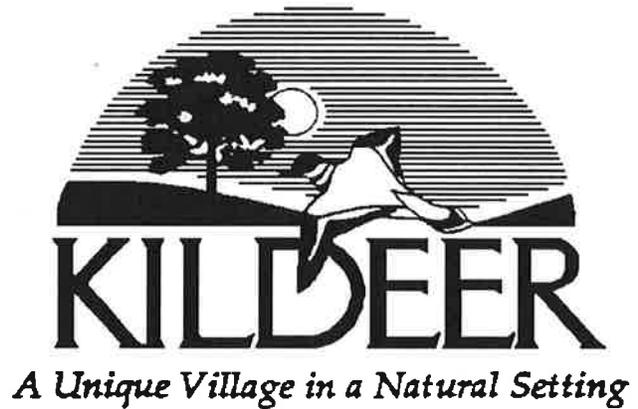


VILLAGE OF KILDEER, ILLINOIS



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2014**

VILLAGE OF KILDEER, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2014

Prepared by:
Finance Department

VILLAGE OF KILDEER, ILLINOIS

TABLE OF CONTENTS

| | PAGE |
|---|-------------|
| <u>INTRODUCTORY SECTION</u> | |
| List of Principal Officials | i |
| Organization Chart..... | ii |
| Letter of Transmittal | iii - v |
| Certificate of Achievement for Excellence in Financial Reporting | vi |
| <u>FINANCIAL SECTION</u> | |
| INDEPENDENT AUDITORS' REPORT | 1 - 2 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | MD&A 1 - 13 |
| BASIC FINANCIAL STATEMENTS | |
| Government-Wide Financial Statements | |
| Statement of Net Position | 3 - 4 |
| Statement of Activities | 5 - 6 |
| Fund Financial Statements | |
| Balance Sheet – Governmental Funds | 7 |
| Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities..... | 8 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 9 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 10 |
| Statement of Net Position – Proprietary Fund (Business-Type Activities) – Sewer Fund..... | 11 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund (Business-Type Activities) – Sewer Fund..... | 12 |
| Statement of Cash Flows – Proprietary Fund (Business-Type Activities) – Sewer Fund | 13 |
| Statement of Fiduciary Net Position – Fiduciary Funds..... | 14 |
| Statement of Changes in Fiduciary Net Position – Pension Trust Fund..... | 15 |
| Notes to the Financial Statements..... | 16 – 48 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Schedule of Funding Progress and Employer Contributions | |
| Illinois Municipal Retirement Fund..... | 49 |
| Police Pension Fund | 50 |
| Other Post-Employment Benefit Plan | 51 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual | |
| General Fund | 52 |
| Motor Fuel Tax – Special Revenue Fund | 53 |

VILLAGE OF KILDEER, ILLINOIS

TABLE OF CONTENTS

| | PAGE |
|---|-------------|
| <u>FINANCIAL SECTION – Continued</u> | |
| COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES | |
| Schedules of Revenues – Budget and Actual – General Fund | 54 - 55 |
| Schedule of Expenditures – Budget and Actual – General Fund | 56 - 58 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual | |
| Capital Projects Fund..... | 59 |
| Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual | |
| Sewer – Enterprise Fund..... | 60 |
| Combining Statement of Changes in Assets and Liabilities – Agency Funds | 61 - 62 |
| SUPPLEMENTAL SCHEDULES | |
| Schedule of Insurance in Force..... | 63 |
| Long-Term Debt Requirements | |
| General Obligation Limited Debt Certificates of 2011 | 64 |
| <u>STATISTICAL SECTION (Unaudited)</u> | |
| Net Position by Component – Last Ten Fiscal Years..... | 65 - 66 |
| Changes in Net Position – Last Ten Fiscal Years..... | 67 - 68 |
| Fund Balances of Governmental Funds – Last Ten Fiscal Years | 69 - 70 |
| Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years..... | 71 - 72 |
| Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years | 73 |
| Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years..... | 74 - 75 |
| Principal Property Tax Payers – Current Fiscal Year and Nine Fiscal Years Ago | 76 |
| Property Tax Levies and Collections – Last Ten Fiscal Years..... | 77 |
| Ratios of Outstanding Debt by Type – Last Ten Fiscal Years | 78 |
| Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years | 79 |
| Schedule of Direct and Overlapping Governmental Activities Debt | 80 |
| Schedule of Legal Debt Margin – Last Ten Fiscal Years..... | 81 - 82 |
| Demographic and Economic Statistics – Last Ten Fiscal Years | 83 |
| Village Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago | 84 |
| Full-Time Equivalent Village Government Employees by Function – Last Ten Fiscal Years | 85 - 86 |
| Operating Indicators by Function/Program – Last Ten Fiscal Years | 87 - 88 |
| Capital Assets Statistics by Function/Program – Last Ten Fiscal Years..... | 89 - 90 |

INTRODUCTORY SECTION

VILLAGE OF KILDEER, ILLINOIS

List of Principal Officials
April 30, 2014



VILLAGE BOARD

Nandia Black, Village President

William Johnson, Trustee

Lester Sokolowski, Trustee

Keith Kovanda, Trustee

Barbara Stavropoulos, Trustee

Ralph Liberatore, Trustee

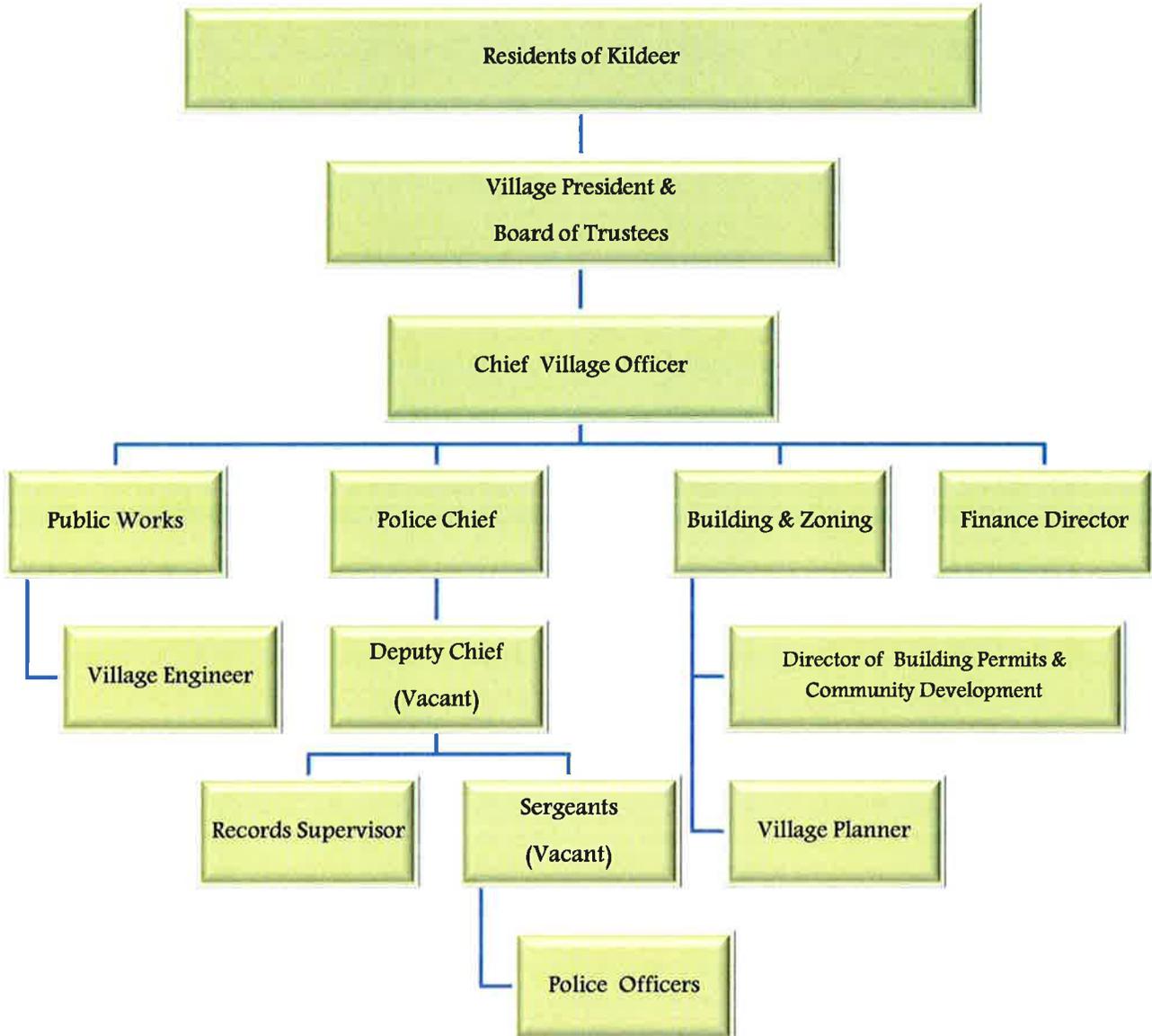
Basel Tarabein, Trustee

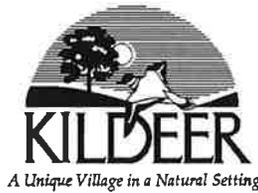
ADMINISTRATION

Michael Talbett, Chief Village Officer

Annette Zborowski, Finance Director

Village of Kildeer Organizational Chart





LETTER OF TRANSMITTAL

September 29, 2014

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

The annual report for the Village of Kildeer, Illinois, for the fiscal year which ended April 30, 2014 is hereby submitted. The report meets the State of Illinois' requirement that local governments publish a complete set of audited financial statements, presented in conformity with generally accepted auditing standards, within six months of the closing of the fiscal year.

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

We are pleased to report that the independent auditing firm of Lauterbach & Amen, LLP issued an unmodified opinion on the Village of Kildeer's financial statements for the fiscal year which ended April 30, 2014. The opinion from Lauterbach & Amen is located at the front of the Financial Section of this report.

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

1. Profile of the Government

The Village of Kildeer was incorporated in 1958 as a non-home rule municipality. The Village is located in Lake County, Illinois, approximately 30 miles northwest of Chicago. Kildeer is an upscale residential community of over 1,300 custom homes on spacious wooded lots. The Village is ranked as one of the top suburbs based on such factors as school quality, services and low crime.

The Village is governed by a Board consisting of a President and six Trustees, all of whom are elected at-large on a non-partisan basis. Policy-making and legislative authority are vested in the Village Board. The Board is responsible, but not limited to, passing ordinances, adopting the budget, appointing committees, and approving the appointments of the Chief Village Officer, Police Chief and Village Attorney. The Village President is elected to serve a four year term and Village Trustees serve four-year staggered terms, with three Board members elected every two years. The elected officials collectively work as a unified Board, volunteering their time and resources to advance the interests of the residents and the Village.

The Chief Village Officer is responsible for applying Board policy and conducting the day-to-day operations of the Village, which include a wide range of services and departments. Those services include administrative, financial, police protection, public works, planning and zoning, economic development,

code enforcement, and cultural/community events. The Chief Village Officer is also responsible for reviewing the annual budget prepared by the Village's Finance Director.

The Village usually adopts its budget each April which, by ordinance, must be adopted no later than May. The budget serves as the foundation for the Village's financial planning and control. The budget is prepared by the Finance Director and submitted to the Chief Village Officer for review. Following an administrative review and adjustments, the budget is presented to the Village Board which holds public hearings. The Village Board may add to, subtract from or change budgeted amounts.

2. The Reporting Entity

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

3. Local Economy and Finances

The Village's largest revenue source is sales tax. There are three shopping centers in the Village which account for the vast majority of retail sales. The Village's newest shopping center, The Kildeer Marketplace, opened in March 2013 and its impact on sales tax revenue is included in the 2013-2014 fiscal year. A former elementary school in the Village is now under contract to be sold by the School District to a commercial developer who intends to build another shopping center on the property.

In fiscal year 2013-2014, there were two retail sales tax rebate agreements. One agreement covered the Quentin Collection shopping center. The last payment under that agreement was made and sales tax revenue from the Quentin Collection is no longer being shared. The remaining sales tax agreement covers The Kildeer Marketplace. The agreement is expected to end in 2025.

The Village's second largest revenue source is property tax. Property tax receipts continue to increase due to a combination of new construction, renovation of existing property, and the policy of capturing the value of improvements each year in the tax levy. The market for residential development in the Village is strong. In a new home subdivision where the average selling price is over \$630,000 more than 50 of the 62 available home sites were completed. Another new upscale home subdivision is expected to be proposed for development shortly.

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

4. Long-term Financial Planning

The Village Board approved a balanced budget and the management of that budget involved critical examination of each line item to search for cost saving opportunities, improved efficiencies and ways to increase revenue through non-property tax initiatives. Among the Village Board's goals was to promote financial health by increasing fund balances and building reserves. For the fifth year in a row, the fiscal year 2014 ended with larger fund balances and larger reserves.

5. Other Information

For the second year in a row, the Village of Kildeer was recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for excellence in financial reporting in connection with its 2012-2013 Comprehensive Annual Financial Report (CAFR). This prestigious award was a significant accomplishment for the Village Board and Administrative staff and represents a commitment towards financial planning and enhancing the Village's financial health.

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

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

6. Acknowledgements

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. We would like to express our sincere appreciation to all, as well as the President and Board of Trustees who encourage and insist upon the highest standards of excellence in planning and conducting the financial operations of the Village.

