentage Allocations, and Extended Tax Rates

<b>Tax Levy Year</b>	<b>2018</b>		<b>2017</b>		<b>2016</b>	
<b>Assessed Valuations</b>						
McHenry County	<b>\$</b>	<b>23,448,946</b>	<b>\$</b>	<b>24,044,767</b>	<b>\$</b>	<b>23,292,045</b>

<b>Tax Rates and percentage Allocations by Fund</b>	<b>2018</b>		<b>2017</b>		<b>2016</b>	
<b>Funds</b>	<b>Rate</b>	<b>Percentage</b>	<b>Rate</b>	<b>Percentage</b>	<b>Rate</b>	<b>Percentage</b>
General Fund	0.331617	40.56	0.314804	40.56	0.314118	40.56
Police Protection	0.162266	19.85	0.154038	19.85	0.153703	19.85
Audit	0.047207	5.77	0.044811	5.77	0.044709	5.77
Liability Insurance	0.156590	19.15	0.148654	19.15	0.148320	19.15
Street Lighting	0.047202	5.77	0.044807	5.77	0.044709	5.77
Social Security	0.072788	8.90	0.069096	8.90	0.068941	8.90
<b>Totals</b>	<b>0.817670</b>	<b>100.00</b>	<b>0.776210</b>	<b>100.00</b>	<b>0.774500</b>	<b>100.00</b>

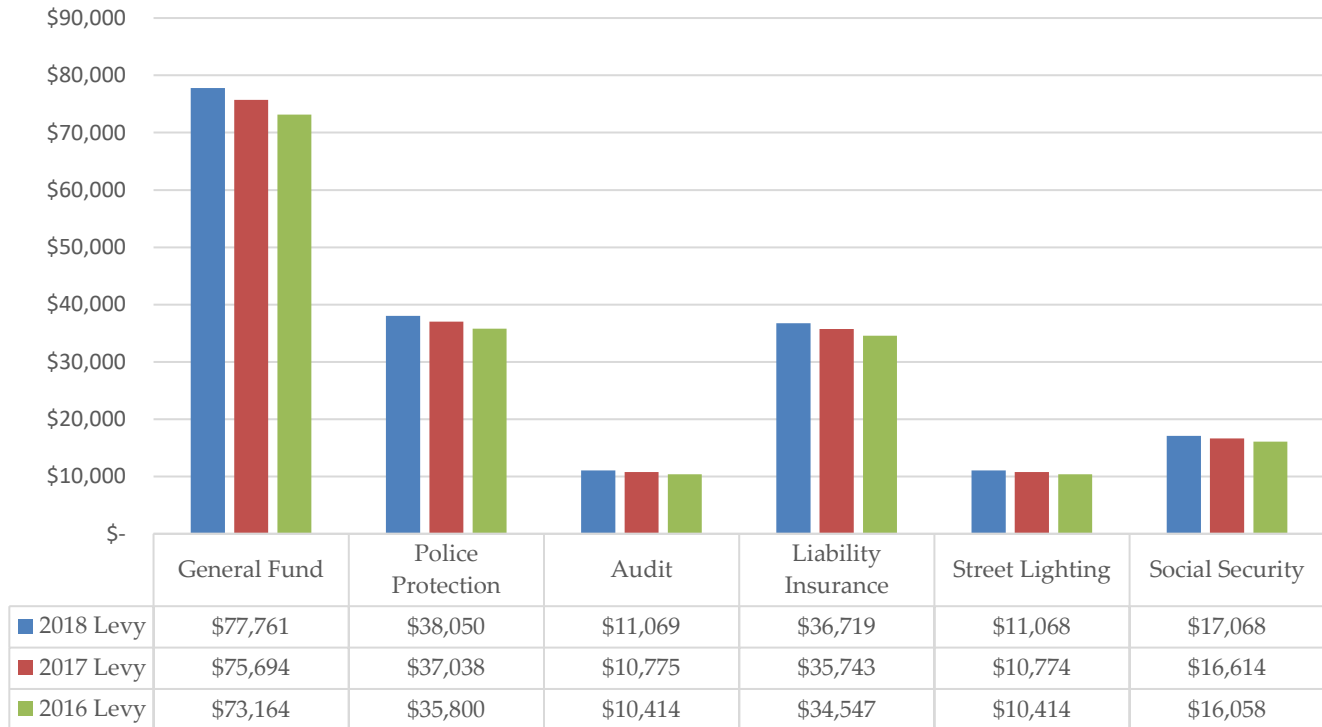
<b>Property Tax Extensions</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Funds</b>			
General Fund	\$ 77,761	\$ 75,694	\$ 73,164
Police Protection	38,050	37,038	35,800
Audit	11,069	10,775	10,414
Liability Insurance	36,719	35,743	34,547
Street Lighting	11,068	10,774	10,414
Social Security	17,068	16,614	16,058
<b>Totals</b>	<b>\$ 191,735</b>	<b>\$ 186,638</b>	<b>\$ 180,397</b>

# VILLAGE OF HEBRON, ILLINOIS

Management Discussion and Analysis - Unaudited

April 30, 2019

## Property Tax Extensions



## Description of Current or Expected Conditions

Currently, management is not aware of any other significant changes in conditions that could have a significant effect on the financial position or results of activities of the Village in the near future. However, management continues to monitor items that may impact future receipts, especially noting a potential decline in state funds as well as losses due to the tax cap.

## Requests for Information

This financial report is designed to provide a general overview of the Village of Hebron's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Village of Hebron; P.O. Box 372; Hebron, Illinois 60034.



## BASIC FINANCIAL STATEMENTS

# VILLAGE OF HEBRON, ILLINOIS

## Government-wide Statement of Net Position - Modified Cash Basis

April 30, 2019

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<b>Assets</b>			
Cash and investments, at cost	\$ 327,275	\$ 600,342	\$ 927,617
Due from other funds	305,870	(305,870)	-
Fixed assets, net of depreciation	946,743	4,296,229	5,242,972
<b>Total Assets</b>	<b>\$ 1,579,888</b>	<b>\$ 4,590,701</b>	<b>\$ 6,170,589</b>
<b>Liabilities</b>			
Current Liabilities:			
Due to other funds	\$ 1,003	\$ -	\$ 1,003
Due within 1 year- notes payable	50,099	-	50,099
Due within 1 year - IEPA loan	-	194,003	194,003
Non-Current Liabilities:			
Due in more than 1 year - notes payable	211,723	-	211,723
Due in more than 1 year - IEPA loan	-	3,496,931	3,496,931
Deferred compensation	2,343	2,415	4,758
<b>Total Liabilities</b>	<b>265,168</b>	<b>3,693,349</b>	<b>3,958,517</b>
<b>Net Position</b>			
Net investment in capital assets	684,921	605,295	1,290,216
Restricted - Motor Fuel Tax	128,200	-	128,200
Restricted - Debt Service	1,686	-	1,686
Restricted - Capital Development	-	14,539	14,539
Unrestricted	499,913	277,518	777,431
<b>Total Net Position</b>	<b>\$ 1,314,720</b>	<b>\$ 897,352</b>	<b>\$ 2,212,072</b>

The accompanying notes are an integral part of these financial statements.

