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Village of Hebron, Illinois

Annual Financial Report

For the Year Ended April 30, 2022

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 the Village of Hebron, Illinois (Village) as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents.

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 the Village of Hebron, as of April 30, 2022, 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 described in Note 1.

Basis for Opinions

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

Emphasis of Matter – 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 opinions are not modified with respect to this matter.

Responsibilities of Management 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 described in Note 1, and for 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 Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Hebron 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Hebron 's ability to continue as a going concern for a reasonable period of time.

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

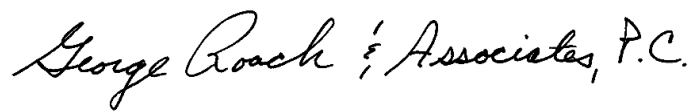
Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditor's report thereon.

Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

A handwritten signature in black ink that reads "George Roach & Associates, P.C." in a cursive script.

George Roach & Associates, P.C.
Crystal Lake, Illinois
June 9, 2022

OTHER INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS - UNAUDITED

VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2022

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, 2022.

FINANCIAL HIGHLIGHTS

- The assets of the Village exceeded its liabilities at April 30, 2022 by \$3,033,579 (*net position*). Of this amount, \$1,425,600 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- At April 30, 2022, the Village's governmental funds reported combined ending fund balances of \$629,000.
- At April 30, 2022, the unassigned fund balance for the General Fund was \$451,227.

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, 2022

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, 2022

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 \$3,033,579 at April 30, 2022. Of the Village's net position, \$1,399,103 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, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2022

Village of Hebron - Net Position						
	Governmental Activities		Business-Type Activities		Total	
	4/30/2022	4/30/2021	4/30/2022	4/30/2021	4/30/2022	4/30/2021
Current and Other Assets	\$ 630,003	\$ 724,674	\$ 1,030,056	\$ 772,388	\$ 1,660,059	\$ 1,497,062
Capital Assets, net	839,383	870,888	3,873,009	4,007,298	4,712,392	4,878,186
Total Assets	\$ 1,469,386	\$ 1,595,562	\$ 4,903,065	\$ 4,779,686	\$ 6,372,451	\$ 6,375,248
Current Liabilities	\$ 7,741	\$ 7,477	\$ 199,896	\$ 197,912	\$ 207,637	\$ 205,389
Noncurrent Liabilities	225,890	233,698	2,905,345	3,116,848	3,131,235	3,350,546
Total Liabilities	233,631	241,175	3,105,241	3,314,760	3,338,872	3,555,935
Net Position:						
Net Investment in Capital Assets	629,165	652,048	769,938	706,315	1,399,103	1,358,363
Restricted	177,773	193,365	31,103	19,569	208,876	212,934
Unrestricted	428,817	508,974	996,783	739,042	1,425,600	1,248,016
Total Net Position	\$ 1,235,755	\$ 1,354,387	\$ 1,797,824	\$ 1,464,926	\$ 3,033,579	\$ 2,819,313

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 (\$1,425,600) may be used to meet the Village's ongoing obligations to citizens and creditors.

At April 30, 2022, 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, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2022

	Village of Hebron - Activities and Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2022	4/30/2021	4/30/2022	4/30/2021	4/30/2022	4/30/2021
Program revenues						
Charges for services	\$ 117,769	\$ 199,831	\$ 877,083	\$ 844,515	\$ 994,852	\$ 1,044,346
Operating grants and contributions	100,380	58,773	-	-	100,380	58,773
General revenues						
Property taxes	221,093	215,268	-	-	221,093	215,268
Other taxes	556,084	405,802	-	-	556,084	405,802
Utility taxes	87,779	85,040	-	-	87,779	85,040
Other	20,017	46,389	-	-	20,017	46,389
Interest	1,168	1,628	838	648	2,006	2,276
Total revenues	1,104,290	1,012,731	877,921	845,163	1,982,211	1,857,894
Expenses						
General government	323,059	193,831	-	-	323,059	193,831
Public safety	581,650	529,102	-	-	581,650	529,102
Streets and roads	268,101	178,994	-	-	268,101	178,994
Buildings	41,309	40,044	-	-	41,309	40,044
Interest on long-term debt	8,803	211	32,516	38,932	41,319	39,143
Proprietary activities	-	-	520,907	504,835	520,907	504,835
Total expenses	1,222,922	942,182	553,423	543,767	1,776,345	1,485,949
Increase/(decrease) in net position	(118,632)	70,549	324,498	301,396	205,866	371,945
Net position - beginning of year	1,354,387	1,283,838	1,464,926	1,140,430	2,819,313	2,424,268
Contributed capital	-	-	8,400	23,100	8,400	23,100
Net position - end of year	\$ 1,235,755	\$ 1,354,387	\$ 1,797,824	\$ 1,464,926	\$ 3,033,579	\$ 2,819,313

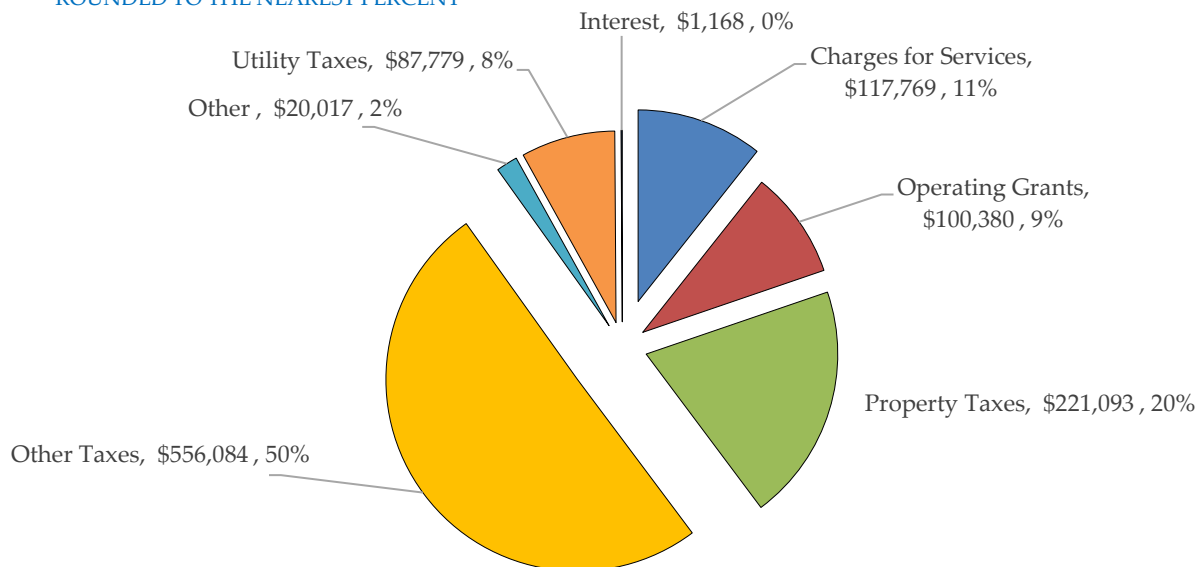
VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2022

