

**VILLAGE OF KILDEER, ILLINOIS**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
APRIL 30, 2012**

**VILLAGE OF KILDEER, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**  
**APRIL 30, 2012**

**Prepared by:**  
**Finance Department**

**VILLAGE OF KILDEER, ILLINOIS**

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## **INTRODUCTORY SECTION**

**VILLAGE OF KILDEER, ILLINOIS**

**List of Principal Officials**  
**April 30, 2012**

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**VILLAGE BOARD**

Nandia Black, Village President

William Johnson, Trustee

Lester Sokolowski, Trustee

Keith Kovanda, Trustee

Barbara Stavropoulos, Trustee

Ralph Liberatore, Trustee

Basel Tarabein, Trustee

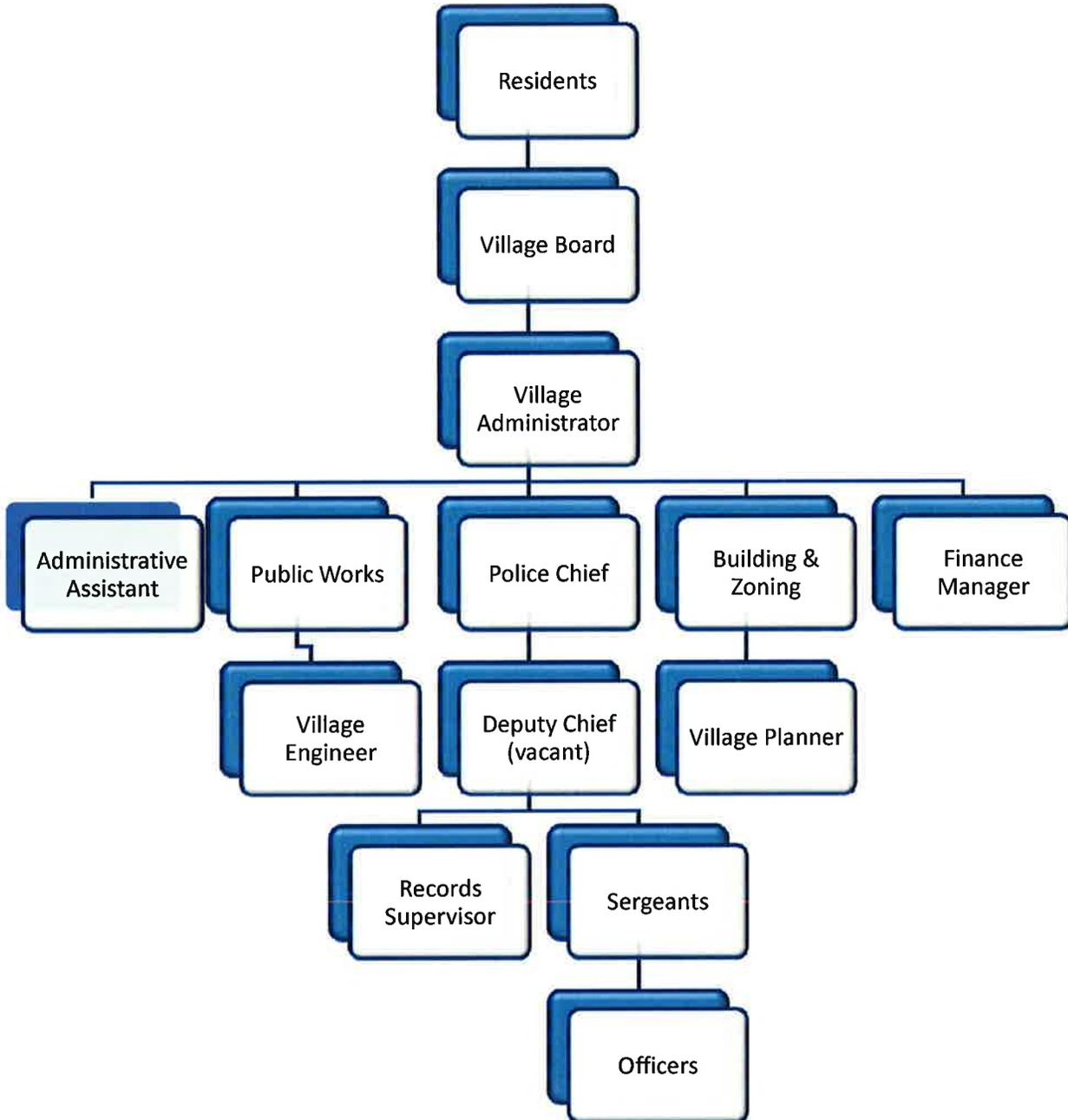
**ADMINISTRATION**

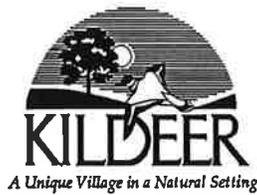
Michael Talbett, Village Administrator

Annette Zborowski, Finance Manager

# Village of Kildeer

## Organizational Chart





## LETTER OF TRANSMITTAL

September 17, 2012

To the Honorable Mayor, Members of the Village Board, and  
Citizens of the Village of Kildeer, Illinois:

The annual report for the Village of Kildeer, Illinois, for the fiscal year ending April 30, 2012 is hereby submitted. The submittal of this report meets the State of Illinois requirement for all general-purpose local governments to publish, within six months of the closing of the fiscal year, a complete set of audited financial statements presented in conformity with generally accepted auditing standards.

Responsibility for the accuracy of the data in this report and completeness of its presentation lies solely with the Village of Kildeer's management. The Village established internal controls that are designed to protect the municipality's assets from loss, theft and misuse and to compile total and reliable information. As the cost of internal control should not exceed its benefits, the controls in place have been designed to provide reasonable, rather than absolute assurance, that the financial statements presented are free from material misstatements. To the best of our knowledge, this financial report is accurate and complete in all material aspects and fairly reflects the Village's financial position and changes in financial position of the various funds of the Village and the Village as a whole.

We are pleased to report that the independent audit firm of Lauterbach & Amen, LLP issued an unqualified opinion on the Village of Kildeer's financial statements for the fiscal year ending April 30, 2012. The opinion from the independent auditor is located at the front of the Financial Section of this report.

Included with the financial statements is a narrative overview and analysis of the financial statements in the form of Management Discussion and Analysis (MD&A). The MD&A compliments this transmittal letter and should be read in conjunction with it. The financial statements include a view at the government-wide level, the fund level, and are supplemented by notes to the financial statements.

### 1. Profile of the Government

The Village of Kildeer was incorporated in 1958 as a non-home rule municipality. The Village is located in Lake County, Illinois, approximately 30 miles northwest of Chicago. Kildeer is an upscale residential community of over 1,200 custom homes on spacious wooded lots. The Village is ranked as one of the top suburbs based on such factors as school quality, services and low crime.

The Village is governed by a Board consisting of a president and six trustees, all of who are elected at-large on a non-partisan basis. Policy-making and legislative authority are vested in the Village Board. The board is responsible, but not limited to, passing ordinances, adopting the budget, appointing committees, and hiring both the Village Administrator and Village Attorney. The Village President is elected to serve a four-year term and Village Trustees serve four-year staggered terms, with three Board members elected every other year. The elected officials collectively work as a unified Board, volunteer their time and resources to advance the interests of the residents and the Village.

The Village Administrator is responsible for administering Board policy and conducting the day-to-day operations of the Village, which include a wide range of services and departments. Those services include administrative, financial, police protection, public works, planning and zoning, economic development, code enforcement, and cultural/community events. The Administrator is also charged with review of the annual budget as prepared by the Village's Finance Manager.

The Village adopts a budget annually in April, but by ordinance no later than May of each year. The budget serves as the foundation for the Village's financial planning and control. The budget is prepared by the Finance Manager and submitted to the Administrator for review. Following an administrative review and adjustments, the budget is presented to the Village Board. The Village Board holds public hearings and may add to, subtract from or change budgeted amounts.

## 2. Local Economy and Finances

The Village's largest revenue sources are sales taxes and property taxes. The nationwide economic recession negatively impacted sales tax amounts for the past several years, but by April 2012 sales tax receipts were rebounding. Village management aggressively monitored operating expenditures to stay within budgeted amounts and this process of self regulation insured that sufficient cash flow was maintained throughout the fiscal year.

## 3. Long-term Financial Planning

Managing the 2012 budget involved critically examining each line item searching for opportunities for cost savings, improved efficiencies and ways to increase revenue through non-property tax initiatives. The Village Board's goals were to increase fund balances and build the reserves to promote financial health. The fiscal year ending in April 2012 resulted in substantial progress towards both goals.

In March 2012 Kildeer voters approved a 1/2 of 1% increase in the sales tax collected in the Village. In fiscal year 2012-13 Kildeer will start receiving 1.5% of the 7.5% sales tax on retail sales collected by the State of Illinois. Sales tax revenue is expected to increase in the fiscal year 2012-13 by approximately \$345,000 to a new total of \$1,500,000. The additional revenue will be programmed for road and infrastructure improvements.

The second largest source of the Village's revenue is property tax which is a function of assessed value and rate. The Equalized Assessed Value (EAV) is the value of all taxable real estate in Kildeer. The EAV is negatively affected when appraised market values decrease. As EAV declined, the Lake County Assessor automatically adjusted the tax rate upward to maintain a relatively even stream of revenue for the Village. The amount of the rate increase in any year is limited, however, by a tax cap. The tax cap is determined by the lower of either 5% or the Consumer Price Index (CPI). At the close of fiscal year 2012, the CPI was 1.5%.

In November 2011 the Village of Deer Park terminated the Police Services Agreement with the Village of Kildeer. What followed was the extraordinary but necessary step of laying off Kildeer police employees to cut expenses in response to the drop in revenue from Deer Park. The police force was resized just to fit the needs of the Village of Kildeer.

The 2012 Budget for the Village of Kildeer contained conservative assumptions and projections. Fiscal discipline exercised by management during the year lead to revenue exceeding expenses which created a net increase in assets and growth in the Village's General Fund. In all, the Village's finances as reflected in the Comprehensive Annual Financial Report are stable and sound.

#### 4. Other Information

Awards: The April 30, 2012 fiscal year marks the first time that the Village is applying for the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for a certificate.

Respectfully submitted,



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Michael S. Talbett  
Village Administrator



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Annette J. Zborowski  
Village Finance Manager

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

# **INDEPENDENT AUDITORS' REPORT**

**INDEPENDENT AUDITORS' REPORT**

September 17, 2012

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

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 Kildeer, Illinois as of and for the year ended April 30, 2012, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Village of Kildeer, Illinois' management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Kildeer, Illinois as of April 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information 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.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of Kildeer, Illinois' financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## VILLAGE OF KILDEER, ILLINOIS

### Management's Discussion and Analysis April 30, 2012

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Our discussion and analysis of the Village of Kildeer's financial performance provides an overview of the Village of Kildeer's financial activities for the fiscal year ended April 30, 2012. Please read it in conjunction with the transmittal letter, which begins on page iii and the Village of Kildeer's financial statements, which begin on page 3.

#### FINANCIAL HIGHLIGHTS

- The Village of Kildeer's overall net assets increased as a result of this year's operations. While net assets of business-type activities increased by \$802,211, or 11.5 percent, net assets of the governmental activities decreased by \$71,305, or less than one percent.
- During the year, government-wide revenue totaled \$5,863,689, while expenses totaled \$5,132,783, resulting in an increase to net assets of \$730,906.
- The Village of Kildeer's net assets totaled \$34,390,241 on April 30, 2012, which includes \$30,001,107 invested in capital assets, net of related debt, \$253,958 subject to external restrictions, and \$4,135,176 unrestricted net assets that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$353,568, resulting in ending fund balance of \$2,066,220, an increase of 20.6 percent.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 3 - 6) provide information about the activities of the Village of Kildeer as a whole and present a longer-term view of the Village of Kildeer's finances. Fund financial statements begin on page 7. 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 of Kildeer's operations in more detail than the government-wide statements by providing information about the Village of Kildeer's most significant funds. The remaining statements provide financial information about activities for which the Village of Kildeer acts solely as a trustee or agent for the benefit of those outside of the government.

# VILLAGE OF KILDEER, ILLINOIS

## Management's Discussion and Analysis April 30, 2012

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### USING THIS ANNUAL REPORT – Continued

#### **Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the Village of Kildeer's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3 - 6 of this report.

The Statement of Net Assets reports information on all of the Village of Kildeer's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village of Kildeer is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village of Kildeer's property tax base and the condition of the Village of Kildeer's infrastructure, is needed to assess the overall health of the Village of Kildeer.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 of Kildeer 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 Kildeer include general government, public safety, and public works. The business-type activities of the Village of Kildeer include sewer services.

#### **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 Kildeer, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Kildeer can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

# VILLAGE OF KILDEER, ILLINOIS

## Management's Discussion and Analysis April 30, 2012

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### USING THIS ANNUAL REPORT – Continued

#### Fund Financial Statements – Continued

##### 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 Kildeer'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.

The Village of Kildeer 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, Motor Fuel Tax Fund, and Capital Projects Fund, which are considered major funds.

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

The basic governmental fund financial statements can be found on pages 7 - 10 of this report.

##### Proprietary Funds

The Village of Kildeer maintains one proprietary fund type which is an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Kildeer utilizes an enterprise fund to account for its sewer.