# VILLAGE OF HEBRON, ILLINOIS

Government-wide Statement of Activities and Changes in Net Position - Modified Cash Basis

Year Ended April 30, 2019

Functions/Programs		Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
	Expenses						
<b>Governmental Activities</b>							
General government	\$ 211,321	\$ 23,928	\$ -	\$ -	\$ (187,393)	\$ -	\$ (187,393)
Public safety	327,055	85,170	3,114	-	(238,771)	-	(238,771)
Streets	197,720	-	-	-	(197,720)	-	(197,720)
Buildings	46,716	-	-	-	(46,716)	-	(46,716)
Interest on long-term debt	11,713	-	-	-	(11,713)	-	(11,713)
Total Governmental Activities	794,525	109,098	3,114	-	(682,313)	-	(682,313)
<b>Business-Type Activities</b>							
Proprietary activities	516,284	788,888	-	-	-	272,604	272,604
Interest on long-term debt	45,091	-	-	-	-	(45,091)	(45,091)
Total Business-Type Activities	561,375	788,888	-	-	-	227,513	227,513
<b>Total Primary Government</b>	<b>\$ 1,355,900</b>	<b>\$ 897,986</b>	<b>\$ 3,114</b>	<b>\$ -</b>	<b>(682,313)</b>	<b>227,513</b>	<b>(454,800)</b>
<b>General Revenues:</b>							
					204,558	-	204,558
					300,442	-	300,442
					56,256	-	56,256
					42,864	-	42,864
					3,000	-	3,000
					7,346	-	7,346
					14,670	1,569	16,239
					11,464	825	12,289
					640,600	2,394	642,994
					-	2,100	2,100
					(41,713)	232,007	190,294
					1,356,433	665,345	2,021,778
					\$ 1,314,720	\$ 897,352	\$ 2,212,072

The accompanying notes are an integral part of these financial statements.

# VILLAGE OF HEBRON, ILLINOIS

## Governmental Funds - Balance Sheet

April 30, 2019

<b>Assets</b>	<b>General Fund</b>	<b>Motor Fuel Tax Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
Cash	\$ 103,060	\$ 222,529	\$ 1,686	\$ 327,275
Due from other funds	400,199	-	-	400,199
<b>Total Assets</b>	<b>\$ 503,259</b>	<b>\$ 222,529</b>	<b>\$ 1,686</b>	<b>\$ 727,474</b>
<b>Liabilities</b>				
Due to other funds	\$ 1,003	\$ 94,329	\$ -	\$ 95,332
<b>Total Liabilities</b>	<b>1,003</b>	<b>94,329</b>	<b>-</b>	<b>95,332</b>
<b>Fund Balance</b>				
Nonspendable	-	-	-	-
Restricted	-	128,200	1,686	129,886
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	502,256	-	-	502,256
<b>Total Fund Balance</b>	<b>502,256</b>	<b>128,200</b>	<b>1,686</b>	<b>632,142</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 503,259</b>	<b>\$ 222,529</b>	<b>\$ 1,686</b>	<b>\$ 727,474</b>

The accompanying notes are an integral part of these financial statements.

# VILLAGE OF HEBRON, ILLINOIS

## Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended April 30, 2019

	General Fund	Motor Fuel Tax Fund	Debt Service Fund	Total
<b>Revenues</b>				
Property taxes	\$ 204,558	\$ -	\$ -	\$ 204,558
Intergovernmental revenue	269,482	30,960	-	300,442
Video gaming tax	42,864	-	-	42,864
Utility taxes	56,256	-	-	56,256
Licenses, fees, and permits	23,928	-	-	23,928
Fines	83,711	-	-	83,711
Grants and donations	3,114	-	-	3,114
Interest income	6,979	4,474	11	11,464
Police vehicle fund	1,459	-	-	1,459
Hebron special events	3,000	-	-	3,000
Petition and annexation	7,346	-	-	7,346
Miscellaneous revenue	14,670	-	-	14,670
<b>Total Revenues</b>	<u>717,367</u>	<u>35,434</u>	<u>11</u>	<u>752,812</u>
<b>Expenditures</b>				
Administrative	199,681	-	-	199,681
Police	317,342	-	-	317,342
Street	153,466	14,911	-	168,377
Building	46,716	-	-	46,716
Debt service--interest	11,713	-	-	11,713
Debt service--principal	27,584	-	-	27,584
<b>Total Expenditures</b>	<u>756,502</u>	<u>14,911</u>	<u>-</u>	<u>771,413</u>
<b>Net Change in Fund Balance</b>	(39,135)	20,523	11	(18,601)
<b>Fund Balance</b>				
Fund Balance, Beginning	541,391	107,677	1,675	650,743
<b>Total Fund Balance, Ending</b>	<u>\$ 502,256</u>	<u>\$ 128,200</u>	<u>\$ 1,686</u>	<u>\$ 632,142</u>

The accompanying notes are an integral part of these financial statements.

## VILLAGE OF HEBRON, ILLINOIS

*Reconciliation of the Governmental Fund Statements to  
the Government-wide Statement of Net Position and Statement of Activities  
Year Ended April 30, 2019*

### **Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**

<b>Total Fund Balances - Total Governmental Funds</b>	\$	632,142
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Amount net of depreciation		946,743
Other employee benefit obligations accruals are not reported in funds.		(2,343)
Long term debt is not recorded in the fund statement but is included as a liability in the Statement of Net Position.		(261,822)
<b>Total Net Position of Governmental Activities</b>	\$	<u>1,314,720</u>

### **Reconciliation of the Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances to the Statement of Net Activities and Changes in Net Position**

<b>Excess (Deficiency) of Revenue Over Expenditures and Other Sources/Uses Governmental Funds</b>	\$	(18,601)
Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciation over their useful life. (amount shown is net of depreciation)		(50,868)
Governmental funds report the payment of debt as an expenditure; however the Statement of Activities records the payment as a reduction in the debt liability.		27,584
Governmental funds do not accrue for deferred compensation but the expenses are accrued for in the Statement of Activities.		172
<b>Changes in Net Position of Governmental Funds</b>	\$	<u>(41,713)</u>

The accompanying notes are an integral part of these financial statements.

# VILLAGE OF HEBRON, ILLINOIS

## Proprietary Fund - Statement of Net Position - Modified Cash Basis

April 30, 2019

<b>Assets</b>	<b>Water &amp; Sewer Fund</b>	<b>Water &amp; Sewer Capital Development</b>	<b>Total</b>
Cash	\$ 585,803	\$ 14,539	\$ 600,342
Property and equipment, net of accumulated depreciation	4,296,229	-	4,296,229
<b>Total Assets</b>	<b>\$ 4,882,032</b>	<b>\$ 14,539</b>	<b>\$ 4,896,571</b>
<b>Liabilities</b>			
Due to general fund	\$ 305,870	\$ -	\$ 305,870
Notes payable - current portion	194,003	-	194,003
Deferred compensation - noncurrent	2,415	-	2,415
Notes payable - long-term	3,496,931	-	3,496,931
<b>Total Liabilities</b>	<b>3,999,219</b>	<b>-</b>	<b>3,999,219</b>
<b>Net Position</b>			
Net investment in capital assets	605,295	-	605,295
Restricted	-	14,539	14,539
Unrestricted	277,518	-	277,518
<b>Total Net Position</b>	<b>882,813</b>	<b>14,539</b>	<b>897,352</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 4,882,032</b>	<b>\$ 14,539</b>	<b>\$ 4,896,571</b>

The accompanying notes are an integral part of these financial statements.