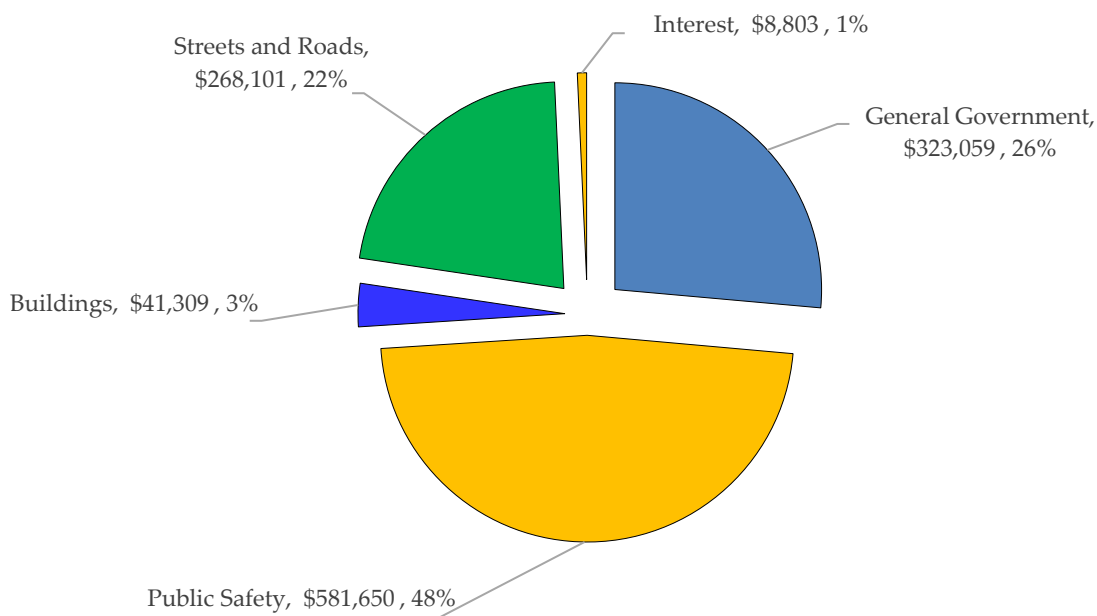
2022 GOVERNMENTAL REVENUES

ROUNDED TO THE NEAREST PERCENT



2022 GOVERNMENTAL EXPENSES

ROUNDED TO THE NEAREST PERCENT



VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2022

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, 2022, the Village's governmental funds reported combined ending fund balances of \$629,000. A portion of this amount (\$451,227) 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, 2022, the fund balance of the General Fund was \$451,227.

General Fund Budgetary Highlights

- The General Fund revenues were more than estimated revenues by \$258,105.
- The General Fund expenditures were less than the estimated expenditures by \$229,653.

VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2022

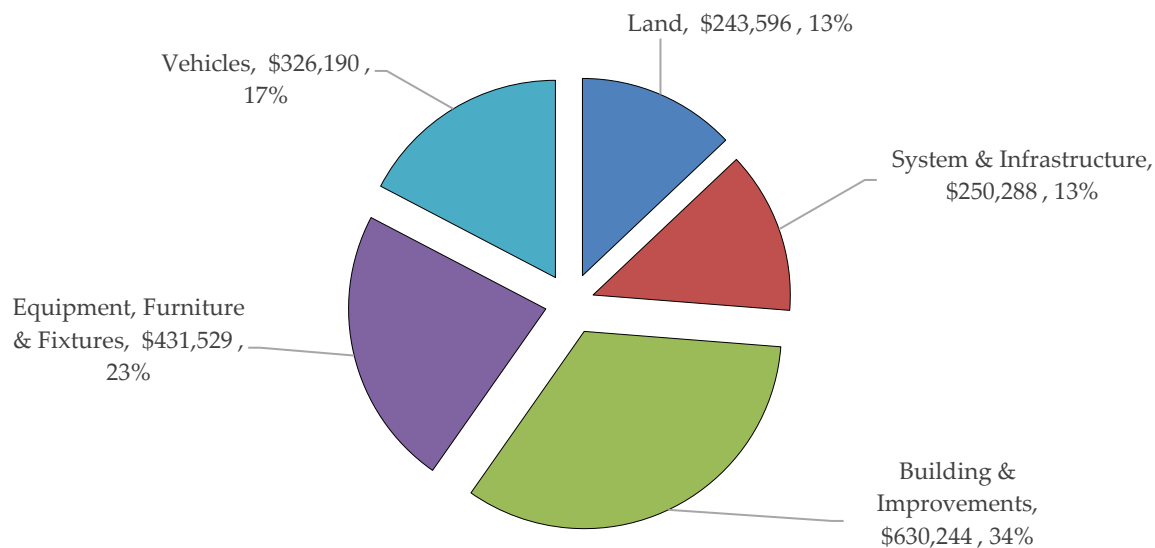
CAPITAL ASSETS

The Village's fixed assets as of April 30, 2022 amount to \$4,712,392 (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	
	2022	2021	2022	2021	2022	2021
Land	\$ 243,596	\$ 243,596	\$ 75,769	\$ 75,769	\$ 319,365	\$ 319,365
System & infrastructure	250,288	250,288	7,908,096	7,908,096	8,158,384	8,158,384
Buildings & improvements	630,244	630,244	471,178	471,178	1,101,422	1,101,422
Equipment, furniture, and fixtures	431,529	431,529	227,291	227,291	658,820	658,820
Vehicles	326,190	326,190	54,802	54,802	380,992	380,992
Total capital assets	1,881,847	1,881,847	8,737,136	8,737,136	10,618,983	10,618,983
Accumulated depreciation	1,042,464	1,010,959	4,864,127	4,729,838	5,906,591	5,740,797
Total net capital assets	\$ 839,383	\$ 870,888	\$ 3,873,009	\$ 4,007,298	\$ 4,712,392	\$ 4,878,186

2022 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - (at Cost)

