

**VILLAGE OF HINCKLEY, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

For the Year Ended  
April 30, 2017



**VILLAGE OF HINCKLEY, ILLINOIS**  
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Certified Public Accountants & Advisors  
*Members of American Institute of Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

Honorable President  
Members of the Board of Trustees  
Village of Hinckley, Illinois

We have audited the accompanying modified cash and cash basis of accounting financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Hinckley, Illinois (the Village), as of and for the year ended April 30, 2017, and the related notes to financial statements, which collectively comprise the Village's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash and modified cash basis of accounting described in Note 1d; this includes determining that the cash and modified cash basis of accounting are 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 error or fraud.

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information - cash basis of the Village of Hinckley, Illinois, as of April 30, 2017, and the respective changes in financial position - modified cash basis or cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1d.

## **Basis of Accounting**

We draw attention to Note 1d of the financial statements, which describes the basis of accounting. The fund financial statements are prepared on the cash basis of accounting. The government-wide financial statements are prepared on the modified cash basis of accounting. Both the cash basis and modified cash basis are 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.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements taken as a whole. The combining and individual fund financial statements and schedules and the supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The supplemental schedules listed on the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements. Accordingly, we do not express an opinion or provide any assurance on them.

*Sikich LLP*

Naperville, Illinois  
October 4, 2017

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF HINCKLEY, ILLINOIS**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

April 30, 2017

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 158,012	\$ 93,872	\$ 251,884
Investments	-	429,486	429,486
Due from fiduciary funds	1,259	-	1,259
Capital assets not being depreciated	106,011	43,465	149,476
Capital assets being depreciated	1,112,831	9,940,154	11,052,985
Total assets	1,378,113	10,506,977	11,885,090
<b>LIABILITIES</b>			
Noncurrent liabilities			
Due within one year	46,554	380,191	426,745
Due in more than one year	63,081	6,484,377	6,547,458
Total liabilities	109,635	6,864,568	6,974,203
<b>NET POSITION</b>			
Net investment in capital assets	1,109,207	3,119,051	4,228,258
Restricted for			
Debt service	-	414,214	414,214
Liability insurance	28,806	-	28,806
Special service areas	882	-	882
Highways and streets	63,519	-	63,519
Capital improvements	-	273,335	273,335
Unrestricted	66,064	(164,191)	(98,127)
<b>TOTAL NET POSITION</b>	<b>\$ 1,268,478</b>	<b>\$ 3,642,409</b>	<b>\$ 4,910,887</b>

See accompanying notes to financial statements.



**VILLAGE OF HINCKLEY, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2017

<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>PRIMARY GOVERNMENT</b>				
Governmental activities				
General government	\$ 557,504	\$ 31,902	\$ -	\$ -
Public safety	322,600	36,392	-	-
Highways and streets	162,368	-	52,646	-
Culture and recreation	27,135	11,835	-	-
Interest	4,501	-	-	-
Total governmental activities	1,074,108	80,129	52,646	-
Business-type activities				
Water and sewer	1,004,846	821,984	-	-
Garbage	159,814	150,161	-	-
Total business-type activities	1,164,660	972,145	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 2,238,768</b>	<b>\$ 1,052,274</b>	<b>\$ 52,646</b>	<b>\$ -</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (525,602)	\$ -	\$ (525,602)
	(286,208)	-	(286,208)
	(109,722)	-	(109,722)
	(15,300)	-	(15,300)
	(4,501)	-	(4,501)
	<u>(941,333)</u>	<u>-</u>	<u>(941,333)</u>
	-	(182,862)	(182,862)
	-	(9,653)	(9,653)
	<u>-</u>	<u>(192,515)</u>	<u>(192,515)</u>
	<u>(941,333)</u>	<u>(192,515)</u>	<u>(1,133,848)</u>
General revenues			
Taxes			
Property	306,907	-	306,907
Sales	94,387	-	94,387
Replacement	6,935	-	6,935
Utility	111,375	-	111,375
State use	50,575	-	50,575
Income	197,090	-	197,090
Video gaming	23,794	-	23,794
Investment income	1,604	4,781	6,385
Miscellaneous	37,325	18,600	55,925
Transfers in (out)	(18,299)	18,299	-
Total	<u>811,693</u>	<u>41,680</u>	<u>853,373</u>
CHANGE IN NET POSITION	(129,640)	(150,835)	(280,475)
NET POSITION, MAY 1	<u>1,398,118</u>	<u>3,793,244</u>	<u>5,191,362</u>
<b>NET POSITION, APRIL 30</b>	<u>\$ 1,268,478</u>	<u>\$ 3,642,409</u>	<u>\$ 4,910,887</u>

See accompanying notes to financial statements.

**VILLAGE OF HINCKLEY, ILLINOIS**

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
ARISING FROM CASH TRANSACTIONS  
GOVERNMENTAL FUNDS

April 30, 2017

	General	Road and Bridge	Motor Fuel Tax	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 94,493	\$ 24,508	\$ 39,011	\$ 158,012
Due from fiduciary funds	1,259	-	-	1,259
<b>TOTAL ASSETS</b>	<b>\$ 95,752</b>	<b>\$ 24,508</b>	<b>\$ 39,011</b>	<b>\$ 159,271</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
<b>FUND BALANCES</b>				
Restricted				
Liability insurance	28,806	-	-	28,806
Special service areas	882	-	-	882
Highways and streets	-	24,508	39,011	63,519
Unrestricted				
Unassigned	66,064	-	-	66,064
Total fund balances	95,752	24,508	39,011	159,271
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 95,752</b>	<b>\$ 24,508</b>	<b>\$ 39,011</b>	<b>\$ 159,271</b>

See accompanying notes to financial statements.

**VILLAGE OF HINCKLEY, ILLINOIS**

**RECONCILIATION OF FUND BALANCES ARISING FROM CASH BASIS  
OF THE GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES  
IN THE STATEMENT OF NET POSITION**

April 30, 2017

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 159,271
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	1,218,842
Long-term liabilities (i.e., capital leases) are not due and payable in the current period and, therefore, are not reported in governmental funds	<u>(109,635)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 1,268,478</u></u>

See accompanying notes to financial statements.

