

**VILLAGE OF KILDEER, ILLINOIS**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
APRIL 30, 2013**

**VILLAGE OF KILDEER, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**  
**APRIL 30, 2013**

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

**VILLAGE OF KILDEER, ILLINOIS**

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## **INTRODUCTORY SECTION**

# VILLAGE OF KILDEER, ILLINOIS

List of Principal Officials  
April 30, 2013

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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

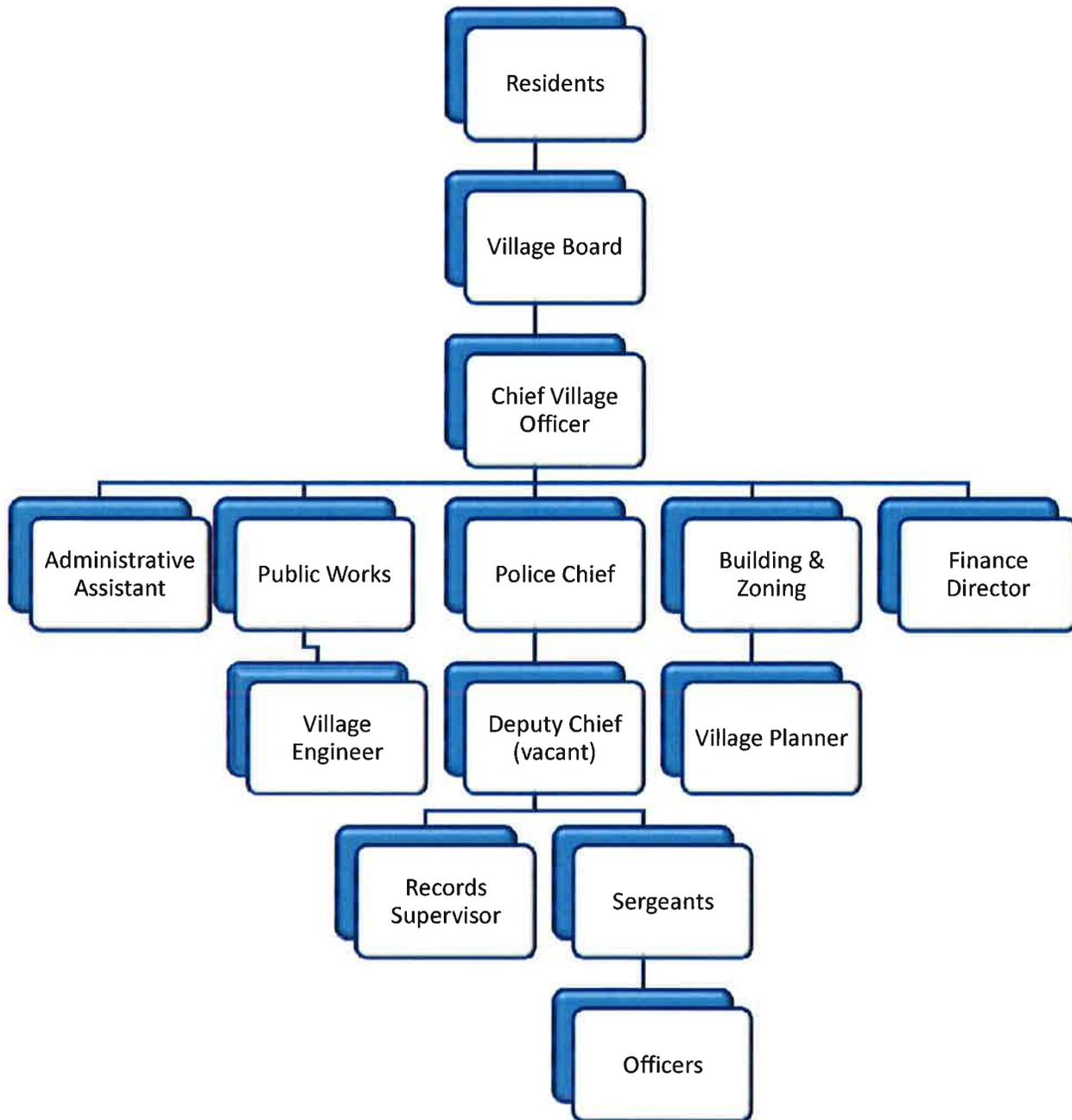
## ADMINISTRATION

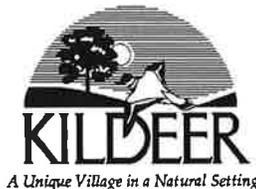
Michael Talbett, Chief Village Officer

Annette Zborowski, Finance Director

# VILLAGE OF KILDEER

## ORGANIZATIONAL CHART





## LETTER OF TRANSMITTAL

September 30, 2013

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 which ended April 30, 2013 is hereby submitted. The submittal of this report meets the State of Illinois requirement that local governments publish a complete set of audited financial statements, presented in conformity with generally accepted auditing standards, within six months of the closing of the fiscal year.

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 designed to protect the municipality's assets from loss, theft and misuse and to enable the Village to compile complete 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. It fairly reflects the Village's financial position and changes in financial position of the various Village funds and the financial condition of 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 which ended April 30, 2013. 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 complements this transmittal letter and should be read in conjunction with this letter. The financial statements are supplemented by notes to the financial statements and include a view at the government-wide level and the fund level.

### 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 whom 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 the Chief Village Officer, Police Chief 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 Chief Village Officer is responsible for applying 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 Chief Village Officer is also responsible for reviewing the annual budget prepared by the Village's Finance Director.

The Village usually adopts its budget each April but, by ordinance, the budget must be adopted no later than May. The budget serves as the foundation for the Village's financial planning and control. The budget is prepared by the Finance Director and submitted to the Chief Village Officer 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. The Reporting Entity

This report includes all activities and functions of the Village that are under the jurisdiction of the Board of Trustees, as set forth in state and local law. The Police Pension Fund is governed by a separate board, but the Village is obligated to fund the police pension based on actuarial valuations.

## 3. Local Economy and Finances

The Village's largest revenue sources are sales tax and property tax. The nationwide economic recession beginning in 2008 negatively impacted sales tax amounts. Sales tax receipts were on the rebound in 2012 and by April 2013 sales tax receipts exceeded pre-recession levels. The Kildeer Marketplace, the Village's third shopping center, opened in March 2013, but its impact on sales tax will not be felt until the 2013-14 fiscal year.

As of April 30, 2013 there were two sales tax rebate agreements. One agreement is for the Quentin Collection, which ends in the fiscal year 2013-2014, and the other is for the Kildeer Marketplace which is expected to end in 2025.

Like retail sales tax, assessed valuations for property tax purposes were impacted by the recession that started in 2008. Property tax receipts, however, have not declined due to a combination of new homes being constructed, existing homes being renovated, and the policy of capturing the value of improvements each year in the tax levy.

Village management has aggressively monitored operating expenditures to stay within budgeted amounts. This process of self-regulation insured that sufficient cash flow was maintained throughout the fiscal year.

## 4. Long-term Financial Planning

Managing the 2013 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. Among the Village Board's goals were to increase fund balances and build reserves to promote financial health. For the fourth year in a row, the fiscal year ending in April 2013, resulted in substantial progress towards both of those 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 began receiving 1.5% of the 7.5% sales tax on retail sales collected by the State of Illinois. Sales tax revenue in fiscal year 2012-13 increased by approximately \$476,000 to a new total of \$ 1,774,457. The additional revenue was programmed for road and infrastructure improvements but litigation expenses from a lawsuit filed by Deer Park against Kildeer alleging breach of contract in connection with a police services agreement consumed much of the additional sales tax. That lawsuit was dismissed by Deer Park following extensive pre-trial discovery and numerous court rulings in Kildeer's favor.

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. The CPI at the close of fiscal year 2013 was 1.7 %.

#### 5. Other Information

For the first time ever, the Village of Kildeer was recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for excellence in financial reporting in connection with its 2011-2012 Comprehensive Annual Financial Report (CAFR). This prestigious award was a significant accomplishment for the Village Board and Administrative staff and represents a commitment towards financial planning and enhancing the Village's financial health.

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.

The Village of Kildeer incorporates conservative assumptions and projections in its financial affairs. Fiscal discipline exercised by management during the year led to revenue exceeding expenses and 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.

Respectfully submitted,



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Michael S. Talbett  
Chief Village Officer



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Annette J. Zborowski  
Village Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Village of Kildeer  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2012**

Executive Director/CEO

## **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 30, 2013

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, 2013, which collectively comprise the Village's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

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

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

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

*Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kildeer, Illinois, as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matters*

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



LAUTERBACH & AMEN, LLP

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

# VILLAGE OF KILDEER, ILLINOIS

## Management's Discussion and Analysis April 30, 2013

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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, 2013. 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 position increased as a result of this year's operations. While net position of business-type activities decreased by \$31,225, or 0.4 percent, net position of the governmental activities increased by \$423,796, or 1.6 percent.
- During the year, government-wide revenue totaled \$5,344,433, while expenses totaled \$4,951,862, resulting in an increase to net position of \$392,571.
- The Village of Kildeer's net position totaled \$34,741,963 on April 30, 2013, which includes \$29,774,309 net investment in capital asset, \$216,823 subject to external restrictions, and \$4,750,831 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$539,025, resulting in ending fund balance of \$2,605,245, an increase of 26.1 percent.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (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, 2013

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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 Position reports information on all of the Village of Kildeer's assets and liabilities/deferred outflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village 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, 2013

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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, 2013

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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 - 47 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 48 - 52 of this report. Additional budgetary comparison schedules can be found on pages 53 - 61 of this report.

