

VILLAGE OF HINCKLEY, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2021

VILLAGE OF HINCKLEY, ILLINOIS

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VILLAGE OF HINCKLEY, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village:

- List of Principal Officials

VILLAGE OF HINCKLEY, ILLINOIS

List of Principal Officials

April 30, 2021

BOARD OF TRUSTEES

Louis Manivong, Interim Village President, Trustee

Russell Kula, Trustee

Michele Greene-Larsen, Trustee

Walter Rainford, Trustee

Michael Constant, Trustee

Sarah Quirk, Trustee

ADMINISTRATION

Elizabeth Losiniecki, Village Clerk

Dave Maroo, Treasurer

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

July 28, 2021

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hinckley, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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 of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hinckley, Illinois, as of April 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hinckley, Illinois' basic financial statements. The introductory section, other supplementary information, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supplemental 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. Such 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF HINCKLEY, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

Our discussion and analysis of the Village of Hinckley's financial performance provides an overview of the Village of Hinckley's financial activities for the year ended April 30, 2021. Please read it in conjunction with Village's financial statements.

FINANCIAL HIGHLIGHTS

- The Village of Hinckley's net position increased as a result of this year's operations. Net position of governmental activities increased by \$246,743, or 17.2 percent and net position of the business-type activities increased by \$230,366, or 6.1 percent.
- During the year, government-wide revenues totaled \$2,302,459, while expenses totaled \$1,825,350, resulting in the increase to net position of \$477,109.
- The Village of Hinckley's net position totaled \$5,714,535 on April 30, 2021, which includes a \$4,397,685 net investment in capital assets, \$841,045 subject to external restrictions, and \$475,805 in unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$134,473, resulting in an ending fund balance of \$429,981, an increase of 45.5 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village of Hinckley as a whole and present a longer-term view of the Village's finances. Fund financial statements are immediately following. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Hinckley's finances, in a manner similar to a private-sector business. The government wide financial statements can be found in the basic financial statements.

The Statement of Net Position reports information on all of the Village of Hinckley's assets/deferred outflows and liabilities/deferred inflows, 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 of Hinckley is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village of Hinckley's property tax base and the condition of the Village of Hinckley's infrastructure, is needed to assess the overall health of the Village of Hinckley.

VILLAGE OF HINCKLEY, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village of Hinckley include general government, public safety, culture and recreation, and highways and streets. The business-type activities of the Village include water and sewer operations.

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 of Hinckley, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Village of Hinckley can be classified as either governmental funds or proprietary funds.

Governmental Funds

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

VILLAGE OF HINCKLEY, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

USING THIS ANNUAL REPORT - Continued

Governmental Funds - Continued

The Village of Hinckley maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road and Bridge Fund, and Motor Fuel Tax Fund, all of which are considered major funds.

The Village of Hinckley adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Proprietary Funds

The Village of Hinckley maintains one type of proprietary fund: enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water and sewer operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund, which is considered to be a major fund of the Village.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information concerning the Village of Hinckley's I.M.R.F. employee pension obligations, budgetary comparison schedules, and combining statements for the Village's funds.

VILLAGE OF HINCKLEY, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Hinckley, assets/deferred outflows exceeded liabilities/deferred inflows by \$5,714,535.

	Summary Statement of Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Assets						
Current and Other Assets	\$ 1,201,789	845,732	621,511	475,927	1,823,300	1,321,659
Capital Assets	964,640	1,022,932	8,769,184	9,075,145	9,733,824	10,098,077
Total Assets	2,166,429	1,868,664	9,390,695	9,551,072	11,557,124	11,419,736
Deferred Outflows	34,862	24,685	—	—	34,862	24,685
Total Assets and Deferred Outflows	2,201,291	1,893,349	9,390,695	9,551,072	11,591,986	11,444,421
Liabilities						
Current Liabilities	60,258	41,324	441,758	431,237	502,016	472,561
Long-Term Liabilities	25,846	37,106	4,912,386	5,313,650	4,938,232	5,350,756
Total Liabilities	86,104	78,430	5,354,144	5,744,887	5,440,248	5,823,317
Deferred Inflows	437,203	383,678	—	—	437,203	383,678
Total Liabilities and Deferred Inflows	523,307	462,108	5,354,144	5,744,887	5,877,451	6,206,995
Net Position						
Net Investment in Capital Assets	942,151	985,417	3,455,534	3,365,137	4,397,685	4,350,554
Restricted	241,677	158,771	599,368	565,898	841,045	724,669
Unrestricted (Deficit)	494,156	287,053	(18,351)	(124,850)	475,805	162,203
Total Net Position	1,677,984	1,431,241	4,036,551	3,806,185	5,714,535	5,237,426

A large portion of the Village of Hinckley's net position, \$4,397,685 or 77.0 percent, reflects its investment in capital assets (for example, land, construction in progress, buildings and improvements, machinery and equipment, water system, plant and building, elevated tank, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village of Hinckley uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Hinckley'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.

An additional portion, \$841,045 or 14.7 percent, of the Village of Hinckley's net position represents resources that are subject to external restrictions on how they may be used. The remaining 8.3 percent, or \$475,805, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF HINCKLEY, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Summary of Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services	\$ 49,376	90,239	1,066,367	873,758	1,115,743	963,997
Operating Grants and Contributions	142,326	76,386	—	—	142,326	76,386
General Revenues:						
Property Taxes	393,055	304,965	—	—	393,055	304,965
Utility	101,302	100,254	—	—	101,302	100,254
Video Gaming	21,281	24,007	—	—	21,281	24,007
Replacement Taxes	7,242	7,681	—	—	7,242	7,681
Income Taxes	237,299	224,356	—	—	237,299	224,356
Sales and Use Taxes	280,894	252,020	—	—	280,894	252,020
Other General Revenues	1,742	8,680	1,575	5,922	3,317	14,602
Total Revenues	1,234,517	1,088,588	1,067,942	879,680	2,302,459	1,968,268
Expenses						
General Government	565,553	529,298	—	—	565,553	529,298
Public Safety	325,601	328,964	—	—	325,601	328,964
Culture and Recreation	15,373	25,748	—	—	15,373	25,748
Highways and Streets	79,388	33,335	—	—	79,388	33,335
Interest on Long-Term Debt	1,859	4,083	—	—	1,859	4,083
Water and Sewer	—	—	837,576	850,482	837,576	850,482
Total Expenses	987,774	921,428	837,576	850,482	1,825,350	1,771,910
Increase in Net Position before Transfers	246,743	167,160	230,366	29,198	477,109	196,358
Transfers In (Out)	—	15,701	—	(15,701)	—	—
Change in Net Position	246,743	182,861	230,366	13,497	477,109	196,358
Net Position-Beginning	1,431,241	1,248,380	3,806,185	3,792,688	5,237,426	5,041,068
Net Position-Ending	1,677,984	1,431,241	4,036,551	3,806,185	5,714,535	5,237,426

Net position of the Village of Hinckley increased by \$477,109 or 9.1 percent compared to a \$196,358 increase for the year ended April 30, 2020. Overall operations have seen improvement over the last few years and a positive change in net position indicates an improving overall financial position for the Village.

