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Village of Hebron, Illinois

Annual Financial Report

For the Year Ended April 30, 2021

VILLAGE OF HEBRON, ILLINOIS

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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, 2021, 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, 2021, 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 18, 2021

OTHER INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS - UNAUDITED

VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2021

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, 2021.

FINANCIAL HIGHLIGHTS

- The assets of the Village exceeded its liabilities at April 30, 2021 by \$2,819,313 (*net position*). Of this amount, \$1,248,016 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- At April 30, 2021, the Village's governmental funds reported combined ending fund balances of \$723,671.
- At April 30, 2021, the unassigned fund balance for the General Fund was \$530,306.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

Modified Cash Basis presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other

VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2021

functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, 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's Discussion and Analysis - Unaudited

April 30, 2021

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 \$2,819,313 at April 30, 2021. Of the Village's net position, \$1,358,363 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	
	4/30/2020	4/30/2021	4/30/2020	4/30/2021	4/30/2020	4/30/2021
Current and Other Assets	\$ 636,468	\$ 724,674	\$ 520,445	\$ 772,388	\$1,156,913	\$ 1,497,062
Capital Assets, net	902,035	870,888	4,126,780	4,007,298	5,028,815	4,878,186
Total Assets	\$ 1,538,503	\$ 1,595,562	\$ 4,647,225	\$ 4,779,686	\$ 6,185,728	\$ 6,375,248
Current Liabilities	\$ 100,438	\$ 7,477	\$ 195,948	\$ 197,912	\$ 296,386	\$ 205,389
Noncurrent Liabilities	154,227	233,698	3,310,847	3,116,848	3,465,074	3,350,546
Total Liabilities	254,665	241,175	3,506,795	3,314,760	3,761,460	3,555,935
Net Position:						
Net Investment in Capital Assets	658,813	652,048	629,849	706,315	1,288,662	1,358,363
Restricted	130,217	193,365	14,554	19,569	144,771	212,934
Unrestricted	494,808	508,974	496,027	739,042	990,835	1,248,016
Total Net Position	\$ 1,283,838	\$ 1,354,387	\$ 1,140,430	\$ 1,464,926	\$ 2,424,268	\$ 2,819,313

VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2021

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 (\$1,248,016) may be used to meet the Village's ongoing obligations to citizens and creditors.

At April 30, 2021, 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	
	4/30/2020	4/30/2021	4/30/2020	4/30/2021	4/30/2020	4/30/2021
Program Revenues						
Charges for Services	\$ 168,480	\$ 199,831	\$ 815,938	\$ 844,515	\$ 984,418	\$ 1,044,346
Operating Grants and Contributions	15,010	58,773	216	-	15,226	58,773
General Revenues						
Property Taxes	209,173	215,268	-	-	209,173	215,268
Other taxes	388,532	405,802	-	-	388,532	405,802
Utility Taxes	58,782	85,040	-	-	58,782	85,040
Other	9,311	46,389	2,280	-	11,591	46,389
Interest	11,830	1,628	615	648	12,445	2,276
Total Revenues	861,118	1,012,731	819,049	845,163	1,680,167	1,857,894
Expenses						
General Government	226,090	193,831	-	-	226,090	193,831
Public Safety	410,106	529,102	-	-	410,106	529,102
Streets and roads	221,816	178,994	-	-	221,816	178,994
Buildings	32,496	40,044	-	-	32,496	40,044
Interest on Long-Term Debt	8,231	211	36,455	38,932	44,686	39,143
Proprietary Activities	-	-	534,877	504,835	534,877	504,835
Total Expenses	898,739	942,182	571,332	543,767	1,470,071	1,485,949
Increase/(Decrease) in Net Position	(37,621)	70,549	247,717	301,396	210,096	371,945
Net Position - Beginning of Year	1,314,720	1,283,838	897,352	1,140,430	2,212,072	2,424,268
Transfers in/(out)	6,739	-	(6,739)	-	-	-
Contributed capital	-	-	2,100	23,100	2,100	23,100
Net Position - End of Year	\$ 1,283,838	\$ 1,354,387	\$ 1,140,430	\$ 1,464,926	\$ 2,424,268	\$ 2,819,313

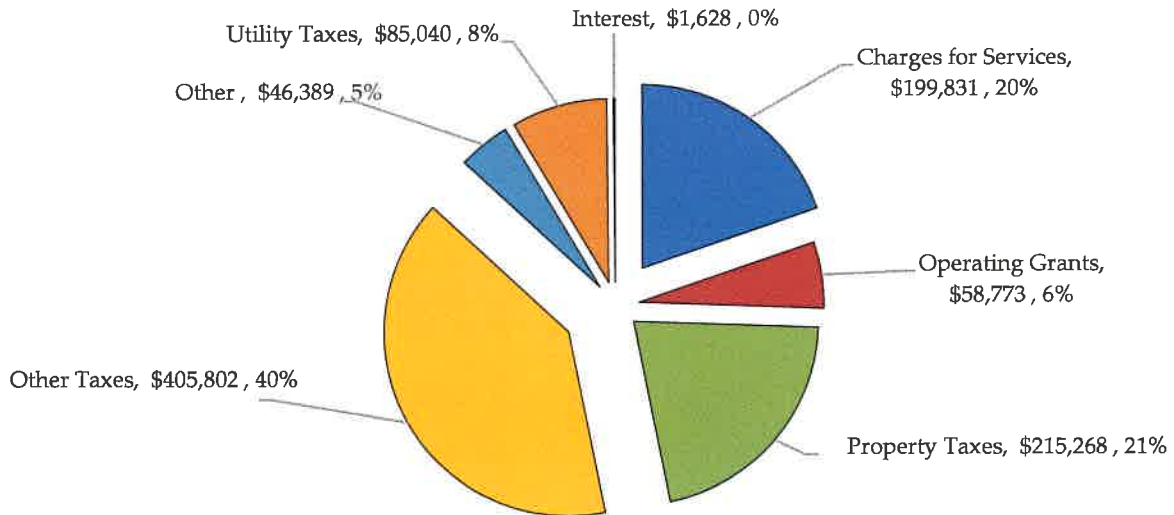
VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2021

