



44 N. Walkup Ave.  
Crystal Lake, IL 60014  
T: 815-459-0700  
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# Village of Hebron, Illinois

Annual Financial Report

For the Year Ended April 30, 2020

# VILLAGE OF HEBRON, ILLINOIS

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*Year Ended April 30, 2019*

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# VILLAGE OF HEBRON, ILLINOIS

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## 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, 2020, and the related notes to the financial statements, 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, 2020, 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.

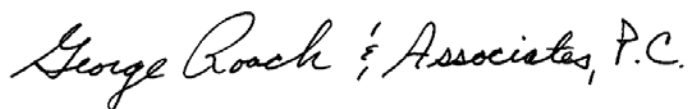
## Other Matters

### *Other Information*

Our audit was conducted for the purposes of forming opinions on the financial statements as a whole 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.



George Roach & Associates, P.C.  
Crystal Lake, Illinois  
June 22, 2020

## OTHER INFORMATION

# VILLAGE OF HEBRON, ILLINOIS

## Management Discussion and Analysis - Unaudited

April 30, 2020

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, 2020.

## FINANCIAL HIGHLIGHTS

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- The assets of the Village exceeded its liabilities at April 30, 2020 by \$2,424,268 (*net position*). Of this amount, \$990,835 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- At April 30, 2020, the Village's governmental funds reported combined ending fund balances of \$635,465.
- At April 30, 2020, the unassigned fund balance for the General Fund was \$505,248.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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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, 2020*

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, 2020

### 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 \$2,424,268 at April 30, 2020. Of the Village's net position, \$1,288,662 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	4/30/2020	4/30/2019	4/30/2020	4/30/2019	4/30/2020
Current and Other Assets	\$ 633,145	\$ 636,468	\$ 294,472	\$ 520,445	\$ 927,617	\$ 1,156,913
Capital Assets, net	946,743	902,035	4,296,229	4,126,780	5,242,972	5,028,815
<b>Total Assets</b>	<b>\$ 1,579,888</b>	<b>\$ 1,538,503</b>	<b>\$ 4,590,701</b>	<b>\$ 4,647,225</b>	<b>\$ 6,170,589</b>	<b>\$ 6,185,728</b>
Current Liabilities	\$ 51,102	\$ 100,438	\$ 194,003	\$ 195,948	\$ 245,105	\$ 296,386
Noncurrent Liabilities	214,066	154,227	3,499,346	3,310,847	3,713,412	3,465,074
<b>Total Liabilities</b>	<b>265,168</b>	<b>254,665</b>	<b>3,693,349</b>	<b>3,506,795</b>	<b>3,958,517</b>	<b>3,761,460</b>
Net Position:						
Net Investment in Capital Assets	684,921	658,813	605,295	629,849	1,290,216	1,288,662
Restricted	129,886	130,217	14,539	14,554	144,425	144,771
Unrestricted	499,913	494,808	277,518	496,027	777,431	990,835
<b>Total Net Position</b>	<b>\$ 1,314,720</b>	<b>\$ 1,283,838</b>	<b>\$ 897,352</b>	<b>\$ 1,140,430</b>	<b>\$ 2,212,072</b>	<b>\$ 2,424,268</b>

# VILLAGE OF HEBRON, ILLINOIS

## Management Discussion and Analysis - Unaudited

April 30, 2020

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 (\$990,835) may be used to meet the Village's ongoing obligations to citizens and creditors.

At April 30, 2020, 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	4/30/2020	4/30/2019	4/30/2020	4/30/2019	4/30/2020
Program Revenues						
Charges for Services	\$ 109,098	\$ 168,480	\$ 788,888	\$ 815,938	\$ 897,986	\$ 984,418
Operating Grants and Contributions	3,114	15,010	-	216	3,114	15,226
General Revenues						
Property Taxes	204,558	209,173	-	-	204,558	209,173
Other taxes	343,306	388,532	-	-	343,306	388,532
Utility Taxes	56,256	58,782	-	-	56,256	58,782
Other	25,016	9,311	1,569	2,280	26,585	11,591
Interest	11,464	11,830	825	615	12,289	12,445
<b>Total Revenues</b>	<b>752,812</b>	<b>861,118</b>	<b>791,282</b>	<b>819,049</b>	<b>1,544,094</b>	<b>1,680,167</b>
Expenses						
General Government	211,321	226,090	-	-	211,321	226,090
Public Safety	327,055	410,106	-	-	327,055	410,106
Streets and roads	197,720	221,816	-	-	197,720	221,816
Buildings	46,716	32,496	-	-	46,716	32,496
Interest on Long-Term Debt	11,713	8,231	45,091	36,455	56,804	44,686
Proprietary Activities	-	-	516,284	534,877	516,284	534,877
<b>Total Expenses</b>	<b>794,525</b>	<b>898,739</b>	<b>561,375</b>	<b>571,332</b>	<b>1,355,900</b>	<b>1,470,071</b>
Increase/(Decrease) in Net Position	(41,713)	(37,621)	229,907	247,717	188,194	210,096
Net Position - Beginning of Year	1,356,433	1,314,720	665,345	897,352	2,021,778	2,212,072
Transfers in/(out)	-	6,739	-	(6,739)	-	-
Contributed capital	-	-	2,100	2,100	2,100	2,100
<b>Net Position - End of Year</b>	<b>\$ 1,314,720</b>	<b>\$ 1,283,838</b>	<b>\$ 897,352</b>	<b>\$ 1,140,430</b>	<b>\$ 2,212,072</b>	<b>\$ 2,424,268</b>