# VILLAGE OF KILDEER, ILLINOIS

## Management's Discussion and Analysis April 30, 2013

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Kildeer, assets exceeded liabilities/deferred inflows by \$34,741,963.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 5,055,841	4,608,359	1,009,741	963,203	6,065,582	5,571,562
Capital Assets	24,874,110	25,065,008	6,924,484	7,029,635	31,798,594	32,094,643
Total Assets	29,929,951	29,673,367	7,934,225	7,992,838	37,864,176	37,666,205
Long-Term Debt	1,808,723	1,878,528	152,016	152,016	1,960,739	2,030,544
Other Liabilities/ Def. Inflows	1,117,167	1,173,725	44,307	71,695	1,161,474	1,245,420
Total Liabilities/ Def. Inflows	2,925,890	3,052,253	196,323	223,711	3,122,213	3,275,964
Net Position						
Net Investment						
in Capital Assets	23,001,841	23,123,488	6,772,468	6,877,619	29,774,309	30,001,107
Restricted	216,823	253,958	-	-	216,823	253,958
Unrestricted (Deficit)	3,785,397	3,243,668	965,434	891,508	4,750,831	4,135,176
Total Net Position	27,004,061	26,621,114	7,737,902	7,769,127	34,741,963	34,390,241

A large portion of the Village of Kildeer's net position, \$29,774,309 or 85.7 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, \$216,823 or 0.6 percent, of the Village of Kildeer's net position represents resources that are subject to external restrictions on how they may be used. The remaining 13.7 percent, or \$4,750,831, represents unrestricted net position 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, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2013
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 599,411	1,401,353	722,283	825,071	1,321,694	2,226,424
Operating Grants/Contrib.	121,998	195,713	-	10,000	121,998	205,713
Capital Grants/Contrib.	744,917	222,023	-	663,125	744,917	885,148
<b>General Revenues</b>						
Property Taxes	708,962	693,026	-	-	708,962	693,026
Telecommunication Taxes	133,974	125,600	-	-	133,974	125,600
Income Taxes	357,598	325,202	-	-	357,598	325,202
Sales Taxes	1,774,457	1,219,870	-	-	1,774,457	1,219,870
Local Use	63,678	57,890	-	-	63,678	57,890
Personal Property Taxes	1,216	1,259	-	-	1,216	1,259
Interst Income	4,353	4,611	4,770	6,128	9,123	10,739
Other General Revenues	106,816	112,818	-	-	106,816	112,818
<b>Total Revenues</b>	<b>4,617,380</b>	<b>4,359,365</b>	<b>727,053</b>	<b>1,504,324</b>	<b>5,344,433</b>	<b>5,863,689</b>
<b>Expenses</b>						
General Government	972,336	735,208	-	-	972,336	735,208
Public Safety	1,743,825	2,415,917	-	-	1,743,825	2,415,917
Public Works	1,388,693	1,181,611	-	-	1,388,693	1,181,611
Interest on Long-Term Debt	88,730	97,934	-	-	88,730	97,934
Sewer	-	-	758,278	702,113	758,278	702,113
<b>Total Expenses</b>	<b>4,193,584</b>	<b>4,430,670</b>	<b>758,278</b>	<b>702,113</b>	<b>4,951,862</b>	<b>5,132,783</b>
<b>Change in Net Position</b>						
Before Transfers	423,796	(71,305)	(31,225)	802,211	392,571	730,906
<b>Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>423,796</b>	<b>(71,305)</b>	<b>(31,225)</b>	<b>802,211</b>	<b>392,571</b>	<b>730,906</b>
<b>Net Position-Beginning as Restated</b>	<b>26,580,265</b>	<b>26,692,419</b>	<b>7,769,127</b>	<b>6,966,916</b>	<b>34,349,392</b>	<b>33,659,335</b>
<b>Net Position-Ending</b>	<b>27,004,061</b>	<b>26,621,114</b>	<b>7,737,902</b>	<b>7,769,127</b>	<b>34,741,963</b>	<b>34,390,241</b>

# VILLAGE OF KILDEER, ILLINOIS

## Management's Discussion and Analysis April 30, 2013

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

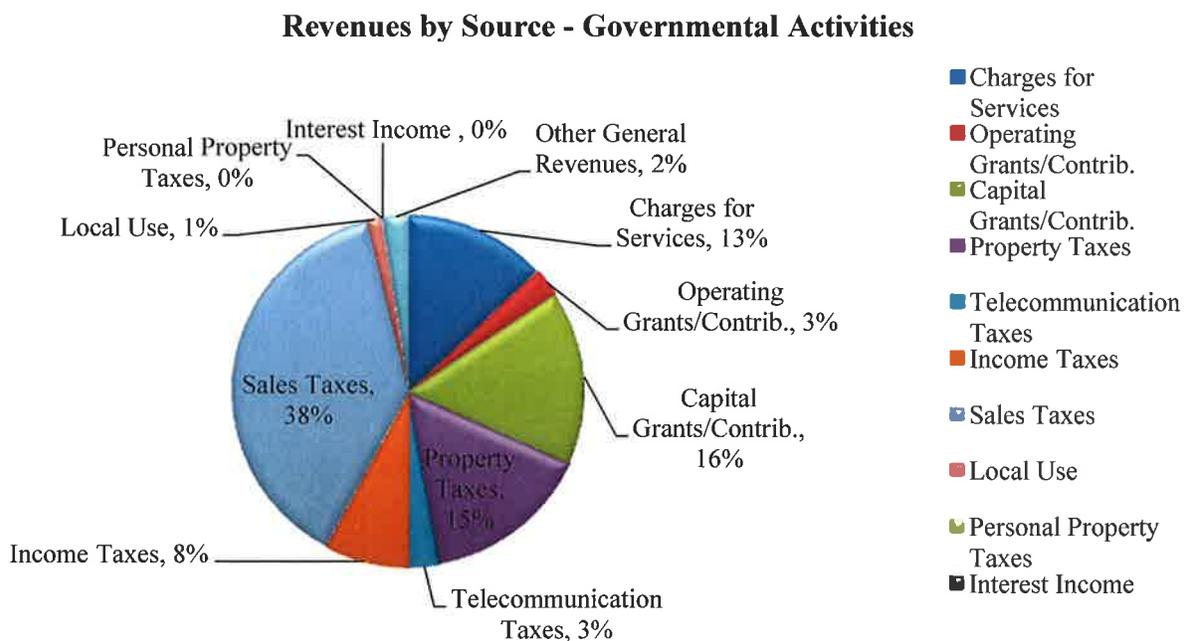
Net position of the Village of Kildeer's governmental activities increased by 1.6 percent (\$26,621,114 in 2012 compared to \$27,004,061 in 2013). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$3,785,397 at April 30, 2013.

Net position of business-type activities decreased by 0.4 percent (\$7,769,127 in 2012 compared to \$7,737,902 in 2013).

### Governmental Activities

Revenues for governmental activities totaled \$4,617,380, while the cost of all governmental functions totaled \$4,193,584. This results in a surplus of \$423,796. In 2012, expenses of \$4,430,670 exceeded revenues of \$4,359,365, resulting in a deficit of \$71,305. Revenues include new assets such as streets, culverts, and other improvements that are added to the Village and expenses include the depreciation of existing assets. Each year the value of new assets and the amount of depreciation are determined and the difference between them becomes part of the calculation that identifies whether or not there is a surplus or a deficit. In fiscal year 2012 the amount of depreciation was greater than the amount of new assets and, when combined with operational revenues and expenses, the result was an overall deficit. In 2013, in addition to operational revenues and expenses, the value of a new bike path was added to the asset base which offset the amount of depreciation which contributed to a surplus.

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

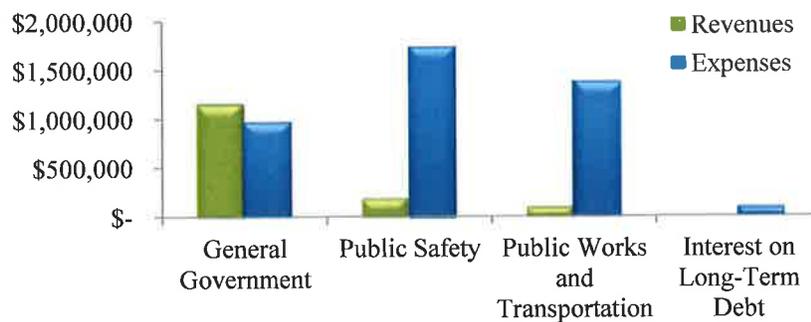
## Management's Discussion and Analysis April 30, 2013

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities – Continued

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

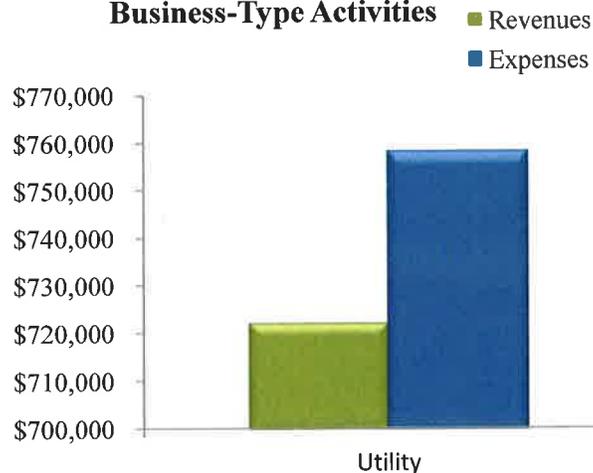
**Expenses and Program Revenues - Governmental Activities**



#### Business-Type activities

Business-Type activities posted total revenues of \$727,053 while the cost of all business-type activities totaled \$758,278. This results in a deficit of \$31,225. In 2011, revenues of \$1,504,324 exceeded expenses of \$702,113, resulting in a surplus of \$802,211. In 2012 the value of new contributed sewer improvements helped offset the amount of depreciation for that year and, when combined with operational costs and expenses, the result was a surplus. In 2013, the value of improvements was less than the amount of depreciation and after operational costs and expenses were considered, there was a modest deficit.

**Expenses and Program Revenues - Business-Type Activities**



# VILLAGE OF KILDEER, ILLINOIS

## Management's Discussion and Analysis April 30, 2013

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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, unrestricted 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 \$3,928,326, which is \$502,915, or 14.7 percent, higher than last year's total of \$3,425,411. Of the \$3,928,326 total, \$2,310,493, or approximately 58.8 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$539,025, an increase of 26.1 percent. This was due in large part to revenues for taxes, licenses and permits, and charges for services items being significantly higher than budgeted. Specifically, the budgeted amount for these three revenue sources totaled \$2,707,770 and the actual amount totaled \$3,081,435. Furthermore, expenditures for all function, except public safety, in the General Fund were significantly under budget. Budgeted expenditures totaled \$3,334,453 while actual expenditures totaled \$3,219,548. 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, 2013, unassigned fund balance in the General Fund was \$2,310,493, which represents 88.7 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 71.7 percent of total General Fund expenditures.

The Motor Fuel Tax Fund reported a decrease to fund balance of \$37,135 due to planned road improvements expenditures during the year. Restricted fund balance of \$216,823 will be used to fund future qualifying projects.

The Capital Projects Fund reported an increase to fund balance of \$1,025 due to interest income in the current year.

## VILLAGE OF KILDEER, ILLINOIS

### Management's Discussion and Analysis April 30, 2013

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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 draw down in the Sewer Fund during the current fiscal year was \$31,225, while the previous fiscal year reported a surplus of \$802,211. As previously stated, the value of improvements was less than the amount of depreciation and after operational costs and expenses were considered, there was a modest deficit. Unrestricted net position in the Sewer Fund totaled \$965,434 at April 30, 2013.