**VILLAGE OF HINCKLEY, ILLINOIS**

STATEMENT OF REVENUES COLLECTED, EXPENDITURES  
PAID AND CHANGES IN FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2017

	<b>General</b>	<b>Road and Bridge</b>	<b>Motor Fuel Tax</b>	<b>Total Governmental Funds</b>
<b>REVENUES COLLECTED</b>				
Taxes	\$ 707,449	\$ 83,614	\$ 52,646	\$ 843,709
Licenses and permits	14,224	-	-	14,224
Charges for services	29,563	-	-	29,563
Fines and forfeits	31,114	-	-	31,114
Investment income	1,404	-	200	1,604
Miscellaneous	42,487	66	-	42,553
<b>Total revenues collected</b>	<b>826,241</b>	<b>83,680</b>	<b>52,846</b>	<b>962,767</b>
<b>EXPENDITURES PAID</b>				
Current				
General government	508,646	-	-	508,646
Public safety	315,292	-	-	315,292
Highways and streets	-	51,911	87,959	139,870
Culture and recreation	27,135	-	-	27,135
Debt service				
Principal retirement	20,510	21,293	-	41,803
Interest and fiscal charges	3,105	1,396	-	4,501
<b>Total expenditures paid</b>	<b>874,688</b>	<b>74,600</b>	<b>87,959</b>	<b>1,037,247</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(48,447)</b>	<b>9,080</b>	<b>(35,113)</b>	<b>(74,480)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	11,344	-	11,344
Transfers (out)	(29,643)	-	-	(29,643)
<b>Total other financing sources (uses)</b>	<b>(29,643)</b>	<b>11,344</b>	<b>-</b>	<b>(18,299)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(78,090)</b>	<b>20,424</b>	<b>(35,113)</b>	<b>(92,779)</b>
<b>FUND BALANCES, MAY 1</b>	<b>173,842</b>	<b>4,084</b>	<b>74,124</b>	<b>252,050</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 95,752</b>	<b>\$ 24,508</b>	<b>\$ 39,011</b>	<b>\$ 159,271</b>

See accompanying notes to financial statements.

**VILLAGE OF HINCKLEY, ILLINOIS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES  
COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended April 30, 2017

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ (92,779)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Some expenses in the statement of activities (e.g., depreciation) do not require the use of cash and, therefore, are not reported as expenditures in governmental funds	(78,664)
The principal payment on the capital lease is reported as an expenditure in governmental funds but as a decrease in liabilities on the statement of net position	<u>41,803</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ (129,640)</u></u></b>

See accompanying notes to financial statements.

**VILLAGE OF HINCKLEY, ILLINOIS**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS**

April 30, 2017

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>Garbage</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 83,131	\$ 10,741	\$ 93,872
Investments	429,486	-	429,486
Total current assets	512,617	10,741	523,358
<b>CAPITAL ASSETS</b>			
Land	14,170	-	14,170
Construction in progress	29,295	-	29,295
Elevated water tank	442,323	-	442,323
Equipment	89,769	-	89,769
Plant and building	4,549,123	-	4,549,123
Water distribution system	9,076,759	-	9,076,759
Subtotal	14,201,439	-	14,201,439
Less accumulated depreciation	4,217,820	-	4,217,820
Net capital assets	9,983,619	-	9,983,619
Total assets	10,496,236	10,741	10,506,977

(This statement is continued on the following page.)

**VILLAGE OF HINCKLEY, ILLINOIS**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS (Continued)  
 PROPRIETARY FUNDS

April 30, 2017

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>Garbage</b>	<b>Total</b>
<b>CURRENT LIABILITIES</b>			
IEPA loan payable	\$ 350,191	\$ -	\$ 350,191
Debt certificate payable	30,000	-	30,000
Total current liabilities	380,191	-	380,191
<b>LONG-TERM DEBT</b>			
Debt certificate payable	189,000	-	189,000
IEPA loan payable	6,295,377	-	6,295,377
Total long-term debt	6,484,377	-	6,484,377
Total liabilities	6,864,568	-	6,864,568
<b>NET POSITION</b>			
Net investment in capital assets	3,119,051	-	3,119,051
Restricted for debt service	414,214	-	414,214
Restricted for capital improvements	273,335	-	273,335
Unrestricted	(174,932)	10,741	(164,191)
<b>TOTAL NET POSITION</b>	\$ 3,631,668	\$ 10,741	\$ 3,642,409

See accompanying notes to financial statements.



**VILLAGE OF HINCKLEY, ILLINOIS**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2017

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>Garbage</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 821,984	\$ 150,161	\$ 972,145
Total operating revenues	821,984	150,161	972,145
<b>OPERATING EXPENSES</b>			
Garbage removal	-	159,814	159,814
Personnel services	100,027	-	100,027
Contractual services	254,894	-	254,894
Repairs and maintenance	47,680	-	47,680
Insurance	12,774	-	12,774
Supplies and miscellaneous	64,491	-	64,491
Rent and utilities	99,068	-	99,068
Depreciation	310,875	-	310,875
Total operating expenses	889,809	159,814	1,049,623
<b>OPERATING INCOME (LOSS)</b>	<b>(67,825)</b>	<b>(9,653)</b>	<b>(77,478)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	4,781	-	4,781
Cell tower rental	18,600	-	18,600
Bond issue costs	(10,615)	-	(10,615)
Interest expense	(104,422)	-	(104,422)
Total non-operating revenues (expenses)	(91,656)	-	(91,656)
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(159,481)</b>	<b>(9,653)</b>	<b>(169,134)</b>
<b>TRANSFERS</b>			
Transfers in	29,643	-	29,643
Transfers (out)	(11,344)	-	(11,344)
Total transfers	18,299	-	18,299
<b>CHANGE IN NET POSITION</b>	<b>(141,182)</b>	<b>(9,653)</b>	<b>(150,835)</b>
<b>NET POSITION, MAY 1</b>	<b>3,772,850</b>	<b>20,394</b>	<b>3,793,244</b>
<b>NET POSITION, APRIL 30</b>	<b>\$ 3,631,668</b>	<b>\$ 10,741</b>	<b>\$ 3,642,409</b>

See accompanying notes to financial statements.