Respectfully submitted,



Michael S. Talbett
Chief Village Officer



Annette J. Zborowski
Finance Director



Government Finance Officers Association

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

Presented to

**Village of Kildeer
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2013

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

September 29, 2014

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kildeer, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kildeer, Illinois, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Kildeer, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

Our discussion and analysis of the Village of Kildeer's financial performance provides an overview of the Village of Kildeer's financial activities for the fiscal year ended April 30, 2014. Please read it in conjunction with the transmittal letter, which begins on page iii and the Village of Kildeer's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village of Kildeer's overall net position increased as a result of this year's operations. While net position of business-type activities decreased by \$570,865, or 5.3 percent, due to a transfer of a storm sewer improvement to another fund, net position of governmental activities increased by \$1,136,347, or 4.2 percent.
- During the year, government-wide revenue totaled \$5,149,101, while expenses totaled \$4,583,619, resulting in an increase to net position of \$565,482.
- The Village of Kildeer's net position totaled \$38,406,920 on April 30, 2014, which includes \$32,180,628 net investment in capital asset, \$332,976 subject to external restrictions, and \$5,893,316 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$888,869, resulting in ending fund balance of \$3,494,114, an increase of 25.4 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 6) provide information about the activities of the Village of Kildeer as a whole and present a longer-term view of the Village of Kildeer's finances. Fund financial statements begin on page 7. For governmental activities, these statements identify how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Kildeer's operations in more detail than the government-wide statements by providing information about the Village of Kildeer's most significant funds. The remaining statements provide financial information about activities for which the Village of Kildeer acts solely as a trustee or agent for the benefit of those outside of the government.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the Village of Kildeer that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village of Kildeer include general government, public safety, and public works. Business-type activity in the Village of Kildeer is limited to sewer service.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Kildeer, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Kildeer can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village of Kildeer's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village of Kildeer maintains three individual governmental funds: the General Fund, the Motor Fuel Tax Fund and the Capital Projects Fund. Each is considered a major fund. Information is presented for each major fund separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

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

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

Proprietary Funds

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

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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

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

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 - 48 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the Village of Kildeer's participation in the Illinois Municipal Retirement Fund (IMRF), police pension obligations, and budgetary schedules for the General Fund and the Motor Fuel Tax Fund. Required supplementary information can be found on pages 49 - 53 of this report. Additional budgetary comparison schedules can be found on pages 54 - 62 of this report.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that the Village of Kildeer's assets exceeded liabilities/deferred inflows by \$38,406,920.

| | Governmental | | Net Position | | Total | |
|---------------------------------|--------------|------------|---------------|-----------|------------|------------|
| | Activities | | Business-type | | | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Current and Other Assets | \$ 6,666,752 | 5,055,841 | 992,648 | 1,009,741 | 7,659,400 | 6,065,582 |
| Capital Assets | 24,698,298 | 24,874,110 | 9,280,347 | 6,924,484 | 33,978,645 | 31,798,594 |
| Total Assets | 31,365,050 | 29,929,951 | 10,272,995 | 7,934,225 | 41,638,045 | 37,864,176 |
| Long-Term Debt | 1,731,669 | 1,808,723 | - | 152,016 | 1,731,669 | 1,960,739 |
| Other Liabilities/ Def. Inflows | 1,492,973 | 1,117,167 | 6,483 | 44,307 | 1,499,456 | 1,161,474 |
| Total Liabilities/ Def. Inflows | 3,224,642 | 2,925,890 | 6,483 | 196,323 | 3,231,125 | 3,122,213 |
| Net Position | | | | | | |
| Net Investment | | | | | | |
| in Capital Assets | 22,900,281 | 23,001,841 | 9,280,347 | 6,772,468 | 32,180,628 | 29,774,309 |
| Restricted | 332,976 | 216,823 | - | - | 332,976 | 216,823 |
| Unrestricted | 4,907,151 | 3,785,397 | 986,165 | 965,434 | 5,893,316 | 4,750,831 |
| Total Net Position | 28,140,408 | 27,004,061 | 10,266,512 | 7,737,902 | 38,406,920 | 34,741,963 |

A large portion of the Village of Kildeer's net position, \$32,180,628 or 83.8 percent, reflects its investment in capital assets (land, buildings, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village of Kildeer uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Kildeer's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$332,976 or 0.9 percent, of the Village of Kildeer's net position represents resources that are subject to external restrictions on how they may be used. The remaining 15.3 percent, or \$5,893,316, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

| | Changes in Net Position | | | | | |
|------------------------------------|----------------------------|------------|-----------------------------|-----------|------------|------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 599,047 | 599,411 | 744,177 | 722,283 | 1,343,224 | 1,321,694 |
| Operating Grants/Contrib. | 118,877 | 121,998 | - | - | 118,877 | 121,998 |
| Capital Grants/Contrib. | 26,000 | 744,917 | - | - | 26,000 | 744,917 |
| General Revenues | | | | | | |
| Property Taxes | 737,848 | 708,962 | - | - | 737,848 | 708,962 |
| Telecommunication Taxes | 113,721 | 133,974 | - | - | 113,721 | 133,974 |
| Income Taxes | 386,666 | 357,598 | - | - | 386,666 | 357,598 |
| Sales Taxes | 2,032,314 | 1,774,457 | - | - | 2,032,314 | 1,774,457 |
| Local Use | 69,617 | 63,678 | - | - | 69,617 | 63,678 |
| Personal Property Taxes | 1,355 | 1,216 | - | - | 1,355 | 1,216 |
| Interest Income | 2,103 | 4,353 | 1,060 | 4,770 | 3,163 | 9,123 |
| Other General Revenues | 316,316 | 106,816 | - | - | 316,316 | 106,816 |
| Total Revenues | 4,403,864 | 4,617,380 | 745,237 | 727,053 | 5,149,101 | 5,344,433 |
| Expenses | | | | | | |
| General Government | 813,336 | 972,336 | - | - | 813,336 | 972,336 |
| Public Safety | 1,461,553 | 1,743,825 | - | - | 1,461,553 | 1,743,825 |
| Public Works | 906,037 | 1,388,693 | - | - | 906,037 | 1,388,693 |
| Interest on Long-Term Debt | 86,591 | 88,730 | - | - | 86,591 | 88,730 |
| Sewer | - | - | 1,316,102 | 758,278 | 1,316,102 | 758,278 |
| Total Expenses | 3,267,517 | 4,193,584 | 1,316,102 | 758,278 | 4,583,619 | 4,951,862 |
| Change in Net Position | 1,136,347 | 423,796 | (570,865) | (31,225) | 565,482 | 392,571 |
| Net Position-Beginning as Restated | 27,004,061 | 26,580,265 | 10,837,377 | 7,769,127 | 37,841,438 | 34,349,392 |
| Net Position-Ending | 28,140,408 | 27,004,061 | 10,266,512 | 7,737,902 | 38,406,920 | 34,741,963 |

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

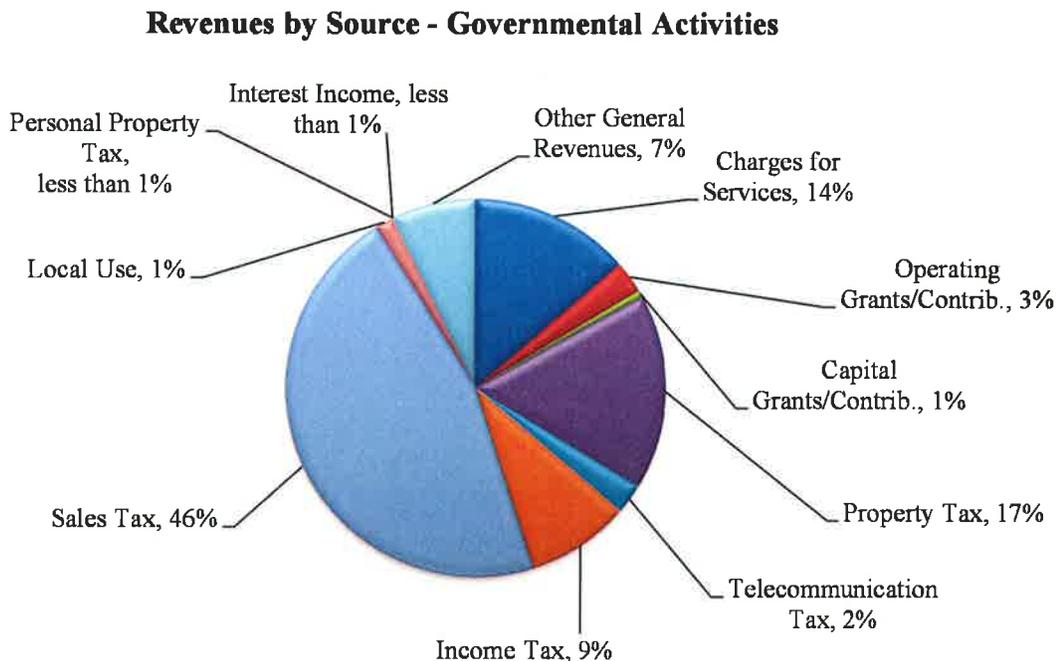
Net position of the Village of Kildeer's governmental activities increased by 4.2 percent (\$27,004,061 in 2013 compared to \$28,140,408 in 2014). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$4,907,151 on April 30, 2014.

Net position of business-type activities decreased by 5.3 percent (\$10,837,377 in 2013 compared to \$10,266,512 in 2014), due to a transfer of a storm sewer improvement to a different fund.

Governmental Activities

Revenues for governmental activities totaled \$4,403,864, while the cost of all governmental functions totaled \$3,267,517. This results in a surplus of \$1,136,347. In 2013, revenues of \$4,617,380 exceeded expenses of \$4,193,584, resulting in an increase of \$423,796. Revenues include new assets such as streets, culverts, and other improvements that are added to the Village and expenses include the depreciation of existing assets. Each year the value of new assets and the amount of depreciation are determined and the difference between them becomes part of the calculation that identifies whether or not there is a surplus or a deficit. In fiscal year 2014 there were new assets added to the Village including a storm sewer improvement in the Bishop's Ridge subdivision, several new culverts, a squad car and a complete changeover to a LED lighting system in Village Hall. When combined with operating revenues and expenses, the result was a surplus for the governmental activities.

The major revenue sources of the Village of Kildeer are graphically illustrated on the following pie chart. It depicts very clearly the reliance of sales tax and property tax to fund governmental activities. The less significant percentages the Village receives from telecommunication tax, local use tax and interest income are also shown on the pie chart.



VILLAGE OF KILDEER, ILLINOIS

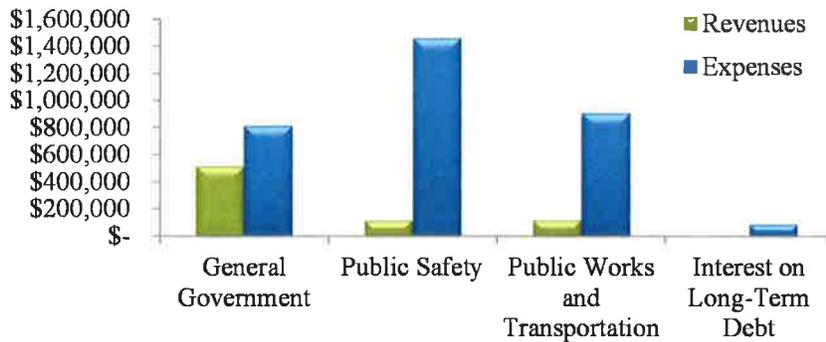
Management's Discussion and Analysis
April 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

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

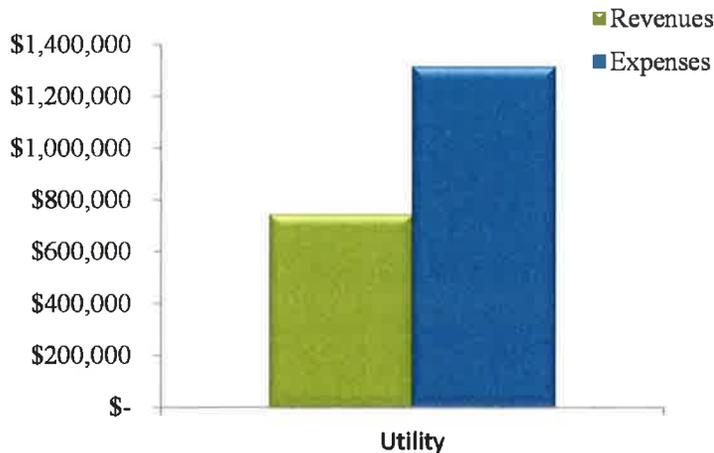
**Expenses and Program Revenues
Governmental Activities**



Business-Type Activities

Business-type activities posted total revenues of \$745,237 while the cost of all business-type activities totaled \$1,316,102. This resulted in a deficit of \$570,865 which was due to the transfer of the storm sewer from the business-type activities to the governmental activities. Without the transfer, there would be a modest surplus in 2014.

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



Program revenues and expenses for utility operations are shown in the histogram above.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The Village of Kildeer's governmental funds reported combined ending fund balances of \$4,934,046, which is \$1,005,720, or 20.4 percent, higher than last year's total of \$3,928,326. Of the \$4,934,046 total, \$3,149,137, or approximately 63.8 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a positive change in fund balance for the year of \$888,869, an increase of 25.4 percent. This significant increase was due, in part, to the first full year of sales tax receipts using the 1.5% local rate and higher than expected building permit revenue. Expenses in fiscal year 2014 were kept under budgeted amounts in the areas of general government and law enforcement.

The General Fund is the chief operating fund of the Village. On April 30, 2014 the unassigned fund balance in the General Fund was \$3,149,137, which represents 90.1 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 93.4 percent of total General Fund expenditures.

The Motor Fuel Tax Fund reported an increase to fund balance of \$116,153. The increase resulted from road projects begun in 2013-14 that could not be completed until 2014-15. The restricted fund balance of \$332,976 will be used to fund future qualifying projects.

The Capital Projects Fund reported an increase to fund balance of \$698 due to interest income in the current year.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

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

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

The Village of Kildeer operates the sewer fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The draw down in the Sewer Fund during the current fiscal year was \$570,865 representing the transfer of storm sewer improvements to the governmental activities. Unrestricted net position in the Sewer Fund totaled \$986,165 on April 30, 2014.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village of Kildeer Board made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$4,261,013, compared to budgeted revenues of \$3,584,418. As stated earlier, revenues from taxes, permits and services were significantly higher than budgeted.

The General Fund actual expenditures for the year were \$212,274 lower than budgeted expenditures of \$3,584,418. Actual expenditures for general government and law enforcement functions were lower than budgeted expenditures by \$221,443, and \$129,500, respectively. As previously stated, the Village worked diligently during the year to control expenditures.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village of Kildeer's investment in capital assets for its governmental and business type activities as of April 30, 2014 was \$33,978,645 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, vehicles, infrastructure, sanitary sewers, and lift stations.

| Capital Assets - Net of Depreciation | | | | | | |
|--------------------------------------|----------------------------|------------|-----------------------------|------------|------------|------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Land | \$ 13,386,524 | 13,386,524 | - | - | 13,386,524 | 13,386,524 |
| Buildings | 1,793,248 | 1,841,714 | - | - | 1,793,248 | 1,841,714 |
| Equipment | 77,633 | 53,435 | - | - | 77,633 | 53,435 |
| Vehicles | 75,055 | 58,447 | - | - | 75,055 | 58,447 |
| Infrastructure | 9,365,838 | 9,533,990 | - | - | 9,365,838 | 9,533,990 |
| Sanitary Sewers | - | - | 8,701,959 | 9,432,993 | 8,701,959 | 9,432,993 |
| Lift Stations | - | - | 578,388 | 592,347 | 578,388 | 592,347 |
| Total | 24,698,298 | 24,874,110 | 9,280,347 | 10,025,340 | 33,978,645 | 34,899,450 |

This year's major additions included:

| | |
|----------------|----------------|
| Equipment | \$ 43,493 |
| Vehicles | 33,621 |
| Infrastructure | 68,114 |
| | <u>145,228</u> |

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

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village of Kildeer had total outstanding debt of \$1,810,000, as compared to \$2,037,016, the previous year, a decrease of 11.1 percent. The following is a comparative statement of outstanding debt:

| | Long-Term Debt Outstanding | | | | | |
|--------------------------|----------------------------|-----------|-----------------------------|---------|-----------|-----------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| General Obligation Bonds | \$ 1,810,000 | 1,885,000 | - | 152,016 | 1,810,000 | 2,037,016 |

The Village of Kildeer maintains an Aa2 rating from Moody's for general obligation debt. This rating was upgraded by Moody's in fiscal year 2013. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village of Kildeer is \$23,235,238. Current debt outstanding of \$1,810,000 represents 7.8% of the legal debt limit.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village Board approved a balanced 2014-2015 budget. Each fund within the Budget was evaluated to project whether programmed expenditures can be met with reasonably anticipated revenues. Fiscally conservative assumptions were incorporated into the revenue projections to comply with the Board's philosophy of not spending money the Village does not have.