##### 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 \$3,758,573, compared to budgeted revenues of \$3,284,453. As stated earlier, revenues for taxes, licenses and permits, and charges for services items were significantly higher than budgeted, while intergovernmental revenues were under budget.

The General Fund actual expenditures for the year were \$114,905 lower than budgeted expenditures of \$3,334,453. The general government and public works and transportation functions' actual expenditures were lower than budgeted expenditures by \$132,859, and \$126,268, 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, 2013**

**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, 2013 was \$31,798,594 (net of accumulated depreciation). This investment in capital assets includes land, buildings equipment, vehicles, infrastructure, sanitary sewers, and lift stations.

		Capital Assets - Net of Depreciation					
		Governmental Activities		Business-type Activities		Total	
		2013	2012	2013	2012	2013	2012
Land	\$	13,386,524	13,293,342	-	-	13,386,524	13,293,342
Construction in Pro		-	206,515	-	54,965	-	261,480
Buildings		1,841,714	1,890,180	-	-	1,841,714	1,890,180
Equipment		53,435	63,452	-	-	53,435	63,452
Vehicles		58,447	14,129	-	-	58,447	14,129
Infrastructure		9,533,990	9,597,390	-	-	9,533,990	9,597,390
Sanitary Sewers		-	-	6,391,529	6,428,529	6,391,529	6,428,529
Lift Stations		-	-	532,955	546,141	532,955	546,141
<b>Total</b>		<b>24,874,110</b>	<b>25,065,008</b>	<b>6,924,484</b>	<b>7,029,635</b>	<b>31,798,594</b>	<b>32,094,643</b>

This year's major additions included:

Land	\$	93,182
Equipment		13,574
Vehicles		63,995
Infrastructure		495,058
Sanitary Sewers		5,563
		<u>671,372</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, 2013

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### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

#### Debt Administration

At year-end, the Village of Kildeer had total outstanding debt of \$2,037,016, as compared to \$2,107,016, the previous year, a decrease of 3.3 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 1,885,000	1,955,000	152,016	152,016	2,037,016	2,107,016

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 \$24,127,729. Current debt outstanding of \$2,037,016 represents 8.4% of the legal debt limit.

Additional information on the Village of Kildeer's long-term debt can be found in Note 3 on pages 31 - 34 of this report.

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

The Village Board of Trustees approved a 2013-2014 budget that is balanced. Each fund within the Budget was evaluated to project whether programmed expenditures can be met with reasonably anticipated revenues. Fiscally conservative assumptions were incorporated into the revenue projections to comply with the Board's philosophy of not spending money the Village does not have.

In brief, the major sources of revenue for the Village are sales tax and property tax. Major Village expenses include the police department and general government (which includes sales tax rebates to the shopping centers) and public works (snow plowing and street maintenance).

The Village of Kildeer's officials considered many factors when setting the fiscal year 2013-14 budget. One of those factors was the economy. The unemployment rate in Kildeer is 3.5%, which is low when compared to Lake County (8.8%), Illinois (9.3%) and the U.S (8.4%). In fiscal year 2013-14 retail sales from existing businesses are expected to increase only slightly. The Kildeer Marketplace is a new shopping center which includes the Whole Foods grocery store. Retail sales from the new businesses will add to the modest increase predicted for 2013-14.

## **VILLAGE OF KILDEER, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2013**

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

Revenues from property taxes are expected to slightly increase due to the addition of several new homes and a number of renovations to existing homes. Building permits issued for new construction in the Sanctuary Club subdivision will result in an increased number of Certificates of Occupancy in 2013-14 which will add to the Village's EAV. The Kildeer Marketplace Shopping Center also received a Certificate of Occupancy in 2013 and the value of that improved commercial real estate will be realized starting in 2013-14.

Taking into account the economic factors, the amount available for appropriation in the fiscal year 2013-14 General Fund budget is \$3.6 million, an increase of 9 percent from the final 2012-13 budget of \$3.3 million. The Village anticipates an increase in public works expenditures to correspond with the increase in sales and property tax receipts.

#### **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 the Chief Village Officer, 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 Position  
April 30, 2013**

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**See Following Page**

**VILLAGE OF KILDEER, ILLINOIS**

**Statement of Net Position  
April 30, 2013**

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 4,405,379	137,401	4,542,780
Receivables - Net			
Taxes	1,295,792	-	1,295,792
Accounts	25,376	59,948	85,324
Due from Other Funds	(812,392)	812,392	-
Prepays	34,579	-	34,579
			<hr/>
Total Current Assets	4,948,734	1,009,741	5,958,475
			<hr/>
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Nondepreciable	13,386,524	-	13,386,524
Depreciable	23,995,789	8,502,648	32,498,437
Accumulated Depreciation	(12,508,203)	(1,578,164)	(14,086,367)
			<hr/>
	24,874,110	6,924,484	31,798,594
			<hr/>
<b>Other Assets</b>			
Net Pension Asset	107,107	-	107,107
			<hr/>
Total Noncurrent Assets	24,981,217	6,924,484	31,905,701
			<hr/>
Total Assets	29,929,951	7,934,225	37,864,176
			<hr/>

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	\$ 227,221	38,112	265,333
Accrued Payroll	42,698	-	42,698
Accrued Interest Payable	21,602	6,195	27,797
Due to Other Governments	7,775	-	7,775
Current Portion of Long-Term Debt	75,157	-	75,157
Total Current Liabilities	<u>374,453</u>	<u>44,307</u>	<u>418,760</u>
Noncurrent Liabilities			
Compensated Absences Payable	3,625	-	3,625
Net Pension Obligation Payable	2,048	-	2,048
Other Postemployment Benefit Payable	5,032	-	5,032
General Obligation Bonds Payable - Net	1,798,018	152,016	1,950,034
Total Noncurrent Liabilities	<u>1,808,723</u>	<u>152,016</u>	<u>1,960,739</u>
Total Liabilities	<u>2,183,176</u>	<u>196,323</u>	<u>2,379,499</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	742,714	-	742,714
Total Liabilities and Deferred Inflows of Resources	<u>2,925,890</u>	<u>196,323</u>	<u>3,122,213</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	23,001,841	6,772,468	29,774,309
Restricted - Public Works and Transportation	216,823	-	216,823
Unrestricted	3,785,397	965,434	4,750,831
Total Net Position	<u>27,004,061</u>	<u>7,737,902</u>	<u>34,741,963</u>

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

**VILLAGE OF KILDEER, ILLINOIS**

**Statement of Activities**

**April 30, 2013**

	Expenses	Program Revenues		
		Program Revenues	Operating Grants/Contributions	Capital Grants/Contributions
<b>Governmental Activities</b>				
General Government	\$ 972,336	397,335	9,366	744,917
Public Safety	1,743,825	202,076	-	-
Public Works and Transportation	1,388,693	-	112,632	-
Interest on Long-Term Debt	88,730	-	-	-
<b>Total Governmental Activities</b>	<b>4,193,584</b>	<b>599,411</b>	<b>121,998</b>	<b>744,917</b>
<b>Business-Type Activities</b>				
Sewer	758,278	722,283	-	-
	<b>4,951,862</b>	<b>1,321,694</b>	<b>121,998</b>	<b>744,917</b>

**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 Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net Expense/Revenue		
Governmental Activities	Business Type Activities	Total
179,282	-	179,282
(1,541,749)	-	(1,541,749)
(1,276,061)	-	(1,276,061)
(88,730)	-	(88,730)
(2,727,258)	-	(2,727,258)
-	(35,995)	(35,995)
(2,727,258)	(35,995)	(2,763,253)
708,962	-	708,962
133,974	-	133,974
3,029	-	3,029
357,598	-	357,598
1,774,457	-	1,774,457
63,678	-	63,678
1,216	-	1,216
4,353	4,770	9,123
103,787	-	103,787
3,151,054	4,770	3,155,824
423,796	(31,225)	392,571
26,580,265	7,769,127	34,349,392
27,004,061	7,737,902	34,741,963

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

**VILLAGE OF KILDEER, ILLINOIS**

**Balance Sheet - Governmental Funds  
April 30, 2013**

	General	Special Revenue Motor Fuel Tax	Capital Projects	Total
<b>ASSETS</b>				
Cash and Investments	\$ 3,089,122	209,999	1,106,258	4,405,379
Receivables - Net of Allowances				
Taxes	1,288,968	6,824	-	1,295,792
Accounts	25,376	-	-	25,376
Prepays	34,579	-	-	34,579
<b>Total Assets</b>	<b>4,438,045</b>	<b>216,823</b>	<b>1,106,258</b>	<b>5,761,126</b>
<b>LIABILITIES</b>				
Accounts Payable	168,811	-	-	168,811
Accrued Payroll	42,698	-	-	42,698
Due to Other Funds	870,802	-	-	870,802
Due to Other Governments	7,775	-	-	7,775
<b>Total Liabilities</b>	<b>1,090,086</b>	<b>-</b>	<b>-</b>	<b>1,090,086</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	742,714	-	-	742,714
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,832,800</b>	<b>-</b>	<b>-</b>	<b>1,832,800</b>
<b>FUND BALANCES</b>				
Nonspendable	34,579	-	-	34,579
Restricted	-	216,823	-	216,823
Committed	260,173	-	-	260,173
Assigned	-	-	1,106,258	1,106,258
Unassigned	2,310,493	-	-	2,310,493
<b>Total Fund Balances</b>	<b>2,605,245</b>	<b>216,823</b>	<b>1,106,258</b>	<b>3,928,326</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>4,438,045</b>	<b>216,823</b>	<b>1,106,258</b>	<b>5,761,126</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 Position of Governmental Activities**

**April 30, 2013**

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<b>Total Governmental Fund Balances</b>	<b>\$ 3,928,326</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	24,874,110
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	107,107
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(4,531)
Net Pension Obligation	(2,048)
Net Other Post-Employment Benefit Obligation	(5,032)
Accrued Interest Payable	(21,602)
General Obligation Bonds Payable - Net	<u>(1,872,269)</u>
<b>Net Position of Governmental Activities</b>	<b><u>27,004,061</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, 2013**