**VILLAGE OF HINCKLEY, ILLINOIS**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2017

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>Garbage</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 821,984	\$ 150,161	\$ 972,145
Payments to suppliers	(478,907)	(159,814)	(638,721)
Payments to employees	(100,027)	-	(100,027)
Net cash from operating activities	243,050	(9,653)	233,397
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	29,643	-	29,643
Transfers (out)	(11,344)	-	(11,344)
Net cash from noncapital financing activities	18,299	-	18,299
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on debt	(418,863)	-	(418,863)
Interest paid on debt	(104,422)	-	(104,422)
Bond issue costs	(10,615)	-	(10,615)
Cell Tower rental fees	18,600	-	18,600
Debt certificate proceeds	129,000	-	129,000
Capital assets purchased	(129,364)	-	(129,364)
Net cash from capital and related financing activities	(515,664)	-	(515,664)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	4,781	-	4,781
Purchases on investments	(280,267)	-	(280,267)
Sales on investments	300,224	-	300,224
Net cash from investing activities	24,738	-	24,738
NET DECREASE IN CASH AND CASH EQUIVALENTS	(229,577)	(9,653)	(239,230)
CASH AND CASH EQUIVALENTS, MAY 1	312,708	20,394	333,102
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 83,131</b>	<b>\$ 10,741</b>	<b>\$ 93,872</b>

(This statement is continued on the following page.)

VILLAGE OF HINCKLEY, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS

For the Year Ended April 30, 2017

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	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water and Sewer</b>	<b>Garbage</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (67,825)	\$ (9,653)	\$ (77,478)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	310,875	-	310,875
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 243,050</b>	<b>\$ (9,653)</b>	<b>\$ 233,397</b>
<b>NONCASH TRANSACTIONS</b>			
None	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**VILLAGE OF HINCKLEY, ILLINOIS**

**STATEMENT OF ASSETS AND LIABILITIES  
ARISING FROM CASH TRANSACTIONS  
FIDUCIARY FUNDS**

April 30, 2017

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Due from others	<u>\$        1,259</u>
<b>TOTAL ASSETS</b>	<u><u>\$        1,259</u></u>
<b>LIABILITIES</b>	
Due to other funds	<u>\$        1,259</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$        1,259</u></u>

See accompanying notes to financial statements.

# VILLAGE OF HINCKLEY, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2017

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Hinckley, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)), except as described below. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Village are described below.

a. Reporting Entity

The Village is a body corporate and politic established under Illinois Compiled Statutes (ILCS) governed by an elected President and Board of Trustees. The Village is considered to be a primary government pursuant to GASB Statement No. 14 and No. 61 since it is legally separate and fiscally independent.

b. Fund Accounting

The Village uses funds to report on its financial position, changes in its financial position and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted, committed or assigned monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of general capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The Village has no capital projects funds or debt service funds.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Fund Accounting (Continued)

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes agency funds which are generally used to account for assets that the Village holds in an agent capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those accounted for in another fund. The Village has levied property taxes for liability and workmen's compensation insurance, unemployment insurance, audit, social security, school crossing, police protection and a special service area. These special tax levies are accounted for in the General Fund, from where expenditures for the purposes covered by the levies are made.

The Road and Bridge Fund, a special revenue fund, is used to account for resources restricted or committed to road and bridge projects.

**VILLAGE OF HINCKLEY, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Government-Wide and Fund Financial Statements (Continued)

The Motor Fuel Tax Fund, a special revenue fund, is used to account for resources restricted or committed to road projects approved by the Illinois Department of Transportation.

The Village reports the following major enterprise funds:

The Water and Sewer Fund accounts for the revenues and expenses relative to the operation of the water utility.

The Garbage Fund accounts for the revenues and expenses relative to the operation of the garbage program.

The Village reports the following fiduciary funds:

The Village reports one agency fund. The Developer Escrow Fund accounts for funds held to pay developer costs.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and business-type activities financial statements are reported using the economic resources measurement focus and using 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. Revenues are recorded at the time of receipt by the Village. Expenses are recorded when the funds are disbursed. Depreciation of capital assets has also been shown on the government-wide financial statements. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with accounting principles generally accepted in the United States of America. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund and proprietary fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting. Revenues are recorded at the time of receipt by the Village. Expenditures are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

e. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are defined as demand accounts and investments with a maturity of 90 days or less when acquired.

f. Investments

Investments consist of non-negotiable certificates of deposit that are stated at cost which approximates market. Negotiable certificates of deposit are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

g. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets are reported prospectively as of May 1, 2005. Capital assets are defined by the Village as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives, are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Water distribution system (water system and elevated tank)	20-40
Buildings and building improvements	40
Infrastructure	40
Vehicles and equipment	7-10



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

h. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

i. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, if any, are offset by a nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

j. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, are deferred and amortized over the life of the bonds. 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 expenditures.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

k. Fund Balances/Net Position

In the fund financial statements, governmental funds can report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village's President. Any residual General Fund balance and deficit fund balances of other governmental funds are reported as unassigned.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. The Village has no restricted assets from its own enabling legislation. Net investment in capital assets represents the Village's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

l. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village did not have any elements to be reported as deferred inflows or deferred outflows of resources at April 30, 2017.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**2. PROPERTY TAX CALENDAR**

The following information gives significant dates on the property tax calendar of the Village.

- The property tax lien date is January 1;
- The annual tax levy ordinance for 2016 was passed December 19, 2016;
- Property taxes are due to the County Collector in two installments, June 1 and September 1; and
- Significant amounts of property taxes for 2016 will be distributed to the Village during June, July and August of 2017. The remaining significant distribution will normally be expected in November 2017.