# **VILLAGE OF KILDEER, ILLINOIS**

## **Management's Discussion and Analysis April 30, 2012**

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### **USING THIS ANNUAL REPORT – Continued**

#### **Fund Financial Statements – Continued**

#### **Proprietary Funds – Continued**

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 separate information for the Sewer Fund, which is considered to be a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 11 - 13 of this report.

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Kildeer's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 14 - 15 of this report.

#### **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. The notes to the financial statements can be found on pages 16 - 45 of this report.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the Village of Kildeer's I.M.R.F. and police employee pension obligations, and budgetary schedules for the General Fund and the Motor Fuel Tax Fund. Required supplementary information can be found on pages 46 - 49 of this report. Additional budgetary comparison schedules can be found on pages 50 - 58 of this report.

## VILLAGE OF KILDEER, ILLINOIS

### Management's Discussion and Analysis April 30, 2012

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets 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 Kildeer, assets exceeded liabilities by \$34,390,241.

	Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 4,608,359	3,950,352	963,203	1,378,821	5,571,562	5,329,173
Capital Assets	25,065,008	25,677,182	7,029,635	5,871,644	32,094,643	31,548,826
Total Assets	29,673,367	29,627,534	7,992,838	7,250,465	37,666,205	36,877,999
Long-Term Debt	1,878,528	1,965,969	152,016	255,513	2,030,544	2,221,482
Other Liabilities	1,173,725	969,146	71,695	28,036	1,245,420	997,182
Total Liabilities	3,052,253	2,935,115	223,711	283,549	3,275,964	3,218,664
Net Assets						
Invested in Capital Assets, Net of Related Debt	23,123,488	24,251,008	6,877,619	5,606,722	30,001,107	29,857,730
Restricted	253,958	806,981	-	37,990	253,958	844,971
Unrestricted (Deficit)	3,243,668	1,634,430	891,508	1,322,204	4,135,176	2,956,634
Total Net Assets	26,621,114	26,692,419	7,769,127	6,966,916	34,390,241	33,659,335

A large portion of the Village of Kildeer's net assets, \$30,001,107 or 87.2 percent, reflects its investment in capital assets (for example, land, buildings, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village of Kildeer uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Kildeer'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, \$253,958 or 0.7 percent, of the Village of Kildeer's net assets represents resources that are subject to external restrictions on how they may be used. The remaining 12.1 percent, or \$4,135,176, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis  
April 30, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS -- Continued

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 1,401,353	2,053,047	825,071	674,289	2,226,424	2,727,336
Operating Grants/Contrib.	195,713	10,868	10,000	-	205,713	10,868
Capital Grants/Contrib.	222,023	108,640	663,125	-	885,148	108,640
<b>General Revenues</b>						
Property Taxes	693,026	673,436	-	-	693,026	673,436
Telecommunication Taxes	125,600	-	-	-	125,600	-
Income Taxes	325,202	325,745	-	-	325,202	325,745
Sales Taxes	1,219,870	1,121,376	-	-	1,219,870	1,121,376
Local Use	57,890	61,509	-	-	57,890	61,509
Personal Property Taxes	1,259	1,330	-	-	1,259	1,330
Interst Income	4,611	-	6,128	-	10,739	-
Other General Revenues	112,818	299,214	-	7,752	112,818	306,966
<b>Total Revenues</b>	<b>4,359,365</b>	<b>4,655,165</b>	<b>1,504,324</b>	<b>682,041</b>	<b>5,863,689</b>	<b>5,337,206</b>
<b>Expenses</b>						
General Government	1,662,288	705,714	-	-	1,662,288	705,714
Public Safety	2,415,917	2,918,201	-	-	2,415,917	2,918,201
Public Works	254,531	1,259,178	-	-	254,531	1,259,178
Interest on Long-Term Debt	97,934	98,094	-	-	97,934	98,094
Sewer	-	-	702,113	616,480	702,113	616,480
<b>Total Expenses</b>	<b>4,430,670</b>	<b>4,981,187</b>	<b>702,113</b>	<b>616,480</b>	<b>5,132,783</b>	<b>5,597,667</b>
<b>Change in Net Assets Before Transfers</b>	<b>(71,305)</b>	<b>(326,022)</b>	<b>802,211</b>	<b>65,561</b>	<b>730,906</b>	<b>(260,461)</b>
<b>Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>(71,305)</b>	<b>(326,022)</b>	<b>802,211</b>	<b>65,561</b>	<b>730,906</b>	<b>(260,461)</b>
<b>Net Assets-Beginning</b>	<b>26,692,419</b>	<b>27,018,441</b>	<b>6,966,916</b>	<b>6,901,355</b>	<b>33,659,335</b>	<b>33,919,796</b>
<b>Net Assets-Ending</b>	<b>26,621,114</b>	<b>26,692,419</b>	<b>7,769,127</b>	<b>6,966,916</b>	<b>34,390,241</b>	<b>33,659,335</b>

# VILLAGE OF KILDEER, ILLINOIS

## Management's Discussion and Analysis April 30, 2012

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

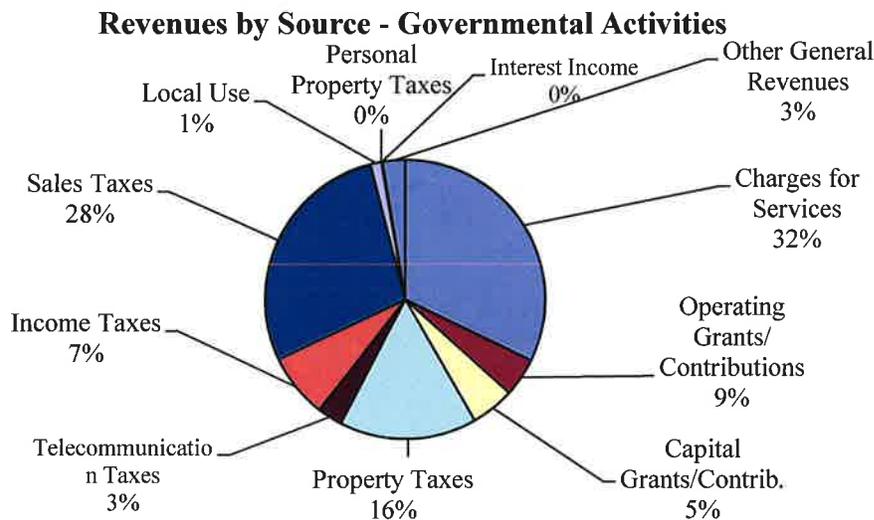
Net assets of the Village of Kildeer's governmental activities decreased by less than one percent (\$26,621,114 in 2012 compared to \$26,692,419 in 2011). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints, totaled \$3,243,668 at April 30, 2012.

Net assets of business-type activities increased by 11.5 percent (\$7,769,127 in 2012 compared to \$6,966,916 in 2011).

#### Governmental Activities

Revenues for governmental activities totaled \$4,359,365, while the cost of all governmental functions totaled \$4,430,670. This results in a deficit of \$71,305. In 2011, expenses of \$4,981,187 exceeded revenues of \$4,655,165, resulting in a deficit of \$326,022. The Village diligently controlled costs during the year and was able to reduce expenses by \$571,168 contribution to the decrease in the net loss for 2012 compared to 2011. Major revenue sources for the Village (property tax, sales tax and income tax) remained virtually unchanged from 2011.

The following table graphically depicts the major revenue sources of the Village of Kildeer. It depicts very clearly the reliance of sales taxes, property taxes, and income taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from telecommunication taxes.



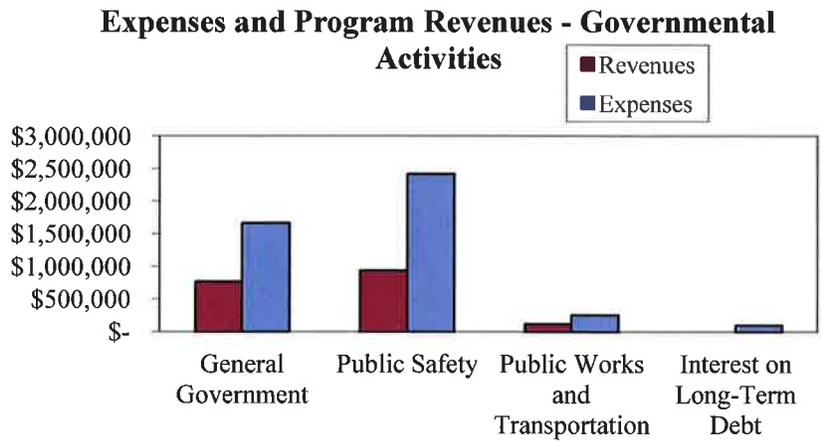
VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis  
April 30, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

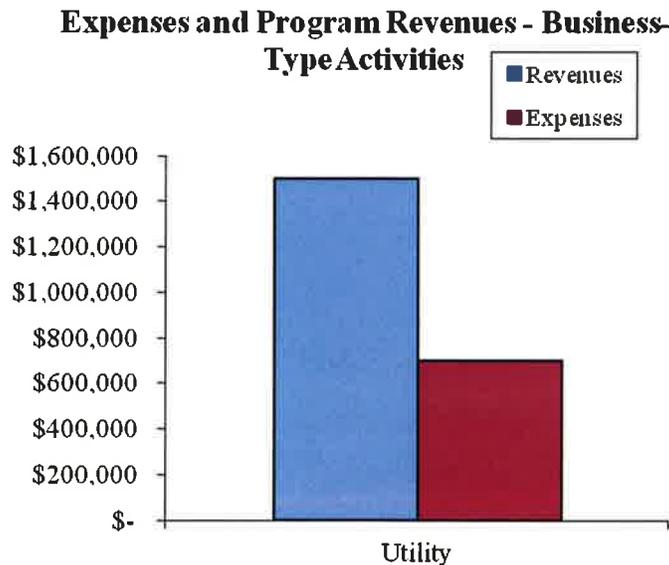
Governmental Activities – Continued

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



Business-Type activities

Business-Type activities posted total revenues of \$1,504,324 while the cost of all business-type activities totaled \$702,113. This results in a surplus of \$802,211. In 2011, revenues of \$682,041 exceeded expenses of \$616,480, resulting in a surplus of \$65,561. The surplus in the current year is due to an increase in utility customers, resulting in an increase in charges for utility services, as well as capital contributions of \$663,125.



The above graph compares program revenues to expenses for utility operations.

# VILLAGE OF KILDEER, ILLINOIS

## Management's Discussion and Analysis April 30, 2012

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

#### Governmental Funds

The focus of the Village of Kildeer's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved 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 Kildeer's governmental funds reported combining ending fund balances of \$3,425,411, which is \$434,103, or 14.5 percent, higher than last year's total of \$2,991,308. Of the \$3,425,411 total, \$1,769,695, or approximately 51.7 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$353,568, an increase of 20.6 percent. This was due in large part to revenues for taxes, licenses and permits, and intergovernmental items being significantly higher than budgeted. Specifically, the budgeted amount for these three revenue sources totaled \$2,340,200 and the actual amount totaled \$2,820,237. Furthermore, expenditures for all functions in the General Fund were significantly under budget. Budgeted expenditures totaled \$4,207,525 while actual expenditures totaled \$3,703,239. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The General Fund is the chief operating fund of the Village. At April 30, 2012, unassigned fund balance in the General Fund was \$1,769,695, which represents 85.6 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 approximately 47.8 percent of total General Fund expenditures.

The Motor Fuel Tax Fund reported an increase to fund balance of \$117,051 due to no expenditures during the year. Restricted fund balance of \$253,958 will be used to fund future qualifying projects.

The Capital Projects Fund reported a decrease to fund balance of \$36,516 due to planned capital outlay.

## VILLAGE OF KILDEER, ILLINOIS

### Management's Discussion and Analysis April 30, 2012

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#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

##### Proprietary Funds

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

The Village reports the Sewer Fund as a major proprietary fund. The Sewer Fund accounts for all of the operations of the municipal sewer system. Sewage is treated by the Lake County Department of Public Works. The spread between purchase and sale rates is intended to finance the operations of the utility system, including labor costs, supplies, and infrastructure maintenance.

The Village of Kildeer intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The surplus in the Sewer Fund during the current fiscal year was \$802,211, while the previous fiscal year reported a surplus of \$65,561. As previously stated, the Village reported an increase in user charges and also received \$663,125 in capital contributions during the year. Unrestricted net assets in the Sewer Fund totaled \$891,508 at April 30, 2012.

##### GENERAL FUND BUDGETARY HIGHLIGHTS

The Village of Kildeer Board made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$4,019,016, compared to budgeted revenues of \$4,110,525. As stated earlier, revenues for taxes, licenses and permits, and intergovernmental items were significantly higher than budgeted, while revenue for charges for services (contract services) were under budget.

The General Fund actual expenditures for the year were \$504,286 lower than budgeted expenditures of \$4,207,525. The public safety and public works and transportation functions' actual expenditures were lower than budgeted expenditures by \$429,789, and \$36,130, respectively. As previously stated, the Village worked diligently during the year to control expenditures.

# VILLAGE OF KILDEER, ILLINOIS

## Management's Discussion and Analysis April 30, 2012

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### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The Village of Kildeer's investment in capital assets for its governmental and business type activities as of April 30, 2012 was \$32,094,643 (net of accumulated depreciation). This investment in capital assets includes land, buildings equipment, vehicles, infrastructure, sanitary sewers, and lift stations.