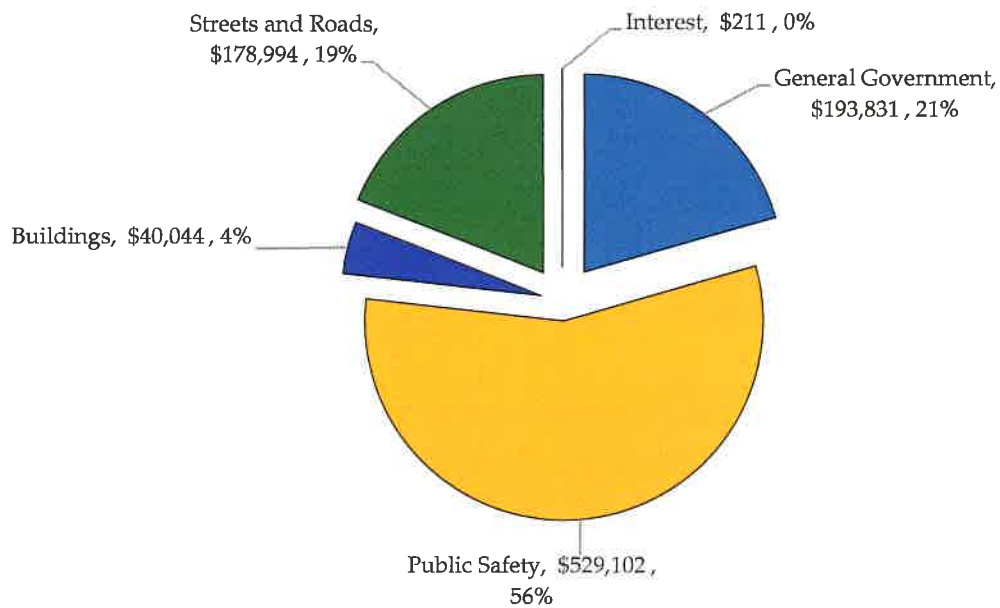
2021 GOVERNMENTAL REVENUES

ROUNDED TO THE NEAREST PERCENT



2021 GOVERNMENTAL EXPENSES

ROUNDED TO THE NEAREST PERCENT



VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2021

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

Governmental funds

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

At April 30, 2021, the Village's governmental funds reported combined ending fund balances of \$723,671. A portion of this amount (\$530,306) 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, 2021, the fund balance of the General Fund was \$530,306.

General Fund Budgetary Highlights

- The General Fund revenues were less than estimated revenues by \$1,812,948.
- The General Fund expenditures were less than the estimated expenditures by \$1,438,100.

VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

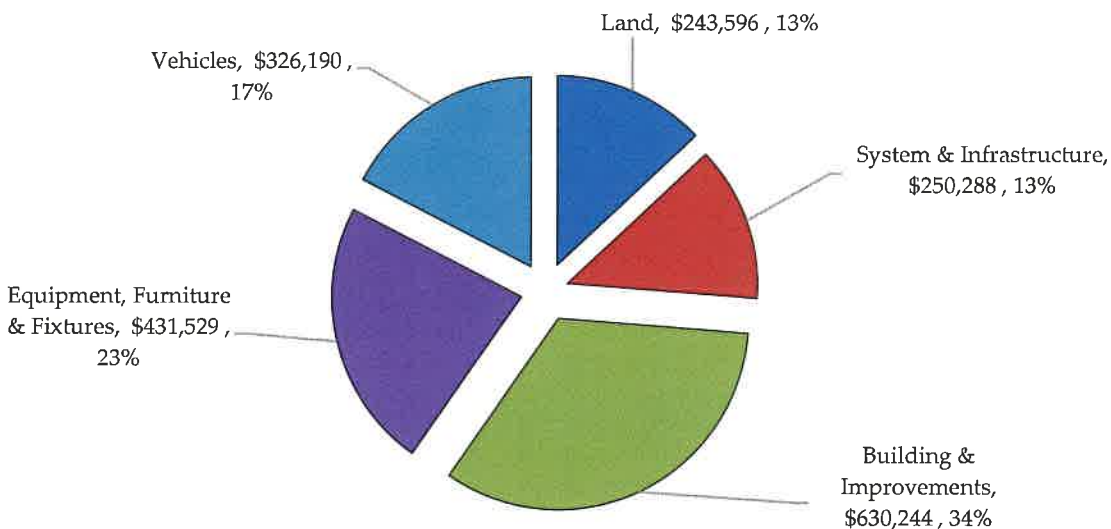
April 30, 2021

CAPITAL ASSETS

The Village's fixed assets as of April 30, 2021 amount to \$4,878,186 (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	
	2020	2021	2020	2021	2020	2021
Land	\$ 243,596	\$ 243,596	\$ 75,769	\$ 75,769	\$ 319,365	\$ 319,365
System & Infrastructure	250,288	250,288	7,887,006	7,908,096	8,137,294	8,158,384
Buildings & improvements	630,244	630,244	471,178	471,178	1,101,422	1,101,422
Equipment, furniture, and fixtures	424,049	431,529	227,291	227,291	651,340	658,820
Vehicles	331,797	326,190	54,802	54,802	386,599	380,992
Total Capital Assets	1,879,974	1,881,847	8,716,046	8,737,136	10,596,020	10,618,983
Accumulated depreciation	977,939	1,010,959	4,589,266	4,729,838	5,567,205	5,740,797
Total Net Capital Assets	\$ 902,035	\$ 870,888	\$ 4,126,780	\$ 4,007,298	\$ 5,028,815	\$ 4,878,186

2021 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - (at Cost)

