

FY 2017-2018

Village of Kildeer

Illinois

Annual Budget

May 1, 2017-April 30, 2018



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Budget Presentation
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PRESENTED TO

**Village of Kildeer
Illinois**

For the Fiscal Year Beginning

May 1, 2016

Executive Director

ELECTED OFFICIALS



Nandia Black, President



William Johnson, Trustee



Keith Kovanda, Trustee



Ralph Liberatore, Trustee



Les Sokolowski, Trustee

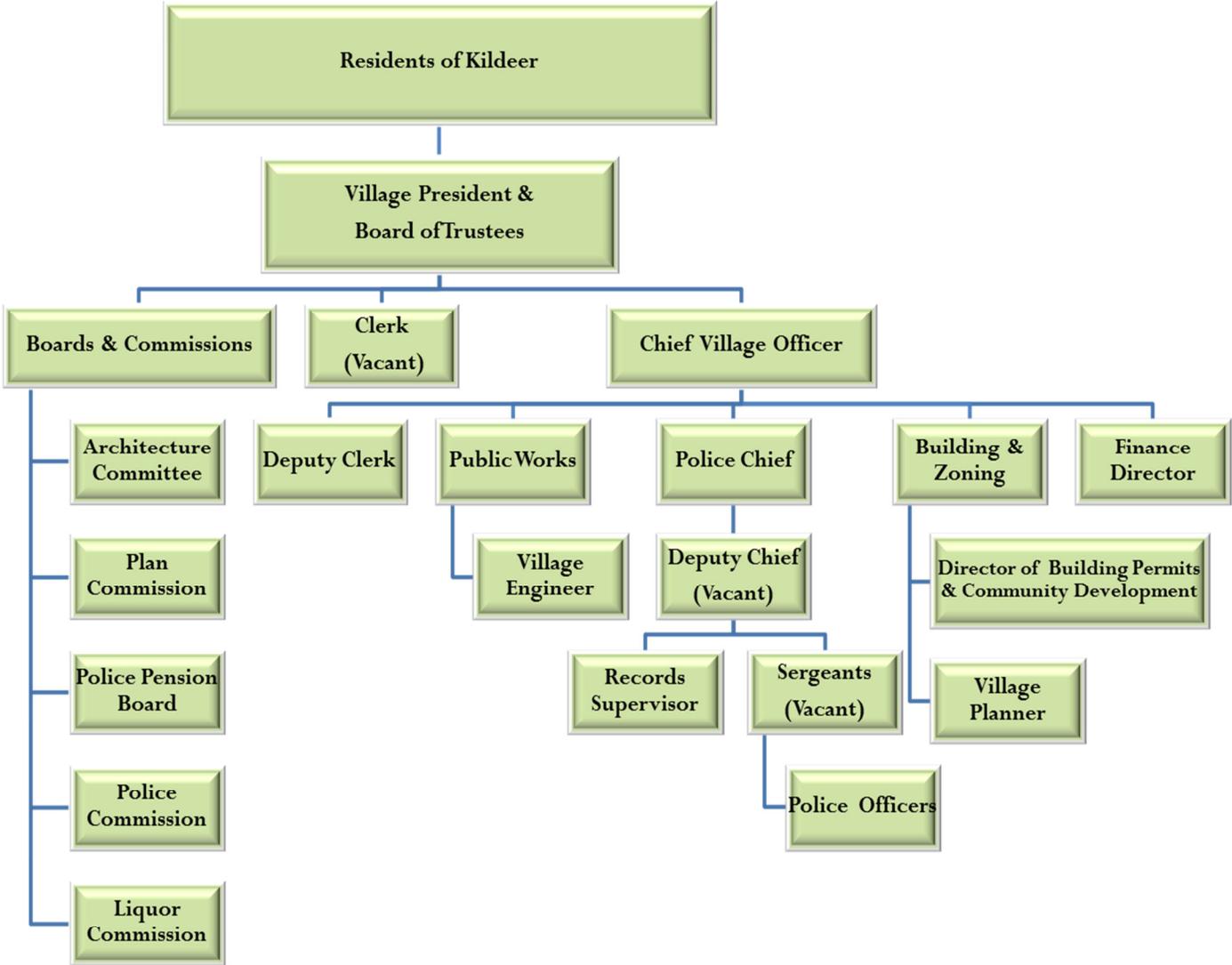


Barb Stavropoulos, Trustee



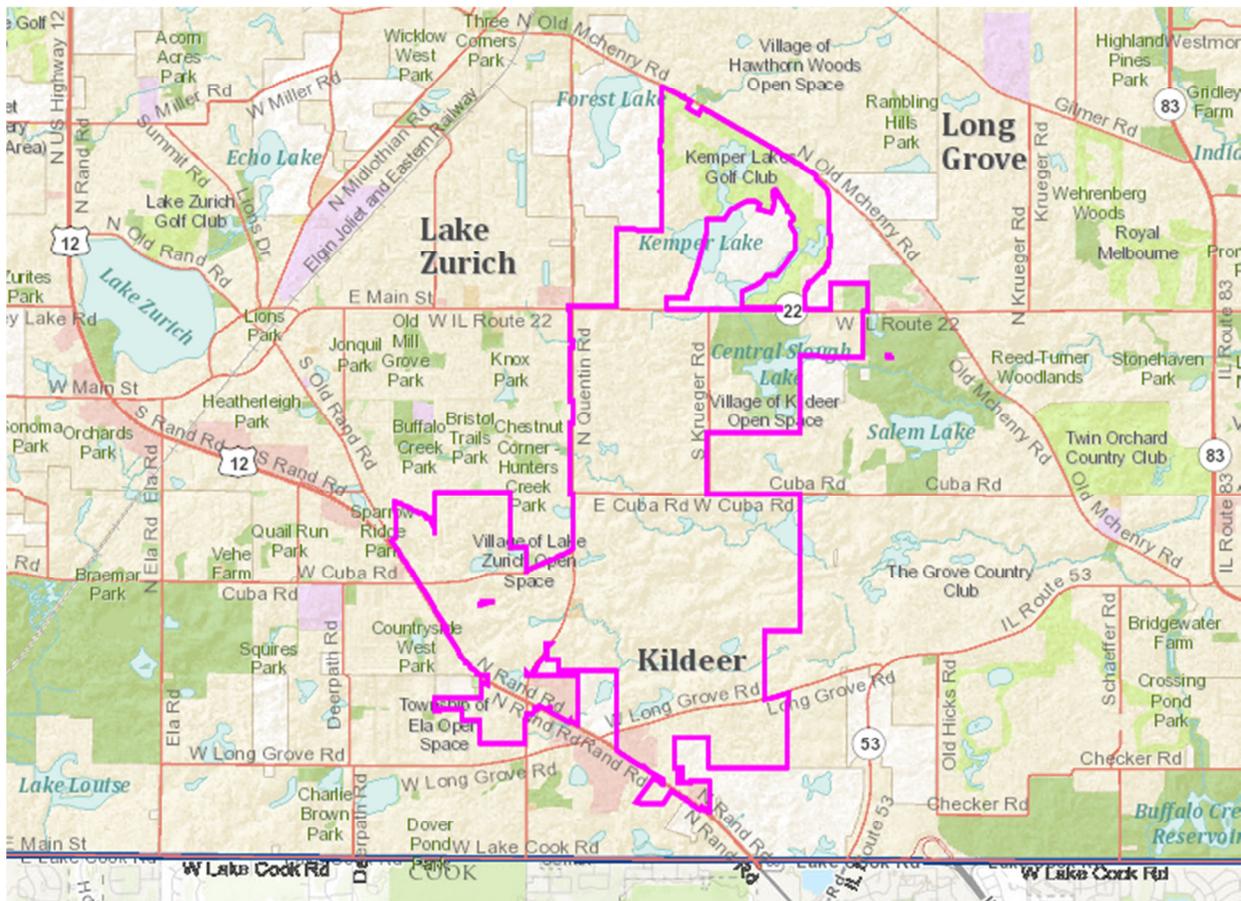
Basel Tarabein, Trustee

ORGANIZATIONAL CHART



VILLAGE PROFILE

When the Village of Kildeer became an Illinois municipal corporation in March 1958 there were only 193 residents living in 2 subdivisions (Long Grove Valley, and Boschome Farms). Kildeer now has over 4,000 residents living in over 30 subdivisions. The jurisdictional boundary of the Village has grown to about 4.6 square miles in which there over over 32 miles of paved roads.



As described by Moody's Investment Service in its March 2017 update:

The Village of Kildeer is located in Lake County in northeastern Illinois, approximately 15 miles southwest of Waukegan and 30 miles northwest of Chicago. Lake County has a population of 705,186 and a population density of 1,589 people per square mile. The county's per capita personal income is \$65,329 (1st quartile) and the August 2016 unemployment rate was 4.8% (2nd

quartile). The largest industry sectors that drive the local economy are manufacturing, retail trade, and administrative/waste management services.

The credit position for Kildeer is excellent, and its Aa1 rating is stronger than the median rating of Aa3 for cities nationwide. Notable credit factors include a robust financial position, and a solid tax base with a superior economic profile. It also incorporates a somewhat inflated pension liability with an extremely small debt burden.

The financial position of the Village is robust and is favorable with respect to the assigned rating of Aa1. The available fund balance as a percent of operating revenues (112.6%) is far above the US median and saw an impressive increase between 2013 and 2016. Furthermore, Kildeer's net cash balance as a percent of revenues (105.1%) far surpasses other Moody's-rated cities nationwide.

Overall, the Village has a very strong economy and tax base, which are comparable to its Aa1 rating. The full value per capita (\$612,490) significantly exceeds the US median. Furthermore, the median family income equates to a robust 235.2% of the US level. Lastly, while the total full value (\$2.4 billion) is slightly above the US median, this metric decreased dramatically from 2013 to 2016.

The Village has a small debt burden and somewhat inflated pension liability relative the assigned rating of Aa1. Kildeer's net direct debt to full value (0.1%) is materially lower than the US median. On the other hand, the Moody's-adjusted net pension liability to operating revenues (2.2x) is above the US median and unfavorably increased markedly from 2013 to 2016.

The ability to generate positive operating margins indicates strong financial management. Favorably, on average, Kildeer ran surpluses whereas the tax base sharply contracted.

The financial position of the Village is strong and the budget reflects the commitment by the Village President and the Board of Trustees to maintain the Village's infrastructure, fund it's Police Pension, and ensure that Kildeer is a desired place to live.

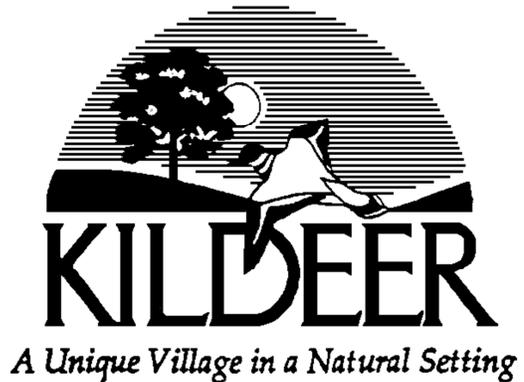
TRANSMITTAL LETTER

TO: President Nandia Black
Trustee William Johnson
Trustee Keith Kovanda
Trustee Ralph Liberatore
Trustee Les Sokolowski
Trustee Barbara Stavropoulos
Trustee Basel Tarabein

From: Chief Village Officer Michael Talbett

Date: April 18, 2017

Re: Budget Transmittal Memo
Fiscal Year 2017-18



I am pleased to present the budget for the fiscal year May 1, 2017 through April 30, 2018 (FY 18).

The budget is crafted in the spirit of past budgets that were approved by this Village Board. 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. The General Fund Budget is balanced so that revenues equal expenses.

The budget reflects a continued commitment to the following:

- maintaining predictable levels of service;
- maintaining sufficient reserves to meet the Village's operating needs;
- planning for the development of the Village; and
- meeting long-term financial goals.

Budget Summary

The Budget serves as a planning and policy device. It identifies the sources of revenue that the Village will receive during FY 18 and the projected amount from each revenue source. The budget also sets out the expenses that the Village expects to incur during that same period.

The proposed expense budget for FY 18 is \$4,650,000, a 7% increase from FY 17. The only change is in the General Fund. Expenses in the General Fund are offset by projected increases primarily in sales tax revenue. The construction of a new commercial development along Rand Road supports a belief that funding will be available to meet future expenses.

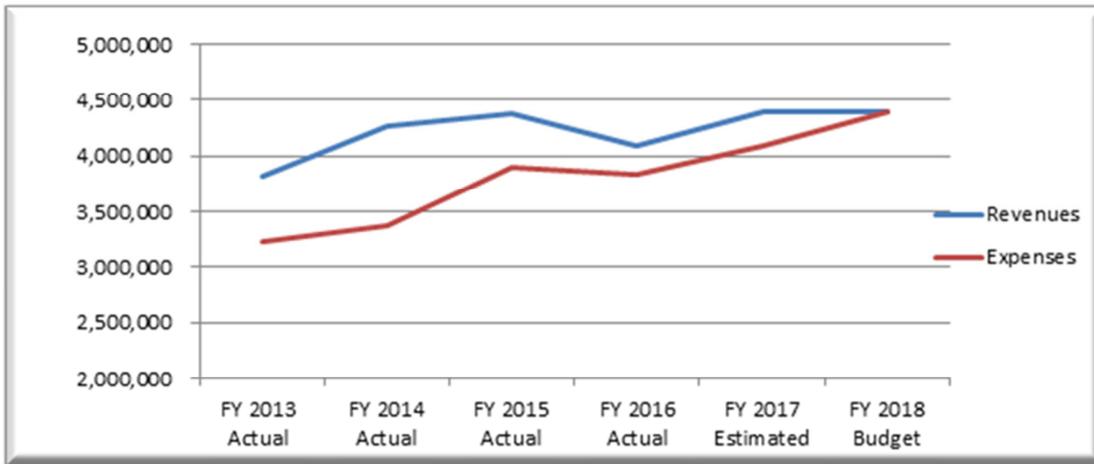
A summary of expense budget totals is provided in the table below.

Fund Type	FY 2017 Budget	FY 2018 Budget	Difference \$	%
General Fund	4,100,000	4,400,000	300,000	7%
MFT Fund	250,000	250,000	-	0%
Capital Projects	-	-	-	0%
Totals	4,350,000	4,650,000	300,000	7%

Expense Budget Summary

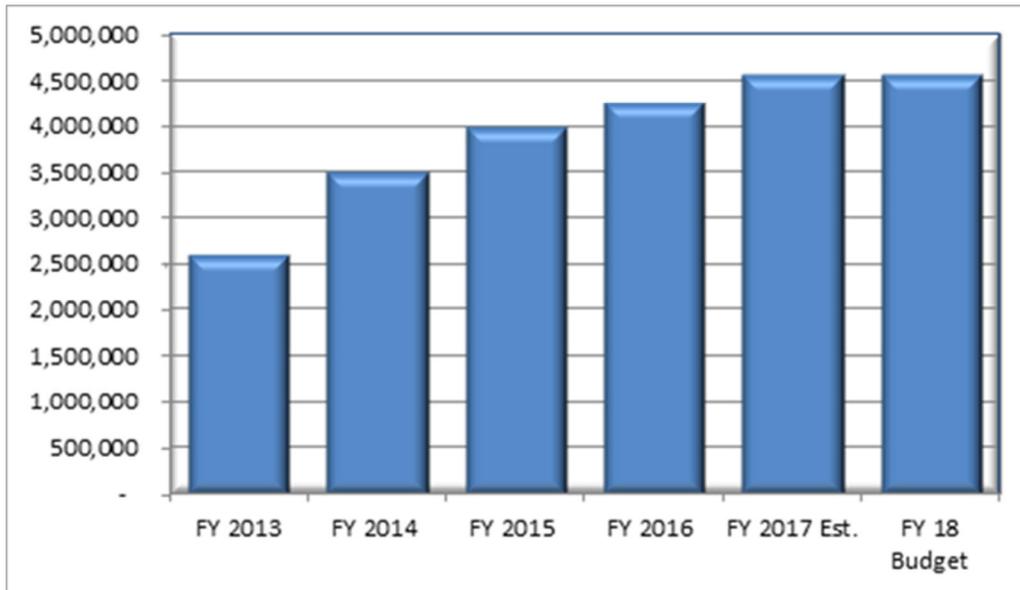
The increased expenses in FY 18 take place in the General Government Department where a sales tax rebate agreement for the Village’s newest shopping center is included. There are also projected increases in Police Department spending to accommodate a larger pension contribution, a new part-time officer position, and maintenance for the red light camera.

Revenues are closely monitored during the fiscal year so that adjustments can be made to expense spending. As shown below, adjustments were made that kept actual expenses below revenues during FY 11 - FY 17. The result has been steady growth in the Village’s reserves. The General Fund Budget for FY 18 is balanced as indicated by the convergence of the curves for revenues and expenses.



General Fund Revenue and Expense Curves

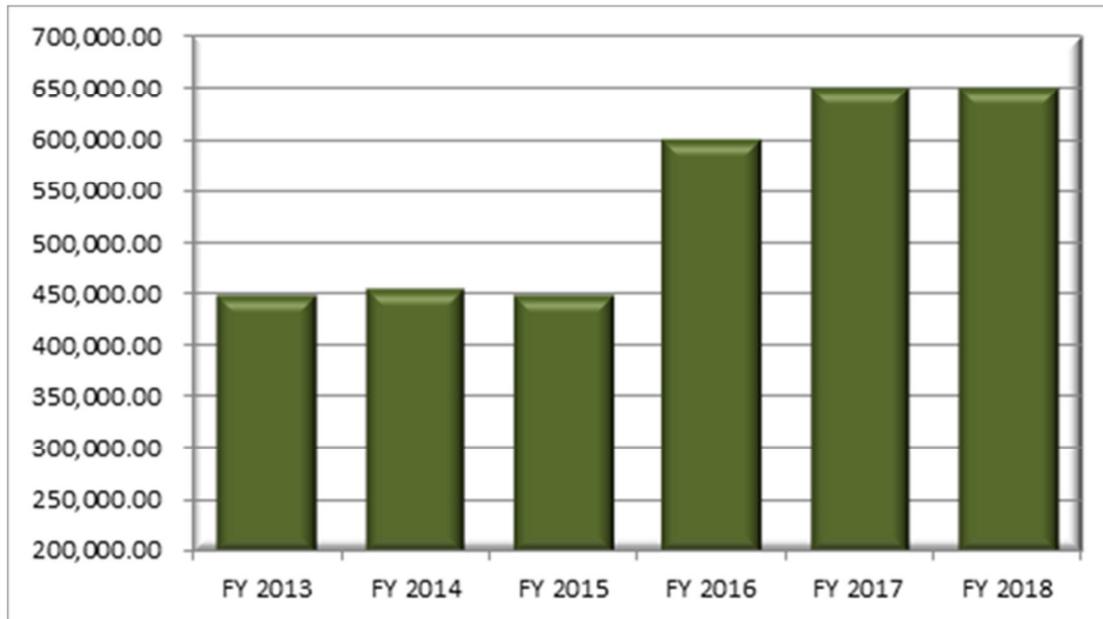
During the period between FY 13 and FY 16 there was a gap between revenues and expenses and Village reserves grew. In FY 17 only a slight increase in the Village’s General Fund reserve is projected and, because the FY 18 budget is balanced, a leveling off is shown in the table below.



General Fund Reserves

Pressure to increase expenditures from the General Fund continues to grow due to road maintenance needs, the imposition of unfunded mandates by state government and an escalating obligation to fund the police pension. Having achieved the Village Board’s initial goal of increasing the General Fund reserves, attention is shifted to the new goal of fully funding the

Police Pension Fund. The shift in fiscal policy is shown by increased contributions to the Police Pension Fund in FY 17 and 18.



Annual Contributions to the Police Pension Fund

Opportunities for FY 18

Continued careful management of the Village's finances is needed to keep revenues equal to or greater than expenses so that the Village Board's goals in the areas of police pension funding and road maintenance can be achieved. To improve the fiscal condition of the Village the following opportunities will be pursued:

- Expand efforts to retain retail businesses and attract new ones;
- Continue to control overtime expenses by the use of 12 hour shifts for Police Officers;
- Continue preventative maintenance program for roads to minimize unanticipated repairs;
- Expand the use of shared services with other governmental bodies;
- Continue participation in cooperative road salt purchasing opportunities;
- Increase contributions to the police pension fund; and
- Follow Government Financing Officers Association criteria for budgeting.