# VILLAGE OF HEBRON, ILLINOIS

Proprietary Fund - Statement of Revenues, Expenses, and Changes in Net Position - Modified Cash Basis

Year Ended April 30, 2019

	Water & Sewer Fund	Water & Sewer Capital Development Fund	Totals
<b>Operating Revenue</b>			
Sewer charges	\$ 591,564	\$ -	\$ 591,564
Water charges	197,324	-	197,324
<b>Total Operating Revenue</b>	<b>788,888</b>	<b>-</b>	<b>788,888</b>
<b>Operating Expenses</b>			
Water department expenses	139,745	-	139,745
Sewer department expenses	204,993	-	204,993
<b>Total Operating Expenses</b>	<b>344,738</b>	<b>-</b>	<b>344,738</b>
<b>Operating Income Before Depreciation</b>	<b>444,150</b>	<b>-</b>	<b>444,150</b>
Less: depreciation/amortization	171,546	-	171,546
<b>Operating Income/(Loss)</b>	<b>272,604</b>	<b>-</b>	<b>272,604</b>
<b>Non-Operating Revenue/(Expense)</b>			
Interest expense	(45,091)	-	(45,091)
Interest income	825	-	825
Miscellaneous	1,569	-	1,569
<b>Total Non-Operating Income/(Loss)</b>	<b>(42,697)</b>	<b>-</b>	<b>(42,697)</b>
<b>Change in Net Position</b>	<b>229,907</b>	<b>-</b>	<b>229,907</b>
<b>Net Position</b>			
Net position, beginning	662,779	2,566	665,345
Transfers in/(out)	(11,973)	11,973	-
Capitalized connection fees	2,100	-	2,100
<b>Total Net Position, Ending</b>	<b>\$ 882,813</b>	<b>\$ 14,539</b>	<b>\$ 897,352</b>

The accompanying notes are an integral part of these financial statements.



# VILLAGE OF HEBRON, ILLINOIS

## Proprietary Fund - Statement of Cashflows - Modified Cash Basis

Year Ended April 30, 2019

	Water & Sewer Fund	Water & Sewer Capital Development Fund	Totals
<b>Cashflows from Operating Activities</b>			
Cash received from customers and users	\$ 788,888	\$ -	\$ 788,888
Operating transfers in/(out)	(11,973)	11,973	-
Cash paid to suppliers	(238,787)	-	(238,787)
Cash paid for employees	(104,317)	-	(104,317)
<b>Net Cashflows Provided by Operating Activities</b>	<b>433,811</b>	<b>11,973</b>	<b>445,784</b>
<b>Cashflows from Investing Activities</b>			
Purchase of capital assets	(363,050)	-	(363,050)
Interest income	825	-	825
<b>Net Cashflows Provided by Investing Activities</b>	<b>(362,225)</b>	<b>-</b>	<b>(362,225)</b>
<b>Cashflows from Capital and Financing Activities</b>			
Contributed capital	2,100	-	2,100
Bond/note principal payments, net	(192,078)	-	(192,078)
Bond/note interest payments, net	(45,091)	-	(45,091)
<b>Net Cashflows Provided by Capital and Financing Activities</b>	<b>(235,069)</b>	<b>-</b>	<b>(235,069)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(163,483)</b>	<b>11,973</b>	<b>(151,510)</b>
<b>Cash at Beginning of Year</b>	<b>749,286</b>	<b>2,566</b>	<b>751,852</b>
<b>Cash at End of Year</b>	<b>\$ 585,803</b>	<b>\$ 14,539</b>	<b>\$ 600,342</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating income (loss) for the year	272,604	-	272,604
Operating transfers in/(out)	(11,973)	11,973	-
Reimbursements	1,569	-	1,569
Depreciation/amortization	171,546	-	171,546
Increase (decrease) in compensated absences	65	-	65
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 433,811</b>	<b>\$ 11,973</b>	<b>\$ 445,784</b>

Cash payments for interest made during the year were \$45,091.

The accompanying notes are an integral part of these financial statements.

# VILLAGE OF HEBRON, ILLINOIS

*Fiduciary Fund - Statement of Net Position - Modified Cash Basis*

*April 30, 2019*

	<b>Agency Fund</b>
<b>Assets</b>	
Cash	\$ 4,876
Due from general fund	1,003
<b>Total Assets</b>	<b>\$ 5,879</b>
<b>Liabilities</b>	
Due for distribution	5,879
<b>Total Liabilities</b>	<b>\$ 5,879</b>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE BASIC  
FINANCIAL STATEMENTS

# VILLAGE OF HEBRON, ILLINOIS

*Notes to Financial Statements*

*Year Ended April 30, 2019*

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

---

The Village of Hebron (Village) was organized under the provisions of Chapter 70 of the Illinois Compiled Statutes. The Village operates under the direction of an elected Board.

The Village's financial statements are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The Village follows all Governmental Accounting Standards Board (GASB) pronouncements and pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 that do not conflict with or contradict GASB pronouncements; to the extent they are applicable to the modified cash basis of accounting. The more significant accounting policies used by the Village are discussed below.

### REPORTING ENTITY

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the Village. Component units are legally separate entities for which the Village (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Village's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Village. Using these criteria, the Village has no component units. In addition, the Village is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

### BASIC FINANCIAL STATEMENTS — GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund (reporting the Village's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as governmental activities or business type. The Village's general government, public safety, streets and roads, and debt service activities are classified as governmental activities. The Village's water, sewer, and water and sewer capital development are classified as business-type activities.

In the government-wide Statement of Net Position — Modified Cash Basis, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a modified

# VILLAGE OF HEBRON, ILLINOIS

*Notes to Financial Statements*

*Year Ended April 30, 2019*

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

cash, and economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position are reported in three parts invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities — Modified Cash Basis reports both the gross and net cost of each of the Village's functions (general government and public safety). The functions are also supported by general government revenues (property taxes, personal property replacement taxes, foreign fire insurance taxes, unrestricted investment earnings, etc.). The Statement of Activities — Modified Cash Basis reduces gross expenses (including depreciation) by related program revenues, operating and capital grants (where applicable). Program revenues must be directly associated with the function (general government, public safety, etc.). Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privilege provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, personal property replacement taxes, foreign fire insurance taxes, unrestricted investment earnings, etc.).

The Village does not allocate indirect costs.

This government-wide focus is more 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.

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 comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

# VILLAGE OF HEBRON, ILLINOIS

*Notes to Financial Statements*

*Year Ended April 30, 2019*

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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 Village reports these major governmental funds and fund types:

**GENERAL FUND** —The 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.

**SPECIAL REVENUE FUNDS** —The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**DEBT SERVICE FUND** —The Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal, interest and related fees on general long-term debt.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements

### PROPRIETARY FUNDS

**THE WATER AND SEWER O&M FUND** —The Water and Sewer O&M Fund is used to account for the treatment of sewerage of the residents. User charges to customers account for substantially all of the revenue of this fund.

The activities reported in these funds are reported as business-type activities in the government-wide financial statements.

### FIDUCIARY FUND TYPES

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 the modified cash basis of accounting.