**3. DEPOSITS AND INVESTMENTS**

The Village categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Village's investment policy authorizes the Village to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund. The Village's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. DEPOSITS AND INVESTMENTS (Continued)**

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of legality, safety, liquidity and rate of return.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village’s deposits may not be returned to it. The Village’s investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by an independent third party.

b. Investments

The following table presents the investments and maturities of the Village’s securities with interest rate risk as of April 30, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable certificates of deposits	\$ 429,486	\$ 180,044	\$ 249,442	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 429,486</b>	<b>\$ 180,044</b>	<b>\$ 249,442</b>	<b>\$ -</b>	<b>\$ -</b>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed with a budgetary or economic cycle. The investment policy does not strictly limit the maximum maturity lengths of investments.

The Village has the following recurring fair value measurements as of April 30, 2017; the negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs).

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. **The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in FDIC insured CD’s.**

**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. DEPOSITS AND INVESTMENTS (Continued)**

b. Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. The Village limits its exposure to credit risk by purchasing FDIC insured CD's.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk.

**4. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 53,935	\$ -	\$ -	\$ 53,935
Land improvements	52,076	-	-	52,076
Total capital assets not being depreciated	<u>106,011</u>	-	-	<u>106,011</u>
Capital assets being depreciated				
Buildings	498,547	-	-	498,547
Infrastructure	757,699	-	-	757,699
Vehicles and equipment	527,443	35,555	-	562,998
Total capital assets being depreciated	<u>1,783,689</u>	<u>35,555</u>	-	<u>1,819,244</u>
Less accumulated depreciation for				
Buildings	183,985	12,464	-	196,449
Infrastructure	84,721	18,942	-	103,663
Vehicles and equipment	359,043	47,258	-	406,301
Total accumulated depreciation	<u>627,749</u>	<u>78,664</u>	-	<u>706,413</u>
Total capital assets being depreciated, net	<u>1,155,940</u>	<u>(43,109)</u>	-	<u>1,112,831</u>
<b>GOVERNMENTAL ACTIVITIES</b> <b>CAPITAL ASSETS, NET</b>	<u>\$ 1,261,951</u>	<u>\$ (43,109)</u>	<u>\$ -</u>	<u>\$ 1,218,842</u>

**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 14,170	\$ -	\$ -	\$ 14,170
Construction in progress	-	29,295	-	29,295
Total capital assets not being depreciated	<u>14,170</u>	<u>29,295</u>	<u>-</u>	<u>43,465</u>
Capital assets being depreciated				
Water system	8,976,690	100,069	-	9,076,759
Plant and building	4,549,123	-	-	4,549,123
Elevated tank	442,323	-	-	442,323
Equipment	89,769	-	-	89,769
Total capital assets being depreciated	<u>14,057,905</u>	<u>100,069</u>	<u>-</u>	<u>14,157,974</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Less accumulated depreciation for				
Water system	1,563,105	220,507	-	1,783,612
Plant and building	1,946,745	77,212	-	2,023,957
Elevated tank	309,625	11,058	-	320,683
Equipment	87,470	2,098	-	89,568
Total accumulated depreciation	<u>3,906,945</u>	<u>310,875</u>	<u>-</u>	<u>4,217,820</u>
Total capital assets being depreciated, net	<u>10,150,960</u>	<u>(210,806)</u>	<u>-</u>	<u>9,940,154</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$10,165,130</u>	<u>\$ (181,511)</u>	<u>\$ -</u>	<u>\$ 9,983,619</u>

Depreciation expense was charged to functions of the primary government as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 7,308
Highways and streets	22,498
Public safety	<u>48,858</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<u>\$ 78,664</u>

**5. LONG-TERM DEBT**

a. Long-Term Debt - Business-Type Activities

The following is a summary of changes in debt of the Village's business-type activities for the year ended April 30, 2017:

Loan Payable

During the fiscal year ended April 30, 2007, the Village issued a loan payable with interest at 5.125% for a water main project. Required payments on the \$453,598 loan are due in semiannual installments of \$32,536 through January 10, 2017. The Water and Sewer Fund paid off this loan as of April 30, 2017.

Debt Certificates

During the fiscal year ended April 30, 2009, the Village issued General Obligation Debt Certificates (Limited Tax), Series 2009 with interest of 1.60% to 3.90% payable for a water system improvement project. Required payments on the \$260,000 loan are due in annual installments ranging from \$20,000 to \$30,000. The Water and Sewer Fund is repaying the loan.

During the fiscal year ended April 30, 2017, the Village issued General Obligation Debt Certificates (Limited Tax), Series 2016 with interest of 2.28% to 3.04% payable for a water system improvement project. Required payments on the \$129,000 loan are due in annual installments ranging from \$2,937 to \$34,937. The Water and Sewer Fund is repaying the loan.

IEPA Loan Payable

During the fiscal year ended April 30, 2010, the Village entered into a \$2,863,585 IEPA Loan dated January 19, 2010 at 0% interest for a water system improvement project. The Water and Sewer Fund (Debt Service Account) is repaying the loan.

During the fiscal year ended April 30, 2014, the Village entered into a \$5,550,000 IEPA Loan dated August 1, 2013 at 1.93% interest for a wastewater improvement project. The Water and Sewer Fund (Debt Service Account) is repaying the loan.

**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

a. Long-Term Debt - Business-Type Activities (Continued)

During the fiscal year, the following changes occurred in liabilities reported in the business-type activities:

	Balances May 1	Additions	Reductions	Balances April 30	Current
<b>BUSINESS-TYPE ACTIVITIES</b>					
Loan payable	\$ 48,216	\$ -	\$ 48,216	\$ -	\$ -
Debt certificate payable	115,000	129,000	25,000	219,000	30,000
IEPA loan payable #1	1,670,445	-	111,364	1,559,081	111,362
IEPA loan payable #2	5,320,770	-	234,283	5,086,487	238,829
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>					
	<u>\$ 7,154,431</u>	<u>\$ 129,000</u>	<u>\$ 418,863</u>	<u>\$ 6,864,568</u>	<u>\$ 380,191</u>