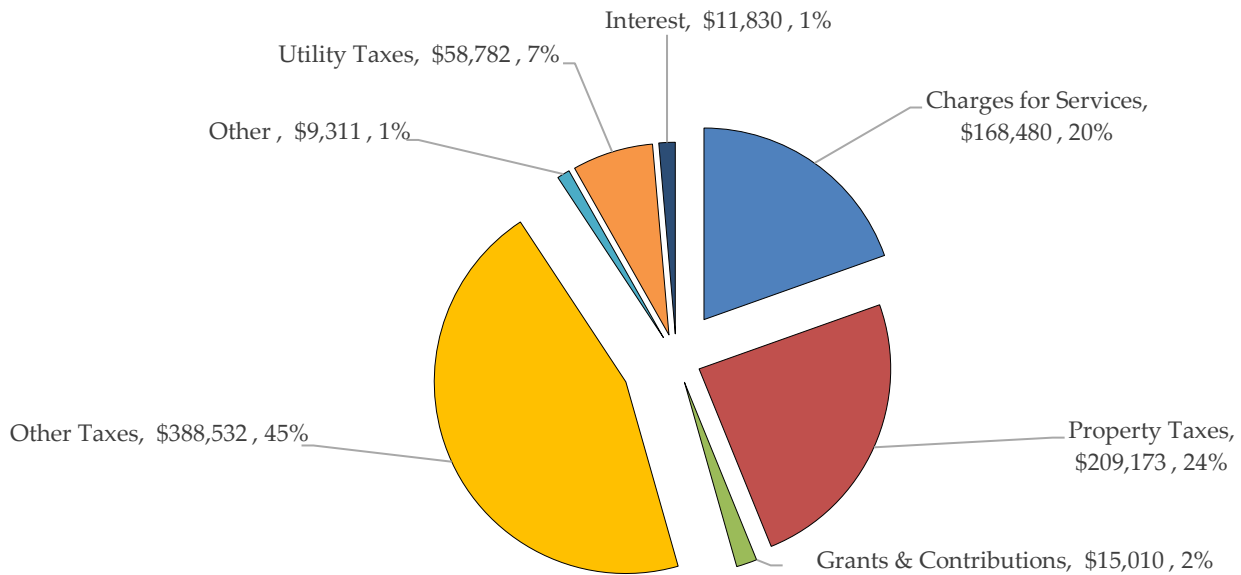
# VILLAGE OF HEBRON, ILLINOIS

Management Discussion and Analysis - Unaudited

April 30, 2020

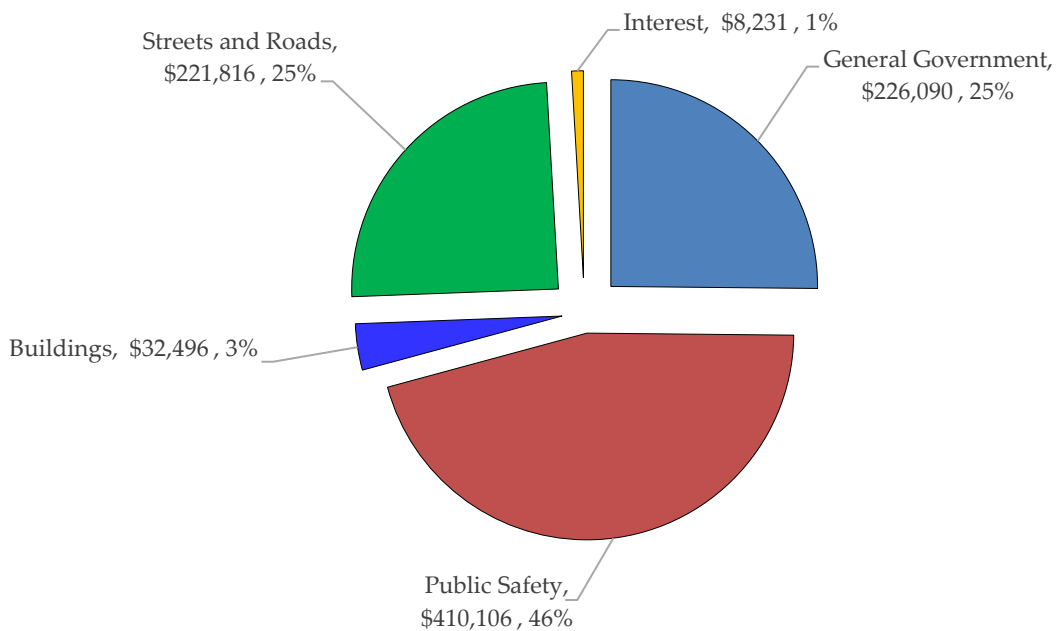
## 2020 GOVERNMENTAL REVENUES

ROUNDED TO THE NEAREST PERCENT



## 2020 GOVERNMENTAL EXPENSES

ROUNDED TO THE NEAREST PERCENT



# VILLAGE OF HEBRON, ILLINOIS

*Management Discussion and Analysis - Unaudited*

*April 30, 2020*

## FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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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, 2020, the Village's governmental funds reported combined ending fund balances of \$635,465. A portion of this amount (\$505,248) 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, 2020, the fund balance of the General Fund was \$505,248.

### General Fund Budgetary Highlights

- The General Fund revenues exceeded the estimated revenues by \$132,392.
- The General Fund expenditures were less than the estimated expenditures by \$1,428,318.

# VILLAGE OF HEBRON, ILLINOIS

## Management Discussion and Analysis - Unaudited

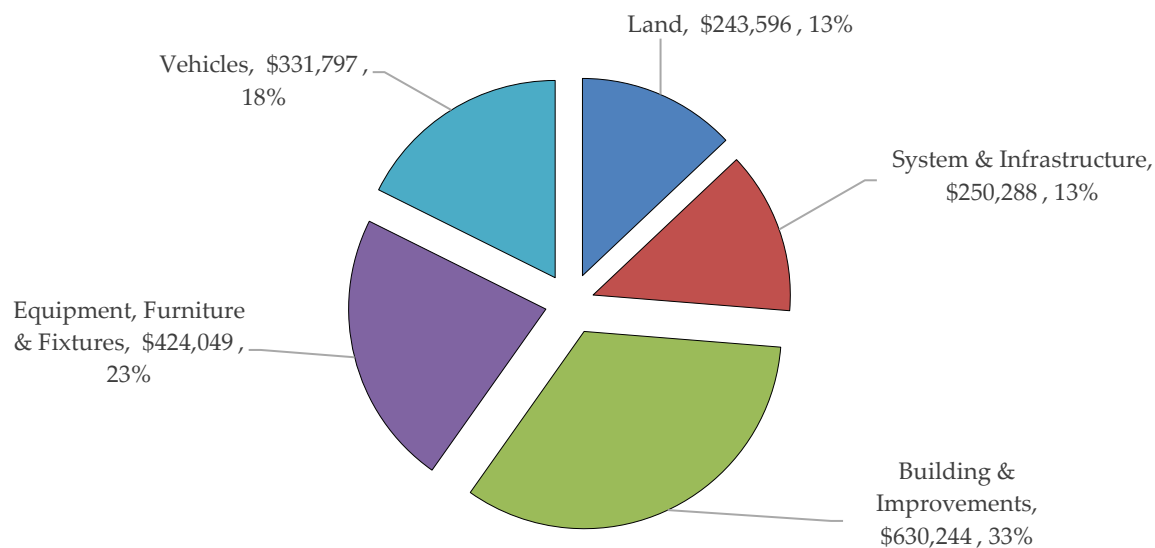
April 30, 2020

### CAPITAL ASSETS

The Village's fixed assets as of April 30, 2020 amount to \$5,028,815 (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	2020	2019	2020	2019	2020
Land	\$ 243,596	\$ 243,596	\$ 75,769	\$ 75,769	\$ 319,365	\$ 319,365
System & Infrastructure	270,015	250,288	7,887,006	7,887,006	8,157,021	8,137,294
Buildings & improvements	630,244	630,244	471,178	471,178	1,101,422	1,101,422
Equipment, furniture, and fixtures	424,049	424,049	227,291	227,291	651,340	651,340
Vehicles	324,429	331,797	54,802	54,802	379,231	386,599
<b>Total Capital Assets</b>	<b>1,892,333</b>	<b>1,879,974</b>	<b>8,716,046</b>	<b>8,716,046</b>	<b>10,608,379</b>	<b>10,596,020</b>
Accumulated depreciation	925,865	977,939	4,419,815	4,589,266	5,345,680	5,567,205
<b>Total Net Capital Assets</b>	<b>\$ 966,468</b>	<b>\$ 902,035</b>	<b>\$ 4,296,231</b>	<b>\$ 4,126,780</b>	<b>\$ 5,262,699</b>	<b>\$ 5,028,815</b>