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

# VILLAGE OF HEBRON, ILLINOIS

*Notes to Financial Statements*

*Year Ended April 30, 2019*

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

### MODIFIED CASH

The Government-wide Statement of Net Position — Modified Cash Basis and Statement of Activities — Modified Cash Basis and the Governmental Funds financial statements, are presented using the modified cash basis of accounting.

This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures/expenses when they result from cash transactions, with a provision for depreciation in the government-wide financial statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Village utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

### CASH AND CASH EQUIVALENTS AND INVESTMENTS

Separate bank accounts are not maintained for all of the Village's funds. Instead, the funds maintain their un-invested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the accounts. Such overdrafts in effect constitute cash borrowed from

# VILLAGE OF HEBRON, ILLINOIS

*Notes to Financial Statements*

*Year Ended April 30, 2019*

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

other Village funds and are, therefore, inter-fund loans that have not been authorized by Village Board action.

The Village has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at the lower of cost or market. Gains or losses on the sale of investments are recognized upon realization.

### INVENTORIES

It is the Village's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the value of resale or supply items on hand.

### INTERFUND ACTIVITY

Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as inter-fund 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. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental 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 \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Land Improvements	15 years
Buildings	40 years
Furniture and Equipment	5-7 years
Computer Equipment	3 years
Vehicles	5-7 years



# VILLAGE OF HEBRON, ILLINOIS

*Notes to Financial Statements*

*Year Ended April 30, 2019*

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 34 requires the Village to report and depreciate new infrastructure assets acquired on or after May 1, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The Village is not required to retroactively report infrastructure.

### LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position — Modified Cash Basis. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount.

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

### GOVERNMENT-WIDE NET POSITION

Government-wide net position are divided into three components:

1. Net investment in capital assets, net of related debt — consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
2. Restricted net position — consist of net position that are restricted by the Village's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
3. Unrestricted — all other net position are reported in this category.

# VILLAGE OF HEBRON, ILLINOIS

*Notes to Financial Statements*

*Year Ended April 30, 2019*

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### GOVERNMENTAL FUND BALANCES

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**NONSPENDABLE** - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Village has not classified any items as being Nonspendable.

**RESTRICTED** - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Infrastructure Projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements.

**COMMITTED** - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Village Board. These amounts cannot be used for any other purpose unless the Village Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Village did not have any committed resources as of April 30, 2019.

**ASSIGNED** - This classification includes amounts that are constrained by the Village's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Village Board or through the Village Board delegating this responsibility to the Village President through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

# VILLAGE OF HEBRON, ILLINOIS

*Notes to Financial Statements*

*Year Ended April 30, 2019*

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

**UNASSIGNED** - This classification includes the residual fund balance for the General Fund and the amount established for Minimum Funding which represents the portion of the General Fund balance that has been established by the board to be used for debt service or in emergency situations.

### **PROPERTY TAX CALENDAR**

The Village's property tax is levied on January 1 of each year on all taxable real property located in the Village. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments early in June and early in September of the following calendar year. The Village receives significant distributions of tax receipts approximately one month after these dates. The 2018 levy was passed by the board on December 17, 2018.

## NOTE 2 - DEPOSITS AND INVESTMENTS

At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$927,617, and the bank balances totaled \$933,305. The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6. All accounts are covered by FDIC insurance.

# VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2019

## NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2019 was as follows:

Capital Assets	Balance May 1, 2018	Increases	Decreases	Balance April 30, 2019
<b>General Fund:</b>				
Land	\$ 241,982	\$ 1,614	\$ -	\$ 243,596
Infrastructure	270,015	-	-	270,015
Buildings & improvements	630,244	-	-	630,244
Equipment, furniture and fixtures	424,049	-	-	424,049
Vehicles	329,850	18,113	23,534	324,429
<b>Water &amp; Sewer Fund:</b>				
Land	75,769	-	-	75,769
Infrastructure	7,887,006	-	-	7,887,006
Buildings & improvements	108,128	363,050	-	471,178
Equipment, furniture and fixtures	227,291	-	-	227,291
Vehicles	54,802	-	-	54,802
Total Capital Assets	10,249,136	382,777	23,534	10,608,379
Less: Accumulated Depreciation	5,146,799	222,415	23,534	5,345,680
<b>Capital Assets (Net)</b>	<b>\$ 5,102,337</b>	<b>\$ 160,362</b>	<b>\$ -</b>	<b>\$ 5,262,699</b>

Depreciation expense was charged to functions as follows:

### Governmental Activities

General government	\$ 11,812
Public safety	9,714
Street and roads	29,343

### Business-Type Activities

Water and sewer	171,546
<b>Total Depreciation</b>	<b>\$222,415</b>

# VILLAGE OF HEBRON, ILLINOIS

*Notes to Financial Statements*

*Year Ended April 30, 2019*

## NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT FUND

---

### IMRF PLAN DESCRIPTION

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

### 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).

All three IMRF benefit plans have two tiers. 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

# VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2019

## NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

---

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.

### EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2018 the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	5
Inactive Plan Members entitled to but not yet receiving benefits	6
Active Plan Members	6
<b>Total</b>	<u>17</u>

### CONTRIBUTIONS

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2018 was 10.14%. For the fiscal year ended April 30, 2019, the Village contributed \$38,121 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

### 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.

# VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2019

## NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

---

### ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

#### Summary of Actuarial Methods and Assumptions Used in the Calculation of the Total Pension Liability

##### Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study for the period 2014-2016.
Mortality	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 projections 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.

##### Other Information:

Notes	There were no benefit changes during the year.
-------	--

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2018 Illinois Municipal Retirement Fund annual actuarial valuation report.

# VILLAGE OF HEBRON, ILLINOIS

## Notes to Financial Statements

Year Ended April 30, 2019

### NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

#### Executive Summary as of December 31, 2018

Actuarial Valuation Date	12/31/2018
Measurement Date of the Net Pension Liability	12/31/2018
Fiscal Year End	4/30/2019

#### Membership

Number of	
- Retirees and Beneficiaries	5
- Inactive, Non-Retired Members	6
- Active Members	6
- Total	<u>17</u>
Covered Valuation Payroll (1)	\$ 281,031

#### Net Pension Liability

Total Pension Liability/(Asset)	\$ 1,002,392
Plan Fiduciary Net Position	<u>873,112</u>
Net Pension Liability/(Asset)	\$ <u>129,280</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.10%
Net Pension Liability as a Percentage of Covered Valuation Payroll	46.00%

#### Development of the Single Discount Rate as of December 31, 2018

Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate (2)	3.71%
Last year ending December 31 in the 2019 to 2118 projection for which projected benefit payments are fully funded	2118
Resulting Single Discount Rate based on the above	7.25%
Single Discount Rate calculated using December 31, 2017 Measurement Date	7.50%

<b>Total Pension Expense/(Income)</b>	<b>\$ 38,121</b>
---------------------------------------	------------------

#### Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 5,750	\$ 7,716
Changes in assumptions	13,434	9,721
Net difference between projected and actual earnings on pension plan investments	109,397	52,559
<b>Total</b>	<b>\$ <u>128,581</u></b>	<b>\$ <u>69,996</u></b>

(1) Does not necessarily represent Covered Employee Payroll as defined in GASB Statement Nos. 67-68

(2)Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt Municipal bonds as reported in Fidelity's Index's "20-Year Municipal GO AA Index" as of December 29, 2018. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.