	General	Special Revenue Motor Fuel Tax	Capital Projects	Total
<b>Revenues</b>				
Taxes	\$ 2,684,100	-	-	2,684,100
Intergovernmental	368,180	112,632	529,336	1,010,148
Charges for Services	154,395	-	-	154,395
Licenses and Permits	242,940	-	-	242,940
Fines and Forfeits	202,076	-	-	202,076
Interest	3,095	233	1,025	4,353
Miscellaneous	103,787	-	-	103,787
Total Revenues	<u>3,758,573</u>	<u>112,865</u>	<u>530,361</u>	<u>4,401,799</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	797,979	-	-	797,979
Public Safety	1,855,123	-	-	1,855,123
Public Works and Transportation	400,732	150,000	-	550,732
Capital Outlay	7,208	-	529,336	536,544
<b>Debt Service</b>				
Principal Retirement	70,000	-	-	70,000
Interest and Fiscal Charges	88,506	-	-	88,506
Total Expenditures	<u>3,219,548</u>	<u>150,000</u>	<u>529,336</u>	<u>3,898,884</u>
Net Change in Fund Balances	539,025	(37,135)	1,025	502,915
Fund Balances - Beginning	<u>2,066,220</u>	<u>253,958</u>	<u>1,105,233</u>	<u>3,425,411</u>
Fund Balances - Ending	<u><u>2,605,245</u></u>	<u><u>216,823</u></u>	<u><u>1,106,258</u></u>	<u><u>3,928,326</u></u>

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, 2013**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 502,915</b>
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	665,809
Depreciation Expense	(856,707)
An increase in a net pension asset is not considered to be an increase in a financial asset in the governmental funds.	
	46,292
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	786
Increase in Net Pension Obligation	(43)
Increase in Net Other Post-Employment Benefit Obligation	(5,032)
Retirement of General Obligation Bonds Payable	70,000
Amortization of Discount on Debt Issuance	(749)
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.	
	<u>525</u>
<b>Changes in Net Position of Governmental Activities</b>	<u><u>423,796</u></u>

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

VILLAGE OF KILDEER, ILLINOIS

Statement of Net Position - Proprietary Fund (Business-Type Activities) - Sewer Fund  
April 30, 2013

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<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 137,401
Receivables - Net of Allowances	
Accounts	59,948
Due from Other Funds	812,392
Total Current Assets	<u>1,009,741</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	-
Depreciable	8,502,648
Accumulated Depreciation	<u>(1,578,164)</u>
Total Noncurrent Assets	<u>6,924,484</u>
Total Assets	<u>7,934,225</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	38,112
Accrued Interest Payable	<u>6,195</u>
Total Current Liabilities	44,307
Noncurrent Liabilities	
Supplemental Act Assessment Bonds Payable	<u>152,016</u>
Total Liabilities	<u>196,323</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	6,772,468
Unrestricted	<u>965,434</u>
Total Net Position	<u><u>7,737,902</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 Position - Proprietary Fund  
(Business-Type Activities) - Sewer Fund

Year Ended April 30, 2013

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Operating Revenues	
Charges for Services	<u>\$ 722,283</u>
Operating Expenses	
Operations	640,130
Depreciation	<u>110,714</u>
Total Operating Expenses	<u>750,844</u>
Operating Income (Loss)	<u>(28,561)</u>
Nonoperating Revenues (Expenses)	
Interest Income	4,770
Interest and Fiscal Charges	<u>(7,434)</u>
	<u>(2,664)</u>
Change in Net Position	(31,225)
Net Position - Beginning	<u>7,769,127</u>
Net Position - Ending	<u>7,737,902</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, 2013

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Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 683,917
Payments to Suppliers	(667,518)
	<u>16,399</u>
Cash Flows from Capital and Related Financing activities	
Purchase of Capital Assets	(5,563)
Interest on Capital Debt	(7,434)
	<u>(12,997)</u>
Cash Flows from Investing Activities	
Interest Received	<u>4,770</u>
Net Change in Cash and Cash Equivalents	8,172
Cash and Cash Equivalents - Beginning	<u>129,229</u>
Cash and Cash Equivalents - Ending	<u><u>137,401</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>(28,561)</u>
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	110,714
(Increase) Decrease in Current Assets	(38,366)
Increase (Decrease) in Current Liabilities	<u>(27,388)</u>
Net Cash Provided by Operating Activities	<u><u>16,399</u></u>

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

**VILLAGE OF KILDEER, ILLINOIS**

**Statement of Fiduciary Net Position - Fiduciary Funds  
April 30, 2013**

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 114,478	758,599
Investments		
U.S. Government and Agency Securities	132,735	-
Corporate Bonds	1,960,112	-
Mutual Funds	1,255,604	-
Receivables - Net of Allowances		
Accrued Interest	26,699	-
Due from Other Funds	-	58,410
Due from Other Governments	-	300,000
Miscellaneous Receivables	863	-
Prepays	23,995	-
Total Assets	<u>3,514,486</u>	<u>1,117,009</u>
<b>LIABILITIES</b>		
Accounts Payable	9,058	-
Other Payables	-	300,000
Due to Developers	-	58,410
Due to Bondholders	-	758,599
Total Liabilities	<u>9,058</u>	<u>1,117,009</u>
<b>NET POSITION</b>		
Held in Trust for Pension Benefits	<u><u>3,505,428</u></u>	-

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

**VILLAGE OF KILDEER, ILLINOIS**

**Statement of Changes in Fiduciary Net Position - Pension Trust Fund  
Year Ended April 30, 2013**

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	<u>Police Pension</u>
Additions	
Contributions - Employer	\$ 448,830
Contributions - Plan Members	55,179
Total Contributions	<u>504,009</u>
Investment Income	
Interest Earned	104,070
Net Change in Fair Value	160,057
	<u>264,127</u>
Less Investment Expenses	(16,292)
Net Investment Income	<u>247,835</u>
Total Additions	<u>751,844</u>
Deductions	
Administration	50,813
Benefits and Refunds	358,887
Total Deductions	<u>409,700</u>
Change in Net Position	342,144
Net Position - Beginning	<u>3,163,284</u>
Net Position - Ending	<u><u>3,505,428</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, 2013

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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). 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, 2013

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, 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 position resulting from the current year's activities.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2013

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

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

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

##### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

**General fund** is the general operating fund of the Village. It 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, 2013

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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 position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary 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.

##### 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 position and changes in net position 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.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2013

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

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Fiduciary Funds – Continued

**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 Position 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/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2013

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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 position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

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 Position 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/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, 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, 2013

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

##### Cash and Investments

Cash and cash equivalents on the Statement of Net Position 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, 2013**

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

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION 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, 2013

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

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

##### Compensated Absences

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

All vacation pay is accrued when incurred in the government-wide 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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures/expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2013

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

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

##### Net Position

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

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

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

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

### 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 Chief Village Officer’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 25, 2012.

## VILLAGE OF KILDEER, ILLINOIS

### Notes to the Financial Statements April 30, 2013

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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 position.

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, 2013

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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 and business-type activities totaled \$3,169,543 and the bank balances totaled \$3,322,727. In addition, the Village has \$1,373,237 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, 2013

### 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 \$114,478 and the bank balances totaled \$115,249.

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

	Fair Value	Investment Maturities (in Years)			More than 10
		Less than 1	1 to 5	6 to 10	
Corporate Bonds	\$ 1,960,112	-	937,420	407,128	615,564
Federal Home Loan Mortgage Corp	79,351	-	79,351	-	-
Federal Home Loan Bank	53,384	53,384	-	-	-
	<u>2,092,847</u>	<u>53,384</u>	<u>1,016,771</u>	<u>407,128</u>	<u>615,564</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. In addition to the securities and fair values listed above, the Fund also has \$1,255,604 invested in mutual funds. At April 30, 2013, the Fund has over 5% of net plan position invested in Pioneer Fundamental Growth of \$305,111, Invesco Diversified of \$302,319, AT&T Inc. of \$236,418, CISCO Systems of \$232,964 and Verizon Comm of \$225,220.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2013

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

#### PROPERTY TAXES

Property taxes for 2012 attach as an enforceable lien on January 1, 2013, 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, 2013 and September 1, 2013. 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	93,182	-	13,386,524
Construction in Progress	206,515	-	206,515	-
	<u>13,499,857</u>	<u>93,182</u>	<u>206,515</u>	<u>13,386,524</u>
<b>Depreciable Capital Assets</b>				
Buildings	2,423,308	-	-	2,423,308
Equipment	227,655	13,574	-	241,229
Vehicles	214,632	63,995	-	278,627
Infrastructure	20,351,052	701,573	-	21,052,625
	<u>23,216,647</u>	<u>779,142</u>	<u>-</u>	<u>23,995,789</u>
<b>Less Accumulated Depreciation</b>				
Buildings	533,128	48,466	-	581,594
Equipment	164,203	23,591	-	187,794
Vehicles	200,503	19,677	-	220,180
Infrastructure	10,753,662	764,973	-	11,518,635
	<u>11,651,496</u>	<u>856,707</u>	<u>-</u>	<u>12,508,203</u>
Total Net Depreciable Capital Assets	<u>11,565,151</u>	<u>(77,565)</u>	<u>-</u>	<u>11,487,586</u>
Total Net Capital Assets	<u>25,065,008</u>	<u>15,617</u>	<u>206,515</u>	<u>24,874,110</u>

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Governmental Activities – Continued

Depreciation expense was charged to governmental activities as follows:

Public Works \$ 856,707

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	7,813,959	60,528	-	7,874,487
Lift Stations	628,161	-	-	628,161
	<u>8,442,120</u>	<u>60,528</u>	<u>-</u>	<u>8,502,648</u>
Less Accumulated Depreciation				
Sanitary Sewers	1,385,430	97,528	-	1,482,958
Lift Stations	82,020	13,186	-	95,206
	<u>1,467,450</u>	<u>110,714</u>	<u>-</u>	<u>1,578,164</u>
Total Net Depreciable Capital Assets	<u>6,974,670</u>	<u>(50,186)</u>	<u>-</u>	<u>6,924,484</u>
Total Net Capital Assets	<u>7,029,635</u>	<u>(50,186)</u>	<u>54,965</u>	<u>6,924,484</u>

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

Sewer \$ 110,714

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2013**

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

**INTERFUND RECEIVABLES AND PAYABLES**

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

Receivable Fund	Payable Fund	Amount
Sewer	General	\$ 812,392
Agency	General	<u>58,410</u>
		<u><u>870,802</u></u>

Interfund balances are advances in anticipation of receipts.