Long Term Concerns

The following long term concerns will impact future budgets and will require attention:

The Village's pension contribution is currently being met with money from the General Fund which is also the source of money for infrastructure maintenance and other improvements. As competition for Village resources grows, it will be more difficult to find sufficient revenue to maintain existing operations and make larger than required contributions to the police pension fund in furtherance of the goal to increase the percentage funding ratio. To relieve pressure on the General Fund, it would be preferable to have a dedicated revenue stream for the pension based on property taxes such as a police pension levy. Under present economic conditions the probability of passing a referendum to establish a police pension levy seems low. The police pension issue should be revisited when economic conditions improve.

Lake County is preparing to widen Quentin Road north of White Pine Road to Rt. 22. A bike path on the east side of the project will be in Kildeer and the Village's portion of the cost of the improvement is estimated to be between \$12,000 and \$56,000 depending on the availability of grant funding for the total project. Construction is scheduled to start in 2019 and this one time (non-recurring) expense must be incorporated into a future Village budget.

Within the next five years it is anticipated that improvements to Route 22 east of Quentin Road will be started by the Illinois Dept. of Transportation. Part of that project includes a sidewalk/bike path that will be connected with Egret's Marsh and Herron's Creek Forest Preserves. The Village's cost of its portion of the sidewalk/bike path project, including the partial cost of the traffic light replacement for the realigned Rt. 22 and S. Krueger Road intersection, is estimated to be \$140,000. This road improvement project is also a one time (non-recurring) expense that must be incorporated into a future Village budget. The Rt. 22 project will complete a regional network of paths that connect Kildeer with Citizen's Park in Barrington and Cuba Marsh in the Lake Zurich/Deer Park area to the southwest and Herron's Creek Forest Preserve in Long Grove on the northeast.

In all, the FY 18 budget is a reflection of sound fiscal planning that enabled the Village to take advantage of opportunities and puts the Village in a good position to achieve its goals.

I would like to express my appreciation to the Village President and all of the Board Members for their input during the preparation of the Budget. Finance Director Annette Zborowski deserves special recognition for her expertise and for devoting so much time and effort to this

project so that the final product is accurate and relatively easy to understand. Chief Steve Balinski's insightful input insured that Kildeer residents will receive the best possible police protection.

Respectfully submitted,

A handwritten signature in blue ink that reads "Michael P. Albett". The signature is written in a cursive style with a large initial 'M' and a distinct 'P'.

STRATEGIC PLAN

Values

The Village of Kildeer aligns its financial plan with the following core values that are the foundation on which Village staff performs work and interacts with others:

Strategy: Ongoing operations and future services are defined by strategies that reflect the high-level service requirements, expectations, and demographics of the community. The core strategy is to focus on fiscally-prudent and high-quality services to residents and businesses.

Efficiency: The Village strives to deliver products and services in the most cost effective manner, seeking to minimize time and resources obligated to core services and to lower the cost of service delivery through competition, collaboration and innovation.

Technology: The Village uses technology as a means to provide better and more efficient services to residents, businesses and staff.

Culture: Village staff continuously monitors numerous conditions and evaluates performance as part of an ongoing effort to improve efficiency, react to changes and make adjustments as needed to keep within budgetary targets.

Strategic Priorities

The Village's mission is to provide only core services. Core services include law enforcement, transportation infrastructure, and public health and safety.

The following strategic priorities determine how resources are expended within the Village and provide a framework for decision making:

Priority #1 Public Safety

Continue to Allocate the Necessary Resources for the Maintenance of the Public's Safety through a Well-Trained and Dedicated Staff.

In order to provide the resources to maintain public safety, staff shall continually:

- 1) emphasize and focus on public safety, emergency planning, and homeland security as a priority in our daily operations;
- 2) assess the allocation of resources as the number of residents increases; and
- 3) assess the allocation of resources as the number of businesses in the Village increase or decrease.

Priority #2 Infrastructure

Evaluate, Plan, and Implement Important Capital Improvement Projects in Order to Maintain the Village's Infrastructure and Uphold a High Quality of Life for Residents and a Robust Business Environment

In order to manage the Village's infrastructure, staff shall continually:

- 1) provide adequate infrastructure throughout the Village to ensure safe roadways, right of ways, and functional storm water systems;
- 2) develop and implement multi-year capital improvement plans;
- 3) maintain a reserve so that emergency repairs can be done when needed.

Priority #3 Economic Development

Continue to Promote and Foster Economic Development

In order to promote and foster economic development, staff shall continually:

- 1) strive to increase sales tax revenues which provide over three-quarters of the Village's revenue and is critical for the welfare of residents and businesses; and
- 2) allocate the necessary resources to support the development of Rand Road, the Village's commercial corridor.

Priority #4 Customer Service

Maintain and / or Enhance Customer Service and Resident's Satisfaction

In order to provide the most efficient and effective services to residents, staff shall continually:

- 1) evaluate operations in terms of efficiency;
- 2) evaluate operations to ensure that resident expectations are met;
- 3) train front-line staff to provide pro-active customer service;
- 4) evaluate employee roles and responsibilities;
- 5) promote employee satisfaction and development; and
- 6) implement effective internal and external communication.

Priority #5 Fiscal Management

Assess All Viable Options to Maintain or Increase the Village's Revenue Base

In order to manage the Village's financial position, staff shall continually:

- 1) explore grants, operational efficiencies, and actively search for additional economic development opportunities;
- 2) obtain additional dedicated revenue sources for funding capital projects;
- 3) evaluate projects and personnel functions to find opportunities for cost savings;

- 4) diversify revenue sources, align fee structures to adequately reflect service demands, reduce the Village's reliance on property and State-shared taxes, have a long term perspective; and
- 5) maintain or improve the Village's favorable bond rating.

BUDGET PROCESS

The Budget for the Village of Kildeer (Budget) is the vehicle for implementing the financial and operational plans of the Village. The Budget is created through a collaborative process that involves Village staff, elected officials, residents and the public. The Budget is a reflection of the goals and policies that the Village wants to accomplish. Once established, the Budget serves as the guide to facilitate decisions made throughout the fiscal year regarding financial and operational plans.

Basis of Budgeting

The Village of Kildeer accounts for all funds and adopts a budget based on generally accepted accounting principles (GAAP). The Village uses fund accounting designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The cash basis of accounting is used for budget purposes.

The Budget process begins in October when the Finance Director meets with other Village staff to project fund balances for the remainder of the fiscal year. Budget requests for the next fiscal year are also submitted for consideration at this time.

In November the Chief Village Officer and the Finance Director estimate the funds needed for the next fiscal year. This estimate is determined by comparing the projected fund balances to the budget requests and the anticipated revenues from sales and property taxes which are the major sources of Village revenue. It is necessary to estimate the funding needed for the next fiscal year by December because that is the deadline for the Village Board to approve the property tax levy and file it with the Lake County Clerk.

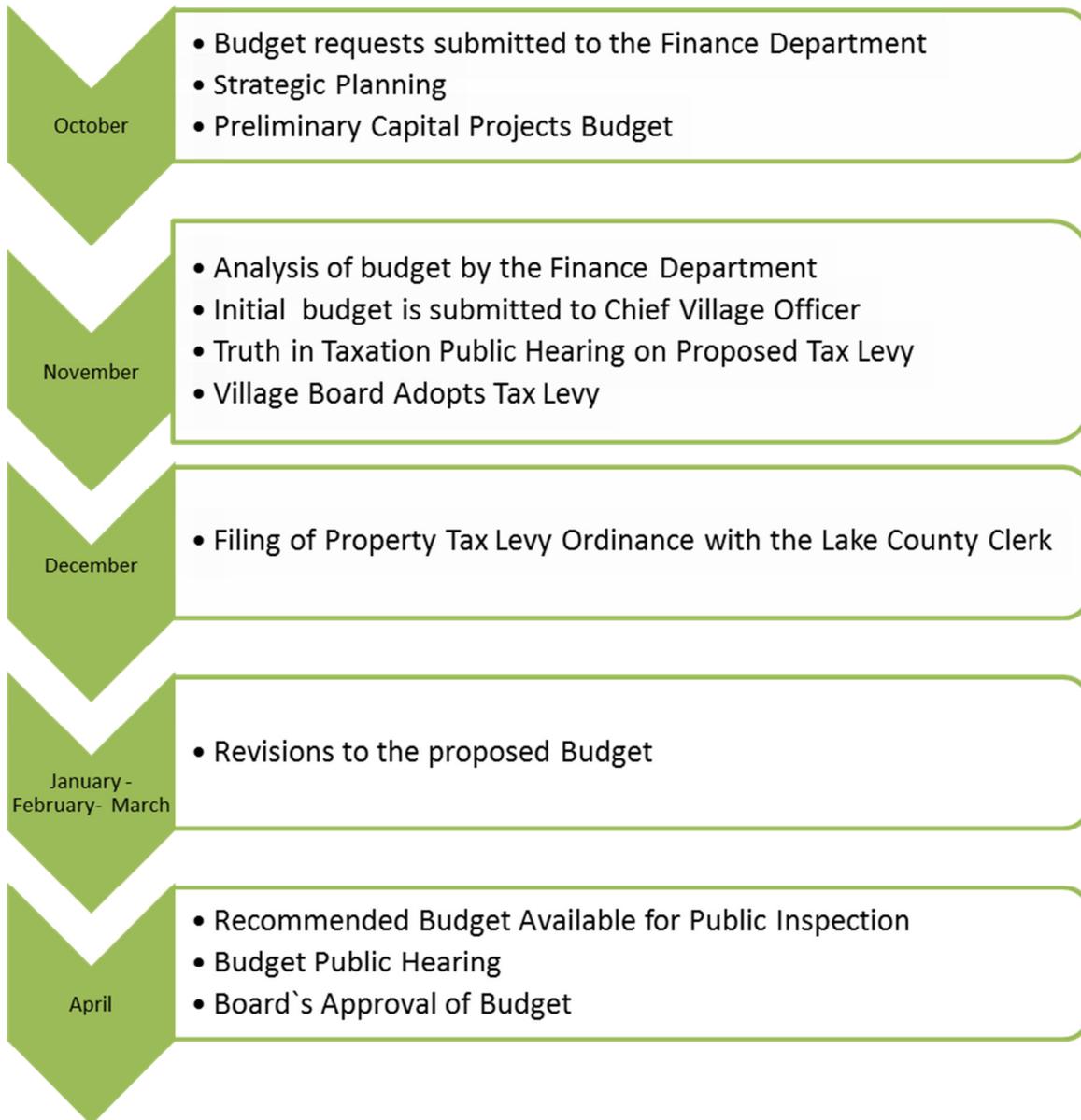
The property tax levy represents the amount of money the Village seeks to receive from the property taxes on real estate within the Village. State law requires that the Village publish a notice in the newspaper, at Village Hall and on the Village website that there will be a Truth and Taxation Hearing where the public is afforded an opportunity to comment on the proposed levy. Following the Truth in Taxation Hearing the Village Board can approve the proposed levy.

The next step in the Budget process occurs in the period January through March when Village staff reviews and refines the budget requests with the latest information about expected revenues in the next fiscal year. From these meetings a proposed Budget is prepared by the Chief Village Officer for presentation to the Village Board.

Following discussion with the Village Board the tentative Budget is further refined and a recommended budget is prepared for possible adoption at the Village Board meeting in April. A final budget must be approved by May 1st.

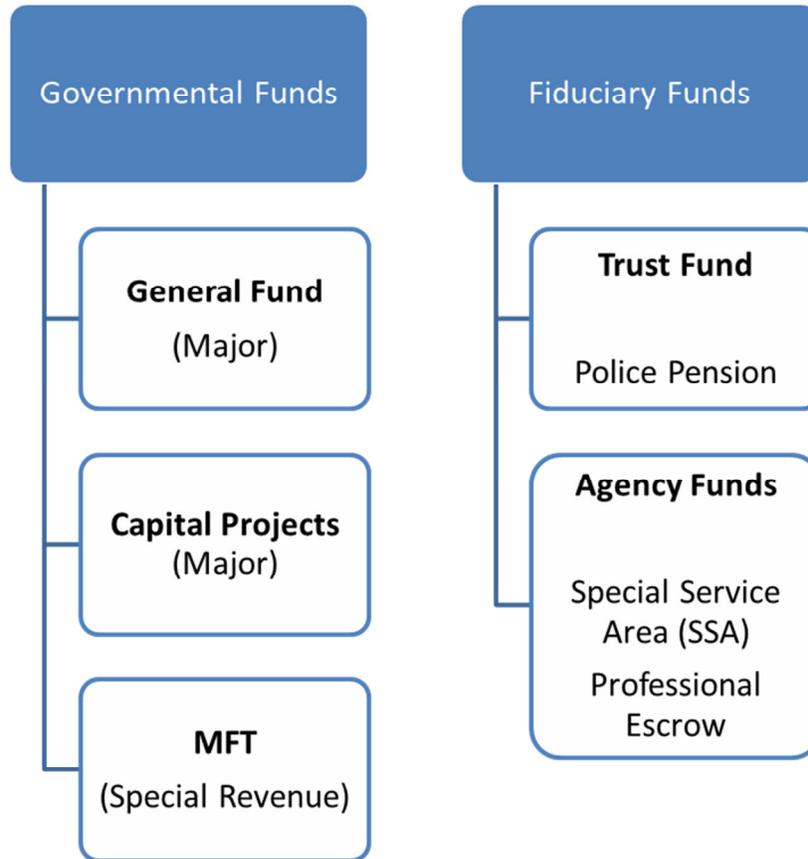
The legal level of budgetary control is at the fund level. Transfers of money between accounts within an accounting fund can be approved by the Chief Village Officer as long as those transfers do not change the total expenditure amount for the respective accounting fund. Changes to the total authorized expenditures in an accounting fund require an amendment to the budget in the form of an ordinance which must be approved by a two-thirds vote of the members of the Village Board.

CALENDAR



FUND STRUCTURE

Village funds are organized into two broad categories, Governmental Funds and Fiduciary Funds.



Fund Organization

Governmental Funds include revenues and expenses for the operation of the Village. Revenues from such sources as retail sales and real estate taxes are in this category along with expenses for plowing snow, paving roads, and paying other bills. The individual funds included in this category are the General Fund, the Capital Projects Fund, and the Motor Fuel Tax (“MFT”) Fund.

The General Fund is considered to be a Major Fund and it is the largest of the funds. The General Fund accounts for the revenues and expenses needed to support the Police Department, Public Works Department and the overall administration of Village affairs.

The Capital Projects Fund is also a Major Fund and consists of money to be used for the purchase of large pieces of equipment or to complete public projects such as road extensions or other major infrastructure improvements.

The MFT Fund is a Special Revenue Fund which consists of revenue collected by the State from a tax collected on the sale of gasoline. The Village receives a portion of the tax which is distributed to the Village on a per capita basis. The MFT funds can only be spent for specified purposes that are identified in state law.

Fiduciary Funds include money held by the Village for non-operational purposes such as the Police Pension (“Trust Fund”), the repayment of loans (“Special Service Area” or “SSA”), and completion bond holdings (“Professional Escrow”). Fiduciary Fund revenues are merely retained by the Village until they can be expensed out for an intended purpose.

Technically, the Village of Kildeer does not prepare a budget for its Fiduciary Funds. Revenues and expenses in those funds are managed by other independent boards and the Village merely serves as a conduit through which funds flow. The Village of Kildeer does, however, contribute to the Police Pension Fund and the money for that contribution is included in the FY 18 budget as an expense under the Police Department.

Fund Structure

In accordance with the practices of the Government Finance Officers Association (“GFOA”) the Village of Kildeer accounts for all funds based on generally accepted accounting principles. The modified accrual basis of accounting is applied to the Governmental Funds which means revenues are recognized when they are “measurable and available” and expenses are recorded when the liability is incurred. A full accrual basis of accounting is applied to the Village’s Fiduciary Funds which means that the revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Descriptions of the funds within the Governmental and Fiduciary categories are as follows:

Type	Fund Name	Description
Governmental	General Fund	The Village's chief operating fund. Accounts for all financial resources except those required to be accounted for in another fund.
Governmental Special Revenue	Motor Fuel Tax	Accounts for the State shared gasoline taxes. State law requires the MFT to be used only for the Village street programs.
Governmental	Capital Projects	Accounts for the acquisition or construction of major capital facilities.
Fiduciary	Escrow	Accounts for completion bonds posted by developers.
Fiduciary	SSA Fund	Accounts for the collection of real estate taxes and payments of long term debt in a special service area.
Fiduciary	Police Pension	Accounts for the accumulation of resources to be used for the retirement annuity payments to sworn Police Officers.

FINANCIAL POLICIES

These recommended financial policies have been formulated to insure the continued financial health of the Village. The objectives of these policies are to assist the Village Board and Village Management Staff (Chief Village Officer, Finance Director and Police Chief) in making budgetary decisions based upon sound financial principals. These policies are not intended to be comprehensive or exhaustive. They are intended to establish a solid foundation for the financial management of the Village. Village Management Staff shall work within the context of these policies while continuing to explore lawful, creative and insightful financial recommendations to present to the Corporate Authorities of the Village for their consideration and possible implementation. The cornerstone of these policies and future financial recommendations shall be maintaining comprehensive and sound fiscal management of all Village economic resources.

Budget Policy

The Chief Village Officer shall submit an annual budget to the Village Board which is within the Village's ability to pay. The annual budget shall provide for the following:

1. Management shall prepare a draft of the annual budget for review by the public not less than 10 days prior to the day of the public hearing. The recommended budget shall be submitted to the Village Board prior to the end of each fiscal year.
2. The annual budget shall effectively communicate meaningful and understandable information to the Village residents, Village Board, Village employees, and other readers.
3. The annual budget shall be monitored on a monthly basis. A list of disbursements and a budget summary report (Treasurer's Report) shall be prepared and presented to the Village Board each month.
4. The annual budget shall allow for the implementation of as many of the Village Board's goals and objectives as financially possible.
5. The annual budget shall provide for the adequate funding of the Illinois Municipal Retirement Fund and the Police Pension Fund. An independent actuary shall be used to determine the annual Village contributions to the Police Pension Fund and determine if this pension fund will meet the State mandate to achieve 90% funding by the year 2040.
6. The annual budget shall provide funding for the adequate maintenance of Village Hall, municipal equipment and infrastructure.
7. The annual budget shall set aside adequate funding (pay-as-you-go funding) for the

replacement of major equipment and major infrastructure projects that are not financed under the public works budget in the General Fund (routine maintenance). Annual funding (depreciation funding) for these replacements will eliminate major expenditure jumps in the annual budget when these acquisitions are made.

8. During the budget process, the Village will assess the need for contingency funds to be included in the budget to fund unanticipated expenditures that might arise.
9. The annual budget shall finance current operating expenditures, excluding major capital expenditures, with current revenues. The use of reserve funds to finance current operating expenditures shall be carefully considered and avoided if possible.
10. Use of the General Fund unassigned fund balance reserve shall be limited to nonrecurring operating or capital expenditures. This unassigned fund balance reserve will be calculated by comparing the difference between unassigned fund balance and current annual budget operating expenses.

The annual Budget submitted to the Village Board shall, whenever possible, include a balanced budget in which estimated current revenues equal estimated current expenditures. In the event that a submitted budget is not balanced, a detailed explanation for the reason why expenditures are higher than revenues must be provided.

Reserve and Fund Balance Policy

The purpose of this policy is to enhance long-term financial planning and to mitigate the risks associated with changes in revenues due to economic and local market conditions. These policies also aim to assist in the allocation of sufficient monies for the purchase of capital equipment and construction of capital improvements, and unanticipated expenditures that may occur.

1. Definitions:

- a. Fund Balance - The difference between assets and liabilities in a Governmental Fund.
- b. Nonspendable Fund Balance - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- c. Restricted Fund Balance - Amounts that can be spent only for specific purposes because of Village, State, or Federal laws, or externally imposed conditions by grantors or creditors.