ROUNDED TO THE NEAREST PERCENT



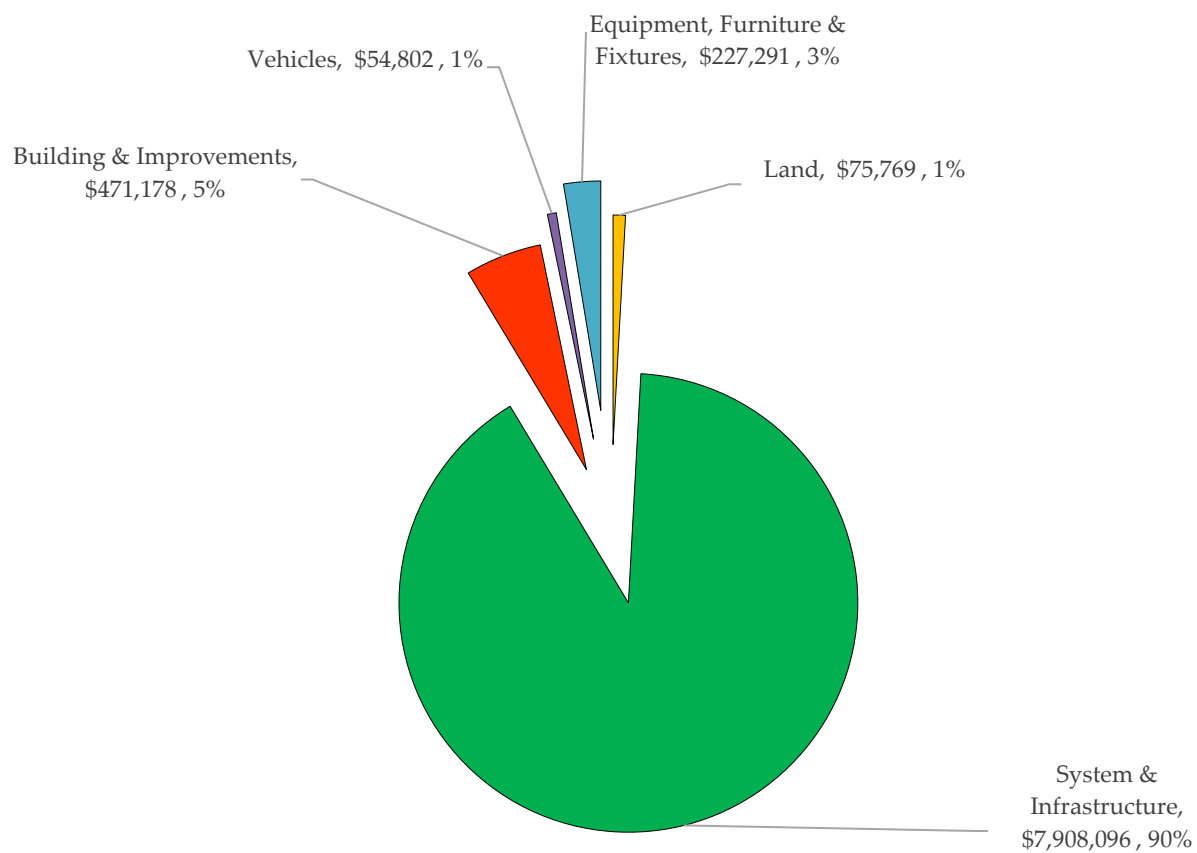
VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2022

2022 BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - (at Cost)

ROUNDED TO THE NEAREST PERCENT



VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2022

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Village for 2021 is \$28,757,816. That represents an increase in EAV of \$3,596,505 over the prior year's EAV. Taxes recorded in these financial statements are distributions received from the 2020 levy. A summary of the assessed valuations and extensions for tax years 2021, 2020 and 2019 is as follows:

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

Tax levy year		2021		2020		2019	
Assessed valuations							
McHenry county		\$	28,757,816	\$	25,161,311	\$	24,553,876
Tax rates and percentage		2021		2020		2019	
Allocations by fund							
Funds		Rate	Percentage	Rate	Percentage	Rate	Percentage
General fund		0.302993	42.43	0.304301	24.27	0.347464	43.39
p		0.141044	19.77	0.200705	16.02	0.161745	20.20
Audit		0.018743	2.63	0.021859	1.74	0.021494	2.68
Liability insurance		0.143753	20.14	0.156848	12.52	0.153380	19.15
Street lighting		0.045825	6.42	0.500000	39.90	0.046234	5.77
Social security		0.061549	8.62	0.069552	5.55	0.070583	8.81
Totals		0.713907	100.01	1.253265	100.00	0.800900	100.00
Property tax extensions		2021		2020		2019	
Funds							
General fund		\$ 87,134		\$ 76,566		\$ 85,316	
Police protection		40,561		50,500		39,715	
Audit		5,390		5,500		5,277	
Liability insurance		41,340		39,465		37,661	
Street lighting		13,178		12,581		11,352	
Social security		17,700		17,500		17,331	
Totals		\$ 205,303		\$ 202,112		\$ 196,652	

VILLAGE OF HEBRON, ILLINOIS

Management's Discussion and Analysis - Unaudited

April 30, 2022

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, 2022

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
Assets			
Cash and investments, at cost	\$ 556,709	\$ 1,103,350	\$ 1,660,059
Due from other funds	73,294	(73,294)	-
Fixed assets, net of depreciation	839,383	3,873,009	4,712,392
Total Assets	\$ 1,469,386	\$ 4,903,065	\$ 6,372,451
Liabilities			
Current Liabilities:			
Due to other funds	\$ 1,003	\$ -	\$ 1,003
Due within 1 year- notes payable	6,738	-	6,738
Due within 1 year - IEPA loan	-	199,896	199,896
Non-Current Liabilities:			
Due in more than 1 year - notes payable	203,480	-	203,480
Due in more than 1 year - IEPA loan	-	2,903,175	2,903,175
Deferred compensation	22,410	2,170	24,580
Total Liabilities	233,631	3,105,241	3,338,872
Net Position			
Net investment in capital assets	629,165	769,938	1,399,103
Restricted - Motor Fuel Tax	176,084	-	176,084
Restricted - Debt Service	1,689	-	1,689
Restricted - Capital Development	-	31,103	31,103
Unrestricted	428,817	996,783	1,425,600
Total Net Position	\$ 1,235,755	\$ 1,797,824	\$ 3,033,579

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, 2022

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-Type Activities	Totals
			Grants and Contributions	Capital Contributions			
Governmental Activities							
General government	\$ 323,059	\$ 41,327	\$ -	\$ -	\$ (281,732)	\$ -	\$ (281,732)
Public safety	581,650	76,442	100,380	-	(404,828)	-	(404,828)
Streets	268,101	-	-	-	(268,101)	-	(268,101)
Buildings	41,309	-	-	-	(41,309)	-	(41,309)
Interest on long-term debt	8,803	-	-	-	(8,803)	-	(8,803)
Total Governmental Activities	1,222,922	117,769	100,380	-	(1,004,773)	-	(1,004,773)
Business-Type Activities							
Proprietary activities	520,907	877,083	-	-	-	356,176	356,176
Interest on long-term debt	32,516	-	-	-	-	(32,516)	(32,516)
Total Business-Type Activities	553,423	877,083	-	-	-	323,660	323,660
Total Primary Government	\$ 1,776,345	\$ 994,852	\$ 100,380	\$ -	(1,004,773)	323,660	(681,113)
General Revenues:							
Property taxes					221,093	-	221,093
Intergovernmental revenue					471,191	-	471,191
Utility taxes					87,779	-	87,779
Video gaming tax					84,893	-	84,893
Miscellaneous revenue					20,017	-	20,017
Investment income					1,168	838	2,006
Total Revenues					886,141	838	886,979
Contributed capital					-	8,400	8,400
Changes in Net Position					(118,632)	332,898	214,266
Net Position, Beginning					1,354,387	1,464,926	2,819,313
Total Net Position, Ending					\$ 1,235,755	\$ 1,797,824	\$ 3,033,579