# VILLAGE OF HEBRON, ILLINOIS

*Notes to Financial Statements*

*Year Ended April 30, 2019*

## NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

---

### SINGLE DISCOUNT RATE

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.25%.

### SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

# VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2019

## NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

### Schedule of Changes in Net Pension Liability and Related Ratios - Current Period

Calendar Year Ended December 31, 2018

#### A. Total pension liability

1. Service Cost	\$	20,681
2. Interest on the Total Pension Liability		68,999
3. Changes of benefit terms		-
4. Difference between expected and actual experience of the Total Pension Liability		8,131
5. Changes of assumptions		18,996
6. Benefit payments, including refunds of employee contributions		(48,114)
7. Net change in total pension liability		68,693
8. Total pension liability – beginning		933,699
9. Total pension liability – ending	\$	1,002,392

#### B. Plan fiduciary net position

1. Contributions – employer	\$	28,496
2. Contributions – employee		12,646
3. Net investment income		(50,265)
4. Benefit payments, including refunds of employee contributions		(48,114)
5. Other (Net Transfer)		(17,643)
6. Net change in plan fiduciary net position		(74,880)
7. Plan fiduciary net position – beginning		947,992
8. Plan fiduciary net position – ending	\$	873,112

#### C. Net pension liability/(asset)

\$ 129,280

#### D. Plan fiduciary net position as a percentage

of the total pension liability 87.10%

#### E. Covered Valuation payroll

\$ 281,031

#### F. Net pension liability as a percentage

of covered valuation payroll 46.00%

### Sensitivity of Net Pension Liability/(Asset) to the Single discount rate Assumption

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 1,086,805	\$ 1,002,392	\$ 936,597
Plan Fiduciary Net Position	873,112	873,112	873,112
Net Pension Liability/(Asset)	\$ 213,693	\$ 129,280	\$ 63,485

# VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2019

## NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (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 \$38,121. At April 30, 2019, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b> <i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual	\$ 5,750	\$ 7,716
Changes of assumptions	13,434	9,721
Net difference between projected and actual earnings on pension plan investments	109,397	52,559
<b>Total Deferred Amounts to be recognized in pension expense in future periods</b>	<b>\$ 128,581</b>	<b>\$ 69,996</b>

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:

<b>Year Ending December 31</b>	<b>Net Deferred Outflows of Resources</b>
2019	\$ 12,265
2020	12,364
2021	9,867
2022	24,089
2023	-
Thereafter	-
<b>Total</b>	<b>\$ 58,585</b>

# VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements  
Year Ended April 30, 2019

## NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

---

### Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate \*

**Valuation Date: December 31, 2018**

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior contributions are reported.

#### Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period.  Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period Early Retirement Incentive Plan liabilities:  a period up to 10 years selected by the employer upon adoption of ERI.  SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (two employers were financed over 29 years).  5-Year smoothed market; 20% corridor
Asset Valuation Method	3.50%
Wage growth	2.75% - approximate; No explicit price inflation assumptions is used in this valuation.
Price Inflation	
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (based on 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
<b>Other Information:</b>	There were no benefit changes during the year
Notes	*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation

# VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2019

## NOTE 5 - INTERFUND BALANCES

The interfund loans were made to cover the operating expenses in the General Fund.

Interfund loan balances at April 30, 2019 consisted of the following:

Due to	Due from	Amount
General	MFT	\$ 94,329
General	Water/Sewer	\$ 305,870
Agency	General	\$ 1,003

## NOTE 6 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended April 30, 2019 was as follows:

	Balance			Balance	Amounts
	May 1, 2018	Additions	Retirements	April 30, 2019	Due Within
					One Year
<b>Governmental Activities: Long-Term Debt</b>					
Village Hall Loan	\$ 127,787	\$ -	\$ -	\$ 127,787	\$ 20,000
Equipment Capital Lease	67,481	-	21,944	45,537	24,195
House Purchase Loan	94,138	-	5,640	88,498	5,904
<b>Total Long-Term Debt</b>	<b>289,406</b>	<b>-</b>	<b>27,584</b>	<b>261,822</b>	<b>50,099</b>
<b>Other Long Term Liabilities</b>					
Compensated Absences	2,515	-	172	2,343	-
<b>Total Governmental Long Term Obligations</b>	<b>\$ 291,921</b>	<b>\$ -</b>	<b>\$ 27,756</b>	<b>\$ 264,165</b>	<b>\$ 50,099</b>
<b>Business-Type Activities: Long-Term Debt</b>					
2007 IEPA Loan	\$ 3,883,012	\$ -	\$ 192,078	\$ 3,690,934	\$ 194,003
<b>Total Long-Term Debt</b>	<b>3,883,012</b>	<b>-</b>	<b>192,078</b>	<b>3,690,934</b>	<b>194,003</b>
<b>Other Long Term Liabilities</b>					
Compensated Absences	2,351	64	-	2,415	-
<b>Total Business-Type Long Term Obligations</b>	<b>\$ 3,885,363</b>	<b>\$ 64</b>	<b>\$ 192,078</b>	<b>\$ 3,693,349</b>	<b>\$ 194,003</b>

Long-term liabilities at April 30, 2018	Maturity Dates	Interest Rates	Face Amount	Carrying Amounts
<b>Governmental Activities:</b>				
Village Hall Loan	7/15/2024	4.250%	\$ 325,000	\$ 127,787
Equipment Capital Lease	1/1/2021	3.950%	\$ 108,970	\$ 67,481
House Purchase Loan	11/10/2020	4.500%	\$ 112,000	\$ 94,138
<b>Business-Type Activities:</b>				
2007 IEPA Loan	9/27/2036	1.000%	\$ 4,922,423	\$ 3,883,012

# VILLAGE OF HEBRON, ILLINOIS

## Notes to Financial Statements

Year Ended April 30, 2019

### NOTE 6 - LONG-TERM LIABILITY ACTIVITY (CONCLUDED)

---

At April 30, 2019, the annual debt service requirements to service long-term debt:

Year Ending April 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2020	49,832	10,969	60,801	194,003	36,425	230,428
2021	124,203	6,231	130,434	195,948	34,481	230,429
2022	21,000	2,359	23,359	197,912	32,516	230,428
2023	22,000	1,445	23,445	199,896	30,532	230,428
2024	41,787	488	42,275	201,900	28,528	230,428
2025				203,925	26,504	230,429
2026				205,969	24,460	230,429
2027				208,034	22,395	230,429
2028				210,119	20,310	230,429
2029				212,226	18,203	230,429
2030				214,353	16,075	230,428
2031				216,502	13,927	230,429
2032				218,673	11,756	230,429
2033				220,865	9,564	230,429
2034				223,079	7,350	230,429
2035				225,315	5,113	230,428
2036				227,574	2,855	230,429
2037				114,641	573	115,214
	<u>\$ 258,822</u>	<u>\$ 21,492</u>	<u>\$ 280,314</u>	<u>\$ 3,690,934</u>	<u>\$ 341,567</u>	<u>\$ 4,032,501</u>

### NOTE 7 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

---

During the fiscal year ended April 30, 2019 no funds had expenditures that exceeded the appropriations.