- d. Committed Fund Balance - Amounts that can be used only for specific purposes determined by a formal action by Village Board Ordinance. These amounts cannot be used for any other purpose unless the Village Board takes the same action to remove or change the restraint.
 - e. Assigned Fund Balance - Amounts the Village intends to use for a specific purpose as determined by the Chief Village Officer.
 - f. Unassigned Fund Balance - Amounts not included in other spendable classifications.
2. The policies listed below refer to the fund balance or cash reserve level at the end of the fiscal year on April 30th. The Finance Director monitors these reserve levels and informs the Chief Village Officer of significant changes that occur and the potential effect on funding future operations.
- a. Policies for Key Funds
 - i. General Fund - The Village will strive to maintain a minimum unassigned fund balance level of 90% of annual operating expenditures. Any amount of unassigned fund balance over 100% of annual operating expenditures will be transferred either to the Capital Projects Fund or the Kildeer Police Pension at the end of each fiscal year.
 - ii. Motor Fuel Tax Fund (MFT) - The Village will strive to maintain a minimum restricted fund balance in the Motor Fuel Tax Fund equal to 100% of annual MFT allotments. This level is necessary to provide for the payment of expenditures related to the Village's MFT maintenance program.
 - iii. Capital Projects Fund - The Village will strive to maintain an assigned fund balance equal to the amount identified in the Village's purchase and replacement of capital equipment plan and major infrastructure projects. The fund balance is necessary to provide sufficient monies for the replacement of major capital equipment in accordance with the annual replacement schedule.
 - b. General Guiding Statement - This policy may be amended from time-to-time according to the wishes of the Village Board. The Village will spend money in the following order:
 - i. Non-spendable (if funds become spendable)
 - ii. Restricted
 - iii. Committed

- iv. Assigned
- v. Unassigned

Revenue and Expenditure Policy

1. Revenues - The Village desires to maintain a diversified and stable revenue base to reduce the impacts of fluctuations in any one revenue source. The revenue mix combines elastic and inelastic revenue sources to minimize the effects of an economic downturn. The Village also incorporates the following principles related to revenues as it furthers its financial planning and fulfills its fiscal responsibilities:
 - a. The Village prefers to keep its property tax rate as low as possible and the following components should be followed in priority order each year when establishing the property tax levy:
 - i. Levy for general obligation bond principal and interest less abatements.
 - ii. Levy to support General Fund operations including Police, Public Works and Administration. The annual increase for this component should not exceed the consumer price index or 105%, whichever is lower.
 - b. The Chief Village Officer shall impose spending limits if, in his/her judgment, revenues will be below original estimates. Village Management Staff shall review and monitor expenditures on a monthly basis to assure control of spending within available revenues. Monthly financial reports will be prepared and presented to the Village Board.
 - c. Ongoing transfers will be made from the General Fund to the Capital Projects Fund on an annual basis to help plan for the purchasing of large capital equipment needs and infrastructure projects.
2. Expenditures - The Village will strive to adhere to the following policies:
 - a. The Village will consistently budget the minimum level of expenditures which will provide for the public well-being and safety of the residents and the businesses.
 - b. Expenditures will be within the confines of generated revenue. Fund balances will not be used to pay for operating expenditures except in the case of emergencies and after careful consideration.

Accounting, Auditing, and Financial Reporting Policy

1. The Village shall have an annual audit conducted on its financial records by a qualified, independent public accounting firm. The Village shall request proposals from qualified independent accounting firms to conduct the annual audit of its financial statements every six years by the use of a request for proposal (RFP) process. In accordance with Government Finance Officers Association's (GFOA's) Best Practice guidelines the current auditors can be included in the RFP process, however it is recommended changing the members of the audit team if the same firm came in with the best proposal.
2. The annual audit shall be conducted on an annual basis to be completed and filed within six months after the end of each fiscal year.
3. Each year the Village shall submit its Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.
4. Each year the Village shall submit its Budget Report (CAFR) to the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award Program.
5. The Village's financial statements shall be prepared according to generally-accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).
6. The Kildeer Police Pension Fund provides the Village with a report from an independent actuary. The Village may contract with an independent actuary to determine the Village's annual contribution to the Police Pension Fund.

Debt Policy

1. The Village shall only incur debt for capital assets and/or capital projects. It has been the Village's practice not to incur debt for operating expenditures.
2. Although pay-as-you-go financing is the preferred method to finance capital projects, the Village shall explore all options in financing its capital improvement program, including grants, developer contributions, pay-as-you-go financing, and long-term debt paid by user charges or paid by Village-wide taxes.
3. The term of debt issued for capital improvement projects shall not exceed the project's useful life and generally will not exceed 20 years.

4. Whenever possible, the Village shall market its debt through a competitive bid process.

Capital Projects Fund

1. The Village established the Capital Projects Fund (CPF) to encourage departments to set aside funds each year for the purchase of new equipment and for the eventual replacement of existing equipment. Use of the CPF is intended to avoid significant fluctuations in the operating budget from one year to the next. The remainder of this policy is intended to provide guidance as to how the CPF will operate.
2. Requests for new equipment shall be made as part of the annual operating budget and must be approved by the Village Board before acquisition. Only those items which individually have a replacement cost of more than \$ 10,000 or groups of similar equipment (e.g. personal computers, bullet proof vests, etc.) which, in the aggregate, exceed \$10,000 shall be included in the CPF. Departments shall include individual items or groups of items with a value of less than \$ 10,000 in their annual operating budget. The cost of items associated with new vehicles such as vehicle markings, light bars, radios and similar equipment shall be included in the replacement cost of the vehicle. The replacement cost and useful life for each vehicle or technology related equipment will be evaluated by the individual departments on an annual basis. This re-evaluation may change the annual amounts that programs contribute for the replacement of each item. The Department Head, in consultation with the Chief Village Officer and the Finance Director shall determine when a vehicle or equipment is due for replacement. Final capital asset replacement decisions using CPF monies will be discussed and approved by the Village Board as part of the annual budget process. When CPF equipment is sold, the proceeds of the sale shall be credited to the CPF Fund.

Fixed Asset Policy

1. The Village shall maintain fixed asset records to comply with governmental financial reporting standards, to provide a basis for determining appropriate insurable values, and to establish responsibility for property control.
2. Fixed assets shall include land, infrastructure, buildings, machinery, equipment, and vehicles with a life expectancy of more than one year, subject to the capitalization threshold below.
3. Infrastructure shall include roads (including curbs and gutters), bike paths, culverts and rights of way. These projects shall be accounted for separately within the Capital Projects Fund.
4. Road projects shall be capitalized when the cost exceeds the capitalization threshold

and the work materially extends the life of the street. Patching and pot hole filling is considered maintenance and is not capitalized.

5. The capitalization threshold or minimum value of an asset at the time of acquisition is established at \$5,000 on a per unit basis for machinery, equipment and vehicles, \$50,000 for buildings and improvements, \$100,000 for land and infrastructure, and \$1 for land and right of way.
6. Responsibility for control of assets rests with the operating department wherein the asset is located. The Finance Director shall ensure that control over fixed assets is maintained by establishing a fixed asset inventory that is updated annually and documents all additions and deletions to the fixed asset records. Operating departments shall report the disposal or relocation of a fixed asset promptly to the Finance Director or designee. Assets acquired during the year shall be recorded as an expenditure against the appropriate capital expenditure account, which shall be used for financial reporting purposes.
7. Assets shall be recorded in the fixed asset inventory by using an appropriate description and by recording serial numbers where applicable.
8. All assets will be depreciated using the straight-line method of depreciation over the useful life of the asset. The Village will take a half year of depreciation in the year the asset is placed in service.
9. The Finance Director will assign useful lives to each asset according to the guidelines below:

Type of Asset	Useful Life
Buildings	50 Years
Equipment	5 Years
Vehicles	5 Years
Infrastructure	25-40 Years
Land	Not Depreciated

Investment Policy

1. Scope. This investment policy applies to the investment activities of the Village. All financial assets of the Village, including the General Fund, Motor Fuel Fund, Capital Project Fund, Trust and Agency Funds and other funds that may be created from time to time, shall be administered in accordance with the provisions of this Policy.
2. Pooling of Funds. Except for cash in certain restricted and special funds, the Village will consider consolidation of cash balances from all funds to maximize investment

earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

3. General Objectives. The primary objectives, in priority order, of investment activities shall be safety, liquidity and yield:
 - a. Safety. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
 - b. Credit Risk. The Village will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
 - i. Limiting investments to the safest types of securities;
 - ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Village will do business; and
 - iii. Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
 - c. Interest Rate Risk. The Village will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:
 - i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and
 - ii. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.
 - d. Liquidity. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.
 - e. Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities should not be sold prior to maturity.

f. Standards of Care:

- i. Prudence. The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from exceptions are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
- ii. Ethics and Conflicts of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.
- iii. Responsibility for the Investment Program/Delegation of Authority. The establishment of investment policies is the responsibility of the Village Board. Management and administrative responsibility for the investment program of the Village is hereby delegated to the Chief Village Officer who shall act in accordance with internal controls for the operation of the investment program consistent with this investment policy. Procedures include references to safekeeping, investment accounting, wire transfer agreements and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Village Officer. The Finance Director will be responsible for all transactions undertaken and will establish a system of controls to regulate the activities of subordinate officials. The Finance Director may from time to time amend the procedures in a manner not inconsistent with this Policy or with State law.

g. Safekeeping and Custody:

- i. Financial Institutions. It shall be the policy of the Village to select financial institutions on the following basis:
 - 1) Security. The Village will not maintain funds in any financial institution that is not a member of the FDIC system. Furthermore, the Village will

not maintain funds in any financial institution not willing to post, or not capable of posting, required collateral for funds in excess of the FDIC insurable limits.

- 2) Size. The Village will not maintain deposits in any financial institution in which the Village funds on deposit will exceed 25% of the institution's capital stock and surplus.
- 3) Internal Controls. The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

ii. Accordingly, the Finance Director shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

1) Suitable and Authorized Investments:

- a) Investment Types. Consistent with the GFOA Policy Statements and State Statutes Concerning Investment Practices, the following investments will be permitted by this policy and are defined by state law where applicable:
 - i) U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value;
 - ii) Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances and commercial paper, rated in the highest tier (e.g., A-1, P-1, D-1, F-1 or higher) by a nationally recognized rating agency;
 - iii) Investment-grade obligations of state and local governments and public authorities;
 - iv) Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and
 - v) Any other investment allowed by Illinois Compiled Statutes.

- b) Collateralization. It is the policy of the Village to require that funds on deposit in excess of FDIC limits be secured by some form of collateral. The Village will accept any of the following assets as collateral:
 - i) U.S. Government Securities;
 - ii) Obligations of Federal Agencies;
 - iii) Obligations of Federal Instrumentalities;
 - iv) Obligations of the State of Illinois; and
 - v) General Obligation Municipal Bonds rated "A" or better.
 - vi) The amount of collateral provided will not be less than 110 percent of the fair market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured will be reviewed monthly, and additional collateral will be requested when the ratio declines below the level required and collateral will be released if the market value exceeds the required level. Collateral agreements will preclude the release of the pledged assets without an authorized signature from an appropriate Village official.

h. Investment Parameters:

- i. Maximum Maturities. To the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest operating funds in securities maturing more than three (3) years from the date of purchase or in accordance with state and local statutes and ordinances.
- ii. Reporting Methods. The Finance Director will prepare an investment schedule monthly. This report should be provided to the legislative body. The report will indicate:
 - 1) Listing of investments by maturity date; and
 - 2) Interest rate of each investment.
- i. Amendment. This Investment Policy shall be reviewed on an annual basis. Any changes must be recommended by the Chief Village Officer or the Finance Director and ultimately approved by the Village Board.

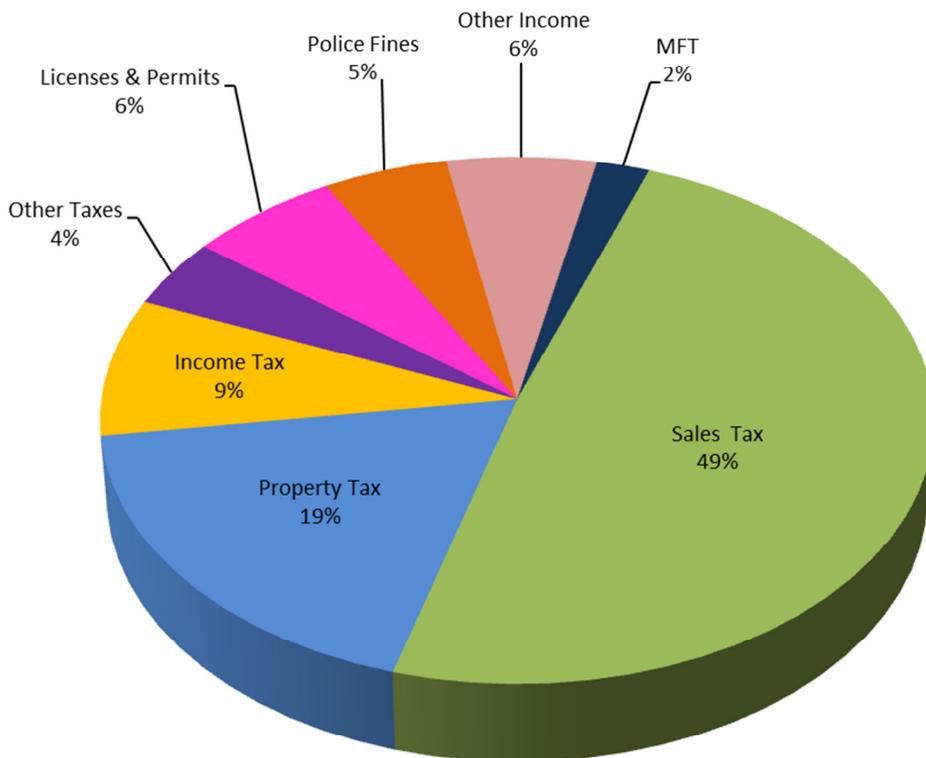
REVENUE SUMMARY

The revenue budget includes three separate governmental funds, each with a defined purpose.

General Fund. This fund is for the operation of the following departments: Administration, Building, Police, and Public Works. Primary revenue sources for the General Fund are sales tax, property tax, income tax, use tax, telecommunications tax, franchise fees, building permit fees, license fees, police fines and other miscellaneous fees.

Motor Fuel Tax Fund. The State of Illinois generates revenues through a tax on fuel sales which is distributed to municipalities on a per capita basis. The Village's use of Motor Fuel Tax is restricted by the State for specific purposes including the maintenance of Village streets.

Capital Improvement Fund. This fund is used for any major project requiring the expenditure of public funds over and above operating expenditures for the construction, reconstruction, or replacement of physical assets within the Village.



FY 18 Village Wide Revenues - Budget

The proposed FY 18 revenue budget for all governmental funds is \$4,500,000, a \$299,700 increase from the FY 17 budget. The higher revenue budget is attributed mostly to increased sales tax expected from the opening of a new shopping center in the Village. All other revenue sources are projected to be similar to previous fiscal year levels.

By Fund	FY 2017 Budget	FY 2018 Budget
General	4,100,000	4,400,000
MFT	100,300	100,000
Capital Projects	-	-
Totals	4,200,300	4,500,000

The Board of Trustees recognizes the importance of sales tax revenue in the Village’s budget. Maintaining a healthy stream of sales tax revenue avoids the need to increase property taxes to meet expenses. The Village Board and the Chief Village Officer actively seek to facilitate retail business in the Village.

Starting in FY 15 sales tax revenues began to exhibit a slight decrease. The decline in sales tax receipts has continued and revenues decreased by over \$200,000 in the last three years.

A new shopping center is preparing to open on Rand Road between The Shops at Kildeer and The Kildeer Marketplace. The new shopping center will be called Kildeer Village Square and sales from the stores in the new center will bring additional sales tax revenue to the Village and offset the three year decline in sales tax.

In addition to commercial development a proposal to build 31 single family homes within the Kemper Lakes Golf Course was approved by the Village Board. Litigation between the developer and an adjoining land owner has delayed the start of the project. Once the matter is resolved the project can begin and new building permit revenues may be generated in FY 18.

There was a loss of revenue between FY 13 and 14 from Intergovernmental Sources when payments from the Village of Deer Park for police services came to an end. Variations in Intergovernmental funds revenue after FY 13 are due to State and County grants for various public works projects.

In FY 15 there was another relatively large decrease in revenue when ownership of the Village’s sewer system was transferred to Lake County. Because of that transfer Charges for Services declined in FY 15 with a pronounced drop in FY 16. Sewer improvements needed to be done prior to the transfer of the sewer system to Lake County and those costs are reflected in the Capital Contributions reported in FY 15.

Revenues from licenses and permits include fees from business licenses and building permits. Yearly revenues from businesses are nearly constant (approximately \$80,000 per year), but building permit fees vary from spikes in activity such as the number of new residential and commercial projects in any one year. In FY 17 building permit revenue reached \$550,000 which incorporates the fees from construction of a new shopping center.

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Budget
By Revenue Type						
Property Tax	708,962	737,848	758,261	778,003	804,068	826,131
Sales Tax	1,774,457	2,032,314	1,988,456	1,886,793	1,831,784	2,200,000
Income Tax	357,598	386,666	388,605	422,880	377,804	380,000
Other Taxes	201,897	188,882	218,962	216,448	194,952	190,273
Motor Fuel Tax	112,632	116,105	133,532	101,497	91,395	99,000
Intergovernmental	538,702	9,772	150,316	3,506	55,235	5,000
License & Permits	242,940	320,041	408,565	282,967	630,676	285,000
Charges for Service	874,014	904,780	771,000	118,723	105,705	106,500
Fines & Forfeitures	202,076	85,601	97,378	194,466	212,354	209,000
Interest Income	4,353	2,103	4,042	7,896	12,950	11,000
Miscellaneous	103,788	341,034	183,667	183,955	163,434	188,096
Transfers In	-	-	-	100,000	-	-
Capital Contributions	-	-	499,878	-	-	-
Total Revenues	5,121,419	5,125,146	5,602,662	4,297,134	4,480,357	4,500,000
By Fund						
General	3,758,573	4,261,014	4,382,611	4,094,860	4,386,465	4,400,000
MFT	112,865	116,153	133,583	102,050	93,473	100,000
Capital Projects	530,361	7,698	278	100,224	419	-
Sewer Fund	719,620	740,281	1,086,190	-	-	-
Total Revenues	5,121,419	5,125,146	5,602,662	4,297,134	4,480,357	4,500,000

Summary of Revenue Sources

EXPENSE SUMMARY

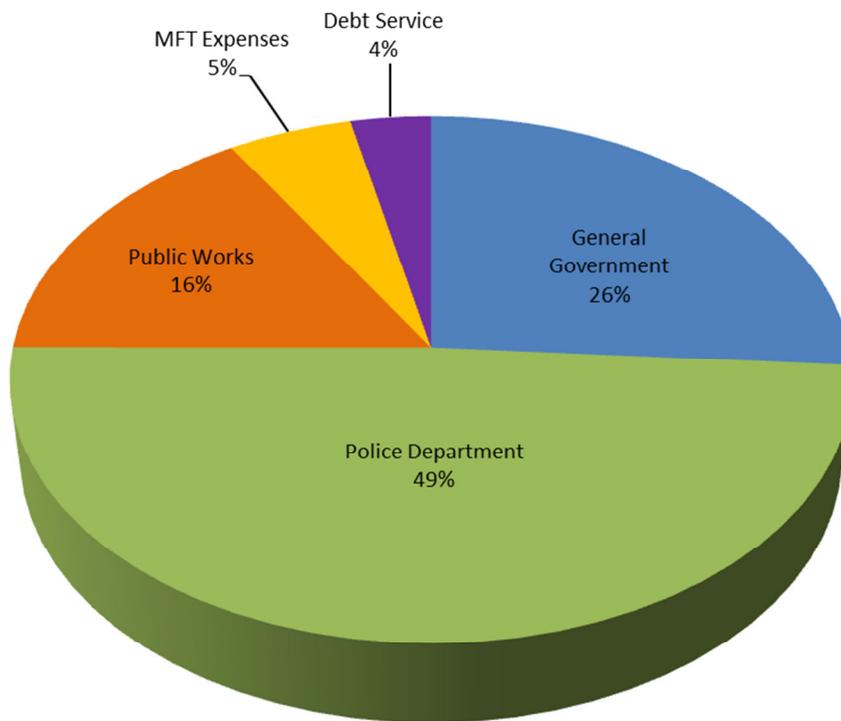
As with revenues, expenses are reported for three governmental funds.

General Fund. In accordance with the Village’s financial and budget policies, the proposed \$4,400,000 expenditure budget for the General Fund is in balance with revenues. Due to concerns regarding the impact on Village revenues from external economic factors, expense projections for FY 18 are conservative.