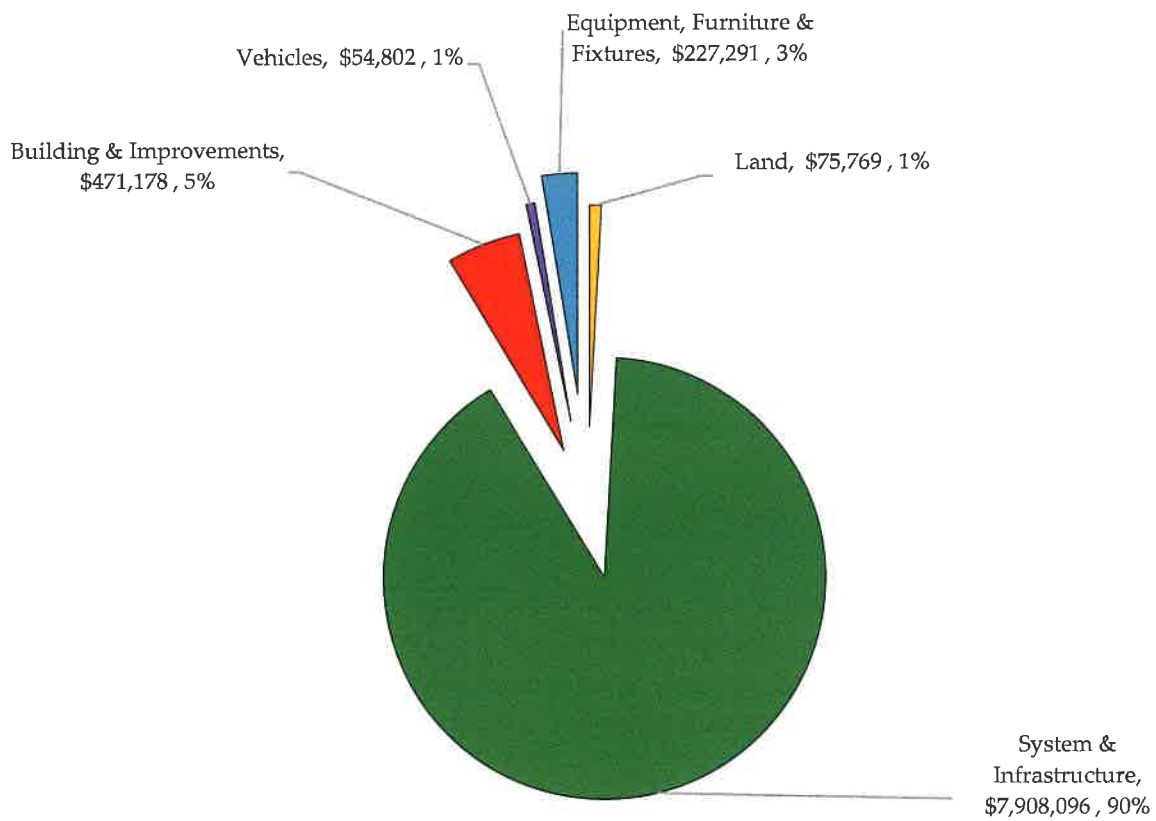


VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2021

2021 BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - (at Cost)



VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2021

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Village for 2020 is \$25,161,311. That represents an increase in EAV of \$607,435 over the prior year's EAV. Taxes recorded in these financial statements are distributions received from the 2098 levy. A summary of the assessed valuations and extensions for tax years 2020, 2019 and 2018 is as follows:

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

Tax Levy Year	2020		2019		2018	
Assessed Valuations						
McHenry County	\$	25,161,311	\$	24,553,876	\$	23,448,946

Tax Rates and percentage Allocations by Fund	2020		2019		2018	
Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
General Fund	0.304301	24.27	0.347464	43.39	0.331617	40.57
Police Protection	0.200705	16.02	0.161745	20.20	0.162266	19.84
Audit	0.021859	1.74	0.021494	2.68	0.047207	5.77
Liability Insurance	0.156848	12.52	0.153380	19.15	0.156590	19.15
Street Lighting	0.500000	39.90	0.046234	5.77	0.047202	5.77
Social Security	0.069552	5.55	0.070583	8.81	0.072788	8.90
Totals	1.253265	100.00	0.800900	100.00	0.817670	100.00

Property Tax Extensions	2020		2019		2018	
Funds						
General Fund	\$	76,566	\$	85,316	\$	77,761
Police Protection		50,500		39,715		38,050
Audit		5,500		5,277		11,069
Liability Insurance		39,465		37,661		36,719
Street Lighting		12,581		11,352		11,068
Social Security		17,500		17,331		17,068
Totals	\$	202,112	\$	196,652	\$	191,735

VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2021

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, 2021

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
Assets			
Cash and investments, at cost	\$ 700,583	\$ 796,479	\$ 1,497,062
Due from other funds	24,091	(24,091)	-
Fixed assets, net of depreciation	870,888	4,007,298	4,878,186
Total Assets	\$ 1,595,562	\$ 4,779,686	\$ 6,375,248
Liabilities			
Current Liabilities:			
Due to other funds	\$ 1,003	\$ -	\$ 1,003
Due within 1 year- notes payable	6,474	-	6,474
Due within 1 year - IEPA loan	-	197,912	197,912
Non-Current Liabilities:			
Due in more than 1 year - notes payable	212,366	-	212,366
Due in more than 1 year - IEPA loan	-	3,103,071	3,103,071
Deferred compensation	21,332	13,777	35,109
Total Liabilities	241,175	3,314,760	3,555,935
Net Position			
Net investment in capital assets	652,048	706,315	1,358,363
Restricted - Motor Fuel Tax	191,677	-	191,677
Restricted - Debt Service	1,688	-	1,688
Restricted - Capital Development	-	19,569	19,569
Unrestricted	508,974	739,042	1,248,016
Total Net Position	\$ 1,354,387	\$ 1,464,926	\$ 2,819,313

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, 2021

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
General government	\$ 193,831	\$ 47,849	\$ -	\$ -	\$ (145,982)	\$ -	\$ (145,982)
Public safety	529,102	151,982	58,773	-	(318,347)	-	(318,347)
Streets	178,994	-	-	-	(178,994)	-	(178,994)
Buildings	40,044	-	-	-	(40,044)	-	(40,044)
Unallocated depreciation	-	-	-	-	-	-	-
Interest on long-term debt	211	-	-	-	(211)	-	(211)
Total Governmental Activities	942,182	199,831	58,773	-	(683,578)	-	(683,578)
Business-Type Activities							
Proprietary activities	504,835	844,515	-	-	-	339,680	339,680
Interest on long-term debt	38,932	-	-	-	-	(38,932)	(38,932)
Total Business-Type Activities	543,767	844,515	-	-	-	300,748	300,748
Total Primary Government	\$ 1,485,949	\$ 1,044,346	\$ 58,773	\$ -	(683,578)	300,748	(382,830)
General Revenues:							
Property taxes					215,268	-	215,268
Intergovernmental revenue					370,117	-	370,117
Utility taxes					85,040	-	85,040
Video gaming tax					35,685	-	35,685
Miscellaneous revenue					46,389	-	46,389
Investment income					1,628	648	2,276
Total Revenues					754,127	648	754,775
Contributed capital					-	23,100	23,100
Changes in Net Position					70,549	324,496	395,045
Net Position, Beginning					1,283,838	1,140,430	2,424,268
Total Net Position, Ending					\$ 1,354,387	\$ 1,464,926	\$ 2,819,313