Debt service to maturity for the debt certificates payable is as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 30,000	\$ 7,246	\$ 37,246
2019	30,000	5,217	35,217
2020	30,000	4,107	34,107
2021	32,000	2,937	34,937
2022	32,000	2,297	34,297
2023	32,000	1,593	33,593
2024	33,000	825	33,825
<b>TOTAL</b>	<u>\$ 219,000</u>	<u>\$ 24,222</u>	<u>\$ 243,222</u>

Debt service to maturity for the IEPA Loan #1 is as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 111,362	\$ -	\$ 111,362
2019	111,362	-	111,362
2020	111,362	-	111,362
2021	111,362	-	111,362
2022	111,362	-	111,362
2023-2027	556,810	-	556,810
2028-2031	445,461	-	445,461
<b>TOTAL</b>	<u>\$ 1,559,081</u>	<u>\$ -</u>	<u>\$ 1,559,081</u>



**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**5. LONG-TERM DEBT (Continued)**

a. Long-Term Debt - Business-Type Activities (Continued)

Debt service to maturity for the IEPA Loan #2 is as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 238,829	\$ 97,022	\$ 335,851
2019	243,460	92,391	335,851
2020	248,182	87,669	335,851
2021	252,995	82,856	335,851
2022	257,901	77,950	335,851
2023-2027	1,366,498	312,757	1,679,255
2028-2032	1,504,240	175,015	1,679,255
2033-2035	974,382	33,175	1,007,557
TOTAL	\$ 5,086,487	\$ 958,835	\$ 6,045,322

b. Long-Term Debt - Governmental Activities

The following is a summary of changes in debt of the Village's governmental activities for the year ended April 30, 2017:

Capital Leases Payable

During the fiscal year ended April 30, 2014, the Village issued a capital lease for the purchase of a Caterpillar End Loader with interest at 2.98%. Required payments are due monthly of \$1,891 including interest through January 2019. The Road and Bridge Fund is repaying the loan.

During the fiscal year ended April 30, 2014, the Village issued a capital lease for the purchase of a Dodge Ram Pickup with interest at 4.77%. Required payments are due monthly of \$552 including interest through July 2018. The General Fund is repaying the loan.

During the fiscal year ended April 30, 2016, the Village issued a capital lease for the purchase of a Silverado Pickup with interest at 4.77%. Required payments are due monthly of \$1,082 including interest through December 2020. The General Fund is repaying the loan.

During the fiscal year ended April 30, 2017, the Village issued a capital lease for the purchase of a Ford Pickup with interest at 4.95%. Required payments are due monthly of \$667 including interest through October 2021. The General Fund is repaying the loan.

**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**5. LONG-TERM DEBT (Continued)**

b. Long-Term Debt - Governmental Activities (Continued)

Capital Leases Payable (Continued)

During the fiscal year, the following changes occurred in liabilities reported in the governmental activities:

	Balances May 1	Additions	Reductions	Balances April 30	Current
<b>GOVERNMENTAL ACTIVITIES</b>					
Capital leases payable	\$ 115,883	\$ 35,555	\$ 41,803	\$ 109,635	\$ 46,554
<b>TOTAL GOVERNMENT ACTIVITIES</b>					
	\$ 115,883	\$ 35,555	\$ 41,803	\$ 109,635	\$ 46,554

Debt service to maturity for the capital leases are as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 46,554	\$ 3,759	\$ 50,313
2019	35,782	1,999	37,781
2020	15,744	924	16,668
2021	7,608	401	8,009
2022	3,947	57	4,004
<b>TOTAL</b>	<b>\$ 109,635</b>	<b>\$ 7,140</b>	<b>\$ 116,775</b>

**6. SPECIAL TAX LEVIES**

The following is a summary of special tax levies received and deposited in the General Fund by the Village during the year ended April 30, 2017 and expenditures made by the Village's General Fund from these proceeds. Positive accumulated balances represent restricted fund balances as of April 30, 2017.

**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. SPECIAL TAX LEVIES (Continued)**

	Accumulated Balances (Deficits) April 30, 2016	Tax Levy Proceeds	Expenditures	Accumulated Balances (Deficits) April 30, 2017
Audit Tax Levy	\$ (45,119)	\$ 9,405	\$ 13,400	\$ (49,114)
Social Security Tax Levy	(24,957)	30,895	30,160	(24,222)
Workmens' Compensation/ Unemployment Tax Levy	(40,911)	9,598	16,436	(47,749)
Liability Insurance Tax Levy	32,805	15,929	19,928	28,806
School Crossing Guard Tax Levy	(18,828)	5,954	6,678	(19,552)
Police Protection Tax Levy	(3,641,868)	44,137	315,238	(3,912,969)
IMRF	(40,291)	26,196	31,436	(45,531)
Special Service Area Number 1	973	449	540	882
Special Service Area Number 2	(233)	450	540	(323)

**7. COMMITMENTS**

The Village has a maintenance contract for the Hinckley water and wastewater treatment systems that was entered into during early calendar year 2014. This contract replaced the Village's previous contract that was scheduled to end in 2016. The contract calls for monthly payments of \$15,766 for 2018 and \$16,002 for 2019. The contract expires April 30, 2019. The Village has the option to renew the contract every four years. Expenses of \$193,779 were incurred under this contract in the year ended April 30, 2017. Future payments are as follows:

Year Ending April 30,	Amount
2018	\$ 189,192
2019	192,024
<b>TOTAL</b>	<b>\$ 381,216</b>

**8. RISK MANAGEMENT**

The Village is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. The Village purchases insurance coverage to properly protect their assets through Arthur J. Gallagher Risk Management Services, Inc. The Village also purchases third party indemnity insurance for employee health.

**9. ILLINOIS MUNICIPAL RETIREMENT FUND**

The Village’s defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.imrf.org](http://www.imrf.org).

*Plan Administration*

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*Plan Membership*

At December 31, 2016, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	8
Active employees	6
 TOTAL	 19

*Benefits Provided*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. 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 members who retire at age 62

**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

*Benefits Provided (Continued)*

(reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

*Contributions*

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rates for the calendar years ended December 31, 2017 and 2016 were 9.63% and 10.21%, respectively of covered payroll.