**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.	1,955,000	-	70,000	<u>1,885,000</u>
	<u>2,107,016</u>	-	<u>70,000</u>	<u><u>2,037,016</u></u>

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2013**

**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	\$ 5,317	786	1,572	4,531	906
Net Pension Obligation	2,005	43	-	2,048	-
Net Other Post-Employment Benefit Obligation	-	5,032	-	5,032	-
General Obligation Bonds	1,955,000	-	70,000	1,885,000	75,000
Less: Unamortized Bond Discount	(13,480)	-	(749)	(12,731)	(749)
	<u>1,948,842</u>	<u>5,861</u>	<u>70,823</u>	<u>1,883,880</u>	<u>75,157</u>
<b>Business-Type Activities</b>					
General Obligation Bonds	<u>152,016</u>	<u>-</u>	<u>-</u>	<u>152,016</u>	<u>-</u>

The compensated absences, the net pension obligation and the net other post-employment benefit obligation are generally liquidated by the General Fund. Payments on the general obligation bonds are made by the General, Capital Projects and Sewer Funds.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2013**

**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	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
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>1,885,000</b>	<b>992,944</b>	<b>152,016</b>	<b>44,604</b>

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2013**

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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 \$2,542,000. 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 - 2012	<u>\$ 279,741,780</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>24,127,729</u>
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>(2,037,016)</u>
Legal Debt Margin	<u>22,090,713</u>

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2013**

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

**NET POSITION/ FUND BALANCE**

**Net Position Classifications**

Invested in capital assets – net of related debt, was comprised of the following as of April 30, 2013:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 24,874,110
Less Capital Related Debt:	
General Obligation Limited Debt Certificates of 2011	(1,885,000)
Unamortized Bond Discount	<u>12,731</u>
Net Investment in Capital Assets	<u>23,001,841</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	6,924,484
Less Capital Related Debt:	
Special Act Assessment Bonds of 1998B	<u>(152,016)</u>
Net Investment in Capital Assets	<u>6,772,468</u>

**Fund Balance Classifications**

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

**Assigned Fund Balance.** The Village reports assigned fund balance in the Capital Projects Fund, a 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, 2013**

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

**NET POSITION/ FUND BALANCE – Continued**

**Fund Balance Classifications – Continued**

**Committed Fund Balance.** The Village reports committed fund balance in the General Fund. Board ordinance approval is required to establish, modify or rescind a fund balance commitment. The Village’s Board 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
<b>Fund Balances</b>				
Nonspendable - Prepaids	\$ 34,579	-	-	34,579
<b>Restricted</b>				
Public Works and Transportation	-	216,823	-	216,823
<b>Committed</b>				
Facility Maintenance	100,000	-	-	100,000
Debt Service	160,173	-	-	160,173
	260,173	-	-	260,173
<b>Assigned</b>	-	-	1,106,258	1,106,258
<b>Unassigned</b>	2,310,493	-	-	2,310,493
<b>Total Fund Balances</b>	2,605,245	216,823	1,106,258	3,928,326

**Net Position Restatements**

Beginning net position was restated for the implementation of GASB 63/65 and removing unamortized bond issuance costs. Net position was restated in the current year as follows:

Net Position	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 26,621,114	26,580,265	(40,849)

## **VILLAGE OF KILDEER, ILLINOIS**

### **Notes to the Financial Statements April 30, 2013**

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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, 2013

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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

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2013**

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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**

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 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 2012 was 10.66 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, 2013, 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
Active Employees	<u>17</u>
Total	<u>20</u>
Participating Employers	1

## VILLAGE OF KILDEER, ILLINOIS

### Notes to the Financial Statements April 30, 2013

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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, 2013

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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 position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in in Pioneer Fundamental Growth of \$305,111, Invesco Diversified of \$302,319, AT&T Inc. of \$236,418, CISCO Systems of \$232,964 and Verizon Comm of \$225,220. 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	\$ 33,183	403,106	436,289
Interest on the NPO/(NPA)	150	(5,785)	(5,635)
Adjustment to the ARC	(107)	5,217	5,110
Annual Pension Cost	33,226	402,538	435,764
Actual Contribution	(33,183)	(448,830)	(482,013)
Change in the NPO/(NPA)	43	(46,292)	(46,249)
NPO/(NPA) - Beginning Balance	2,005	(60,815)	(58,810)
NPO/(NPA) - Ending Balance	2,048	(107,107)	(105,059)

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2013**

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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	10.66%	28.46%
Employee	4.50%	9.91%
Actuarial Valuation Date	12/31/2012	04/30/2012
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	25 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, 2013**

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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)	2011	\$	25,459	\$ 97,384
	2012		35,315	331,442
	2013		33,226	402,538
Actual Contributions	2011	\$	23,349	\$ 105,812
	2012		35,315	348,500
	2013		33,183	448,830
Percentage of APC Contributed	2011		91.71%	108.65%
	2012		100.00%	105.15%
	2013		99.87%	111.50%
Net Pension Obligation/ (Asset)	2011	\$	2,110	\$ (43,757)
	2012		2,005	(60,815)
	2013		2,048	(107,107)

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2013**

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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	12/31/2012	4/30/2012
Percent Funded	76.58%	48.15%
Actuarial Accrued Liability for Benefits	\$336,705	\$6,171,547
Actuarial Value of Assets	\$257,853	\$2,971,517
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$78,852)	(\$3,200,030)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$243,706	\$1,224,598
Ratio of UAAL to Covered Payroll	32.36%	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.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2013

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS

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

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans.

All health care benefits are provided through the Village's health insurance plan. Post-employment benefit levels for retirees are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actual premiums to the plan, except for police officers receiving benefits under PSEBA, who receive coverage at no cost. For the fiscal year ending April 30, 2013, retirees did not contribute to the plan as the only retiree was receiving benefits under PSEBA. Active employees do not contribute to the plan until retirement.

At April 30, 2013, the date of the most recent actuarial report, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	1
Active Employees	<u>9</u>
Total	<u><u>10</u></u>
Participating Employers	1

The Village does not currently have a funding policy.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2013**

**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Annual OPEB Costs and Net OPEB Obligation**

The net OPEB obligation (NOPEBO) as of April 30, 2013, was calculated as follows:

Annual Required Contribution	\$ 5,032
Interest on the NPO	-
Adjustment to the ARC	-
	<hr/>
Annual OPEB Cost	5,032
Actual Contribution	-
	<hr/>
Increase in the NPO	5,032
NPO - Beginning of Year	-
	<hr/>
NPO - End of Year	<u>5,032</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Trend Information**

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ N/A	\$ N/A	N/A	\$ N/A
2012	N/A	N/A	N/A	N/A
2013	5,032	-	0.00%	5,032

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2013

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Funded Status and Funding Progress

The funded status of the plan as of April 30, 2013, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$	351,756
Actuarial Value of Plan Assets		-
Unfunded Actuarial Accrued Liability (UAAL)		351,756
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0.00%
Covered Payroll (Active Plan Members)		926,420
UAAL as a Percentage of Covered Payroll		37.97%

##### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2013 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (including a 3% inflation assumption) and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. The actuarial value of assets was not determined as the Village has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013, was 30 years.

##### SUBSEQUENT EVENT

###### Contingencies

As of April 30, 2013 the Village of Kildeer was involved in a lawsuit filed by the Village of Deer Park. The lawsuit was settled in August 2013 when the Village of Deer Park paid \$221,888 to the Village of Kildeer. The Village did not pay anything to Deer Park to settle the suit.

## **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
  - Other Post-Employment Benefit Plan
  
- Budgetary Comparison Schedules
  - General Fund
  - Motor Fuel Tax – Special Revenue Fund

### Notes to the Required Supplementary Information

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

**VILLAGE OF KILDEER, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
April 30, 2013**

**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 Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
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%
2012	257,853	336,705	76.58%	78,852	243,706	32.36%

**Employer Contributions**

Fiscal Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
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	35,315	35,315	100.00%
2013	33,183	33,183	100.00%

**VILLAGE OF KILDEER, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
April 30, 2013**

**Schedule of Funding Progress**

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
Apr. 30						
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%
2012	2,971,517	6,171,547	48.15%	3,200,030	1,224,598	261.31%

**Employer Contributions**

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
Apr. 30			
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%
2013	448,830	403,106	111.34%

**VILLAGE OF KILDEER, ILLINOIS**

**Other Post-Employment Benefit Plan**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
April 30, 2013**

**Funding Progress**

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
Apr. 30						
2008	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	-	36,167	0.00%	36,167	1,578,759	2.29%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	351,756	0.00%	351,756	926,420	37.97%

**Employer Contributions**

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
2008	\$ N/A	\$ N/A	N/A
2009	N/A	N/A	N/A
2010	N/A	N/A	N/A
2011	N/A	N/A	N/A
2012	N/A	N/A	N/A
2013	-	5,032	0.00%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2013. Information for other years is not available. The Village is required to have an actuarial valuation performed triennially.

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2013**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 2,406,200	2,406,200	2,684,100
Intergovernmental	396,200	396,200	368,180
Charges for Services	121,570	121,570	154,395
Licenses and Permits	180,000	180,000	242,940
Fines and Forfeits	136,500	136,500	202,076
Interest	5,000	5,000	3,095
Miscellaneous	38,983	38,983	103,787
Total Revenues	<u>3,284,453</u>	<u>3,284,453</u>	<u>3,758,573</u>
<b>Expenditures</b>			
Current			
General Government	930,838	930,838	797,979
Public Safety	1,716,512	1,716,512	1,855,123
Public Works and Transportation	527,000	527,000	400,732
Capital Outlay	-	-	7,208
Debt Service			
Principal Retirement	70,000	70,000	70,000
Interest and Fiscal Charges	90,103	90,103	88,506
Total Expenditures	<u>3,334,453</u>	<u>3,334,453</u>	<u>3,219,548</u>
Net Change in Fund Balance	<u>(50,000)</u>	<u>(50,000)</u>	539,025
Fund Balance - Beginning			<u>2,066,220</u>
Fund Balance - Ending			<u>2,605,245</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, 2013**

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	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Motor Fuel Tax	\$ 100,000	100,000	112,632
Interest	-	-	233
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>112,865</u>
Expenditures			
Public Works and Transportation			
Road Improvements	<u>350,000</u>	<u>350,000</u>	<u>150,000</u>
Net Change in Fund Balance	<u>(250,000)</u>	<u>(250,000)</u>	(37,135)
Fund Balance - Beginning			<u>253,958</u>
Fund Balance - Ending			<u><u>216,823</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

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

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

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

## **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, 2013**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes	\$ 703,000	703,000	708,962
Other			
State Sales Tax	1,500,000	1,500,000	1,774,457
State Use Tax	55,000	55,000	63,678
Road and Bridge Tax	3,200	3,200	3,029
Telecommunication Taxes	145,000	145,000	133,974
<b>Total Taxes</b>	<b>2,406,200</b>	<b>2,406,200</b>	<b>2,684,100</b>
<b>Intergovernmental</b>			
Illinois State Income Tax	250,000	250,000	357,598
Illinois State Replacement Tax	1,200	1,200	1,216
State Grants	145,000	145,000	9,366
<b>Total Intergovernmental</b>	<b>396,200</b>	<b>396,200</b>	<b>368,180</b>
<b>Charges for Services</b>			
Sewer Administration Fees	26,570	26,570	53,140
Impoundment Fees	15,000	15,000	14,500
Franchise Fees	80,000	80,000	86,755
<b>Total Charges for Services</b>	<b>121,570</b>	<b>121,570</b>	<b>154,395</b>
<b>Licenses and Permits</b>			
Licenses and Fees	60,000	60,000	80,555
Building Permits	120,000	120,000	162,385
<b>Total Licenses and Permits</b>	<b>180,000</b>	<b>180,000</b>	<b>242,940</b>
<b>Fines and Forfeits</b>			
Police Fines	56,500	56,500	83,639
Red Light Enforcement	80,000	80,000	185,580
Red Light Enforcement Expenditures	-	-	(67,143)
	<b>136,500</b>	<b>136,500</b>	<b>202,076</b>