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

VILLAGE OF HEBRON, ILLINOIS

Governmental Funds - Balance Sheet

April 30, 2021

Assets	General Fund	Motor Fuel Tax Fund	Debt Service Fund	Total
Cash	\$ 484,163	\$ 214,732	\$ 1,688	\$ 700,583
Due from other funds	47,146	-	-	47,146
Total Assets	\$ 531,309	\$ 214,732	\$ 1,688	\$ 747,729
Liabilities				
Due to other funds	\$ 1,003	\$ 23,055	\$ -	\$ 24,058
Total Liabilities	1,003	23,055	-	24,058
Fund Balance				
Nonspendable	-	-	-	-
Restricted	-	191,677	1,688	193,365
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	530,306	-	-	530,306
Total Fund Balance	530,306	191,677	1,688	723,671
Total Liabilities and Fund Balance	\$ 531,309	\$ 214,732	\$ 1,688	\$ 747,729

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, 2021

	General Fund	Motor Fuel Tax Fund	Debt Service Fund	Total
Revenues				
Property taxes	\$ 215,268	\$ -	\$ -	\$ 215,268
Intergovernmental revenue	286,909	83,208	-	370,117
Video gaming tax	35,685	-	-	35,685
Utility taxes	85,040	-	-	85,040
Licenses, fees, and permits	47,849	-	-	47,849
Fines	151,982	-	-	151,982
Grants and donations	58,773	-	-	58,773
Interest income	1,092	535	1	1,628
Miscellaneous revenue	46,389	-	-	46,389
Total Revenues	928,987	83,743	1	1,012,731
Expenditures				
Administrative	205,068	-	-	205,068
Police	498,436	-	-	498,436
Street	146,959	20,596	-	167,555
Building	40,113	-	-	40,113
Debt service - interest	211	-	-	211
Debt service - principal	13,142	-	-	13,142
Total Expenditures	903,929	20,596	-	924,525
Net Change in Fund Balance	25,058	63,147	1	88,206
Fund Balance				
Fund Balance, Beginning	505,248	128,530	1,687	635,465
Total Fund Balance, Ending	\$ 530,306	\$ 191,677	\$ 1,688	\$ 723,671

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, 2021

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

Total Fund Balances - Total Governmental Funds	\$	723,671
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Amount net of depreciation		870,888
Other employee benefit obligations accruals are not reported in funds.		(21,332)
Long term debt is not recorded in the fund statement but is included as a liability in the Statement of Net Position.		(218,840)
Total Net Position of Governmental Activities	\$	1,354,387

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

Excess (Deficiency) of Revenue Over Expenditures and Other Sources/Uses Governmental Funds	\$	88,206
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)		(31,147)
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.		24,382
Governmental funds do not accrue for deferred compensation but the expenses are accrued for in the Statement of Activities.		(10,892)
Changes in Net Position of Governmental Funds	\$	70,549

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, 2021

Assets	Water & Sewer Fund	Water & Sewer Capital Development	Total
Cash	\$ 776,910	\$ 19,569	\$ 796,479
Property and equipment, net of accumulated depreciation	4,007,298	-	4,007,298
Total Assets	\$ 4,784,208	\$ 19,569	\$ 4,803,777
Liabilities			
Due to general fund	\$ 24,091	\$ -	\$ 24,091
Notes payable - current portion	197,912	-	197,912
Deferred compensation - noncurrent	13,777	-	13,777
Notes payable - long-term	3,103,071	-	3,103,071
Total Liabilities	3,338,851	-	3,338,851
Net Position			
Net investment in capital assets	706,315	-	706,315
Restricted	-	19,569	19,569
Unrestricted	739,042	-	739,042
Total Net Position	1,445,357	19,569	1,464,926
Total Liabilities and Net Position	\$ 4,784,208	\$ 19,569	\$ 4,803,777

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, 2021**

	Water & Sewer Fund	Water & Sewer Capital Development Fund	Totals
Operating Revenue			
Sewer charges	\$ 632,357	\$ -	\$ 632,357
Water charges	212,158	-	212,158
Total Operating Revenue	844,515	-	844,515
Operating Expenses			
Water department expenses	162,451	-	162,451
Sewer department expenses	201,812	-	201,812
Total Operating Expenses	364,263	-	364,263
Operating Income Before Depreciation	480,252	-	480,252
Less: depreciation/amortization	140,572	-	140,572
Operating Income/(Loss)	339,680	-	339,680
Non-Operating Revenue/(Expense)			
Interest expense	(38,932)	-	(38,932)
Interest income	648	-	648
Total Non-Operating Income/(Loss)	(38,284)	-	(38,284)
Change in Net Position	301,396	-	301,396
Net Position			
Net position, beginning	1,125,876	14,554	1,140,430
Transfers in/(out)	(5,015)	5,015	-
Capitalized connection fees	23,100	-	23,100
Total Net Position, Ending	\$ 1,445,357	\$ 19,569	\$ 1,464,926

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, 2021

	Water & Sewer Fund	Water & Sewer Capital Development Fund	Totals
Cash Flows from Operating Activities			
Cash received from customers and users	\$ 844,515	\$ -	\$ 844,515
Operating transfers in/(out)	(5,015)	5,015	-
Cash paid to suppliers	(239,782)	-	(239,782)
Cash paid for employees	(143,291)	-	(143,291)
Net Cash Flows Provided by Operating Activities	456,427	5,015	461,442
Cash Flows from Investing Activities			
Purchase of capital assets	(21,090)	-	(21,090)
Interest income	648	-	648
Net Cash Flows Provided by Investing Activities	(20,442)	-	(20,442)
Cash Flows from Capital and Financing Activities			
Loans/payments to other funds, net	(195,948)	-	(195,948)
Contributed capital	23,100	-	23,100
Bond/note interest payments, net	(38,932)	-	(38,932)
Net Cash Flows Provided by Capital and Financing Activities	(211,780)	-	(211,780)
Net Increase/(Decrease) in Cash	224,205	5,015	229,220
Cash at Beginning of Year	552,705	14,554	567,259
Cash at End of Year	\$ 776,910	\$ 19,569	\$ 796,479
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income (loss) for the year	339,680	-	339,680
Operating transfers in/(out)	(5,015)	5,015	-
Depreciation/amortization	140,572	-	140,572
Increase (decrease) in compensated absences	3,913	-	3,913
Increase (decrease) in due to other funds	(22,723)	-	(22,723)
Net Cash Provided by Operating Activities	\$ 456,427	\$ 5,015	\$ 461,442

Cash payments for interest made during the year were \$38,932.

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, 2021

	Agency
Assets	Fund
Cash	\$ 4,890
Due from general fund	1,003
Total Assets	\$ 5,893
Liabilities	
Due for distribution	5,893
Total Liabilities	\$ 5,893

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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

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

BASIC FINANCIAL STATEMENTS — GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021.