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

Village of Kildeer's officials considered many factors when setting the fiscal year 2014-15 budget. One of those factors was the economy. In light of the fact that 49% of all revenue is derived from retail sales tax, only conservative estimates of future revenues were used for budgeting purposes. This policy of only utilizing conservative assumptions when budgeting was followed over the last five years and it will also be applied to the 2015-16 budget process.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2014

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

In fiscal year 2014 there were several significant factors to report. On the revenue side, fiscal year 2014 was the first full year that the Village received retail sales tax revenue at the 1.5% level rather than just 1%. On the expense side, in fiscal year 2014 the final payment was made to retire a sales tax rebate obligation covering the Quentin Collection shopping Center. Under the terms of the rebate agreement sales tax would be shared until the year 2018 or \$1,500,000 is rebated. In this instance the full payment amount was reached four years before the expiration of the agreement. The Village also retired another long term obligation by making the final payment of a sewer bond four years ahead of schedule.

Looking ahead, long-term challenges consist of fully funding police pension and meeting funding requirements under the Public Safety Employee Benefit Act for any police officer that may be catastrophically injured in the line of duty. The challenge of maintaining the high quality of municipal roads is ever present.

In fiscal year 2014-15 there are several significant factors that will influence the budget. On the revenue side, the Village received a \$125,000 grant for drainage improvements in fiscal year 2013-14 but the work was not completed before April 30th and the full amount of the funds will not be received until fiscal year 2014-15. Property tax from a commercial development that opened in 2013 will start to be received in 2014-15 and a 66 home subdivision in the Village is expected to be completely sold out in 2014-15 with a proposal to develop another new home subdivision expected shortly. A recent revenue sharing agreement with a neighboring municipality covering a new commercial development outside the Village will add revenue in 2014-15 and a new commercial development project in the Village is anticipated to be announced in 2014-15 that will contribute to the future retail sales tax base. On the expense side, the Village is completing a jurisdictional transfer of the ownership and operation of the entire sewer system to the County of Lake which will not significantly impact revenues but will significantly decrease the amount of capital assets, lower depreciation liabilities and improve the net position of the Village.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Kildeer's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Chief Village Officer, Village of Kildeer, 21911 Quentin Road, Kildeer, IL 60047.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Fund

Fiduciary Funds

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

VILLAGE OF KILDEER, ILLINOIS

**Statement of Net Position
April 30, 2014**

See Following Page

VILLAGE OF KILDEER, ILLINOIS

Statement of Net Position
April 30, 2014

| | Governmental Activities | Business- Type Activities | Total |
|--------------------------------|----------------------------|---------------------------------|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Investments | \$ 5,893,013 | - | 5,893,013 |
| Receivables - Net | | | |
| Taxes | 1,329,414 | - | 1,329,414 |
| Accounts | 14,960 | 1,831 | 16,791 |
| Internal Balances | (990,817) | 990,817 | - |
| Prepays | 84,804 | - | 84,804 |
| Total Current Assets | 6,331,374 | 992,648 | 7,324,022 |
| Noncurrent Assets | | | |
| Capital Assets | | | |
| Nondepreciable | 13,386,524 | - | 13,386,524 |
| Depreciable | 24,565,024 | 11,687,109 | 36,252,133 |
| Accumulated Depreciation | (13,253,250) | (2,406,762) | (15,660,012) |
| | 24,698,298 | 9,280,347 | 33,978,645 |
| Other Assets | | | |
| Net Pension Asset | 335,378 | - | 335,378 |
| Total Noncurrent Assets | 25,033,676 | 9,280,347 | 34,314,023 |
| Total Assets | 31,365,050 | 10,272,995 | 41,638,045 |

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

| | Governmental Activities | Business- Type Activities | Total |
|---|----------------------------|---------------------------------|-------------------|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 591,017 | 6,483 | 597,500 |
| Accrued Payroll | 13,714 | - | 13,714 |
| Accrued Interest Payable | 21,039 | - | 21,039 |
| Other Payables | 28,865 | - | 28,865 |
| Current Portion of Long-Term Debt | 74,606 | - | 74,606 |
| Total Current Liabilities | <u>729,241</u> | <u>6,483</u> | <u>735,724</u> |
| Noncurrent Liabilities | | | |
| Compensated Absences Payable | 1,418 | - | 1,418 |
| Net Pension Obligation Payable | 2,092 | - | 2,092 |
| Other Postemployment Benefit Payable | 4,393 | - | 4,393 |
| General Obligation Bonds Payable - Net | 1,723,766 | - | 1,723,766 |
| Total Noncurrent Liabilities | <u>1,731,669</u> | <u>-</u> | <u>1,731,669</u> |
| Total Liabilities | <u>2,460,910</u> | <u>6,483</u> | <u>2,467,393</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Taxes | <u>763,732</u> | <u>-</u> | <u>763,732</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>3,224,642</u> | <u>6,483</u> | <u>3,231,125</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 22,900,281 | 9,280,347 | 32,180,628 |
| Restricted - Public Works and Transportation | 332,976 | - | 332,976 |
| Unrestricted | 4,907,151 | 986,165 | 5,893,316 |
| Total Net Position | <u>28,140,408</u> | <u>10,266,512</u> | <u>38,406,920</u> |

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

VILLAGE OF KILDEER, ILLINOIS

Statement of Activities

April 30, 2014

| | Expenses | Program Revenues | | |
|---------------------------------|------------|------------------|---------------------------------|-------------------------------|
| | | Program Revenues | Operating Grants/ Contributions | Capital Grants/ Contributions |
| Governmental Activities | | | | |
| General Government | \$ 813,336 | 484,540 | 2,772 | 26,000 |
| Public Safety | 1,461,553 | 114,507 | - | - |
| Public Works and Transportation | 906,037 | - | 116,105 | - |
| Interest on Long-Term Debt | 86,591 | - | - | - |
| Total Governmental Activities | 3,267,517 | 599,047 | 118,877 | 26,000 |
| Business-Type Activities | | | | |
| Sewer | 1,316,102 | 744,177 | - | - |
| | 4,583,619 | 1,343,224 | 118,877 | 26,000 |

General Revenues

Taxes

Property Taxes

Telecommunication Taxes

Other Taxes

Intergovernmental - Unrestricted

Income Taxes

Sales Taxes

Local Use

Personal Property Taxes

Interest Income

Miscellaneous

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

| Net Expense/Revenue | | |
|----------------------------|--------------------------------|-------------|
| Governmental Activities | Business Type Activities | Total |
| (300,024) | - | (300,024) |
| (1,347,046) | - | (1,347,046) |
| (789,932) | - | (789,932) |
| (86,591) | - | (86,591) |
| (2,523,593) | - | (2,523,593) |
| - | (571,925) | (571,925) |
| (2,523,593) | (571,925) | (3,095,518) |
| 737,848 | - | 737,848 |
| 113,721 | - | 113,721 |
| 4,189 | - | 4,189 |
| 386,666 | - | 386,666 |
| 2,032,314 | - | 2,032,314 |
| 69,617 | - | 69,617 |
| 1,355 | - | 1,355 |
| 2,103 | 1,060 | 3,163 |
| 312,127 | - | 312,127 |
| 3,659,940 | 1,060 | 3,661,000 |
| 1,136,347 | (570,865) | 565,482 |
| 27,004,061 | 10,837,377 | 37,841,438 |
| 28,140,408 | 10,266,512 | 38,406,920 |

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

VILLAGE OF KILDEER, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2014

| | General | Special Revenue Motor Fuel Tax | Capital Projects | Total |
|---|------------------|---|---------------------|------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 4,460,396 | 325,661 | 1,106,956 | 5,893,013 |
| Receivables - Net of Allowances | | | | |
| Taxes | 1,322,099 | 7,315 | - | 1,329,414 |
| Accounts | 14,960 | - | - | 14,960 |
| Prepays | 84,804 | - | - | 84,804 |
| Total Assets | 5,882,259 | 332,976 | 1,106,956 | 7,322,191 |
| LIABILITIES | | | | |
| Accounts Payable | 415,794 | - | - | 415,794 |
| Accrued Payroll | 13,714 | - | - | 13,714 |
| Due to Other Funds | 1,166,040 | - | - | 1,166,040 |
| Other Payables | 28,865 | - | - | 28,865 |
| Total Liabilities | 1,624,413 | - | - | 1,624,413 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property Taxes | 763,732 | - | - | 763,732 |
| Total Liabilities and Deferred Inflows of Resources | 2,388,145 | - | - | 2,388,145 |
| FUND BALANCES | | | | |
| Nonspendable | 84,804 | - | - | 84,804 |
| Restricted | - | 332,976 | - | 332,976 |
| Committed | 260,173 | - | - | 260,173 |
| Assigned | - | - | 1,106,956 | 1,106,956 |
| Unassigned | 3,149,137 | - | - | 3,149,137 |
| Total Fund Balances | 3,494,114 | 332,976 | 1,106,956 | 4,934,046 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | 5,882,259 | 332,976 | 1,106,956 | 7,322,191 |

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

VILLAGE OF KILDEER, ILLINOIS

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

April 30, 2014

Total Governmental Fund Balances \$ 4,934,046

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

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. 24,698,298

A net pension asset is not considered to represent a financial resource and
therefore is not reported in the funds. 335,378

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

 Compensated Absences Payable (1,773)

 Net Pension Obligation (2,092)

 Net Other Post-Employment Benefit Obligation (4,393)

 Accrued Interest Payable (21,039)

 General Obligation Bonds Payable - Net (1,798,017)

Net Position of Governmental Activities 28,140,408

VILLAGE OF KILDEER, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2014

| | General | Special Revenue Motor Fuel Tax | Capital Projects | Total |
|---------------------------------|------------------|---|---------------------|------------------|
| Revenues | | | | |
| Taxes | \$ 2,957,689 | - | - | 2,957,689 |
| Intergovernmental | 390,793 | 116,105 | 7,000 | 513,898 |
| Charges for Services | 164,499 | - | - | 164,499 |
| Licenses and Permits | 320,041 | - | - | 320,041 |
| Fines and Forfeits | 114,507 | - | - | 114,507 |
| Interest | 1,357 | 48 | 698 | 2,103 |
| Miscellaneous | 312,127 | - | - | 312,127 |
| Total Revenues | 4,261,013 | 116,153 | 7,698 | 4,384,864 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 809,689 | - | - | 809,689 |
| Public Safety | 1,735,320 | - | - | 1,735,320 |
| Public Works and Transportation | 634,111 | - | - | 634,111 |
| Capital Outlay | 31,618 | - | 7,000 | 38,618 |
| Debt Service | | | | |
| Principal Retirement | 75,000 | - | - | 75,000 |
| Interest and Fiscal Charges | 86,406 | - | - | 86,406 |
| Total Expenditures | 3,372,144 | - | 7,000 | 3,379,144 |
| Net Change in Fund Balances | 888,869 | 116,153 | 698 | 1,005,720 |
| Fund Balances - Beginning | 2,605,245 | 216,823 | 1,106,258 | 3,928,326 |
| Fund Balances - Ending | 3,494,114 | 332,976 | 1,106,956 | 4,934,046 |

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

VILLAGE OF KILDEER, ILLINOIS

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

For the Fiscal Year Ended April 30, 2014

| | |
|---|--------------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 1,005,720 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | |
| Capital Outlays | 145,228 |
| Depreciation Expense | (903,474) |
| Transfers | 591,673 |
| The net effect of various transactions involving capital assets is to decrease capital assets. | |
| Disposals - Cost | (178,917) |
| Disposals - Accumulated Depreciation | 169,678 |
| An increase in a net pension asset is not considered to be an increase in a financial asset in the governmental funds. | |
| | 228,271 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds. | |
| Decrease in Compensated Absences Payable | 2,758 |
| Increase in Net Pension Obligation | (44) |
| Decrease in Net Other Post-Employment Benefit Obligation | 639 |
| Retirement of General Obligation Bonds Payable | 75,000 |
| Amortization of Discount on Debt Issuance | (748) |
| Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. | |
| | <u>563</u> |
| Changes in Net Position of Governmental Activities | <u><u>1,136,347</u></u> |

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

VILLAGE OF KILDEER, ILLINOIS

Statement of Net Position - Proprietary Fund (Business-Type Activities) - Sewer Fund
April 30, 2014

ASSETS

| | |
|---------------------------------|--------------------|
| Current Assets | |
| Receivables - Net of Allowances | |
| Accounts | \$ 1,831 |
| Due from Other Funds | 990,817 |
| Total Current Assets | <u>992,648</u> |
| Noncurrent Assets | |
| Capital Assets | |
| Depreciable | 11,687,109 |
| Accumulated Depreciation | <u>(2,406,762)</u> |
| Total Noncurrent Assets | <u>9,280,347</u> |
| Total Assets | <u>10,272,995</u> |

LIABILITIES

| | |
|---------------------|--------------|
| Current Liabilities | |
| Accounts Payable | <u>6,483</u> |

NET POSITION

| | |
|------------------------------|-------------------|
| Investment in Capital Assets | 9,280,347 |
| Unrestricted | <u>986,165</u> |
| Total Net Position | <u>10,266,512</u> |

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

VILLAGE OF KILDEER, ILLINOIS

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

For the Fiscal Year Ended April 30, 2014

| | |
|--------------------------------------|--------------------------|
| Operating Revenues | |
| Charges for Services | \$ 744,177 |
| Operating Expenses | |
| Operations | 1,157,826 |
| Depreciation | 153,320 |
| Total Operating Expenses | <u>1,311,146</u> |
| Operating Income (Loss) | <u>(566,969)</u> |
| Nonoperating Revenues (Expenses) | |
| Interest Income | 1,060 |
| Interest and Fiscal Charges | (4,956) |
| | <u>(3,896)</u> |
| Change in Net Position | (570,865) |
| Net Position - Beginning as Restated | <u>10,837,377</u> |
| Net Position - Ending | <u><u>10,266,512</u></u> |

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

VILLAGE OF KILDEER, ILLINOIS

Statement of Cash Flows - Proprietary Fund (Business-Type Activities) - Sewer Fund
For the Fiscal Year Ended April 30, 2014

| | |
|---|-------------------------|
| Cash Flows from Operating Activities | |
| Receipts from Customers and Users | \$ 623,869 |
| Payments to Suppliers | <u>(1,197,031)</u> |
| | <u>(573,162)</u> |
| | |
| Cash Flows from Capital and Related Financing activities | |
| Transfer of Capital Assets | 591,673 |
| Principal on Capital Debt | (152,016) |
| Interest on Capital Debt | <u>(4,956)</u> |
| | <u>434,701</u> |
| | |
| Cash Flows from Investing Activities | |
| Interest Received | <u>1,060</u> |
| | |
| Net Change in Cash and Cash Equivalents | (137,401) |
| | |
| Cash and Cash Equivalents - Beginning | <u>137,401</u> |
| | |
| Cash and Cash Equivalents - Ending | <u><u>-</u></u> |
| | |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities | |
| Operating Income (Loss) | <u>(566,969)</u> |
| Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities: | |
| Depreciation Expense | 153,320 |
| (Increase) Decrease in Current Assets | (120,308) |
| Increase (Decrease) in Current Liabilities | <u>(39,205)</u> |
| | |
| Net Cash Provided by Operating Activities | <u><u>(573,162)</u></u> |

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

VILLAGE OF KILDEER, ILLINOIS

Statement of Fiduciary Net Position - Fiduciary Funds
April 30, 2014

| | Pension Trust | Agency |
|------------------------------------|------------------|------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 94,353 | 767,861 |
| Investments | | |
| Corporate Bonds | 1,702,942 | - |
| Mutual Funds | 1,816,853 | - |
| Receivables - Net of Allowances | | |
| Accrued Interest | 23,689 | - |
| Due from Other Funds | - | 175,223 |
| Due from Other Governments | - | 300,000 |
| Miscellaneous Receivables | 606 | - |
| Prepays | 35,984 | - |
| Total Assets | <u>3,674,427</u> | <u>1,243,084</u> |
| LIABILITIES | | |
| Accounts Payable | 13,436 | - |
| Other Payables | - | 300,000 |
| Due to Developers | - | 175,223 |
| Due to Bondholders | - | 767,861 |
| Total Liabilities | <u>13,436</u> | <u>1,243,084</u> |
| NET POSITION | | |
| Held in Trust for Pension Benefits | <u>3,660,991</u> | - |

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

VILLAGE OF KILDEER, ILLINOIS

Statement of Changes in Fiduciary Net Position - Pension Trust Fund
For the Fiscal Year Ended April 30, 2014

| | <u>Police Pension</u> |
|------------------------------|---------------------------|
| Additions | |
| Contributions - Employer | \$ 455,617 |
| Contributions - Plan Members | 48,438 |
| Total Contributions | <u>504,055</u> |
| Investment Income | |
| Interest Earned | 105,126 |
| Net Change in Fair Value | 149,926 |
| | <u>255,052</u> |
| Less Investment Expenses | (17,338) |
| Net Investment Income | <u>237,714</u> |
| Total Additions | <u>741,769</u> |
| Deductions | |
| Administration | 57,103 |
| Benefits and Refunds | 529,103 |
| Total Deductions | <u>586,206</u> |
| Change in Net Position | 155,563 |
| Net Position - Beginning | <u>3,505,428</u> |
| Net Position - Ending | <u><u>3,660,991</u></u> |

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

| | |
|---------------------|--------------------|
| Primary Government: | Village of Kildeer |
|---------------------|--------------------|

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

Police Pension Employees Retirement System

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police, street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's sewer services are classified as business-type activities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.).