VILLAGE OF HINCKLEY, ILLINOIS

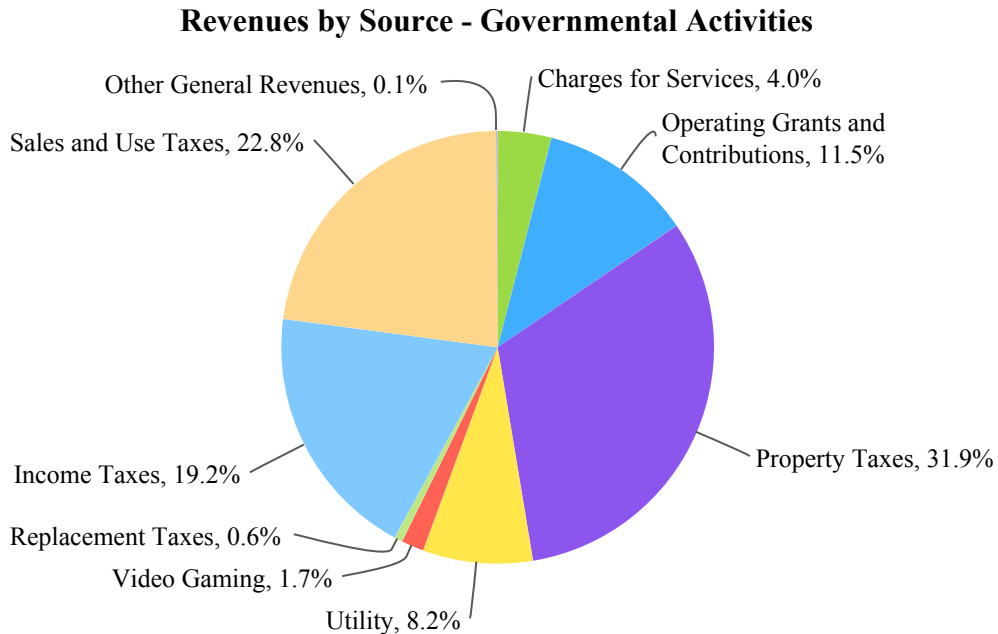
**Management's Discussion and Analysis
April 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

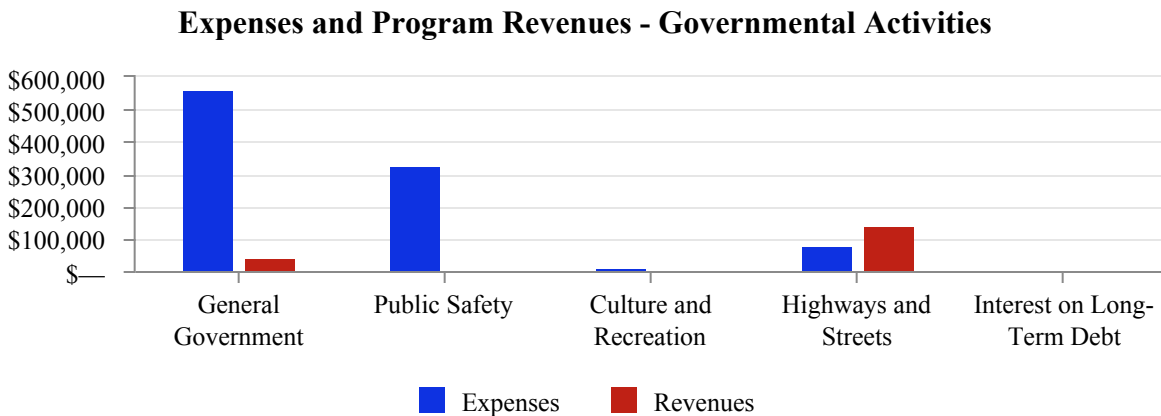
Governmental Activities

Revenues for governmental activities totaled \$1,234,517, while the cost of all governmental functions totaled \$987,774. This results in an increase of \$246,743. For the year ended April 30, 2020, revenues totaled \$1,088,588 with expenses of \$921,428, resulting in an increase of \$167,160 before transfers in of \$15,701.

The following table graphically depicts the major revenue sources of the Village of Hinckley. It depicts very clearly the reliance on charges for services and property taxes to fund governmental activities.



Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



VILLAGE OF HINCKLEY, ILLINOIS

Management's Discussion and Analysis

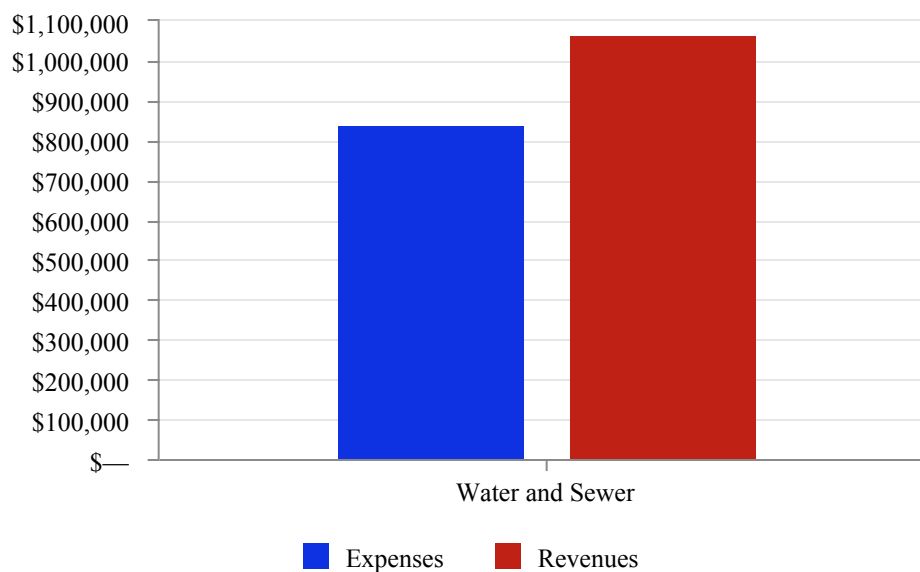
April 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Business-Type Activities

Business-Type activities reported total revenues of \$1,067,942, while the cost of all business-type activities totaled \$837,576. This results in an increase of \$230,366. In 2020, revenues of \$879,680 were more than expenses of \$850,482, resulting in an increase of \$29,198 before transfers out of \$15,701.

Expenses and Program Revenues - Business-Type Activities



The above graph compares program revenues to expenses for Water and Sewer operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

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

The Village of Hinckley's governmental funds reported combining ending fund balances of \$667,397, which is \$216,409, or 48.0 percent, higher than last year's total of \$450,988.

VILLAGE OF HINCKLEY, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Governmental Funds - Continued

The General Fund reported a surplus in fund balance for the year of \$134,473, an increase of 45.5 percent. This was due in large part to expenditures of \$957,091 being \$372,709 lower than budgeted in the current fiscal year.

At April 30, 2021, unassigned fund balance in the General Fund was \$408,397, which represents 95.0 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents 42.7 percent of total General Fund expenditures.

The fund balance in the Road and Bridge Fund decreased by \$9,872, while the fund balance in the Motor Fuel Tax Fund increased by \$91,808. The Road and Bridge Fund decreased slightly due to utility taxes of \$422 being \$14,578 lower than budget during the fiscal year. The Motor Fuel Tax Fund increased due to less spending of expenditures during the fiscal year. Motor Fuel Tax Fund was budgeted to spend \$211,000 but only \$50,723 was actually spent due in part to a decrease in spending in response to the COVID-19 pandemic.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water and Sewer as a major proprietary fund. The Water and Sewer Fund accounts for the provision of potable water and wastewater treatment services to the residents of the Village.

The net gain in the Water and Sewer Fund during the current fiscal year was \$230,366, but excluding non-cash depreciation expense of \$305,961, the Water and Sewer Fund would report an operating surplus of \$536,327. Unrestricted net position in the Water and Sewer Fund totaled a deficit of \$18,351 at April 30, 2021.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village of Hinckley Board of Trustees made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$1,091,564, compared to budgeted revenues of \$920,200. The General Fund actual expenditures for the year were \$372,709 lower than budgeted, primarily due to significantly less spending in general government, public safety, and culture and recreation functions related to the COVID-19 pandemic (\$1,329,800 was budgeted and \$957,091 was actually spent in these functions). Tax revenues increased \$94,931 from the previous year. This increase along with the lower than budgeted expenses in the current year contributed to the increase in the General Fund fund balance of \$134,473.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village of Hinckley's investment in capital assets for its governmental activities as of April 30, 2021 was \$964,640 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

VILLAGE OF HINCKLEY, ILLINOIS

**Management's Discussion and Analysis
April 30, 2021**

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Capital Assets - Continued

The Village of Hinckley's investment in capital assets for its business-type activities as of April 30, 2021 was \$8,769,184 (net of accumulated depreciation). This investment in capital assets includes land, water system, plant and building, elevated tank, and machinery and equipment.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 87,645	87,645	14,170	14,170	101,815	101,815
Buildings and Improvements	232,850	244,489	—	—	232,850	244,489
Machinery and Equipment	83,470	111,752	—	—	83,470	111,752
Infrastructure	560,675	579,046	—	—	560,675	579,046
Water System	—	—	6,368,380	6,585,461	6,368,380	6,585,461
Plant and Building	—	—	2,309,227	2,387,049	2,309,227	2,387,049
Elevated Tank	—	—	77,407	88,465	77,407	88,465
Total	964,640	1,022,932	8,769,184	9,075,145	9,733,824	10,098,077

There were no major additions during the fiscal year.