### 2020 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - (at Cost)

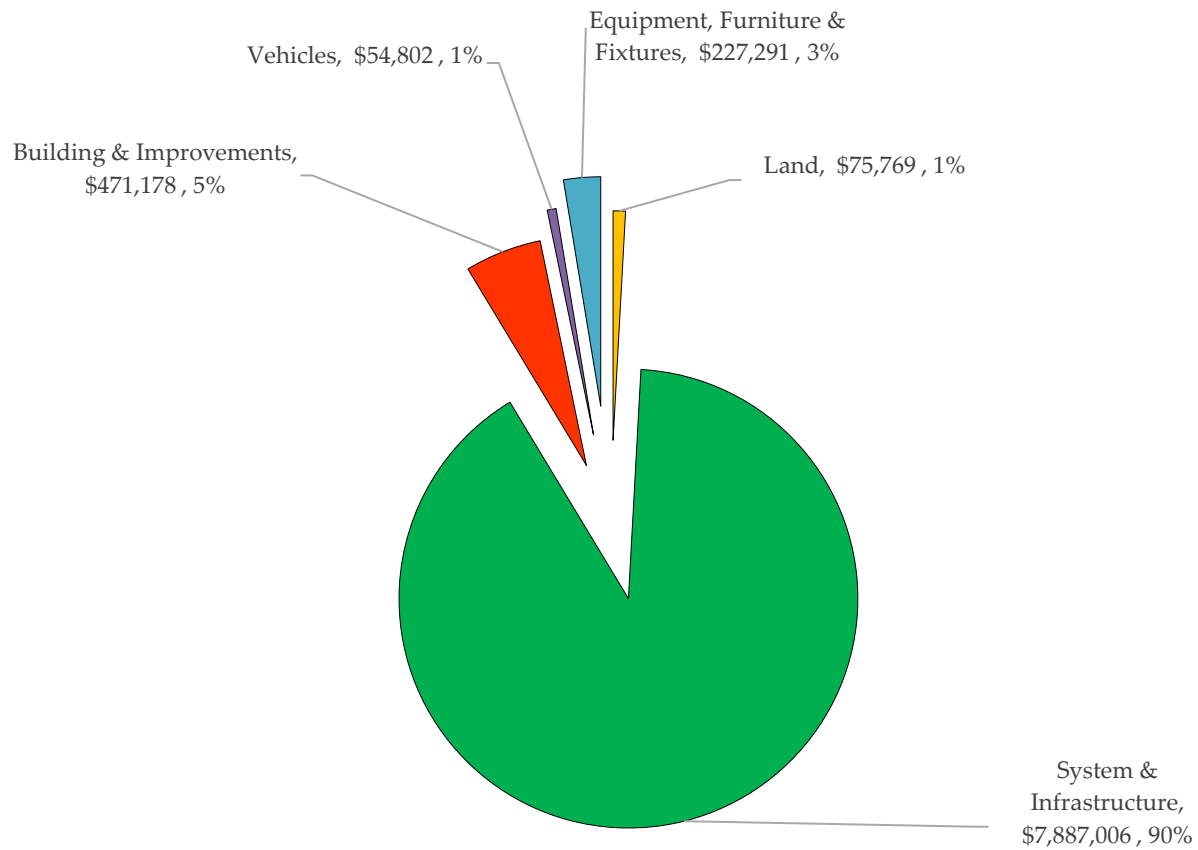


# VILLAGE OF HEBRON, ILLINOIS

Management Discussion and Analysis - Unaudited

April 30, 2020

## 2020 BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - (at Cost)



# VILLAGE OF HEBRON, ILLINOIS

## Management Discussion and Analysis - Unaudited

April 30, 2020

### ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Village for 2019 is \$24,553,876. That represents a decrease in EAV of \$1,104,930 over the prior year's EAV. Taxes recorded in these financial statements are distributions received from the 2018 levy. A summary of the assessed valuations and extensions for tax years 2019, 2018 and 2017 is as follows:

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

<b>Tax Levy Year</b>	<b>2019</b>		<b>2018</b>		<b>2017</b>	
<b>Assessed Valuations</b>						
McHenry County	<b>\$</b>	<b>24,553,876</b>	<b>\$</b>	<b>23,448,946</b>	<b>\$</b>	<b>24,044,767</b>

<b>Tax Rates and percentage</b>						
<b>Allocations by Fund</b>						
<b>Funds</b>	<b>Rate</b>	<b>Percentage</b>	<b>Rate</b>	<b>Percentage</b>	<b>Rate</b>	<b>Percentage</b>
General Fund	0.347464	43.38	0.331617	40.56	0.314804	40.56
Police Protection	0.161745	20.21	0.162266	19.84	0.154038	19.85
Audit	0.021494	2.68	0.047207	5.78	0.044811	5.77
Liability Insurance	0.153380	19.15	0.156590	19.15	0.148654	19.15
Street Lighting	0.046234	5.77	0.047202	5.77	0.044807	5.77
Social Security	0.070583	8.81	0.072788	8.90	0.069096	8.90
<b>Totals</b>	<b>0.800900</b>	<b>100.00</b>	<b>0.817670</b>	<b>100.00</b>	<b>0.776210</b>	<b>100.00</b>

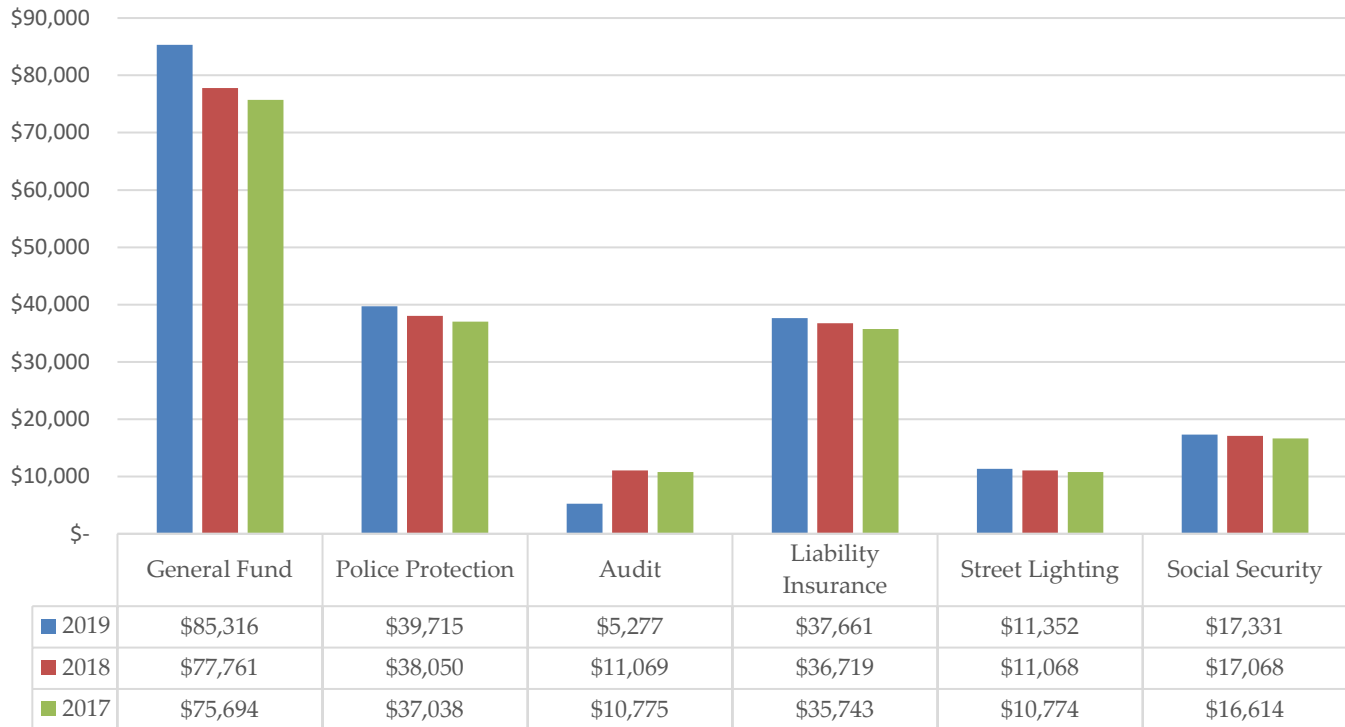
<b>Property Tax Extensions</b>						
<b>Funds</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>			
General Fund	\$ 85,316	\$ 77,761	\$ 75,694			
Police Protection	39,715	38,050	37,038			
Audit	5,277	11,069	10,775			
Liability Insurance	37,661	36,719	35,743			
Street Lighting	11,352	11,068	10,774			
Social Security	17,331	17,068	16,614			
<b>Totals</b>	<b>\$ 196,652</b>	<b>\$ 191,735</b>	<b>\$ 186,638</b>			