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

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

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

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

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

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

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

Governmental Funds

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

General fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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

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

Proprietary Funds

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

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Sewer Fund, which is used to account for the provision of sewer service.

Fiduciary Funds

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

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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

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

Basis of Accounting

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

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

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

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

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

Cash and Investments

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

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Receivables

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

Prepays

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

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Capital Assets

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

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

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Compensated Absences

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

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

Long-Term Obligations

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

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

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Net Position

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

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

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

The budget was approved on April 23, 2013.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks.

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

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$3,249,750 and the bank balances totaled \$3,449,713. In addition, the Village has \$2,643,263 invested in the Illinois Funds at year-end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Village's investment in the Illinois Funds has an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the Village's investment policy states that investments are to be limited to the safest types of securities. Additionally, the Village's investment in the State Investment Pool is rated AAAM by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village investment policy does not address custodial credit risk for deposits. At year-end, the entire bank balance of deposits is collateralized or insured.

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

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end, the carrying amount of the Police Pension Fund’s deposits totaled \$94,353 and the bank balances totaled \$108,294.

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

| | Investment Maturities (in Years) | | | | |
|-----------------|----------------------------------|-------------|-----------|---------|--------------|
| | Fair Value | Less than 1 | 1 to 5 | 6 to 10 | More than 10 |
| Corporate Bonds | \$ 1,702,942 | - | 1,371,086 | 331,856 | - |

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

Credit Risk. The Fund’s investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

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

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

Concentration of Credit Risk. The Fund investment policy places no limit on the amount the Fund may invest in any one issuer. In addition to the securities and fair values listed above, the Fund also has \$1,816,853 invested in mutual funds. At April 30, 2014, the Fund has over 5% of net plan position invested in Pioneer Fundamental Growth of \$588,731 and Invesco Diversified of \$589,488.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2013 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Lake County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Transfers | Ending Balances |
|--------------------------------------|-----------------------|------------------|----------------|----------------|--------------------|
| Nondepreciable Capital Assets | | | | | |
| Land | \$ 13,386,524 | - | - | - | 13,386,524 |
| Depreciable Capital Assets | | | | | |
| Buildings | 2,423,308 | - | - | - | 2,423,308 |
| Equipment | 241,229 | 43,493 | 12,982 | - | 271,740 |
| Vehicles | 278,627 | 33,621 | 149,602 | - | 162,646 |
| Infrastructure | 21,052,625 | 68,114 | 16,333 | 602,924 | 21,707,330 |
| | <u>23,995,789</u> | <u>145,228</u> | <u>178,917</u> | <u>602,924</u> | <u>24,565,024</u> |
| Less Accumulated Depreciation | | | | | |
| Buildings | 581,594 | 48,466 | - | - | 630,060 |
| Equipment | 187,794 | 8,044 | 12,982 | - | 182,856 |
| Vehicles | 220,180 | 17,013 | 149,602 | - | 87,591 |
| Infrastructure | 11,518,635 | 829,951 | 7,094 | 11,251 | 12,352,743 |
| | <u>12,508,203</u> | <u>903,474</u> | <u>169,678</u> | <u>11,251</u> | <u>13,253,250</u> |
| Total Net Depreciable Capital Assets | <u>11,487,586</u> | <u>(758,246)</u> | <u>9,239</u> | <u>591,673</u> | <u>11,311,774</u> |
| Total Net Capital Assets | <u>24,874,110</u> | <u>(758,246)</u> | <u>9,239</u> | <u>591,673</u> | <u>24,698,298</u> |

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Governmental Activities – Continued

Depreciation expense was charged to governmental activities as follows:

Public Works \$ 903,474

Business-Type Activities

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

| | Restated Beginning Balances | Increases | Decreases | Transfers | Ending Balances |
|--------------------------------------|-----------------------------------|------------------|-----------|------------------|--------------------|
| Depreciable Capital Assets | | | | | |
| Sanitary Sewers | \$ 11,584,594 | - | - | (602,924) | 10,981,670 |
| Lift Stations | 705,439 | - | - | - | 705,439 |
| | <u>12,290,033</u> | <u>-</u> | <u>-</u> | <u>(602,924)</u> | <u>11,687,109</u> |
| Less Accumulated Depreciation | | | | | |
| Sanitary Sewers | 2,151,601 | 139,361 | - | (11,251) | 2,279,711 |
| Lift Stations | 113,092 | 13,959 | - | - | 127,051 |
| | <u>2,264,693</u> | <u>153,320</u> | <u>-</u> | <u>(11,251)</u> | <u>2,406,762</u> |
| Total Net Depreciable Capital Assets | <u>10,025,340</u> | <u>(153,320)</u> | <u>-</u> | <u>(591,673)</u> | <u>9,280,347</u> |
| Total Net Capital Assets | <u>10,025,340</u> | <u>(153,320)</u> | <u>-</u> | <u>(591,673)</u> | <u>9,280,347</u> |

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

Sewer \$ 153,320

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES AND PAYABLES

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

| Receivable Fund | Payable Fund | Amount |
|-----------------|--------------|-------------------------|
| Sewer | General | \$ 990,817 |
| Agency | General | <u>175,223</u> |
| | | <u><u>1,166,040</u></u> |

Interfund balances are advances in anticipation of receipts.

LONG-TERM DEBT

General Obligation Bonds

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

| Issue | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|-------------------------|-----------|-----------------------|-------------------------|
| \$152,016 Special Act Assessment Bonds of 1998B, due in one payment of \$152,016 plus annual interest at a rate of 4.89% through July 1, 2018. | \$ 152,016 | - | 152,016 | - |
| \$2,035,000 General Obligation Refunding Limited Debt Certificates of 2011, due in annual installments of \$70,000 to \$150,000 plus interest at a rate of 3.00% to 5.375% through February 1, 2031. | <u>1,885,000</u> | - | <u>75,000</u> | <u>1,810,000</u> |
| | <u><u>2,037,016</u></u> | <u>-</u> | <u><u>227,016</u></u> | <u><u>1,810,000</u></u> |

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|---|-----------------------|--------------|----------------|--------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | \$ 4,531 | 2,758 | 5,516 | 1,773 | 355 |
| Net Pension Obligation | 2,048 | 44 | - | 2,092 | - |
| Net Other Post-Employment Benefit Obligation | 5,032 | - | 639 | 4,393 | - |
| General Obligation Bonds | 1,885,000 | - | 75,000 | 1,810,000 | 75,000 |
| Less: Unamortized Bond Discount | (12,731) | - | (748) | (11,983) | (749) |
| | <u>1,883,880</u> | <u>2,802</u> | <u>80,407</u> | <u>1,806,275</u> | <u>74,606</u> |
| Business-Type Activities | | | | | |
| General Obligation Bonds | <u>152,016</u> | <u>-</u> | <u>152,016</u> | <u>-</u> | <u>-</u> |

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

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

| Fiscal Year Ending April 30 | Governmental Activities | |
|-----------------------------------|-----------------------------|----------------|
| | General Obligation Bonds | |
| | Principal | Interest |
| 2015 | \$ 75,000 | 84,156 |
| 2016 | 80,000 | 81,906 |
| 2017 | 80,000 | 79,506 |
| 2018 | 85,000 | 76,706 |
| 2019 | 85,000 | 73,518 |
| 2020 | 90,000 | 69,906 |
| 2021 | 95,000 | 66,082 |
| 2022 | 100,000 | 62,044 |
| 2023 | 100,000 | 57,294 |
| 2024 | 105,000 | 52,544 |
| 2025 | 110,000 | 47,556 |
| 2026 | 120,000 | 42,332 |
| 2027 | 125,000 | 36,182 |
| 2028 | 130,000 | 29,776 |
| 2029 | 135,000 | 23,112 |
| 2030 | 145,000 | 15,856 |
| 2031 | 150,000 | 8,062 |
| Total | <u>1,810,000</u> | <u>906,538</u> |

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Non-Commitment Debt

Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$2,407,000. These bonds are not an obligation of the Village and are secured by the levy of an annual tax on the real property within the special service area. The Village is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the tax, and forwarding the collections to bondholders.

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

| | |
|---|-----------------------|
| Assessed Valuation - 2013 | <u>\$ 269,394,063</u> |
| Legal Debt Limit - 8.625% of Assessed Value | <u>23,235,238</u> |
| Amount of Debt Applicable to Limit | |
| General Obligation Bonds | <u>(1,810,000)</u> |
| Legal Debt Margin | <u>21,425,238</u> |

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/ FUND BALANCE

Net Position Classifications

Invested in capital assets – net of related debt, was comprised of the following as of April 30, 2014:

| | |
|--|-------------------|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | \$ 24,698,298 |
| Less Capital Related Debt: | |
| General Obligation Limited Debt Certificates of 2011 | (1,810,000) |
| Unamortized Bond Discount | <u>11,983</u> |
| Net Investment in Capital Assets | <u>22,900,281</u> |
| Business-Type Activities | |
| Capital Assets - Net of Accumulated Depreciation | <u>9,280,347</u> |

Fund Balance Classifications

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

Committed Fund Balance. The Village reports committed fund balance in the General Fund. Board ordinance approval is required to establish, modify or rescind a fund balance commitment. The Village's Board has committed funds to future debt service costs related to the construction of the Village Hall and subsequent refinancing of that debt and to future Village Hall maintenance costs.

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/ FUND BALANCE – Continued

Fund Balance Classifications – Continued

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

| | General | Special Revenue Motor Fuel Tax | Capital Projects | Total |
|---------------------------------|-----------|---|---------------------|-----------|
| Fund Balances | | | | |
| Nonspendable - Prepaids | \$ 84,804 | - | - | 84,804 |
| Restricted | | | | |
| Public Works and Transportation | - | 332,976 | - | 332,976 |
| Committed | | | | |
| Facility Maintenance | 100,000 | - | - | 100,000 |
| Debt Service | 160,173 | - | - | 160,173 |
| | 260,173 | - | - | 260,173 |
| Assigned | - | - | 1,106,956 | 1,106,956 |
| Unassigned | 3,149,137 | - | - | 3,149,137 |
| Total Fund Balances | 3,494,114 | 332,976 | 1,106,956 | 4,934,046 |

Net Position Restatements

Beginning net position was restated to reflect an appraisal of capital assets. Net position was restated in the current year as follows:

| Net Position | As Reported | As Restated | Increase (Decrease) |
|--------------------------------|--------------|-------------|------------------------|
| Sewer/Business-Type Activities | \$ 7,737,902 | 10,837,377 | 3,099,475 |

A review of changes to the sewer system from 2000-2008 revealed that a revision to the amount of capital improvements previously identified was needed to match the improvements actually made for shopping center and residential development completed during that period.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2014

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through insurance from private insurance companies.

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

CONTINGENT LIABILITIES

Litigation

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

The Village of Kildeer was involved in a lawsuit filed by the Village of Deer Park regarding a police services contract. The lawsuit was settled in August 2013 when the Village of Deer Park remitted \$221,888 to the Village of Kildeer in order to settle the suit.

Grants

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2014

NOTE 4 – OTHER INFORMATION

COMMITMENTS

Sales Tax Agreements

The Village has an agreement to share sales tax revenue with the developer of the shopping center known as the Kildeer Marketplace which opened for business in March 2013. Pursuant to that agreement, the Village shall retain the first \$200,000 of sales tax revenue and the Village shall rebate the next \$200,000 to the developer. The Village and the developer will equally share the remaining sales tax revenue until January 31, 2025 or when the total payments to the developer reach \$1,250,000. For the year ended April 30, 2014 the Village collected \$252,726 of sales tax and will rebate \$52,726 to the developer.

The Village also had an agreement to share sales tax revenue with the developer of the shopping center known as the Quentin Collection which opened for business in 2005. Pursuant to that agreement, the Village and the developer will equally share sales tax revenue until December 31, 2018 or when the total payments to the developer reach \$1,500,000. For the fiscal year ending April 30, 2014 the Village rebated \$137,359 to the developer and the cumulative payment to the developer reached \$1,500,000 ending the liability for revenue sharing.

JOINT VENTURE

Solid Waste Agency of Lake County (SWALCO)

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

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

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURE – Continued

Solid Waste Agency of Lake County (SWALCO) – Continued

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

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

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the Village at 21911 Quentin Road, Kildeer, Illinois 60047. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System (IMRF)

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

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Illinois Municipal Retirement System (IMRF) – Continued

10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2013 was 10.80 percent.

Police Pension Plan

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

At April 30, 2014, the Police Pension Plan membership consisted of:

| | |
|--|-----------|
| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them | 13 |
| Current Employees Vested and Nonvested | <u>6</u> |
| | <u>19</u> |

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – Continued

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

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

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

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters – Continued

Method Used to Value Investments

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

Significant Investments

At year-end, the Police Pension Fund had over 5 percent of net position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Pioneer Fundamental Growth of \$588,731 and Invesco Diversified of \$589,488. Information for IMRF is not available.