Additional information on the Village of Hinckley's capital assets can be found in Note 3 of this report.

Debt Administration

At April 30, 2021, the Village of Hinckley had total outstanding debt of \$5,336,139 as compared to \$5,747,523 for the April 30, 2020 year end. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Installment Contracts Payable	\$ 22,489	37,515	—	—	22,489	37,515
Debt Certificates Payable	—	—	97,000	129,000	97,000	129,000
IEPA Loans Payable	—	—	5,216,650	5,581,008	5,216,650	5,581,008
Totals	22,489	37,515	5,313,650	5,710,008	5,336,139	5,747,523

State statutes limit the amount of general obligation debt a Village may issue to 8.625% of its Equalized Assessed Valuation. The current debt limit for the Village of Hinckley is \$4,085,997.

Additional information on the Village of Hinckley's long-term debt can be found in Note 3 of this report.

VILLAGE OF HINCKLEY, ILLINOIS

Management's Discussion and Analysis

April 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village of Hinckley's elected and appointed officials considered many factors when setting the fiscal-year 2022 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy and financial impact of COVID-19. The Village will continue to tightly monitor budgets in light of the current economic environment.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Hinckley's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Village Office at 720 James St, Hinckley, Illinois 60520.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

- Governmental Funds
- Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF HINCKLEY, ILLINOIS

Statement of Net Position

April 30, 2021

See Following Page

VILLAGE OF HINCKLEY, ILLINOIS

Statement of Net Position

April 30, 2021

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 617,129	527,096	1,144,225
Receivables - Net of Allowances	358,895	73,660	432,555
Prepays	17,323	20,755	38,078
Total Current Assets	<u>993,347</u>	<u>621,511</u>	<u>1,614,858</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	87,645	14,170	101,815
Depreciable	1,661,907	13,967,936	15,629,843
Accumulated Depreciation	(784,912)	(5,212,922)	(5,997,834)
Total Capital Assets	<u>964,640</u>	<u>8,769,184</u>	<u>9,733,824</u>
Other Assets			
Net Pension Asset - IMRF	208,442	—	208,442
Total Noncurrent Assets	<u>1,173,082</u>	<u>8,769,184</u>	<u>9,942,266</u>
Total Assets	<u>2,166,429</u>	<u>9,390,695</u>	<u>11,557,124</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	34,862	—	34,862
Total Assets and Deferred Outflows of Resources	<u>2,201,291</u>	<u>9,390,695</u>	<u>11,591,986</u>

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 34,292	11,435	45,727
Accrued Payroll	10,306	1,450	11,756
Accrued Interest Payable	—	27,609	27,609
Current Portion of Long-Term Debt	15,660	401,264	416,924
Total Current Liabilities	<u>60,258</u>	<u>441,758</u>	<u>502,016</u>
Noncurrent Liabilities			
Compensated Absences	15,214	—	15,214
Installment Contracts Payable	10,632	—	10,632
Debt Certificates Payable	—	65,000	65,000
IEPA Loan Payable	—	4,847,386	4,847,386
Total Noncurrent Liabilities	<u>25,846</u>	<u>4,912,386</u>	<u>4,938,232</u>
Total Liabilities	<u>86,104</u>	<u>5,354,144</u>	<u>5,440,248</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	281,352	—	281,352
Deferred Items - IMRF	155,851	—	155,851
Total Deferred Inflows of Resources	<u>437,203</u>	<u>—</u>	<u>437,203</u>
Total Liabilities and Deferred Inflows of Resources	<u>523,307</u>	<u>5,354,144</u>	<u>5,877,451</u>
NET POSITION			
Net Investment in Capital Assets	942,151	3,455,534	4,397,685
Restricted - Special Levies - Special Service Areas	4,261	—	4,261
Restricted - Highways and Streets	237,416	—	237,416
Restricted - Capital Projects	—	417,682	417,682
Restricted - Debt Service	—	181,686	181,686
Unrestricted (Deficit)	494,156	(18,351)	475,805
Total Net Position	<u>1,677,984</u>	<u>4,036,551</u>	<u>5,714,535</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HINCKLEY, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 565,553	43,741	—	—
Public Safety	325,601	5,635	—	—
Culture and Recreation	15,373	—	—	—
Highways and Streets	79,388	—	142,326	—
Interest on Long-Term Debt	1,859	—	—	—
Total Governmental Activities	987,774	49,376	142,326	—
Business-Type Activities				
Water and Sewer	837,576	1,066,367	—	—
Total Primary Government	1,825,350	1,115,743	142,326	—

General Revenues

Taxes

 Property Taxes

 Utility

 Video Gaming

Intergovernmental - Unrestricted

 Replacement Taxes

 Income Taxes

 Sales Taxes

 State Use Taxes

Interest Income

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Total Primary Government		
Governmental Activities	Business-Type Activities	Totals
(521,812)	—	(521,812)
(319,966)	—	(319,966)
(15,373)	—	(15,373)
62,938	—	62,938
(1,859)	—	(1,859)
(796,072)	—	(796,072)
—	228,791	228,791
(796,072)	228,791	(567,281)
393,055	—	393,055
101,302	—	101,302
21,281	—	21,281
7,242	—	7,242
237,299	—	237,299
184,347	—	184,347
96,547	—	96,547
894	1,575	2,469
848	—	848
1,042,815	1,575	1,044,390
246,743	230,366	477,109
1,431,241	3,806,185	5,237,426
1,677,984	4,036,551	5,714,535

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HINCKLEY, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2021

	General	Special Revenue		Totals
		Road and Bridge	Motor Fuel Tax	
ASSETS				
Cash and Investments	\$ 377,910	25,168	214,051	617,129
Receivables				
Property Taxes	281,352	—	—	281,352
Other Taxes	68,391	1,484	6,819	76,694
Accounts	849	—	—	849
Prepays	17,323	—	—	17,323
Total Assets	745,825	26,652	220,870	993,347
LIABILITIES				
Accounts Payable	24,186	—	10,106	34,292
Accrued Payroll	10,306	—	—	10,306
Total Liabilities	34,492	—	10,106	44,598
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	281,352	—	—	281,352
Total Liabilities and Deferred Inflows of Resources	315,844	—	10,106	325,950
FUND BALANCES				
Nonspendable	17,323	—	—	17,323
Restricted	4,261	26,652	210,764	241,677
Unassigned	408,397	—	—	408,397
Total Fund Balances	429,981	26,652	210,764	667,397
Total Liabilities, Deferred Inflows of Resources and Fund Balances	745,825	26,652	220,870	993,347

The notes to the financial statements are integral part this statement.

VILLAGE OF HINCKLEY, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2021

Total Governmental Fund Balances	\$ 667,397
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 funds.	964,640
A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds. Net Pension Asset - IMRF	208,442
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(120,989)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences	(19,017)
Installment Contracts Payable	<u>(22,489)</u>
Net Position of Governmental Activities	<u><u>1,677,984</u></u>

The notes to the financial statements are integral part this statement.