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
Year Ended April 30, 2013**

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	Budget		Actual
	Original	Final	
Interest			
Investment Income	\$ 5,000	5,000	3,095
Miscellaneous			
Expired Completion Bonds	-	-	34,000
Books and Copies	500	500	798
Refunds and Reimbursements	35,000	35,000	50,399
Other	3,483	3,483	18,590
Total Miscellaneous	38,983	38,983	103,787
Total Revenues	3,284,453	3,284,453	3,758,573

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**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2013**

	Budget		Actual
	Original	Final	
<b>General Government</b>			
Personnel Salaries	\$ 198,556	198,556	218,434
Payroll Taxes	16,960	16,960	19,456
Retirement and Benefits	63,365	63,365	66,489
Training and Education	2,000	2,000	2,896
Travel and Lodging	2,500	2,500	2,853
Legal Services	10,000	10,000	11,608
Contract Services	38,000	38,000	46,253
Grant Expenditures	125,000	125,000	-
Planning and Zoning Services	7,500	7,500	1,320
Inspection Services	45,000	45,000	68,326
Financial Services	10,000	10,000	5,469
Information Technology	10,000	10,000	13,318
Other Professional Fees	10,000	10,000	18,977
Engineering Fees	25,000	25,000	15,103
Audit Fees	14,550	14,550	15,950
Alarm and Video	-	-	440
Codification	3,500	3,500	863
Insurance	30,000	30,000	12,123
Dues and Subscriptions	7,800	7,800	4,839
Supplies	5,000	5,000	5,307
Copy Services	5,000	5,000	1,176
Postage	1,500	1,500	1,197
Utilities	6,500	6,500	4,891
Equipment Maintenance	10,000	10,000	8,301
Building and Grounds Maintenance	35,000	35,000	30,330
Sales Tax Rebate	220,000	220,000	210,452
Community Events	1,000	1,000	1,639
Newsletter	10,000	10,000	-
Miscellaneous Expenditures	10,000	10,000	9,969
Contingency	7,107	7,107	-
<b>Total General Government</b>	<b>930,838</b>	<b>930,838</b>	<b>797,979</b>
<b>Public Safety</b>			
Personnel Salaries	675,928	675,928	736,804
Payroll Taxes	17,661	17,661	24,815
Health Benefits	136,850	136,850	160,056

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2013**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Pension Contribution	\$ 466,698	466,698	459,747
Insurance	45,000	45,000	57,827
Investigations and Lab	3,000	3,000	-
Legal Services	68,000	68,000	203,871
Contract Services	18,050	18,050	9,897
Admin Adjudication	3,060	3,060	2,593
Police Grant Expenditures	20,000	20,000	9,435
Community Relations	600	600	44
Firearms and Defense	3,450	3,450	-
Communications	3,600	3,600	2,631
Conferences and Dues	6,000	6,000	10,588
Dispatching	73,500	73,500	65,934
DUI Expenditures	20,000	20,000	5,165
Drug Seizures	5,000	5,000	-
Traffic Rebate	25,000	25,000	55,389
Training and Education	5,500	5,500	550
Travel and Lodging	500	500	-
Printing	2,500	2,500	551
Copy Services	2,000	2,000	1,553
Postage	1,500	1,500	385
Fuel	32,000	32,000	23,732
Storage	2,915	2,915	2,916
Supplies	2,500	2,500	1,866
Uniforms	8,700	8,700	4,974
Maintenance and Repairs	33,500	33,500	12,354
Miscellaneous Expenditures	3,500	3,500	1,446
Contingency	30,000	30,000	-
<b>Total Public Safety</b>	<b>1,716,512</b>	<b>1,716,512</b>	<b>1,855,123</b>
Public Works and Transportation			
Contract Services	1,500	1,500	2,950
Mosquito Control	10,000	10,000	10,000
Road Maintenance	300,000	300,000	200,888
Snow and Ice Control	140,000	140,000	117,993
Street Signs and Safety	5,000	5,000	2,276
Street Lighting	5,000	5,000	2,557

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2013**

	Budget		Actual
	Original	Final	
Public Works and Transportation - Continued			
Right of Way Maintenance	\$ 40,000	40,000	28,501
Traffic Signal Maintenance	15,000	15,000	12,817
Storm Sewer Line Maintenance	10,000	10,000	22,302
Miscellaneous Expenditures	500	500	448
Total Public Works and Transportation	527,000	527,000	400,732
Capital Outlay			
General Government	-	-	7,208
Debt Service			
Principal Retirement	70,000	70,000	70,000
Interest and Fiscal Charges	90,103	90,103	88,506
Total Debt Service	160,103	160,103	158,506
Total Expenditures	3,334,453	3,334,453	3,219,548

VILLAGE OF KILDEER, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2013

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
County Agreements	\$ 850,000	850,000	529,336
Interest	-	-	1,025
Total Revenues	850,000	850,000	530,361
Expenditures			
Capital Outlay			
General Government	850,000	850,000	529,336
Net Change in Fund Balance	-	-	1,025
Fund Balance - Beginning			1,105,233
Fund Balance - Ending			1,106,258

**VILLAGE OF KILDEER, ILLINOIS**

**Sewer - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
Year Ended April 30, 2013**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Charges	\$ 693,905	693,905	722,283
Operating Expenses			
Operations			
Administration	26,570	26,570	53,140
Outside Consulting	1,000	1,000	2,184
System Maintenance	49,000	49,000	47,433
Utilities	16,000	16,000	10,516
Operating Expenses	498,481	498,481	525,265
Miscellaneous Expenses	28,325	28,325	1,592
Depreciation	96,472	96,472	110,714
Total Operating Expenses	715,848	715,848	750,844
Operating Income (Loss)	(21,943)	(21,943)	(28,561)
Nonoperating Revenues (Expenses)			
Interest Income	1,300	1,300	4,770
Interest and Fiscal Charges	-	-	(7,434)
	1,300	1,300	(2,664)
Change in Net Position	(20,643)	(20,643)	(31,225)
Net Position - Beginning			7,769,127
Net Position - Ending			7,737,902

**VILLAGE OF KILDEER, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities  
Year Ended April 30, 2013**

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 748,961	300,178	290,540	758,599
Due from Other Funds	52,303	120,668	114,561	58,410
Due from Other Governments	300,000	-	-	300,000
Total Assets	<u>1,101,264</u>	<u>420,846</u>	<u>405,101</u>	<u>1,117,009</u>
<b>LIABILITIES</b>				
Other Payables	300,000	-	-	300,000
Due to Developers	52,303	120,668	114,561	58,410
Due to Bondholders	748,961	300,178	290,540	758,599
Total Liabilities	<u>1,101,264</u>	<u>420,846</u>	<u>405,101</u>	<u>1,117,009</u>
<b>Escrow Fund</b>				
<b>ASSETS</b>				
Due to Other Funds	<u>52,303</u>	<u>120,668</u>	<u>114,561</u>	<u>58,410</u>
<b>LIABILITIES</b>				
Due to Developers	<u>52,303</u>	<u>120,668</u>	<u>114,561</u>	<u>58,410</u>

	Beginning Balances	Additions	Deductions	Ending Balances
<b>Special Service Area Fund</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 748,961	300,178	290,540	758,599
Due from Other Governments	300,000	-	-	300,000
Total Assets	<u>1,048,961</u>	<u>300,178</u>	<u>290,540</u>	<u>1,058,599</u>
<b>LIABILITIES</b>				
Other Payables	300,000	-	-	300,000
Due to Bondholders	748,961	300,178	290,540	758,599
Total Liabilities	<u>1,048,961</u>	<u>300,178</u>	<u>290,540</u>	<u>1,058,599</u>

## **SUPPLEMENTAL SCHEDULES**

## VILLAGE OF KILDEER, ILLINOIS

### Schedule of Insurance in Force April 30, 2013

Coverage	Amount of Coverage		Expiration Date of Policy
General Liability	\$ 1,000,000	per Occurrence	11/1/13
Commercial Property	3,355,000	Blanket Limit	11/1/13
Boiler & Machinery	50,000,000	Blanket Limit	11/1/13
Commercial Umbrella	9,000,000	per Occurrence	11/1/13
Automobile Liability	1,000,000	per Occurrence	11/1/13
Uninsured/Underinsured Motorist	1,000,000	per Occurrence	11/1/13
Public Officials Liability	1,000,000	per Occurrence	11/1/13
Law Enforcement Liability	1,000,000	per Occurrence	11/1/13
Employment Practices	1,000,000	per Occurrence	11/1/13
Employers Benefits Liability	1,000,000	per Occurrence	11/1/13
Workers' Compensation	2,500,000	per Accident	1/1/2014
Crime and Fidelity			
a. Employee Dishonesty	1,000,000	per Occurrence	11/1/13
b. Forgery or Alteration	1,000,000	per Occurrence	11/1/13
c. Theft, Disappearance and Destruction	1,000,000	per Occurrence	11/1/13

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**Supplemental Act Assessment Bonds of 1998B  
April 30, 2013**

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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>
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>44,604</u>	<u>196,620</u>

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Refunding Limited Debt Certificates of 2011  
April 30, 2013**

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
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>1,885,000</u>	<u>992,944</u>	<u>2,877,944</u>		<u>496,472</u>		<u>496,472</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 Position by Component - Last Nine Fiscal Years\***  
**April 30, 2013 (Unaudited)**

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**See Following Page**

**VILLAGE OF KILDEER, ILLINOIS**

**Net Position by Component - Last Nine Fiscal Years\*  
April 30, 2013 (Unaudited)**

	2005	2006	2007
<b>Governmental Activities</b>			
Net Investment in Capital Assets	\$ 15,217,308	15,978,975	15,608,048
Restricted	(253,006)	751,872	1,065,267
Unrestricted	3,863,249	2,575,999	2,814,614
<b>Total Governmental Activities Net Position</b>	<b>18,827,551</b>	<b>19,306,846</b>	<b>19,487,929</b>
<b>Business-Type Activities</b>			
Net Investment in Capital Assets	-	-	-
Restricted	-	-	-
Unrestricted	-	-	-
<b>Total Business-Type Activities Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Primary Government</b>			
Net Investment in Capital Assets	15,217,308	15,978,975	15,608,048
Restricted	(253,006)	751,872	1,065,267
Unrestricted	3,863,249	2,575,999	2,814,614
<b>Total Primary Government Net Position</b>	<b>18,827,551</b>	<b>19,306,846</b>	<b>19,487,929</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.