### NOTE 8 - 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; injuries to employees; and natural disasters.

# VILLAGE OF HEBRON, ILLINOIS

*Notes to Financial Statements*

*Year Ended April 30, 2019*

## NOTE 8 - RISK MANAGEMENT (CONCLUDED)

---

The Village purchases commercial insurance to handle these risks of loss. During fiscal year 2019 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Village is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended April 30, 2019, there were no significant adjustments in premiums based on actual experience.

## NOTE 9 – SUBSEQUENT EVENTS

---

The Organization has evaluated subsequent events through the date on which the financial statements were available to be issued. The Village is not aware of any other pending litigation or potential non-disclosed liabilities that management believes would have a material adverse effect on the financial statements.

## OTHER INFORMATION



# VILLAGE OF HEBRON, ILLINOIS

## General Fund - Schedule of Revenues - Budget and Actual

Year Ended April 30, 2019

Revenues	Modified	
	Budgeted	Cash Basis
Property tax	\$ 136,595	\$ 138,965
State sales tax	80,000	82,506
State income tax	107,425	118,060
Replacement tax	-	5,299
Utility tax	58,310	56,256
State use tax	16,500	35,954
Video gaming tax	38,000	42,864
Liquor licenses	6,275	6,919
Donations	-	50
Other permits	1,125	-
Hebron special events	-	3,000
Petition and annexation	-	7,346
Telecommunications	23,000	27,663
Franchise fee - cable	-	2,224
Interest income	1,550	6,688
Miscellaneous income	12,000	11,975
Miscellaneous services	2,300	-
Building permits	30,000	14,120
Police protection levy	36,700	37,075
Code enforcement tickets	54,000	16,985
Court fines	8,000	34,298
DUI equipment fines	8,000	2,134
Police vehicle fund	-	1,459
Electronic citation	-	174
Warrants	-	70
Towing/impound fees	18,000	30,050
Interest income	40	291
Miscellaneous income	4,000	2,035
Grants	4,000	3,114
Road & Bridge township levy	19,710	17,734
Street lighting levy	10,670	10,784
Miscellaneous income	10,000	660
Building permits - street impact	700	615
<b>Total Revenues</b>	<b>\$ 686,900</b>	<b>\$ 717,367</b>

# VILLAGE OF HEBRON, ILLINOIS

## General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2019

Administrative Department	Budget		Modified
	Original	Final	Cash Basis
Salaries and Benefits			
Salary and wages	\$ 76,054	\$ 76,054	\$ 49,874
FICA - village share	3,736	3,736	3,098
Medicare - village share	891	891	724
Unemployment insurance	2,530	2,530	913
Retirement fund	1,817	1,817	26,367
Training	600	600	-
Payroll expense	-	-	357
Total Salaries and Benefits	85,628	85,628	81,333
Administrative Expenses			
Maintenance - building	3,300	3,300	2,689
Maintenance - equipment	6,260	6,260	-
Contract services	11,000	11,000	6,278
Other services	3,500	3,500	2,953
Supplies & maintenance	500	500	52
Audit	4,800	4,800	4,417
Engineering services	22,000	22,000	4,461
Legal services	66,000	66,000	32,861
Improvements	8,800	8,800	-
Postage	2,420	2,420	1,001
Telephone	5,280	5,280	3,057
Utilities	3,000	3,000	903
Printing	1,650	1,650	1,641
Technology services	1,650	1,650	2,232
Dues, memberships	1,500	1,500	1,552
Travel expense	600	600	-
Publications	1,050	1,050	705
Licenses	100	100	-
Garbage disposal	350	350	305
Service charges	100	100	58
Insurance	66,000	66,000	47,326
Insurance administrative - bond	220	220	-
Rentals	440	440	88
Office supplies	2,310	2,310	1,417
Computer software	1,100	1,100	650
Computer hardware	2,200	2,200	-
Principal payment	25,761	25,761	5,757
Interest payment	7,098	7,098	10,114

# VILLAGE OF HEBRON, ILLINOIS

## General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2019

	Budget		Modified
	Original	Final	Cash Basis
<b>Administrative Department</b>			
<b>Administrative Expenses (Concluded)</b>			
Land	\$ 55,000	\$ 55,000	\$ -
Miscellaneous expense	500	500	1,168
Community projects	-	-	120
Senior citizen bus service	7,000	7,000	2,414
Events	2,200	2,200	-
<b>Total Administrative Expenses</b>	<b>313,689</b>	<b>313,689</b>	<b>134,219</b>
<b>Total Administrative Department</b>	<b>399,317</b>	<b>399,317</b>	<b>215,552</b>
 <b>Police Department</b>			
<b>Salaries and Benefits</b>			
Salary and wages	196,192	196,192	202,843
Health insurance	-	-	4,354
FICA - village share	12,210	12,210	12,555
Medicare - village share	2,849	2,849	2,936
Unemployment insurance	4,620	4,620	2,006
IMRF	15,510	15,510	-
Training	5,000	5,000	1,379
Uniform allowance	1,650	1,650	1,850
Payroll expense	-	-	461
<b>Total Salaries and Benefits</b>	<b>238,031</b>	<b>238,031</b>	<b>228,384</b>
 <b>Administrative Expenses</b>			
Maintenance - building	1,000	1,000	151
Maintenance - equipment	1,000	1,000	4,059
Maintenance - vehicles	4,200	4,200	12,677
Maintenance - other	1,300	1,300	-
Contract services	16,000	16,000	13,395
Other services	1,000	1,000	950
Technology services	-	-	188
Supplies & maintenance	100	100	39
Legal services	11,000	11,000	21,472
Postage	330	330	204
Telephone	2,750	2,750	3,126
Printing	1,100	1,100	371
Dues	750	750	495
Garbage disposal	275	275	-
Office supplies	275	275	386

# VILLAGE OF HEBRON, ILLINOIS

## General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2019

	Budget		Modified
	Original	Final	Cash Basis
<b>Administrative Department</b>			
<b>Administrative Expenses (Concluded)</b>			
Operating supplies	\$ 550	\$ 550	\$ 47
Computer software	275	275	-
Computer hardware	1,100	1,100	627
Fuel	9,900	9,900	11,100
Principal payments	13,479	13,479	15,620
Interest expense	-	-	1,066
Equipment - new	825	825	1,237
Vehicle - new	25,000	25,000	18,113
Miscellaneous expense	750	750	321
<b>Total Administrative Expenses</b>	<b>92,959</b>	<b>92,959</b>	<b>105,644</b>
<b>Total Police Department</b>	<b>330,990</b>	<b>330,990</b>	<b>334,028</b>
<b>Street Department</b>			
<b>Salaries and Benefits</b>			
Salary and wages	47,685	47,685	49,497
Health insurance	4,950	4,950	4,964
FICA - village share	2,959	2,959	3,068
Medicare - village share	693	693	717
Unemployment insurance	1,386	1,386	79
IMRF	4,301	4,301	-
Uniform allowance	-	-	26
Payroll expense	-	-	188
<b>Total Salaries and Benefits</b>	<b>61,974</b>	<b>61,974</b>	<b>58,539</b>
<b>Administrative Expenses</b>			
Maintenance - buildings	7,000	7,000	1,060
Maintenance - equipment	6,000	6,000	608
Maintenance - vehicles	11,000	11,000	3,375
Street maintenance	4,400	4,400	2,615
Other maintenance	275	275	-
Contract services	8,250	8,250	5,200
Other services	5,500	5,500	1,112
Supplies & maintenance	14,850	14,850	4,011
Snow removal	1,100	1,100	-
Engineering services	-	-	13,517
Improvements	22,000	22,000	2,545
Postage	110	110	119