VILLAGE OF HINCKLEY, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2021

	General	Special Revenue		Totals
		Road and Bridge	Motor Fuel Tax	
Revenues				
Taxes	\$ 515,216	422	—	515,638
Intergovernmental	525,435	—	142,326	667,761
Licenses and Permits	43,741	—	—	43,741
Fines and Forfeits	5,635	—	—	5,635
Interest Income	689	—	205	894
Miscellaneous	848	—	—	848
Total Revenues	1,091,564	422	142,531	1,234,517
Expenditures				
Current				
General Government	613,316	—	—	613,316
Public Safety	311,517	—	—	311,517
Culture and Recreation	15,373	—	—	15,373
Highways and Streets	—	10,294	50,723	61,017
Debt Service				
Principal Retirement	15,026	—	—	15,026
Interest and Fiscal Charges	1,859	—	—	1,859
Total Expenditures	957,091	10,294	50,723	1,018,108
Net Change in Fund Balances	134,473	(9,872)	91,808	216,409
Fund Balances - Beginning	295,508	36,524	118,956	450,988
Fund Balances - Ending	429,981	26,652	210,764	667,397

The notes to the financial statements are integral part this statement.

VILLAGE OF HINCKLEY, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended April 30, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ 216,409
Amounts reported for governmental activities in the Statement of Activities are different because:	
An increase in a net pension asset is not considered to be an increase in financial assets in the governmental funds.	
Change in Net Pension Asset - IMRF	109,462
Governmental funds report capital outlays as expenditures. however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation Expense	(58,292)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(35,116)
The issuance of long-term debt provides current financial resources to governmental funds, While the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Change in Compensated Absences	(746)
Retirement of Debt	<u>15,026</u>
Changes in Net Position of Governmental Activities	<u>246,743</u>

The notes to the financial statements are integral part this statement.

VILLAGE OF HINCKLEY, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2021

	Business-Type Activities
	<u>Water and Sewer</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 527,096
Receivables	
Accounts	73,660
Prepays	20,755
Total Current Assets	<u>621,511</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	14,170
Depreciable	13,967,936
Accumulated Depreciation	<u>(5,212,922)</u>
Total Noncurrent Assets	<u>8,769,184</u>
Total Assets	<u>9,390,695</u>

The notes to the financial statements are integral part this statement.

	Business-Type Activities <u>Water and Sewer</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 11,435
Accrued Payroll	1,450
Accrued Interest Payable	27,609
Debt Certificates Payable	32,000
IEPA Loan Payable	369,264
Total Current Liabilities	<u>441,758</u>
Long-Term Liabilities	
Debt Certificates Payable	65,000
IEPA Loan Payable	4,847,386
Total Long-Term Liabilities	<u>4,912,386</u>
Total Liabilities	<u>5,354,144</u>
NET POSITION	
Net Investment in Capital Assets	3,455,534
Restricted	
Capital Improvements	417,682
Debt Service	181,686
Unrestricted (Deficit)	<u>(18,351)</u>
Total Net Position	<u>4,036,551</u>

The notes to the financial statements are integral part this statement.

VILLAGE OF HINCKLEY, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2021

	Business-Type Activities
	<u>Water and Sewer</u>
Operating Revenues	
Charges for Services	\$ <u>1,045,907</u>
Operating Expenses	
Operations	444,888
Depreciation	<u>305,961</u>
Total Operating Expenses	<u>750,849</u>
Operating Income	<u>295,058</u>
Nonoperating Revenues (Expenses)	
Cell Tower Rental	20,460
Interest Income	1,575
Interest Expense	<u>(86,727)</u>
	<u>(64,692)</u>
Change in Net Position	230,366
Net Position - Beginning	<u>3,806,185</u>
Net Position - Ending	<u><u>4,036,551</u></u>

The notes to the financial statements are integral part this statement.

VILLAGE OF HINCKLEY, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2021

	Business-Type Activities Water and Sewer
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 1,051,407
Payments to Suppliers	(369,852)
Payments to Employees	(48,961)
	<u>632,594</u>
Cash Flows from Capital and Related Financing Activities	
Principal Retirement	(396,358)
Interest Expense	(86,727)
	<u>(483,085)</u>
Cash Flows from Investing Activities	
Interest Recieved	<u>1,575</u>
Net Change in Cash and Cash Equivalents	151,084
Cash and Cash Equivalents - Beginning	<u>376,012</u>
Cash and Cash Equivalents - Ending	<u><u>527,096</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income	295,058
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	305,961
Other Income	20,460
(Increase) Decrease in Current Assets	5,500
Increase (Decrease) in Current Liabilities	5,615
	<u>632,594</u>
Net Cash Provided by Operating Activities	<u><u>632,594</u></u>

The notes to the financial statements are integral part this statement.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Hinckley, Illinois (Village), is incorporated under the laws of the State of Illinois. The Village operates under a Board-President form of government, providing recreation and other services to the residents of Hinckley. The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's public safety, culture and recreation, highways and streets, and general administration are all classified as governmental activities. The Village's water and sewer and garbage operations are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, culture and recreation, highways and streets, etc.). The functions are supported by general government revenues (property and replacement taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property and replacement taxes, certain intergovernmental revenues, interest income, etc.).

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

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.

Fund Financial Statements

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, fund equity, revenues and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental category. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

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 following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It accounts for all revenues and expenditures of the Village which are not accounted for in other funds. The General Fund is a major fund.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Governmental Funds - Continued

Special revenue funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditures for specified purposes. The Village maintains two special revenue funds. The Road and Bridge Fund, treated as a major fund, is used to account for resources restricted or committed to road and bridge projects. Financing is provided primarily from an annual restricted property tax levy, and from utility taxes. The Motor Fuel Tax Fund, treated as a major fund, is used to account for resources restricted or committed to road projects approved by the Illinois Department of Transportation. Financing is provided primarily from motor fuel tax allotments.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Water and Sewer Fund accounts for the revenues and expenses relative to the operation of the water utility.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus - Continued

All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds' Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its 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; Level 3 inputs are significant unobservable inputs. All of the Village's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes and sales and use taxes. Business-type activities report water and sewer charges as their major receivables.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund 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/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$1 or more for land; \$25,000 or more for building and improvements; \$10,000 or more for machinery and equipment; and \$50,000 or more for infrastructure and water distribution system, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition 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 expenses as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Building and Improvements	10 - 45 Years
Machinery and Equipment	3 - 20 Years
Infrastructure	50 Years
Water System	50 Years
Plant and Building	50 Years
Elevated Tank	50 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types 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.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the Village's funds.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in both Funds are valued at the share price, the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Concentration of Credit Risk, and Custodial Credit Risk

At year-end, the carrying amount of the Village's deposits totaled \$1,021,502 and the bank balances totaled \$1,088,345. In addition, the Village has \$122,723 invested in the Illinois Funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield. At year-end, the Village's investment in the Illinois Funds has an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. 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. As of April 30, 2021, the Village's investment in the Illinois Funds was rated AAAM by Standard & Poor's.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Concentration of Credit Risk, and Custodial Credit Risk - Continued

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy requires diversification of investments to avoid unreasonable risk. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a 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. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not address custodial credit risk for investments and the Illinois Funds is not subject to custodial credit risk.