	Capital Assets - Net of Accumulated Depreciation					
	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Land	\$ 13,293,342	13,293,342	-	-	13,293,342	13,293,342
Construction in Progress	206,515	-	54,965	-	261,480	-
Buildings	1,890,180	1,938,646	-	-	1,890,180	1,938,646
Equipment	63,452	44,422	-	-	63,452	44,422
Vehicles	14,129	41,118	-	-	14,129	41,118
Infrastructure	9,597,390	10,359,654	-	-	9,597,390	10,359,654
Sanitary Sewers	-	-	6,428,529	5,445,479	6,428,529	5,445,479
Lift Stations	-	-	546,141	426,165	546,141	426,165
Total	25,065,008	25,677,182	7,029,635	5,871,644	32,094,643	31,548,826

This year's major additions included:

General government equipment	\$ 43,174
Construction in Progress	261,480
Roadways	66,200
Sanitary Sewers	1,073,021
Lift Station	132,500
	<u>1,576,375</u>

Additional information on the Village of Kildeer's capital assets can be found in note 3 on pages 29 -30 of this report.

# VILLAGE OF KILDEER, ILLINOIS

## Management's Discussion and Analysis

April 30, 2012

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### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

#### Debt Administration

At year-end, the Village of Kildeer had total outstanding debt of \$2,107,016, as compared to \$2,316,164, the previous year, a decrease of 9 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 1,955,000	2,025,000	152,016	152,016	2,107,016	2,177,016
Capital Leases	-	26,242	-	-	-	26,242
Notes Payable	-	-	-	112,906	-	112,906
<b>Total</b>	<b>1,955,000</b>	<b>2,051,242</b>	<b>152,016</b>	<b>264,922</b>	<b>2,107,016</b>	<b>2,316,164</b>

The Village of Kildeer maintains an Aa3 rating from Moody's for general obligation debt. This rating has not changed since it was first obtained in October 2010. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village of Kildeer is \$26,144,059. Current debt outstanding of \$2,107,016 represents 8.06% of the legal debt limit.

Additional information on the Village of Kildeer's long-term debt can be found in Note 3 on pages 32 - 35 of this report.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village of Kildeer's officials considered many factors when setting the fiscal year 2012-13 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors was the economy. Unemployment rates in Lake County continued to be lower than state and national averages, and in the fiscal year 2012-13 sales tax revenues rebounded to pre-2009 levels. In March 2012 residents approved a referendum that will add ½ of one percent to the amount of sales tax the Village receives. The additional revenue from the sales tax increase is targeted for needed road improvements.

Revenues from property taxes are expected to slightly increase due to the addition of several new homes and renovations that took place. Owners of the Kildeer Marketplace Shopping Center are expected to receive an occupancy permit in 2013 but the value of the improved commercial real estate will not be realized in property tax receipts until June of 2014.

## **VILLAGE OF KILDEER, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2012**

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#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – Continued**

Other factors that impacted the 2012-13 fiscal year were changes to the law enforcement portion of the budget. Until November of 2011 the Village of Kildeer provided police services on a contract basis to Deer Park, a village of 4,000 people. In 2012 the number of police officers decreased to offset the revenue no longer being received from Deer Park. Resizing the police department to fit the needs of just Kildeer, a village of only 3,900 residents, reduced law enforcement expenses and future pension obligations resulting in a more sustainable operation.

Taking into account the economic factors, the amounts available for appropriation in the fiscal year 2012-13 General Fund budget were \$3.3 million, a decline of 21 percent from the final 2011-12 budget of \$4.2 million which included revenues from the police services contract with Deer Park. The Village anticipates an increase in public works expenditures to correspond with the increase in sales tax receipts due to the increase approved in the March 2012 referenda.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village of Kildeer'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 Village Administrator, Village of Kildeer, 21911 Quentin Road, Kildeer, IL 60047.

## **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 Fund
  - Fiduciary 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 KILDEER, ILLINOIS**

**Statement of Net Assets  
April 30, 2012**

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**See Following Page**

VILLAGE OF KILDEER, ILLINOIS

Statement of Net Assets  
April 30, 2012

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 3,829,462	129,229	3,958,691
Receivables - Net			
Taxes	1,166,015	-	1,166,015
Accounts	236,364	141	236,505
Due from Other Funds	(761,498)	761,498	-
Due from Other Governments	-	72,335	72,335
Prepays	36,352	-	36,352
Total Current Assets	<u>4,506,695</u>	<u>963,203</u>	<u>5,469,898</u>
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Nondepreciable	13,499,857	54,965	13,554,822
Depreciable	23,216,647	8,442,120	31,658,767
Accumulated Depreciation	(11,651,496)	(1,467,450)	(13,118,946)
	<u>25,065,008</u>	<u>7,029,635</u>	<u>32,094,643</u>
<b>Other Assets</b>			
Net Pension Asset	60,815	-	60,815
Unamortized Bond Issue Costs	40,849	-	40,849
	<u>101,664</u>	<u>-</u>	<u>101,664</u>
Total Noncurrent Assets	<u>25,166,672</u>	<u>7,029,635</u>	<u>32,196,307</u>
Total Assets	<u>29,673,367</u>	<u>7,992,838</u>	<u>37,666,205</u>

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

	Governmental Activities	Business- Type Activities	Total
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 348,575	65,500	414,075
Accrued Payroll	12,603	-	12,603
Accrued Interest Payable	22,127	6,195	28,322
Due to Other Governments	7,775	-	7,775
Unearned/Deferred Revenues	712,331	-	712,331
Current Portion of Long-Term Debt	70,314	-	70,314
Total Current Liabilities	<u>1,173,725</u>	<u>71,695</u>	<u>1,245,420</u>
Noncurrent Liabilities			
Compensated Absences Payable	4,254	-	4,254
Net Pension Obligation Payable	2,005	-	2,005
General Obligation Bonds Payable - Net	1,872,269	152,016	2,024,285
Total Noncurrent Liabilities	<u>1,878,528</u>	<u>152,016</u>	<u>2,030,544</u>
Total Liabilities	<u>3,052,253</u>	<u>223,711</u>	<u>3,275,964</u>
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	23,123,488	6,877,619	30,001,107
Restricted - Public Works and Transportation	253,958	-	253,958
Unrestricted	3,243,668	891,508	4,135,176
Total Net Assets	<u>26,621,114</u>	<u>7,769,127</u>	<u>34,390,241</u>

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

VILLAGE OF KILDEER, ILLINOIS

Statement of Activities  
April 30, 2012

	Expenses	Program Revenues		
		Program Revenues	Operating Grants/Contributions	Capital Grants/Contributions
Governmental Activities				
General Government	\$ 1,662,288	481,452	60,000	222,023
Public Safety	2,415,917	919,901	18,787	-
Public Works and Transportation	254,531	-	116,926	-
Interest on Long-Term Debt	97,934	-	-	-
Total Governmental Activities	4,430,670	1,401,353	195,713	222,023
Business-Type Activities				
Sewer	702,113	825,071	10,000	663,125
	5,132,783	2,226,424	205,713	885,148

General Revenues

Taxes

Property Taxes

Telecommunication Taxes

Other Taxes

Intergovernmental - Unrestricted

Income Taxes

Sales Taxes

Local Use

Personal Property Taxes

Interest Income

Miscellaneous

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Net Expense/Revenue		
Governmental Activities	Business Type Activities	Total
(898,813)	-	(898,813)
(1,477,229)	-	(1,477,229)
(137,605)	-	(137,605)
(97,934)	-	(97,934)
(2,611,581)	-	(2,611,581)
-	796,083	796,083
(2,611,581)	796,083	(1,815,498)
693,026	-	693,026
125,600	-	125,600
3,211	-	3,211
325,202	-	325,202
1,219,870	-	1,219,870
57,890	-	57,890
1,259	-	1,259
4,611	6,128	10,739
109,607	-	109,607
2,540,276	6,128	2,546,404
(71,305)	802,211	730,906
26,692,419	6,966,916	33,659,335
26,621,114	7,769,127	34,390,241

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

**VILLAGE OF KILDEER, ILLINOIS**

**Balance Sheet - Governmental Funds  
April 30, 2012**

	General	Special Revenue Motor Fuel Tax	Capital Projects	Total
<b>ASSETS</b>				
Cash and Investments	\$ 2,477,974	246,255	1,105,233	3,829,462
Receivables - Net of Allowances				
Taxes	1,158,312	7,703	-	1,166,015
Accounts	45,401	-	190,963	236,364
Prepays	36,352	-	-	36,352
<b>Total Assets</b>	<b>3,718,039</b>	<b>253,958</b>	<b>1,296,196</b>	<b>5,268,193</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	126,076	-	170,196	296,272
Accrued Payroll	12,603	-	-	12,603
Due to Other Funds	793,034	-	20,767	813,801
Due to Other Governments	7,775	-	-	7,775
Unearned/Deferred Revenues	712,331	-	-	712,331
<b>Total Liabilities</b>	<b>1,651,819</b>	<b>-</b>	<b>190,963</b>	<b>1,842,782</b>
Fund Balances				
Nonspendable	36,352	-	-	36,352
Restricted	-	253,958	-	253,958
Committed	260,173	-	-	260,173
Assigned	-	-	1,105,233	1,105,233
Unassigned	1,769,695	-	-	1,769,695
<b>Total Fund Balances</b>	<b>2,066,220</b>	<b>253,958</b>	<b>1,105,233</b>	<b>3,425,411</b>
<b>Total Liabilities and Fund Balances</b>	<b>3,718,039</b>	<b>253,958</b>	<b>1,296,196</b>	<b>5,268,193</b>

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

**VILLAGE OF KILDEER, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to  
Net Assets of Governmental Activities**

**April 30, 2012**

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<b>Total Governmental Fund Balances</b>	<b>\$ 3,425,411</b>
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	25,065,008
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	60,815
Unamortized bond issuance costs are not considered to represent a financial resource and therefore, are not reported in the funds.	40,849
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(5,317)
Net Pension Obligation	(2,005)
Accrued Interest Payable	(22,127)
General Obligation Bonds Payable	<u>(1,941,520)</u>
<b>Net Assets of Governmental Activities</b>	<b><u>26,621,114</u></b>

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

**VILLAGE OF KILDEER, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
Year Ended April 30, 2012**

	General	Special Revenue Motor Fuel Tax	Capital Projects	Total
<b>Revenues</b>				
Taxes	\$ 2,099,597	-	-	2,099,597
Intergovernmental	405,248	116,926	222,023	744,197
Charges for Services	866,060	-	-	866,060
Licenses and Permits	315,392	-	-	315,392
Fines and Forfeits	219,901	-	-	219,901
Interest	3,211	125	1,275	4,611
Miscellaneous	109,607	-	-	109,607
<b>Total Revenues</b>	<b>4,019,016</b>	<b>117,051</b>	<b>223,298</b>	<b>4,359,365</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	760,017	-	-	760,017
Public Safety	2,457,717	-	-	2,457,717
Public Works and Transportation	263,870	-	-	263,870
Capital Outlay	37,791	-	222,023	259,814
<b>Debt Service</b>				
Principal Retirement	96,242	-	-	96,242
Interest and Fiscal Charges	87,602	-	-	87,602
<b>Total Expenditures</b>	<b>3,703,239</b>	<b>-</b>	<b>222,023</b>	<b>3,925,262</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>315,777</b>	<b>117,051</b>	<b>1,275</b>	<b>434,103</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	37,791	-	-	37,791
Transfers Out	-	-	(37,791)	(37,791)
	<b>37,791</b>	<b>-</b>	<b>(37,791)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>353,568</b>	<b>117,051</b>	<b>(36,516)</b>	<b>434,103</b>
<b>Fund Balances - Beginning</b>	<b>1,712,652</b>	<b>136,907</b>	<b>1,141,749</b>	<b>2,991,308</b>
<b>Fund Balances - Ending</b>	<b>2,066,220</b>	<b>253,958</b>	<b>1,105,233</b>	<b>3,425,411</b>

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

VILLAGE OF KILDEER, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities

Year Ended April 30, 2012

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Net Change in Fund Balances - Total Governmental Funds \$ 434,103

Amounts reported for governmental activities in the Statement of Activities  
are different because:

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.

Capital Outlays	315,889
Depreciation Expense	(927,080)
Disposals - Net of Accumulated Depreciation	(983)

An increase in a net pension asset is not considered to be an increase in a  
financial asset in the governmental funds. 17,058

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.

Decrease in Compensated Absences Payable	3,693
Decrease in Net Pension Obligation	105
Retirement of General Obligation Bonds Payable	70,000
Retirement of Capital Lease	26,242
Amortization of Discount on Debt Issuance	(749)
Amortization of Debt Issuance Costs	(2,269)

Changes to accrued interest on long-term debt in the Statement of Activities  
does not require the use of current financial resources and therefore, are not  
reported as expenditures in the governmental funds.