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

VILLAGE OF HEBRON, ILLINOIS

Governmental Funds - Balance Sheet

April 30, 2022

Assets	General Fund	Motor Fuel Tax Fund	Debt Service Fund	Total
Cash	\$ 341,681	\$ 213,339	\$ 1,689	\$ 556,709
Due from other funds	110,549	-	-	110,549
Total Assets	\$ 452,230	\$ 213,339	\$ 1,689	\$ 667,258
Liabilities				
Due to other funds	\$ 1,003	\$ 37,255	\$ -	\$ 38,258
Total Liabilities	1,003	37,255	-	38,258
Fund Balance				
Nonspendable	-	-	-	-
Restricted	-	176,084	1,689	177,773
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	451,227	-	-	451,227
Total Fund Balance	451,227	176,084	1,689	629,000
Total Liabilities and Fund Balance	\$ 452,230	\$ 213,339	\$ 1,689	\$ 667,258

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, 2022

	General Fund	Motor Fuel Tax Fund	Debt Service Fund	Total
Revenues				
Property taxes	\$ 221,093	\$ -	\$ -	\$ 221,093
Intergovernmental revenue	379,197	91,994	-	471,191
Video gaming tax	84,893	-	-	84,893
Utility taxes	87,779	-	-	87,779
Licenses, fees, and permits	41,327	-	-	41,327
Fines	76,442	-	-	76,442
Grants and donations	100,380	-	-	100,380
Interest income	962	205	1	1,168
Miscellaneous revenue	20,017	-	-	20,017
Total Revenues	1,012,090	92,199	1	1,104,290
Expenditures				
Administrative	308,694	-	-	308,694
Police	575,277	-	-	575,277
Street	148,464	107,792	-	256,256
Building	41,309	-	-	41,309
Debt service - interest	8,803	-	-	8,803
Debt service - principal	8,622	-	-	8,622
Total Expenditures	1,091,169	107,792	-	1,198,961
Net Change in Fund Balance	(79,079)	(15,593)	1	(94,671)
Fund Balance				
Fund Balance, Beginning	530,306	191,677	1,688	723,671
Total Fund Balance, Ending	\$ 451,227	\$ 176,084	\$ 1,689	\$ 629,000

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, 2022

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

Total Fund Balances - Total Governmental Funds	\$	629,000
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Amount net of depreciation		839,383
Other employee benefit obligations accruals are not reported in funds.		(22,410)
Long term debt is not recorded in the fund statement but is included as a liability in the Statement of Net Position.		(210,218)
Total Net Position of Governmental Activities	\$	<u>1,235,755</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

Excess (Deficiency) of Revenue Over Expenditures and Other Sources/Uses Governmental Funds	\$	(94,671)
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)		(31,505)
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.		8,622
Governmental funds do not accrue for deferred compensation but the expenses are accrued for in the Statement of Activities.		(1,078)
Changes in Net Position of Governmental Funds	\$	<u>(118,632)</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, 2022

Assets	Water & Sewer Fund	Water & Sewer Capital Development	Total
Cash	\$ 1,072,247	\$ 31,103	\$ 1,103,350
Property and equipment, net of accumulated depreciation	3,873,009	-	3,873,009
Total Assets	\$ 4,945,256	\$ 31,103	\$ 4,976,359
Liabilities			
Due to general fund	\$ 73,294	\$ -	\$ 73,294
Notes payable - current portion	199,896	-	199,896
Deferred compensation - noncurrent	2,170	-	2,170
Notes payable - long-term	2,903,175	-	2,903,175
Total Liabilities	3,178,535	-	3,178,535
Net Position			
Net investment in capital assets	769,938	-	769,938
Restricted	-	31,103	31,103
Unrestricted	996,783	-	996,783
Total Net Position	1,766,721	31,103	1,797,824
Total Liabilities and Net Position	\$ 4,945,256	\$ 31,103	\$ 4,976,359

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, 2022

	Water & Sewer Fund	Water & Sewer Capital Development Fund	Totals
Operating Revenue			
Sewer charges	\$ 655,975	\$ -	\$ 655,975
Water charges	221,108	-	221,108
Total Operating Revenue	<u>877,083</u>	<u>-</u>	<u>877,083</u>
Operating Expenses			
Water department expenses	168,543	-	168,543
Sewer department expenses	218,075	-	218,075
Total Operating Expenses	<u>386,618</u>	<u>-</u>	<u>386,618</u>
Operating Income Before Depreciation	<u>490,465</u>	<u>-</u>	<u>490,465</u>
Less: depreciation/amortization	<u>134,289</u>	<u>-</u>	<u>134,289</u>
Operating Income/(Loss)	<u>356,176</u>	<u>-</u>	<u>356,176</u>
Non-Operating Revenue/(Expense)			
Interest expense	(32,516)	-	(32,516)
Interest income	838	-	838
Total Non-Operating Income/(Loss)	<u>(31,678)</u>	<u>-</u>	<u>(31,678)</u>
Change in Net Position	<u>324,498</u>	<u>-</u>	<u>324,498</u>
Net Position			
Net position, beginning	1,445,357	19,569	1,464,926
Transfers in/(out)	(11,534)	11,534	-
Capitalized connection fees	8,400	-	8,400
Total Net Position, Ending	<u>\$ 1,766,721</u>	<u>\$ 31,103</u>	<u>\$ 1,797,824</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, 2022

	Water & Sewer Fund	Water & Sewer Capital Development Fund	Totals
Cash Flows from Operating Activities			
Cash received from customers and users	\$ 877,083	\$ -	\$ 877,083
Operating transfers in/(out)	(11,534)	11,534	-
Cash paid to suppliers	(205,673)	-	(205,673)
Cash paid for employees	(143,349)	-	(143,349)
Net Cash Flows Provided by Operating Activities	516,527	11,534	528,061
Cash Flows from Investing Activities			
Interest income	838	-	838
Net Cash Flows Provided by Investing Activities	838	-	838
Cash Flows from Capital and Financing Activities			
Loans/payments to other funds, net	(197,912)	-	(197,912)
Contributed capital	8,400	-	8,400
Bond/note interest payments, net	(32,516)	-	(32,516)
Net Cash Flows Provided by Capital and Financing Activities	(222,028)	-	(222,028)
Net Increase/(Decrease) in Cash	295,337	11,534	306,871
Cash at Beginning of Year	776,910	19,569	796,479
Cash at End of Year	\$ 1,072,247	\$ 31,103	\$ 1,103,350
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income (loss) for the year	356,176	-	356,176
Operating transfers in/(out)	(11,534)	11,534	-
Depreciation/amortization	134,289	-	134,289
Increase (decrease) in compensated absences	(11,607)	-	(11,607)
Increase (decrease) in due to other funds	49,203	-	49,203
Net Cash Provided by Operating Activities	\$ 516,527	\$ 11,534	\$ 528,061

Cash payments for interest made during the year were \$32,516.