PROPERTY TAXES

Property taxes for the 2019 levy attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by June of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments on or about June 1 and September 1. Significant amounts of property taxes for 2020 will be distributed to the Village during June, July and August of 2020. The remaining significant distribution will normally be expected in November 2020.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 87,645	—	—	87,645
Depreciable Capital Assets				
Building and Improvements	465,563	—	—	465,563
Machinery and Equipment	461,519	—	—	461,519
Infrastructure	734,825	—	—	734,825
	<u>1,661,907</u>	<u>—</u>	<u>—</u>	<u>1,661,907</u>
Less Accumulated Depreciation				
Building and Improvements	221,074	11,639	—	232,713
Machinery and Equipment	349,767	28,282	—	378,049
Infrastructure	155,779	18,371	—	174,150
	<u>726,620</u>	<u>58,292</u>	<u>—</u>	<u>784,912</u>
Total Net Depreciable Capital Assets	<u>935,287</u>	<u>(58,292)</u>	<u>—</u>	<u>876,995</u>
Total Net Capital Assets	<u>1,022,932</u>	<u>(58,292)</u>	<u>—</u>	<u>964,640</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 25,837
Public Safety	14,084
Highways and Streets	<u>18,371</u>
	<u>58,292</u>

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 14,170	—	—	14,170
Depreciable Capital Assets				
Machinery and Equipment	32,175	—	—	32,175
Water System	8,911,153	—	—	8,911,153
Plant and Building	4,582,285	—	—	4,582,285
Elevated Tank	442,323	—	—	442,323
	<u>13,967,936</u>	<u>—</u>	<u>—</u>	<u>13,967,936</u>
Less Accumulated Depreciation				
Machinery and Equipment	32,175	—	—	32,175
Water System	2,325,692	217,081	—	2,542,773
Plant and Building	2,195,236	77,822	—	2,273,058
Elevated Tank	353,858	11,058	—	364,916
	<u>4,906,961</u>	<u>305,961</u>	<u>—</u>	<u>5,212,922</u>
Total Net Depreciable Capital Assets	<u>9,060,975</u>	<u>(305,961)</u>	<u>—</u>	<u>8,755,014</u>
Total Net Capital Assets	<u>9,075,145</u>	<u>(305,961)</u>	<u>—</u>	<u>8,769,184</u>

Depreciation expense was charged to business-type activities as follows:

Water and Sewer	<u>\$ 305,961</u>
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VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

Installment Contracts Payable

The Village issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$35,555 Installment Contract Payable of 2016 - Due in monthly installments of \$667, including interest at 4.95% through October 11, 2021.	\$ 11,555	—	7,608	3,947
\$38,049 Installment Contract Payable of 2018 - Due in monthly installments of \$740, including interest at 6.45% through July 15, 2023.	25,960	—	7,418	18,542
	37,515	—	15,026	37,515

Debt Certificates Payable

The Village enters into debt certificates to provide funds for the acquisition of capital assets. Debt certificates currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$129,000 General Obligation (Limited Tax) Debt Certificates of 2016 - Due in annual installments of \$32,000 to \$33,000 plus interest at 3.00% through December 1, 2023.	\$ 129,000	—	32,000	97,000

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

IEPA Loans Payable

The Village has entered into loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA loans currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan Payable of 2011 (L17-3036), due in annual installments of \$111,363, with no interest, through December 20, 2030.	\$ 1,224,992	—	111,363	1,113,629
IEPA Loan Payable of 2013 (L17-1421), due in semi-annual installments of \$335,851, including interest of 1.93%, through January 8, 2035.	4,356,016	—	252,995	4,103,021
	<u>5,581,008</u>	<u>—</u>	<u>364,358</u>	<u>5,216,650</u>

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts within One Year
Governmental Activities					
Compensated Absences	\$ 18,271	1,492	746	19,017	3,803
Installment Contracts Payable	37,515	—	15,026	22,489	11,857
	<u>55,786</u>	<u>1,492</u>	<u>15,772</u>	<u>41,506</u>	<u>15,660</u>
Business-Type Activities					
Debt Certificates	129,000	—	32,000	97,000	32,000
IEPA Loans Payable	5,581,008	—	364,358	5,216,650	369,264
	<u>5,710,008</u>	<u>—</u>	<u>396,358</u>	<u>5,313,650</u>	<u>401,264</u>

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

For governmental activities, payments on the compensated absences and installment contracts payable are made by the General Fund. For business-type activities, payments on the Debt Certificates and the IEPA Loans payable are made by the Water and Sewer Fund.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities			
	Installment		Debt		IEPA	
	Contracts Payable		Certificates		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 11,857	1,022	32,000	2,910	369,264	77,950
2023	8,436	439	32,000	1,950	374,266	72,948
2024	2,196	24	33,000	990	379,364	67,850
2025	—	—	—	—	384,562	62,652
2026	—	—	—	—	389,860	57,354
2027	—	—	—	—	395,261	51,953
2028	—	—	—	—	400,766	46,448
2029	—	—	—	—	406,379	40,835
2030	—	—	—	—	412,100	35,114
2031	—	—	—	—	417,931	29,282
2032	—	—	—	—	312,515	23,336
2033	—	—	—	—	318,575	17,276
2034	—	—	—	—	324,754	11,097
2035	—	—	—	—	331,053	4,798
Totals	22,489	1,485	97,000	5,850	5,216,650	598,893

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979." The Village's outstanding loans payable through IEPA and the Village's outstanding debt certificates do not apply to the legal debt limit.

Assessed Valuation - 2019 Tax Levy	<u>\$ 47,373,881</u>
Legal Debt Limit - 8.625% of Assessed Value	4,085,997
Amount of Debt Applicable to Limit	<u>—</u>
Legal Debt Margin	<u>4,085,997</u>

NET POSITION/FUND BALANCE

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 964,640
Less Capital Related Debt:	
Installment Contracts Payable	<u>(22,489)</u>
Net Investment in Capital Assets	<u>942,151</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	8,769,184
Less Capital Related Debt:	
Debt Certificates	(97,000)
IEPA Loans Payable	<u>(5,216,650)</u>
Net Investment in Capital Assets	<u>3,455,534</u>

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION/FUND BALANCE - Continued

Fund Balance Classifications

In the governmental fund financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village's policy manual states that the General Fund should maintain a minimum fund balance equal to two months of budgeted operating expenditures.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE/NET POSITION - Continued

Fund Balance Classifications - Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Special Revenue			
	General	Road and Bridge	Motor Fuel Tax	Totals
Nonspendable				
Prepays	\$ 17,323	—	—	17,323
Fund Balances				
Restricted				
Special Service Areas	4,261	—	—	4,261
Highways and Streets	—	26,652	210,764	237,416
	4,261	26,652	210,764	241,677
Unassigned	408,397	—	—	408,397
Total Fund Balances	429,981	26,652	210,764	667,397

NOTE 4 - OTHER INFORMATION

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; natural disasters; and injuries to the Village's employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

COMMITMENTS

The Village has a maintenance contract for the Hinckley water and wastewater treatment systems that was entered into during calendar year 2014 and amended in calendar year 2018. The contract calls for monthly payments of \$15,533 and is set to expire on April 30, 2024. Expenses of \$187,750 were incurred under the contract in the year ended April 30, 2021. Future payments for 2022 are expected to be \$186,396.

CONTINGENT LIABILITIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All 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.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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).

IMRF provides two tiers of pension benefits. 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 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.

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	8
Inactive Plan Members Entitled to but not yet Receiving Benefits	9
Active Plan Members	<u>6</u>
Total	<u><u>23</u></u>

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% 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. For the year-ended April 30, 2021, the Village's contribution was 7.91% of covered payroll.

Net Pension (Asset). The Village's net pension (asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

For nondisabled 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 unadjusted) tables, and future mortality improvements projected using scale MP-2020.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. 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:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. 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 Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	\$ (22,860)	(208,442)	(357,698)

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2019	\$ 1,333,097	1,432,077	(98,980)
Changes for the Year:			
Service Cost	19,174	—	19,174
Interest	94,348	—	94,348
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	58,951	—	58,951
Changes of Assumptions	(16,734)	—	(16,734)
Contributions - Employer	—	26,122	(26,122)
Contributions - Employees	—	12,736	(12,736)
Net Investment Income	—	217,808	(217,808)
Benefit Payments, Including Refunds of Employee Contributions	(82,652)	(82,652)	—
Other (Net Transfer)	—	8,535	(8,535)
Net Changes	73,087	182,549	(109,462)
Balances at December 31, 2020	1,406,184	1,614,626	(208,442)

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2021, the Village recognized pension revenue of \$52,131. At April 30, 2021, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 30,557	(25,670)	4,887
Change in Assumptions	—	(8,674)	(8,674)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(121,507)	(121,507)
Total Pension Expense to be Recognized in Future Periods	30,557	(155,851)	(125,294)
Pension Contributions Made Subsequent to Measurement Date	4,305	—	4,305
Total Deferred Amounts Related to IMRF	34,862	(155,851)	(120,989)

\$4,305 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2022.