Related Party Transactions

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

Annual Pension Cost and Net Pension Obligation

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

| | IMRF | Police Pension | Total |
|-------------------------------|-----------|----------------|-----------|
| Annual Required Contribution | \$ 49,231 | 256,184 | 305,415 |
| Interest on the NPO/(NPA) | 154 | (8,794) | (8,640) |
| Adjustment to the ARC | (110) | (20,044) | (20,154) |
| Annual Pension Cost | 49,275 | 227,346 | 276,621 |
| Actual Contribution | (49,231) | (455,617) | (504,848) |
| Change in the NPO/(NPA) | 44 | (228,271) | (228,227) |
| NPO/(NPA) - Beginning Balance | 2,048 | (107,107) | (105,059) |
| NPO/(NPA) - Ending Balance | 2,092 | (335,378) | (333,286) |

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements
April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

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

| | IMRF | Police Pension |
|-------------------------------|--|--|
| Contribution Rates | | |
| Employer | 10.80% | 59.06% |
| Employee | 4.50% | 9.91% |
| Actuarial Valuation Date | 12/31/2013 | 4/30/2013 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal |
| Amortization Method | Level % of Projected Payroll Open Basis | Level % of Projected Payroll Closed Basis |
| Remaining Amortization Period | 30 Years | 24 Years |
| Asset Valuation Method | 5-Year Smoothed Market | 5-Year Smoothed Market |
| Actuarial Assumptions | | |
| Investment Rate of Return | 7.50% Compounded Annually | 6.50% Compounded Annually |
| Projected Salary Increases | 0.4% to 10.0% | 3.50% |
| Inflation Rate Included | 4.00% | 1.50% |
| Cost-of-Living Adjustments | 3.00% | 3.00% |

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

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

| | | IMRF | Police Pension |
|------------------------------------|------|-----------|-------------------|
| Annual Pension Cost (APC) | 2012 | \$ 35,315 | \$ 331,442 |
| | 2013 | 33,226 | 402,538 |
| | 2014 | 49,275 | 227,346 |
| Actual Contributions | 2012 | \$ 37,291 | \$ 348,500 |
| | 2013 | 33,183 | 448,830 |
| | 2014 | 49,231 | 455,617 |
| Percentage of APC Contributed | 2012 | 105.60% | 105.15% |
| | 2013 | 99.87% | 111.50% |
| | 2014 | 99.91% | 200.41% |
| Net Pension Obligation/ (Asset) | 2012 | \$ 2,005 | \$ (60,815) |
| | 2013 | 2,048 | (107,107) |
| | 2014 | 2,092 | (335,378) |

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

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

| | IMRF | Police Pension |
|--|------------|-------------------|
| Actuarial Valuation Date | 12/31/2013 | 4/30/2014 |
| Percent Funded | 85.35% | 54.71% |
| Actuarial Accrued Liability for Benefits | \$446,462 | \$6,530,880 |
| Actuarial Value of Assets | \$381,062 | \$3,572,778 |
| Over (Under) Funded Actuarial Accrued Liability (UAAL) | (\$65,400) | (\$2,958,102) |
| Covered Payroll (Annual Payroll of Active Employees Covered by the Plan) | \$311,335 | N/A |
| Ratio of UAAL to Covered Payroll | 21.01% | N/A |

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

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

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

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

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

All retirees contribute 100% of the actual premium for their coverage under the Village’s health insurance plan except retired police officers receiving benefits under the Public Safety Employee Benefits Act (PSEBA) whose premium is paid by the Village. For the fiscal year ending April 30, 2014 there were only two retirees in the OPEB program and both were receiving PSEBA benefits.

At April 30, 2014 membership consisted of:

| | |
|--|-----------|
| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them | 2 |
| Active Employees | <u>11</u> |
| Total | <u>13</u> |
| Participating Employers | 1 |

The Village does not currently have a funding policy.

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2014**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2014, was calculated as follows:

| | |
|------------------------------|---------------------|
| Annual Required Contribution | \$ 14,834 |
| Interest on the NPO | 201 |
| Adjustment to the ARC | <u>-</u> |
| Annual OPEB Cost | 15,035 |
| Actual Contribution | <u>15,674</u> |
| Increase in the NPO | (639) |
| NPO - Beginning of Year | <u>5,032</u> |
| NPO - End of Year | <u><u>4,393</u></u> |

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

Trend Information

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

| Fiscal Year | Annual OPEB Cost | Actual Contributions | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|----------------|------------------------|-------------------------|--|---------------------------|
| 2012 | \$ N/A | \$ N/A | N/A | \$ N/A |
| 2013 | 5,032 | - | 0.00% | 5,032 |
| 2014 | 15,035 | 15,674 | 104.25% | 4,393 |

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements April 30, 2014

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

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

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

Actuarial Methods and Assumptions

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

In the April 30, 2013 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (including a 3% inflation assumption) and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. The actuarial value of assets was not determined as the Village has not advanced its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2014, was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

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

- **Schedule of Funding Progress and Employer Contributions**
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Other Post-Employment Benefit Plan

- **Budgetary Comparison Schedules**
 - General Fund
 - Motor Fuel Tax – Special Revenue Fund

Notes to the Required Supplementary Information

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

VILLAGE OF KILDEER, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2014**

Schedule of Funding Progress

| Actuarial Valuation Date Dec. 31 | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|---|--|--|-------------------------------------|---|-------------------------------------|--|
| 2008 | \$ 930,924 | \$ 1,024,756 | 90.84% | \$ 93,832 | \$ 238,536 | 39.34% |
| 2009 | 83,108 | 217,123 | 38.28% | 134,015 | 226,637 | 59.13% |
| 2010 | 126,021 | 232,281 | 54.25% | 106,260 | 239,728 | 44.33% |
| 2011 | 192,192 | 291,218 | 66.00% | 99,026 | 243,340 | 40.70% |
| 2012 | 257,853 | 336,705 | 76.58% | 78,852 | 243,706 | 32.36% |
| 2013 | 381,052 | 446,462 | 85.35% | 65,410 | 311,335 | 21.01% |

Employer Contributions

| Fiscal Year Ended April 30 | Employer Contributions | Annual Required Contribution | Percent Contributed |
|----------------------------------|---------------------------|------------------------------------|------------------------|
| 2009 | \$ 21,110 | \$ 21,110 | 100.00% |
| 2010 | 20,057 | 20,057 | 100.00% |
| 2011 | 23,349 | 25,459 | 91.71% |
| 2012 | 37,291 | 37,291 | 100.00% |
| 2013 | 33,183 | 33,183 | 100.00% |
| 2014 | 49,231 | 49,231 | 100.00% |

VILLAGE OF KILDEER, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2014**

Schedule of Funding Progress

| Actuarial Valuation Date Apr. 30 | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|---|--|--|-------------------------------------|--|-------------------------------------|--|
| 2008 | \$ 1,729,802 | \$ 4,331,004 | 39.94% | \$ 2,601,202 | \$ 1,324,803 | 196.35% |
| 2009 | 1,843,113 | 4,533,451 | 40.66% | 2,690,338 | 1,351,831 | 199.01% |
| 2010 | 2,368,318 | 5,221,609 | 45.36% | 2,853,291 | 1,297,179 | 219.96% |
| 2011 | 2,971,517 | 6,171,547 | 48.15% | 3,200,030 | 1,224,598 | 261.31% |
| 2012 | 2,971,517 | 6,171,547 | 48.15% | 3,200,030 | 1,224,598 | 261.31% |
| 2013 | 3,572,778 | 6,530,880 | 54.71% | 2,958,102 | N/A | N/A |

Employer Contributions

| Fiscal Year Ended Apr. 30 | Employer Contributions | Annual Required Contribution | Percent Contributed |
|---------------------------------|---------------------------|------------------------------------|------------------------|
| 2009 | \$ 377,530 | \$ 357,848 | 105.50% |
| 2010 | 307,635 | 292,151 | 105.30% |
| 2011 | 105,856 | 97,384 | 108.70% |
| 2012 | 348,500 | 403,106 | 86.45% |
| 2013 | 448,830 | 403,106 | 111.34% |
| 2014 | 455,617 | 256,184 | 177.85% |

VILLAGE OF KILDEER, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 April 30, 2014

Funding Progress

| Actuarial Valuation Date | (1) Actuarial Value of Plan Assets | (2) Actuarial Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|--------------------------|---------------------------------------|--|----------------------------------|---|-------------------------------|--|
| Apr. 30 | | | | | | |
| 2009 | \$ N/A | \$ N/A | N/A | \$ N/A | \$ N/A | N/A |
| 2010 | - | 36,167 | 0.00% | 36,167 | 1,578,759 | 2.29% |
| 2011 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2012 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2013 | - | 351,756 | 0.00% | 351,756 | 926,420 | 37.97% |
| 2014 | N/A | N/A | N/A | N/A | N/A | N/A |

Employer Contributions

| Fiscal Year Ended | Employer Contributions | Annual Required Contribution | Percent Contributed |
|-------------------|------------------------|------------------------------|---------------------|
| 2009 | \$ N/A | \$ N/A | N/A |
| 2010 | N/A | N/A | N/A |
| 2011 | N/A | N/A | N/A |
| 2012 | N/A | N/A | N/A |
| 2013 | - | 5,032 | 0.00% |
| 2014 | 15,674 | 14,834 | 105.66% |

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

VILLAGE OF KILDEER, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014**

| | Budget | | Actual |
|-----------------------------------|------------------|------------------|------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | \$ 2,696,718 | 2,696,718 | 2,957,689 |
| Intergovernmental | 416,200 | 416,200 | 390,793 |
| Charges for Services | 125,000 | 125,000 | 164,499 |
| Licenses and Permits | 200,000 | 200,000 | 320,041 |
| Fines and Forfeits | 106,500 | 106,500 | 114,507 |
| Interest | 4,500 | 4,500 | 1,357 |
| Miscellaneous | 35,500 | 35,500 | 312,127 |
| Total Revenues | 3,584,418 | 3,584,418 | 4,261,013 |
| Expenditures | | | |
| Current | | | |
| General Government | 1,031,132 | 1,031,132 | 809,689 |
| Public Safety | 1,864,820 | 1,864,820 | 1,735,320 |
| Public Works and Transportation | 505,060 | 505,060 | 634,111 |
| Capital Outlay | 22,000 | 22,000 | 31,618 |
| Debt Service | | | |
| Principal Retirement | 75,000 | 75,000 | 75,000 |
| Interest and Fiscal Charges | 86,406 | 86,406 | 86,406 |
| Total Expenditures | 3,584,418 | 3,584,418 | 3,372,144 |
| Net Change in Fund Balance | - | - | 888,869 |
| Fund Balance - Beginning | | | 2,605,245 |
| Fund Balance - Ending | | | 3,494,114 |

VILLAGE OF KILDEER, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014

| | Budget | | Actual |
|---------------------------------|------------------|------------------|-----------------------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| State Motor Fuel Tax | \$ 100,000 | 100,000 | 116,105 |
| Interest | - | - | 48 |
| Total Revenues | 100,000 | 100,000 | 116,153 |
| Expenditures | | | |
| Public Works and Transportation | | | |
| Road Improvements | 200,000 | 200,000 | - |
| Net Change in Fund Balance | <u>(100,000)</u> | <u>(100,000)</u> | 116,153 |
| Fund Balance - Beginning | | | <u>216,823</u> |
| Fund Balance - Ending | | | <u><u>332,976</u></u> |

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUND

To account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

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

CAPITAL PROJECTS FUND

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

ENTERPRISE FUND

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

Sewer Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

TRUST AND AGENCY FUNDS

PENSION TRUST FUND

Police Pension Fund

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

AGENCY FUNDS

Escrow Fund

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

Special Service Area Fund

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

VILLAGE OF KILDEER, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2014

| | Budget | | Actual |
|--------------------------------|------------|-----------|-----------|
| | Original | Final | |
| Taxes | | | |
| Property Taxes | \$ 738,518 | 738,518 | 737,848 |
| Other | | | |
| State Sales Tax | 1,760,000 | 1,760,000 | 2,032,314 |
| State Use Tax | 55,000 | 55,000 | 69,617 |
| Road and Bridge Tax | 3,200 | 3,200 | 4,189 |
| Telecommunication Taxes | 140,000 | 140,000 | 113,721 |
| Total Taxes | 2,696,718 | 2,696,718 | 2,957,689 |
| Intergovernmental | | | |
| Illinois State Income Tax | 260,000 | 260,000 | 386,666 |
| Illinois State Replacement Tax | 1,200 | 1,200 | 1,355 |
| State Grants | 155,000 | 155,000 | 2,772 |
| Total Intergovernmental | 416,200 | 416,200 | 390,793 |
| Charges for Services | | | |
| Sewer Administration Fees | 30,000 | 30,000 | 53,140 |
| Impoundment Fees | 10,000 | 10,000 | 23,000 |
| Franchise Fees | 85,000 | 85,000 | 88,359 |
| Total Charges for Services | 125,000 | 125,000 | 164,499 |
| Licenses and Permits | | | |
| Licenses and Fees | 70,000 | 70,000 | 69,694 |
| Building Permits | 130,000 | 130,000 | 250,347 |
| Total Licenses and Permits | 200,000 | 200,000 | 320,041 |
| Fines and Forfeits | | | |
| Police Fines | 56,500 | 56,500 | 102,214 |
| Red Light Enforcement | 50,000 | 50,000 | 12,293 |
| | 106,500 | 106,500 | 114,507 |

VILLAGE OF KILDEER, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2014

| | Budget | | Actual |
|----------------------------|-----------|-----------|-----------|
| | Original | Final | |
| Interest | | | |
| Investment Income | \$ 4,500 | 4,500 | 1,357 |
| Miscellaneous | | | |
| Expired Completion Bonds | - | - | 6,000 |
| Books and Copies | 500 | 500 | 921 |
| Refunds and Reimbursements | 22,000 | 22,000 | 70,268 |
| Other | 13,000 | 13,000 | 234,938 |
| Total Miscellaneous | 35,500 | 35,500 | 312,127 |
| Total Revenues | 3,584,418 | 3,584,418 | 4,261,013 |

VILLAGE OF KILDEER, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2014

| | Budget | | Actual |
|----------------------------------|------------|-----------|---------|
| | Original | Final | |
| General Government | | | |
| Personnel Salaries | \$ 266,056 | 266,056 | 275,809 |
| Payroll Taxes | 23,978 | 23,978 | 18,948 |
| Retirement and Benefits | 81,797 | 81,797 | 84,541 |
| Training and Education | 3,500 | 3,500 | 1,998 |
| Travel and Lodging | 3,500 | 3,500 | 2,040 |
| Legal Services | 10,000 | 10,000 | 10,110 |
| Contract Services | 54,000 | 54,000 | 58,041 |
| Grant Expenditures | 125,000 | 125,000 | 2,434 |
| Planning and Zoning Services | 7,500 | 7,500 | 1,150 |
| Inspection Services | 70,000 | 70,000 | 60,444 |
| Financial Services | 10,000 | 10,000 | 4,583 |
| Information Technology | 10,000 | 10,000 | 12,882 |
| Other Professional Fees | 10,000 | 10,000 | 5,099 |
| Engineering Fees | 25,000 | 25,000 | 44,746 |
| Audit Fees | 16,500 | 16,500 | 16,295 |
| Alarm and Video | - | - | 430 |
| Codification | 3,500 | 3,500 | 2,151 |
| Insurance | 17,000 | 17,000 | 15,705 |
| Dues and Subscriptions | 7,800 | 7,800 | 4,604 |
| Supplies | 6,000 | 6,000 | 4,261 |
| Copy Services | 5,000 | 5,000 | 1,294 |
| Postage | 1,500 | 1,500 | 1,084 |
| Utilities | 6,500 | 6,500 | 9,023 |
| Equipment Maintenance | 10,000 | 10,000 | 10,526 |
| Building and Grounds Maintenance | 35,000 | 35,000 | 41,405 |
| Sales Tax Rebate | 200,001 | 200,001 | 109,511 |
| Telecommunication Tax Rebate | - | - | 4,796 |
| Community Events | 1,000 | 1,000 | 1,715 |
| Newsletter | 10,000 | 10,000 | 435 |
| Miscellaneous Expenditures | 11,000 | 11,000 | 3,629 |
| Total General Government | 1,031,132 | 1,031,132 | 809,689 |
| Public Safety | | | |
| Personnel Salaries | 735,452 | 735,452 | 672,667 |
| Payroll Taxes | 34,247 | 34,247 | 17,273 |
| Health Benefits | 184,283 | 184,283 | 148,122 |