(7,314)

**Changes in Net Assets of Governmental Activities**

(71,305)

VILLAGE OF KILDEER, ILLINOIS

Statement of Net Assets - Proprietary Fund (Business-Type Activities) - Sewer Fund  
April 30, 2012

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<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 129,229
Receivables - Net of Allowances	
Accounts	141
Due from Other Funds	761,498
Due from Other Governments	72,335
Total Current Assets	<u>963,203</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	54,965
Depreciable	8,442,120
Accumulated Depreciation	<u>(1,467,450)</u>
Total Noncurrent Assets	<u>7,029,635</u>
Total Assets	<u>7,992,838</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	65,500
Accrued Interest Payable	6,195
Total Current Liabilities	<u>71,695</u>
Noncurrent Liabilities	
Supplemental Act Assessment Bonds Payable	<u>152,016</u>
Total Liabilities	<u>223,711</u>
<b>NET ASSETS</b>	
Invested in Capital Assets - Net of Related Debt	6,877,619
Unrestricted	<u>891,508</u>
Total Net Assets	<u><u>7,769,127</u></u>

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

**VILLAGE OF KILDEER, ILLINOIS**

**Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund  
(Business-Type Activities) - Sewer Fund**

**Year Ended April 30, 2012**

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Operating Revenues	
Charges for Services	<u>\$ 825,071</u>
Operating Expenses	
Operations	588,475
Depreciation	<u>102,495</u>
Total Operating Expenses	<u>690,970</u>
Operating Income	<u>134,101</u>
Nonoperating Revenues (Expenses)	
Grants and Donations	10,000
Interest Income	6,128
Interest and Fiscal Charges	<u>(11,143)</u>
	<u>4,985</u>
Income Before Contributions	139,086
Capital Contributions	<u>663,125</u>
Change in Net Assets	802,211
Net Assets - Beginning	<u>6,966,916</u>
Net Assets - Ending	<u><u>7,769,127</u></u>

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

VILLAGE OF KILDEER, ILLINOIS

Statement of Cash Flows - Proprietary Fund (Business-Type Activities) - Sewer Fund  
Year Ended April 30, 2012

Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 848,951
Payments to Employees	-
Payments to Suppliers	<u>(535,407)</u>
	<u>313,544</u>
Cash Flows from Noncapital Financing Activities	
Interfund Activity	<u>(761,498)</u>
Cash Flows from Capital and Related Financing activities	
Purchase of Capital Assets	(597,361)
Principal on Capital Debt	(112,906)
Interest on Capital Debt	(11,143)
	<u>(721,410)</u>
Cash Flows from Investing Activities	
Interest Received	<u>6,128</u>
Net Change in Cash and Cash Equivalents	(1,163,236)
Cash and Cash Equivalents - Beginning	<u>1,292,465</u>
Cash and Cash Equivalents - Ending	<u><u>129,229</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>134,101</u>
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	102,495
Other Income	10,000
(Increase) Decrease in Current Assets	13,880
Increase (Decrease) in Current Liabilities	<u>53,068</u>
Net Cash Provided by Operating Activities	<u><u>313,544</u></u>
Non-Cash Activities - Capital Contributions	<u><u>663,125</u></u>

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

## VILLAGE OF KILDEER, ILLINOIS

### Statement of Fiduciary Net Assets - Fiduciary Funds April 30, 2012

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 207,595	748,961
Investments		
U.S. Government and Agency Securities	471,223	-
Corporate Bonds	1,500,942	-
Mutual Funds	938,379	-
Receivables - Net of Allowances		
Accrued Interest	26,086	-
Due from Other Funds	-	52,303
Due from Other Governments	-	300,000
Miscellaneous Receivables	1,271	-
Prepays	18,671	-
Total Assets	3,164,167	1,101,264
<b>LIABILITIES</b>		
Accounts Payable	883	-
Unearned/Deferred Revenues	-	300,000
Due to Developers	-	52,303
Due to Bondholders	-	748,961
Total Liabilities	883	1,101,264
<b>NET ASSETS</b>		
Held in Trust for Pension Benefits	3,163,284	-

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

VILLAGE OF KILDEER, ILLINOIS

Statement of Changes in Fiduciary Net Assets - Pension Trust Fund  
Year Ended April 30, 2012

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	<u>Police Pension</u>
Additions	
Contributions - Employer	\$ 348,500
Contributions - Plan Members	108,232
Total Contributions	<u>456,732</u>
Investment Income	
Interest Earned	97,408
Net Change in Fair Value	<u>(35,591)</u>
	61,817
Less Investment Expenses	<u>(14,514)</u>
Net Investment Income	<u>47,303</u>
Total Additions	<u>504,035</u>
Deductions	
Administration	47,404
Benefits and Refunds	<u>201,701</u>
Total Deductions	<u>249,105</u>
Change in Net Assets	254,930
Net Assets - Beginning	<u>2,908,354</u>
Net Assets - Ending	<u><u>3,163,284</u></u>

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

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2012

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Kildeer, Illinois, was incorporated in 1958. The Village is non home-rule municipality, under the 1970 Illinois Constitution, located in Lake County, Illinois. The Village operates under a President-Trustee form of government and provides the following services as authorized by its charter: public safety (police), streets, sanitation (sewer), public improvements, planning and zoning and general administrative services.

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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

#### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Kildeer
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," 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. 39, there are no component units included in the reporting entity.

#### Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### 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 police, street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's sewer services are classified as business-type activities.

In the government-wide Statement of Net Assets, 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 and receivables as well as long-term debt and obligations. The Village's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. 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, public works, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.).

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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 or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

The Village allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid through the General Fund.

This government-wide focus concentrates on the sustainability of the Village as an entity and the change in the Village's net assets resulting from the current year's activities.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2012

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### 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 comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets, liabilities, 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, liabilities, 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 is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2012

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Governmental Funds – Continued

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one major fund, the Motor Fuel Tax Fund. The Motor Fuel Tax Fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village reports the Capital Projects Fund as a major fund.

##### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, 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 fund 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 Village maintains one major enterprise fund, the Sewer Fund, which is used to account for the provision of sewer service.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

**Pension trust funds** are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan.

**Agency funds** are used to account for assets held by the Village in a purely custodial capacity. The Escrow Fund is used to account for completion bonds and professional escrow accounts. The Special Service Area Fund is used to account for collection of property taxes within special service areas and payments of related special service area debt.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

#### 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 Assets and the Statement of Activities, both governmental and business-like 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 and liabilities 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 KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### Measurement Focus – Continued

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

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

##### Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like 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 is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities 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, franchise taxes, licenses, 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, pension trust and agency 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.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### Basis of Accounting – Continued

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 and internal service 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.

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

##### Cash and Investments

Cash and cash equivalents on the Statement of Net Assets are considered to be cash on hand, demand deposits, 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 reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### 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, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

##### Prepays

Prepays are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. 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.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2012**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued**

**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 occur 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.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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. Infrastructure such as streets, traffic signals and signs are 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. Donated capital assets are capitalized at estimated fair market value on the date donated.

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

Buildings	50 Years
Equipment	5 Years
Vehicles	5 Years
Infrastructure	25 - 40 Years
Sanitary Sewers	75 - 100 Years
Lift Stations	100 Years

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS, LIABILITIES, AND NET ASSETS 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 and proprietary 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 assets. Bond premiums and discounts, as well as issuance costs, 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 deferred charges and amortized over the term of the related debt.

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.

##### Unearned/Deferred Revenue

Governmental funds report unearned/deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

## VILLAGE OF KILDEER, ILLINOIS

### Notes to the Financial Statements

April 30, 2012

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

###### Fund Equity

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

Invested in capital assets, net of related debt—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 net assets—Consists of net assets 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 legislations.

Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

#### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

##### BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for all funds. All annual appropriations lapse a fiscal year end.

Budgeted expenditures are controlled at the departmental level with the Village Administrator’s oversight. All transfers and any revisions that change the total expenditures not contemplated of any fund must be approved by the Village’s Board of Trustees. All budget amendments must be approved by the Village’s Board of Trustees.

The budget was approved on April 19, 2011.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2012

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### 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 except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements 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. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks.

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets.

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. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

##### **Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental, business-type and agency activities totaled \$3,769,609 and the bank balances totaled \$4,068,410. In addition, the Village has \$938,043 invested in the Illinois Funds at year-end.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. 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. Besides investing in instruments authorized under State Statute, the Village's investment policy states that investments are to be limited to the safest types of securities. Additionally, the Village's investment in the State Investment Pool is rated AAAM by Standard & Poor's.

*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 investment policy does not address custodial credit risk for deposits. At year-end, the entire bank balance of deposits is collateralized or insured.

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 specifically address custodial credit risk for investments.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration of credit risk. At year-end, the Village has over 5% of total cash and investments invested in the Illinois Funds.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2012

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount of the Police Pension Fund's deposits totaled \$207,595 and the bank balances totaled \$169,882.

*Investments.* The fair value and maturities of the Fund's investments at year-end are as follows:

	Investment Maturities (in Years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Corporate Bonds	\$ 1,500,942	-	621,564	51,285	828,093
Federal National Mortgage Assoc.	26,574	-	26,574	-	-
Federal Home Loan Mortgage Corp	208,924	126,306	82,618	-	-
Federal Home Loan Bank	235,725	100,218	135,507	-	-
Mutual Funds	938,379	938,379	-	-	-
	<u>2,910,544</u>	<u>1,164,903</u>	<u>866,263</u>	<u>51,285</u>	<u>828,093</u>

*Interest Rate Risk.* The Fund's investment policy does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The Fund's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds. The Fund's investments in U.S. Agency securities were all rated AAA by Standard & Poor's.

*Custodial Credit Risk – Deposits.* The Fund's investment policy does not specifically address custodial credit risk for deposits.

*Custodial Credit Risk – Investments.* The Fund's investment policy does not specifically address custodial credit risk for investments. At year-end, all of the Fund's bank balances were fully collateralized or insured.

*Concentration of Credit Risk.* The Fund investment policy places no limit on the amount the Fund may invest in any one issuer. At April 30, 2012, the Fund has over 5% of net plan assets invested in T Rowe Price New America of \$276,437, AT&T Inc. of \$235,886, Verizon Comm of \$230,788, CISCO Systems of \$229,950 and Invesco Diversified of \$224,312.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2012**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**PROPERTY TAXES**

Property taxes for 2011 attach as an enforceable lien on January 1, 2012, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Lake County and are payable in two installments, on or about June 1, 2012 and September 1, 2012. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 13,293,342	-	-	13,293,342
Construction in Progress	-	206,515	-	206,515
	<u>13,293,342</u>	<u>206,515</u>	<u>-</u>	<u>13,499,857</u>
<b>Depreciable Capital Assets</b>				
Buildings	2,423,308	-	-	2,423,308
Equipment	184,481	43,174	-	227,655
Vehicles	214,632	-	-	214,632
Infrastructure	20,287,384	66,200	2,532	20,351,052
	<u>23,109,805</u>	<u>109,374</u>	<u>2,532</u>	<u>23,216,647</u>
<b>Less Accumulated Depreciation</b>				
Buildings	484,662	48,466	-	533,128
Equipment	140,059	24,144	-	164,203
Vehicles	173,514	26,989	-	200,503
Infrastructure	9,927,730	827,481	1,549	10,753,662
	<u>10,725,965</u>	<u>927,080</u>	<u>1,549</u>	<u>11,651,496</u>
Total Net Depreciable Capital Assets	<u>12,383,840</u>	<u>(817,706)</u>	<u>983</u>	<u>11,565,151</u>
Total Net Capital Assets	<u>25,677,182</u>	<u>(611,191)</u>	<u>983</u>	<u>25,065,008</u>

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2012**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Governmental Activities – Continued**

Depreciation expense was charged to governmental activities as follows:

General Government \$ 927,080

**Business-Type Activities**

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Construction in Progress	\$ -	54,965	-	54,965
Depreciable Capital Assets				
Sanitary Sewers	6,740,938	1,073,021	-	7,813,959
Lift Stations	495,661	132,500	-	628,161
	<u>7,236,599</u>	<u>1,205,521</u>	<u>-</u>	<u>8,442,120</u>
Less Accumulated Depreciation				
Sanitary Sewers	1,295,459	89,971	-	1,385,430
Lift Stations	69,496	12,524	-	82,020
	<u>1,364,955</u>	<u>102,495</u>	<u>-</u>	<u>1,467,450</u>
Total Net Depreciable Capital Assets	<u>5,871,644</u>	<u>1,103,026</u>	<u>-</u>	<u>6,974,670</u>
Total Net Capital Assets	<u>5,871,644</u>	<u>1,157,991</u>	<u>-</u>	<u>7,029,635</u>

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

Sewer \$ 102,495

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2012**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Balances**

The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	General	\$ 740,731
Sewer	Capital Projects	20,767
Agency	General	<u>52,303</u>
		<u>813,801</u>

Interfund balances are advances in anticipation of receipts.