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age Normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2016 was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 1,110,203	\$ 1,015,782	\$ 94,421
Changes for the period			
Service cost	23,312	-	23,312
Interest	82,953	-	82,953
Difference between expected and actual experience	41,037	-	41,037
Changes in assumptions	(1,039)	-	(1,039)
Employer contributions	-	28,870	(28,870)
Employee contributions	-	12,725	(12,725)
Net investment income	-	71,585	(71,585)
Benefit payments and refunds	(28,693)	(28,693)	-
Administrative expense	-	-	-
Other (net transfer)	-	4,903	(4,903)
Net changes	117,570	89,390	28,180
BALANCES AT DECEMBER 31, 2016	\$ 1,227,773	\$ 1,105,172	\$ 122,601

**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

*Deferred Outflows of Resources and Deferred Inflows of Resources*

At April 30, 2017, the deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 28,348	\$ 30,134
Changes in assumption	443	718
Net difference between projected and actual earnings on pension plan investments	47,082	-
<b>TOTAL</b>	<b>\$ 75,873</b>	<b>\$ 30,852</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF apply to the following periods:

Year Ending April 30,	
2017	\$ 11,957
2018	13,772
2019	18,238
2020	1,054
<b>TOTAL</b>	<b>\$ 45,021</b>

The net pension liability, deferred outflows of resources and deferred inflows of resources are not reported on Village's financial statements on the modified cash basis of accounting as discussed in Note 1d.

**VILLAGE OF HINCKLEY, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**9. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)**

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.5% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 235,160	\$ 122,601	\$ 30,469

**10. OTHER POSTEMPLOYMENT BENEFITS**

The Village has evaluated its potential other postemployment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Village had no former employees for which the Village was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any postemployment benefit liability as of April 30, 2017.

**11. INDIVIDUAL FUND DISCLOSURES**

Due to/from other funds during the year ended April 30, 2017 consisted of the following:

Fund	Due From	Due To
General	\$ -	\$ 1,259
Escrow	1,259	
<b>TOTAL</b>	<b>\$ 1,259</b>	<b>\$ 1,259</b>

The purpose of the interfund balances is as follows:

- The \$1,259 due from the Escrow Fund to the General Fund is to cover negative cash balances.



**VILLAGE OF HINCKLEY, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**12. TRANSFERS**

During the fiscal year, the Village transferred \$29,643 from the General Fund to the Water and Sewer Fund for a debt payment. The Water and Sewer Fund transferred \$11,344 to the Road and Bridge Fund for a share of the capital lease payments.

**13. BUDGETS**

Budgets are adopted for all funds. Budgets are adopted on the cash basis of accounting and represent the estimated receipts, transfers and disbursements for each fund contained in the annual budget and appropriation ordinance passed by the Board of Trustees. The budget may be amended by the Board of Trustees. The appropriation is presented in the appropriation column. There were no supplemental appropriations adopted during the year. The legal level of control is at the fund level. All appropriations lapse at fiscal year end.

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS**

**Purpose:**

These financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

## **MAJOR GOVERNMENTAL FUNDS**

Purpose:

General Fund - to account for all unrestricted resources, except those accounted for in another fund.

**VILLAGE OF HINCKLEY, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND  
CHANGES IN FUND BALANCE (CASH BASIS) - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2017

		<u>Actual</u>
<b>REVENUES COLLECTED</b>		
Taxes		
Sales	\$	94,387
Property		273,412
Personal property replacement		6,935
Utility		61,256
State use		50,575
Income		197,090
Video gaming		23,794
		<hr/>
Total taxes		707,449
Licenses and permits		14,224
Charges for services		29,563
Fines and forfeits		31,114
Investment income		1,404
Miscellaneous		42,487
		<hr/>
Total revenues collected		826,241
<b>EXPENDITURES PAID</b>	<b><u>Appropriation</u></b>	
Current		
General government		
Salaries	\$ 150,000	124,474
Benefits	132,000	107,003
Contractual services	231,700	157,509
Supplies	17,000	10,556
Dues, fees, subscriptions and permits	23,000	5,676
Maintenance and repairs	130,000	90,203
Equipment	25,000	13,225
Capital improvement	20,000	-
		<hr/>
Total general government	728,700	508,646
Public safety		
Salaries	235,500	195,184
Benefits	55,000	46,161
Contractual services	49,500	45,242
Supplies	30,000	19,439
Dues, fees, subscriptions and permits	3,500	1,049
Maintenance and repairs	9,500	8,217
Equipment	20,000	-
		<hr/>
Total public safety	403,000	315,292

(This schedule is continued on the following page.)

**VILLAGE OF HINCKLEY, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND  
CHANGES IN FUND BALANCE (CASH BASIS) - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2017

	<u>Appropriation</u>	<u>Actual</u>
<b>EXPENDITURES PAID (Continued)</b>		
Current (Continued)		
Culture and recreation		
Salaries	\$ 9,750	\$ 12,675
Contractual services	14,200	12,205
Supplies	2,500	2,255
Dues, fees, subscriptions and permits	5,500	-
	<hr/>	<hr/>
Total culture and recreation	31,950	27,135
	<hr/>	<hr/>
Debt service		
Principal retirement	32,560	20,510
Interest and fiscal charges	4,440	3,105
	<hr/>	<hr/>
Total debt service	37,000	23,615
	<hr/>	<hr/>
Total expenditures paid	\$ 1,200,650	874,688
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<hr/> (48,447)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers (out)		<hr/> (29,643)
		<hr/>
Total other financing sources (uses)		(29,643)
		<hr/>
NET CHANGE IN FUND BALANCE		(78,090)
		<hr/>
FUND BALANCE, MAY 1		173,842
		<hr/>
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 95,752</b>
		<hr/>

(See independent auditor's report.)