VILLAGE OF KILDEER, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2014

| | Budget | | Actual |
|------------------------------------|------------|-----------|-----------|
| | Original | Final | |
| Public Safety - Continued | | | |
| Pension Contribution | \$ 249,899 | 249,899 | 473,802 |
| Insurance | 58,040 | 58,040 | 80,004 |
| Investigations and Lab | 3,000 | 3,000 | - |
| Legal Services | 298,349 | 298,349 | 127,251 |
| Contract Services | 15,000 | 15,000 | 19,772 |
| Admin Adjudication | 3,600 | 3,600 | 850 |
| Police Grant Expenditures | 30,000 | 30,000 | 5,905 |
| Community Relations | 500 | 500 | - |
| Firearms and Defense | 3,500 | 3,500 | 1,109 |
| Communications | 2,500 | 2,500 | 2,720 |
| Conferences and Dues | 10,000 | 10,000 | 11,455 |
| Dispatching | 66,732 | 66,732 | 66,732 |
| DUI Expenditures | 20,000 | 20,000 | 16,075 |
| Drug Seizures | - | - | 1,600 |
| Traffic Rebate | 35,000 | 35,000 | 29,223 |
| Red Light Enforcement Expenditures | 20,000 | 20,000 | 940 |
| Training and Education | 5,500 | 5,500 | 675 |
| Travel and Lodging | 500 | 500 | 44 |
| Printing | 1,000 | 1,000 | 515 |
| Copy Services | 2,000 | 2,000 | 1,160 |
| Postage | 500 | 500 | 710 |
| Fuel | 35,000 | 35,000 | 20,410 |
| Storage | 2,940 | 2,940 | 2,696 |
| Supplies | 2,500 | 2,500 | 2,390 |
| Uniforms | 4,500 | 4,500 | 10,219 |
| Maintenance and Repairs | 21,500 | 21,500 | 18,557 |
| Miscellaneous Expenditures | 3,422 | 3,422 | 2,444 |
| Contingency | 15,356 | 15,356 | - |
| Total Public Safety | 1,864,820 | 1,864,820 | 1,735,320 |
| Public Works and Transportation | | | |
| Contract Services | 1,500 | 1,500 | 1,298 |
| Mosquito Control | 10,000 | 10,000 | 10,000 |
| Road Maintenance | 270,000 | 270,000 | 447,022 |
| Snow and Ice Control | 144,560 | 144,560 | 134,359 |
| Street Signs and Safety | 5,000 | 5,000 | 1,648 |

VILLAGE OF KILDEER, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2014

| | Budget | | Actual |
|---|-----------|-----------|-----------|
| | Original | Final | |
| Public Works and Transportation - Continued | | | |
| Street Lighting | \$ 3,500 | 3,500 | 2,500 |
| Right of Way Maintenance | 45,000 | 45,000 | 28,708 |
| Traffic Signal Maintenance | 15,000 | 15,000 | 6,826 |
| Storm Sewer Line Maintenance | 10,000 | 10,000 | 1,731 |
| Miscellaneous Expenditures | 500 | 500 | 19 |
| Total Public Works and Transportation | 505,060 | 505,060 | 634,111 |
| Capital Outlay | | | |
| General Government | 10,000 | 10,000 | 31,618 |
| Public Safety | 12,000 | 12,000 | - |
| | 22,000 | 22,000 | 31,618 |
| Debt Service | | | |
| Principal Retirement | 75,000 | 75,000 | 75,000 |
| Interest and Fiscal Charges | 86,406 | 86,406 | 86,406 |
| Total Debt Service | 161,406 | 161,406 | 161,406 |
| Total Expenditures | 3,584,418 | 3,584,418 | 3,372,144 |

VILLAGE OF KILDEER, ILLINOIS

Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2014**

| | Budget | | Actual |
|----------------------------|------------|---------|-----------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| County Agreements | \$ 350,000 | 350,000 | 7,000 |
| Interest | - | - | 698 |
| Total Revenues | 350,000 | 350,000 | 7,698 |
| Expenditures | | | |
| Capital Outlay | | | |
| General Government | 350,000 | 350,000 | 7,000 |
| Net Change in Fund Balance | - | - | 698 |
| Fund Balance - Beginning | | | 1,106,258 |
| Fund Balance - Ending | | | 1,106,956 |

VILLAGE OF KILDEER, ILLINOIS

Sewer - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2014**

| | Budget | | Actual |
|--------------------------------------|------------|-----------|------------|
| | Original | Final | |
| Operating Revenues | | | |
| Charges for Services | | | |
| Sewer Charges | \$ 748,000 | 748,000 | 744,177 |
| Operating Expenses | | | |
| Operations | | | |
| Administration | 30,000 | 30,000 | 53,140 |
| Outside Consulting | - | - | 18,288 |
| System Maintenance | 50,500 | 50,500 | 12,261 |
| Utilities | 14,000 | 14,000 | 10,293 |
| Operating Expenses | 522,702 | 522,702 | 470,385 |
| Miscellaneous Expenses | 863,500 | 863,500 | 593,459 |
| Depreciation | 110,370 | 110,370 | 153,320 |
| Total Operating Expenses | 1,591,072 | 1,591,072 | 1,311,146 |
| Operating Income (Loss) | (843,072) | (843,072) | (566,969) |
| Nonoperating Revenues (Expenses) | | | |
| Interest Income | 900 | 900 | 1,060 |
| Interest and Fiscal Charges | (7,434) | (7,434) | (4,956) |
| | (6,534) | (6,534) | (3,896) |
| Change in Net Position | (849,606) | (849,606) | (570,865) |
| Net Position - Beginning as Restated | | | 10,837,377 |
| Net Position - Ending | | | 10,266,512 |

VILLAGE OF KILDEER, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2014**

| | <u>Beginning Balances</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending Balances</u> |
|----------------------------|-------------------------------|------------------|-------------------|----------------------------|
| All Funds | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 758,599 | 9,262 | - | 767,861 |
| Due from Other Funds | 58,410 | 116,813 | - | 175,223 |
| Due from Other Governments | 300,000 | - | - | 300,000 |
| Total Assets | <u>1,117,009</u> | <u>126,075</u> | <u>-</u> | <u>1,243,084</u> |
| LIABILITIES | | | | |
| Other Payables | 300,000 | - | - | 300,000 |
| Due to Developers | 58,410 | 116,813 | - | 175,223 |
| Due to Bondholders | 758,599 | 9,262 | - | 767,861 |
| Total Liabilities | <u>1,117,009</u> | <u>126,075</u> | <u>-</u> | <u>1,243,084</u> |
| Escrow Fund | | | | |
| ASSETS | | | | |
| Due from Other Funds | <u>58,410</u> | <u>116,813</u> | <u>-</u> | <u>175,223</u> |
| LIABILITIES | | | | |
| Due to Developers | <u>58,410</u> | <u>116,813</u> | <u>-</u> | <u>175,223</u> |

| | Beginning Balances | Additions | Deductions | Ending Balances |
|----------------------------------|-----------------------|--------------|------------|--------------------|
| Special Service Area Fund | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 758,599 | 9,262 | - | 767,861 |
| Due from Other Governments | 300,000 | - | - | 300,000 |
| Total Assets | <u>1,058,599</u> | <u>9,262</u> | <u>-</u> | <u>1,067,861</u> |
| LIABILITIES | | | | |
| Other Payables | 300,000 | - | - | 300,000 |
| Due to Bondholders | 758,599 | 9,262 | - | 767,861 |
| Total Liabilities | <u>1,058,599</u> | <u>9,262</u> | <u>-</u> | <u>1,067,861</u> |

SUPPLEMENTAL SCHEDULES

VILLAGE OF KILDEER, ILLINOIS

Schedule of Insurance in Force April 30, 2014

| Coverage | Amount of Coverage | | Expiration Date of Policy |
|---|--------------------|----------------|---------------------------|
| General Liability | \$ 1,000,000 | per Occurrence | 11/1/14 |
| Commercial Property | 3,355,000 | Blanket Limit | 11/1/14 |
| Boiler & Machinery | 50,000,000 | Blanket Limit | 11/1/14 |
| Commercial Umbrella | 9,000,000 | per Occurrence | 11/1/14 |
| Automobile Liability | 1,000,000 | per Occurrence | 11/1/14 |
| Uninsured/Underinsured Motorist | 1,000,000 | per Occurrence | 11/1/14 |
| Public Officials Liability | 1,000,000 | per Occurrence | 11/1/14 |
| Law Enforcement Liability | 1,000,000 | per Occurrence | 11/1/14 |
| Employment Practices | 1,000,000 | per Occurrence | 11/1/14 |
| Employers Benefits Liability | 1,000,000 | per Occurrence | 11/1/14 |
| Workers' Compensation | 2,500,000 | per Accident | 1/1/14 |
| Crime and Fidelity | | | |
| a. Employee Dishonesty | 1,000,000 | per Occurrence | 11/1/14 |
| b. Forgery or Alteration | 1,000,000 | per Occurrence | 11/1/14 |
| c. Theft, Disappearance and Destruction | 1,000,000 | per Occurrence | 11/1/14 |

VILLAGE OF KILDEER, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Refunding Limited Debt Certificates of 2011
April 30, 2014**

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | | Interest Due on | | | |
|----------------|------------------|----------------|------------------|-----------------|----------------|--------|----------------|
| | Principal | Interest | Totals | Aug. 1 | Amount | Feb. 1 | Amount |
| 2015 | \$ 75,000 | 84,156 | 159,156 | 2014 | 42,078 | 2015 | 42,078 |
| 2016 | 80,000 | 81,906 | 161,906 | 2015 | 40,953 | 2016 | 40,953 |
| 2017 | 80,000 | 79,506 | 159,506 | 2016 | 39,753 | 2017 | 39,753 |
| 2018 | 85,000 | 76,706 | 161,706 | 2017 | 38,353 | 2018 | 38,353 |
| 2019 | 85,000 | 73,518 | 158,518 | 2018 | 36,759 | 2019 | 36,759 |
| 2020 | 90,000 | 69,906 | 159,906 | 2019 | 34,953 | 2020 | 34,953 |
| 2021 | 95,000 | 66,082 | 161,082 | 2020 | 33,041 | 2021 | 33,041 |
| 2022 | 100,000 | 62,044 | 162,044 | 2021 | 31,022 | 2022 | 31,022 |
| 2023 | 100,000 | 57,294 | 157,294 | 2022 | 28,647 | 2023 | 28,647 |
| 2024 | 105,000 | 52,544 | 157,544 | 2023 | 26,272 | 2024 | 26,272 |
| 2025 | 110,000 | 47,556 | 157,556 | 2024 | 23,778 | 2025 | 23,778 |
| 2026 | 120,000 | 42,332 | 162,332 | 2025 | 21,166 | 2026 | 21,166 |
| 2027 | 125,000 | 36,182 | 161,182 | 2026 | 18,091 | 2027 | 18,091 |
| 2028 | 130,000 | 29,776 | 159,776 | 2027 | 14,888 | 2028 | 14,888 |
| 2029 | 135,000 | 23,112 | 158,112 | 2028 | 11,556 | 2029 | 11,556 |
| 2030 | 145,000 | 15,856 | 160,856 | 2029 | 7,928 | 2030 | 7,928 |
| 2031 | 150,000 | 8,062 | 158,062 | 2030 | 4,031 | 2031 | 4,031 |
| | <u>1,810,000</u> | <u>906,538</u> | <u>2,716,538</u> | | <u>453,269</u> | | <u>453,269</u> |

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF KILDEER, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
April 30, 2014 (Unaudited)

See Following Page

VILLAGE OF KILDEER, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years*
April 30, 2014 (Unaudited)**

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

* Accrual Basis of Accounting

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------|------------|------------|------------|------------|------------|------------|
| 24,865,410 | 24,514,077 | 25,196,160 | 24,251,008 | 23,123,488 | 23,001,841 | 22,900,281 |
| 903,687 | 837,479 | 840,083 | 806,981 | 253,958 | 216,823 | 332,976 |
| 1,073,574 | 686,615 | 982,198 | 1,634,430 | 3,243,668 | 3,785,397 | 4,907,151 |
| 26,842,671 | 26,038,171 | 27,018,441 | 26,692,419 | 26,621,114 | 27,004,061 | 28,140,408 |
| 5,675,656 | 5,733,654 | 5,655,652 | 5,606,722 | 6,877,619 | 6,772,468 | 9,280,347 |
| 37,990 | 37,990 | 37,990 | 37,990 | - | - | - |
| 992,793 | 1,073,870 | 1,207,713 | 1,322,204 | 891,508 | 965,434 | 986,165 |
| 6,706,439 | 6,845,514 | 6,901,355 | 6,966,916 | 7,769,127 | 7,737,902 | 10,266,512 |
| 30,541,066 | 30,247,731 | 30,851,812 | 29,857,730 | 30,001,107 | 29,774,309 | 32,180,628 |
| 941,677 | 875,469 | 878,073 | 844,971 | 253,958 | 216,823 | 332,976 |
| 2,066,367 | 1,760,485 | 2,189,911 | 2,956,634 | 4,135,176 | 4,750,831 | 5,893,316 |
| 33,549,110 | 32,883,685 | 33,919,796 | 33,659,335 | 34,390,241 | 34,741,963 | 38,406,920 |