**Interfund Transfers**

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Capital Projects	<u>\$ 37,791</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2012**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT**

**General Obligation Bonds**

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation/alternate revenue bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$152,016 Special Act Assessment Bonds of 1998B, due in one payment of \$152,016 plus annual interest at a rate of 4.89% through July 1, 2018.	\$ 152,016	-	-	152,016
\$2,035,000 General Obligation Refunding Limited Debt Certificates of 2011, due in annual installments of \$70,000 to \$150,000 plus interest at a rate of 3.00% to 5.375% through February 1, 2031.	2,025,000	-	70,000	1,955,000
	<u>2,177,016</u>	<u>-</u>	<u>70,000</u>	<u>2,107,016</u>

**Notes Payable**

The Village enters into notes payable to provide funds for acquisition of capital assets. Notes payable have been issued for the business-type activities. Notes payable are direct obligations and pledge the full faith and credit of the Village. Notes payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$188,177 Notes Payable of 2004, due in annual installments of \$18,043 to \$21,723 plus interest at a rate of 4.89% through January 1, 2023.	\$ 112,906	-	112,906	-

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2012**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**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 Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 9,010	3,693	7,386	5,317	1,063
Net Pension Obligation	2,110	-	105	2,005	-
General Obligation Bonds	2,025,000	-	70,000	1,955,000	70,000
Less: Unamortized					
Bond Discount	(14,229)	-	(749)	(13,480)	(749)
Capital Leases	26,242	-	26,242	-	-
	<u>2,048,133</u>	<u>3,693</u>	<u>102,984</u>	<u>1,948,842</u>	<u>70,314</u>
<b>Business-Type Activities</b>					
General Obligation Bonds	152,016	-	-	152,016	-
Notes Payable	112,906	-	112,906	-	-
	<u>264,922</u>	<u>-</u>	<u>112,906</u>	<u>152,016</u>	<u>-</u>

The compensated absences and the net pension obligation are generally liquidated by the General Fund. Payments on the general obligation bonds and capital leases are made by the General, Capital Projects and Sewer Funds. The Sewer Fund makes payments on the notes payable.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2012**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity**

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

Fiscal Year Ending April 30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	General Obligation		General Obligation	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 70,000	88,506	-	7,434
2014	75,000	86,406	-	7,434
2015	75,000	84,156	-	7,434
2016	80,000	81,906	-	7,434
2017	80,000	79,506	-	7,434
2018	85,000	76,706	-	7,434
2019	85,000	73,518	152,016	7,434
2020	90,000	69,906	-	-
2021	95,000	66,082	-	-
2022	100,000	62,044	-	-
2023	100,000	57,294	-	-
2024	105,000	52,544	-	-
2025	110,000	47,556	-	-
2026	120,000	42,332	-	-
2027	125,000	36,182	-	-
2028	130,000	29,776	-	-
2029	135,000	23,112	-	-
2030	145,000	15,856	-	-
2031	150,000	8,062	-	-
<b>Total</b>	<b>1,955,000</b>	<b>1,081,450</b>	<b>152,016</b>	<b>52,038</b>

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2012**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Non-Commitment Debt**

**Special Service Area Bonds**

Special service area bonds outstanding as of the date of this report totaled \$2,669,000. These bonds are not an obligation of the Village and are secured by the levy of an annual tax on the real property within the special service area. The Village is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the tax, and forwarding the collections to bondholders.

**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."

Assessed Valuation - 2011	<u>\$ 303,119,519</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>26,144,059</u>
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>(2,107,016)</u>
Legal Debt Margin	<u>24,037,043</u>

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2012**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**NET ASSETS/ FUND BALANCE**

**Net Assets Classifications**

Invested in capital assets – net of related debt, was comprised of the following as of April 30, 2012:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 25,065,008
Less Capital Related Debt:	
General Obligation Limited Debt Certificates of 2011	(1,955,000)
Unamortized Bond Discount	<u>13,480</u>
Investment in Capital Assets - Net of Related Debt	<u>23,123,488</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	7,029,635
Less Capital Related Debt:	
Special Act Assessment Bonds of 1998B	<u>(152,016)</u>
Investment in Capital Assets - Net of Related Debt	<u>6,877,619</u>

**Fund Balance Classifications**

The Village implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended April 30, 2012. In the governmental fund financial statements, the Village first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance.

**Assigned Fund Balance.** The Village reports assigned fund balance in the Capital Projects Fund, major fund. The Village's Board/management has assigned the funds in this fund to future improvement projects and equipment and vehicle purchases based on approved Board/management expenditures as determined through the annual budget process.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2012**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**NET ASSETS/ FUND BALANCE – Continued**

**Fund Balance Classifications – Continued**

**Committed Fund Balance.** The Village reports committed fund balance in the General Fund. The Village’s Board, through formal Board action, has committed funds to future debt service costs related to the construction of the Village Hall and subsequent refinancing of that debt and to future Village Hall maintenance costs.

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

	General	Special Revenue Motor Fuel Tax	Capital Projects	Total
Fund Balances				
Nonspendable	\$ 36,352	-	-	36,352
Restricted				
Public Works and Transportation	-	253,958	-	253,958
Committed				
Facility Maintenance	100,000	-	-	100,000
Debt Service	160,173	-	-	160,173
	260,173	-	-	260,173
Assigned	-	-	1,105,233	1,105,233
Unassigned	1,769,695	-	-	1,769,695
Total Fund Balances	2,066,220	253,958	1,105,233	3,425,411

## **VILLAGE OF KILDEER, ILLINOIS**

### **Notes to the Financial Statements**

**April 30, 2012**

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#### **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. These risks are provided for through insurance from private insurance companies.

The Village currently reports all its risk management activities in the General Fund. There were no significant changes in insurance coverage's from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

##### **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.

##### **JOINT VENTURE**

###### **Solid Waste Agency of Lake County (SWALCO)**

The Village is a member of SWALCO, which consists of forty-one municipalities. SWALCO is a municipal corporation and public body politic and corporate established pursuant to the Constitutions of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SWALCO is empowered under the Act to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members.

Member percentage shares are subject to change in future years based on the combination of the population and equalized assessed valuation of the municipalities.

The members form a contiguous geographic service area which is located in Lake County. Under the Agency Agreement, additional member may join SWALCO upon the approval of each member.

## VILLAGE OF KILDEER, ILLINOIS

### Notes to the Financial Statements April 30, 2012

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#### NOTE 4 – OTHER INFORMATION – Continued

##### JOINT VENTURE – Continued

##### Solid Waste Agency of Lake County (SWALCO) – Continued

SWALCO is governed by a Board of Directors, which consists of one appointed representative from each member municipality. Each Director has one equal vote. The officers of SWALCO are appointed by the Board of Directors. The Board of Directors determines the general policy of SWALCO, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWALCO, adopts bylaws, rules and regulations, and exercised such powers and performs such duties as may be prescribed in the Agency Agreement or the bylaws.

SWALCO is an oversight advisory board providing long-range planning services to member municipalities. The Village is a participant in SWALCO, but no agreement has been reached as to the services to be provided.

Complete financial statements can be obtained from the Solid Waste Agency of Lake County, 1300 N. Skokie Highway, Suite 103, Gurnee, IL 60031.

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the Village at 21911 Quentin Road, Kildeer, Illinois 60047. IMRF does issue 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 on-line at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

#### Plan Descriptions, Provisions and Funding Policies

##### Illinois Municipal Retirement System (IMRF)

All employees (other than those covered by the Police Pension plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011 who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2012**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions, Provisions and Funding Policies – Continued**

**Illinois Municipal Retirement System (IMRF) – Continued**

the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2011 was 11.57 percent.

**Police Pension Plan**

The Police Pension Plan is a single-employer defined benefit pension plan that covers all full-time sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At April 30, 2011, the date of the most recent actuarial report, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	3
Current Employees Vested and Nonvested	<u>17</u>
	<u><u>20</u></u>

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2012

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Plan Descriptions, Provisions and Funding Policies – Continued

##### Police Pension Plan – Continued

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or  $\frac{1}{2}$  of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

#### Summary of Significant Accounting Policies and Plan Asset Matters

##### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Summary of Significant Accounting Policies and Plan Asset Matters – Continued

##### Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price.

##### Significant Investments

At year-end, the Police Pension Fund had over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in T Rowe Price New America of \$276,437, AT&T Inc. of \$235,886, Verizon Comm of \$230,788, CISCO Systems of \$229,950 and Invesco Diversified of \$224,312. Information for IMRF is not available.

##### Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets.

##### Annual Pension Cost and Net Pension Obligation

The pension liability/(asset) was determined in accordance with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.” The pension liability/(asset) for each plan is as follows:

	IMRF	Police Pension	Total
Annual Required Contribution	\$ 35,315	403,106	438,421
Interest on the NPO/(NPA)	158	(7,444)	(7,286)
Adjustment to the ARC	(263)	(64,220)	(64,483)
Annual Pension Cost	35,210	331,442	366,652
Actual Contribution	(35,315)	(348,500)	(383,815)
Change in the NPO/(NPA)	(105)	(17,058)	(17,163)
NPO/(NPA) - Beginning Balance	2,110	(43,757)	(41,647)
NPO/(NPA) - Ending Balance	2,005	(60,815)	(58,810)

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Annual Pension Cost and Net Pension Obligation – Continued

The Village's annual required contribution for the current year and related information for each plan is as follows:

	IMRF	Police Pension
Contribution Rates		
Employer	11.57%	28.46%
Employee	4.50%	9.91%
Actuarial Valuation Date	12/31/2011	04/30/2011
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	30	26 Years
Asset Valuation Method	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial Assumptions		
Investment Rate of Return	7.50% Compounded Annually	6.50% Compounded Annually
Projected Salary Increases	0.4% to 10.0%	3.50%
Inflation Rate Included	4.00%	1.50%
Cost-of-Living Adjustments	3.00%	3.00%

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Trend Information

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

		IMRF	Police Pension
Annual Pension Cost (APC)	2010	\$ 20,057	\$ 292,151
	2011	25,459	97,384
	2012	35,210	331,442
Actual Contributions	2010	\$ 20,057	\$ 307,864
	2011	23,349	105,812
	2012	35,315	348,500
Percentage of APC Contributed	2010	100.00%	105.38%
	2011	91.71%	108.65%
	2012	100.30%	105.15%
Net Pension Obligation/ (Asset)	2010	\$ -	\$ (35,329)
	2011	2,110	(43,757)
	2012	2,005	(60,815)

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2012

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Funded Status and Funding Progress

The Village's funded status for the current year and related information for the each plan is as follows:

	IMRF	Police Pension
Actuarial Valuation Date	12/31/2011	4/30/2011
Percent Funded	66.00%	48.15%
Actuarial Accrued Liability for Benefits	\$291,218	\$6,171,547
Actuarial Value of Assets	\$192,192	\$2,971,517
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$99,026)	(\$3,200,030)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$243,340	\$1,224,598
Ratio of UAAL to Covered Payroll	40.70%	261.31%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other postemployment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Additionally, the Village has determined that the explicit subsidy was immaterial and has no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any post-employment benefit liability as of April 30, 2012.

## **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 of Funding Progress and Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  
- Budgetary Comparison Schedules
  - General Fund
  - Motor Fuel Tax – Special Revenue Fund

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Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

**VILLAGE OF KILDEER, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
April 30, 2012**

**Schedule of Funding Progress**

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2006	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2007	756,577	681,512	111.01%	(75,065)	116,653	0.00%
2008	930,924	1,024,756	90.84%	93,832	238,536	39.34%
2009	83,108	217,123	38.28%	134,015	226,637	59.13%
2010	126,021	232,281	54.25%	106,260	239,728	44.33%
2011	192,192	291,218	66.00%	99,026	243,340	40.70%

**Employer Contributions**

Fiscal Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2007	\$ N/A	\$ N/A	N/A
2008	12,296	12,296	100.00%
2009	21,110	21,110	100.00%
2010	20,057	20,057	100.00%
2011	23,349	25,459	91.71%
2012	28,154	28,154	100.00%

N/A - Not Available

**VILLAGE OF KILDEER, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
April 30, 2012**

**Schedule of Funding Progress**

Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2006	\$ 1,000,000	\$ 3,260,486	30.67%	\$ 2,260,486	\$ 1,375,064	164.39%
2007	330,575	3,604,840	9.17%	3,274,265	1,375,064	238.12%
2008	1,729,802	4,331,004	39.94%	2,601,202	1,324,803	196.35%
2009	1,843,113	4,533,451	40.66%	2,690,338	1,351,831	199.01%
2010	2,368,318	5,221,609	45.36%	2,853,291	1,297,179	219.96%
2011	2,971,517	6,171,547	48.15%	3,200,030	1,224,598	261.31%

**Employer Contributions**

Fiscal Year Ended Apr. 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2007	\$ 750,068	\$ 259,719	288.80%
2008	288,808	259,719	111.20%
2009	377,530	357,848	105.50%
2010	307,635	292,151	105.30%
2011	105,856	97,384	108.70%
2012	348,500	403,106	86.45%

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 1,887,500	1,887,500	2,099,597
Intergovernmental	317,700	317,700	405,248
Charges for Services	1,490,000	1,490,000	866,060
Licenses and Permits	135,000	135,000	315,392
Fines and Forfeits	195,000	195,000	219,901
Interest	8,825	8,825	3,211
Miscellaneous	76,500	76,500	109,607
<b>Total Revenues</b>	<b>4,110,525</b>	<b>4,110,525</b>	<b>4,019,016</b>
<b>Expenditures</b>			
<b>Current</b>			
General Government	750,914	750,914	760,017
Public Safety	2,887,506	2,887,506	2,457,717
Public Works and Transportation	300,000	300,000	263,870
Capital Outlay	109,000	109,000	37,791
<b>Debt Service</b>			
Principal Retirement	70,000	70,000	96,242
Interest and Fiscal Charges	90,105	90,105	87,602
<b>Total Expenditures</b>	<b>4,207,525</b>	<b>4,207,525</b>	<b>3,703,239</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(97,000)	(97,000)	315,777
<b>Other Financing Sources</b>			
Transfers In	50,000	50,000	37,791
<b>Net Change in Fund Balance</b>	<b>(47,000)</b>	<b>(47,000)</b>	<b>353,568</b>
Fund Balance - Beginning			<u>1,712,652</u>
Fund Balance - Ending			<u><u>2,066,220</u></u>

**VILLAGE OF KILDEER, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2012**

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	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Motor Fuel Tax	\$ 100,000	100,000	116,926
Interest	250	250	125
Total Revenues	100,250	100,250	117,051
Expenditures			
Public Works and Transportation			
Road Improvements	100,000	100,000	-
Net Change in Fund Balance	250	250	117,051
Fund Balance - Beginning			136,907
Fund Balance - Ending			253,958

## **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 – General Fund
- Budgetary Comparison Schedule – Capital Projects Fund
- Budgetary Comparison Schedule – Sewer – Enterprise Fund
- Combining Statement of Changes in Assets and Liabilities – Agency Funds

## **GENERAL FUND**

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

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## **SPECIAL REVENUE FUND**

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.

### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes

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## **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

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## **ENTERPRISE FUND**

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.

### **Sewer Fund**

The Sewer Fund is used to account for the provision of sewer service.

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## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUND**

#### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. The fund does not account for the administrative costs of the system, which are borne by the General Fund. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

### **AGENCY FUNDS**

#### **Escrow Fund**

The Escrow Fund is used to account for completion bonds and professional escrow accounts.

#### **Special Service Area Fund**

The Special Service Area Fund is used to account for the collection of property taxes within special service areas and payments of related special service area debt.

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes	\$ 694,000	694,000	693,026
Other			
State Sales Tax	1,050,000	1,050,000	1,219,870
State Use Tax	50,000	50,000	57,890
Road and Bridge Tax	3,500	3,500	3,211
Telecommunication Taxes	90,000	90,000	125,600
<b>Total Taxes</b>	<b>1,887,500</b>	<b>1,887,500</b>	<b>2,099,597</b>
<b>Intergovernmental</b>			
Illinois State Income Tax	225,000	225,000	325,202
Illinois State Replacement Tax	1,200	1,200	1,259
State Grants	91,500	91,500	78,787
<b>Total Intergovernmental</b>	<b>317,700</b>	<b>317,700</b>	<b>405,248</b>
<b>Charges for Services</b>			
Sewer Administration Fees	15,000	15,000	53,140
Impoundment Fees	20,000	20,000	15,000
Contract Services	1,400,000	1,400,000	700,000
Franchise Fees	55,000	55,000	97,920
<b>Total Charges for Services</b>	<b>1,490,000</b>	<b>1,490,000</b>	<b>866,060</b>
<b>Licenses and Permits</b>			
Licenses and Fees	55,000	55,000	77,243
Building Permits	80,000	80,000	238,149
<b>Total Licenses and Permits</b>	<b>135,000</b>	<b>135,000</b>	<b>315,392</b>
<b>Fines and Forfeits</b>			
Police Fines	115,000	115,000	89,654
Red Light Enforcement	80,000	80,000	225,779
Red Light Enforcement Expenditures	-	-	(95,532)
	<b>195,000</b>	<b>195,000</b>	<b>219,901</b>

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
Year Ended April 30, 2012**

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	Budget		Actual
	Original	Final	
Interest			
Investment Income	\$ 8,825	8,825	3,211
Miscellaneous			
Expired Completion Bonds	-	-	5,500
Books and Copies	500	500	2,002
Refunds and Reimbursements	65,000	65,000	85,702
Other	11,000	11,000	16,403
Total Miscellaneous	76,500	76,500	109,607
Total Revenues	4,110,525	4,110,525	4,019,016

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VILLAGE OF KILDEER, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
General Government			
Personnel Salaries	\$ 90,784	90,784	113,198
Payroll Taxes	6,787	6,787	10,346
Retirement and Benefits	22,682	22,682	28,438
Training and Education	1,000	1,000	915
Travel and Lodging	1,200	1,200	2,062
Legal Services	10,000	10,000	22,125
Contract Services	45,000	45,000	34,839
Grant Expenditures	120,000	120,000	120,000
Planning and Zoning Services	10,000	10,000	1,167
Inspection Services	15,000	15,000	48,498
Financial Services	10,000	10,000	2,702
Information Technology	20,000	20,000	7,377
Other Professional Fees	10,000	10,000	13,844
Engineering Fees	20,000	20,000	41,663
Audit Fees	10,000	10,000	14,000
Codification	3,500	3,500	2,236
Insurance	10,000	10,000	6,564
Dues and Subscriptions	4,500	4,500	3,667
Supplies	7,000	7,000	2,871
Copy Services	4,500	4,500	766
Postage	4,000	4,000	1,208
Utilities	6,577	6,577	4,306
Equipment Maintenance	10,000	10,000	7,564
Building and Grounds Maintenance	55,000	55,000	40,509
Software	12,084	12,084	-
Sales Tax Rebate	220,000	220,000	215,235
Community Events	1,000	1,000	535
Newsletter	10,000	10,000	1,436
Miscellaneous Expenditures	10,300	10,300	11,946
Total General Government	750,914	750,914	760,017
Public Safety			
Personnel Salaries	1,464,832	1,464,832	1,235,215
Payroll Taxes	60,030	60,030	34,985
Health Benefits	368,302	368,302	276,741
Pension Contribution	366,678	366,678	376,685

VILLAGE OF KILDEER, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
<b>Public Safety - Continued</b>			
Insurance	\$ 64,574	64,574	62,782
Investigations and Lab	6,500	6,500	1,600
Legal Services	37,000	37,000	51,186
Administration Expenditures	152,654	152,654	197,549
Contract Services	31,850	31,850	23,984
Admin Adjudication	4,800	4,800	2,720
Police Grant Expenditures	10,500	10,500	15,018
Community Relations	2,500	2,500	28
Firearms and Defense	6,500	6,500	1,977
Communications	7,000	7,000	5,219
Conferences and Dues	3,650	3,650	8,416
Dispatching	78,000	78,000	57,399
DUI Expenditures	16,000	16,000	1,743
Drug Seizures	6,000	6,000	-
Traffic Rebate	30,000	30,000	-
Training and Education	11,000	11,000	817
Travel and Lodging	1,500	1,500	-
Printing	6,000	6,000	1,101
Copy Services	5,000	5,000	2,461
Postage	2,500	2,500	622
Fuel	60,000	60,000	47,675
Storage	2,700	2,700	2,707
Supplies	5,000	5,000	1,662
Uniforms	15,600	15,600	9,852
Maintenance and Repairs	50,850	50,850	34,716
Miscellaneous Expenditures	9,986	9,986	2,857
<b>Total Public Safety</b>	<b>2,887,506</b>	<b>2,887,506</b>	<b>2,457,717</b>
<b>Public Works and Transportation</b>			
Contract Services	11,500	11,500	1,273
Mosquito Control	10,000	10,000	10,000
Road Maintenance	15,000	15,000	58,204
Snow and Ice Control	152,000	152,000	112,635
Street Signs and Safety	8,000	8,000	7,593
Street Lighting	5,000	5,000	2,729
Right of Way Maintenance	40,000	40,000	54,069

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
Public Works and Transportation - Continued			
Traffic Signal Maintenance	\$ 15,000	15,000	16,104
Storm Sewer Line Maintenance	40,000	40,000	1,263
Miscellaneous Expenditures	3,500	3,500	-
Total Public Works and Transportation	300,000	300,000	263,870
Capital Outlay			
General Government	50,000	50,000	16,355
Public Safety	59,000	59,000	21,436
Total Capital Outlay	109,000	109,000	37,791
Debt Service			
Principal Retirement	70,000	70,000	96,242
Interest and Fiscal Charges	90,105	90,105	87,602
Total Debt Service	160,105	160,105	183,844
Total Expenditures	4,207,525	4,207,525	3,703,239

VILLAGE OF KILDEER, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
County Agreements	\$ 800,000	800,000	222,023
Interest	-	-	1,275
Total Revenues	<u>800,000</u>	<u>800,000</u>	<u>223,298</u>
Expenditures			
Capital Outlay			
General Government	<u>800,000</u>	<u>800,000</u>	<u>222,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1,275
Other Financing (Uses)			
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(37,791)</u>
Net Change in Fund Balance	<u>(50,000)</u>	<u>(50,000)</u>	<u>(36,516)</u>
Fund Balance - Beginning			<u>1,141,749</u>
Fund Balance - Ending			<u>1,105,233</u>

**VILLAGE OF KILDEER, ILLINOIS**

**Sewer - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Charges	\$ 672,494	672,494	696,371
Sewer Tap Fees	-	-	128,700
Total Operating Revenues	672,494	672,494	825,071
Operating Expenses			
Operations			
Administration	15,000	15,000	53,140
System Maintenance	58,636	58,636	41,278
Utilities	14,500	14,500	15,084
Operating Expenses	408,810	408,810	477,324
Miscellaneous Expenses	1,101,500	1,101,500	1,649
Depreciation	87,410	87,410	102,495
Total Operating Expenses	1,685,856	1,685,856	690,970
Operating Income (Loss)	(1,013,362)	(1,013,362)	134,101
Nonoperating Revenues (Expenses)			
Other Income	20,000	20,000	-
Grants	-	-	10,000
Interest Income	9,349	9,349	6,128
Interest and Fiscal Charges	(22,363)	(22,363)	(11,143)
	6,986	6,986	4,985
Income (Loss) Before Contributions	(1,006,376)	(1,006,376)	139,086
Capital Contributions	-	-	663,125
Change in Net Assets	(1,006,376)	(1,006,376)	802,211
Net Assets - Beginning			6,966,916
Net Assets - Ending			7,769,127

**VILLAGE OF KILDEER, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities  
Year Ended April 30, 2012**

	Beginning Balances	Additions	Deductions	Ending Balances
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 822,106	748,961	822,106	748,961
Due from Other Funds	-	52,303	-	52,303
Due from Other Governments	-	300,000	-	300,000
Total Assets	<u>822,106</u>	<u>1,101,264</u>	<u>822,106</u>	<u>1,101,264</u>
<b>LIABILITIES</b>				
Unearned/Deferred Revenues	-	300,000	-	300,000
Due to Developers	82,753	52,303	82,753	52,303
Due to Bondholders	739,353	748,961	739,353	748,961
Total Liabilities	<u>822,106</u>	<u>1,101,264</u>	<u>822,106</u>	<u>1,101,264</u>
<b>Escrow Fund</b>				
<b>ASSETS</b>				
Cash and Investments	82,753	-	82,753	-
Due to Other Funds	-	52,303	-	52,303
Total Assets	<u>82,753</u>	<u>52,303</u>	<u>82,753</u>	<u>52,303</u>
<b>LIABILITIES</b>				
Due to Developers	<u>82,753</u>	<u>52,303</u>	<u>82,753</u>	<u>52,303</u>

	Beginning Balances	Additions	Deductions	Ending Balances
<b>Special Service Area Fund</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 739,353	748,961	739,353	748,961
Due from Other Governments	-	300,000	-	300,000
Total Assets	<u>739,353</u>	<u>1,048,961</u>	<u>739,353</u>	<u>1,048,961</u>
<b>LIABILITIES</b>				
Unearned/Deferred Revenues	-	300,000	-	300,000
Due to Bondholders	739,353	748,961	739,353	748,961
Total Liabilities	<u>739,353</u>	<u>1,048,961</u>	<u>739,353</u>	<u>1,048,961</u>

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**Supplemental Act Assessment Bonds of 1998B  
April 30, 2012**

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Date of Issue	July 27, 1998
Date of Maturity	July 1, 2018
Authorized Issue	\$152,016
Denomination of Bonds	\$5,000
Interest Rate	4.89%
Interest Date	July 1
Principal Maturity Date	July 1, 2018
Payable at	US Bank N.A.