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:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (38,932)
2023	(14,313)
2024	(48,996)
2025	(23,053)
2026	—
Thereafter	—
Total	<u>(125,294)</u>

VILLAGE OF HINCKLEY, ILLINOIS

Notes to the Financial Statements

April 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment 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, there is minimal participation. As the Village provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the Village has not recorded a liability as of April 30, 2021.

SUBSEQUENT EVENT

On May 24, 2021, the Village approved a 10-year Water Tower Loan in the amount of \$165,000, with interest rates from 2.00% to 3.02%.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
 Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
 Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
 General Fund
 Road and Bridge - Special Revenue Fund
 Motor Fuel Tax - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary information - budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF HINCKLEY, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
April 30, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 29,894	\$ 29,894	\$ —	\$ 291,368	10.26%
2017	28,870	28,870	—	282,771	10.21%
2018	33,437	33,437	—	347,370	9.63%
2019	26,013	26,013	—	298,966	8.70%
2020	19,715	19,715	—	298,967	6.59%
2021	22,215	22,215	—	280,838	7.91%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF HINCKLEY, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2021

	December 31, 2015
Total Pension Liability	
Service Cost	\$ 38,863
Interest	81,770
Change in Benefit Terms	—
Differences Between Expected and Actual Experience	(62,112)
Change of Assumptions	915
Benefit Payments, Including Refunds of Member Contributions	(40,137)
Net Change in Total Pension Liability	19,299
Total Pension Liability - Beginning	1,090,904
Total Pension Liability - Ending	<u>1,110,203</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 29,894
Contributions - Members	13,112
Net Investment Income	5,170
Benefit Payments, Including Refunds of Member Contributions	(40,137)
Other (Net Transfer)	(24,758)
Net Change in Plan Fiduciary Net Position	(16,719)
Plan Net Position - Beginning	1,032,501
Plan Net Position - Ending	<u>1,015,782</u>
Employer's Net Pension Liability/(Asset)	<u>\$ 94,421</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.50%
Covered Payroll	\$ 291,368
Employer's Net Pension Liability as a Percentage of Covered Payroll	32.41%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
23,312	32,228	32,121	29,377	19,174
82,953	92,116	93,673	98,617	94,348
—	—	—	—	—
41,037	(26,460)	12,676	(105,192)	58,951
(1,039)	(33,427)	37,400	—	(16,734)
(28,693)	(31,345)	(55,945)	(70,515)	(82,652)
117,570	33,112	119,925	(47,713)	73,087
1,110,203	1,227,773	1,260,885	1,380,810	1,333,097
1,227,773	1,260,885	1,380,810	1,333,097	1,406,184
28,870	33,160	30,842	17,663	26,122
12,725	15,495	14,640	11,553	12,736
71,585	171,680	(69,314)	217,950	217,808
(28,693)	(31,345)	(55,945)	(70,515)	(82,652)
4,903	(13,996)	19,407	35,630	8,535
89,390	174,994	(60,370)	212,281	182,549
1,015,782	1,105,172	1,280,166	1,219,796	1,432,077
1,105,172	1,280,166	1,219,796	1,432,077	1,614,626
122,601	(19,281)	161,014	(98,980)	(208,442)
90.01%	101.53%	88.34%	107.42%	114.82%
282,771	344,340	325,337	256,742	283,013
43.36%	(5.60%)	49.49%	(38.55%)	(73.65%)

VILLAGE OF HINCKLEY, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Budget		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 410,900	410,900	515,216
Intergovernmental	447,600	447,600	525,435
Licenses and Permits	37,000	37,000	43,741
Charges for Services	8,500	8,500	—
Fines and Forfeits	13,100	13,100	5,635
Interest Income	800	800	689
Miscellaneous	2,300	2,300	848
Total Revenues	<u>920,200</u>	<u>920,200</u>	<u>1,091,564</u>
Expenditures			
General Government	737,000	737,000	613,316
Public Safety	441,000	441,000	311,517
Culture and Recreation	44,800	44,800	15,373
Capital Outlay	20,000	20,000	—
Debt Service			
Principal Retirement	52,000	52,000	15,026
Interest and Fiscal Charges	35,000	35,000	1,859
Total Expenditures	<u>1,329,800</u>	<u>1,329,800</u>	<u>957,091</u>
Net Change in Fund Balance	<u>(409,600)</u>	<u>(409,600)</u>	134,473
Fund Balance - Beginning			<u>295,508</u>
Fund Balance - Ending			<u><u>429,981</u></u>

VILLAGE OF HINCKLEY, ILLINOIS

Road and Bridge - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Budget		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Utility	\$ 15,000	15,000	422
Miscellaneous	1,000	1,000	—
Total Revenues	<u>16,000</u>	<u>16,000</u>	422
Expenditures			
Highways and Streets			
Contractual Services	19,000	19,000	32
Supplies	20,000	20,000	3,162
Maintenance and Repairs	62,000	62,000	7,100
Capital Outlay	70,000	70,000	—
Total Expenditures	<u>171,000</u>	<u>171,000</u>	10,294
Excess (Deficiency) of Revenues Over (Under) Expenditures	(155,000)	(155,000)	(9,872)
Other Financing (Uses)			
Transfers Out	<u>(20,000)</u>	<u>(20,000)</u>	—
Net Change in Fund Balance	<u>(175,000)</u>	<u>(175,000)</u>	(9,872)
Fund Balance - Beginning			<u>36,524</u>
Fund Balance - Ending			<u>26,652</u>

VILLAGE OF HINCKLEY, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Budget		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Taxes	\$ —	—	142,326
Interest Income	100	100	205
Total Revenues	<u>100</u>	<u>100</u>	<u>142,531</u>
Expenditures			
Highways and Streets			
Salaries	26,000	26,000	6,046
Contractual Services	20,000	20,000	10,106
Supplies	15,000	15,000	9,588
Repairs and Maintenance	150,000	150,000	24,983
Total Expenditures	<u>211,000</u>	<u>211,000</u>	<u>50,723</u>
Net Change in Fund Balance	<u>(210,900)</u>	<u>(210,900)</u>	91,808
Fund Balance - Beginning			<u>118,956</u>
Fund Balance - Ending			<u><u>210,764</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

Budgetary Comparison Schedules - Major Governmental Funds

Combining Statements - Water and Sewer Fund - by Accounts

Budgetary Comparison Schedules - Enterprise Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund 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 (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Road and Bridge Fund

The Road and Bridge Fund is used to account for resources restricted or committed to road and bridge projects.

Motor Fuel Tax Fund

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

ENTERPRISE FUND

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water and Sewer Fund

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

VILLAGE OF HINCKLEY, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Budget		Actual Amounts
	Original	Final	
Taxes			
Property Taxes	\$ 300,900	300,900	393,055
Utility	90,000	90,000	100,880
Video Gaming	20,000	20,000	21,281
	<u>410,900</u>	<u>410,900</u>	<u>515,216</u>
Intergovernmental			
Replacement Taxes	7,600	7,600	7,242
Income Taxes	220,000	220,000	237,299
Sales Taxes	160,000	160,000	184,347
State Use Taxes	60,000	60,000	96,547
	<u>447,600</u>	<u>447,600</u>	<u>525,435</u>
Licenses and Permits	<u>37,000</u>	<u>37,000</u>	<u>43,741</u>
Charges for Services	<u>8,500</u>	<u>8,500</u>	<u>—</u>
Fines and Forfeits	<u>13,100</u>	<u>13,100</u>	<u>5,635</u>
Interest Income	<u>800</u>	<u>800</u>	<u>689</u>
Miscellaneous	<u>2,300</u>	<u>2,300</u>	<u>848</u>
Total Revenues	<u><u>920,200</u></u>	<u><u>920,200</u></u>	<u><u>1,091,564</u></u>