VILLAGE OF KILDEER, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
April 30, 2014 (Unaudited)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General Government | \$ 569,940 | 441,184 | 450,323 | 773,997 | 919,885 | 746,493 | 705,714 | 735,208 | 972,336 | 813,336 |
| Public Safety | 2,078,732 | 2,541,334 | 3,029,381 | 3,404,562 | 3,256,162 | 2,621,054 | 2,918,201 | 2,415,917 | 1,743,825 | 1,461,553 |
| Public Works | 1,338,186 | 1,488,268 | 1,871,824 | 1,856,094 | 1,389,902 | 1,313,149 | 1,259,178 | 1,181,611 | 1,388,693 | 906,037 |
| Interest on Long-Term Debt | 127,584 | 321,515 | 296,913 | 88,908 | 75,882 | 72,414 | 98,094 | 97,934 | 88,730 | 86,591 |
| Total Governmental Activities Expenses | 4,114,442 | 4,792,301 | 5,648,441 | 6,123,561 | 5,641,831 | 4,753,110 | 4,981,187 | 4,430,670 | 4,193,584 | 3,267,517 |
| Business-Type Activities | | | | | | | | | | |
| Sewer | - | - | - | 415,526 | 618,463 | 591,880 | 616,480 | 702,113 | 758,278 | 1,316,102 |
| Total Primary Government Expenses | 4,114,442 | 4,792,301 | 5,648,441 | 6,539,087 | 6,260,294 | 5,344,990 | 5,597,667 | 5,132,783 | 4,951,862 | 4,583,619 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General Government | 966,560 | 867,374 | 868,722 | 273,710 | 305,066 | 276,200 | 345,453 | 481,452 | 397,335 | 484,540 |
| Public Safety | 1,183,328 | 1,258,519 | 1,432,807 | 1,477,098 | 1,535,089 | 1,679,767 | 1,707,594 | 919,901 | 202,076 | 114,507 |
| Operating Grants/Contributions | 120,180 | 104,264 | 104,072 | 32,869 | 5,763 | 7,000 | 10,868 | 195,713 | 121,998 | 118,877 |
| Capital Grants/Contributions | - | - | - | 2,168,745 | 399,592 | 1,408,491 | 108,640 | 222,023 | 744,917 | 26,000 |
| Total Governmental Activities Program Revenues | 2,270,068 | 2,230,157 | 2,405,601 | 3,952,422 | 2,245,510 | 3,371,458 | 2,172,555 | 1,819,089 | 1,466,326 | 743,924 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Sewer | - | - | - | 380,554 | 718,540 | 633,420 | 674,289 | 1,498,196 | 722,283 | 744,177 |
| Total Primary Government Program Revenues | 2,270,068 | 2,230,157 | 2,405,601 | 4,332,976 | 2,964,050 | 4,004,878 | 2,846,844 | 3,317,285 | 2,188,609 | 1,488,101 |

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental Activities | \$ (1,844,374) | (2,562,144) | (3,242,840) | (2,171,139) | (3,396,321) | (1,381,652) | (2,808,632) | (2,611,581) | (2,727,258) | (2,523,593) |
| Business-Type Activities | - | - | - | (34,972) | 100,077 | 41,540 | 57,809 | 796,083 | (35,995) | (571,925) |
| Total Primary Government Net (Expense) Revenue | (1,844,374) | (2,562,144) | (3,242,840) | (2,206,111) | (3,296,244) | (1,340,112) | (2,750,823) | (1,815,498) | (2,763,253) | (3,095,518) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property | 500,722 | 529,788 | 566,008 | 603,095 | 633,467 | 662,083 | 673,436 | 693,026 | 708,962 | 737,848 |
| Sales | 646,120 | 1,003,758 | 1,196,317 | 1,229,239 | 1,172,279 | 1,015,240 | 1,121,376 | 1,219,870 | 1,774,457 | 2,032,314 |
| Income | 247,395 | 273,260 | 299,815 | 328,944 | 378,444 | 334,066 | 325,745 | 325,202 | 357,598 | 386,666 |
| Other | 28,295 | 27,181 | 28,584 | 184,689 | 200,985 | 185,770 | 215,363 | 187,960 | 201,897 | 188,882 |
| Interest | 34,566 | 110,132 | 170,702 | 81,067 | 27,916 | 6,682 | 3,618 | 4,611 | 4,353 | 2,103 |
| Miscellaneous | 1,298,832 | 941,416 | 1,162,497 | 636,355 | 178,730 | 79,870 | 143,072 | 109,607 | 103,787 | 312,127 |
| Total Governmental Activities | 2,755,930 | 2,885,535 | 3,423,923 | 3,063,389 | 2,591,821 | 2,283,711 | 2,482,610 | 2,540,276 | 3,151,054 | 3,659,940 |
| Business-Type Activities | | | | | | | | | | |
| Interest | - | - | - | 58,860 | 35,988 | 14,301 | 7,752 | 6,128 | 4,770 | 1,060 |
| Miscellaneous | - | - | - | - | 3,010 | - | - | - | - | - |
| Total Business-Type Activities | - | - | - | 58,860 | 38,998 | 14,301 | 7,752 | 6,128 | 4,770 | 1,060 |
| Total Primary Government | 2,755,930 | 2,885,535 | 3,423,923 | 3,122,249 | 2,630,819 | 2,298,012 | 2,490,362 | 2,546,404 | 3,155,824 | 3,661,000 |
| Changes in Net Position | | | | | | | | | | |
| Governmental Activities | 911,556 | 323,391 | 181,083 | 892,250 | (804,500) | 902,059 | (326,022) | (71,305) | 423,796 | 1,136,347 |
| Business-Type Activities | - | - | - | 23,888 | 139,075 | 55,841 | 65,561 | 802,211 | (31,225) | (570,865) |
| Total Primary Government | 911,556 | 323,391 | 181,083 | 916,138 | (665,425) | 957,900 | (260,461) | 730,906 | 392,571 | 565,482 |

* Accrual Basis of Accounting

VILLAGE OF KILDEER, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2014 (Unaudited)**

| | 2005 | 2006 | 2007 |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| General Fund | | | |
| Reserved | \$ 148,583 | 412,844 | 456,339 |
| Unreserved | 873,072 | 1,111,734 | 1,354,397 |
| Nonspendable | - | - | - |
| Committed | - | - | - |
| Unassigned | - | - | - |
| Total General Fund | <u>1,021,655</u> | <u>1,524,578</u> | <u>1,810,736</u> |
| All Other Governmental Funds | | | |
| Reserved | 2,445,697 | 1,487,940 | 1,251,498 |
| Unreserved, Reported in, | | | |
| Special Revenue Funds | 323,277 | 363,295 | 870,060 |
| Debt Service Funds | - | - | - |
| Capital Projects Funds | 20,178 | 20,389 | 20,692 |
| Restricted | - | - | - |
| Assigned | - | - | - |
| Total All Other Governmental Funds | <u>2,789,152</u> | <u>1,871,624</u> | <u>2,142,250</u> |
| Total Governmental Funds | <u><u>3,810,807</u></u> | <u><u>3,396,202</u></u> | <u><u>3,952,986</u></u> |

* Modified Accrual Basis of Accounting

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

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 119,182 | 115,193 | 131,632 | 139,164 | - | - | - |
| 710,110 | 667,015 | 946,869 | 1,573,488 | - | - | - |
| - | - | - | - | 36,352 | 34,579 | 84,804 |
| - | - | - | - | 260,173 | 260,173 | 260,173 |
| - | - | - | - | 1,769,695 | 2,310,493 | 3,149,137 |
| 829,292 | 782,208 | 1,078,501 | 1,712,652 | 2,066,220 | 2,605,245 | 3,494,114 |
| 524,954 | - | - | - | - | - | - |
| 259,551 | 192,095 | 177,814 | 136,907 | - | - | - |
| - | - | - | - | - | - | - |
| - | 530,191 | 530,637 | 1,141,749 | - | - | - |
| - | - | - | - | 253,958 | 216,823 | 332,976 |
| - | - | - | - | 1,105,233 | 1,106,258 | 1,106,956 |
| 784,505 | 722,286 | 708,451 | 1,278,656 | 1,359,191 | 1,323,081 | 1,439,932 |
| 1,613,797 | 1,504,494 | 1,786,952 | 2,991,308 | 3,425,411 | 3,928,326 | 4,934,046 |

VILLAGE OF KILDEER, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
 April 30, 2014 (Unaudited)

| | 2005 | 2006 | 2007 |
|--|------------------|------------------|------------------|
| Revenues | | | |
| Taxes | \$ 1,394,237 | 2,031,806 | 2,362,518 |
| Intergovernmental | 1,078,160 | 1,175,795 | 1,340,143 |
| Licenses, Permits and Fees | 409,469 | 376,576 | 386,724 |
| Charges for Services | 581,641 | 904,175 | 495,214 |
| Fines and Forfeitures | 225,348 | 186,988 | 196,736 |
| Interest | 34,566 | 110,132 | 170,702 |
| Miscellaneous | 95,565 | 92,827 | 877,487 |
| Total Revenues | 3,818,986 | 4,878,299 | 5,829,524 |
| Expenditures | | | |
| Current | | | |
| General Government | 456,218 | 362,162 | 376,984 |
| Public Safety | 2,047,239 | 2,383,994 | 2,921,150 |
| Public Works | 546,957 | 658,322 | 776,454 |
| Capital Outlay | 1,245,429 | 1,427,736 | 614,089 |
| Debt Service | | | |
| Principal Retirement | 203,491 | 200,662 | 328,024 |
| Interest and Fiscal Charges | 127,584 | 321,515 | 296,913 |
| Total Expenditures | 4,626,918 | 5,354,391 | 5,313,614 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (807,932) | (476,092) | 515,910 |
| Other Financing Sources (Uses) | | | |
| Debt Issuance | 3,310,722 | 61,487 | 40,874 |
| Sale of Capital Assets | - | - | - |
| Transfers In | 180,957 | 162,797 | 162,797 |
| Transfers Out | (180,957) | (162,797) | (162,797) |
| Total Other Financing Sources (Uses) | 3,310,722 | 61,487 | 40,874 |
| Net Change in Fund Balances | 2,502,790 | (414,605) | 556,784 |
| Debt Service as a Percentage of Noncapital Expenditures | 7.71% | 10.46% | 13.42% |

* Modified Accrual Basis of Accounting

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2,345,967 | 2,385,175 | 2,197,159 | 2,335,920 | 2,099,597 | 2,684,100 | 2,957,689 |
| 32,869 | 5,763 | 7,000 | 119,508 | 744,197 | 1,010,148 | 513,898 |
| 683,700 | 452,328 | 312,750 | 345,453 | 315,392 | 154,395 | 164,499 |
| 1,303,637 | 1,319,198 | 1,385,158 | 1,454,416 | 866,060 | 242,940 | 320,041 |
| 312,661 | 215,247 | 294,609 | 293,178 | 219,901 | 202,076 | 114,507 |
| 81,067 | 27,916 | 6,682 | 3,618 | 4,611 | 4,353 | 2,103 |
| 107,634 | 31,247 | 43,320 | 103,072 | 109,607 | 103,787 | 312,127 |
| 4,867,535 | 4,436,874 | 4,246,678 | 4,655,165 | 4,359,365 | 4,401,799 | 4,384,864 |
| 720,969 | 863,694 | 692,695 | 538,346 | 760,017 | 797,979 | 809,689 |
| 3,750,717 | 2,834,004 | 2,572,679 | 2,848,180 | 2,457,717 | 1,855,123 | 1,735,320 |
| 1,069,113 | 596,828 | 528,622 | 431,697 | 263,870 | 550,732 | 634,111 |
| 130,807 | 77,609 | 37,971 | 122,605 | 259,814 | 536,544 | 38,618 |
| 109,831 | 99,224 | 102,694 | 1,394,352 | 96,242 | 70,000 | 75,000 |
| 89,285 | 82,738 | 72,430 | 140,629 | 87,602 | 88,506 | 86,406 |
| 5,870,722 | 4,554,097 | 4,007,091 | 5,475,809 | 3,925,262 | 3,898,884 | 3,379,144 |
| (1,003,187) | (117,223) | 239,587 | (820,644) | 434,103 | 502,915 | 1,005,720 |
| - | - | 42,871 | 2,025,000 | - | - | - |
| 21,453 | 7,920 | - | - | - | - | - |
| 20,692 | - | - | - | 37,791 | - | - |
| (20,692) | - | - | - | (37,791) | - | - |
| 21,453 | 7,920 | 42,871 | 2,025,000 | - | - | - |
| (981,734) | (109,303) | 282,458 | 1,204,356 | 434,103 | 502,915 | 1,005,720 |
| 3.46% | 4.06% | 4.41% | 28.03% | 5.09% | 4.90% | 4.99% |

VILLAGE OF KILDEER, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years (in Thousands)
April 30, 2014 (Unaudited)**

| Fiscal Year Ended April 30 | Tax Levy Year | Residential Property | Farm | Commercial Property | Total Taxable Assessed Value | Total Direct Tax Rate |
|----------------------------|---------------|----------------------|----------|---------------------|------------------------------|-----------------------|
| 2005 | 2004 | \$ 492,886 | \$ 2,502 | \$ 23,150 | \$ 518,538 | 0.204 |
| 2006 | 2005 | 807,666 | 2,967 | 45,846 | 856,479 | 0.196 |
| 2007 | 2006 | 813,583 | 3,001 | 75,444 | 892,028 | 0.190 |
| 2008 | 2007 | 843,844 | 2,141 | 77,833 | 923,818 | 0.190 |
| 2009 | 2008 | 884,447 | 2,118 | 74,901 | 961,466 | 0.197 |
| 2010 | 2009 | 895,432 | 2,183 | 73,103 | 970,718 | 0.200 |
| 2011 | 2010 | 914,443 | 2,378 | 78,001 | 994,822 | 0.213 |
| 2012 | 2011 | 916,179 | 2,416 | 90,705 | 1,009,300 | 0.234 |
| 2013 | 2012 | 932,600 | 2,620 | 103,298 | 1,038,518 | 0.264 |
| 2014 | 2013 | 676,857 | 1,951 | 80,883 | 759,691 | 0.282 |

Data Source: Office of the County Clerk

VILLAGE OF KILDEER, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2014 (Unaudited)**

See Following Page

VILLAGE OF KILDEER, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2014 (Unaudited)**

| | 2004 | 2005 | 2006 |
|--|-------|-------|-------|
| Village Direct Rates | | | |
| General | 0.204 | 0.196 | 0.190 |
| Overlapping Rates | | | |
| Lake County | 0.465 | 0.454 | 0.450 |
| Forest Preserve District of Lake County | 0.219 | 0.210 | 0.204 |
| Ela Township (Including Road and Bridge) | 0.126 | 0.125 | 0.128 |
| Lake Zurich Fire Protection District | 0.358 | 0.493 | 0.511 |
| Long Grove Fire Protection District | 0.547 | 0.526 | 0.549 |
| Ela Library District | 0.334 | 0.323 | 0.317 |
| Unit School District Number 95 | 4.082 | 4.040 | 3.992 |
| School District Number 96 | 3.038 | 3.000 | 2.989 |
| School District Number 125 | 2.062 | 2.112 | 2.134 |
| Community College District Number 532 | 0.200 | 0.197 | 0.195 |

Data Source: Office of the County Clerk

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

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------|-------|-------|-------|-------|-------|-------|
| 0.190 | 0.197 | 0.200 | 0.213 | 0.234 | 0.264 | 0.282 |
| 0.444 | 0.453 | 0.464 | 0.505 | 0.554 | 0.608 | 0.663 |
| 0.201 | 0.199 | 0.200 | 0.198 | 0.201 | 0.212 | 0.218 |
| 0.124 | 0.127 | 0.127 | 0.138 | 0.150 | 0.128 | 0.157 |
| 0.547 | 0.561 | 0.564 | 0.607 | 0.504 | 0.654 | 0.695 |
| 0.547 | 0.549 | 0.599 | 0.616 | 0.692 | 0.766 | 0.812 |
| 0.306 | 0.308 | 0.308 | 0.329 | 0.356 | 0.386 | 0.409 |
| 3.830 | 3.899 | 3.901 | 4.136 | 4.446 | 4.914 | 5.242 |
| 2.772 | 2.869 | 2.916 | 3.086 | 3.453 | 3.756 | 3.976 |
| 2.114 | 2.139 | 2.185 | 2.306 | 2.465 | 2.751 | 2.989 |
| 0.192 | 0.196 | 0.200 | 0.218 | 0.240 | 0.272 | 0.296 |