# VILLAGE OF HEBRON, ILLINOIS

## General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2019

	Budget		Modified Cash Basis
	Original	Final	
<b>Administrative Department</b>			
<b>Street Department</b>			
<b>Administrative Expenses (Concluded)</b>			
Telephone	\$ 770	\$ 770	\$ 290
Utilities	880	880	995
Street lighting	39,600	39,600	33,428
Office supplies	50	50	63
Operating supplies	-	-	176
Fuel	8,800	8,800	9,057
Road materials	1,650	1,650	1,112
Tree trimming	6,270	6,270	4,240
Contract payments	-	-	956
Principal payments	13,479	13,479	6,207
Interest expense	-	-	533
Equipment - new	16,500	16,500	2,200
Vehicle - new	22,000	22,000	-
Maintenance materials	-	-	6,892
Technology services	-	-	200
Miscellaneous expense	-	-	150
Parks	2,420	2,420	1,006
<b>Total Administrative Expenses</b>	<b>192,904</b>	<b>192,904</b>	<b>101,667</b>
<b>Total Street Department</b>	<b>254,878</b>	<b>254,878</b>	<b>160,206</b>
<b>Building Department</b>			
<b>Salaries and Benefits</b>			
Salary and wages	14,823	14,823	40,426
FICA - village share	1,530	1,530	2,506
Medicare - village share	360	360	586
Unemployment insurance	1,035	1,035	635
IMRF	1,280	1,280	-
Training	500	500	-
<b>Total Salaries and Benefits</b>	<b>19,528</b>	<b>19,528</b>	<b>44,153</b>
<b>Administrative Expenses</b>			
Maintenance - building	-	-	123
Contract services	2,200	2,200	302
Supplies & maintenance	3,300	3,300	91
Audit	100	100	-
Engineering services	3,300	3,300	-

# VILLAGE OF HEBRON, ILLINOIS

## General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2019

	Budget		Modified Cash Basis
	Original	Final	
<b>Administrative Department</b>			
<b>Building Department</b>			
<b>Salaries and Benefits</b>			
Postage	\$ 200	\$ 200	\$ 136
Telephone	1,200	1,200	1,132
Utilities	1,000	1,000	-
Printing	1,100	1,100	-
Dues	35	35	99
Office supplies	550	550	680
Computer hardware	1,500	1,500	-
<b>Total Administrative Expenses</b>	<b>14,485</b>	<b>14,485</b>	<b>2,563</b>
<b>Total Building Department</b>	<b>34,013</b>	<b>34,013</b>	<b>46,716</b>
<b>Total General Fund</b>	<b>\$ 1,019,198</b>	<b>\$ 1,019,198</b>	<b>\$ 756,502</b>

# VILLAGE OF HEBRON, ILLINOIS

Proprietary Fund - Schedule of Expenses - Budget and Actual - Modified Cash Basis

Year Ended April 30, 2019

	Appropriations		Modified
	Original	Final	Cash Basis
Water - supply & distribution	\$ 147,840	\$ 147,840	\$ 197,324
Sewer - collection & treatment	443,242	443,242	591,564
Interest income	600	600	825
Building permits	9,892	9,892	-
Miscellaneous	13,580	13,580	1,569
Tap on fees	1,864	1,864	-
<b>Total Revenues</b>	<b>617,018</b>	<b>617,018</b>	<b>791,282</b>

## Sewer Department Salaries and Benefits

Salary and wages	46,750	46,750	61,318
FICA - village share	2,871	2,871	4,148
Medicare - village share	671	671	970
Health insurance	3,300	3,300	3,316
Unemployment insurance	1,771	1,771	904
IMRF	4,862	4,862	-
Overtime	2,000	2,000	2,397
Training	550	550	75
Payroll expense	-	-	4,371
<b>Total Salaries and Benefits</b>	<b>62,775</b>	<b>62,775</b>	<b>77,499</b>

## Administration Expenses

Maintenance - buildings	1,000	1,000	305
Maintenance - vehicles	500	500	-
Maintenance - equipment	15,000	15,000	14,766
Sewer maintenance	14,300	14,300	15,561
Insurance	33,000	33,000	23,663
Contract services	825	825	-
Other services	330	330	853
Supplies & maintenance	825	825	431
Audit	4,500	4,500	4,417
Engineering services	5,500	5,500	-
Improvements	5,500	5,500	-
Postage	1,320	1,320	1,299
Telephone	2,816	2,816	2,957

# VILLAGE OF HEBRON, ILLINOIS

Proprietary Fund - Schedule of Expenses - Budget and Actual - Modified Cash Basis

Year Ended April 30, 2019

	Appropriations		Modified
	Original	Final	Cash Basis
<b>Sewer Department</b>			
<b>Administration Expenses (Concluded)</b>			
Utilities	\$ 40,700	\$ 40,700	\$ 40,203
Printing	110	110	-
Dues	2,700	2,700	2,664
Travel expense	150	150	-
Licenses	125	125	-
Lab testing	3,850	3,850	3,761
Chemicals	14,000	14,000	12,918
Rentals	2,750	2,750	-
Meters and other improvements	8,000	8,000	1,612
Office supplies	250	250	592
Operating supplies	500	500	70
Computer software	5,000	5,000	1,422
Maintenance materials park lot	4,400	4,400	-
Loan principal	190,646	190,646	-
Loan interest	39,784	39,784	45,091
Equipment - new	5,500	5,500	-
Vehicle - new	11,000	11,000	-
Miscellaneous expense	250	250	-
Contingency	5,000	5,000	-
<b>Total Administration Expenses</b>	<b>420,131</b>	<b>420,131</b>	<b>172,585</b>
<b>Total Sewer Department</b>	<b>482,906</b>	<b>482,906</b>	<b>250,084</b>
<b>Water Department Expenses</b>			
<b>Salaries and Benefits</b>			
Salary and wages	57,200	57,200	20,734
Health insurance	3,300	3,300	3,299
FICA - village share	3,377	3,377	1,366
Medicare - village share	880	880	320
Unemployment insurance	1,760	1,760	163
IMRF	6,028	6,028	-
Overtime	2,000	2,000	192
Training	150	150	191
Uniform allowance	275	275	75



# VILLAGE OF HEBRON, ILLINOIS

Proprietary Fund - Schedule of Expenses - Budget and Actual - Modified Cash Basis