Motor Fuel Tax (MFT) Fund. The Village’s practice is to accumulate MFT funds until they are sufficient to be used for a project. The Village budgeted \$250,000 for road projects in FY 18.

Capital Projects Fund. In FY 18 the Village does not anticipate the need to purchase any large pieces of equipment or other major infrastructure improvements to be financed from this fund.

Village wide expenses by type and the percentage of each are shown in the figure below.



FY 18 Village Wide Expenses - Budget

The extent of change over time by type of expense and for individual funds are included in the table below

By Fund	FY 2017 Budget	FY 2018 Budget
General	4,100,000	4,400,000
MFT	250,000	250,000
Capital Projects	-	-
Totals	4,350,000	4,650,000

The proposed FY 18 budget expenditure for all governmental funds is \$4,650,000, which is a \$300,000 increase over the FY 17 Budget. The higher budgeted amount is attributed to an increase in General Government expenses due to a new sales tax rebate for Kildeer Village Square and to the Police Department where contributions to the Pension Fund increased, a new part-time officer position was created and red light camera expenses were included.

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Budget
By Expense Type						
General Government	797,979	809,689	1,040,234	967,690	1,137,085	1,187,954
Police Department	1,855,123	1,735,320	1,673,596	1,877,429	2,045,806	2,275,000
Public Works	550,732	641,111	971,937	1,251,176	714,801	1,000,000
Sewer Operations	750,844	1,311,146	724,369	-	-	-
Capital Outlay	536,544	31,618	92,268	6,237	34,500	25,340
Debt Service	158,506	161,406	159,156	161,906	159,506	161,706
Transfers Out	-	-	-	100,000	-	-
Sewer Transfer	-	-	10,628,333	-	-	-
Total Expenses	4,649,728	4,690,290	15,289,893	4,364,438	4,091,698	4,650,000
By Fund						
General	3,219,548	3,372,144	3,883,982	3,832,950	4,091,698	4,400,000
MFT	150,000	-	53,209	-	-	250,000
Capital Projects	529,336	7,000	-	531,488	-	-
Sewer Fund	750,844	1,311,146	11,352,702	-	-	-
Total Expenses	4,649,728	4,690,290	15,289,893	4,364,438	4,091,698	4,650,000

FUND BALANCE SUMMARY

The “**Fund Balance**” is defined as the difference between assets and liabilities in a Governmental Fund.

The Village follows the Governmental Accounting Standards Board (GASB) Statement Number 54 which requires the Village to maintain the following five categories of fund balances:

- Non-Spendable – Funds in this category represent amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact. For the Village of Kildeer, the non-spendable balance represents pre-paid funds for liability insurance premiums.
- Restricted – Funds in this category represent amounts restricted by laws, regulations, contracts, or commitments imposed by external organizations such as creditors, grantors, contributors, the Federal Government or the State of Illinois. For example, MFT funds can only be used for specified purposes identified by the State and are therefore “Restricted.”
- Committed – Funds in this category represent amounts held for specific purposes through formal action of the Board of Trustees usually by passage of an Ordinance or Resolution. The Village Board established a sinking fund for the maintenance of Village Hall and one year of debt service payments that are classified as “Committed.”
- Assigned – Funds in this category represent amounts assigned for a specific purpose by the governing body itself or an official with authority – less formal than a commitment by the Village Board. Capital Projects are examples of funds that are “Assigned.”
- Unassigned – Funds within the General Fund that are not included in other categories are “Unassigned.” The “Unassigned” funds form the basis for the Village’s reserves and can be spent for operations.

The following schedule includes beginning and ending fund balances for all Governmental Funds Combined.

VILLAGE OF KILDEER, ILLINOIS

All Governmental Funds Combined

Schedule of Revenues, Expenditures and Changes in Fund Balance

	FY 16	FY 17	FY 18
	Actual	Estimate	Budget
Revenues			
Taxes	\$ 3,304,124	3,208,608	3,596,404
Intergovernmental	105,003	146,630	104,000
Charges for Services	118,723	105,705	100,000
Licenses and Permits	282,967	630,676	260,000
Fines and Forfeits	194,466	212,354	209,000
Interest	7,897	12,950	11,000
Miscellaneous	183,955	163,434	219,596
Transfers In	100,000		-
Total Revenues	4,297,135	4,480,357	4,500,000
Expenditures			
General Government	967,690	1,137,085	1,213,294
Public Safety	1,877,429	2,045,806	2,275,000
Public Works and Transportation	1,251,177	714,801	1,000,000
Capital Outlay	6,237	34,500	-
Principal Retirement	80,000	80,000	85,000
Interest and Fiscal Charges	81,906	79,506	76,706
Transfers Out	100,000		-
Total Expenditures	4,364,439	4,091,698	4,650,000
Net Change in Fund Balance	(67,304)	388,659	(150,000)
Fund Balance - Beginning	5,513,329	5,446,025	5,834,684
Fund Balance - Ending	5,446,025	5,834,684	5,684,684
% Change in Fund Balance	-1%	7%	-3%

Fund balance detail for All Governmental Funds Combined are shown in the table below. Total fund balances in FY 18 are budgeted to decrease by 3% due to changes in the Restricted category. Changes in the Restricted category take place in the MFT Fund due to fluctuations in the cost for infrastructure improvements from year to year.

Fund Balance Detail - All Governmental Funds Combined

	FY 16	FY 17	FY 18
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ 52,770	52,770	52,770
Restricted	515,401	608,874	458,874
Committed	260,173	260,173	260,173
Assigned	675,970	676,389	676,389
Unassigned	3,941,711	4,236,478	4,236,478
Total Fund Balance	5,446,025	5,834,684	5,684,684

The following schedule includes beginning and ending fund balances for the General Fund.

VILLAGE OF KILDEER, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

	FY 16	FY 17	FY 18
	Actual	Estimate	Budget
Revenues			
Taxes	\$ 3,304,124	3,208,608	3,596,404
Intergovernmental	3,506	55,235	5,000
Charges for Services	118,723	105,705	100,000
Licenses and Permits	282,967	630,676	260,000
Fines and Forfeits	194,466	212,354	209,000
Interest	7,119	10,453	10,000
Miscellaneous	183,955	163,434	219,596
Transfers In	-	-	-
Total Revenues	4,094,860	4,386,465	4,400,000
Expenditures			
General Government	963,940	1,137,085	1,213,294
Public Safety	1,877,429	2,045,806	2,275,000
Public Works and Transportation	723,438	714,801	750,000
Capital Outlay	6,237	34,500	-
Principal Retirement	80,000	80,000	85,000
Interest and Fiscal Charges	81,906	79,506	76,706
Transfers Out	100,000	-	-
Total Expenditures	3,832,950	4,091,698	4,400,000
Net Change in Fund Balance	261,910	294,767	-
Fund Balance - Beginning	3,992,744	4,254,654	4,549,421
Fund Balance - Ending	4,254,654	4,549,421	4,549,421
% Change in Fund Balance	7%	7%	0%

In the table below, actual fund balances are shown for FY 16 and projected fund balances are shown for FY 17 and FY 18 where there is a slight increase or leveling off in fund balances. The Village’s goal is to maintain current levels and avoid a decrease in fund balances.

Fund Balance Detail - General Fund

	FY 16	FY 17	FY 18
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ 52,770	52,770	52,770
Restricted	-	-	-
Committed	260,173	260,173	260,173
Assigned	-	-	-
Unassigned	3,941,711	4,236,478	4,236,478
			-
Total Fund Balance	4,254,654	4,549,421	4,549,421
One month of expenses	319,413	341,667	366,667
Months worth of expenses in	12	12	12
Unassigned Fund Balance			

The following schedule includes beginning and ending fund balances for the MFT Fund.

VILLAGE OF KILDEER, ILLINOIS

Motor Fuel Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

	FY 16	FY 17	FY 18
	Actual	Estimate	Budget
Revenues			
Taxes	\$ -	-	-
Intergovernmental	101,497	91,395	99,000
Charges for Services	-	-	-
Licenses and Permits	-	-	-
Fines and Forfeits	-	-	-
Interest	553	2,078	1,000
Miscellaneous	-	-	-
Transfers In	-	-	-
Total Revenues	102,050	93,473	100,000
Expenditures			
General Government	-	-	-
Public Safety	-	-	-
Public Works and Transportation	-	-	250,000
Capital Outlay	-	-	-
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Transfers Out	-	-	-
Total Expenditures	-	-	250,000
Net Change in Fund Balance	102,050	93,473	(150,000)
Fund Balance - Beginning	<u>413,351</u>	<u>515,401</u>	<u>608,874</u>
Fund Balance - Ending	<u>515,401</u>	<u>608,874</u>	<u>458,874</u>
% Change in Fund Balance	25%	18%	-25%

The MFT Fund is a restricted fund. Fund balances between FY 16 and FY 17 are growing because money in this fund was allowed to accumulate so that it can be used in FY 18 for specific improvement projects. In anticipation of a road project in FY 18, the fund balance reflects a decrease of 25%. The pattern of accumulation and spending in alternate years is expected to be repeated in the years ahead.

Fund Balance Detail - Motor Fuel Fund

	FY 16	FY 17	FY 18
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ -	-	-
Restricted	515,401	608,874	458,874
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balance	515,401	608,874	458,874

The following schedule includes beginning and ending fund balances for the Capital Projects Fund.

VILLAGE OF KILDEER, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

	FY 16	FY 17	FY 18
	Actual	Estimate	Budget
Revenues			
Taxes	\$ -	-	-
Intergovernmental	-	-	-
Charges for Services	-	-	-
Licenses and Permits	-	-	-
Fines and Forfeits	-	-	-
Interest	224	419	-
Miscellaneous	-	-	-
Transfers In	100,000	-	-
Total Revenues	<u>100,224</u>	<u>419</u>	<u>-</u>
Expenditures			
General Government	3,750	-	-
Public Safety	-	-	-
Public Works and Transportation	527,738	-	-
Capital Outlay	-	-	-
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Transfers Out	-	-	-
Total Expenditures	<u>531,488</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(431,264)</u>	<u>419</u>	<u>-</u>
Fund Balance - Beginning	<u>1,107,234</u>	<u>675,970</u>	<u>676,389</u>
Fund Balance - Ending	<u>675,970</u>	<u>676,389</u>	<u>676,389</u>
% Change in Fund Balance	-38.95%	0%	0%

The Capital Projects Fund originally covered two types of projects, those related to the maintenance of Village Hall and major equipment purchases, and those projects related to a Special Service Area (SSA) created for an extension of the sewer system. The sewer extension project was completed and funds were no longer needed. In FY 15 bonds issued to pay for the sewer extension were refinanced. In FY 16 money was transferred from the Capital Projects Fund to reduce the new bond amount and, at the same time, there was an operating transfer from the General Fund to Capital Projects Fund to maintain an adequate fund balance in the Capital Project Fund to meet future needs.

Fund Balance Detail - Capital Projects Fund

	FY 16	FY 17	FY 18
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ -	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	675,970	676,389	676,389
Unassigned	-	-	-
Total Fund Balance	675,970	676,389	676,389

The GFOA recommends that general-purpose governments like the Village of Kildeer maintain an unrestricted fund balance in the General Fund of no less than two months of regular general fund operating expenditures. The GFOA cautions that each government should take into account its own unique circumstances when determining the appropriate amount in the unrestricted general fund balance of funds to be maintained which the Village holds in reserve.

For those municipalities where the primary source of revenue is property tax, which is a relatively stable and dependable revenue source, a two month reserve of unrestricted funds in the General Fund is appropriate to maintain operations. In Kildeer, however, over fifty percent of revenue in the General Fund is from sales tax and the Village's share of state income tax (Local Government Distributive Fund or LGDF), which are less stable revenue sources than property tax. Because sales tax and LGDF receipts fluctuate between times of economic recession and recovery and are susceptible to disruption from natural and manmade disasters, it is appropriate to have a larger reserve of unrestricted funds so that the Village can continue to function during a period of less than expected sales and income tax receipts. The Village's policy is to maintain approximately 90% of operating expenses as an unrestricted fund balance. No minimum balance is established for the Motor Fuel Tax Fund or Capital Projects. Those fund

balances may be drawn upon to fulfill their purposes when needed and do not serve as a fund balance reserve that can be used to pay for operating costs.

REVENUE HIGHLIGHTS

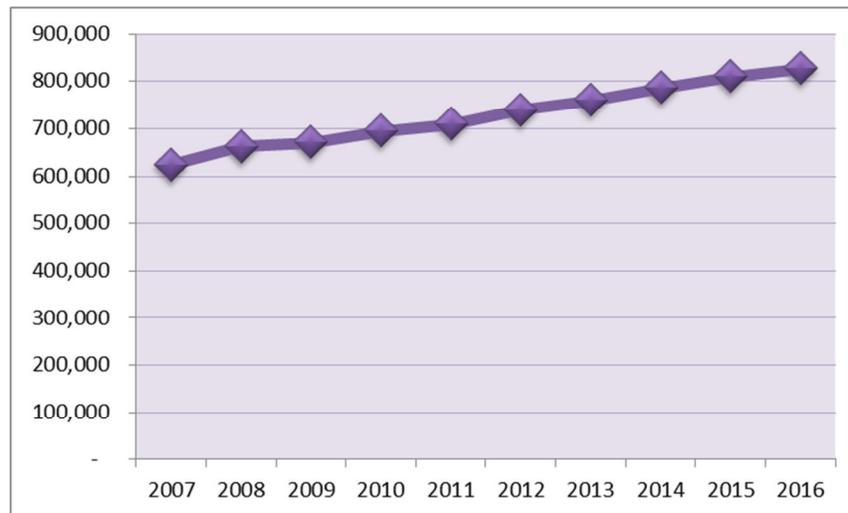
Real Estate Tax

In FY 18 the Village of Kildeer anticipates receiving real estate tax revenue of \$826,131. The revenue that the Village receives from real estate taxes represents about 19% of the General Fund revenue used to operate the Village.

The amount of real estate tax revenue for the Village's portion of a resident's tax bill is a function of the total value of property in the Village (equalized assessed value or "EAV") and the tax rate. The tax rate is determined by the tax levy, which is the amount of money the Village estimates that it will need from real estate taxes, divided by the EAV.

Kildeer is a non-home rule community where the amount of revenue that can be raised from the real estate tax levy each year is limited by state law. Any percentage increase over the previous year's levy amount must be equal to or less than either the Consumer Price Index ("CPI") or 105% of the previous year's levy, whichever amount is less. New property is exempted from the CPI or 105% limitation. The CPI for FY 17 is 0.7%.

The Village's receipt of property taxes has steadily increased over time, as demonstrated in the chart of Property Tax Receipts below.



Property Tax Receipts

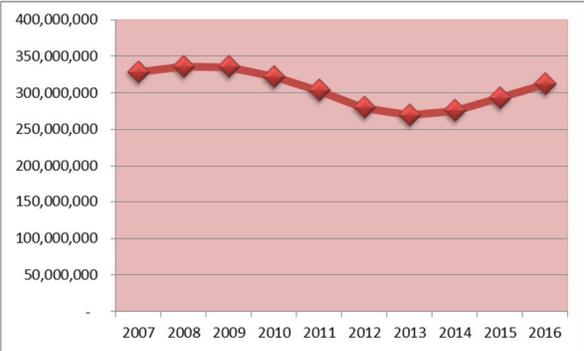
The Illinois property tax system is designed to provide relatively stable revenues for municipalities. There is an inverse relationship between assessed value and the tax rate which means that property tax does not decrease when assessed values drop. When the assessed value of individual properties decreases, for example, the tax rate increases and vice versa.

As shown in the Tax Rate Changes table below, Village-wide property tax revenue (Amount) steadily increased since FY 10 even though equalized assessed valuation (EAV) declined during that period of general economic recession. The increase in property tax revenue was due to both the rate increases and the fact that new construction in the Village added to the EAV during those years.

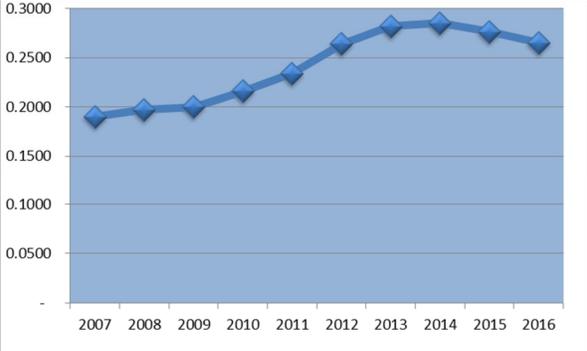
Levy Year	Amount	Tax Rate	EAV
2010	694,822	0.2160	321,676,990
2011	709,300	0.2340	303,119,519
2012	738,518	0.2640	279,741,780
2013	759,691	0.2820	269,394,063
2014	785,638	0.2852	275,431,568
2015	809,309	0.2762	293,038,018
2016	826,131	0.2650	311,804,197

Tax Rate Changes

The EAV changes annually due to variations in fair market value of real estate, improvements to existing property and annexations or de-annexations. The nature and kind of changes to property in the Village, such as renovations and new construction, are tracked using the building permit process. Building permits are forwarded to the Township Assessor who changes assessed values (up or down) to insure that amounts levied by taxing bodies are collected fairly. New construction, renovations and annexations increase EAV while during times of economic recession the assessed value of existing property, in general, decreases. The EAV for Kildeer in calendar year 2016 was \$311,804,197.



Village of Kildeer EAV History

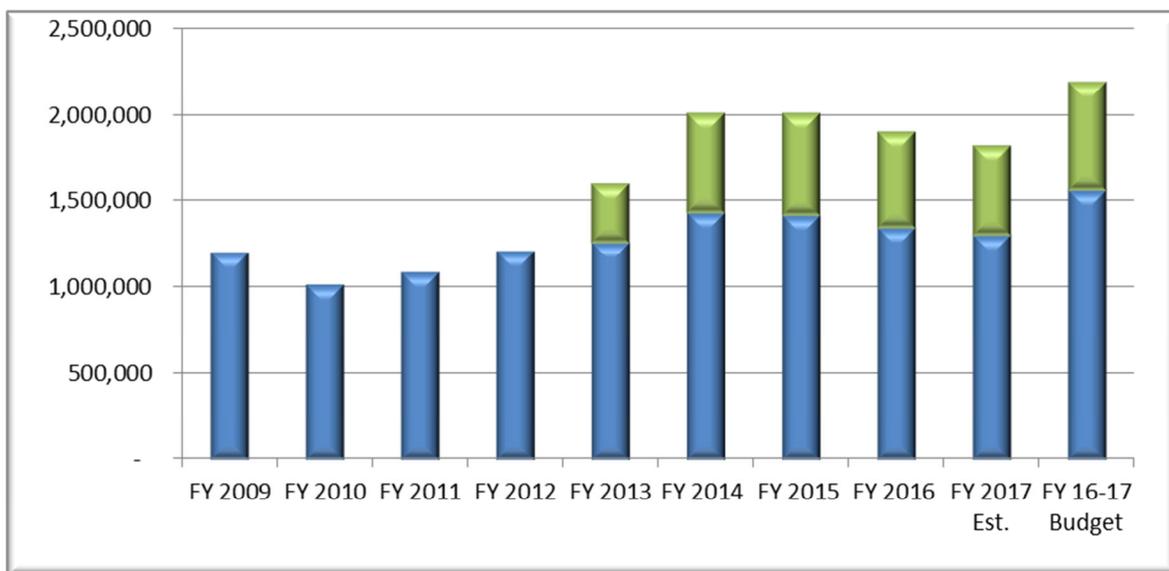


Tax Rate History

Municipal Sales Tax

A retail sales tax equal to 1.5% of the sales price is collected on the sale of all tangible personal property sold by businesses located in the Village. The tax is collected by the State of Illinois and remitted to the Village approximately three months after the sale was actually made. Sales tax revenue is extremely elastic and is subject to increases or decreases as a result of local economic conditions, which in turn is influenced by regional and national economic trends.

In FY 10 sales tax revenue was decreasing but that trend was offset by a successful referendum in which residents voted to increase the Village's portion of the state sales tax from 1% to 1.5%. In the graph below revenue from the Village's 1% portion of the sales tax is shown in green and the 0.5% portion is shown in blue.