2008	2009	2010	2011	2012	2013
24,865,410	24,514,077	25,196,160	24,251,008	23,123,488	23,001,841
903,687	837,479	840,083	806,981	253,958	216,823
1,073,574	686,615	982,198	1,634,430	3,243,668	3,785,397
26,842,671	26,038,171	27,018,441	26,692,419	26,621,114	27,004,061
5,675,656	5,733,654	5,655,652	5,606,722	6,877,619	6,772,468
37,990	37,990	37,990	37,990	-	-
992,793	1,073,870	1,207,713	1,322,204	891,508	965,434
6,706,439	6,845,514	6,901,355	6,966,916	7,769,127	7,737,902
30,541,066	30,247,731	30,851,812	29,857,730	30,001,107	29,774,309
941,677	875,469	878,073	844,971	253,958	216,823
2,066,367	1,760,485	2,189,911	2,956,634	4,135,176	4,750,831
33,549,110	32,883,685	33,919,796	33,659,335	34,390,241	34,741,963

VILLAGE OF KILDEER, ILLINOIS

Changes in Net Position - Last Nine Fiscal Years\*  
 April 30, 2013 (Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>									
Governmental Activities									
General Government	\$ 569,940	441,184	450,323	773,997	919,885	746,493	705,714	735,208	972,336
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	1,743,825
Public Works	1,338,186	1,488,268	1,871,824	1,856,094	1,389,902	1,313,149	1,259,178	1,181,611	1,388,693
Interest on Long-Term Debt	127,584	321,515	296,913	88,908	75,882	72,414	98,094	97,934	88,730
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	4,193,584
Business-Type Activities									
Sewer	-	-	-	415,526	618,463	591,880	616,480	702,113	758,278
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	4,951,862
<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	397,335
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	202,076
Operating Grants/Contributions	120,180	104,264	104,072	32,869	5,763	7,000	10,868	195,713	121,998
Capital Grants/Contributions	-	-	-	2,168,745	399,592	1,408,491	108,640	222,023	744,917
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	1,466,326
Business-Type Activities									
Charges for Services									
Sewer	-	-	-	380,554	718,540	633,420	674,289	1,498,196	722,283
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	2,188,609

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense) Revenue									
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)	(2,727,258)
Business-Type Activities	-	-	-	(34,972)	100,077	41,540	57,809	796,083	(35,995)
Total Primary Government Net (Expense) Revenue	<u>(1,844,374)</u>	<u>(2,562,144)</u>	<u>(3,242,840)</u>	<u>(2,206,111)</u>	<u>(3,296,244)</u>	<u>(1,340,112)</u>	<u>(2,750,823)</u>	<u>(1,815,498)</u>	<u>(2,763,253)</u>
General Revenues and Other Changes in Net Position									
Governmental Activities									
Taxes									
Property	500,722	529,788	566,008	603,095	633,467	662,083	673,436	693,026	708,962
Sales	646,120	1,003,758	1,196,317	1,229,239	1,172,279	1,015,240	1,121,376	1,219,870	1,774,457
Income	247,395	273,260	299,815	328,944	378,444	334,066	325,745	325,202	357,598
Other	28,295	27,181	28,584	184,689	200,985	185,770	215,363	187,960	201,897
Interest	34,566	110,132	170,702	81,067	27,916	6,682	3,618	4,611	4,353
Miscellaneous	1,298,832	941,416	1,162,497	636,355	178,730	79,870	143,072	109,607	103,787
Total Governmental Activities	<u>2,755,930</u>	<u>2,885,535</u>	<u>3,423,923</u>	<u>3,063,389</u>	<u>2,591,821</u>	<u>2,283,711</u>	<u>2,482,610</u>	<u>2,540,276</u>	<u>3,151,054</u>
Business-Type Activities									
Interest	-	-	-	58,860	35,988	14,301	7,752	6,128	4,770
Miscellaneous	-	-	-	-	3,010	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,860</u>	<u>38,998</u>	<u>14,301</u>	<u>7,752</u>	<u>6,128</u>	<u>4,770</u>
Total Primary Government	<u>2,755,930</u>	<u>2,885,535</u>	<u>3,423,923</u>	<u>3,122,249</u>	<u>2,630,819</u>	<u>2,298,012</u>	<u>2,490,362</u>	<u>2,546,404</u>	<u>3,155,824</u>
Changes in Net Position									
Governmental Activities	911,556	323,391	181,083	892,250	(804,500)	902,059	(326,022)	(71,305)	423,796
Business-Type Activities	-	-	-	23,888	139,075	55,841	65,561	802,211	(31,225)
Total Primary Government	<u>911,556</u>	<u>323,391</u>	<u>181,083</u>	<u>916,138</u>	<u>(665,425)</u>	<u>957,900</u>	<u>(260,461)</u>	<u>730,906</u>	<u>392,571</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.

**VILLAGE OF KILDEER, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years\***  
**April 30, 2013 (Unaudited)**

	2004	2005	2006
General Fund			
Reserved	\$ 120,153	148,583	412,844
Unreserved	744,580	873,072	1,111,734
Nonspendable	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total General Fund	<u>864,733</u>	<u>1,021,655</u>	<u>1,524,578</u>
All Other Governmental Funds			
Reserved	125,661	2,445,697	1,487,940
Unreserved, Reported in,			
Special Revenue Funds	297,605	323,277	363,295
Debt Service Funds	-	-	-
Capital Projects Funds	20,018	20,178	20,389
Restricted	-	-	-
Assigned	-	-	-
Total All Other Governmental Funds	<u>443,284</u>	<u>2,789,152</u>	<u>1,871,624</u>
Total Governmental Funds	<u><u>1,308,017</u></u>	<u><u>3,810,807</u></u>	<u><u>3,396,202</u></u>

\* Modified Accrual Basis of Accounting

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

2007	2008	2009	2010	2011	2012	2013
456,339	119,182	115,193	131,632	139,164	-	-
1,354,397	710,110	667,015	946,869	1,573,488	-	-
-	-	-	-	-	36,352	34,579
-	-	-	-	-	260,173	260,173
-	-	-	-	-	1,769,695	2,310,493
1,810,736	829,292	782,208	1,078,501	1,712,652	2,066,220	2,605,245
1,251,498	524,954	-	-	-	-	-
870,060	259,551	192,095	177,814	136,907	-	-
-	-	-	-	-	-	-
20,692	-	530,191	530,637	1,141,749	-	-
-	-	-	-	-	253,958	216,823
-	-	-	-	-	1,105,233	1,106,258
2,142,250	784,505	722,286	708,451	1,278,656	1,359,191	1,323,081
3,952,986	1,613,797	1,504,494	1,786,952	2,991,308	3,425,411	3,928,326

**VILLAGE OF KILDEER, ILLINOIS**

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
April 30, 2013 (Unaudited)**

	2004	2005	2006
<b>Revenues</b>			
Taxes	\$ 1,219,676	1,394,237	2,031,806
Intergovernmental	841,667	1,078,160	1,175,795
Licenses, Permits and Fees	297,542	409,469	376,576
Charges for Services	525,545	581,641	904,175
Fines and Forfeitures	211,172	225,348	186,988
Interest	16,920	34,566	110,132
Miscellaneous	64,381	95,565	92,827
<b>Total Revenues</b>	<b>3,176,903</b>	<b>3,818,986</b>	<b>4,878,299</b>
<b>Expenditures</b>			
<b>Current</b>			
General Government	285,928	456,218	362,162
Public Safety	1,804,497	2,047,239	2,383,994
Public Works	512,141	546,957	658,322
Capital Outlay	352,865	1,245,429	1,427,736
<b>Debt Service</b>			
Principal Retirement	211,635	203,491	200,662
Interest and Fiscal Charges	141,122	127,584	321,515
<b>Total Expenditures</b>	<b>3,308,188</b>	<b>4,626,918</b>	<b>5,354,391</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(131,285)</b>	<b>(807,932)</b>	<b>(476,092)</b>
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	62,247	3,310,722	61,487
Proceeds from Sale of Fixed Assets	-	-	-
Transfers In	162,787	180,957	162,797
Transfers Out	(162,787)	(180,957)	(162,797)
<b>Total Other Financing Sources (Uses)</b>	<b>62,247</b>	<b>3,310,722</b>	<b>61,487</b>
<b>Net Change in Fund Balances</b>	<b>(69,038)</b>	<b>2,502,790</b>	<b>(414,605)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>10.66%</b>	<b>7.71%</b>	<b>10.46%</b>

\* Modified Accrual Basis of Accounting

2007	2008	2009	2010	2011	2012	2013
2,362,518	2,345,967	2,385,175	2,197,159	2,335,920	2,099,597	2,684,100
1,340,143	32,869	5,763	7,000	119,508	744,197	1,010,148
386,724	683,700	452,328	312,750	345,453	315,392	154,395
495,214	1,303,637	1,319,198	1,385,158	1,454,416	866,060	242,940
196,736	312,661	215,247	294,609	293,178	219,901	202,076
170,702	81,067	27,916	6,682	3,618	4,611	4,353
877,487	107,634	31,247	43,320	103,072	109,607	103,787
5,829,524	4,867,535	4,436,874	4,246,678	4,655,165	4,359,365	4,401,799
376,984	720,969	863,694	692,695	538,346	760,017	797,979
2,921,150	3,750,717	2,834,004	2,572,679	2,848,180	2,457,717	1,855,123
776,454	1,069,113	596,828	528,622	431,697	263,870	550,732
614,089	130,807	77,609	37,971	122,605	259,814	536,544
328,024	109,831	99,224	102,694	1,394,352	96,242	70,000
296,913	89,285	82,738	72,430	140,629	87,602	88,506
5,313,614	5,870,722	4,554,097	4,007,091	5,475,809	3,925,262	3,898,884
515,910	(1,003,187)	(117,223)	239,587	(820,644)	434,103	502,915
40,874	-	-	42,871	2,025,000	-	-
-	21,453	7,920	-	-	-	-
162,797	20,692	-	-	-	37,791	-
(162,797)	(20,692)	-	-	-	(37,791)	-
40,874	21,453	7,920	42,871	2,025,000	-	-
556,784	(981,734)	(109,303)	282,458	1,204,356	434,103	502,915
13.42%	3.46%	4.06%	4.41%	28.03%	5.09%	4.90%