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, 2022

	Agency Fund
Assets	
Cash	\$ 4,896
Due from general fund	1,003
Total Assets	\$ 5,899
Liabilities	
Due for distribution	\$ 5,899
Total Liabilities	\$ 5,899

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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 is 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 is reported in this category.

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2022

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, 2022.

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, 2022

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 2021 levy was passed by the board on November 22, 2021.

NOTE 2 - DEPOSITS AND INVESTMENTS

At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$1,660,059, and the bank balances totaled \$1,596,135. 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, 2022

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2022 was as follows:

Capital Assets	Balance May 1, 2021	Increases	Decreases	Balance April 30, 2022
General Fund:				
Land	\$ 243,596	\$ -	\$ -	\$ 243,596
Infrastructure	250,288	-	-	250,288
Buildings & improvements	630,244	-	-	630,244
Equipment, furniture and fixtures	431,529	-	-	431,529
Vehicles	326,190	-	-	326,190
Water & Sewer Fund:				
Land	75,769	-	-	75,769
Infrastructure	7,908,096	-	-	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	10,618,983	-	-	10,618,983
Less: Accumulated Depreciation	5,740,797	165,794	-	5,906,591
Capital Assets (Net)	\$ 4,878,186	\$ (165,794)	\$ -	\$ 4,712,392

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 13,286
Public safety	6,373
Street and roads	11,846

Business-Type Activities

Water and sewer	134,289
Total Depreciation	\$165,794

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2022

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, 2022

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, 2021 the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	7
Inactive Plan Members entitled to but not yet receiving benefits	4
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 2021 was 8.55%. For the fiscal year ended April 30, 2022, the Village contributed \$46,703 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, 2021. 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, 2022

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, 2021:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- 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-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both adjusted) tables, and future mortality improvements projected using scale MP-2020.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2021:

Asset Class	Portfolio Target Percentage	Expected Real Rate of Return
Domestic Equity	37%	4.50%
International Equity	18%	5.75%
Fixed Income	28%	2.00%
Real Estate	9%	5.90%
Alternative Investments	7%	4.3-8.1%
Cash Equivalents	1%	1.70%
Total	100%	

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2022

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Executive Summary as of December 31, 2021

Actuarial Valuation Date	12/31/2021
Measurement Date of the Net Pension Liability	12/31/2021
Fiscal Year End	4/30/2022

Membership

Number of	
- Retirees and Beneficiaries	7
- Inactive, Non-Retired Members	4
- Active Members	10
- Total	21
Covered Valuation Payroll (1)	\$ 546,220

Net Pension Liability

Total Pension Liability/(Asset)	\$ 1,257,166
Plan Fiduciary Net Position	1,395,053
Net Pension Liability/(Asset)	\$ (137,887)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110.97%
Net Pension Liability as a Percentage of Covered Valuation Payroll	110.97%

Development of the Single Discount Rate as of December 31, 2021

Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate (2)	1.84%
Last year ending December 31 in the 2022 to 2121 projection for which projected benefit payments are fully funded	2121
Resulting Single Discount Rate based on the above	7.25%
Single Discount Rate calculated using December 31, 2020 Measurement Date	7.25%

Total Pension Expense/(Income)	\$ (11,870)
---------------------------------------	--------------------

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	\$ 23,530	\$ -
Changes in assumptions	-	1,785
Net difference between projected and actual earnings on pension plan investments	24,089	166,031
Total	\$ 47,619	\$ 167,816

(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, 2021.

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, 2022

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 1.84%, 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, 2022

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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

Calendar Year Ended December 31, 2021

A. Total pension liability

1. Service Cost	\$	42,985
2. Interest on the Total Pension Liability		85,460
3. Changes of benefit terms		-
4. Difference between expected and actual experience of the Total Pension Liability		5,113
5. Changes of assumptions		-
6. Benefit payments, including refunds of employee contributions		(67,324)
7. Net change in total pension liability		66,234
8. Total pension liability – beginning		1,190,932
9. Total pension liability – ending	\$	1,257,166

B. Plan fiduciary net position

1. Contributions – employer	\$	46,703
2. Contributions – employee		24,580
3. Net investment income		192,302
4. Benefit payments, including refunds of employee contributions		(67,324)
5. Other (Net Transfer)		12,601
6. Net change in plan fiduciary net position		208,862
7. Plan fiduciary net position – beginning		1,186,191
8. Plan fiduciary net position – ending	\$	1,395,053

C. Net pension liability/(asset)

\$ (137,887)

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

110.97%

E. Covered Valuation payroll*

\$ 546,220

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

(25.24%)

*Does not necessarily represent Covered Employee Payroll as defined in GASB No.68

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	\$ 1,383,625	\$ 1,257,166	\$ 1,160,139
Plan Fiduciary Net Position	1,395,053	1,395,053	1,395,053
Net Pension Liability/(Asset)	\$ (11,428)	\$ (137,887)	\$ (234,914)

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2022

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, 2022, the Village recognized pension income of \$11,870. At April 30, 2022, 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	\$ 23,530	\$ -
Changes of assumptions	-	1,785
Net difference between projected and actual earnings on pension plan investments	24,089	166,031
Total Deferred Amounts to be recognized in pension expense in future periods	\$ 47,619	\$ 167,816

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
2022	\$ (13,725)
2023	(51,391)
2024	(34,311)
2025	(20,770)
2026	-
Thereafter	-
Total	\$ (120,197)

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2022

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2021 Contribution Rate *

Valuation Date: December 31, 2021

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 2021 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): 22-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 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two employers were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years and one employer was financed over 28 years.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.25%
Retirement Age	

Mortality 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.