VILLAGE OF KILDEER, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2014 (Unaudited)**

| Taxpayer | 2014 | | | 2005 | | |
|--|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Village Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Village Taxable Assessed Value |
| Centro/ IA Quentin Collection | \$ 9,080,551 | 1 | 3.37% | \$ 3,692,849 | 2 | 1.30% |
| Shops At Kildeer, LLC | 7,998,501 | 2 | 2.97% | 6,821,167 | 1 | 2.40% |
| Kildeer Marketplace, LLC | 2,885,570 | 3 | 1.07% | | | |
| Kemper Lakes Golf Club, LLC | 1,143,857 | 4 | 0.42% | | | |
| U- Store-It, LP | 1,040,715 | 5 | 0.39% | | | |
| Concorde Group II | 1,014,682 | 6 | 0.38% | | | |
| Sanctuary 26 Kildeer, LLC | 832,452 | 7 | 0.31% | | | |
| Orleans RHIL, LP | 818,815 | 8 | 0.30% | | | |
| Heidner Property Management Individual | 690,149 | 9 | 0.26% | | | |
| LaSalle Individual | 649,631 | 10 | 0.24% | 1,398,341 | 3 | 0.49% |
| YSI III LLC Individual | | | | 804,589 | 4 | 0.28% |
| Individual | | | | 757,691 | 5 | 0.27% |
| Individual | | | | 665,664 | 6 | 0.23% |
| Individual | | | | 658,858 | 7 | 0.23% |
| Individual | | | | 658,514 | 8 | 0.23% |
| Individual | | | | 656,630 | 9 | 0.23% |
| Individual | | | | 637,109 | 10 | 0.22% |
| | <u>26,154,923</u> | | <u>9.71%</u> | <u>16,751,412</u> | | <u>5.90%</u> |

Data Source: Office of the County Clerk

VILLAGE OF KILDEER, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2014 (Unaudited)**

| Fiscal Year Ended April 30 | Tax Levy Year | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-------------------------------------|---------------------|---|---|-----------------------|--|---------------------------|-----------------------|
| | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2005 | 2004 | \$ 518,537 | \$ 517,979 | 99.89% | \$ N/A | \$ 517,979 | 99.89% |
| 2006 | 2005 | 556,479 | 554,065 | 99.57% | N/A | 554,065 | 99.57% |
| 2007 | 2006 | 592,028 | 591,432 | 99.90% | N/A | 591,432 | 99.90% |
| 2008 | 2007 | 623,818 | 621,629 | 99.65% | N/A | 621,629 | 99.65% |
| 2009 | 2008 | 661,546 | 659,366 | 99.67% | N/A | 659,366 | 99.67% |
| 2010 | 2009 | 670,797 | 670,084 | 99.89% | N/A | 670,084 | 99.89% |
| 2011 | 2010 | 694,822 | 692,954 | 99.73% | N/A | 692,954 | 99.73% |
| 2012 | 2011 | 709,300 | 708,962 | 99.95% | N/A | 708,962 | 99.95% |
| 2013 | 2012 | 742,714 | 737,848 | 99.34% | N/A | 737,848 | 99.34% |
| 2014 (1) | 2013 | 763,732 | - | 0.00% | - | - | 0.00% |

Data Source: Office of the County Clerk

(1) Collections for the 2013 Tax Levy Year will not be received until fiscal year 2015.

N/A - Not available

VILLAGE OF KILDEER, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
April 30, 2014 (Unaudited)**

| Fiscal Year Ended April 30 | Governmental Activities | | Business-Type Activities | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------------------------------|--------------------------------|---|--------------------------------|------------------|--------------------------------|--|-------------------|
| | General Obligation Bonds | Installment Contract Certificates | General Obligation Bonds | Notes Payable | | | |
| 2005 | \$ 2,117,574 | \$ 60,185 | \$ - | \$ - | \$ 2,177,759 | 1.21% | \$ 629.41 |
| 2006 | 1,979,504 | 59,080 | - | - | 2,038,584 | 1.13% | 589.19 |
| 2007 | 1,785,003 | 56,430 | - | - | 1,841,433 | 1.02% | 532.21 |
| 2008 | 1,556,970 | 22,670 | 152,016 | 141,133 | 1,872,789 | 1.04% | 541.27 |
| 2009 | 1,476,243 | 4,173 | 152,016 | 131,724 | 1,764,156 | 0.98% | 509.87 |
| 2010 | 2,025,000 | 26,242 | 152,016 | 112,906 | 2,316,164 | 1.29% | 669.41 |
| 2011 | 2,025,000 | 26,242 | 152,016 | 112,906 | 2,316,164 | 0.89% | 583.71 |
| 2012 | 1,941,520 | - | 152,016 | - | 2,093,536 | 0.81% | 527.60 |
| 2013 | 1,872,269 | - | 152,016 | - | 2,024,285 | 0.78% | 510.15 |
| 2014 | 1,798,017 | - | - | - | 1,798,017 | 0.69% | 453.13 |

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

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

VILLAGE OF KILDEER, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2014 (Unaudited)**

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Debt Service Fund | Total | Percentage of Total Taxable Assessed Value of Property (1) | Per Capita (2) |
|-------------|--------------------------|--|--------------|--|----------------|
| 2005 | \$ 2,117,574 | \$ 172,079 | \$ 1,945,495 | 375.19% | \$ 562.28 |
| 2006 | 1,979,504 | 165,949 | 1,813,555 | 211.75% | 524.15 |
| 2007 | 1,785,003 | 77,680 | 1,707,323 | 191.40% | 493.45 |
| 2008 | 1,708,986 | - | 1,708,986 | 184.99% | 493.93 |
| 2009 | 1,628,259 | - | 1,628,259 | 169.35% | 470.60 |
| 2010 | 2,177,016 | - | 2,177,016 | 224.27% | 629.20 |
| 2011 | 2,177,016 | - | 2,177,016 | 218.83% | 548.64 |
| 2012 | 2,093,536 | - | 2,093,536 | 207.42% | 527.60 |
| 2013 | 2,024,285 | - | 2,024,285 | 194.92% | 510.15 |
| 2014 | 1,798,017 | - | 1,798,017 | 236.68% | 453.13 |

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

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

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

VILLAGE OF KILDEER, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
April 30, 2014 (Unaudited)**

| Governmental Unit | Gross Debt | Percentage of Debt Applicable to Village (1) | Village's Share of Debt |
|---------------------------------------|--------------|---|-------------------------------|
| Village | \$ 1,798,017 | 100.000% | \$ 1,798,017 |
| Overlapping Debt | | | |
| Lake County | 111,050,000 | 1.112% | 1,234,876 |
| Lake County Forest Preserve District | 288,495,000 | 1.112% | 3,208,064 |
| Ela Public Library District | 5,280,000 | 16.575% | 875,160 |
| Lake Zurich Fire Protection District | 375,000 | 23.209% | 87,034 |
| Countryside Fire Protection District | 4,445,000 | 0.000% | - |
| Unit School District Number 95 | 23,675,000 | 10.565% | 2,501,264 |
| Elementary School District Number 96 | 1,015,000 | 10.231% | 103,845 |
| High School District Number 125 | 17,735,000 | 3.859% | 684,394 |
| Community College District Number 532 | 77,990,000 | 1.170% | 912,483 |
| Total Overlapping Debt | 530,060,000 | | 9,607,119 |
| Total Direct and Overlapping Debt | 531,858,017 | | 11,405,136 |

Data Source: Lake County Tax Extension Department

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

VILLAGE OF KILDEER, ILLINOIS

**Schedule of Legal Debt Margin - Last Ten Fiscal Years
April 30, 2014 (Unaudited)**

See Following Page

VILLAGE OF KILDEER, ILLINOIS

**Schedule of Legal Debt Margin - Last Ten Fiscal Years
April 30, 2014 (Unaudited)**

| | 2005 | 2006 | 2007 |
|---|---------------|------------|------------|
| Legal Debt Limit | \$ 21,923,459 | 24,487,916 | 26,874,950 |
| Total Net Debt Applicable to Limit | 2,117,574 | 1,979,504 | 1,841,433 |
| Legal Debt Margin | 19,805,885 | 22,508,412 | 25,033,517 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 9.66% | 8.08% | 6.85% |

Data Source: Village Records

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------|------------|------------|------------|------------|------------|------------|
| 28,318,039 | 28,963,633 | 28,928,128 | 27,744,640 | 26,144,059 | 24,127,729 | 23,235,238 |
| 1,579,640 | 1,480,416 | 1,420,593 | 2,316,164 | 2,107,016 | 2,037,016 | 1,810,000 |
| 26,738,399 | 27,483,217 | 27,507,535 | 25,428,476 | 24,037,043 | 22,090,713 | 21,425,238 |
| 5.58% | 5.11% | 4.91% | 8.35% | 8.06% | 8.44% | 7.79% |

Legal Debt Margin Calculation for Fiscal Year 2014

| | |
|---|-----------------------|
| Assessed Value - 2013 | <u>\$ 269,394,063</u> |
| Bonded Debt Limit - 8.625% of Assessed Value | 23,235,238 |
| Amount of Debt Applicable to Limit | <u>1,810,000</u> |
| Legal Debt Margin | <u>21,425,238</u> |

VILLAGE OF KILDEER, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2014 (Unaudited)

| Fiscal Year Ended April 30 | Population | Personal Income | Per Capita Personal Income | Unemployment Rate |
|-------------------------------------|------------|--------------------|-------------------------------------|----------------------|
| 2005 | 3,460 | \$ 179,826,580 | \$ 51,973 | 1.70% |
| 2006 | 3,460 | 179,826,580 | 51,973 | 1.65% |
| 2007 | 3,460 | 179,826,580 | 51,973 | 1.90% |
| 2008 | 3,460 | 179,826,580 | 51,973 | 2.50% |
| 2009 | 3,460 | 179,826,580 | 51,973 | 3.80% |
| 2010 | 3,460 | 179,826,580 | 51,973 | 4.20% |
| 2011 | 3,968 | 259,078,656 | 65,292 | 3.70% |
| 2012 | 3,968 | 259,078,656 | 65,292 | 3.50% |
| 2013 | 3,968 | 259,078,656 | 65,292 | 6.70% |
| 2014 | 3,968 | 259,078,656 | 65,292 | N/A |

Data Source: Illinois Department of Employment Security (IDES)

N/A - Data not available.

VILLAGE OF KILDEER, ILLINOIS

**Village Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2014 (Unaudited)**

| Employer | 2014 | | | 2005 | | |
|---------------------|------------|------|--|------------|------|--|
| | Employees | Rank | Percentage of Total Village Population | Employees | Rank | Percentage of Total Village Population |
| Whole Foods | 130 | 1 | 3.28% | | | |
| Kemper Lakes | 100 | 2 | 2.52% | 100 | 1 | 2.89% |
| Best Buy | 75 | 3 | 1.89% | | | |
| Fresh Market | 58 | 4 | 1.46% | | | |
| Old Navy | 43 | 5 | 1.08% | 47 | 4 | 1.36% |
| Michael's | 42 | 6 | 1.06% | | | |
| Bed, Bath & Beyond | 40 | 7 | 1.01% | | | |
| Concorde Banquets | 40 | 8 | 1.01% | 40 | 5 | 1.16% |
| SteinMart | 40 | 9 | 1.01% | | | |
| Chili's Bar & Grill | 35 | 10 | 0.88% | 77 | 2 | 2.23% |
| Circuit City | | | | 54 | 3 | 1.56% |
| Ulta | | | | 40 | 6 | 1.16% |
| Cost Plus | | | | 30 | 7 | 0.87% |
| Ann Taylor | | | | 22 | 8 | 0.55% |
| Gianni's Café | | | | 20 | 9 | 0.58% |
| Potbelly | | | | 20 | 10 | 0.50% |
| | <u>603</u> | | <u>15.20%</u> | <u>450</u> | | <u>12.85%</u> |

Data Source: Village Community Development Department

VILLAGE OF KILDEER, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2014 (Unaudited)**

| | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--------------------|-------------|-------------|-------------|
| General Government | 1 | 1 | 2 |
| Public Safety | <u>22</u> | <u>23</u> | <u>24</u> |
| Total | <u>23</u> | <u>24</u> | <u>26</u> |

Data Source: Village Records

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------|------|------|------|------|------|------|
| 2 | 1 | 2 | 2 | 2 | 2 | 3 |
| 24 | 23 | 22 | 19 | 11 | 8 | 8 |
| 26 | 24 | 24 | 21 | 13 | 10 | 11 |

VILLAGE OF KILDEER, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2014 (Unaudited)**

| | 2005 | 2006 | 2007 |
|----------------------------|-------|-------|-------|
| General Government | | | |
| Business Licenses | 30 | 40 | 49 |
| Liquor Licenses | 7 | 12 | 9 |
| Building Permits | 188 | 203 | 194 |
| Public Safety | | | |
| Police | | | |
| Part I Crimes | 134 | 121 | 117 |
| Part II Crimes | 198 | 207 | 153 |
| Physical Arrests | 302 | 327 | 247 |
| Parking Violations | 49 | 46 | 65 |
| Traffic Violations | 2,669 | 3,275 | 3,220 |
| Public Works | | | |
| Street Resurfacing (Miles) | 2 | 1 | 2 |
| Sewer | | | |
| Number of Metered Accounts | 554 | 592 | 618 |

Data Source: Various Village Departments

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------|-------|-------|-------|-------|-------|------|
| 52 | 50 | 48 | 48 | 52 | 50 | 56 |
| 9 | 9 | 9 | 10 | 11 | 11 | 13 |
| 171 | 140 | 110 | 142 | 186 | 175 | 188 |
| 129 | 107 | 85 | 78 | 74 | 31 | 47 |
| 118 | 122 | 106 | 100 | 79 | 38 | 61 |
| 175 | 148 | 80 | 48 | 89 | 43 | 65 |
| 108 | 168 | 475 | 235 | 80 | 137 | 139 |
| 3,341 | 2,953 | 2,973 | 3,098 | 1,708 | 1,159 | 773 |
| 1 | 1 | 1 | - | 1 | 1 | 1 |
| 641 | 641 | 646 | 648 | 656 | 663 | 670 |

VILLAGE OF KILDEER, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2014 (Unaudited)**

| | 2005 | 2006 | 2007 |
|-------------------------|------|------|------|
| Public Safety | | | |
| Police | | | |
| Stations | 1 | 1 | 1 |
| Area Patrols | 3 | 3 | 3 |
| Patrol Units | 20 | 18 | 18 |
| Public Works | | | |
| Streets (Miles) | 28 | 28 | 28 |
| Sewer | | | |
| Sanitary Sewers (Miles) | 17 | 17 | 17 |
| Storm Sewers (Culverts) | 105 | 114 | 114 |
| Lift Stations | 6 | 6 | 7 |

Data Source: Various Village Departments

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------|------|------|------|------|------|------|
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 3 | 3 | 3 | 2 | 1 | 1 | 1 |
| 18 | 18 | 18 | 10 | 10 | 7 | 6 |
| 29 | 29 | 30 | 30 | 30 | 30 | 30 |
| 17 | 17 | 18 | 18 | 18 | 18 | 20 |
| 114 | 114 | 114 | 114 | 114 | 152 | 146 |
| 7 | 7 | 7 | 7 | 7 | 7 | 7 |