**VILLAGE OF KILDEER, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years (in Thousands)  
April 30, 2013 (Unaudited)**

Fiscal Year Ended April 30	Tax Levy Year	Residential Property	Farm	Commercial Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
2013	2012	932,600	2,620	103,298	1,038,518	0.264

Data Source: Office of the County Clerk

**VILLAGE OF KILDEER, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
April 30, 2013 (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, 2013 (Unaudited)

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	2003	2004	2005
Village Direct Rates			
General	0.211	0.204	0.196
Overlapping Rates			
Lake County	0.490	0.465	0.454
Forest Preserve District of Lake County	0.225	0.219	0.210
Ela Township (Including Road and Bridge)	0.126	0.126	0.125
Lake Zurich Fire Protection District	0.365	0.358	0.493
Long Grove Fire Protection District	0.503	0.547	0.526
Ela Library District	0.343	0.334	0.323
Unit School District Number 95	4.092	4.082	4.040
School District Number 96	2.940	3.038	3.000
School District Number 125	1.940	2.062	2.112
Community College District Number 532	0.201	0.200	0.197

Data Source: Office of the County Clerk

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

2006	2007	2008	2009	2010	2011	2012
0.190	0.190	0.197	0.200	0.213	0.234	0.264
0.450	0.444	0.453	0.464	0.505	0.554	0.608
0.204	0.201	0.199	0.200	0.198	0.201	0.212
0.128	0.124	0.127	0.127	0.138	0.150	0.128
0.511	0.547	0.561	0.564	0.607	0.504	0.654
0.549	0.547	0.549	0.599	0.616	0.692	0.766
0.317	0.306	0.308	0.308	0.329	0.356	0.386
3.992	3.830	3.899	3.901	4.136	4.446	4.914
2.989	2.772	2.869	2.916	3.086	3.453	3.756
2.134	2.114	2.139	2.185	2.306	2.465	2.751
0.195	0.192	0.196	0.200	0.218	0.240	0.272

**VILLAGE OF KILDEER, ILLINOIS**

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2013 (Unaudited)**

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Centro/ IA Quentin Collection	\$ 9,314,652	1	3.33%			
Shops At Kildeer, LLC	8,073,400	2	2.89%	\$ 6,649,778	1	2.62%
Bond Kildeer Marketplace, LLC	1,722,957	3	0.62%			
Kemper Lakes Golf Club, LLC	1,307,656	4	0.47%			
U- Store-It, LP	1,067,546	5	0.38%	750,858	3	0.30%
Concorde Group II	1,040,840	6	0.37%	791,291	2	0.31%
Sanctuary 26 Kildeer, LLC	784,980	7	0.28%			
Heidner Property Management	669,094	8	0.24%			
Individual	666,379	9	0.24%			
CS Trust	547,475	10	0.20%			
Individual				570,651	4	0.22%
Individual				519,660	5	0.20%
Individual				483,998	6	0.19%
Angel Associates, LP				463,905	7	0.18%
Individual				460,488	8	0.18%
Individual				449,120	9	0.18%
Individual				438,689	10	0.17%
	<u>25,194,979</u>		<u>9.01%</u>	<u>11,578,438</u>		<u>4.56%</u>

Data Source: Office of the County Clerk

**VILLAGE OF KILDEER, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
April 30, 2013 (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
2004	2003	\$ 491,868	\$ 490,290	99.68%	\$ N/A	\$ 490,290	99.68%
2005	2004	518,537	517,979	99.89%	N/A	517,979	99.89%
2006	2005	556,479	554,065	99.57%	N/A	554,065	99.57%
2007	2006	592,028	591,432	99.90%	N/A	591,432	99.90%
2008	2007	623,818	621,629	99.65%	N/A	621,629	99.65%
2009	2008	661,546	659,366	99.67%	N/A	659,366	99.67%
2010	2009	670,797	670,084	99.89%	N/A	670,084	99.89%
2011	2010	694,822	692,954	99.73%	N/A	692,954	99.73%
2012	2011	709,300	708,962	99.95%	N/A	708,962	99.95%
2013 (1)	2012	742,714	-	0.00%	-	-	0.00%

Data Source: Office of the County Clerk

(1) Collections for the 2012 Tax Levy Year will not be received until fiscal year 2014.

N/A - Not available

**VILLAGE OF KILDEER, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years  
April 30, 2013 (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			
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
2013	1,885,000	-	152,016	-	2,037,016	0.79%	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, 2013 (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)
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	1,708,986	-	1,708,986	184.99%	493.93
2009	1,628,259	-	1,628,259	169.35%	470.60
2010	2,177,016	-	2,177,016	224.27%	629.20
2011	2,177,016	-	2,177,016	218.83%	548.64
2012	2,107,016	-	2,107,016	208.76%	531.00
2013	2,037,016	-	2,037,016	196.15%	513.36

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, 2013 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)	Village's Share of Debt
Village	\$ 1,885,000	100.000%	\$ 1,885,000
Overlapping Debt			
Lake County	84,330,000	1.112%	937,750
Lake County Forest Preserve District	295,270,000	1.112%	3,283,402
Ela Public Library District	8,230,000	16.575%	1,364,123
Lake Zurich Fire Protection District	375,000	23.209%	87,034
Countryside Fire Protection District	4,445,000	0.000%	-
Unit School District Number 95	40,741,023	10.565%	4,304,289
Elementary School District Number 96	2,555,000	10.231%	261,402
High School District Number 125	23,680,000	3.859%	913,811
Community College District Number 532	24,350,000	1.170%	284,895
Total Overlapping Debt	483,976,023		11,436,706
Total Direct and Overlapping Debt	485,861,023		13,321,706

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, 2013 (Unaudited)**

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**See Following Page**

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years  
April 30, 2013 (Unaudited)**

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	<u>2004</u>	<u>2005</u>	<u>2006</u>
Legal Debt Limit	\$ 20,105,968	21,923,459	24,487,916
Total Net Debt Applicable to Limit	<u>2,243,753</u>	<u>2,117,574</u>	<u>1,979,504</u>
Legal Debt Margin	<u>17,862,215</u>	<u>19,805,885</u>	<u>22,508,412</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>11.16%</u>	<u>9.66%</u>	<u>8.08%</u>

Data Source: Village Records

2007	2008	2009	2010	2011	2012	2013
26,874,950	28,318,039	28,963,633	28,928,128	27,744,640	26,144,059	24,127,729
1,841,433	1,579,640	1,480,416	1,420,593	2,316,164	2,107,016	2,037,016
25,033,517	26,738,399	27,483,217	27,507,535	25,428,476	24,037,043	22,090,713
6.85%	5.58%	5.11%	4.91%	8.35%	8.06%	8.44%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value - 2012	<u>\$ 279,741,780</u>
Bonded Debt Limit - 8.625% of Assessed Value	24,127,729
Amount of Debt Applicable to Limit	<u>2,037,016</u>
Legal Debt Margin	<u>22,090,713</u>

## VILLAGE OF KILDEER, ILLINOIS

### Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2013 (Unaudited)

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Fiscal Year Ended April 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	3.50%
2013	3,968	259,078,656	65,292	N/A

Data Source: Illinois Department of Employment Security (IDES)

N/A - Data not available.

**VILLAGE OF KILDEER, ILLINOIS**

**Village Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2013 (Unaudited)**

Employer	2013			2004		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Employment
Kemper Lakes	100	1	2.52%	100	1	2.89%
Best Buy	95	2	2.39%			
Fresh Market	75	3	1.89%			
Old Navy	51	4	1.29%	50	4	1.45%
Stein Mart	45	5	1.13%			
Michael's	42	6	1.06%			
Concorde Banquets	40	7	1.01%	40	5	1.16%
Bed, Bath & Beyond	39	8	0.98%			
Chili's Restaurant	35	9	0.88%	50	3	1.45%
Pet Smart	35	10	0.88%			
Circuit City				56	2	1.62%
Ulta				40	6	1.16%
Cost Plus				30	7	0.87%
Chipotle Mexican Grill				23	8	0.66%
Gianni's Café				20	9	0.58%
Weiler Nursery				20	10	0.58%
	<u>557</u>		<u>14.04%</u>	<u>N/A</u>		<u>12.42%</u>

Data Source: Village Community Development Department

**VILLAGE OF KILDEER, ILLINOIS**

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years  
April 30, 2013 (Unaudited)**

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	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government	1	1	1
Public Safety	<u>19</u>	<u>22</u>	<u>23</u>
Total	<u>20</u>	<u>23</u>	<u>24</u>

Data Source: Village Records

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2007	2008	2009	2010	2011	2012	2013
2	2	1	2	2	2	2
24	24	23	22	19	11	8
26	26	24	24	21	13	10

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**VILLAGE OF KILDEER, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
April 30, 2013 (Unaudited)**

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	2004	2005	2006
<b>General Government</b>			
Business Licenses	51	30	40
Liquor Licenses	8	7	12
Building Permits	179	188	203
<b>Public Safety</b>			
<b>Police</b>			
Part I Crimes	104	134	121
Part II Crimes	297	198	207
Physical Arrests	362	302	327
Parking Violations	84	49	46
Traffic Violations	3,136	2,669	3,275
<b>Public Works</b>			
Street Resurfacing (Miles)	2	2	1
<b>Sewer</b>			
Number of Metered Accounts	N/A	554	592

Data Source: Various Village Departments

2007	2008	2009	2010	2011	2012	2013
49	52	50	48	48	52	50
9	9	9	9	10	11	11
194	171	140	110	142	186	175
117	129	107	85	78	74	31
153	118	122	106	100	79	38
247	175	148	80	48	89	43
65	108	168	475	235	80	137
3,220	3,341	2,953	2,973	3,098	1,708	1,159
2	1	1	1	-	1	1
618	641	641	646	648	656	663

**VILLAGE OF KILDEER, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
April 30, 2013 (Unaudited)**

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	2004	2005	2006
Public Safety			
Police			
Stations	1	1	1
Area Patrols	3	3	3
Patrol Units	20	20	18
Public Works			
Streets (Miles)	25	28	28
Sewer			
Sanitary Sewers (Miles)	17	17	17
Storm Sewers (Culverts)	105	105	114
Lift Stations	6	6	6

Data Source: Various Village Departments

2007	2008	2009	2010	2011	2012	2013
1	1	1	1	1	1	1
3	3	3	3	2	1	1
18	18	18	18	10	10	7
28	29	29	30	30	30	30
17	17	17	18	18	18	18
114	114	114	114	114	114	152
7	7	7	7	7	7	7