VILLAGE OF HINCKLEY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Budget		Actual Amounts
	Original	Final	
General Government			
Salaries	\$ 185,000	185,000	176,839
Benefits	125,000	125,000	111,457
Contractual Services	195,000	195,000	195,385
Supplies	42,000	42,000	31,287
Dues, Fees, Subscriptions, and Permits	24,000	24,000	53,296
Maintenance and Repairs	131,000	131,000	28,281
Equipment	35,000	35,000	16,771
Total General Government	737,000	737,000	613,316
Public Safety			
Salaries	240,500	240,500	201,795
Benefits	63,000	63,000	40,502
Contractual Services	81,500	81,500	56,983
Supplies	30,000	30,000	9,045
Dues, Fees, Subscriptions, and Permits	2,500	2,500	1,869
Maintenance and Repairs	13,500	13,500	1,323
Equipment	10,000	10,000	—
Total Public Safety	441,000	441,000	311,517
Culture and Recreation			
Salaries	15,000	15,000	214
Contractual Services	21,800	21,800	14,487
Supplies	2,500	2,500	540
Dues, Fees, Subscriptions, and Permits	5,500	5,500	132
Total Culture and Recreation	44,800	44,800	15,373
Capital Outlay	20,000	20,000	—
Debt Service			
Principal Retirement	52,000	52,000	15,026
Interest and Fiscal Charges	35,000	35,000	1,859
Total Debt Service	87,000	87,000	16,885
Total Expenditures	1,329,800	1,329,800	957,091

VILLAGE OF HINCKLEY, ILLINOIS

Water and Sewer - by Accounts - Enterprise Fund

Combining Statement of Net Position

April 30, 2021

See Following Page

VILLAGE OF HINCKLEY, ILLINOIS

Water and Sewer - by Accounts - Enterprise Fund

Combining Statement of Net Position

April 30, 2021

	Water and Sewer	Project	Capital Improvement	Debt Service	Totals
ASSETS					
Current Assets					
Cash and Investments	\$ —	—	388,243	138,853	527,096
Receivables					
Accounts	22,188	—	8,639	42,833	73,660
Prepays	20,755	—	—	—	20,755
Due from Intrafunds	—	—	23,218	—	23,218
Total Current Assets	42,943	—	420,100	181,686	644,729
Noncurrent Assets					
Capital Assets					
Nondepreciable	14,170	—	—	—	14,170
Depreciable	13,967,936	—	—	—	13,967,936
Accumulated Depreciation	(5,212,922)	—	—	—	(5,212,922)
Total Noncurrent Assets	8,769,184	—	—	—	8,769,184
 Total Assets	 8,812,127	 —	 420,100	 181,686	 9,413,913

	Water and Sewer	Project	Capital Improvement	Debt Service	Totals
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 9,017	—	2,418	—	11,435
Accrued Payroll	1,450	—	—	—	1,450
Due to Intrafunds	23,218	—	—	—	23,218
Accrued Interest Payable	27,609	—	—	—	27,609
Debt Certificates Payable	32,000	—	—	—	32,000
IEPA Loan Payable	369,264	—	—	—	369,264
Total Current Liabilities	462,558	—	2,418	—	464,976
Long-Term Liabilities					
Debt Certificates Payable	65,000	—	—	—	65,000
IEPA Loan Payable	4,847,386	—	—	—	4,847,386
Total Long-Term Liabilities	4,912,386	—	—	—	4,912,386
Total Liabilities	5,374,944	—	2,418	—	5,377,362
NET POSITION					
Net Investment in Capital Assets	3,455,534	—	—	—	3,455,534
Restricted					
Capital Improvements	—	—	417,682	—	417,682
Debt Service	—	—	—	181,686	181,686
Unrestricted (Deficit)	(18,351)	—	—	—	(18,351)
Total Net Position	3,437,183	—	417,682	181,686	4,036,551

VILLAGE OF HINCKLEY, ILLINOIS

Water and Sewer - by Accounts - Enterprise Fund

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended April 30, 2021

	Water and Sewer	Project	Capital Improvement	Debt Service	Totals
Operating Revenues					
Charges for Services	\$ 535,181	—	88,591	422,135	1,045,907
Operating Expenses					
Operations	428,114	—	16,774	—	444,888
Depreciation	303,374	2,587	—	—	305,961
Total Operating Expenses	731,488	2,587	16,774	—	750,849
Operating Income (Loss)	(196,307)	(2,587)	71,817	422,135	295,058
Nonoperating Revenues (Expenses)					
Cell Tower Rental	20,460	—	—	—	20,460
Interest Income	283	—	1,051	241	1,575
Interest Expense	(86,727)	—	—	—	(86,727)
	(65,984)	—	1,051	241	(64,692)
Income (Loss) Before Transfers	(262,291)	(2,587)	72,868	422,376	230,366
Intrafund Transfers	557,336	(110,122)	—	(447,214)	—
Change in Net Position	295,045	(112,709)	72,868	(24,838)	230,366
Net Position - Beginning	3,142,138	112,709	344,814	206,524	3,806,185
Net Position - Ending	3,437,183	—	417,682	181,686	4,036,551

VILLAGE OF HINCKLEY, ILLINOIS

Water and Sewer Account - Water and Sewer Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Budget		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ —	—	535,181
Operating Expenses			
Salaries	87,000	87,000	48,961
Benefits	35,000	35,000	24,727
Contractual Services	395,200	395,200	249,393
Supplies	66,000	66,000	41,980
Dues, Fees, Subscriptions, and Permits	13,000	13,000	(2,684)
Maintenance and Repairs	207,500	207,500	60,434
Equipment	196,000	196,000	5,303
Depreciation	—	—	303,374
Total Operating Expenses	999,700	999,700	731,488
Operating (Loss)	(999,700)	(999,700)	(196,307)
Nonoperating Revenues (Expenses)			
Cell Tower Rental	20,000	20,000	20,460
Interest Income	100	100	283
Interest Expense	—	—	(86,727)
	20,100	20,100	(65,984)
(Loss) Before Transfers	(979,600)	(979,600)	(262,291)
Intrafund Transfers	—	—	557,336
Change in Net Position	(979,600)	(979,600)	295,045
Net Position - Beginning			3,142,138
Net Position - Ending			3,437,183

VILLAGE OF HINCKLEY, ILLINOIS

Project Account - Water and Sewer Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Budget		Actual Amounts
	Original	Final	
Operating Revenues			
Intergovernmental			
Grants and Donations	\$ 675,000	675,000	—
Operating Expenses			
Depreciation	—	—	2,587
(Loss) Before Transfers	675,000	675,000	(2,587)
Intrafund Transfers	—	—	(110,122)
Change in Net Position	<u>675,000</u>	<u>675,000</u>	(112,709)
Net Position - Beginning			<u>112,709</u>
Net Position - Ending			<u>—</u>

VILLAGE OF HINCKLEY, ILLINOIS

Capital Improvement Account - Water and Sewer Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Budget		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ —	—	88,591
Operating Expenses			
Repairs and Maintenance	690,000	690,000	16,774
Operating Income (Loss)	(690,000)	(690,000)	71,817
Nonoperating Revenues			
Interest Income	3,000	3,000	1,051
Change in Net Position	<u>(687,000)</u>	<u>(687,000)</u>	72,868
Net Position - Beginning			<u>344,814</u>
Net Position - Ending			<u>417,682</u>

VILLAGE OF HINCKLEY, ILLINOIS

Debt Service Account - Water and Sewer Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended April 30, 2021

	Budget		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ —	—	422,135
Operating Expenses			
Contractual Services	1,000	1,000	—
Repairs and Maintenance	447,400	447,400	—
Total Operating Expenses	448,400	448,400	—
Operating Income (Loss)	(448,400)	(448,400)	422,135
Nonoperating Revenue			
Interest Income	2,000	2,000	241
Income (Loss) Before Transfers	(446,400)	(446,400)	422,376
Intrafund Transfers	—	—	(447,214)
Change in Net Position	<u>(446,400)</u>	<u>(446,400)</u>	(24,838)
Net Position - Beginning			<u>206,524</u>
Net Position - Ending			<u>181,686</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF HINCKLEY, ILLINOIS