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ -	7,434	7,434
2014	-	7,434	7,434
2015	-	7,434	7,434
2016	-	7,434	7,434
2017	-	7,434	7,434
2018	-	7,434	7,434
2019	152,016	7,434	159,450
	<u>152,016</u>	<u>52,038</u>	<u>204,054</u>

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Refunding Limited Debt Certificates of 2011  
April 30, 2012**

Date of Issue	January 18, 2011
Date of Maturity	February 1, 2031
Authorized Issue	\$2,220,000
Denomination of Bonds	\$5,000
Interest Rate	3.00% - 5.375%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	Amalgamated Bank of Chicago, Chicago IL

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Aug. 1	Amount	Feb. 1	Amount
2013	\$ 70,000	88,506	158,506	2012	44,253	2013	44,253
2014	75,000	86,406	161,406	2013	43,203	2014	43,203
2015	75,000	84,156	159,156	2014	42,078	2015	42,078
2016	80,000	81,906	161,906	2015	40,953	2016	40,953
2017	80,000	79,506	159,506	2016	39,753	2017	39,753
2018	85,000	76,706	161,706	2017	38,353	2018	38,353
2019	85,000	73,518	158,518	2018	36,759	2019	36,759
2020	90,000	69,906	159,906	2019	34,953	2020	34,953
2021	95,000	66,082	161,082	2020	33,041	2021	33,041
2022	100,000	62,044	162,044	2021	31,022	2022	31,022
2023	100,000	57,294	157,294	2022	28,647	2023	28,647
2024	105,000	52,544	157,544	2023	26,272	2024	26,272
2025	110,000	47,556	157,556	2024	23,778	2025	23,778
2026	120,000	42,332	162,332	2025	21,166	2026	21,166
2027	125,000	36,182	161,182	2026	18,091	2027	18,091
2028	130,000	29,776	159,776	2027	14,888	2028	14,888
2029	135,000	23,112	158,112	2028	11,556	2029	11,556
2030	145,000	15,856	160,856	2029	7,928	2030	7,928
2031	150,000	8,062	158,062	2030	4,031	2031	4,031
	<u>1,955,000</u>	<u>1,081,450</u>	<u>3,036,450</u>		<u>540,725</u>		<u>540,725</u>

## **STATISTICAL SECTION**

### **(Unaudited)**

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

#### Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

#### Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

#### Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

#### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

#### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

**VILLAGE OF KILDEER, ILLINOIS**

**Net Assets by Component - Last Eight Fiscal Years\***  
**April 30, 2012 (Unaudited)**

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**See Following Page**

**VILLAGE OF KILDEER, ILLINOIS**

**Net Assets by Component - Last Eight Fiscal Years\*  
April 30, 2012 (Unaudited)**

	<u>2005</u>	<u>2006</u>
<b>Governmental Activities</b>		
Invested in Capital Assets - Net of Related Debt	\$ 15,217,308	15,978,975
Restricted	(253,006)	751,872
Unrestricted	3,863,249	2,575,999
	<u>18,827,551</u>	<u>19,306,846</u>
<b>Business-Type Activities</b>		
Invested in Capital Assets - Net of Related Debt	-	-
Restricted	-	-
Unrestricted	-	-
	<u>-</u>	<u>-</u>
<b>Primary Government</b>		
Invested in Capital Assets - Net of Related Debt	15,217,308	15,978,975
Restricted	(253,006)	751,872
Unrestricted	3,863,249	2,575,999
	<u>18,827,551</u>	<u>19,306,846</u>

\* Accrual Basis of Accounting

Data Source: Audited Financial Statements

The Village implemented GASB Statement No. 34 for the fiscal year ended April 30, 2005.

2007	2008	2009	2010	2011	2012
15,608,048	24,865,410	24,514,077	25,196,160	24,251,008	23,123,488
1,065,267	903,687	837,479	840,083	806,981	253,958
2,814,614	1,073,574	686,615	982,198	1,634,430	3,243,668
19,487,929	26,842,671	26,038,171	27,018,441	26,692,419	26,621,114
-	5,675,656	5,733,654	5,655,652	5,606,722	6,877,619
-	37,990	37,990	37,990	37,990	-
-	992,793	1,073,870	1,207,713	1,322,204	891,508
-	6,706,439	6,845,514	6,901,355	6,966,916	7,769,127
15,608,048	30,541,066	30,247,731	30,851,812	29,857,730	30,001,107
1,065,267	941,677	875,469	878,073	844,971	253,958
2,814,614	2,066,367	1,760,485	2,189,911	2,956,634	4,135,176
19,487,929	33,549,110	32,883,685	33,919,796	33,659,335	34,390,241

VILLAGE OF KILDEER, ILLINOIS

Changes in Net Assets - Last Eight Fiscal Years\*  
April 30, 2012 (Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>								
Governmental Activities								
General Government	\$ 569,940	441,184	450,323	773,997	919,885	746,493	705,714	1,662,288
Public Safety	2,078,732	2,541,334	3,029,381	3,404,562	3,256,162	2,621,054	2,918,201	2,415,917
Public Works	1,338,186	1,488,268	1,871,824	1,856,094	1,389,902	1,313,149	1,259,178	254,531
Interest on Long-Term Debt	127,584	321,515	296,913	88,908	75,882	72,414	98,094	97,934
Total Governmental Activities Expenses	4,114,442	4,792,301	5,648,441	6,123,561	5,641,831	4,753,110	4,981,187	4,430,670
Business-Type Activities								
Sewer	-	-	-	415,526	618,463	591,880	616,480	702,113
Total Primary Government Expenses	4,114,442	4,792,301	5,648,441	6,539,087	6,260,294	5,344,990	5,597,667	5,132,783
<b>Program Revenues</b>								
Governmental Activities								
Charges for Services								
General Government	966,560	867,374	868,722	273,710	305,066	276,200	345,453	481,452
Public Safety	1,183,328	1,258,519	1,432,807	1,477,098	1,535,089	1,679,767	1,707,594	919,901
Operating Grants/Contributions	120,180	104,264	104,072	32,869	5,763	7,000	10,868	195,713
Capital Grants/Contributions	-	-	-	2,168,745	399,592	1,408,491	108,640	222,023
Total Governmental Activities Program Revenues	2,270,068	2,230,157	2,405,601	3,952,422	2,245,510	3,371,458	2,172,555	1,819,089
Business-Type Activities								
Charges for Services								
Sewer	-	-	-	380,554	718,540	633,420	674,289	1,498,196
Total Primary Government Program Revenues	2,270,068	2,230,157	2,405,601	4,332,976	2,964,050	4,004,878	2,846,844	3,317,285

	2005	2006	2007	2008	2009	2010	2011	2012
<b>Net (Expense) Revenue</b>								
Governmental Activities	\$ (1,844,374)	(2,562,144)	(3,242,840)	(2,171,139)	(3,396,321)	(1,381,652)	(2,808,632)	(2,611,581)
Business-Type Activities	-	-	-	(34,972)	100,077	41,540	57,809	796,083
<b>Total Primary Government Net (Expense) Revenue</b>	<b>(1,844,374)</b>	<b>(2,562,144)</b>	<b>(3,242,840)</b>	<b>(2,206,111)</b>	<b>(3,296,244)</b>	<b>(1,340,112)</b>	<b>(2,750,823)</b>	<b>(1,815,498)</b>
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental Activities								
Taxes								
Property	500,722	529,788	566,008	603,095	633,467	662,083	673,436	693,026
Sales	646,120	1,003,758	1,196,317	1,229,239	1,172,279	1,015,240	1,121,376	1,219,870
Income	247,395	273,260	299,815	328,944	378,444	334,066	325,745	325,202
Other	28,295	27,181	28,584	184,689	200,985	185,770	215,363	187,960
Interset	34,566	110,132	170,702	81,067	27,916	6,682	3,618	4,611
Miscellaneous	1,298,832	941,416	1,162,497	636,355	178,730	79,870	143,072	109,607
<b>Total Governmental Activities</b>	<b>2,755,930</b>	<b>2,885,535</b>	<b>3,423,923</b>	<b>3,063,389</b>	<b>2,591,821</b>	<b>2,283,711</b>	<b>2,482,610</b>	<b>2,540,276</b>
Business-Type Activities								
Interest	-	-	-	58,860	35,988	14,301	7,752	6,128
Miscellaneous	-	-	-	-	3,010	-	-	-
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,860</b>	<b>38,998</b>	<b>14,301</b>	<b>7,752</b>	<b>6,128</b>
<b>Total Primary Government</b>	<b>2,755,930</b>	<b>2,885,535</b>	<b>3,423,923</b>	<b>3,122,249</b>	<b>2,630,819</b>	<b>2,298,012</b>	<b>2,490,362</b>	<b>2,546,404</b>
<b>Changes in Net Assets</b>								
Governmental Activities	911,556	323,391	181,083	892,250	(804,500)	902,059	(326,022)	(71,305)
Business-Type Activities	-	-	-	23,888	139,075	55,841	65,561	802,211
<b>Total Primary Government</b>	<b>911,556</b>	<b>323,391</b>	<b>181,083</b>	<b>916,138</b>	<b>(665,425)</b>	<b>957,900</b>	<b>(260,461)</b>	<b>730,906</b>

\* Accrual Basis of Accounting

Data Source: Audited Financial Statements

The Village implemented GASB Statement No. 34 for the fiscal year ended April 30, 2005.

**VILLAGE OF KILDEER, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years\***  
**April 30, 2012 (Unaudited)**

	2003	2004	2005
<b>General Fund</b>			
Reserved	\$ 116,003	120,153	148,583
Unreserved	853,139	744,580	873,072
Nonspendable	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total General Fund	<u>969,142</u>	<u>864,733</u>	<u>1,021,655</u>
<b>All Other Governmental Funds</b>			
Reserved	-	125,661	2,445,697
Unreserved, Reported in,			
Special Revenue Funds	260,334	297,605	323,277
Debt Service Funds	127,589	-	-
Capital Projects Funds	19,990	20,018	20,178
Restricted	-	-	-
Assigned	-	-	-
Total All Other Governmental Funds	<u>407,913</u>	<u>443,284</u>	<u>2,789,152</u>
<b>Total Governmental Funds</b>	<u><u>1,377,055</u></u>	<u><u>1,308,017</u></u>	<u><u>3,810,807</u></u>

\* Modified Accrual Basis of Accounting

The Village implemented GASB Statement No. 54 for the fiscal year ended April 30, 2012.

2006	2007	2008	2009	2010	2011	2012
412,844	456,339	119,182	115,193	131,632	139,164	-
1,111,734	1,354,397	710,110	667,015	946,869	1,573,488	-
-	-	-	-	-	-	36,352
-	-	-	-	-	-	260,173
-	-	-	-	-	-	1,769,695
1,524,578	1,810,736	829,292	782,208	1,078,501	1,712,652	2,066,220
1,487,940	1,251,498	524,954	-	-	-	-
363,295	870,060	259,551	192,095	177,814	136,907	-
-	-	-	-	-	-	-
20,389	20,692	-	530,191	530,637	1,141,749	-
-	-	-	-	-	-	253,958
-	-	-	-	-	-	1,105,233
1,871,624	2,142,250	784,505	722,286	708,451	1,278,656	1,359,191
3,396,202	3,952,986	1,613,797	1,504,494	1,786,952	2,991,308	3,425,411

**VILLAGE OF KILDEER, ILLINOIS**

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
April 30, 2012 (Unaudited)**

	2003	2004	2005
<b>Revenues</b>			
Taxes	\$ 1,215,690	1,219,676	1,394,237
Intergovernmental	769,965	841,667	1,078,160
Licenses, Permits and Fees	326,564	297,542	409,469
Charges for Services	714,695	525,545	581,641
Fines and Forfeitures	182,441	211,172	225,348
Interest	31,906	16,920	34,566
Miscellaneous	104,533	64,381	95,565
<b>Total Revenues</b>	<b>3,345,794</b>	<b>3,176,903</b>	<b>3,818,986</b>
<b>Expenditures</b>			
<b>Current</b>			
General Government	350,279	285,928	456,218
Public Safety	1,608,171	1,804,497	2,047,239
Public Works	407,832	512,141	546,957
Capital Outlay	579,874	352,865	1,245,429
<b>Debt Service</b>			
Principal Retirement	558,541	211,635	203,491
Interest and Fiscal Charges	148,087	141,122	127,584
<b>Total Expenditures</b>	<b>3,652,784</b>	<b>3,308,188</b>	<b>4,626,918</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(306,990)</b>	<b>(131,285)</b>	<b>(807,932)</b>
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	93,160	62,247	3,310,722
Proceeds from Sale of Fixed Assets	-	-	-
Transfers In	435,721	162,787	180,957
Transfers Out	(435,721)	(162,787)	(180,957)
<b>Total Other Financing Sources (Uses)</b>	<b>93,160</b>	<b>62,247</b>	<b>3,310,722</b>
<b>Net Change in Fund Balances</b>	<b>(213,830)</b>	<b>(69,038)</b>	<b>2,502,790</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>19.34%</b>	<b>10.66%</b>	<b>7.71%</b>

\* Modified Accrual Basis of Accounting

2006	2007	2008	2009	2010	2011	2012
2,031,806	2,362,518	2,345,967	2,385,175	2,197,159	2,335,920	2,099,597
1,175,795	1,340,143	32,869	5,763	7,000	119,508	744,197
376,576	386,724	683,700	452,328	312,750	345,453	315,392
904,175	495,214	1,303,637	1,319,198	1,385,158	1,454,416	866,060
186,988	196,736	312,661	215,247	294,609	293,178	219,901
110,132	170,702	81,067	27,916	6,682	3,618	4,611
92,827	877,487	107,634	31,247	43,320	103,072	109,607
4,878,299	5,829,524	4,867,535	4,436,874	4,246,678	4,655,165	4,359,365
362,162	376,984	720,969	863,694	692,695	538,346	760,017
2,383,994	2,921,150	3,750,717	2,834,004	2,572,679	2,848,180	2,457,717
658,322	776,454	1,069,113	596,828	528,622	431,697	263,870
1,427,736	614,089	130,807	77,609	37,971	122,605	259,814
200,662	328,024	109,831	99,224	102,694	1,394,352	96,242
321,515	296,913	89,285	82,738	72,430	140,629	87,602
5,354,391	5,313,614	5,870,722	4,554,097	4,007,091	5,475,809	3,925,262
(476,092)	515,910	(1,003,187)	(117,223)	239,587	(820,644)	434,103
61,487	40,874	-	-	42,871	2,025,000	-
-	-	21,453	7,920	-	-	-
162,797	162,797	20,692	-	-	-	37,791
(162,797)	(162,797)	(20,692)	-	-	-	(37,791)
61,487	40,874	21,453	7,920	42,871	2,025,000	-
(414,605)	556,784	(981,734)	(109,303)	282,458	1,204,356	434,103
10.46%	13.42%	3.46%	4.06%	4.41%	28.03%	5.09%