**VILLAGE OF HINCKLEY, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND  
CHANGES IN FUND BALANCE (CASH BASIS) - BUDGET AND ACTUAL  
ROAD AND BRIDGE FUND

For the Year Ended April 30, 2017

			<u>Actual</u>
<b>REVENUES COLLECTED</b>			
Taxes			
Property	\$		33,495
Utility			<u>50,119</u>
Total taxes			<u>83,614</u>
Miscellaneous			<u>66</u>
Total revenues collected			<u>83,680</u>
 <b>EXPENDITURES PAID</b>			
		<u>Appropriation</u>	
Current			
Highways and streets			
Engineering fees	\$	15,000	-
Road paint and signs		17,800	-
General supplies		2,200	52
Fuel for vehicles		10,000	1,504
Snow and ice removal		4,000	-
General maintenance		700	-
Equipment maintenance		6,300	139
Vehicle maintenance and repair		10,000	2,782
Bridge maintenance		15,000	240
Ditch maintenance		5,000	3,600
Road maintenance		50,000	3,083
Capital outlay		80,000	40,511
Debt service			
Principal retirement		20,680	21,293
Interest and fiscal charges		1,320	1,396
Total expenditures paid	\$	<u>238,000</u>	<u>74,600</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			<u>9,080</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			<u>11,344</u>
Total other financing sources (uses)			<u>11,344</u>
NET CHANGE IN FUND BALANCE			20,424
FUND BALANCE, MAY 1			<u>4,084</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 24,508</u>

(See independent auditor's report.)

**VILLAGE OF HINCKLEY, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND  
CHANGES IN FUND BALANCE (CASH BASIS) - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND**

For the Year Ended April 30, 2017

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	<u>Actual</u>
<b>REVENUES COLLECTED</b>	
Taxes	
Motor fuel	\$ 52,646
Investment income	200
	<u>52,846</u>
Total revenues collected	<u>52,846</u>
<b>EXPENDITURES PAID</b>	<u>Appropriation</u>
Current	
Highway and streets	
Employee wages	\$ 26,000
Professional services	20,000
Snow and ice removal	15,000
Capital outlay	120,000
	<u>68,475</u>
Total expenditures paid	<u>\$ 181,000</u>
NET CHANGE IN FUND BALANCE	(35,113)
FUND BALANCE, MAY 1	<u>74,124</u>
<b>FUND BALANCE, APRIL 30</b>	<u><u>\$ 39,011</u></u>

(See independent auditor's report.)

**ENTERPRISE FUND**



**VILLAGE OF HINCKLEY, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION  
WATER AND SEWER DEPARTMENT ACCOUNTS - MODIFIED CASH BASIS

April 30, 2017

	<b>Water and Sewer</b>	<b>Project</b>	<b>Capital Improvement</b>	<b>Debt Service</b>	<b>Total</b>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ (174,932)	\$ 88,579	\$ 35,313	\$ 134,171	\$ 83,131
Investments	-	-	149,443	280,043	429,486
Total current assets	(174,932)	88,579	184,756	414,214	512,617
<b>CAPITAL ASSETS</b>					
Land	14,170	-	-	-	14,170
Construction in progress	-	29,295	-	-	29,295
Elevated water tank	442,323	-	-	-	442,323
Equipment	89,769	-	-	-	89,769
Plant and building	4,549,123	-	-	-	4,549,123
Water distribution system	9,076,759	-	-	-	9,076,759
Subtotal	14,172,144	29,295	-	-	14,201,439
Less accumulated depreciation	4,217,820	-	-	-	4,217,820
Net capital assets	9,954,324	29,295	-	-	9,983,619
Total assets	9,779,392	117,874	184,756	414,214	10,496,236
<b>CURRENT LIABILITIES</b>					
Debt certificate payable	30,000	-	-	-	30,000
IEPA loan payable	350,191	-	-	-	350,191
Total current liabilities	380,191	-	-	-	380,191
<b>LONG-TERM DEBT</b>					
Debt certificate payable	189,000	-	-	-	189,000
IEPA loan payable	6,295,377	-	-	-	6,295,377
Total long-term debt	6,484,377	-	-	-	6,484,377
Total liabilities	6,864,568	-	-	-	6,864,568
<b>NET POSITION</b>					
Net investment in capital assets	3,089,756	29,295	-	-	3,119,051
Restricted for debt service	-	-	-	414,214	414,214
Restricted for capital improvements	-	88,579	184,756	-	273,335
Unrestricted	(174,932)	-	-	-	(174,932)
<b>TOTAL NET POSITION</b>	<b>\$ 2,914,824</b>	<b>\$ 117,874</b>	<b>\$ 184,756</b>	<b>\$ 414,214</b>	<b>\$ 3,631,668</b>

(See independent auditor's report.)

**VILLAGE OF HINCKLEY, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
WATER AND SEWER DEPARTMENT ACCOUNTS - MODIFIED CASH BASIS

For the Year Ended April 30, 2017

	<b>Water and Sewer</b>	<b>Project</b>	<b>Capital Improvement</b>	<b>Debt Service</b>	<b>Total</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 465,635	\$ -	\$ 75,528	\$ 280,821	\$ 821,984
Total operating revenues	465,635	-	75,528	280,821	821,984
<b>OPERATING EXPENSES</b>					
Personnel services	100,027	-	-	-	100,027
Contractual services	217,320	20,077	17,471	26	254,894
Repairs and maintenance	47,680	-	-	-	47,680
Insurance	12,774	-	-	-	12,774
Supplies and miscellaneous	64,491	-	-	-	64,491
Rent and utilities	99,068	-	-	-	99,068
Depreciation	310,875	-	-	-	310,875
Total operating expenses	852,235	20,077	17,471	26	889,809
OPERATING INCOME (LOSS)	(386,600)	(20,077)	58,057	280,795	(67,825)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	259	-	3,078	1,444	4,781
Cell tower rental	18,600	-	-	-	18,600
Bond issue costs	(10,615)	-	-	-	(10,615)
Interest expense	(2,856)	-	-	(101,566)	(104,422)
Total non-operating revenues (expenses)	5,388	-	3,078	(100,122)	(91,656)
NET INCOME (LOSS) BEFORE TRANSFERS	(381,212)	(20,077)	61,135	180,673	(159,481)
<b>TRANSFERS</b>					
Intrafund transfers	327,332	118,385	(155,750)	(289,967)	-
Transfers in	29,643	-	-	-	29,643
Transfers (out)	(11,344)	-	-	-	(11,344)
Total transfers	345,631	118,385	(155,750)	(289,967)	18,299
CHANGE IN NET POSITION	(35,581)	98,308	(94,615)	(109,294)	(141,182)
NET POSITION, MAY 1	2,950,405	19,566	279,371	523,508	3,772,850
<b>NET POSITION, APRIL 30</b>	<b>\$ 2,914,824</b>	<b>\$ 117,874</b>	<b>\$ 184,756</b>	<b>\$ 414,214</b>	<b>\$ 3,631,668</b>

(See independent auditor's report.)