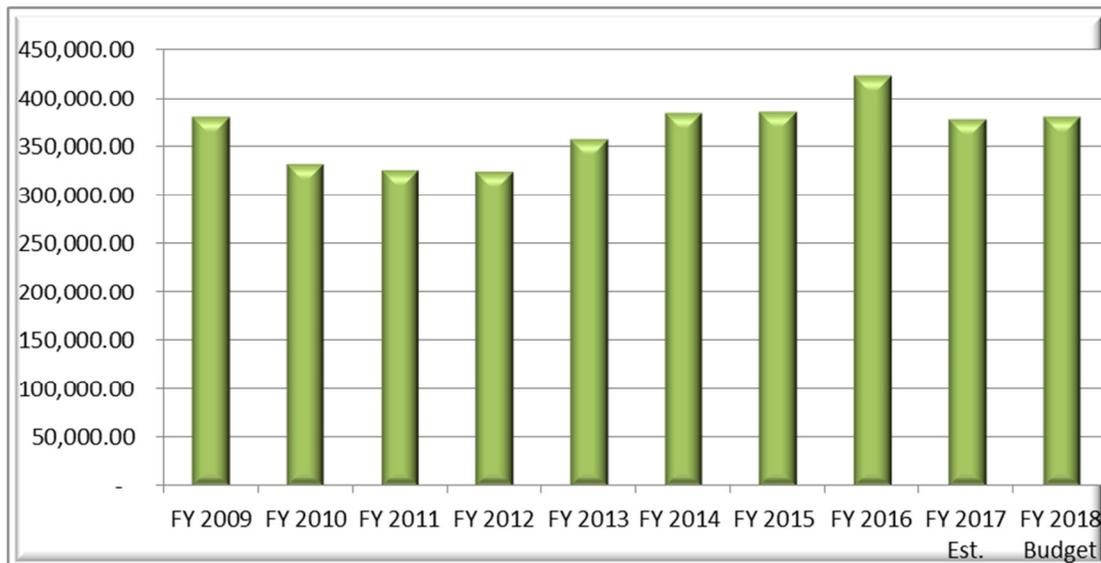
Sales Tax History

As illustrated in the graph above, historical sales tax revenue peaked in FY 14. Since then sales tax growth stalled and by FY 17 it declined by about 10%. The downward slide is not expected to continue in FY 18 due to the addition of the new stores opening in the Kildeer Village Square shopping center.

The Village of Kildeer anticipates receiving sales tax revenue of \$2,200,000 in FY 18. This source of revenue represents 50% of the revenue in the General Fund needed to operate the Village.

Income Tax

The State of Illinois assesses a 5% tax on the annual income of residents and businesses in the State. Income tax is paid by individuals and businesses in April of each year. The Village's portion of income tax is known as the Local Government Distributive Fund ("LGDF") and it is approximately 8% of the total income tax collected by the State and shared with municipalities on a per capita basis. Like sales tax, income tax receipts are very sensitive to economic events and revenue from this source varies on an annual basis. Income tax receipts from FY 09 to FY 17 are shown below.



Income Tax Receipts

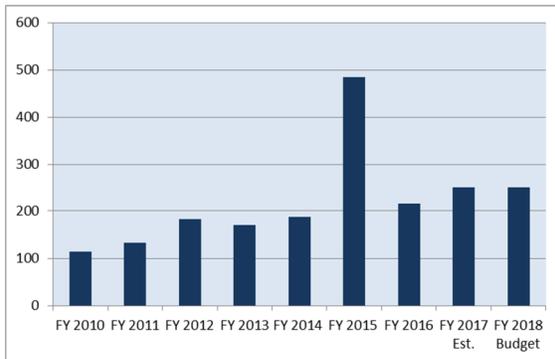
As of May 1, 2017, the State of Illinois still has not approved its annual budget due to a very significant difference between State revenues and expenses. State leaders are searching for additional revenue sources and reducing or eliminating all or a portion of the LGDF payments to municipal governments is often mentioned as a possibility. In the event that LGDF revenues are changed, Village expenses will have to be delayed or eliminated altogether in order to keep its budget in balance.

Licenses and Permits

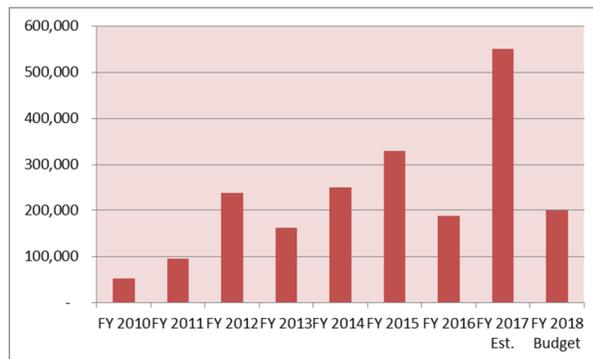
The Village is authorized by the State of Illinois to regulate certain activities within its corporate boundaries. The Village regulates business activities in connection with liquor and food as well as activities related to land use such as construction. Regulated activities require a permit or license for which the Village charges a fee to cover the cost of providing services.

As illustrated in the Permit graphs below, revenue from permits varies significantly on an annual basis. These variations are largely caused by changes in development activities in the Village. For example, a hailstorm in 2014 resulted in over 200 roof replacement permits in FY 15 leading to a spike in building permit revenue. Similarly, in FY 17 construction of the Kildeer Village Square shopping center caused a spike in building permit revenue.

Permit revenue accounts for \$200,000 or 5% of the FY 18 budget of the General Fund.

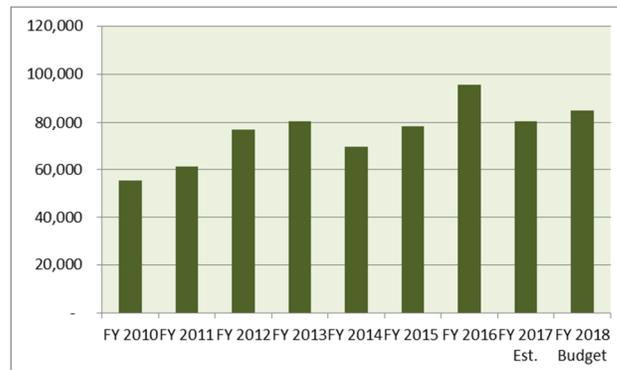


Issued Permits



Permit Revenue

Unlike permit revenue, business license revenue does not vary much from year to year. While individual businesses may open or close, the total number of businesses in the Village does not change very much and as shown in the graph representing license fees, revenue from this category averages annual revenue of \$85,000 or 2% of the FY 18 budget of the General Fund.



License Fees

EXPENSE EVALUATIONS

Personnel Costs

The Village of Kildeer’s mission is to provide high value services to its residents. Providing residents with municipal services is largely dependent on the number and quality of the staff employed by the organization. Personnel costs represent 53% of the Village’s total operating General Fund budget.

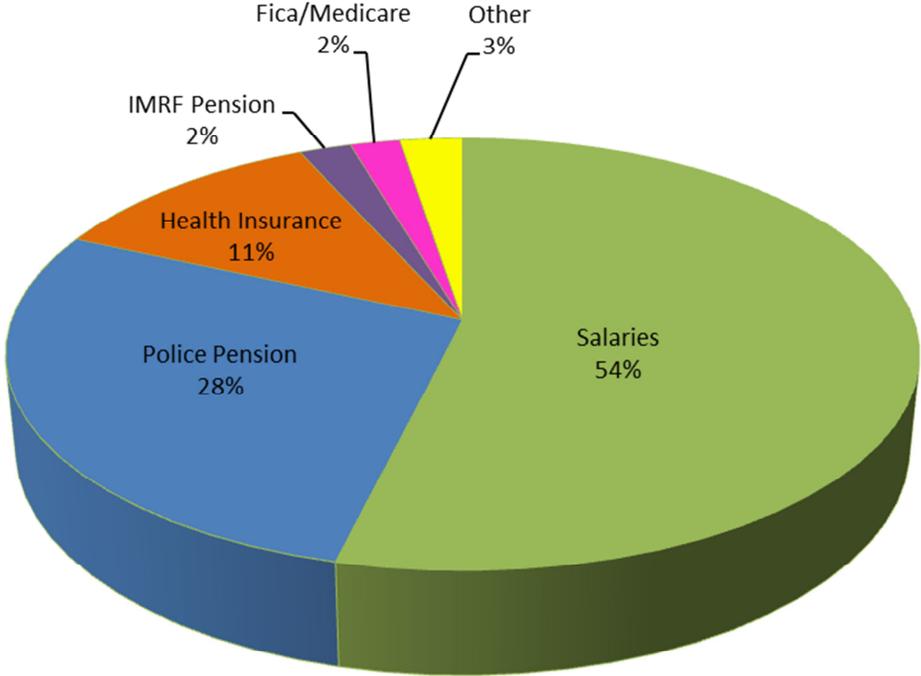
The growth of the Village since its incorporation in 1958 was accompanied by an increase in the nature and extent of its municipal government and the services it offers. A Police Department was established and it grew from a part-time to a full-time force. A Village Administrator was hired to maintain the Village’s infrastructure and preserve the Village’s uniqueness in a natural setting and a Finance Director was added in 2010 to manage the Village’s funds.

The Village is governed by an elected Village President and six Trustees who serve as citizen volunteers without salary. Those officials are supported by a small professional staff consisting of a Chief Village Officer, Finance Director, Chief of Police and Director of Building Permits. In FY 17 the Village’s entire full-time staff consists of only 12 people, 9 of which are engaged in law enforcement activities. An unbudgeted part-time position was created in the end of FY 17 to help with general administrative matters. The Village’s workforce budget for FY 18 includes the administrative part-time position as well as a new part-time police officer.

	2011	2012	2013	2014	2015	2016	2017	Budget 2018
Department								
General Government								
Chief Village Officer	1	1	1	1	1	1	1	1
Administrative Assistant (PT)	1	1	1	-	-	-	1	1
Finance Director	1	1	1	1	1	1	1	1
Director of Building Permits	-	-	-	1	1	1	1	1
Police Department								
Police Chief	1	1	1	1	1	1	1	1
Deputy Chief	1	1	-	-	-	-	-	-
Police Records Clerk	1	1	1	1	1	1	1	1
Sergeants	3	2	-	-	-	-	-	-
Police Officers- FT	13	6	6	6	6	6	7	7
Police Officers- PT	1	-	-	2	5	5	6	7
Community Service Officer - PT	-	-	-	1	1	1	1	1
Total Full Time	21	13	10	11	11	11	12	12
Total Part Time	2	1	1	3	6	6	8	9

Village Staff

Village-wide personnel costs in FY 18 are projected to be \$2,330,228. The largest portion of these costs are salaries which represent 54% (\$1,254,274) of total personnel costs. The second largest expense is the Village contribution to the Police Pension Fund which is 28% (\$650,000) of total personnel costs.



Personnel Costs

Police Pension

Kildeer residents voted to establish a Police Pension Fund in 2007. The Police Pension Fund accumulates financial resources and holds them in trust for Village Police Officers and their beneficiaries. Presently there are seven full-time patrol officers who each contribute 9.91% of their salary to the Police Pension Fund. Eleven officers now draw benefits from the pension fund and two applications for benefits are pending.

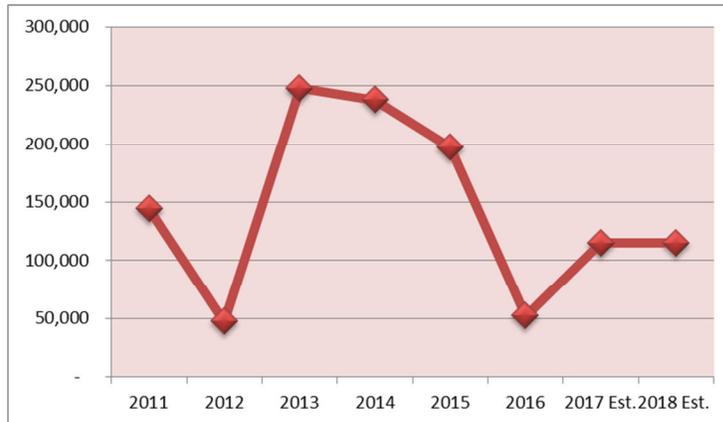
Police Pension Fund expenses increased by over \$435,000 in the period between FY 11 and FY 17. At the end of FY 16 the Police Pension Fund was only 34.40% funded.



Police Pension Expenses

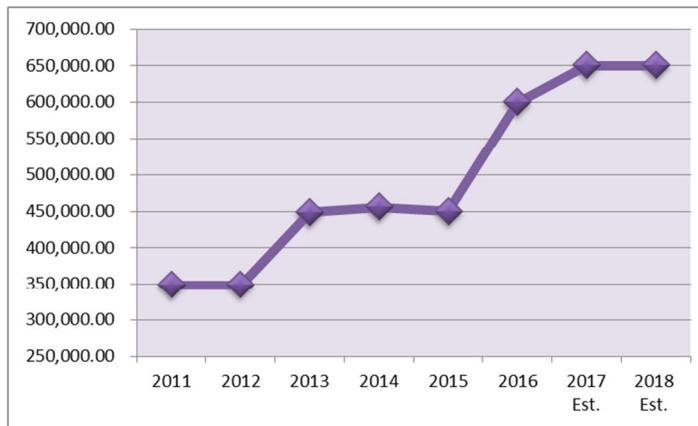
The Police Pension is funded by a combination of three sources: investment income, contributions by active police officers and the Village. An actuarial valuation is prepared annually to determine the amount of funding needed to meet the Pension Fund’s obligations. The Village is responsible to provide the balance of the needed funds after taking into account investment income and officer contributions.

Investment income has not grown at the same rate as expenses. Annual returns from FY 11 to FY 17 fluctuated between \$50,000 and \$250,000.



Police Pension Investment Income

As expected, in an environment where expenses are growing, police officer contributions are steady and investment income is less than the assumed rate of return, the Village’s contributions must increase.

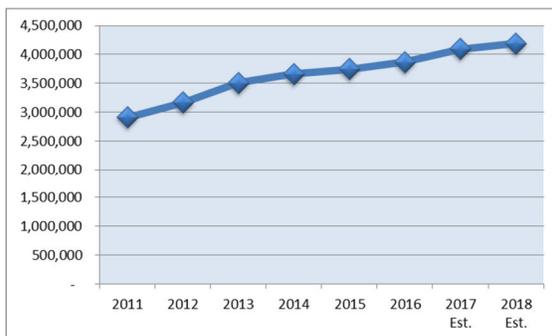


Village Contributions to the Police Pension

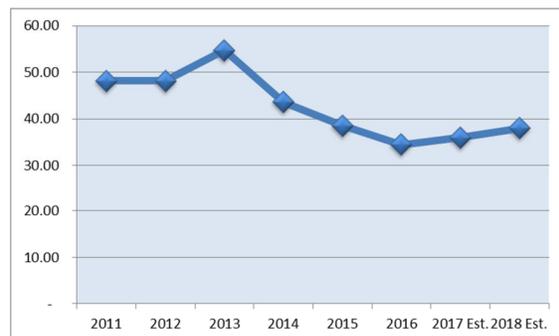
Police Pension Fund obligations significantly impact the General Fund Balance. The Village's contribution in FY 12 was \$348,500. In FY 17 the amount was \$650,000, an increase of 87% within a five year period. The Police Pension Fund is required by Illinois Statute to be 90% funded by FY 40. The state mandate is incorporated into the actuarial projections used by the Police Pension Board when a funding request is made to the Village Board. As pension expenses grow and additional beneficiaries are added, greater contributions are needed. In addition, the life expectancy of pension beneficiaries was recently increased by five years. This change negatively impacted the Police Pension's funding ratio lowering it from 38.53% to 34.40% in FY 16.

With police salary contributions steady and investments below the assumed rate, in order for the Police Pension Fund balance to grow and attain the ninety percent mandate, it will be necessary to increase the Village's contribution for the foreseeable future.

A stated goal of the Village Board is to be in compliance with the 90% fund balance requirement as soon as possible which will require that large portions of money in the General Fund be diverted to the Police Pension Fund for many years. Meeting the Police Pension funding goal will exert pressure on the General Fund and intensify competition for funding among the various core functions of the Village.



Police Pension Fund Balance

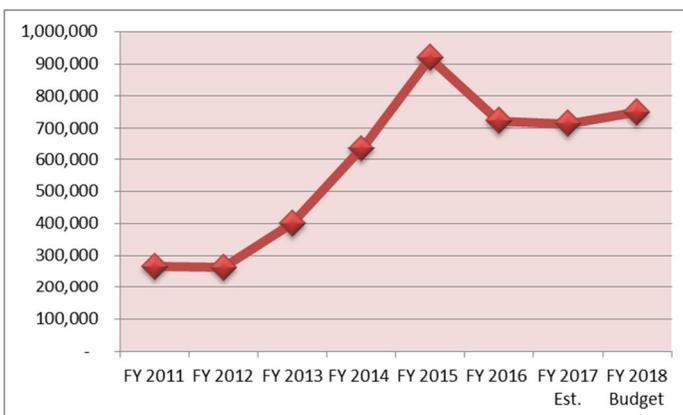


Funding Ratio Percentage

Public Works

The Village consists of over 32 miles of roads. Maintaining the roads includes the cost of snow and ice removal as well as patching, grinding, overlay and reconstruction of existing pavement. Road maintenance also includes the right-of-way where there are various types of stormwater drainage controls such as cross-culverts. Vegetation trimming in the right-of-way is also included in the public works budget.

In response to the Village Board’s emphasis on delivering quality service to residents, public works expenditures have increased steadily. In FY 12 the Village Engineer conducted a pavement evaluation and prepared a long term pavement program and rehabilitation plan. The cost of implementing the plan, however, was greater than the budget could support and a voter referendum to increase sales tax was conducted with the additional revenue to fund infrastructure improvements. The initiative was successful and funding for public works has increased.



FY 2011	266,697
FY 2012	263,870
FY 2013	400,732
FY 2014	634,111
FY 2015	918,728
FY 2016	723,438
FY 2017 Est.	714,801
FY 2018 Budget	750,000

Public Works Expenditures

Lake County will widen Quentin Road north of White Pine Road to Rt. 22 starting 2018. The Village’s portion of the cost of the project is estimated to be between \$12,000 and \$56,000 depending on the availability of grant funding. This expense must be incorporated into a future Village budget.

Another widening project that will require future Village funds is along Route 22 east of Quentin Road. The Village’s portion of the cost for this project is estimated at \$140,000. The Rt. 22 project is part of the Illinois Dept. of Transportation’s Five Year Plan, but the year in which construction may start is not known.

Long Term Debt

The Village is a non-home rule municipality. As a non-home rule municipality, the Village is limited in the amount of debt it can incur. That limit is 8.625% of the community's equalized assessed valuation or \$26M. The Village does not levy a property tax to repay its debt. General Obligation debt is paid from General Fund revenues. The Village's existing debt is just \$1.5M.