Year Ended April 30, 2019

	Appropriations		Modified
	Original	Final	Cash Basis
<b>Water Department Expenses</b>			
<b>Salaries and Benefits (Concluded)</b>			
Payroll expense	\$ -	\$ -	\$ 478
<b>Total Salaries and Benefits</b>	<b>74,970</b>	<b>74,970</b>	<b>26,818</b>
<b>Administrative Expenses</b>			
Maintenance - buildings	7,000	7,000	395
Maintenance - vehicles	1,500	1,500	-
Maintenance - equipment	4,000	4,000	2,636
Water maintenance	35,110	35,110	29,725
Other services	250	250	810
Supplies & maintenance	200	200	284
Audit	4,350	4,350	4,417
Tower maintenance	410,000	410,000	4,577
Engineering services	16,500	16,500	15,000
Postage	13,200	13,200	1,249
Telephone	2,200	2,200	2,017
Utilities	15,730	15,730	13,602
Printing	165	165	487
Dues	187	187	164
Travel	165	165	83
Licenses	100	100	-
Insurance	33,000	33,000	23,663
Lab testing	4,851	4,851	3,814
Water testing	3,300	3,300	2,210
Chemicals	15,400	15,400	4,171
Rentals	2,500	2,500	-
Meters	8,000	8,000	1,591
Office supplies	500	500	592
Operating supplies	-	-	58
Computer software	5,000	5,000	-
Project materials	4,400	4,400	1,050
Technology services	-	-	200
Contract payments	1,280	1,280	-
Equipment - new	2,750	2,750	-
Vehicle - new	5,500	5,500	-

## VILLAGE OF HEBRON, ILLINOIS

*Proprietary Fund - Schedule of Expenses - Budget and Actual - Modified Cash Basis*

*Year Ended April 30, 2019*

	<b>Appropriations</b>		<b>Modified</b>
	<b>Original</b>	<b>Final</b>	<b>Cash Basis</b>
<b>Water Department Expenses</b>			
<b>Administrative Expenses (Concluded)</b>			
Miscellaneous expense	\$ 170	\$ 170	\$ 132
Contingency	5,000	5,000	-
<b>Total Administration Expenses</b>	<b>602,308</b>	<b>602,308</b>	<b>112,927</b>
<b>Total Water Department Expenses</b>	<b>677,278</b>	<b>677,278</b>	<b>139,745</b>
Operating transfers out/(in)	-	-	11,973
Depreciation/Amortization	-	-	171,546
<b>Total Water and Sewer Expenses</b>	<b>\$ 1,160,184</b>	<b>\$ 1,160,184</b>	<b>\$ 573,348</b>

# VILLAGE OF HEBRON, ILLINOIS

## Motor Fuel Tax Fund - Schedule of Revenues and Expenditures - Budget and Actual

Year Ended April 30, 2019

	Budget		Modified
	Original	Final	Cash Basis
<b>Revenues</b>			
Allotments	\$ 30,000	\$ 30,000	\$ 30,960
Interest income	-	-	4,474
<b>Total Revenue</b>	<b>30,000</b>	<b>30,000</b>	<b>35,434</b>
<b>Expenditures</b>			
Street maintenance	30,000	30,000	-
Snow removal and salt	10,000	10,000	10,923
Other maintenance sidewalks	30,000	30,000	-
Street lighting	20,000	20,000	-
Supplies and maintenance	-	-	9
Road materials	-	-	145
Improvements	-	-	3,834
<b>Total Expenditures</b>	<b>90,000</b>	<b>90,000</b>	<b>14,911</b>
<b>Net Change in Fund Balance</b>	<b>\$ (60,000)</b>	<b>\$ (60,000)</b>	<b>\$ 20,523</b>

**VILLAGE OF HEBRON, ILLINOIS**  
**Multi-year Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last 10 Calendar Years**  
*(schedule to be built prospectively from 2015)*

Calendar Year Ending	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total Pension Liability</b>										
Service Cost	\$ 20,681	\$ 13,912	\$ 12,593	\$ 10,398						
Interest on the Total Pension Liability	68,999	69,585	67,360	64,842						
Benefit Changes	-	-	-	-						
Difference between Expected and Actual Experience	8,131	(20,504)	(1,259)	5,290						
Assumption Changes	18,996	(25,829)	(1,572)	758						
Benefit Payments and Refunds	(48,114)	(48,613)	(52,432)	(42,701)						
<b>Net Change in Total Pension Liability</b>	<b>68,693</b>	<b>(11,449)</b>	<b>24,690</b>	<b>38,587</b>						
<b>Total Pension Liability - Beginning</b>	<b>933,699</b>	<b>945,148</b>	<b>920,458</b>	<b>881,871</b>						
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 1,002,392</b>	<b>\$ 933,699</b>	<b>\$ 945,148</b>	<b>\$ 920,458</b>						
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	28,496	15,931	17,321	13,843						
Employee Contributions	12,646	6,893	6,342	5,252						
Pension Plan Net Investment Income	(50,265)	149,025	55,571	4,017						
Benefit Payments and Refunds	(48,114)	(48,613)	(52,432)	(42,701)						
Other	(17,643)	(14,292)	1,557	15,165						
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(74,880)</b>	<b>108,944</b>	<b>28,359</b>	<b>(4,424)</b>						
<b>Plan Fiduciary Net Position - Beginning</b>	<b>947,992</b>	<b>839,048</b>	<b>810,689</b>	<b>815,113</b>						
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 873,112</b>	<b>\$ 947,992</b>	<b>\$ 839,048</b>	<b>\$ 810,689</b>						
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>129,280</b>	<b>(14,293)</b>	<b>106,100</b>	<b>109,769</b>						
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>										
	87.10%	101.53%	88.77%	88.07%						
<b>Covered Valuation Payroll</b>	<b>\$ 281,031</b>	<b>\$ 153,177</b>	<b>\$ 140,937</b>	<b>\$ 116,720</b>						
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>										
	46.00%	(9.33%)	75.28%	94.04%						

**VILLAGE OF HEBRON, ILLINOIS**  
**Multi-year Schedule of Contributions**  
**Last 10 Calendar Years**

<b>Calendar Year Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a % of Covered Valuation Payroll</b>
2015	\$ 13,843	\$ 13,843	\$ -	\$ 116,720	11.86%
2016	\$ 17,321	\$ 17,524	\$ (203)	\$ 140,937	12.43%
2017	\$ 15,930	\$ 15,931	\$ (1)	\$ 153,177	10.40%
2018	\$ 28,497 *	\$ 28,496	\$ 1	\$ 281,031	10.14%

\* Estimated based on a contribution rate of 10.14% and covered valuation payroll of \$281,031.

## NOTES TO OTHER INFORMATION

# VILLAGE OF HEBRON, ILLINOIS

## *Notes to Other Information*

*Year Ended April 30, 2019*

The accounting policies of the Village include the preparation of financial statements on the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. The Village also prepares its budget on the modified cash basis of accounting.

Under the modified cash basis of accounting, revenues are recorded when received in cash and expenditures are recorded when the cash is disbursed. General capital assets acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Budgets are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The Village procedures in establishing the budgetary data reflected in the General Fund Financial Statements is presented below:

- Prior to July 15<sup>th</sup> the Village Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on preceding May 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.
- The budget is legally enacted through passage of an ordinance prior to July 31<sup>st</sup>.
- The Village Treasurer, in conjunction with the Board, is authorized to expend the un-expensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- The original budget was passed on June 16, 2018 and not amended during the fiscal year.
- Formal budgetary integration is not employed as a management control device during the year for any fund.
- Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis of accounting, which is comprehensive basis of

## VILLAGE OF HEBRON, ILLINOIS

*Notes to Other Information*

*Year Ended April 30, 2019*

accounting other than generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.

- Expenditures cannot legally exceed appropriations at the fund level.
- All appropriations lapse at year-end.