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, 2019 actuarial valuation

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2022

NOTE 5 - INTERFUND BALANCES

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

Interfund loan balances at April 30, 2022 consisted of the following:

Due to	Due from	Amount
General	MFT	\$ 37,255
General	Water/Sewer	\$ 73,294
Agency	General	\$ 1,003

NOTE 6 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended April 30, 2022 was as follows:

	Balance May 1, 2021	Additions	Retirements	Balance April 30, 2022	Amounts Due Within One Year
Governmental Activities: Long-Term Debt					
Village Hall Loan	\$ 143,787	\$ -	\$ 2,000	\$ 141,787	\$ -
House Purchase Loan	75,053	-	6,622	68,431	6,912
Total Long-Term Debt	218,840	-	8,622	210,218	6,912
Other Long Term Liabilities					
Compensated Absences	21,332	22,410	21,332	22,410	-
Total Governmental Long Term Obligations	\$ 240,172	\$ 22,410	\$ 29,954	\$ 232,628	\$ 6,912
Business-Type Activities: Long-Term Debt					
2007 IEPA Loan	\$ 3,300,983	\$ -	\$ 197,912	\$ 3,103,071	\$ 199,896
Total Long-Term Debt	3,300,983	-	197,912	3,103,071	199,896
Other Long Term Liabilities					
Compensated Absences	13,777	2,170	13,777	2,170	-
Total Business-Type Long Term Obligations	\$ 3,314,760	\$ 2,170	\$ 211,689	\$ 3,105,241	\$ 199,896
Long-term liabilities at April 30, 2022	Maturity Dates	Interest Rates	Face Amount	Carrying Amounts	
Governmental Activities:					
Village Hall Loan	7/15/2024	4.250%	\$ 325,000	\$ 141,787	
House Purchase Loan	11/10/2020	4.500%	\$ 112,000	\$ 68,431	
Business-Type Activities:					
2007 IEPA Loan	9/27/2036	1.000%	\$ 4,922,423	\$ 3,103,071	

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2022

NOTE 6 - LONG-TERM LIABILITY ACTIVITY (CONCLUDED)

At April 30, 2022, 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
2023	\$ 6,912	\$ 8,732	\$ 15,644	\$ 199,896	\$ 30,532	\$ 230,428
2024	148,963	3,619	152,582	201,900	28,528	230,428
2025	7,449	2,061	9,510	203,925	26,504	230,429
2026	7,734	1,763	9,497	205,969	24,460	230,429
2027	8,029	1,454	9,483	208,034	22,395	230,429
2028	8,335	1,131	9,466	210,119	20,310	230,429
2029	8,653	796	9,449	212,226	18,203	230,429
2030	8,983	447	9,430	214,353	16,075	230,428
2031	5,160	97	5,257	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>\$ 210,218</u>	<u>\$ 12,351</u>	<u>\$ 168,226</u>	<u>\$ 3,103,071</u>	<u>\$ 238,145</u>	<u>\$ 3,341,216</u>

NOTE 7 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the fiscal year ended April 30, 2022 no funds had expenditures that exceeded the appropriations.

VILLAGE OF HEBRON, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2022

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, 2022, 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, 2022, 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, 2022

Revenues	Modified	
	Budgeted	Cash Basis
Property tax levy	\$ 140,000	\$ 221,093
State sales tax	70,000	128,119
State income tax	107,425	184,364
Replacement tax	-	15,294
Utility tax	52,000	71,365
State use tax	33,000	51,420
Video gaming tax	38,000	84,893
Liquor licenses	6,500	8,362
Business licenses	-	1,380
Donations (Odin)	10,000	7,669
Other permits	-	500
Hebron special events	3,000	5
Petition and annexation	6,000	-
Petition and annexation bb	2,000	-
Telecommunications	25,000	16,414
Franchise fee - cable	2,200	3,735
Interest income	5,000	925
Miscellaneous income	9,000	13,487
Grants	5,040	7,706
Building permits	20,000	25,440
Building permits - street impact	-	30
Building permits - parks	650	1,800
Building permits other	50	30
Truck permits	200	50
Police protection levy	40,000	-
Code enforcement tickets	2,500	3,017
Court fines	90,000	56,527
DUI equipment fines	2,500	3,862
Police vehicle fund	1,300	20
Electronic citation	800	516
Towing/impound fees	40,000	12,500
Interest income	1,220	37
Miscellaneous income	2,600	6,500
Miscellaneous services	200	-
Grants	8,300	85,005
Road & bridge township levy	18,300	-
Street lighting levy	11,200	-
Miscellaneous income	-	25
Total Revenues	\$ 753,985	\$ 1,012,090

VILLAGE OF HEBRON, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2022

	Budget		Modified
	Original	Final	Cash Basis
Administrative Department			
Salaries and Benefits			
Salary and wages	\$ 94,400	\$ 94,400	\$ 95,163
FICA - village share	6,000	6,000	5,806
Medicare - village share	1,400	1,400	1,358
Unemployment insurance	400	400	175
Retirement fund	5,000	5,000	48,516
Health insurance	-	-	6
Payroll expense	300	300	-
Total Salaries and Benefits	107,500	107,500	151,024
Administrative Expenses			
Maintenance - building	3,000	3,000	2,342
Maintenance - equipment	5,260	5,260	-
Contract services	10,000	10,000	4,850
Other services	3,500	3,500	1,877
Supplies & maintenance	600	600	133
Audit	5,000	5,000	4,667
Engineering services	20,000	20,000	-
Legal services	70,000	70,000	59,253
Improvements	8,000	8,000	-
Postage	2,200	2,200	426
Telephone	4,800	4,800	3,335
Utilities	1,500	1,500	1,945
Printing	1,800	1,800	1,175
Technology services	5,000	5,000	747
Dues, memberships	2,000	2,000	965
Travel expense	600	600	-
Publications	1,050	1,050	-
Licenses	200	200	-
Garbage disposal	350	350	-
Insurance	60,000	60,000	43,631
Insurance administrative - bond	200	200	-
Rentals	400	400	30
Office supplies	3,500	3,500	3,551
Computer software	1,000	1,000	1,043
Operating supplies	100	100	-
Office furniture	4,000	4,000	-
Computer hardware	2,000	2,000	-