Assessed Valuation - 2015	<u>\$ 311,804,197</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>26,893,112</u>
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>(1,575,000)</u>
Legal Debt Margin	<u>25,318,112</u>

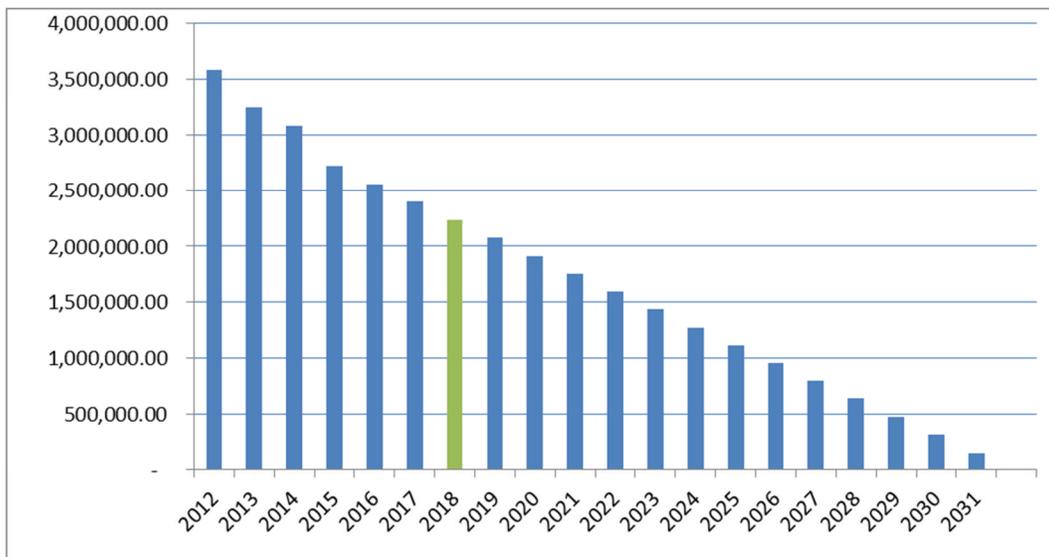
In 2002 the Village issued debt certificates to raise money to build the Village Hall. In 2011 the debt was refinanced and General Obligation Refunding Limited Debt Certificates were issued to take advantage of lower interest rates being offered at the time. The schedule of payments is listed below:

General Obligation Refunding Limited Debt Certificates of 2011

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

Fiscal Year Ending April 30	Governmental Activities		
	General Obligation		
	Bonds		
	Principal	Interest	Totals
2018	85,000	76,706	161,706
2019	85,000	73,518	158,518
2020	90,000	69,906	159,906
2021	95,000	66,082	161,082
2022	100,000	62,044	162,044
2023	100,000	57,294	157,294
2024	105,000	52,544	157,544
2025	110,000	47,556	157,556
2026	120,000	42,332	162,332
2027	125,000	36,182	161,182
2028	130,000	29,776	159,776
2029	135,000	23,112	158,112
2030	145,000	15,856	160,856
2031	150,000	8,062	158,062
Total	1,575,000	660,970	2,235,970

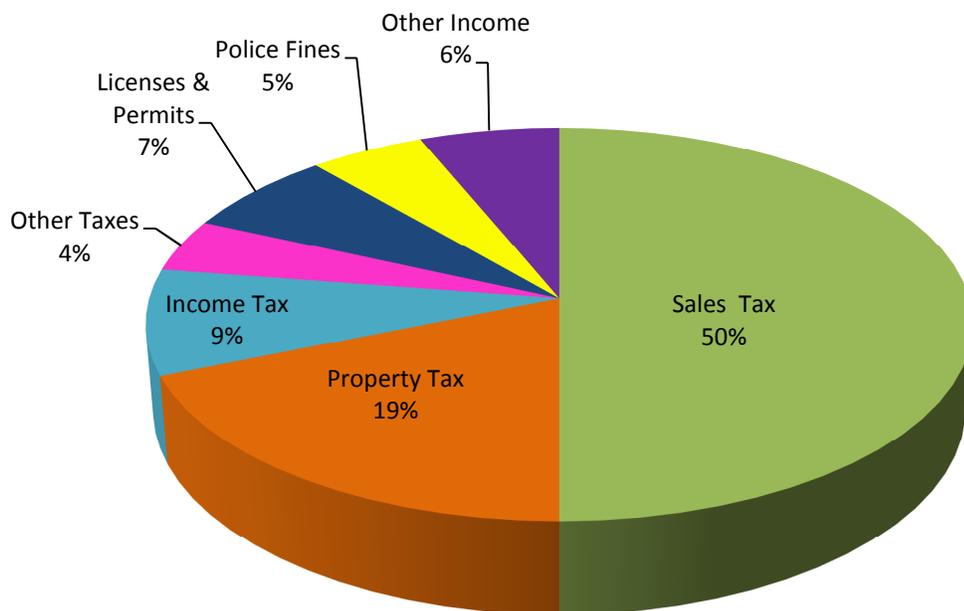
The Village’s financial health improved by reducing the amount of its debt service costs. In FY 11, when interest rates were falling, the Village refinanced its largest debt, the loan to build Village Hall. In FY 12 the Village paid off a debt in connection with the 1993 Boundary Agreement with Deer Park. The boundary agreement debt was paid off six years early. In FY 14 the Village arranged for an early pay-off of the bonds issued to extend the sewer system in Special Service Area B. A chart displaying the Village’s remaining debt is shown below.



Long Term Debt

GENERAL FUND REVENUES

The General Fund is used to account for the resources and activities associated with the day-to-day operations of the Village. The General Fund receives the majority of Village revenues and utilizes these resources to fund expenditures traditionally associated with municipal government, including general administration, police protection, street maintenance, building and zoning code enforcement, as well as planning and economic development.



FY 18 – General Fund Revenues

Revenue Type	FY 2017	FY 2018	Difference	
	Budget	Budget	\$	%
Sales Tax	1,900,000	2,200,000	300,000	16%
Property Tax	809,309	826,131	16,822	2%
Income Tax	400,000	380,000	(20,000)	-5%
Other Taxes	210,190	190,273	(19,917)	-9%
Licenses & Permits	260,000	305,000	45,000	17%
Police Fines	219,300	225,500	6,200	3%
Other Income	301,201	273,096	(28,105)	-9%
	<u>4,100,000</u>	<u>4,400,000</u>	<u>300,000</u>	<u>7%</u>

FY 17-18 Budget – Revenues

A 7% increase in FY 18 revenues over those in FY 17 are due to projected increases in sales tax that will be generated in connection with the new shopping center. Even though there is an overall increase in revenues, not all revenue sources increased. State income tax and local telecommunication tax revenues are trending down.

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2015-- ACTUAL	--2016-- ACTUAL	----- BUDGETED	2017 10 MO. ACTUAL	----- PROJECTED	--2018-- FINAL BUDGET
REVENUES							
10-10-3010	Property Tax	758,261	778,002	809,309	804,068	804,068	826,131
10-10-3020	Replacement Tax	1,289	1,375	1,000	904	1,085	1,000
10-10-3030	Road and Bridge Tax	4,032	3,950	4,190	4,182	4,182	4,273
10-10-3040	Sales Tax	1,988,455	1,886,793	1,900,000	1,489,978	1,831,784	2,200,000
10-10-3050	State Income Tax	388,604	422,879	400,000	338,342	377,804	380,000
10-10-3060	State Use Tax	81,840	92,071	80,000	77,114	97,685	90,000
10-10-3070	Telecommunications Tax	131,797	119,050	125,000	78,534	92,000	95,000
10-10-3100	Licenses and Fees	78,414	95,677	80,000	67,230	80,676	85,000
10-10-3105	Franchise Fees	95,547	96,723	88,000	74,504	93,000	90,000
10-10-3210	Building Permits	330,150	187,290	180,000	523,959	550,000	200,000
10-10-3340	Books and Copies	1,327	1,097	1,000	757	908	1,000
10-10-3410	Revenue Sharing	89,499	126,586	125,000	106,747	123,681	140,000
10-10-3420	Impoundment Fees	19,000	14,500	15,000	5,000	7,000	10,000
10-10-3425	Impoundment Fees - DUI	9,000	7,500	6,500	4,754	5,705	6,500
10-10-3440	Sewer Administration	61,140	0	0	0	0	0
10-10-3450	Population Impact Fees	0	0	0	0	0	0
10-10-3600	Restricted Drug Seizure	0	3,818	0	0	0	0
10-10-3630	Police Fines	51,637	46,133	41,500	26,458	37,354	44,000
10-10-3640	Code Violations	23,763	29,795	27,000	19,503	25,000	25,000
10-10-3650	Restricted DUI	2,873	4,200	3,500	1,750	2,100	3,000
10-10-3660	Police Equipment Resale	4,947	5,673	0	1,123	1,347	0
10-10-3670	Red Light Enforcement	14,155	110,518	120,000	114,920	150,000	140,000
10-10-3675	Hireback Income	3,181	2,505	2,500	1,295	1,554	2,500
10-10-3680	Restricted Traffic Rebate	7,122	6,026	5,500	2,980	3,576	4,000
10-10-3686	Restricted E-Citation	376	376	300	182	218	300
10-10-3687	Restricted CERT	450	950	0	200	240	0
10-10-3690	Grants	150,315	3,505	60,000	54,274	55,235	5,000
10-10-3720	Interest Income	3,712	7,119	5,500	8,711	10,453	10,000
10-10-3950	Expired Completion Bonds	10,500	12,000	0	500	500	0
10-10-3960	Refunds & Reimbursements	64,253	25,225	16,000	12,740	23,000	30,000
10-10-3990	Misc Income	6,972	3,524	3,201	5,258	6,310	7,296
10-10-3999	Interfund Operating Transfer	0	0	0	0	0	0
TOTAL REVENUES:		4,382,611	4,094,860	4,100,000	3,825,967	4,386,465	4,400,000

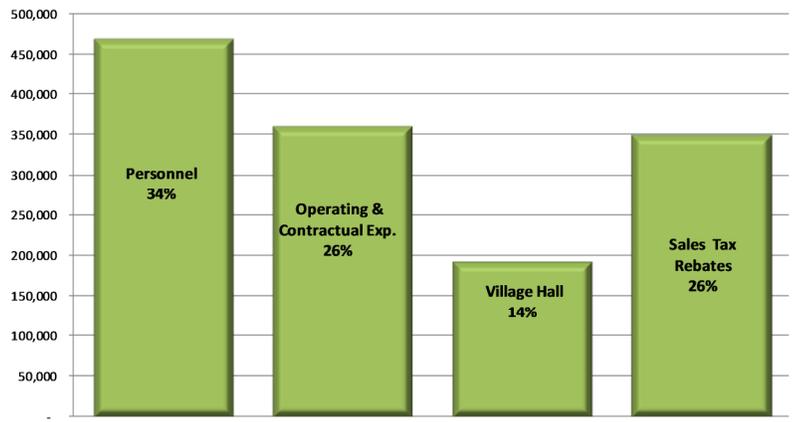
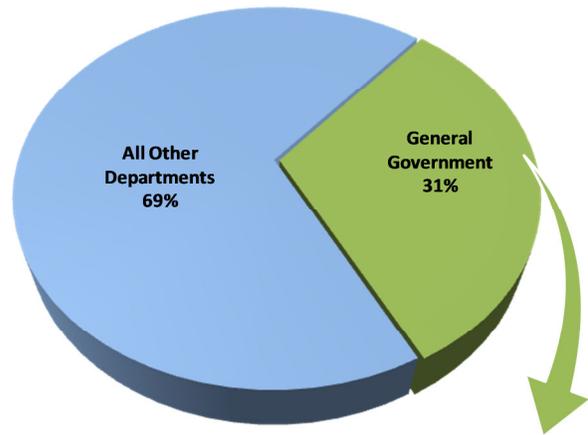
GENERAL FUND GENERAL GOVERNMENT



General Government expenses make up 31% of the Village's General Fund budget. Within the General Government category personnel account for 34% of the expenses followed by operating and contractuels (26%), Village Hall (14%) and sales tax rebates to developers (26%).



FY 2018



General Government functions include the administration of the Village’s affairs by the Chief Village Officer, Finance Director, and Director of Building Permits who is assisted by a part-time staff person.

General Government Personnel Summary

	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budget 2017	Budget 2018	Change
General Government									
Chief Village Officer	1	1	1	1	1	1	1	1	-
Administrative Assistant (PT)	1	1	1	-	-	-	-	1	1
Finance Director	1	1	1	1	1	1	1	1	-
Director of Building Permits	-	-	-	1	1	1	1	1	-
Total Full Time	2	2	2	3	3	3	3	3	-
Total Part Time	1	1	1	-	-	-	-	1	1

The Chief Village Officer provides leadership, management, and oversight of all of the Village departments and advises the Village President and Board of Trustees on policies and procedures. The Chief Village Officer executes policy set by the Village Board and oversees the day to day operations of the Village.

The Finance Director provides the Village with financial and analytical support as well as accounting for all financial transactions. That includes its bank accounts and investment activities, payroll, accounts payable, and billing for services provided.

The Director of Building Permits administers commercial and residential construction projects for which a permit is required. Services provided by the Building Department include safety inspections, zoning issues and code compliance matters.

The General Government category also includes the maintenance of the Village Hall and payments for sales tax incentives (rebates) granted for the development of facilities that provide significant value to the Village.

The largest change in the General Government category between FY 17 and FY 18 is found in sales tax rebates. Payments under a sales tax rebate agreement for the Kildeer Village Square shopping center will begin in 2018.

Expense Type	FY 2017	FY 2018	Difference	
	Budget	Budget	\$	%
Personnel	436,881	475,763	38,882	9%
Operating & Contractual Exp.	353,612	355,495	1,883	1%
Village Hall	234,507	193,742	(40,765)	0%
Sales Tax Rebates	145,000	350,000	205,000	141%
Totals	1,170,000	1,375,000	205,000	18%

FY 17-18 Budget – General Government

FY 17 ACCOMPLISHMENTS

The accomplishments under the General Government Department for FY 17, organized by the priorities identified in the Strategic Plan, are as follows:

Priority #3 Economic Development:

- Approved a new shopping center known as Kildeer Village Square
- Approved a new residential subdivision known as The Preserves
- Approved Special Use Permits for MOD Pizza and Lumen Optical in Shops at Kildeer
- Approved expansion of the CubeSmart self-storage facility

Priority #4 Customer Service:

- Digitized all Village Board Minutes, Resolutions and Ordinances
- Digitized all building files for the convenience of residents
- Initiated new processes to digitize all new building files
- Arranged for offsite storage and backup for all of the Village’s digital files
- Administered yard waste sticker program for residents
- Administered burn permit system for residents

Priority #5 Fiscal Management:

- Awarded the FY 16 Certificate of Achievement for Financial Reporting by the Government Finance Officers Association (GFOA)
- Awarded the FY 17 Distinguished Budget Presentation Award by the GFOA
- Upgraded the Village’s financial software to the latest version
- Reduced total liability insurance claim amounts, including workers compensation and property damage claims
- Increased FY 17 general fund reserves to 12 months
- Increased FY 17 contribution to Kildeer Police Pension by \$100,000

- Restructured health insurance plans for employees which reduced premiums
- Added insurance coverage for CERT volunteers
- Added fraud protection insurance coverage

FY 18 OBJECTIVES

The objectives under the General Government Department for FY 18, organized by the priorities identified in the Strategic Plan, are as follows:

Priority #3 Economic Development:

- Complete Comprehensive Plan Update
- Work with Kemper Lakes Golf Course to prepare for 2018 LPGA major event
- Continue to promote growth of retail sales in commercial areas
- Replace the preliminary and final approval process with single step process for new land use developments
- Facilitate the build-out of Outlot 3 at Kildeer Village Square
- Monitor land use and zoning changes along Rand Road
- Facilitate the approval of new residential subdivisions
- Amend the Special Use PUD for the Quentin Collection to allow for additional uses in the shopping center to attract new tenants

Priority #4 Customer Service:

- Consider acceptance of credit card payments at Village Hall
- Attract new restaurants to the Village

Priority #5 Fiscal Management:

- Apply for the GFOA Certificate of Achievement for Excellence in Financial Reporting
- Apply for the GFOA Distinguished Budget Presentation Award
- Review health insurance options and select the most cost effective plans
- Incorporate health care reform mandates into the Village benefit programs
- Increase contributions to Kildeer Police Pension fund
- Promote public awareness of the need for a dedicated levy for the Police Pension Fund
- Refinance bonds for Special Service Area-1
- Maintain or improve Moody's Aa1 bond rating

Performance Measures Service Indicators	2012	2013	2014	2015	2016
Licenses					
Business	52	50	56	62	63
Liquor	11	11	13	12	13
Permits					
Residential- New Construction	4	8	30	31	9
Residential- Remodeling	135	127	130	434	184
Commercial- New Construction	4	2	3	-	3
Commercial- Remodeling	43	38	25	21	19
Total Issued Permits	186	175	188	486	215

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2015-- ACTUAL	--2016-- ACTUAL	----- BUDGETED	2017 10 MO. ACTUAL	----- PROJECTED	--2018-- FINAL BUDGET
Administration							
10-10-4010	FT Salaries - Administration	291,027	316,018	318,411	262,250	317,532	334,771
10-10-4050	PT Salaries - Administration	0	0	0	0	2,380	15,470
10-10-4080	Health Benefits	65,043	60,771	57,878	55,917	67,100	60,342
10-10-4090	FICA/Medicare	18,754	19,665	24,504	14,936	21,923	26,953
10-10-4095	Unemployment Insurance	2,118	1,547	1,497	66	1,079	1,684
10-10-4096	Worker's Comp Insurance	993	997	1,030	993	1,191	1,721
10-10-4110	Retirement - IMRF	31,363	29,605	29,758	24,886	29,863	30,844
10-10-4160	Longevity	2,266	2,440	2,602	1,646	2,602	2,778
10-10-4170	Training	4,718	3,143	5,000	2,398	2,877	5,000
10-10-4220	Travel and Lodging	1,387	1,851	3,500	1,065	1,278	3,500
10-10-4520	Clerk & Collector Stipends	1,200	1,200	1,200	1,000	1,200	1,200
10-10-4525	Zoning Administration	75	0	4,500	0	500	3,000
10-10-4530	Audit	16,640	16,545	17,000	17,000	17,000	17,500
10-10-4550	Building Inspections	112,642	60,866	80,000	161,895	240,000	100,000
10-10-4570	Engineering	45,808	30,576	45,000	21,011	30,213	45,000
10-10-4580	Financial Services	5,457	3,133	5,000	1,694	2,033	5,000
10-10-4590	IT Support	11,542	15,642	17,420	13,136	16,763	17,420
10-10-4610	Legal	13,686	10,083	15,000	656	787	15,000
10-10-4660	Permit Review	44,384	34,537	35,000	45,823	54,988	35,000
10-10-4680	Planning	338	403	3,000	429	514	2,000
10-10-4710	Other Professional Fees	5,135	5,286	7,000	4,918	5,902	5,000
10-10-5010	Alarm and Video	360	360	450	360	360	400
10-10-5030	Codification	2,380	1,543	3,500	861	1,033	2,000
10-10-5040	Copy Services	1,292	170	1,000	101	121	1,000
10-10-5050	Datacom Services	18,610	10,942	18,000	7,899	10,479	10,000
10-10-5070	Dues and Subscriptions	4,217	10,858	8,700	5,861	7,500	8,500
10-10-5080	Equipment Contracts	9,089	8,964	10,600	9,158	10,990	10,000
10-10-5110	General Insurance	16,110	16,724	17,000	16,131	16,131	17,000
10-10-5210	Misc. Contract Services	46,840	20,206	17,000	14,642	18,571	12,440
10-10-6060	Natural Gas	4,290	2,529	5,000	2,006	3,000	3,000
10-10-6080	Postage and Shipping	1,090	734	1,500	616	739	1,500
10-10-6100	Supplies	5,093	5,372	7,000	5,006	7,000	7,000
10-10-6120	Water and Sewer	1,327	535	400	401	401	360
10-10-7020	Community Events	8,131	158	1,000	5,832	6,999	1,000
10-10-7130	Newsletter	0	650	5,000	0	0	0
10-10-7230	Tax Rebates	194,943	142,946	145,000	99,967	140,000	350,000
10-10-7510	Building Maintenance	38,873	108,580	65,000	22,945	27,534	27,036
10-10-7530	Equipment Maintenance	0	0	5,000	83	100	1,000
10-10-7540	Building/Grounds Maintenance	6,858	11,532	10,000	2,365	15,838	5,000
10-10-7810	Non-Capital Equipment	4,754	4,624	2,108	658	1,790	1,438
10-10-7820	Capital Equipment	0	6,237	10,000	0	0	25,340

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2015-- ACTUAL	--2016-- ACTUAL	----- BUDGETED	2017 10 MO. ACTUAL	----- PROJECTED	--2018-- FINAL BUDGET
Administration							
EXPENSES							
10-10-8010	Principal Payments - Mortgage	75,000	80,000	80,000	80,000	80,000	85,000
10-10-8020	Interest Payments	84,156	81,906	79,507	79,506	79,506	76,706
10-10-8030	Refunds	16	99	500	0	0	0
10-10-9010	Other Expenses	1,384	2,106	2,435	645	774	97
10-10-9050	Contingency	0	0	0	0	0	0
10-10-9999	Interfund Operating Transfer	0	100,000	0	0	50,000	0
TOTAL Administration		1,199,389	1,232,083	1,170,000	986,762	1,296,591	1,375,000

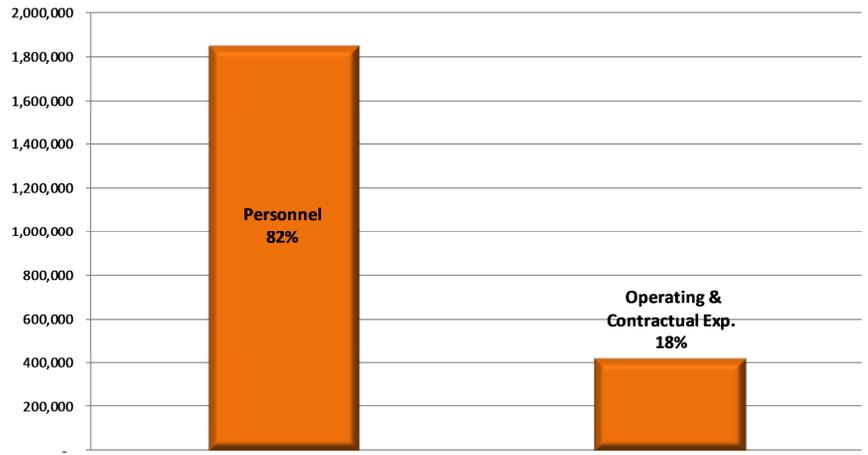
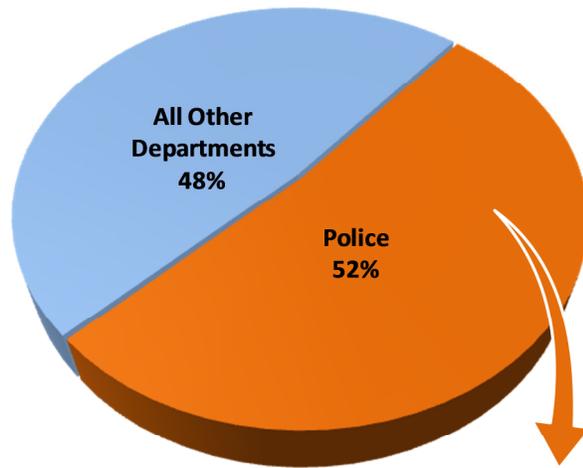
GENERAL FUND POLICE



Police expenses make up 52% of the Village's General Fund budget. Within the police category personnel account for 81% and the remaining 19% are due to operations and contractals.