# VILLAGE OF HEBRON, ILLINOIS

Management Discussion and Analysis - Unaudited

April 30, 2020

## 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, 2020

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<b>Assets</b>			
Cash and investments, at cost	\$ 589,654	\$ 567,259	\$ 1,156,913
Due from other funds	46,814	(46,814)	-
Fixed assets, net of depreciation	902,035	4,126,780	5,028,815
<b>Total Assets</b>	<b>\$ 1,538,503</b>	<b>\$ 4,647,225</b>	<b>\$ 6,185,728</b>
<b>Liabilities</b>			
Current Liabilities:			
Due to other funds	\$ 1,003	\$ -	\$ 1,003
Due within 1 year- notes payable	99,435	-	99,435
Due within 1 year - IEPA loan	-	195,948	195,948
Non-Current Liabilities:			
Due in more than 1 year - notes payable	143,787	-	143,787
Due in more than 1 year - IEPA loan	-	3,300,983	3,300,983
Deferred compensation	10,440	9,864	20,304
<b>Total Liabilities</b>	<b>254,665</b>	<b>3,506,795</b>	<b>3,761,460</b>
<b>Net Position</b>			
Net investment in capital assets	658,813	629,849	1,288,662
Restricted - Motor Fuel Tax	128,530	-	128,530
Restricted - Debt Service	1,687	-	1,687
Restricted - Capital Development	-	14,554	14,554
Unrestricted	494,808	496,027	990,835
<b>Total Net Position</b>	<b>\$ 1,283,838</b>	<b>\$ 1,140,430</b>	<b>\$ 2,424,268</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, 2020

Functions/Programs		Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
	Expenses						
<b>Governmental Activities</b>							
General government	\$ 226,090	\$ 57,072	\$ -	\$ -	\$ (169,018)	\$ -	\$ (169,018)
Public safety	410,106	111,408	15,010	-	(283,688)	-	(283,688)
Streets	221,816	-	-	-	(221,816)	-	(221,816)
Buildings	32,496	-	-	-	(32,496)	-	(32,496)
Interest on long-term debt	8,231	-	-	-	(8,231)	-	(8,231)
Total Governmental Activities	898,739	168,480	15,010	-	(715,249)	-	(715,249)
<b>Business-Type Activities</b>							
Proprietary activities	534,877	815,938	216	-	-	281,277	281,277
Interest on long-term debt	36,455	-	-	-	-	(36,455)	(36,455)
Total Business-Type Activities	571,332	815,938	216	-	-	244,822	244,822
<b>Total Primary Government</b>	<b>\$ 1,470,071</b>	<b>\$ 984,418</b>	<b>\$ 15,226</b>	<b>\$ -</b>	<b>(715,249)</b>	<b>244,822</b>	<b>(470,427)</b>
<b>General Revenues:</b>							
					209,173	-	209,173
					338,400	-	338,400
					58,782	-	58,782
					50,132	-	50,132
					231	-	231
					9,080	2,280	11,360
					11,830	615	12,445
					677,628	2,895	680,523
					6,739	(6,739)	-
					-	2,100	2,100
					(30,882)	243,078	212,196
					1,314,720	897,352	2,212,072
					\$ 1,283,838	\$ 1,140,430	\$ 2,424,268

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

# VILLAGE OF HEBRON, ILLINOIS

## Governmental Funds - Balance Sheet

April 30, 2020

<b>Assets</b>	<b>General Fund</b>	<b>Motor Fuel Tax Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
Cash	\$ 316,908	\$ 271,059	\$ 1,687	\$ 589,654
Due from other funds	189,343	-	-	189,343
<b>Total Assets</b>	<b>\$ 506,251</b>	<b>\$ 271,059</b>	<b>\$ 1,687</b>	<b>\$ 778,997</b>
<b>Liabilities</b>				
Due to other funds	\$ 1,003	\$ 142,529	\$ -	\$ 143,532
<b>Total Liabilities</b>	<b>1,003</b>	<b>142,529</b>	<b>-</b>	<b>143,532</b>
<b>Fund Balance</b>				
Nonspendable	-	-	-	-
Restricted	-	128,530	1,687	130,217
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	505,248	-	-	505,248
<b>Total Fund Balance</b>	<b>505,248</b>	<b>128,530</b>	<b>1,687</b>	<b>635,465</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 506,251</b>	<b>\$ 271,059</b>	<b>\$ 1,687</b>	<b>\$ 778,997</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, 2020

	<b>General Fund</b>	<b>Motor Fuel Tax Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
<b>Revenues</b>				
Property taxes	\$ 209,173	\$ -	\$ -	\$ 209,173
Intergovernmental revenue	294,443	43,957	-	338,400
Video gaming tax	50,132	-	-	50,132
Utility taxes	58,782	-	-	58,782
Licenses, fees, and permits	57,072	-	-	57,072
Fines	110,972	-	-	110,972
Grants and donations	15,010	-	-	15,010
Interest income	7,257	4,572	1	11,830
Police vehicle fund	436	-	-	436
Hebron special events	231	-	-	231
Miscellaneous revenue	9,080	-	-	9,080
<b>Total Revenues</b>	<b>812,588</b>	<b>48,529</b>	<b>1</b>	<b>861,118</b>
<b>Expenditures</b>				
Administrative	213,549	-	-	213,549
Police	399,186	-	-	399,186
Street	144,273	48,199	-	192,472
Building	32,496	-	-	32,496
Debt service--interest	8,231	-	-	8,231
Debt service--principal	18,600	-	-	18,600
<b>Total Expenditures</b>	<b>816,335</b>	<b>48,199</b>	<b>-</b>	<b>864,534</b>
<b>Operating Transfers In/Out</b>	<b>6,739</b>	<b>-</b>	<b>-</b>	<b>6,739</b>
<b>Net Change in Fund Balance</b>	<b>2,992</b>	<b>330</b>	<b>1</b>	<b>3,323</b>
<b>Fund Balance</b>				
Fund Balance, Beginning	502,256	128,200	1,686	632,142
<b>Total Fund Balance, Ending</b>	<b>\$ 505,248</b>	<b>\$ 128,530</b>	<b>\$ 1,687</b>	<b>\$ 635,465</b>

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

## VILLAGE OF HEBRON, ILLINOIS

### *Governmental Funds - Reconciliation of the Governmental Fund Statements to the Government-wide Statement of Net Position and Statement of Activities*

*Year Ended April 30, 2020*

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

<b>Total Fund Balances - Total Governmental Funds</b>	\$	635,465
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Amount net of depreciation		902,035
Other employee benefit obligations accruals are not reported in funds.		(10,440)
Long term debt is not recorded in the fund statement but is included as a liability in the Statement of Net Position.		(243,222)
<b>Total Net Position of Governmental Activities</b>	\$	<u>1,283,838</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>	\$	3,323
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)		(44,708)
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.		18,600
Governmental funds do not accrue for deferred compensation but the expenses are accrued for in the Statement of Activities.		(8,097)
<b>Changes in Net Position of Governmental Funds</b>	\$	<u>(30,882)</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, 2020

<b>Assets</b>	<b>Water &amp; Sewer Fund</b>	<b>Water &amp; Sewer Capital Development</b>	<b>Total</b>
Cash	\$ 552,705	\$ 14,554	\$ 567,259
Property and equipment, net of accumulated depreciation	4,126,780	-	4,126,780
<b>Total Assets</b>	<b>\$ 4,679,485</b>	<b>\$ 14,554</b>	<b>\$ 4,694,039</b>
<b>Liabilities</b>			
Due to general fund	\$ 46,814	\$ -	\$ 46,814
Notes payable - current portion	195,948	-	195,948
Deferred compensation - noncurrent	9,864	-	9,864
Notes payable - long-term	3,300,983	-	3,300,983
<b>Total Liabilities</b>	<b>3,553,609</b>	<b>-</b>	<b>3,553,609</b>
<b>Net Position</b>			
Net investment in capital assets	629,849	-	629,849
Restricted	-	14,554	14,554
Unrestricted	496,027	-	496,027
<b>Total Net Position</b>	<b>1,125,876</b>	<b>14,554</b>	<b>1,140,430</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 4,679,485</b>	<b>\$ 14,554</b>	<b>\$ 4,694,039</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, 2020