**VILLAGE OF KILDEER, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years (in thousands)  
April 30, 2012 (Unaudited)**

Fiscal Year Ended April 30	Tax Levy Year	Residential Property	Farm	Commercial Property	Total Taxable Assessed Value	Total Direct Tax Rate
2003	2002	\$ 435,452	\$ 1,467	\$ 20,394	\$ 457,313	0.229
2004	2003	469,549	2,345	19,974	491,868	0.211
2005	2004	492,886	2,502	23,150	518,538	0.204
2006	2005	807,666	2,967	45,846	856,479	0.196
2007	2006	813,583	3,001	75,444	892,028	0.190
2008	2007	843,844	2,141	77,833	923,818	0.190
2009	2008	884,447	2,118	74,901	961,466	0.197
2010	2009	895,432	2,183	73,103	970,718	0.200
2011	2010	914,443	2,378	78,001	994,822	0.213
2012	2011	916,179	2,416	90,705	1,009,300	0.234

Data Source: Office of the County Clerk

**VILLAGE OF KILDEER, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
April 30, 2012 (Unaudited)**

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**See Following Page**

**VILLAGE OF KILDEER, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
April 30, 2012 (Unaudited)**

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	2002	2003	2004
Village Direct Rates			
General	0.229	0.211	0.204
Overlapping Rates			
Lake County	0.502	0.490	0.465
Forest Preserve District of Lake County	0.232	0.225	0.219
Ela Township (Including Road and Bridge)	0.136	0.126	0.126
Lake Zurich Fire Protection District	0.378	0.365	0.358
Long Grove Fire Protection District	0.514	0.503	0.547
Ela Library District	0.371	0.343	0.334
Unit School District Number 95	4.660	4.092	4.082
School District Number 96	3.013	2.940	3.038
School District Number 125	1.890	1.940	2.062
Community College District Number 532	0.208	0.201	0.200

Data Source: Office of the County Clerk

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

2005	2006	2007	2008	2009	2010	2011
0.196	0.190	0.190	0.197	0.200	0.213	0.234
0.454	0.450	0.444	0.453	0.464	0.505	0.554
0.210	0.204	0.201	0.199	0.200	0.198	0.201
0.125	0.128	0.124	0.127	0.127	0.138	0.150
0.493	0.511	0.547	0.561	0.564	0.607	0.504
0.526	0.549	0.547	0.549	0.599	0.616	0.692
0.323	0.317	0.306	0.308	0.308	0.329	0.356
4.040	3.992	3.830	3.899	3.901	4.136	4.446
3.000	2.989	2.772	2.869	2.916	3.086	3.453
2.112	2.134	2.114	2.139	2.185	2.306	2.465
0.197	0.195	0.192	0.196	0.200	0.218	0.240

VILLAGE OF KILDEER, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago  
 April 30, 2012 (Unaudited)

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Centro/Quentin Collection	\$ 9,188,582	1	3.03%	\$		
Shops at Kildeer, LLC	7,938,769	2	2.62%			
Bond Kildeer Marketplace, LLC	1,367,918	3	0.45%			
Kemper Lakes Golf Club, LLC	1,343,921	4	0.44%			
U-Store It, LP	1,102,981	5	0.36%			
Concorde Group II	1,075,389	6	0.35%			
Sanctuary 26 Kildeer, LLC	811,043	7	0.27%			
Individual	688,499	8	0.23%			
CS Trust	646,463	9	0.21%			
Individual	554,001	10	0.18%			
DDRA Kildeer, LLC				5,943,113	1	2.55%
Pulte Home Corporation				1,262,447	2	0.54%
LaSalle-2605809				1,107,662	3	0.48%
A Kalyviaris G Diamond				851,388	4	0.37%
Harris Bank Barrington, NA				557,794	5	0.24%
Individual				544,412	6	0.23%
Individual				500,825	7	0.21%
Individual				467,497	8	0.20%
Individual				455,449	9	0.20%
Individual				453,219	10	0.19%
	<u>24,717,566</u>		<u>8.14%</u>	<u>12,143,806</u>		<u>5.21%</u>

Data Source: Office of the County Clerk

**VILLAGE OF KILDEER, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
April 30, 2012 (Unaudited)**

Fiscal Year Ended April 30	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	2002	\$ 466,299	\$ 417,494	89.53%	\$ -	\$ 417,494	89.53%
2004	2003	491,868	490,290	99.68%	-	490,290	99.68%
2005	2004	518,537	517,979	99.89%	-	517,979	99.89%
2006	2005	556,479	554,065	99.57%	-	554,065	99.57%
2007	2006	592,028	591,432	99.90%	-	591,432	99.90%
2008	2007	623,818	621,629	99.65%	-	621,629	99.65%
2009	2008	661,546	659,366	99.67%	-	659,366	99.67%
2010	2009	670,797	670,084	99.89%	-	670,084	99.89%
2011	2010	694,822	692,954	99.73%	-	692,954	99.73%
2012 (1)	2011	709,300	-	0.00%	-	-	0.00%

Data Source: Office of the County Clerk

(1) Collections for the 2011 Tax Levy Year will not be received until fiscal year 2013.

**VILLAGE OF KILDEER, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years  
April 30, 2012 (Unaudited)**

Fiscal Year Ended April 30	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Installment Contract Certificates	General Obligation Bonds	Notes Payable			
2003	\$ 2,450,125	\$ 71,888	\$ -	\$ -	\$ 2,522,013	1.40%	\$ 51,973
2004	2,243,753	72,350	-	-	2,316,103	1.29%	51,973
2005	2,117,574	60,185	-	-	2,177,759	1.21%	51,973
2006	1,979,504	59,080	-	-	2,038,584	1.13%	51,973
2007	1,785,003	56,430	-	-	1,841,433	1.02%	51,973
2008	1,556,970	22,670	152,016	141,133	1,872,789	1.04%	51,973
2009	1,476,243	4,173	152,016	131,724	1,764,156	0.98%	51,973
2010	2,025,000	26,242	152,016	112,906	2,316,164	1.29%	51,973
2011	2,025,000	26,242	152,016	112,906	2,316,164	0.89%	65,292
2012	1,955,000	-	152,016	-	2,107,016	0.81%	65,292

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

**VILLAGE OF KILDEER, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
April 30, 2012 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2003	\$ 2,450,125	\$ 127,589	\$ 2,322,536	507.87%	\$ 671.25
2004	2,243,753	125,661	2,118,092	430.62%	612.17
2005	2,117,574	172,079	1,945,495	375.19%	562.28
2006	1,979,504	165,949	1,813,555	211.75%	524.15
2007	1,785,003	77,680	1,707,323	191.40%	493.45
2008	1,556,970	-	1,556,970	168.54%	449.99
2009	1,476,243	-	1,476,243	153.54%	426.66
2010	1,384,175	-	1,384,175	142.59%	400.05
2011	2,025,000	-	2,025,000	203.55%	510.33
2012	1,955,000	-	1,955,000	193.70%	492.69

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Direct and Overlapping Governmental Activities Debt  
April 30, 2012 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)	Village's Share of Debt
Village	\$ 1,955,000	100.000%	\$ 1,955,000
Overlapping Debt			
Lake County	119,720,000	1.112%	1,331,286
Lake County Forest Preserve District	586,995,000	1.112%	6,527,384
Ela Public Library District	17,435,000	16.575%	2,889,851
Lake Zurich Fire Protection District	1,950,000	23.209%	452,576
Countryside Fire Protection District	9,220,000	0.000%	37
Unit School District Number 95	66,709,480	10.565%	7,047,857
Elementary School District Number 96	8,640,000	10.231%	883,958
High School District Number 125	53,060,000	3.859%	2,047,585
Community College District Number 532	28,290,560	1.170%	331,000
Total Overlapping Debt	892,020,040		21,511,534
Total Direct and Overlapping Debt	893,975,040		23,466,534

Data Source: Lake County Tax Extension Department

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years  
April 30, 2012 (Unaudited)**

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**See Following Page**

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years  
April 30, 2012 (Unaudited)**

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	2003	2004	2005
Legal Debt Limit	\$ 17,224,109	20,105,968	21,923,459
Total Net Debt Applicable to Limit	2,450,125	2,243,753	2,117,574
Legal Debt Margin	14,773,984	17,862,215	19,805,885
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.22%	11.16%	9.66%

Data Source: Village Records

2006	2007	2008	2009	2010	2011	2012
24,487,916	26,874,950	28,318,039	28,963,633	28,928,128	27,744,640	26,144,059
1,979,504	1,841,433	1,579,640	1,480,416	1,420,593	2,316,164	2,107,016
22,508,412	25,033,517	26,738,399	27,483,217	27,507,535	25,428,476	24,037,043
8.08%	6.85%	5.58%	5.11%	4.91%	8.35%	8.06%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed Value - 2011	<u>\$ 303,119,519</u>
Bonded Debt Limit - 8.625% of Assessed Value	26,144,059
Amount of Debt Applicable to Limit	<u>2,107,016</u>
Legal Debt Margin	<u>24,037,043</u>

**VILLAGE OF KILDEER, ILLINOIS**

**Demographic and Economic Statistics - Last Ten Fiscal Years  
April 30, 2012 (Unaudited)**

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<b>Fiscal Year Ended April 30</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2003	3,460	\$ 179,826,580	\$ 51,973	2.10%
2004	3,460	179,826,580	51,973	2.00%
2005	3,460	179,826,580	51,973	1.70%
2006	3,460	179,826,580	51,973	1.65%
2007	3,460	179,826,580	51,973	1.90%
2008	3,460	179,826,580	51,973	2.50%
2009	3,460	179,826,580	51,973	3.80%
2010	3,460	179,826,580	51,973	4.20%
2011	3,968	259,078,656	65,292	3.70%
2012	3,968	259,078,656	65,292	N/A

Data Source: Illinois Department of Employment Security (IDES)

**VILLAGE OF KILDEER, ILLINOIS**

**Village Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2012 (Unaudited)**

Employer	2012			2004		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Employment
Kemper Lakes Golf Course	100	1	2.52%	N/A		N/A
Best Buy	96	2	2.42%	N/A		N/A
Fresh Market	75	3	1.89%	N/A		N/A
Old Navy	51	4	1.29%	N/A		N/A
Steinmart	45	5	1.13%	N/A		N/A
Bed Bath & Beyond	39	6	0.98%	N/A		N/A
Michael's	36	7	0.91%	N/A		N/A
Chili's Grill & Bar	35	8	0.88%	N/A		N/A
Ulta	35	9	0.88%	N/A		N/A
Petsmart	25	10	0.63%	N/A		N/A
	<u>537</u>		<u>13.53%</u>	<u>N/A</u>		<u>N/A</u>

Data Source: Village Community Development Department

N/A - Information not available

**VILLAGE OF KILDEER, ILLINOIS**

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years  
April 30, 2012 (Unaudited)**

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	2003	2004	2005
General Government	1	1	1
Public Safety	18	19	22
Total	19	20	23

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Data Source: Village Records

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2006	2007	2008	2009	2010	2011	2012
1	2	2	1	2	2	2
23	24	24	23	22	19	11
24	26	26	24	24	21	13

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**VILLAGE OF KILDEER, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
April 30, 2012 (Unaudited)**

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	2003	2004	2005
<b>General Government</b>			
Business Licenses	41	51	30
Building Permits	4	8	7
Liquor Licenses	165	179	188
<b>Public Safety</b>			
<b>Police</b>			
Part I Crimes	114	104	134
Part II Crimes	334	297	198
Physical Arrests	422	362	302
Parking Violations	111	84	49
Traffic Violations	3,015	3,136	2,669
<b>Public Works</b>			
Street Resurfacing (Miles)	2	2	2
<b>Sewer</b>			
Number of Metered Accounts	N/A	N/A	554

Data Source: Various Village Departments

\* Numbers represent only eight months, not a full fiscal year.

2006	2007	2008	2009	2010	2011	2012
40	49	52	50	48	48	52
12	9	9	9	9	10	11
203	194	171	140	110	142	186
121	117	129	107	85	78	18 *
207	153	118	122	106	100	25 *
327	247	175	148	80	48	15 *
46	65	108	168	475	235	81
3,275	3,220	3,341	2,953	2,973	3,098	1,708 *
1	2	1	1	1	-	1
592	618	641	641	646	648	656

**VILLAGE OF KILDEER, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
April 30, 2012 (Unaudited)**

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	2003	2004	2005
<b>Public Safety</b>			
<b>Police</b>			
Stations	1	1	1
Area Patrols	3	3	3
Patrol Units	20	20	20
<b>Public Works</b>			
Streets (Miles)	23	25	28
<b>Sewer</b>			
Sanitary Sewers (Miles)	17	17	17
Storm Sewers (Culverts)	94	105	105
Lift Stations	5	6	6

Data Source: Various Village Departments

2006	2007	2008	2009	2010	2011	2012
1	1	1	1	1	1	1
3	3	3	3	3	2	1
18	18	18	18	18	10	10
28	28	29	29	30	30	30
17	17	17	17	18	18	18
114	114	114	114	114	114	114
6	7	7	7	7	7	7