VILLAGE OF HEBRON, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2022

	Budget		Modified
	Original	Final	Cash Basis
Administrative Expenses (Continued)			
Principal payment	\$ 5,300	\$ 5,300	\$ 8,622
Interest payment	9,800	9,800	8,803
Land	50,000	50,000	-
Miscellaneous expense	1,000	1,000	24,286
Community projects	1,500	1,500	-
Senior citizen bus service	2,600	2,600	3,189
Events	2,000	2,000	225
Total Administrative Expenses	288,260	288,260	175,095
Total Administrative Department	395,760	395,760	326,119
Police Department			
Salaries and Benefits			
Salary and wages	352,000	352,000	393,470
Health insurance	24,000	24,000	21,851
FICA - village share	22,000	22,000	23,416
Medicare - village share	5,100	5,100	5,476
Unemployment insurance	5,000	5,000	674
Retirement fund	31,000	31,000	-
Training	2,100	2,100	5,617
Uniform allowance	3,000	3,000	2,834
Total Salaries and Benefits	444,200	444,200	453,338
Administrative Expenses			
Maintenance - building	1,500	1,500	-
Maintenance - equipment	1,500	1,500	787
Maintenance - vehicles	10,000	10,000	27,698
Maintenance - other	1,000	1,000	-
Contract services	35,000	35,000	24,770
Other services	100	100	26
Technology services	-	-	150
Supplies & maintenance	1,000	1,000	495
Legal services	30,000	30,000	34,875
Odin Training	7,800	7,800	7,800
Postage	330	330	58
Telephone	3,080	3,080	3,280
Printing	1,200	1,200	833
Publications	-	-	2,278
Tech services	2,500	2,500	

VILLAGE OF HEBRON, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2022

	Budget		Modified
	Original	Final	Cash Basis
Police Department			
Administrative Expenses (Continued)			
Dues	\$ 300	\$ 300	\$ 110
Rentals	-	-	21
Travel	-	-	64
Operating supplies	100	100	-
Office supplies	1,200	1,200	570
Computer software	1,000	1,000	350
Computer hardware	2,000	2,000	-
Fuel	11,550	11,550	17,604
DUI equipment supplies	300	300	-
Equipment - new	5,280	5,280	-
Vehicle - new	10,000	10,000	-
Capital improvements	-	-	170
Miscellaneous expense	825	825	-
Total Administrative Expenses	127,565	127,565	121,939
Total Police Department	571,765	571,765	575,277
Street Department			
Salaries and Benefits			
Salary and wages	67,500	67,500	49,026
Health insurance	6,000	6,000	5,019
FICA - village share	7,000	7,000	3,022
Medicare - village share	1,750	1,750	707
Unemployment insurance	1,000	1,000	94
Retirement fund	10,000	10,000	-
Uniform allowance	500	500	-
Total Salaries and Benefits	93,750	93,750	57,868
Administrative Expenses			
Maintenance - buildings	6,000	6,000	39
Maintenance - equipment	5,000	5,000	1,673
Maintenance - vehicles	15,500	15,500	2,805
Street maintenance	20,000	20,000	19,961
Water maintenance	800	800	-
Other maintenance	500	500	350
Contract services	7,000	7,000	8,390
Other services	5,000	5,000	693
Supplies & maintenance	5,000	5,000	1,875

VILLAGE OF HEBRON, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2022

	Budget		Modified
	Original	Final	Cash Basis
Street Department			
Administrative Expenses (Continued)			
Snow removal	\$ 2,000	\$ 2,000	\$ -
Engineering services	2,000	2,000	35
Improvements	20,000	20,000	-
Telephone	700	700	267
Postage	150	150	-
Utilities	1,500	1,500	1,716
Street lighting	36,000	36,000	30,777
Rentals	500	500	-
Siren maintenance	1,400	1,400	-
Office supplies	240	240	103
Operating supplies	250	250	-
Fuel	9,000	9,000	8,353
Road materials	1,500	1,500	3,686
Tree trimming	6,000	6,000	4,325
Principal payments	4,657	4,657	-
Interest expense	300	300	-
Maintenance materials	15,000	15,000	4,285
Equipment - new	15,000	15,000	667
Vehicle - new	20,000	20,000	-
Technology services	200	200	-
Miscellaneous expense	1,000	1,000	-
Parks	1,000	1,000	596
Total Administrative Expenses	203,197	203,197	90,596
Total Street Department	296,947	296,947	148,464
Building Department			
Salaries and Benefits			
Salary and wages	36,300	36,300	32,418
Salary and wages - p&z	1,500	1,500	-
FICA - village share	2,500	2,500	2,010
Medicare - village share	700	700	470
Unemployment insurance	1,000	1,000	79
Total Salaries and Benefits	42,000	42,000	34,977

VILLAGE OF HEBRON, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2022

	Budget		Modified Cash Basis
	Original	Final	
Building Department (Concluded)			
Administrative Expenses			
Maintenance - building	\$ 150	\$ 150	\$ -
Contract services	4,000	4,000	4,150
Supplies & maintenance	200	200	184
Audit	100	100	-
Legal	-	-	86
Engineering services	3,500	3,500	-
Postage	200	200	29
Telephone	1,400	1,400	1,343
Utilities	1,000	1,000	-
Printing	1,000	1,000	189
Technology services	200	200	52
Dues	200	200	-
Office supplies	500	500	299
Operating supplies	100	100	-
Computer software	300	300	-
Computer hardware	1,500	1,500	-
Total Administrative Expenses	14,350	14,350	6,332
Total Building Department	56,350	56,350	41,309
Total General Fund	\$ 1,320,822	\$ 1,320,822	\$ 1,091,169

VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2022

	Appropriations		Modified
	Original	Final	Cash Basis
Revenues			
Water - supply & distribution	\$ 170,000	\$ 170,000	\$ 218,352
Sewer - collection & treatment	500,000	500,000	655,775
Interest income	740	740	838
Permits	5,600	5,600	-
Miscellaneous	8,500	8,500	2,956
Tap on fees	2,100	2,100	-
Total Revenues	686,940	686,940	877,921
Sewer Department			
Salaries and Benefits			
Salary and wages	86,000	86,000	68,964
FICA - village share	5,500	5,500	4,038
Medicare - village share	1,500	1,500	944
Health insurance	6,000	6,000	2,750
Unemployment insurance	1,000	1,000	166
Retirement fund	7,000	7,000	-
Training	500	500	-
Uniform allowance	1,000	1,000	-
Payroll expense	100	100	-
Total Salaries and Benefits	108,600	108,600	76,862
Administration Expenses			
Maintenance - buildings	1,000	1,000	58
Maintenance - vehicles	1,000	1,000	233
Maintenance - equipment	30,000	30,000	16,434
Sewer maintenance	16,000	16,000	3,186
Other maintenance	500	500	269
Insurance	30,000	30,000	21,815
Other services	300	300	-
Improvements (sewer)	750	750	-
Supplies & maintenance	200	200	-
Audit	5,000	5,000	4,667
Engineering services	4,500	4,500	650
Legal	5,000	5,000	-
Improvements	5,000	5,000	-

VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2022

	Appropriations		Modified
	Original	Final	Cash Basis
Sewer Department			
Administration Expenses (Continued)			
Postage	\$ 5,000	\$ 5,000	\$ 2,256
Telephone	2,500	2,500	2,772
Utilities	38,500	38,500	53,630
Printing	880	880	-
Dues	8,000	8,000	7,676
Travel expense	2,700	2,700	-
Lab testing	7,500	7,500	1,998
Chemicals	15,000	15,000	11,162
Rentals	2,500	2,500	-
Meters and other improvements	13,000	13,000	-
Office supplies	250	250	322
Operating supplies	500	500	219
Computer software	3,000	3,000	812
Technology services	1,000	1,000	-
Publications	150	150	-
Garbage disposal	125	125	-
Loan principal	198,000	198,000	-
Loan interest	39,000	39,000	32,516
Equipment - new	32,000	32,000	12,992
Vehicle - new	10,000	10,000	-
Miscellaneous expense	250	250	-
Parks	-	-	62
Contingency	5,000	5,000	-
Total Administration Expenses	484,105	484,105	173,729
Total Sewer Department	592,705	592,705	250,591
Water Department Expenses			
Salaries and Benefits			
Salary and wages	80,000	80,000	59,062
Health insurance	6,000	6,000	2,750
FICA - village share	5,500	5,500	3,562
Medicare - village share	1,500	1,500	833
Unemployment insurance	1,000	1,000	130

VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2022

	Appropriations		Modified
	Original	Final	Cash Basis
Water Department Expenses			
Salaries and Benefits (Continued)			
Retirement fund	\$ 7,000	\$ 7,000	\$ -
Training	500	500	150
Uniform allowance	1,000	1,000	-
Payroll expense	100	100	-
Total Salaries and Benefits	102,600	102,600	66,487
Administrative Expenses			
Maintenance - buildings	8,000	8,000	58
Maintenance - vehicles	2,000	2,000	224
Maintenance - equipment	1,500	1,500	1,322
Water maintenance	47,500	47,500	31,607
Other services	1,000	1,000	184
Supplies & maintenance	300	300	171
Audit	5,000	5,000	4,667
Tower maintenance	15,000	15,000	-
Engineering services	5,000	5,000	650
Postage	1,500	1,500	2,233
Telephone	3,000	3,000	2,064
Utilities	17,000	17,000	15,964
Printing	200	200	-
Dues	650	650	259
Travel	150	150	-
Insurance	30,000	30,000	21,815
Lab testing	18,000	18,000	5,490
Water testing	7,500	7,500	2,466
Chemicals	24,000	24,000	4,965
Rentals	2,000	2,000	-
Meters	5,000	5,000	5,574
Office supplies	650	650	341
Operating supplies	100	100	-
Computer software	6,500	6,500	813
Computer hardware	1,000	1,000	-
Technology services	1,200	1,200	-

VILLAGE OF HEBRON, ILLINOIS

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

Year Ended April 30, 2022

	Appropriations		Modified Cash Basis
	Original	Final	
Water Department Expenses			
Administrative Expenses (Concluded)			
Publications	\$ 500	\$ 500	\$ -
Parks	-	-	63
Equipment - new	10,000	10,000	795
Vehicle - new	5,000	5,000	-
Miscellaneous expense	1,500	1,500	331
Total Administration Expenses	220,750	220,750	102,056
Total Water Department Expenses	323,350	323,350	168,543
Operating transfers out/(in)	-	-	11,534
Depreciation	-	-	134,289
Total Water and Sewer Expenses	\$ 916,055	\$ 916,055	\$ 564,957

VILLAGE OF HEBRON, ILLINOIS

Motor Fuel Tax Fund - Schedule of Revenues and Expenditures

Year Ended April 30, 2022

	Modified Cash Basis
Revenues	
Allotments	\$ 91,994
Interest income	205
Total Revenue	92,199
Expenditures	
Street maintenance	3,006
Snow removal and salt	10,712
Contract services	7,060
Engineering	5,275
Road materials	81,739
Total Expenditures	107,792
Net Change in Fund Balance	\$ (15,593)

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability										
Service Cost	\$ 42,985	\$ 30,263	\$ 27,980	\$ 20,681	\$ 13,912	\$ 12,593	\$ 10,398			
Interest on the Total Pension Liability	85,460	79,921	71,617	68,999	69,585	67,360	64,842			
Benefit Changes	-	-	-	-	-	-	-			
Difference between Expected and Actual Experience	5,113	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	(67,324)	(56,683)	(57,124)	(48,114)	(48,613)	(52,432)	(42,701)			
Net Change in Total Pension Liability	66,234	75,359	113,181	68,693	(11,449)	24,690	38,587			
Total Pension Liability - Beginning	1,190,932	1,115,573	1,002,392	933,699	945,148	920,458	881,871			
Total Pension Liability - Ending (a)	\$ 1,257,166	\$ 1,190,932	\$ 1,115,573	\$ 1,002,392	\$ 933,699	\$ 945,148	\$ 920,458			
Plan Fiduciary Net Position										
Employer Contributions	46,703	33,827	16,636	28,496	15,931	17,321	13,843			
Employee Contributions	24,580	20,405	14,098	12,646	6,893	6,342	5,252			
Pension Plan Net Investment Income	192,302	146,753	159,192	(50,265)	149,025	55,571	4,017			
Benefit Payments and Refunds	(67,324)	(56,683)	(57,124)	(48,114)	(48,613)	(52,432)	(42,701)			
Other	12,601	12,885	23,090	(17,643)	(14,292)	1,557	15,165			
Net Change in Plan Fiduciary Net Position	208,862	157,187	155,892	(74,880)	108,944	28,359	(4,424)			
Plan Fiduciary Net Position - Beginning	1,186,191	1,029,004	873,112	947,992	839,048	810,689	815,113			
Plan Fiduciary Net Position - Ending (b)	\$ 1,395,053	\$ 1,186,191	\$ 1,029,004	\$ 873,112	\$ 947,992	\$ 839,048	\$ 810,689			
Net Pension Liability/(Asset) - Ending (a) - (b)	(137,887)	4,741	86,569	129,280	(14,293)	106,100	109,769			
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110.97%	99.60%	92.24%	87.10%	101.53%	88.77%	88.07%			
Covered Valuation Payroll*	\$ 546,220	\$ 453,448	\$ 313,299	\$ 281,031	\$ 153,177	\$ 140,937	\$ 116,720			
Net Pension Liability as a Percentage of Covered Valuation Payroll	(25.24%)	1.05%	27.63%	46.00%	(9.33%)	75.28%	94.04%			

*Does not necessarily represent Covered Employee Payroll as defined in GASB Statement No. 68.

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%
2021	\$ 46,702 *	\$ 46,703	\$ (1)	\$ 546,220	8.55%

* Estimated based on a contribution rate of 8.55% and covered valuation payroll of \$546,220.

NOTES TO OTHER
INFORMATION

VILLAGE OF HEBRON, ILLINOIS

Notes to Other Information

Year Ended April 30, 2022

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 28, 2021 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, 2022

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.