**SUPPLEMENTAL SCHEDULES**

VILLAGE OF HINCKLEY, ILLINOIS

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES,  
TAX EXTENSIONS AND TAX COLLECTIONS

Last Ten Levy Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>ASSESSED VALUATIONS</b>										
DeKalb County	\$ 39,555,807	\$ 36,377,753	\$ 35,893,706	\$ 36,027,913	\$ 40,680,975	\$ 46,729,757	\$ 49,447,171	\$ 54,762,331	\$ 54,836,733	\$ 52,941,621
<b>TAX RATES</b>										
Corporate	0.3353	0.3585	0.3561	0.3491	0.2938	0.2431	0.2302	0.2047	0.1975	0.2004
School crossing	0.0171	0.0164	0.0168	0.0167	0.0146	0.0111	0.0107	0.0095	0.0092	0.0094
Audit	0.0245	0.0259	0.0252	0.0247	0.0214	0.0176	0.0166	0.0148	0.0142	0.0146
Police protection	0.1100	0.1214	0.1200	0.1178	0.0996	0.0692	0.0655	0.0582	0.0562	0.0576
Social security	0.0733	0.0850	0.0966	0.0947	0.0748	0.0712	0.0674	0.0599	0.0578	0.0573
Workers' compensation	0.0333	0.0264	0.0254	0.0249	0.0216	0.0183	0.0173	0.0154	0.0149	0.0152
Liability insurance	0.0249	0.0438	0.0427	0.0420	0.0364	0.0304	0.0288	0.0256	0.0247	0.0256
IMRF	0.0758	0.0720	0.0703	0.0690	0.0802	0.0813	0.0788	0.0683	0.0659	0.0656
<b>TOTAL TAX RATES</b>	0.6942	0.7494	0.7531	0.7389	0.6424	0.5422	0.5153	0.4564	0.4404	0.4457
<b>TAX EXTENSIONS</b>										
Corporate	\$ 132,635	\$ 130,403	\$ 127,818	\$ 125,781	\$ 119,525	\$ 113,609	\$ 111,879	\$ 108,911	\$ 108,292	\$ 103,999
School crossing	6,772	5,955	6,023	6,049	5,931	5,206	5,197	5,055	5,023	4,871
Audit	9,675	9,407	9,028	8,877	8,698	8,201	8,075	7,858	7,809	7,576
Police protection	43,512	44,148	43,098	42,419	40,510	32,342	31,839	30,985	30,796	29,864
Social security	29,010	30,903	34,655	34,133	30,433	33,276	32,764	31,883	31,696	29,732
Workers' compensation	13,152	9,600	9,124	8,975	8,795	8,556	8,421	8,192	8,143	7,899
Liability insurance	9,865	15,934	15,337	15,117	14,824	14,220	13,998	13,619	13,539	13,272
IMRF	29,975	26,203	25,240	24,866	32,606	37,987	37,367	36,368	36,154	34,052
<b>TOTAL TAX EXTENSIONS</b>	\$ 274,596	\$ 272,553	\$ 270,323	\$ 266,217	\$ 261,322	\$ 253,397	\$ 249,540	\$ 242,871	\$ 241,452	\$ 231,265

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>TAX COLLECTIONS</b>										
General Fund										
Corporate	\$ -	\$ 130,371	\$ 127,706	\$ 124,894	\$ 119,490	\$ 113,499	\$ 109,790	\$ 108,911	\$ 108,271	\$ 103,918
School crossing	-	5,954	6,018	6,006	5,930	5,201	5,275	4,972	5,022	4,867
Audit	-	9,405	9,019	8,815	8,695	8,193	8,196	7,858	7,807	7,570
Police protection	-	44,137	43,060	42,120	40,498	32,310	32,319	30,985	30,791	29,841
Social security	-	30,895	34,625	33,892	30,424	33,244	33,258	31,883	31,690	29,709
Workers' compensation	-	9,598	9,116	8,911	8,793	8,548	8,548	8,077	8,142	7,893
Liability insurance	-	15,930	15,324	15,011	14,820	14,206	14,209	13,619	13,537	13,262
IMRF	-	26,196	25,219	24,691	32,596	37,950	37,930	36,368	36,147	34,026
<b>TOTAL TAX COLLECTIONS</b>										
<b>AS OF APRIL 30</b>	\$ -	\$ 272,486	\$ 270,087	\$ 264,340	\$ 261,246	\$ 253,151	\$ 249,525	\$ 242,673	\$ 241,407	\$ 231,086
<b>PERCENTAGE OF</b>										
<b>EXTENSIONS COLLECTED</b>										
<b>AS OF APRIL 30</b>	0.00%	99.98%	99.91%	99.29%	99.97%	99.90%	99.99%	99.92%	99.98%	99.92%

Note: The amounts above do not include special service areas #1 or #2.

(See independent auditor's report.)

**VILLAGE OF HINCKLEY, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN**

April 30, 2017

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<b>ASSESSED VALUATION (2016 Latest Year Available)</b>	<u><u>\$ 39,555,807</u></u>
<b>STATUTORY DEBT LIMITATION</b> (8.625% of assessed valuation)	\$ 3,411,688
<b>TOTAL DEBT</b> None	<u>-</u>
<b>LEGAL DEBT MARGIN</b>	<u><u>\$ 3,411,688</u></u>

(See independent auditor's report.)