FY 2018



The Village of Kildeer provides law enforcement service to residents and businesses twenty-four hours per day. The department is run by the Chief of Police who oversees the department which is currently staffed with full time and part time sworn personnel.

Police Department Personnel Summary

	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budget 2017	Budget 2018	Change
Police Department									
Police Chief	1	1	1	1	1	1	1	1	-
Deputy Chief	1	1	-	-	-	-	-	-	-
Police Records Clerk	1	1	1	1	1	1	1	1	-
Sergeants	3	2	-	-	-	-	-	-	-
Police Officers- FT	13	6	6	6	6	6	7	7	-
Police Officers- PT	1	-	-	2	5	5	6	7	1
Community Service Officer (PT)	-	-	-	1	1	1	1	1	-
									-
Total Full Time	19	11	8	8	8	8	9	9	-
Total Part Time	1	-	-	3	6	6	7	8	1

The mission of the Kildeer Police Department is to engage in community policing strategies that protect the lives, rights and quality of life of all residents and visitors.

Kildeer Police Officers serve with honor, integrity and dedication.

The largest changes in the Police category between FY 17 and FY 18 is found in personnel costs as well as operating and contractual expenses. Increases are due to higher pension contributions, the creation of a new part-time position and the incorporation of red light camera expenses into the Police Department's budget. Also, legal costs in FY 18 will include renegotiation of the union contract and anticipated participation in litigation involving the Police Pension. Higher officer salaries are mandated by the union contract.

Expense Type	FY 2016	FY 2017	Difference	
	Budget	Budget	\$	%
Personnel	1,732,220	1,854,467	122,247	7%
Operating & Contractual Exp.	397,780	420,533	22,753	6%
Totals	2,130,000	2,275,000	145,000	7%

FY 17-18 Budget - Police Department

FY 17 ACCOMPLISHMENTS

The accomplishments under the Police Department for FY 17, organized by the priorities identified in the Strategic Plan, are as follows:

Priority #1 Public Safety:

- Obtained a \$10,000 grant from ComEd under the Safe Cities program
- Purchased one new squad car with in-car camera
- Renewed dispatch and vehicle maintenance intergovernmental agreements with the Village of Lake Zurich
- Achieved full time staffing including a full time Records Clerk
- Implemented Community Policing
 - Greeted new business operators to review crime prevention strategies with them
 - Stopped by businesses to discuss community policing issues or needs
 - Participated in block parties and assisted other agencies in community events
 - Conducted a car show to raise funds for Illinois Special Olympics
- Technology
 - Implemented the Starcom radio system
 - Implemented a new records management system
 - Finalized a contract with Quick-Et to enhance the E-Citation program
 - Completed scheduling and time keeping software integration and implementation
- Traffic Safety
 - Received a State grant to enhance DUI enforcement
 - Participated in state programs involving distracted driving and speed enforcement
- Use of Force
 - Implemented a policy to provide an annual and semi-annual review of use of force issues
 - Implemented a policy to review any weapon or taser discharge
 - Implemented procedures to incorporate policy updates

FY 18 OBJECTIVES

The objectives under the Police Department for FY 18, organized by the priorities identified in the Strategic Plan, are as follows:

Priority #1 Public Safety:

- Hire one new full time police patrolman

- Hire two part time police patrolmen
- Maintain and enhance customer service and citizen satisfaction
- Utilize community-policing standard when assigning officers to dedicated areas/businesses
- Create a policy manual that is legally defensible and based on best policing practices (Lexipol)
- Provide ongoing training to current employees regarding policies and practices
- Increased involvement with NAMI Mental Health program
- Increase involvement with local schools regarding emergency response
- Identify career development paths for all employees.

Performance Measures Service Indicators	2012 *	2013	2014	2015	2016
Calls for Service	26,121	17,041	18,191	21,010	19,915
Total arrests	89	43	65	76	97
Traffic Citations	1,708	1,159	773	961	714
Ordinance Enforcement	80	137	139	433	558
House Watch	243	216	223	295	201

* FY 11 and portion of FY 12 includes calls for police service under the contract with Deer Park

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2015-- ACTUAL	--2016-- ACTUAL	----- BUDGETED	2017 10 MO. ACTUAL	----- PROJECTED	--2018-- FINAL BUDGET
Kildeer Police							
EXPENSES							
10-20-4010	Salaries - FT Sworn	506,105	556,670	691,047	520,875	625,051	747,605
10-20-4020	Salaries - PT Sworn	28,062	32,630	48,600	30,772	36,927	56,400
10-20-4030	Salaries - Overtime Sworn	34,308	43,590	30,000	31,673	38,007	35,000
10-20-4040	Special Detail	1,555	910	0	2,800	3,360	1,000
10-20-4050	Salary - FT Civilian	73,659	77,461	78,459	44,082	52,899	65,028
10-20-4080	Health Benefits	194,563	171,693	187,380	113,904	160,878	207,974
10-20-4090	FICA/Medicare	15,432	16,799	20,394	14,339	17,206	20,724
10-20-4095	Unemployment Insurance	7,404	6,447	6,861	1,374	6,861	6,045
10-20-4096	Worker's Comp Insurance	33,132	32,574	43,550	33,132	34,632	40,854
10-20-4100	Retirement - Pension	450,000	600,000	600,000	500,000	650,000	650,000
10-20-4110	Retirement - IMRF	18,568	16,807	18,775	14,138	16,966	18,828
10-20-4160	Longevity	5,853	6,538	7,598	8,439	8,439	6,009
10-20-4170	Training	1,054	3,400	4,500	2,973	6,568	4,750
10-20-4180	Recruitment	483	0	2,000	298	357	1,500
10-20-4210	Uniforms	7,221	6,033	8,075	4,531	5,437	9,275
10-20-4220	Travel and Lodging	708	106	975	1,090	1,308	1,100
10-20-4510	Admin Adjudication	1,742	2,252	2,800	1,955	2,346	3,060
10-20-4640	Legal - Prosecution	18,000	18,000	24,000	20,000	24,000	24,000
10-20-4650	Personnel & Legal	30,253	21,261	35,000	23,644	55,000	60,000
10-20-5020	Animal Control	0	45	500	0	0	400
10-20-5040	Copy Services	748	595	600	720	864	750
10-20-5060	Dispatch Services	56,773	74,244	86,999	86,999	86,999	72,000
10-20-5070	Dues and Subscriptions	19,659	19,725	19,250	20,960	22,000	20,000
10-20-5080	Equipment Contracts	0	7,348	5,500	4,831	5,797	29,904
10-20-5100	Forensic Srv & Investigation	492	101	650	447	536	650
10-20-5110	General Insurance	53,651	49,515	48,000	48,537	48,537	55,000
10-20-5210	Misc. Contract Services	6,992	7,021	7,500	10,688	12,826	4,250
10-20-5220	Storage Rental	2,388	2,540	2,400	2,180	2,616	1,616
10-20-5290	Wireless Communications	2,531	2,618	3,000	1,912	2,294	2,580
10-20-6040	Fuel	19,848	14,091	20,000	9,624	15,000	18,000
10-20-6080	Postage and Shipping	1,013	704	800	444	533	800
10-20-6090	Printing and Forms	2,089	243	1,000	1,417	1,500	1,500
10-20-6100	Supplies	2,733	2,166	2,500	1,856	2,228	2,500
10-20-7110	Firearms and Defense	1,881	2,771	3,500	250	4,500	3,500
10-20-7120	Police Grant Exp	0	0	10,000	0	0	0
10-20-7150	Community Relations Program	0	59	500	665	798	700
10-20-7530	Equipment Maintenance	473	246	1,500	137	165	500
10-20-7710	Telecom Maintenance	1,316	2,153	4,200	2,924	3,509	3,900
10-20-7730	Vehicle Maint.	16,678	13,653	14,000	8,389	10,000	10,000
10-20-7810	Non-Capital Equipment	3,544	11,678	1,700	6,358	7,629	7,680

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2015-- ACTUAL	--2016-- ACTUAL	----- BUDGETED	2017 10 MO. ACTUAL	----- PROJECTED	--2018-- FINAL BUDGET

Kildeer Police							
EXPENSES							
10-20-7820	Capital Equipment	92,267	0	15,500	0	16,000	0
10-20-7830	DUI Expenses	23,117	349	5,000	313	375	0
10-20-7870	Restrict Drug Seizure Exp	0	1,519	5,000	0	0	1,000
10-20-7880	Restrict Traffic Rebate Ex	27,967	0	0	0	18,500	0
10-20-7881	CERT Expenses	844	1,109	10,000	9,480	9,480	1,000
10-20-7885	Red Light Enforcement Exp	0	49,252	50,000	50,633	60,796	77,000
10-20-7890	Collection Agency Fees	0	166	0	328	394	500
10-20-9010	Other Expenses	758	348	387	157	188	118
10-20-9050	Contingency	0	0	0	0	0	0
		-----		-----		-----	
TOTAL Kildeer Police		1,765,864	1,877,430	2,130,000	1,640,268	2,080,306	2,275,000

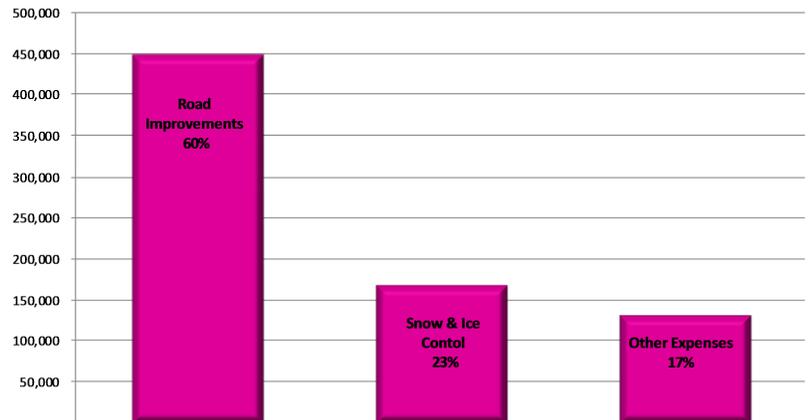
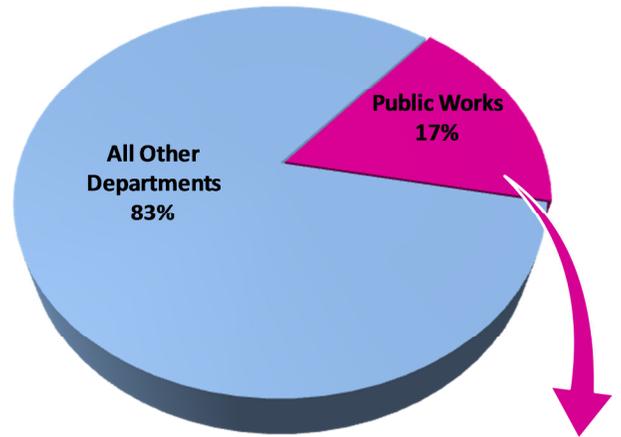
GENERAL FUND PUBLIC WORKS



Public Works expenses make up 17% of the Village's General Fund budget. Within the public works category road improvements account for 60% followed by snow and ice removal, 23%, and other expenses, 17%.



FY 2018



The Public Works Department is responsible for the maintenance and upkeep of Village streets, as well as seasonal activities such as snowplowing, salting and right-of-way maintenance. The Village contracts with governmental agencies and private companies for the performance of all public works services.

The Village received a grant in FY 17 for a drainage improvement project which was completed. Grant funding accounts for the difference in the Public Works category between FY 17 and FY 18.

Expense Type	FY 2017	FY 2018	Difference	
	Budget	Budget	\$	%
Road Improvements	500,000	450,000	(50,000)	-10%
Snow & Ice Control	160,000	169,000	9,000	6%
Other Expenses	140,000	131,000	(9,000)	-6%
Totals	800,000	750,000	(50,000)	-6%

FY 17-18 Budget – Public Works Expenses

FY 17 ACCOMPLISHMENTS

The accomplishments under the Public Works Department for FY 17, organized by the priorities identified in the Strategic Plan, are as follows:

Priority #2 Infrastructure:

- Secured \$50,000 grant from Lake County Stormwater Management Commission for Andover Road drainage project
- Completed intergovernmental agreement for storage of road salt in community salt dome
- Completed FY 17 road program
- Completed emergency generator repair
- Completed vegetation trim back project along right-of-way
- Continued project to refurbish Village street signs
- Arranged for landscape maintenance of Lot 102 (Village owned lot on W. Cuba Road)

FY 18 OBJECTIVES

The objectives under the Public Works Department for FY 18, organized by the priorities identified in the Strategic Plan, are as follows:

Priority #2 Infrastructure:

- Continue to develop a realistic and achievable plan to fund the road and drainage projects

Performance Measures Service Indicators	2012	2013	2014	2015	2016
Snow removal (hours)	431	665	1,269	646	499
Salt Usage (tons)	477	735	850	415	575
Paving (miles)	1	1	1	1	1

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2015-- ACTUAL	--2016-- ACTUAL	----- BUDGETED	2017 10 MO. ACTUAL	----- PROJECTED	--2018-- FINAL BUDGET
Public Works							
EXPENSES							
10-40-4650	Outside Consulting	844	3,366	5,000	0	0	1,000
10-40-5150	JULIE	1,896	1,671	1,672	1,002	1,202	1,500
10-40-6030	Electricity - Street Lighting	2,608	2,681	3,500	1,936	2,323	2,500
10-40-6100	Supplies	0	0	0	26	26	0
10-40-7140	Mosquito Abatement	10,150	10,300	10,500	10,506	12,506	13,000
10-40-7170	Road Improvements	511,525	438,326	450,000	342,761	416,314	450,000
10-40-7200	Snow & Ice Control	188,039	140,111	160,000	108,726	130,471	169,000
10-40-7230	Street Cleaning	0	0	0	0	0	0
10-40-7570	ROW Maintenance	47,588	76,270	80,000	58,729	70,475	80,000
10-40-7630	Signal Maintenance	16,465	22,099	20,000	10,055	12,067	15,000
10-40-7650	Storm Sewer Line Maint	1,578	24,074	14,328	30,928	37,113	15,000
10-40-7680	Street Signs and Safety	12,307	3,987	5,000	1,901	32,281	3,000
10-40-7820	Grants	122,474	0	50,000	0	0	0
10-40-9010	Other Expenses	3,255	552	0	19	23	0
TOTAL Public Works		918,729	723,437	800,000	566,589	714,801	750,000

MOTOR FUEL TAX FUND

The Motor Fuel Tax (MFT) Fund is utilized to fund maintenance and construction expenses for roadway and sidewalk improvements within public right of ways. Other applicable uses for MFT funds are as follows:

- Electric usage charges for operation of public street lighting systems.
- Purchase of maintenance materials (road salt and hot-mix asphalt) for use by the Public Works Department.
- Payment for bonds issued to fund construction expenses for prior public improvement projects.
- Payment for engineering consultant services for the design and construction inspection of public roadway improvement projects, including sidewalk replacement, roadway reconstruction and bridge replacement projects.

The Village’s practice for the Motor Fuel Tax Fund (MFT) has been to accumulate funds until there is enough to support a project. Due to the accumulation of funds from prior budgets, the starting FY 17 MFT fund balance is \$515,401 which is sufficient to support the budgeted expenditures.

MFT Fund		FY 2017	FY 2018	Difference	
		Budget	Budget	\$	%
Revenues	Revenues	100,300	100,000	(300)	-0.3%
Expenses	Expenses	250,000	250,000	-	0%

FY 17-18 Budget- MFT

	FY 2016	Projected FY 2017	Budget FY 2018
Beginning Fund Balance	413,351	515,401	608,874
Revenues	102,050	93,473	100,000
Expenses	-	-	250,000
Ending Fund Balance	515,401	608,874	458,874

Fund Balance – MFT

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: Motor Fuel Tax

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2015-- ACTUAL	--2016-- ACTUAL	----- BUDGETED	2017 10 MO. ACTUAL	----- PROJECTED	--2018-- FINAL BUDGET
-----							0
BEGINNING BALANCE							
REVENUES							
20-10-3080	Motor Fuel Tax	133,532	101,497	100,000	76,163	91,395	99,000
20-10-3720	Interest Income	51	553	300	1,731	2,078	1,000
TOTAL REVENUES:		133,583	102,050	100,300	77,894	93,473	100,000
EXPENSES							
20-10-7160	MFT Road Improvements	53,209	0	250,000	0	0	250,000
20-10-9050	Contingency	0	0	0	0	0	0
TOTAL EXPENSES:		53,209	0	250,000	0	0	250,000

CAPITAL PROJECT FUND

The Capital Project Fund is utilized by the Village to accumulate resources and incur expenditures for infrastructure maintenance and improvements as well as capital vehicle and equipment purchases.

Fund Information

The Capital Project Fund is a governmental fund type; this means a modified accrual basis of accounting is used to account for the revenues, expenditures, transfers, and changes in fund balance that occur in a fiscal year. Governmental Accounting Standards Board (GASB) Statement Number 54 requires the Village to classify the Fund Balances of the Capital Project Fund into the following categories:

- Non-Spendable – Amounts that cannot be liquidated into cash available for immediate spending because they are not in a spendable form or they are legally or contractually required to be maintained intact.
- Restricted – Amounts restricted by laws, regulations, contracts, or commitments imposed by external organizations such as creditors, grantors, contributors, the Federal Government, or the State of Illinois.
- Committed – Amounts committed for specific purposes through formal action of the Board of Trustees –usually by passage of an Ordinance or Resolution.
- Assigned – Amounts assigned for a specific purpose by the governing body itself or an official with authority – less formal than a commitment by the Village Board.

Under GASB 54 reporting requirements, Capital Improvement Funds are not allowed to have Unassigned Fund Balances unless there is a negative Fund Balance. In FY 16, the Capital Project Fund will have accumulated Assigned Fund Balance of \$575,877 for future vehicle and equipment purchases and infrastructure improvement projects.

Minimum Fund Balances

No minimum Fund Balance has been established for the Capital Project Fund. The nature of the Capital Project Fund is to accumulate resources for future capital expenditures and then expend those resources when appropriate. The Fund will have large surpluses or deficits from year to

year and the Fund Balance will fluctuate drastically in some years as the Fund accumulates and expends resources.

The Assigned Fund Balance in the Capital Project Fund is a reservation for the future purchase of vehicles and equipment. This portion of the Fund Balance was established to ensure that resources will be available in the future to purchase replacements for vehicles and equipment currently in use. The Village maintains detailed lists of vehicles and equipment including the purchase date, an expected useful life, an expected replacement cost, and the amount needed to be reserved to replace the equipment in the future. The Village’s goal is to accumulate resources in an Assigned Fund Balance in the Capital Fund that is at least 50% of the replacement value of all of the Village’s vehicles and equipment. Operating transfers from the General Fund to the Assigned Fund Balance in the Capital Project Fund are anticipated to begin in FY 19.