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, 2021

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 2020 levy was passed by the board on November 23, 2020.

NOTE 2 - DEPOSITS AND INVESTMENTS

At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$1,477,399, and the bank balances totaled \$1,497,062. 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, 2021

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2021 was as follows:

Capital Assets	Balance May 1, 2020	Increases	Decreases	Balance April 30, 2021
General Fund:				
Land	\$ 243,596	\$ -	\$ -	\$ 243,596
Infrastructure	250,288	-	-	250,288
Buildings & improvements	630,244	-	-	630,244
Equipment, furniture and fixtures	424,049	7,480	-	431,529
Vehicles	331,797	5,593	11,200	326,190
Water & Sewer Fund:				
Land	75,769	-	-	75,769
Infrastructure	7,887,006	21,090	-	7,908,096
Buildings & improvements	471,178	-	-	471,178
Equipment, furniture and fixtures	227,291	-	-	227,291
Vehicles	54,802	-	-	54,802
Total Capital Assets	10,596,020	34,163	11,200	10,618,983
Less: Accumulated Depreciation	5,567,205	184,792	11,200	5,740,797
Capital Assets (Net)	\$ 5,028,815	\$ (150,629)	\$ -	\$ 4,878,186

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 13,286
Public safety	10,873
Street and roads	17,733

Business-Type Activities

Water and sewer	142,900
Total Depreciation	\$ 184,792

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2021

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT FUND

IMRF PLAN DESCRIPTION

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

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, 2021

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2020 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	5
Active Plan Members	10
Total	<u>21</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 2020 was 7.46%. For the fiscal year ended April 30, 2021, the Village contributed \$33,827 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, 2020. 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, 2021

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

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	2.25%
Salary Increases	2.85% to 13.75%
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 2020 valuation pursuant to an experience study for the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2020, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2021

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Executive Summary as of December 31, 2020

Actuarial Valuation Date	12/31/2020	
Measurement Date of the Net Pension Liability	12/31/2020	
Fiscal Year End	4/30/2021	
Membership		
Number of		
- Retirees and Beneficiaries	6	
- Inactive, Non-Retired Members	5	
- Active Members	10	
- Total	21	
Covered Valuation Payroll (1)	\$ 453,448	
Net Pension Liability		
Total Pension Liability/(Asset)	\$ 1,190,932	
Plan Fiduciary Net Position	1,186,191	
Net Pension Liability/(Asset)	\$ 4,741	
Plan Fiduciary Net Position as a Percentage		
of Total Pension Liability	99.60%	
Net Pension Liability as a Percentage		
of Covered Valuation Payroll	1.05%	
Development of the Single Discount Rate as of December 31, 2020		
Long-Term Expected Rate of Investment Return	7.25%	
Long-Term Municipal Bond Rate (2)	2.00%	
Last year ending December 31 in the 2021 to 2120 projection		
for which projected benefit payments are fully funded	2120	
Resulting Single Discount Rate based on the above	7.25%	
Single Discount Rate calculated using December 31, 2019		
Measurement Date	7.25%	
Total Pension Expense/(Income)	\$ 7,830	
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	\$ 49,051	\$ -
Changes in assumptions	2,310	3,136
Net difference between projected and actual earnings on pension plan investments	48,177	132,544
Total	\$ 99,538	\$ 135,680

(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, 2020. 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, 2021

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

SINGLE DISCOUNT RATE

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, 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, 2021

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Schedule of Changes in Net Pension Liability and Related Ratios - Current Period Calendar Year Ended December 31, 2020

A. Total pension liability

1. Service Cost	\$	30,263
2. Interest on the Total Pension Liability		79,921
3. Changes of benefit terms		-
4. Difference between expected and actual experience of the Total Pension Liability		26,345
5. Changes of assumptions		(4,487)
6. Benefit payments, including refunds of employee contributions		(56,683)
7. Net change in total pension liability		75,359
8. Total pension liability – beginning		1,115,573
9. Total pension liability – ending	\$	1,190,932

B. Plan fiduciary net position

1. Contributions – employer	\$	33,827
2. Contributions – employee		20,405
3. Net investment income		146,753
4. Benefit payments, including refunds of employee contributions		(56,683)
5. Other (Net Transfer)		12,885
6. Net change in plan fiduciary net position		157,187
7. Plan fiduciary net position – beginning		1,029,004
8. Plan fiduciary net position – ending	\$	1,186,191

C. Net pension liability/(asset)

\$ 4,741

D. Plan fiduciary net position as a percentage of the total pension liability

99.60%

E. Covered Valuation payroll

\$ 453,448

F. Net pension liability as a percentage of covered valuation payroll

1.05%

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	\$ 1,292,020	\$ 1,190,932	\$ 1,113,494
Plan Fiduciary Net Position	1,186,191	1,186,191	1,186,191
Net Pension Liability/(Asset)	\$ 105,829	\$ 4,741	\$ (72,697)

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2021

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, 2021, the Village recognized pension expense of \$7,830. At April 30, 2021, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions <i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 49,051	\$ -
Changes of assumptions	2,310	3,136
Net difference between projected and actual earnings on pension plan investments	48,177	132,544
Total Deferred Amounts to be recognized in pension expense in future periods	\$ 99,538	\$ 135,680

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:

Year Ending December 31	Net Deferred Outflows of Resources
2021	\$ 3,420
2022	6,230
2023	(31,436)
2024	(14,356)
2025	-
Thereafter	-
Total	\$ (36,142)

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2021

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate *

Valuation Date: December 31, 2020

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 2020 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): 23-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 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor 3.25%
Wage growth	2.50%
Price Inflation	3.35% to 14.25% including inflation
Salary Increases	7.25%
Investment Rate of Return	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.
Retirement Age	
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:

Notes There were no benefit changes during the year

*Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2021

NOTE 5 - INTERFUND BALANCES

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

Interfund loan balances at April 30, 2021 consisted of the following:

Due to	Due from	Amount
General	MFT	\$ 23,055
General	Water/Sewer	\$ 24,091
Agency	General	\$ 1,003

NOTE 6 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended April 30, 2021 was as follows:

	Balance May 1, 2020	Additions	Retirements	Balance April 30, 2021	Amounts Due Within One Year
Governmental Activities: Long-Term Debt					
Village Hall Loan	\$ 143,787	\$ -	\$ -	\$ 143,787	\$ -
Equipment Capital Lease	17,576	-	17,576	-	-
House Purchase Loan	81,859	-	6,806	75,053	6,474
Total Long-Term Debt	243,222	-	24,382	218,840	6,474
Other Long Term Liabilities					
Compensated Absences	10,440	21,332	10,440	21,332	-
Total Governmental Long Term Obligations	\$ 253,662	\$ 21,332	\$ 34,822	\$ 240,172	\$ 6,474
Business-Type Activities: Long-Term Debt					
2007 IEPA Loan	\$ 3,496,931	\$ -	\$ 195,948	\$ 3,300,983	\$ 197,912
Total Long-Term Debt	3,496,931	-	195,948	3,300,983	197,912
Other Long Term Liabilities					
Compensated Absences	9,864	13,777	9,864	13,777	-
Total Business-Type Long Term Obligations	\$ 3,506,795	\$ 13,777	\$ 205,812	\$ 3,314,760	\$ 197,912
Long-term liabilities at April 30, 2021	Maturity Dates	Interest Rates	Face Amount	Carrying Amounts	
Governmental Activities:					
Village Hall Loan	7/15/2024	4.250%	\$ 325,000	\$ 143,787	
Equipment Capital Lease	1/1/2021	3.950%	\$ 108,970	\$ -	
House Purchase Loan	11/10/2020	4.500%	\$ 112,000	\$ 75,053	
Business-Type Activities:					
2007 IEPA Loan	9/27/2036	1.000%	\$ 4,922,423	\$ 3,300,983	

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2021

NOTE 6 - LONG-TERM LIABILITY ACTIVITY (CONCLUDED)

At April 30, 2021, 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
2022	\$ 6,474	\$ 8,995	\$ 15,469	\$ 197,912	\$ 32,516	\$ 230,428
2023	6,738	8,732	15,470	199,896	30,532	230,428
2024	150,800	3,619	154,419	201,900	28,528	230,428
2025	7,298	2,061	9,359	203,925	26,504	230,429
2026	7,596	1,763	9,359	205,969	24,460	230,429
2027	7,905	1,454	9,359	208,034	22,395	230,429
2028	8,227	1,131	9,358	210,119	20,310	230,429
2029	8,562	796	9,358	212,226	18,203	230,429
2030	8,911	447	9,358	214,353	16,075	230,428
2031	6,329	97	6,426	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>\$ 218,840</u>	<u>\$ 21,346</u>	<u>\$ 185,358</u>	<u>\$ 3,300,983</u>	<u>\$ 270,661</u>	<u>\$ 3,571,644</u>

NOTE 7 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the fiscal year ended April 30, 2021 no funds had expenditures that exceeded the appropriations.

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2021

NOTE 8 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village purchases commercial insurance to handle these risks of loss. During the fiscal year ended April 30, 2021, 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, 2021, there were no significant adjustments in premiums based on actual experience.

NOTE 9 – SUBSEQUENT EVENTS

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

OTHER INFORMATION

VILLAGE OF HEBRON, ILLINOIS

General Fund - Schedule of Revenues - Budget and Actual

Year Ended April 30, 2021

Revenues	Budgeted	Modified
		Cash Basis
Property tax	\$ 2,741,935	\$ 215,268
State sales tax	-	86,594
State income tax	-	140,394
Replacement tax	-	5,554
Utility tax	-	60,585
State use tax	-	54,367
Video gaming tax	-	35,685
Liquor licenses	-	8,625
Donations	-	2,661
Other permits	-	50
Telecommunications	-	19,776
Franchise fee - cable	-	4,679
Interest income	-	1,092
Building permits	-	35,834
Building permits - street impact	-	615
Building permits - parks	-	2,725
Code enforcement tickets	-	1,690
Court fines	-	111,472
DUI equipment fines	-	4,454
Police vehicle fund	-	60
Electronic citation	-	1,086
Warrants	-	70
Towing/impound fees	-	33,150
Miscellaneous income	-	46,389
Grants	-	56,112
Total Revenues	\$ 2,741,935	\$ 928,987

VILLAGE OF HEBRON, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2021

	Budget		Modified
	Original	Final	Cash Basis
Administrative Department			
Salaries and Benefits			
Salary and wages	\$ 87,300	\$ 87,300	\$ 89,491
FICA - village share	5,332	5,332	5,379
Medicare - village share	1,247	1,247	1,258
Unemployment insurance	350	350	126
Retirement fund	3,900	3,900	-
Uniform allowance	200	200	-
Payroll expense	-	-	239
Total Salaries and Benefits	98,329	98,329	96,493
Administrative Expenses			
Maintenance - building	3,300	3,300	112
Maintenance - equipment	5,786	5,786	304
Other maintenance	-	-	1,150
Contract services	11,000	11,000	6,997
Other services	3,850	3,850	1,105
Supplies & maintenance	550	550	314
Audit	5,280	5,280	4,583
Engineering services	22,000	22,000	-
Legal services	1,266,000	1,266,000	14,748
Improvements	8,800	8,800	-
Postage	2,420	2,420	546
Telephone	5,280	5,280	3,868
Utilities	1,100	1,100	1,097
Printing	1,760	1,760	1,504
Technology services	2,200	2,200	1,704
Dues, memberships	2,200	2,200	727
Travel expense	660	660	-
Publications	1,155	1,155	-
Licenses	210	210	-
Garbage disposal	350	350	-
Insurance	66,000	66,000	45,920
Insurance administrative - bond	220	220	-
Rentals	440	440	94
Office supplies	3,500	3,500	1,705
Computer software	1,100	1,100	990
Operating supplies	-	-	7
Office furniture	4,000	4,000	-
Computer hardware	2,200	2,200	-

VILLAGE OF HEBRON, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2021

	Budget		Modified
	Original	Final	Cash Basis
Administrative Expenses (Continued)			
Parks	\$ -	\$ -	\$ 461
Contract payments	-	-	150
Principal payment	5,830	5,830	5,188
Interest payment	10,780	10,780	10,516
Land	55,000	55,000	-
Miscellaneous expense	1,100	1,100	739
Community projects	220	220	175
Senior citizen bus service	2,860	2,860	3,070
Events	2,200	2,200	801
Total Administrative Expenses	1,499,351	1,499,351	108,575
Total Administrative Department	1,597,680	1,597,680	205,068
Police Department			
Salaries and Benefits			
Salary and wages	275,000	275,000	349,445
Health insurance	8,000	8,000	10,535
FICA - village share	17,500	17,500	21,186
Medicare - village share	4,200	4,200	4,955
Unemployment insurance	3,000	3,000	413
Retirement fund	14,000	14,000	-
Training	6,500	6,500	1,687
Uniform allowance	-	-	1,476
Total Salaries and Benefits	328,200	328,200	389,697
Administrative Expenses			
Maintenance - building	1,100	1,100	1,238
Maintenance - equipment	-	-	1,087
Maintenance - vehicles	8,000	8,000	3,627
Maintenance - other	1,430	1,430	-
Contract services	18,700	18,700	24,167
Other services	1,100	1,100	210
Technology services	-	-	1,059
Supplies & maintenance	110	110	1,008
Legal services	25,300	25,300	32,542
Postage	330	330	514
Telephone	3,080	3,080	2,724
Printing	1,100	1,100	1,360
Tech services	3,000	3,000	-