	Water & Sewer Fund	Water & Sewer Capital Development Fund	Totals
<b>Operating Revenue</b>			
Sewer charges	\$ 611,813	\$ -	\$ 611,813
Water charges	204,125	-	204,125
<b>Total Operating Revenue</b>	<u>815,938</u>	<u>-</u>	<u>815,938</u>
<b>Operating Expenses</b>			
Water department expenses	140,184	-	140,184
Sewer department expenses	225,243	-	225,243
<b>Total Operating Expenses</b>	<u>365,427</u>	<u>-</u>	<u>365,427</u>
<b>Operating Income Before Depreciation</b>	<u>450,511</u>	<u>-</u>	<u>450,511</u>
Less: depreciation/amortization	<u>169,450</u>	<u>-</u>	<u>169,450</u>
<b>Operating Income/(Loss)</b>	<u>281,061</u>	<u>-</u>	<u>281,061</u>
<b>Non-Operating Revenue/(Expense)</b>			
Interest expense	(36,455)	-	(36,455)
Interest income	615	-	615
Grant income	216	-	216
Miscellaneous	2,280	-	2,280
<b>Total Non-Operating Income/(Loss)</b>	<u>(33,344)</u>	<u>-</u>	<u>(33,344)</u>
<b>Change in Net Position</b>	<u>247,717</u>	<u>-</u>	<u>247,717</u>
<b>Net Position</b>			
Net position, beginning	882,813	14,539	897,352
Transfers in/(out)	(6,754)	15	(6,739)
Capitalized connection fees	2,100	-	2,100
<b>Total Net Position, Ending</b>	<u>\$ 1,125,876</u>	<u>\$ 14,554</u>	<u>\$ 1,140,430</u>

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



# VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2020

	Water & Sewer Fund	Water & Sewer Capital Development Fund	Totals
<b>Cash Flows from Operating Activities</b>			
Cash received from customers and users	\$ 815,938	\$ -	\$ 815,938
Operating transfers in/(out)	(6,754)	15	(6,739)
Cash paid to suppliers	(225,567)	-	(225,567)
Cash paid for employees	(129,916)	-	(129,916)
<b>Net Cash Flows Provided by Operating Activities</b>	<u>453,701</u>	<u>15</u>	<u>453,716</u>
<b>Cash Flows from Investing Activities</b>			
Interest income	615	-	615
<b>Net Cash Flows Provided by Investing Activities</b>	<u>615</u>	<u>-</u>	<u>615</u>
<b>Cash Flows from Capital and Financing Activities</b>			
Loans/payments to other funds, net	(259,056)	-	(259,056)
Contributed capital	2,100	-	2,100
Bond/note principal payments, net	(194,003)	-	(194,003)
Bond/note interest payments, net	(36,455)	-	(36,455)
<b>Net Cash Flows Provided by Capital and Financing Activities</b>	<u>(487,414)</u>	<u>-</u>	<u>(487,414)</u>
<b>Net Increase/(Decrease) in Cash</b>	<u>(33,098)</u>	<u>15</u>	<u>(33,083)</u>
<b>Cash at Beginning of Year</b>	<u>585,803</u>	<u>14,539</u>	<u>600,342</u>
<b>Cash at End of Year</b>	<u>\$ 552,705</u>	<u>\$ 14,554</u>	<u>\$ 567,259</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating income (loss) for the year	281,061	-	281,061
Operating transfers in/(out)	(6,754)	15	(6,739)
Reimbursements and other	2,496	-	2,496
Depreciation/amortization	169,450	-	169,450
Increase (decrease) in compensated absences	7,448	-	7,448
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 453,701</u>	<u>\$ 15</u>	<u>\$ 453,716</u>

Cash payments for interest made during the year were \$36,455.

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, 2020*

	<b>Agency Fund</b>
<b>Assets</b>	
Cash	\$ 4,883
Due from general fund	1,003
<b>Total Assets</b>	<b>\$ 5,886</b>
<b>Liabilities</b>	
Due for distribution	5,886
<b>Total Liabilities</b>	<b>\$ 5,886</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, 2020*

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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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, 2020*

## 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, 2020*

## 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, 2020*

## 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, 2020*

## 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, 2020*

## 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, 2020*

## 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, 2020.

**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, 2020*

## 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 2019 levy was passed by the board on November 18, 2019.

## NOTE 2 - DEPOSITS AND INVESTMENTS

At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$1,156,913, and the bank balances totaled \$1,229,627. 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, 2020

## NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2020 was as follows:

Capital Assets	Balance May 1, 2019	Increases	Decreases	Balance April 30, 2020
<b>General Fund:</b>				
Land	\$ 243,596	\$ -	\$ -	\$ 243,596
Infrastructure	250,288	-	-	250,288
Buildings & improvements	630,244	-	-	630,244
Equipment, furniture and fixtures	424,049	-	-	424,049
Vehicles	324,429	7,368	-	331,797
<b>Water &amp; Sewer Fund:</b>				
Land	75,769	-	-	75,769
Infrastructure	7,887,006	-	-	7,887,006
Buildings & improvements	471,178	-	-	471,178
Equipment, furniture and fixtures	227,291	-	-	227,291
Vehicles	54,802	-	-	54,802
Total Capital Assets	10,588,652	7,368	-	10,596,020
Less: Accumulated Depreciation	5,345,680	221,525	-	5,567,205
<b>Capital Assets (Net)</b>	<b>\$ 5,242,972</b>	<b>\$ (214,157)</b>	<b>\$ -</b>	<b>\$ 5,028,815</b>

Depreciation expense was charged to functions as follows:

### Governmental Activities

General government	\$ 11,812
Public safety	10,920
Street and roads	29,343

### Business-Type Activities

Water and sewer	169,450
<b>Total Depreciation</b>	<b>\$ 221,525</b>

# VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2020

## NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT FUND

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### 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, 2020

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

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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, 2019 the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	6
Inactive Plan Members entitled to but not yet receiving benefits	4
Active Plan Members	6
<b>Total</b>	<u>16</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 2019 was 5.31%. For the fiscal year ended April 30, 2020, the Village contributed \$16,636 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, 2019. 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, 2020

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

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### ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

#### 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	3.35% 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 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 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 mortality table was used with fully generational projections scale MP-2017 (base year 2018). 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.
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A detailed description of the actuarial assumptions and methods can be found in the December 31, 2019. Illinois Municipal Retirement Fund annual actuarial valuation report.

# VILLAGE OF HEBRON, ILLINOIS

## Notes to Financial Statements

Year Ended April 30, 2020

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

#### Executive Summary as of December 31, 2019

Actuarial Valuation Date	12/31/2019
Measurement Date of the Net Pension Liability	12/31/2019
Fiscal Year End	4/30/2020

#### Membership

Number of	
- Retirees and Beneficiaries	6
- Inactive, Non-Retired Members	4
- Active Members	6
- Total	16
Covered Valuation Payroll (1)	\$ 313,299

#### Net Pension Liability

Total Pension Liability/(Asset)	\$ 1,115,573
Plan Fiduciary Net Position	1,029,004
Net Pension Liability/(Asset)	\$ 86,569
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.24%
Net Pension Liability as a Percentage of Covered Valuation Payroll	27.63%

#### Development of the Single Discount Rate as of December 31, 2019

Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate (2)	2.75%
Last year ending December 31 in the 2020 to 2119 projection for which projected benefit payments are fully funded	2119
Resulting Single Discount Rate based on the above	7.25%
Single Discount Rate calculated using December 31, 2018 Measurement Date	7.25%

<b>Total Pension Expense/(Income)</b>	<b>\$ 12,821</b>
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#### Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 53,547	\$ 1,322
Changes in assumptions	7,872	1,667
Net difference between projected and actual earnings on pension plan investments	73,107	111,848
Total	\$ 134,526	\$ 114,837

(1) Does not necessarily represent Covered Employee Payroll as defined in GASB Statement Nos. 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 31, 2019.