Schedule of Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Last Ten Tax Years

April 30, 2021

See Following Page

VILLAGE OF HINCKLEY, ILLINOIS

Schedule of Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Last Ten Tax Years

April 30, 2021

	2010	2011	2012	2013
Assessed Valuations	\$ 49,447,171	46,729,757	40,680,975	36,027,913
Tax Rates				
General	0.2302	0.2431	0.2938	0.3491
IMRF	0.0788	0.0813	0.0802	0.0690
Police Protection	0.0655	0.0692	0.0996	0.1178
Audit	0.0166	0.0176	0.0214	0.0247
Liability Insurance	0.0288	0.0304	0.0364	0.0420
Social Security	0.0674	0.0712	0.0748	0.0947
School Crossing	0.0107	0.0111	0.0146	0.0167
Workers' Compensation	0.0173	0.0183	0.0216	0.0249
Total Tax Rates	0.5153	0.5422	0.6424	0.7389
Tax Extensions				
General	\$ 113,827	113,600	119,521	125,773
IMRF	38,964	37,991	32,626	24,859
Police Protection	32,388	32,337	40,518	42,441
Audit	8,208	8,224	8,706	8,899
Liability Insurance	14,241	14,206	14,808	15,132
Social Security	33,327	33,272	30,429	34,118
School Crossing	5,291	5,187	5,939	6,017
Workers' Compensation	8,554	8,552	8,787	8,971
Total Tax Extensions	254,800	253,369	261,334	266,210
Tax Collections				
General	\$ 109,790	113,499	119,490	124,894
IMRF	37,930	37,950	32,596	24,691
Police Protection	32,319	32,310	40,498	42,120
Audit	8,196	8,193	8,695	8,815
Liability Insurance	14,209	14,206	14,820	15,011
Social Security	33,258	33,244	30,424	33,892
School Crossing	5,275	5,201	5,930	6,006
Workers' Compensation	8,548	8,548	8,793	8,911
Total Tax Collections	249,525	253,151	261,246	264,340
Percent Collected	97.93%	99.91%	99.97%	99.30%

Data Source: Office of the County Clerk

Note: Rates are per \$1,000 of Assessed Value

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

2014	2015	2016	2017	2018	2019
35,893,706	36,377,753	39,555,807	42,535,566	45,381,388	47,373,881
0.3561	0.3585	0.3353	0.3094	0.2915	0.2786
0.0703	0.0720	0.0758	0.0700	0.0659	0.0633
0.1200	0.1214	0.1100	0.1016	0.0956	0.0908
0.0252	0.0259	0.0245	0.0226	0.0212	0.0203
0.0427	0.0438	0.0249	0.0230	0.0216	0.0207
0.0966	0.0850	0.0733	0.0677	0.0639	0.0612
0.0168	0.0164	0.0171	0.0159	0.0150	0.0144
0.0254	0.0264	0.0333	0.0308	0.0291	0.0272
0.7531	0.7494	0.6942	0.6410	0.6038	0.5765
127,817	130,414	132,631	131,605	132,287	131,984
25,233	26,192	29,983	29,775	29,906	29,988
43,072	44,163	43,511	43,216	43,385	43,015
9,045	9,422	9,691	9,613	9,621	9,617
15,327	15,933	9,849	9,783	9,802	9,806
34,673	30,921	28,994	28,797	28,999	28,993
6,030	5,966	6,764	6,763	6,807	6,822
9,117	9,604	13,172	13,101	13,206	12,905
270,314	272,615	274,595	272,653	274,013	273,130
127,706	130,371	132,649	131,594	132,058	131,287
25,219	26,196	29,979	29,752	29,847	29,839
43,060	44,137	43,516	43,201	43,323	42,768
9,019	9,405	9,677	9,600	9,585	9,551
15,324	15,930	9,866	9,791	9,785	9,749
34,625	30,895	29,014	28,791	28,950	28,845
6,018	5,954	6,773	6,750	6,790	6,766
9,116	9,598	13,154	13,100	13,177	12,834
270,087	272,486	274,628	272,579	273,515	271,639
99.92%	99.95%	100.01%	99.97%	99.82%	99.45%

VILLAGE OF HINCKLEY, ILLINOIS

Schedule of Long-Term Debt Requirements

Installment Contract Payable of 2016

April 30, 2021

Date of Issue	November 11, 2016
Date of Maturity	October 11, 2021
Authorized Issue	\$35,555
Interest Rate	4.95%
Interest Dates	Monthly
Principal Maturity Dates	Monthly
Payable at	Ford Motor Credit Company, LLC

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2022	\$ 3,947	57	4,004

VILLAGE OF HINCKLEY, ILLINOIS

Schedule of Long-Term Debt Requirements

Installment Contract Payable of 2018

April 30, 2021

Date of Issue	August 13, 2018
Date of Maturity	July 15, 2023
Authorized Issue	\$38,049
Interest Rate	6.45%
Interest Dates	Monthly
Principal Maturity Dates	Monthly
Payable at	Ford Motor Credit Company, LLC

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2022	\$ 7,910	965	8,875
2023	8,436	439	8,875
2024	2,196	24	2,220
	<u>18,542</u>	<u>1,428</u>	<u>19,970</u>

VILLAGE OF HINCKLEY, ILLINOIS

**Schedule of Long-Term Debt Requirements
General Obligation (Limited Tax) Debt Certificates of 2016
April 30, 2021**

Date of Issue	September 21, 2016
Date of Maturity	December 1, 2023
Authorized Issue	\$129,000
Interest Rate	3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Atlanta National Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2022	\$ 32,000	2,910	34,910	2021	1,455	2021	1,455
2023	32,000	1,950	33,950	2022	975	2022	975
2024	33,000	990	33,990	2023	495	2023	495
	<u>97,000</u>	<u>5,850</u>	<u>102,850</u>		<u>2,925</u>		<u>2,925</u>

VILLAGE OF HINCKLEY, ILLINOIS

Schedule of Long-Term Debt Requirements

IEPA Loan Payable of 2011 (L17-3036)

April 30, 2021

Date of Issue	June 12, 2011
Date of Maturity	December 20, 2030
Authorized Issue	\$2,863,585
Interest Rate	No Interest
Interest Date	No Interest
Principal Maturity Dates	June 20 and December 20
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2022	\$ 111,363	—	111,363
2023	111,363	—	111,363
2024	111,363	—	111,363
2025	111,363	—	111,363
2026	111,363	—	111,363
2027	111,363	—	111,363
2028	111,363	—	111,363
2029	111,363	—	111,363
2030	111,363	—	111,363
2031	111,362	—	111,362
	<u>1,113,629</u>	<u>—</u>	<u>1,113,629</u>

VILLAGE OF HINCKLEY, ILLINOIS

Schedule of Long-Term Debt Requirements

IEPA Loan Payable of 2013 (L17-1421)

April 30, 2021

Date of Issue	August 1, 2013
Date of Maturity	January 8, 2035
Authorized Issue	\$5,544,470
Interest Rate	1.93%
Interest Dates	July 8 and January 8
Principal Maturity Dates	July 8 and January 8
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2022	\$ 257,901	77,950	335,851
2023	262,903	72,948	335,851
2024	268,001	67,850	335,851
2025	273,199	62,652	335,851
2026	278,497	57,354	335,851
2027	283,898	51,953	335,851
2028	289,403	46,448	335,851
2029	295,016	40,835	335,851
2030	300,737	35,114	335,851
2031	306,569	29,282	335,851
2032	312,515	23,336	335,851
2033	318,575	17,276	335,851
2034	324,754	11,097	335,851
2035	331,053	4,798	335,851
	<u>4,103,021</u>	<u>598,893</u>	<u>4,701,914</u>