No capital fund projects are budgeted in FY 18.

Capital Projects Fund		FY 2017	FY 2018	Difference	
		Budget	Budget	\$	%
Revenues	Revenues	-	-	-	0%
Expenses	Expenses	-	-	-	0%

FY 17-18 Budget- Capital Projects

	FY 2016	Projected FY 2017	Budget FY 2018
Beginning Fund Balance	1,107,234	675,970	676,389
Revenues	100,225	419	-
Expenses	531,489	-	-
Ending Fund Balance	675,970	676,389	676,389

Fund Balance – Capital Projects

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: Capital Projects

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2015-- ACTUAL	--2016-- ACTUAL	----- BUDGETED	2017 10 MO. ACTUAL	----- PROJECTED	--2018-- FINAL BUDGET
-----							0
BEGINNING BALANCE							
REVENUES							
30-10-3720	Interest Income	278	224	0	349	419	0
30-10-3974	Proceeds- Quentin Rd Impr.	0	0	0	0	0	0
30-10-3975	Proceeds-Bike Path	0	0	0	0	0	0
30-10-3999	Interfund Operating Transfer	0	100,000	0	0	0	0
TOTAL REVENUES:		278	100,224	0	349	419	0
EXPENSES							
30-10-4610	Legal	0	3,750	0	0	0	0
30-10-7574	Quentin Rd Improvements	0	0	0	0	0	0
30-10-7575	Bike Path Expense	0	0	0	0	0	0
30-10-7820	Capital Equipment	0	0	0	0	0	0
30-10-9999	Interfund Operating Transfer	0	527,738	0	0	0	0
TOTAL EXPENSES:		0	531,488	0	0	0	0

APPENDIX I – CAPITAL OUTLAY SUMMARY

Village of Kildeer
 Long Term Financial Plans Summary
 FY 2017-2018
 Capital Improvement Plan

Project	Cost	Fund	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Village Hall Roof	45,000	General Fund						45,000				
Parking Lot Reseal and Restripe	5,000	General Fund						5,000				
Tuckpoint Village Hall Masonry	8,000	General Fund						8,000				
HVAC System	40,000	Capital Projects										40,000
Driveway Boiler	20,000	Capital Projects										20,000
Village Hall Phone System	15,000	General Fund							15,000			
Village Hall Computers/ Server	25,340	General Fund	25,340							25,340		
Keyless Entry	40,000	Capital Projects										40,000
Financial Software	100,000	Capital Projects					100,000					
Livescan	10,000	General Fund				10,000						10,000
Breathalyzer	7,000	General Fund			7,000						7,000	
Police Radios	50,000	GF/Capital Projects									50,000	
2013 Ford Taurus # 93	33,500	GF/Capital Projects			33,500							33,500
2013 Ford Taurus # 99	32,000	GF/Capital Projects					32,000					
2014 Ford Explorer # 91	33,500	GF/Capital Projects				33,500						
2015 FORD EXPLORER #92	33,500	GF/Capital Projects					33,500					
2016 FORD UTILITY #90	30,000	GF/Capital Projects						30,000				
2017 Ford Explorer #94	33,500	GF/Capital Projects							33,500			
Road Program/ Storm Sewers	700,000	General Fund/ MFT	700,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Totals	1,261,340		725,340	600,000	640,500	643,500	765,500	688,000	648,500	625,340	657,000	743,500

To fund the Capital Improvement Plan the Village currently has a reserve of \$676,000 in its Capital Project Fund. In addition, there is a committed sinking fund of \$100,000 for the maintenance of Village Hall contained within the General Fund. One of the Village's goals is to annually transfer money from the General Fund to the Capital Improvement Fund so that there are sufficient reserves to meet planned and unplanned capital needs.

Village of Kildeer
 Long Term Financial Plans Summary Detail
 FY 2017-2018
 Capital Improvement Plan

Project	Village Hall Roof									
Department	General Government									
Cost	\$ 45,000									
Funding Source (s)	General Fund									
Background	Original roof installed in 2002 and repaired in 2016. Life expectancy exceeded in 2023.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Village Hall Roof						45,000				

Project	Parking Lot Reseal and Restripe									
Department	General Government									
Cost	\$ 5,000									
Funding Source (s)	General Fund									
Background	Regular maintenance item last performed in 2016. Life expectancy exceeded in 2023.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Parking Lot Reseal and Restripe						5,000				

Project	Tuckpoint Village Hall Masonry									
Department	General Government									
Cost	\$ 8,000									
Funding Source (s)	General Fund									
Background	Regular maintenance item last performed in 2016. Life expectancy exceeded in 2023.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Tuckpoint Village Hall Masonry						8,000				

Project	HVAC System									
Department	General Government									
Cost	\$ 40,000									
Funding Source (s)	Capital Projects Fund									
Background	Original units installed in 2002 and annual maintenance performed. Life expectancy exceeded in 2027.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HVAC System										40,000

Project	Driveway Boiler									
Department	General Government									
Cost	\$ 20,000									
Funding Source (s)	Capital Projects Fund									
Background	Original unit installed in 2002 and annual maintenance performed. Life expectancy exceeded in 2027.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Driveway Boiler										20,000

Project	Village Hall Phone System									
Department	General Government/ Police Department									
Cost	\$ 15,000									
Funding Source (s)	General Fund									
Background	Installed in 2010 and technical support ends in 2024.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Village Hall Phone System							15,000			

Project	Village Hall Computers/ Server									
Department	General Government/ Police Department									
Cost	\$ 25,340									
Funding Source (s)	General Fund									
Background	Installed in 2012 and life expectancy exceeded in 2018.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Village Hall Computers/ Server	25,340							25,340		

Project	Keyless Entry									
Department	General Government									
Cost	\$ 40,000									
Funding Source (s)	Capital Projects Fud									
Background	Original unit installed in 2002 and periodic repairs performed. Life expectancy exceeded in 2027.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Keyless Entry										40,000

Project	Financial Software									
Department	General Government									
Cost	\$ 100,000									
Funding Source (s)	Capital Projects Fud									
Background	Software installed in 2009 and technical support anticipated to end in 2022.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Financial Software					100,000					

Project	Livescan									
Department	Police Department									
Cost	\$ 10,000									
Funding Source (s)	General Fund									
Background	Equipment installed in 2015 and software support expected to end in 2021.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Livescan				10,000						10,000

Project	Breathalyzer									
Department	Police Department									
Cost	\$ 7,000									
Funding Source (s)	General Fund									
Background	Equipment installed in 2014 and software support expected to end in 2020.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Breathalyzer			7,000						7,000	

Project	Police Radios									
Department	Police Department									
Cost	\$ 50,000									
Funding Source (s)	General Fund/ Capital Projects									
Background	Equipment installed in 2015 and software support expected to end in 2026.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Police Radios									50,000	

Project	Squad # 93									
Department	Police Department									
Cost	\$ 33,500									
Funding Source (s)	General Fund/ Capital Projects									
Background	Purchased in 2013 and life expectancy exceeded in 2020.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Squad # 93			33,500							33,500

Project	Squad # 99									
Department	Police Department									
Cost	\$ 32,000									
Funding Source (s)	General Fund/ Capital Projects									
Background	Purchased in 2013 and life expectancy exceeded in 2022.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Squad # 99					32,000					

Project	Squad # 91									
Department	Police Department									
Cost	\$ 33,500									
Funding Source (s)	General Fund/ Capital Projects									
Background	Purchased in 2014 and life expectancy exceeded in 2021.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Squad # 91				33,500						

Project	Squad # 92									
Department	Police Department									
Cost	\$ 33,500									
Funding Source (s)	General Fund/ Capital Projects									
Background	Purchased in 2015 and life expectancy exceeded in 2022.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Squad # 92					33,500					

Project	Squad # 90									
Department	Police Department									
Cost	\$ 30,000									
Funding Source (s)	General Fund/ Capital Projects									
Background	Purchased in 2016 and life expectancy exceeded in 2023.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Squad # 90						30,000				

Project	Squad # 94									
Department	Police Department									
Cost	\$ 33,500									
Funding Source (s)	General Fund/ Capital Projects									
Background	Purchased in 2017 and life expectancy exceeded in 2024.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Squad # 94							33,500			

Project	Road Program/ Storm Sewers									
Department	Public Works									
Cost	\$ 700,000									
Funding Source (s)	General Fund/ Motor Fuel Tax Fund									
Background	Annual program for infrastructure maintenance and replacement when needed.									
Project Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Road Program/ Storm Sewers	700,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000

APPENDIX II – FIVE YEAR FINANCIAL FORECAST

VILLAGE OF KILDEER, ILLINOIS

General Fund - Long Term Financial Planning

Analysis of Projected Statements of Revenues, Expenditures, Transfers, and Changes in Fund Balance

	FY 18	FY 19	FY 20	FY 21	FY 22
	Budget	Projection	Projection	Projection	Projection
Revenues					
Taxes	3,596,404	3,823,611	3,906,404	3,978,085	4,019,029
Intergovernmental	5,000	5,000	5,000	5,000	5,000
Charges for Services	100,000	100,000	100,000	100,000	100,000
Licenses and Permits	260,000	300,000	270,000	250,000	250,000
Fines and Forfeits	209,000	200,000	200,000	200,000	200,000
Interest	10,000	10,100	10,201	10,303	10,406
Miscellaneous	219,596	150,000	154,020	160,441	160,000
Transfers In	-	-	-	-	-
Total Revenues	4,400,000	4,588,711	4,645,625	4,703,829	4,744,435
Expenditures					
General Government	1,187,954	1,200,000	1,224,000	1,250,000	1,254,358
Public Safety	2,275,000	2,330,192	2,371,219	2,414,248	2,462,533
Public Works and Transportation	750,000	800,000	750,000	800,000	800,000
Capital Outlay	25,340	-	40,500	43,500	65,500
Principal Retirement	85,000	85,000	90,000	95,000	100,000
Interest and Fiscal Charges	76,706	73,519	69,906	66,081	62,044
Transfers Out	-	100,000	100,000	35,000	-
Total Expenditures	4,400,000	4,588,711	4,645,625	4,703,829	4,744,435
Net Change in Fund Balance	-	-	-	-	-
Fund Balance - Beginning	4,549,421	4,549,421	4,549,421	4,549,421	4,549,421
Fund Balance - Ending	4,549,421	4,549,421	4,549,421	4,549,421	4,549,421
% Change in Fund Balance	0%	0%	0%	0%	0%

VILLAGE OF KILDEER, ILLINOIS

MFT - Long Term Financial Planning

Analysis of Projected Statements of Revenues, Expenditures, Transfers, and Changes in Fund Balance

	FY 18	FY 19	FY 20	FY 21	FY 22
	Budget	Projection	Projection	Projection	Projection
Revenues					
Taxes	-				
Intergovernmental	99,000	100,980	103,000	105,060	107,161
Charges for Services	-				
Licenses and Permits	-				
Fines and Forfeits	-				
Interest	1,000	750	758	766	781
Miscellaneous	-				
Transfers In	-				
Total Revenues	100,000	101,730	103,758	105,826	107,942
Expenditures					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works and Transportation	250,000	100,000	100,000	100,000	100,000
Capital Outlay	-	-	-	-	-
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Expenditures	250,000	100,000	100,000	100,000	100,000
Net Change in Fund Balance	(150,000)	1,730	3,758	5,826	7,942
Fund Balance - Beginning	608,874	458,874	460,604	464,362	470,188
Fund Balance - Ending	458,874	460,604	464,362	470,188	478,130
% Change in Fund Balance	0%	0%	1%	1%	2%

VILLAGE OF KILDEER, ILLINOIS

Capital Projects - Long Term Financial Planning

Analysis of Projected Statements of Revenues, Expenditures, Transfers, and Changes in Fund Balance

	FY 18	FY 19	FY 20	FY 21	FY 22
	Budget	Projection	Projection	Projection	Projection
Revenues					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Interest	-	500	505	510	515
Miscellaneous	-	-	-	-	-
Transfers In	-	100,000	100,000	35,000	-
Total Revenues	-	100,500	100,505	35,510	515
Expenditures					
General Government	-	-	-	-	100,000
Public Safety	-	-	-	-	-
Public Works and Transportation	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Expenditures	-	-	-	-	100,000
Net Change in Fund Balance	-	100,500	100,505	35,510	(99,485)
Fund Balance - Beginning	676,389	676,389	776,889	877,394	912,904
Fund Balance - Ending	676,389	776,889	877,394	912,904	813,419
% Change in Fund Balance	0%	15%	13%	4%	-11%

APPENDIX III – PERFORMANCE MEASURES

The financial Goals established by the Village President and Board of Trustees are as follows:

- 1) Accumulate General Fund Reserves of 90% or more of annual expenses;

	2013	2014	2015	2016	2017 EST.
Unassigned Fund Balance	2,310,493	3,149,137	3,674,708	3,941,711	4,236,478
% of annual expenses	72%	93%	95%	106%	104%

- 2) Fully fund the Police Pension by 2040; and

	2013	2014	2015	2016	2017 EST
Assets	3,572,778	3,660,990	3,744,463	3,869,446	4,249,411
Liabilities	6,530,880	8,409,304	9,717,553	11,249,006	11,249,006
Funded Ratio	55%	44%	39%	34%	38%

- 3) Sweep any funds in excess of the amounts for Goals 1 and 2, above, into the Capital Improvements Fund.

	2013	2014	2015	2016	2017 EST.
Assigned Fund Balance	1,106,258	1,106,956	1,107,234	675,970	676,389

APPENDIX IV – GLOSSARY

ACCOUNTING SYSTEM - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of the Village or any of its funds, fund types, balanced account groups, or organizational units.

ACCRUAL BASIS - A method of accounting under which revenues are recognized or recorded in the accounting period in which they are earned versus received; while expenses are recognized or recorded in the accounting period in which the related liability is incurred versus paid.

ACTUARIAL EVALUATION - A method of determining the amount of money that needs to be set aside each year to pay for post-employment benefits of current employees. Assumptions are made regarding factors such as future wage adjustments, age and tenure of employees in the plan and interest earnings.

ASSESSED VALUE - A dollar amount set upon real estate or other property by a government as a basis for levying taxes. Assessed Value is the basis for determining property tax.

BALANCED BUDGET - A budget where estimated current revenues equal estimated current expenditures.

BASIS OF ACCOUNTING - A reference to the accounting method used to record and recognize revenues and expenditures or expenses.

BOND - A written promise to pay a specified sum of money, called principal, at a specified maturity date, along with a promise to pay periodic interest at a specified percentage of the outstanding principal.

BUDGET - A financial plan of operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing those expenditures. Used without modifier, the term usually indicates a financial plan for a single fiscal year.

CAPITAL ASSETS - Assets of significant value and having a useful life of at least two (2) years. Capital assets are also sometimes referred to as fixed assets. In respect to the Village, significant value means a per unit cost of \$5,000 or greater.

CAPITAL PROJECTS FUND - A fund used to account for the financial resources to be used for the acquisition or construction of major capital facilities and equipment, other than those financed by Proprietary Fund types.

CASH BASIS - A method of accounting under which transactions are recognized only when cash is received or disbursed.

CHART OF ACCOUNTS - A classification system used to organize accounting records.

COMMODITIES - A consumable item used in the operation of the Village. Examples include office supplies, maintenance supplies, gasoline, chemicals, electricity, etc.

CONTRACTUAL SERVICES - Services rendered to the Village by private firms, individuals, or other government agencies. Contractual services are obtained by an express or implied contract.

DEBT - An obligation to pay resulting from the borrowing of money or from the purchase of goods and services.

DEBT SERVICE - The payment of principal and interest on general obligation bonds, revenue bonds, or other bonded debt.

DEFICIT - The excess of expenditures or expenses and other financing uses over revenues and other financing sources.

DEFICIT BUDGET - A budget in which current estimated expenditures are greater than current estimated revenues.

DEPARTMENT - A major organizational unit of the Village which has management responsibility for one or more Divisions and/or Subdivisions.

DISBURSEMENT - The actual payment for goods and services; an outlay of cash.

EXPENDITURES - Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

EXPENSES - Outflows or other "using-up" of assets or incidences of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

EQUALIZED ASSESSED VALUATION (EAV) - The value of property resulting from the multiplication of the assessed value by an equalization factor to value property.

FINANCIAL RESOURCES - Cash and other assets that, in the normal course of operations, will become cash.

FISCAL YEAR - A twelve-month period running from May 1st to April 30th and designated by the calendar year in which it ends.

FUND - An independent fiscal and accounting entity with a self-balancing set of accounts segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND ACCOUNTING - A method of accounting used by governmental entities whereby resources are allocated to and accounted for in separate Funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

FUND BALANCE - The equity of Governmental Fund types. Fund balance is not the equivalent to cash but is the difference between fund assets and fund liabilities. There are five (5) classifications of fund balance as follows:

1. Non-spendable – indicates that this portion of fund balance cannot be spent, either now or in the future, because of the form of the asset (e.g. – inventories) or a permanent legal restriction (e.g. – principal of an endowment).
2. Restricted – indicates that there are constraints on spending that are legally enforceable by outside parties or imposed by law or enabling legislation.
3. Committed – indicates that there are constraints on spending that the government imposes upon itself through formal action taken by the highest level of decision-making authority prior to the close of the fiscal year.
4. Assigned – indicates the intent for spending of certain resources that are neither restricted nor committed, for a purpose set by the governing body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board.
5. Unassigned – represents the residual for the General Fund; indicates that there are no restrictions for spending.

FUND TYPE - A reference to one of seven categories into which all individual funds must be classified.

GENERAL FUND - The largest operating fund of the Village. It accounts for most of the financial resources of the government, including sales tax, property taxes, licenses, fines, and permits. This fund houses most of the Village's departmental expenditures, including General Government, Police Department, Public Works, and Building Department.

GENERAL LEDGER - A record containing the accounts necessary to reflect the financial position and the results of operation of the Village.

GENERAL OBLIGATION BONDS - Bonds for the payment of which the full faith and credit of the Village is pledged.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) - Uniform minimum standards utilized in financial accounting and reporting, encompassing the conventions, rules and procedures that define accepted accounting principles.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) - An authoritative accounting and financial reporting standard setting body for state and local governments.

GOVERNMENTAL FUNDS - Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities-except those accounted for in Proprietary Funds and Fiduciary Funds. Under current GAAP, there are five governmental fund types: general, special revenue, debt service, capital projects and permanent funds.

GRANT - A contribution of cash or other asset by a government or other organization to support a particular purpose or activity.

INFRASTRUCTURE - The basic installations and facilities on which the continuance and growth of the Village depend. Examples include sewer and water systems, roadways, communication systems, public buildings, etc.

INVESTMENTS - The commitment of temporarily idle cash in order to gain profit or interest, as by purchasing notes, bonds or other securities. The term does not include fixed assets used in Village operations.

LEVY - The imposition and collecting of a tax.

LINE ITEM - A set of numbers which, in accordance with an overall system for classifying activity, indicates the fund, department, division, subdivision and account to which that activity is recorded.

LIQUIDITY - The ability to meet demands for payment on a timely basis.

LONG-TERM DEBT - Obligations with a maturity beyond one year.

MEASURABLE – A term than means the amount of a transaction can be determined.

MODIFIED ACCRUAL BASIS - A method of accounting in which revenues are recognized or recorded when they are susceptible to accrual or in other words "measurable" and "available." "Measurable" means the amount can be determined. "Available" means collectible within the current accounting period or sixty (60) days beyond that period. Expenditures are recognized or recorded when the related liability is incurred. All Governmental funds and Agency funds are accounted for using the modified accrual basis of accounting.

MOTOR FUEL TAX (MFT) - Revenue distributed by the State on a per capita basis as a percentage based on the collection of gasoline tax.

NON-HOME RULE COMMUNITY - Any municipality that is not a Home Rule Community. Community that is less than 25,000 residents and subject to many limitations.

OPERATING EXPENDITURES - Expenditures relating specifically to operations of the Village.

OPERATING REVENUES - Revenues relating specifically to the operations of the Village.

PER CAPITA - Distribution of funds based on the number of residents in the Village.

PROPERTY TAX LEVY - The total amount of funds to be raised by general property taxes.

STATE SHARED REVENUES - Revenues which are collected by the State of Illinois and are distributed on a per capita basis.

TAX LEVY - The total amount of funds to be raised by general property taxes for operating and debt service purpose.