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, 2020*

## NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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### 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 2.75%, 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, 2020

## NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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

Calendar Year Ended December 31, 2019

#### A. Total pension liability

1. Service Cost	\$	27,980
2. Interest on the Total Pension Liability		71,617
3. Changes of benefit terms		-
4. Difference between expected and actual experience of the Total Pension Liability		70,708
5. Changes of assumptions		-
6. Benefit payments, including refunds of employee contributions		(57,124)
7. Net change in total pension liability		113,181
8. Total pension liability – beginning		1,002,392
9. Total pension liability – ending	\$	1,115,573

#### B. Plan fiduciary net position

1. Contributions – employer	\$	16,636
2. Contributions – employee		14,098
3. Net investment income		159,192
4. Benefit payments, including refunds of employee contributions		(57,124)
5. Other (Net Transfer)		23,090
6. Net change in plan fiduciary net position		155,892
7. Plan fiduciary net position – beginning		873,112
8. Plan fiduciary net position – ending	\$	1,029,004

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

\$ 86,569

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

of the total pension liability 92.24%

#### E. Covered Valuation payroll

\$ 313,299

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

of covered valuation payroll 27.63%

### 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	\$ 1,210,347	\$ 1,115,573	\$ 1,040,960
Plan Fiduciary Net Position	1,029,004	1,029,004	1,029,004
Net Pension Liability/(Asset)	\$ 181,343	\$ 86,569	\$ 11,956

# VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2020

## 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, 2020, the Village recognized pension expense of \$16,636. At April 30, 2020, 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	\$ 53,547	\$ 1,322
Changes of assumptions	7,872	1,667
Net difference between projected and actual earnings on pension plan investments	<u>73,107</u>	<u>111,848</u>
<b>Total Deferred Amounts to be recognized in pension expense in future periods</b>	<b><u>\$ 134,526</u></b>	<b><u>\$ 114,837</u></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>
2020	\$ 13,692
2021	11,195
2022	14,005
2023	(19,203)
2024	-
Thereafter	-
<b>Total</b>	<b><u>\$ 19,689</u></b>

# VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2020

## NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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### Summary of Actuarial Methods and Assumptions Used in the Calculation of the

#### 2019 Contribution Rate \*

**Valuation Date: December 31, 2019**

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 2019 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): 24-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 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).

5-Year smoothed market; 20% corridor

Asset Valuation Method

3.25%

Wage growth

2.50% - approximate; No explicit price inflation assumptions is used in this valuation.

Price Inflation

Salary Increases

3.35% to 14.25% 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 2017 valuation pursuant to an experience study of 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 (based on 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

#### Other Information:

There were no benefit changes during the year

Notes

\*Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation

# VILLAGE OF HEBRON, ILLINOIS

## Notes to Financial Statements

Year Ended April 30, 2020

### NOTE 5 - INTERFUND BALANCES

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

Interfund loan balances at April 30, 2020 consisted of the following:

Due to	Due from	Amount
General	MFT	\$ 142,529
General	Water/Sewer	\$ 15,973
Agency	General	\$ 1,003

### NOTE 6 - LONG-TERM LIABILITY ACTIVITY

	Balance May 1, 2019	Additions	Retirements	Balance April 30, 2020	Amounts Due Within One Year
<b>Governmental Activities: Long-Term Debt</b>					
Village Hall Loan	\$ 143,787	\$ -	\$ -	\$ 143,787	\$ -
Equipment Capital Lease	29,537	-	11,961	17,576	17,576
House Purchase Loan	88,498	-	6,639	81,859	81,859
<b>Total Long-Term Debt</b>	<b>261,822</b>	<b>-</b>	<b>18,600</b>	<b>243,222</b>	<b>99,435</b>
<b>Other Long Term Liabilities</b>					
Compensated Absences	2,343	8,097	-	10,440	-
<b>Total Governmental Long Term Obligations</b>	<b>\$ 264,165</b>	<b>\$ 8,097</b>	<b>\$ 18,600</b>	<b>\$ 253,662</b>	<b>\$ 99,435</b>
<b>Business-Type Activities: Long-Term Debt</b>					
2007 IEPA Loan	\$ 3,690,934	\$ -	\$ 194,003	\$ 3,496,931	\$ 195,948
<b>Total Long-Term Debt</b>	<b>3,690,934</b>	<b>-</b>	<b>194,003</b>	<b>3,496,931</b>	<b>195,948</b>
<b>Other Long Term Liabilities</b>					
Compensated Absences	2,415	7,449	-	9,864	-
<b>Total Business-Type Long Term Obligations</b>	<b>\$ 3,693,349</b>	<b>\$ 7,449</b>	<b>\$ 194,003</b>	<b>\$ 3,506,795</b>	<b>\$ 195,948</b>
<b>Long-term liabilities at April 30, 2020</b>	<b>Maturity Dates</b>	<b>Interest Rates</b>	<b>Face Amount</b>	<b>Carrying Amounts</b>	
<b>Governmental Activities:</b>					
Village Hall Loan	7/15/2024	4.250%	\$ 325,000	\$ 143,787	
Equipment Capital Lease	1/1/2021	3.950%	\$ 108,970	\$ 17,576	
House Purchase Loan	11/10/2020	4.500%	\$ 112,000	\$ 81,859	
<b>Business-Type Activities:</b>					
2007 IEPA Loan	9/27/2036	1.000%	\$ 4,922,423	\$ 3,496,931	

# VILLAGE OF HEBRON, ILLINOIS

## Notes to Financial Statements

Year Ended April 30, 2020

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

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At April 30, 2020, 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
2021	\$ 99,435	\$ 7,531	\$ 106,966	\$ 195,948	\$ 34,481	\$ 230,429
2022	-	6,111	6,111	197,912	32,516	230,428
2023	-	6,111	6,111	199,896	30,532	230,428
2024	143,787	1,273	145,060	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>\$ 243,222</u>	<u>\$ 21,026</u>	<u>\$ 264,248</u>	<u>\$ 3,496,931</u>	<u>\$ 305,142</u>	<u>\$ 3,802,073</u>

### NOTE 7 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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During the fiscal year ended April 30, 2020 no funds had expenditures that exceeded the appropriations.

### NOTE 8 - RISK MANAGEMENT

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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, 2020*

## NOTE 8 - RISK MANAGEMENT (CONCLUDED)

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The Village purchases commercial insurance to handle these risks of loss. During fiscal year 2020 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, 2020, there were no significant adjustments in premiums based on actual experience.

## NOTE 9 – SUBSEQUENT EVENTS

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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, 2020

Revenues	Budgeted	Modified
	Cash Basis	
Property tax	\$ 135,500	\$ 142,198
State sales tax	82,000	93,589
State income tax	107,425	131,796
Replacement tax	-	6,978
Utility tax	52,000	58,782
State use tax	33,000	42,158
Video gaming tax	38,000	50,132
Liquor licenses	6,500	8,100
Other permits	-	100
Hebron special events	-	231
Petition and annexation	8,000	-
Telecommunications	25,000	19,922
Franchise fee - cable	2,200	3,573
Interest income	5,000	6,864
Miscellaneous income	11,300	9,054
Special Events	3,000	-
Grants	5,040	5,953
Building permits	20,000	34,209
Building permits - parks	-	175
Building permits - meters	-	10,840
Miscellaneous income	100	-
Police protection levy	38,500	37,938
Code enforcement tickets	17,000	5,575
Court fines	30,000	76,454
Police forfeiture	1,000	-
DUI equipment fines	2,000	1,693
Police vehicle fund	1,300	436
Electronic citation	150	782
Towing/impound fees	25,000	26,468
Interest income	220	393
Miscellaneous income	2,500	26
Grants	4,000	9,057
Road & Bridge township levy	18,300	18,001
Street lighting levy	11,200	11,036
Miscellaneous income	1,000	-
Building permits - street impact	700	75
Transfers in	-	6,739
<b>Total Revenues</b>	<b>\$ 686,935</b>	<b>\$ 819,327</b>

# VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2020

	Budget		Modified
	Original	Final	Cash Basis
<b>Administrative Department</b>			
<b>Salaries and Benefits</b>			
Salary and wages	\$ 56,100	\$ 56,100	\$ 82,464
FICA - village share	2,592	2,592	4,186
Medicare - village share	606	606	979
Unemployment insurance	1,210	1,210	934
Retirement fund	-	-	1,571
Training	660	660	100
Payroll expense	-	-	166
<b>Total Salaries and Benefits</b>	<b>61,168</b>	<b>61,168</b>	<b>90,400</b>
<b>Administrative Expenses</b>			
Maintenance - building	3,300	3,300	-
Maintenance - equipment	5,786	5,786	367
Other maintenance	-	-	40
Contract services	11,000	11,000	6,591
Other services	3,850	3,850	1,809
Supplies & maintenance	550	550	241
Audit	5,280	5,280	4,417
Engineering services	22,000	22,000	3,540
Legal services	1,266,000	1,266,000	22,548
Improvements	8,800	8,800	-
Postage	2,420	2,420	703
Telephone	5,280	5,280	3,507
Utilities	1,100	1,100	577
Printing	1,760	1,760	1,180
Technology services	2,200	2,200	1,649
Dues, memberships	2,200	2,200	1,530
Travel expense	660	660	-
Publications	1,155	1,155	511
Licenses	110	110	196
Garbage disposal	385	385	152
Service charges	110	110	206
Insurance	66,000	66,000	62,618
Insurance administrative - bond	220	220	-
Rentals	440	440	60
Office supplies	2,541	2,541	2,644
Computer software	1,100	1,100	1,118
Office furniture	1,100	1,100	-
Computer hardware	2,200	2,200	-

# VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2020

	Budget		Modified
	Original	Final	Cash Basis
Administrative Expenses (Continued)			
Principal payment	\$ 5,830	\$ 5,830	\$ 7,349
Interest payment	10,780	10,780	7,262
Land	55,000	55,000	2,803
Miscellaneous expense	1,100	1,100	335
Community projects	220	220	630
Senior citizen bus service	2,860	2,860	3,177
Events	2,200	2,200	-
Total Administrative Expenses	1,495,537	1,495,537	137,760
Total Administrative Department	1,556,705	1,556,705	228,160
Police Department			
Salaries and Benefits			
Salary and wages	222,530	222,530	275,760
Health insurance	6,600	6,600	4,201
FICA - village share	13,805	13,805	16,867
Medicare - village share	3,234	3,234	3,945
Unemployment insurance	2,200	2,200	422
IMRF	9,064	9,064	10,275
Training	1,650	1,650	4,706
Uniform allowance	2,200	2,200	1,143
Total Salaries and Benefits	261,283	261,283	317,319
Administrative Expenses			
Maintenance - building	1,100	1,100	1,243
Maintenance - equipment	1,100	1,100	1,374
Maintenance - vehicles	4,620	4,620	7,769
Maintenance - other	1,430	1,430	-
Contract services	18,700	18,700	14,727
Other services	1,100	1,100	1,198
Technology services	220	220	3,502
Supplies & maintenance	110	110	246
Legal services	25,300	25,300	27,469
Postage	330	330	49
Telephone	3,080	3,080	2,911
Printing	1,100	1,100	1,723
Dues	825	825	60
Garbage disposal	275	275	-

**VILLAGE OF HEBRON, ILLINOIS***General Fund - Schedule of Expenditures - Budget and Actual**Year Ended April 30, 2020*

	Budget		Modified
	Original	Final	Cash Basis
Administrative Expenses (Continued)			
Operating supplies	\$ 275	\$ 275	\$ -
Office supplies	550	550	256
Computer software	275	275	-
Computer hardware	1,100	1,100	430
Fuel	11,550	11,550	17,476
DUI equipment supplies	-	-	1,136
Principal payments	12,496	12,496	4,834
Interest expense	1,100	1,100	646
Equipment - new	5,280	5,280	268
Vehicle - new	15,400	15,400	-
Capital improvements	-	-	30
Miscellaneous expense	825	825	-
Total Administrative Expenses	108,141	108,141	87,347
Total Police Department	369,424	369,424	404,666
Street Department			
Salaries and Benefits			
Salary and wages	61,930	61,930	51,581
Health insurance	-	-	5,484
FICA - village share	-	-	3,162
Medicare - village share	-	-	740
Unemployment insurance	550	550	194
IMRF	3,596	3,596	3,133
Uniform allowance	825	825	-
Total Salaries and Benefits	66,901	66,901	64,294
Administrative Expenses			
Maintenance - buildings	6,600	6,600	1,156
Maintenance - equipment	5,500	5,500	1,751
Maintenance - vehicles	11,000	11,000	4,355
Street maintenance	11,000	11,000	3,487
Other maintenance	275	275	-
Contract services	7,700	7,700	8,505
Other services	5,500	5,500	474
Supplies & maintenance	5,500	5,500	935
Snow removal	1,100	1,100	-
Improvements	22,000	22,000	2,775

**VILLAGE OF HEBRON, ILLINOIS***General Fund - Schedule of Expenditures - Budget and Actual**Year Ended April 30, 2020*

	<b>Budget</b>		<b>Modified</b>
	<b>Original</b>	<b>Final</b>	<b>Cash Basis</b>
<b>Street Department</b>			
<b>Administrative Expenses (Continued)</b>			
Telephone	\$ 770	\$ 770	\$ 291
Postage	165	165	-
Utilities	880	880	1,093
Street lighting	39,600	39,600	30,191
Siren maintenance	1,210	1,210	1,252
Office supplies	110	110	112
Operating supplies	275	275	-
Fuel	9,900	9,900	8,065
Road materials	1,650	1,650	2,128
Tree trimming	6,270	6,270	5,425
Principal payments	5,123	5,123	6,417
Interest expense	-	-	323
Equipment - new	16,500	16,500	-
Vehicle - new	22,000	22,000	7,368
Maintenance materials	14,850	14,850	-
Technology services	220	220	-
Parks	1,100	1,100	616
<b>Total Administrative Expenses</b>	<b>196,798</b>	<b>196,798</b>	<b>86,719</b>
<b>Total Street Department</b>	<b>263,699</b>	<b>263,699</b>	<b>151,013</b>
<b>Building Department</b>			
<b>Salaries and Benefits</b>			
Salary and wages	36,850	36,850	27,191
FICA - village share	2,250	2,250	1,686
Medicare - village share	490	490	394
Unemployment insurance	495	495	42
Uniform allowance	275	275	-
Training	550	550	-
<b>Total Salaries and Benefits</b>	<b>40,910</b>	<b>40,910</b>	<b>29,313</b>
<b>Administrative Expenses</b>			
Maintenance - building	165	165	168
Maintenance - sewer	-	-	635
Contract services	3,850	3,850	-
Supplies & maintenance	-	-	163
Audit	110	110	-
Engineering services	3,300	3,300	-

# VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2020

	Budget		Modified Cash Basis
	Original	Final	
<b>Building Department (Concluded)</b>			
<b>Administrative Expenses</b>			
Postage	\$ 220	\$ 220	\$ -
Telephone	1,320	1,320	1,172
Utilities	1,100	1,100	-
Printing	1,100	1,100	707
Technology services	-	-	175
Dues	220	220	-
Office supplies	550	550	163
Computer software	330	330	-
Computer hardware	1,650	1,650	-
<b>Total Administrative Expenses</b>	<u>13,915</u>	<u>13,915</u>	<u>3,183</u>
<b>Total Building Department</b>	<u>54,825</u>	<u>54,825</u>	<u>32,496</u>
<b>Total General Fund</b>	<u>\$ 2,244,653</u>	<u>\$ 2,244,653</u>	<u>\$ 816,335</u>

# VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2020

	Appropriations		Modified
	Original	Final	Cash Basis
<b>Revenues</b>			
Water - supply & distribution	\$ 175,000	\$ 175,000	\$ 204,125
Sewer - collection & treatment	520,000	520,000	611,813
Interest income	740	740	615
Building permits	9,900	9,900	-
Grants	-	-	216
Miscellaneous	8,500	8,500	2,280
Tap on fees	2,100	2,100	-
<b>Total Revenues</b>	<b>716,240</b>	<b>716,240</b>	<b>819,049</b>
<b>Sewer Department</b>			
<b>Salaries and Benefits</b>			
Salary and wages	57,475	57,475	77,464
FICA - village share	4,180	4,180	4,508
Medicare - village share	957	957	1,054
Health insurance	3,300	3,300	3,000
Unemployment insurance	1,100	1,100	103
IMRF	2,750	2,750	5,077
Overtime	6,050	6,050	3,366
Training	550	550	75
Uniform allowance	825	825	-
Payroll expense	-	-	3,081
<b>Total Salaries and Benefits</b>	<b>77,187</b>	<b>77,187</b>	<b>97,728</b>
<b>Administration Expenses</b>			
Maintenance - buildings	1,100	1,100	1,286
Maintenance - vehicles	550	550	2,806
Maintenance - equipment	22,000	22,000	22,972
Sewer maintenance	825	825	13,489
Other maintenance	17,600	17,600	57
Insurance	33,000	33,000	-
Other services	825	825	186
Contract Services	330	330	-
Supplies & maintenance	-	-	72
Audit	4,950	4,950	4,417

## VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2020

	Appropriations		Modified
	Original	Final	Cash Basis
Engineering services	5,500	5,500	-
<b>Sewer Department</b>			
<b>Administration Expenses (Concluded)</b>			
Improvements	\$ 5,500	\$ 5,500	\$ -
Legal	5,500	5,500	-
Postage	1,430	1,430	1,687
Telephone	2,970	2,970	2,899
Utilities	41,668	41,668	45,760
Printing	-	-	120
Dues	2,970	2,970	7,668
Travel expense	165	165	-
Licenses	138	138	-
Lab testing	15,400	15,400	1,998
Chemicals	-	-	6,077
Rentals	2,750	2,750	32
Meters and other improvements	8,800	8,800	9,267
Office supplies	275	275	585
Operating supplies	550	550	22
Computer software	3,300	3,300	850
Technology services	-	-	50
Garbage disposal	4,950	4,950	-
Loan principal	217,800	217,800	-
Loan interest	42,900	42,900	36,426
Equipment - new	14,960	14,960	5,003
Vehicle - new	11,000	11,000	-
Miscellaneous expense	275	275	212
Contingency	5,500	5,500	-
<b>Total Administration Expenses</b>	<b>475,481</b>	<b>475,481</b>	<b>163,941</b>
<b>Total Sewer Department</b>	<b>552,668</b>	<b>552,668</b>	<b>261,669</b>
<b>Water Department Expenses</b>			
<b>Salaries and Benefits</b>			
Salary and wages	50,875	50,875	26,050
Health insurance	3,300	3,300	3,000
FICA - village share	4,180	4,180	1,648



# VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2020

	Appropriations		Modified
	Original	Final	Cash Basis
<b>Water Department Expenses</b>			
<b>Salaries and Benefits (Concluded)</b>			
Medicare - village share	\$ 957	\$ 957	\$ 385
Unemployment insurance	1,100	1,100	58
IMRF	2,750	2,750	-
Overtime	1,100	1,100	-
Training	220	220	75
Uniform allowance	825	825	53
Payroll expense	-	-	919
<b>Total Salaries and Benefits</b>	<b>65,307</b>	<b>65,307</b>	<b>32,188</b>
<b>Administrative Expenses</b>			
Maintenance - buildings	7,904	7,904	3,231
Maintenance - vehicles	2,200	2,200	-
Maintenance - equipment	1,650	1,650	14,014
Water maintenance	20,000	20,000	13,583
Other maintenance	-	-	57
Other services	1,100	1,100	186
Supplies & maintenance	330	330	72
Audit	4,950	4,950	4,417
Tower maintenance	8,250	8,250	3,485
Engineering services	5,500	5,500	330
Postage	1,320	1,320	1,607
Telephone	3,025	3,025	2,011
Utilities	14,960	14,960	14,636
Printing	165	165	120
Dues	715	715	168
Travel	165	165	-
Licenses	110	110	-
Insurance	33,000	33,000	30,841
Lab testing	7,150	7,150	4,408
Water testing	3,300	3,300	1,151
Chemicals	15,400	15,400	5,281
Rentals	2,200	2,200	32
Meters	5,500	5,500	5,038
Office supplies	550	550	687

## VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2020

	Appropriations		Modified
	Original	Final	Cash Basis
<b>Water Department Expenses</b>			
<b>Administrative Expenses (Concluded)</b>			
Operating supplies	\$ 110	\$ 110	\$ 22
Computer software	1,650	1,650	500
Computer hardware	1,100	1,100	-
Technology services	-	-	50
Publications	550	550	-
Loan interest	-	-	29
Equipment - new	7,904	7,904	1,227
Vehicle - new	7,904	7,904	-
Miscellaneous expense	187	187	842
<b>Total Administration Expenses</b>	<u>158,849</u>	<u>158,849</u>	<u>108,025</u>
<b>Total Water Department Expenses</b>	<u>224,156</u>	<u>224,156</u>	<u>140,213</u>
Operating transfers out/(in)	-	-	6,754
Depreciation/Amortization	-	-	169,450
<b>Total Water and Sewer Expenses</b>	<u>\$ 776,824</u>	<u>\$ 776,824</u>	<u>\$ 578,086</u>

## VILLAGE OF HEBRON, ILLINOIS

### *Motor Fuel Tax Fund - Schedule of Revenues and Expenditures*

*Year Ended April 30, 2020*

	<b>Modified Cash Basis</b>
<b>Revenues</b>	
Allotments	\$ 43,957
Interest income	4,572
<b>Total Revenue</b>	<b>48,529</b>
<b>Expenditures</b>	
Street maintenance	19,500
Snow removal and salt	27,030
Road materials	1,669
<b>Total Expenditures</b>	<b>48,199</b>
 <b>Net Change in Fund Balance</b>	 <b>\$ 330</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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Total Pension Liability</b>										
Service Cost	\$ 27,980	\$ 20,681	\$ 13,912	\$ 12,593	\$ 10,398					
Interest on the Total Pension Liability	71,617	68,999	69,585	67,360	64,842					
Benefit Changes	-	-	-	-	-					
Difference between Expected and Actual Experience	70,708	8,131	(20,504)	(1,259)	5,290					
Assumption Changes	-	18,996	(25,829)	(1,572)	758					
Benefit Payments and Refunds	(57,124)	(48,114)	(48,613)	(52,432)	(42,701)					
<b>Net Change in Total Pension Liability</b>	<b>113,181</b>	<b>68,693</b>	<b>(11,449)</b>	<b>24,690</b>	<b>38,587</b>					
<b>Total Pension Liability - Beginning</b>	<b>1,002,392</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>\$ 1,115,573</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	16,636	28,496	15,931	17,321	13,843					
Employee Contributions	14,098	12,646	6,893	6,342	5,252					
Pension Plan Net Investment Income	159,192	(50,265)	149,025	55,571	4,017					
Benefit Payments and Refunds	(57,124)	(48,114)	(48,613)	(52,432)	(42,701)					
Other	23,090	(17,643)	(14,292)	1,557	15,165					
<b>Net Change in Plan Fiduciary Net Position</b>	<b>155,892</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>873,112</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>\$ 1,029,004</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>86,569</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>	<b>92.24%</b>	<b>87.10%</b>	<b>101.53%</b>	<b>88.77%</b>	<b>88.07%</b>					
<b>Covered Valuation Payroll</b>	<b>\$ 313,299</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>	<b>27.63%</b>	<b>46.00%</b>	<b>(9.33%)</b>	<b>75.28%</b>	<b>94.04%</b>					

**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%
2019	\$ 16,636 *	\$ 16,636	\$ -	\$ 313,299	5.31%

\* Estimated based on a contribution rate of 5.31% and covered valuation payroll of \$313,299.

## NOTES TO OTHER INFORMATION

# VILLAGE OF HEBRON, ILLINOIS

## *Notes to Other Information*

*Year Ended April 30, 2020*

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 April 15, 2019 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, 2020*

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.