VILLAGE OF HEBRON, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2021

	Budget		Modified
	Original	Final	Cash Basis
Police Department			
Administrative Expenses (Continued)			
Dues	\$ 825	\$ 825	\$ 60
Operating supplies	275	275	78
Office supplies	550	550	1,130
Computer software	275	275	-
Computer hardware	1,100	1,100	655
Fuel	11,550	11,550	13,553
DUI equipment supplies	1,100	1,100	4,063
Forfeiture fund equipment and supplies	-	-	706
Principal payments	12,496	12,496	8,761
Interest expense	1,100	1,100	141
Equipment - new	5,280	5,280	3,962
Vehicle - new	15,400	15,400	13,073
Miscellaneous expense	825	825	424
Miscellaneous expense - recodification	-	-	1,500
Total Administrative Expenses	114,026	114,026	117,642
Total Police Department	442,226	442,226	507,339
Street Department			
Salaries and Benefits			
Salary and wages	35,000	35,000	48,215
Health insurance	4,500	4,500	4,261
FICA - village share	3,000	3,000	2,974
Medicare - village share	1,000	1,000	695
Unemployment insurance	750	750	66
Retirement fund	4,000	4,000	-
Uniform allowance	-	-	71
Total Salaries and Benefits	48,250	48,250	56,282
Administrative Expenses			
Maintenance - buildings	6,600	6,600	790
Maintenance - equipment	5,500	5,500	3,543
Maintenance - vehicles	11,000	11,000	8,323
Street maintenance	11,000	11,000	9,792
Other maintenance	1,300	1,300	-
Contract services	7,700	7,700	8,432
Other services	5,500	5,500	50
Supplies & maintenance	5,500	5,500	2,576

VILLAGE OF HEBRON, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2021

	Budget		Modified
	Original	Final	Cash Basis
Street Department			
Administrative Expenses (Continued)			
Snow removal	\$ 1,100	\$ 1,100	\$ -
Improvements	22,000	22,000	7,675
Telephone	770	770	275
Postage	164	164	-
Utilities	1,500	1,500	1,094
Street lighting	39,600	39,600	34,525
Siren maintenance	1,400	1,400	-
Office supplies	110	110	297
Operating supplies	275	275	-
Fuel	9,900	9,900	7,311
Road materials	1,650	1,650	2,268
Tree trimming	6,270	6,270	3,700
Principal payments	5,123	5,123	4,381
Interest expense	330	330	70
Maintenance materials	14,850	14,850	-
Equipment - new	16,500	16,500	-
Vehicle - new	22,000	22,000	-
Technology services	220	220	25
Parks	1,100	1,100	-
Total Administrative Expenses	198,962	198,962	95,127
Total Street Department	247,212	247,212	151,409
Building Department			
Salaries and Benefits			
Salary and wages	36,300	36,300	35,098
Salary and wages - p&z	1,200	1,200	-
FICA - village share	2,251	2,251	2,176
Medicare - village share	550	550	509
Unemployment insurance	495	495	72
Total Salaries and Benefits	40,796	40,796	37,855
Administrative Expenses			
Maintenance - building	165	165	-
Contract services	3,850	3,850	-
Supplies & maintenance	-	-	151
Audit	110	110	-
Engineering services	3,500	3,500	-

VILLAGE OF HEBRON, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2021

	Budget		Modified Cash Basis
	Original	Final	
Building Department (Concluded)			
Administrative Expenses			
Postage	\$ 220	\$ 220	\$ -
Telephone	1,320	1,320	1,329
Utilities	1,100	1,100	-
Printing	1,100	1,100	-
Technology services	-	-	25
Dues	220	220	348
Office supplies	550	550	-
Operating supplies	-	-	305
Computer software	330	330	-
Computer hardware	1,650	1,650	100
Total Administrative Expenses	<u>14,115</u>	<u>14,115</u>	<u>2,258</u>
Total Building Department	<u>54,911</u>	<u>54,911</u>	<u>40,113</u>
Total General Fund	<u>\$ 2,342,029</u>	<u>\$ 2,342,029</u>	<u>\$ 903,929</u>

VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2021

	Appropriations		Modified
	Original	Final	Cash Basis
Revenues			
Water - supply & distribution	\$ 524,300	\$ 524,300	\$ 632,357
Sewer - collection & treatment	191,940	191,940	208,958
Interest income	-	-	648
Permits	-	-	3,200
Total Revenues	716,240	716,240	845,163
Sewer Department			
Salaries and Benefits			
Salary and wages	60,500	60,500	69,358
FICA - village share	4,180	4,180	3,981
Medicare - village share	1,100	1,100	931
Health insurance	3,300	3,300	3,007
Unemployment insurance	1,100	1,100	126
Retirement fund	2,750	2,750	-
Training	550	550	-
Uniform allowance	825	825	142
Payroll expense	-	-	61
Total Salaries and Benefits	74,305	74,305	77,606
Administration Expenses			
Maintenance - buildings	1,100	1,100	392
Maintenance - vehicles	1,100	1,100	473
Maintenance - equipment	33,000	33,000	14,202
Sewer maintenance	17,600	17,600	4,214
Other maintenance	550	550	59
Insurance	33,000	33,000	22,960
Contract services	330	330	-
Other services	825	825	136
Improvements (sewer)	825	825	-
Audit	4,950	4,950	4,583
Engineering services	5,500	5,500	2,285
Legal	5,500	5,500	-
Improvements	5,500	5,500	-

VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2021

	Appropriations		Modified
	Original	Final	Cash Basis
Sewer Department			
Administration Expenses (Continued)			
Postage	\$ 5,500	\$ 5,500	\$ 2,047
Telephone	1,430	1,430	2,746
Utilities	42,250	42,250	46,641
Printing	900	900	-
Dues	8,800	8,800	7,672
Travel expense	3,000	3,000	-
Lab testing	5,000	5,000	1,211
Chemicals	15,000	15,000	9,334
Rentals	2,750	2,750	-
Meters and other improvements	8,800	8,800	-
Office supplies	275	275	445
Operating supplies	550	550	216
Computer software	3,300	3,300	429
Technology services	1,100	1,100	25
Publications	150	150	-
Garbage disposal	125	125	-
Loan principal	217,800	217,800	-
Loan interest	42,900	42,900	38,932
Equipment - new	23,500	23,500	4,136
Vehicle - new	11,000	11,000	-
Miscellaneous expense	275	275	-
Parks	5,500	5,500	-
Total Administration Expenses	509,685	509,685	163,138
Total Sewer Department	583,990	583,990	240,744

Water Department Expenses

Salaries and Benefits

Salary and wages	60,000	60,000	58,300
Health insurance	3,300	3,300	3,007
FICA - village share	4,180	4,180	3,538
Medicare - village share	1,100	1,100	828
Unemployment insurance	1,100	1,100	93

VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2021

	Appropriations		Modified
	Original	Final	Cash Basis
Water Department Expenses			
Salaries and Benefits (Continued)			
Retirement fund	\$ 2,750	\$ 2,750	\$ -
Training	220	220	-
Uniform allowance	825	825	101
Payroll expense	-	-	61
Total Salaries and Benefits	73,475	73,475	65,928
Administrative Expenses			
Maintenance - buildings	5,500	5,500	3,739
Maintenance - vehicles	2,200	2,200	473
Maintenance - equipment	1,650	1,650	1,598
Water maintenance	29,500	29,500	15,061
Other services	1,100	1,100	422
Supplies & maintenance	330	330	209
Audit	4,950	4,950	4,583
Tower maintenance	8,250	8,250	-
Engineering services	5,500	5,500	2,285
Postage	1,320	1,320	2,014
Telephone	3,025	3,025	2,120
Utilities	14,960	14,960	18,891
Printing	165	165	-
Dues	715	715	255
Travel	165	165	-
Insurance	33,000	33,000	22,960
Lab testing	8,950	8,950	2,159
Water testing	3,300	3,300	1,097
Chemicals	15,400	15,400	3,890
Rentals	2,200	2,200	-
Meters	5,500	5,500	5,286
Office supplies	550	550	429
Operating supplies	110	110	7
Computer software	1,650	1,650	100
Computer hardware	1,100	1,100	304
Technology services	1,100	1,100	25

VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2021

	Appropriations		Modified
	Original	Final	Cash Basis
Water Department Expenses			
Administrative Expenses (Concluded)			
Publications	\$ 550	\$ 550	\$ -
Equipment - new	7,904	7,904	7,000
Vehicle - new	7,904	7,904	-
Miscellaneous expense	550	550	1,616
Total Administration Expenses	<u>169,098</u>	<u>169,098</u>	<u>96,523</u>
Total Water Department Expenses	<u>242,573</u>	<u>242,573</u>	<u>162,451</u>
Operating transfers out/(in)	-	-	5,015
Depreciation/Amortization	-	-	140,572
Total Water and Sewer Expenses	<u>826,563</u>	<u>826,563</u>	<u>548,782</u>

VILLAGE OF HEBRON, ILLINOIS

Motor Fuel Tax Fund - Schedule of Revenues and Expenditures

Year Ended April 30, 2021

	Modified Cash Basis
Revenues	
Allotments	\$ 83,208
Interest income	535
Total Revenue	83,743
Expenditures	
Street maintenance	12,500
Other services	120
Snow removal and salt	6,936
Supplies and maintenance	1,040
Total Expenditures	20,596
Net Change in Fund Balance	\$ 63,147

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service Cost	\$ 30,263	\$ 27,980	\$ 20,681	\$ 13,912	\$ 12,593	\$ 10,398				
Interest on the Total Pension Liability	79,921	71,617	68,999	69,585	67,360	64,842				
Benefit Changes	-	-	-	-	-	-				
Difference between Expected and Actual Experience	26,345	70,708	8,131	(20,504)	(1,259)	5,290				
Assumption Changes	(4,487)	-	18,996	(25,829)	(1,572)	758				
Benefit Payments and Refunds	(56,683)	(57,124)	(48,114)	(48,613)	(52,432)	(42,701)				
Net Change in Total Pension Liability	75,359	113,181	68,693	(11,449)	24,690	38,587				
Total Pension Liability - Beginning	1,115,573	1,002,392	933,699	945,148	920,458	881,871				
Total Pension Liability - Ending (a)	\$ 1,190,932	\$ 1,115,573	\$ 1,002,392	\$ 933,699	\$ 945,148	\$ 920,458				
Plan Fiduciary Net Position										
Employer Contributions	33,827	16,636	28,496	15,931	17,321	13,843				
Employee Contributions	20,405	14,098	12,646	6,893	6,342	5,252				
Pension Plan Net Investment Income	146,753	159,192	(50,265)	149,025	55,571	4,017				
Benefit Payments and Refunds	(56,683)	(57,124)	(48,114)	(48,613)	(52,432)	(42,701)				
Other	12,885	23,090	(17,643)	(14,292)	1,557	15,165				
Net Change in Plan Fiduciary Net Position	157,187	155,892	(74,880)	108,944	28,359	(4,424)				
Plan Fiduciary Net Position - Beginning	1,029,004	873,112	947,992	839,048	810,689	815,113				
Plan Fiduciary Net Position - Ending (b)	\$ 1,186,191	\$ 1,029,004	\$ 873,112	\$ 947,992	\$ 839,048	\$ 810,689				
Net Pension Liability/(Asset) - Ending (a) - (b)	4,741	86,569	129,280	(14,293)	106,100	109,769				
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.60%	92.24%	87.10%	101.53%	88.77%	88.07%				
Covered Valuation Payroll	\$ 453,448	\$ 313,299	\$ 281,031	\$ 153,177	\$ 140,937	\$ 116,720				
Net Pension Liability as a Percentage of Covered Valuation Payroll	1.05%	27.63%	46.00%	(9.33%)	75.28%	94.04%				

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

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
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%
2020	\$ 33,827 *	\$ 33,827	\$ -	\$ 453,448	7.46%

* Estimated based on a contribution rate of 7.46% and covered valuation payroll of \$453,448.

NOTES TO OTHER
INFORMATION

VILLAGE OF HEBRON, ILLINOIS

Notes to Other Information

Year Ended April 30, 2021

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 15th the Village Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on preceding May 1st. 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 31st.
- 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 July 20, 2020 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, 2021

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.