

VILLAGE OF KILDEER, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2016

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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 - vii
Certificate of Achievement for Excellence in Financial Reporting	viii
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 11
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	3 - 4
Statement of Activities.....	5
Fund Financial Statements	
Balance Sheet – Governmental Funds	6
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities.....	7
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Fiduciary Net Position	10
Statement of Changes in Fiduciary Net Position	11
Notes to the Financial Statements.....	12 - 47
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress and Employer Contributions	
Other Post-Employment Benefit Plan.....	48
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	49
Police Pension Fund.....	50
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund.....	51
Police Pension Fund.....	52

VILLAGE OF KILDEER, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION – Continued</u>	
REQUIRED SUPPLEMENTARY INFORMATION – Continued	
Schedule of Investment Returns	
Police Pension Fund.....	53
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund.....	54
Motor Fuel Tax – Special Revenue Fund	55
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Schedules of Revenues – Budget and Actual – General Fund.....	56 - 57
Schedule of Expenditures – Budget and Actual – General Fund.....	58 - 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, 2016**



VILLAGE BOARD

Nandia Black, Village President

William Johnson, Trustee

Lester Sokolowski, Trustee

Keith Kovanda, Trustee

Barbara Stavropoulos, Trustee

Ralph Liberatore, Trustee

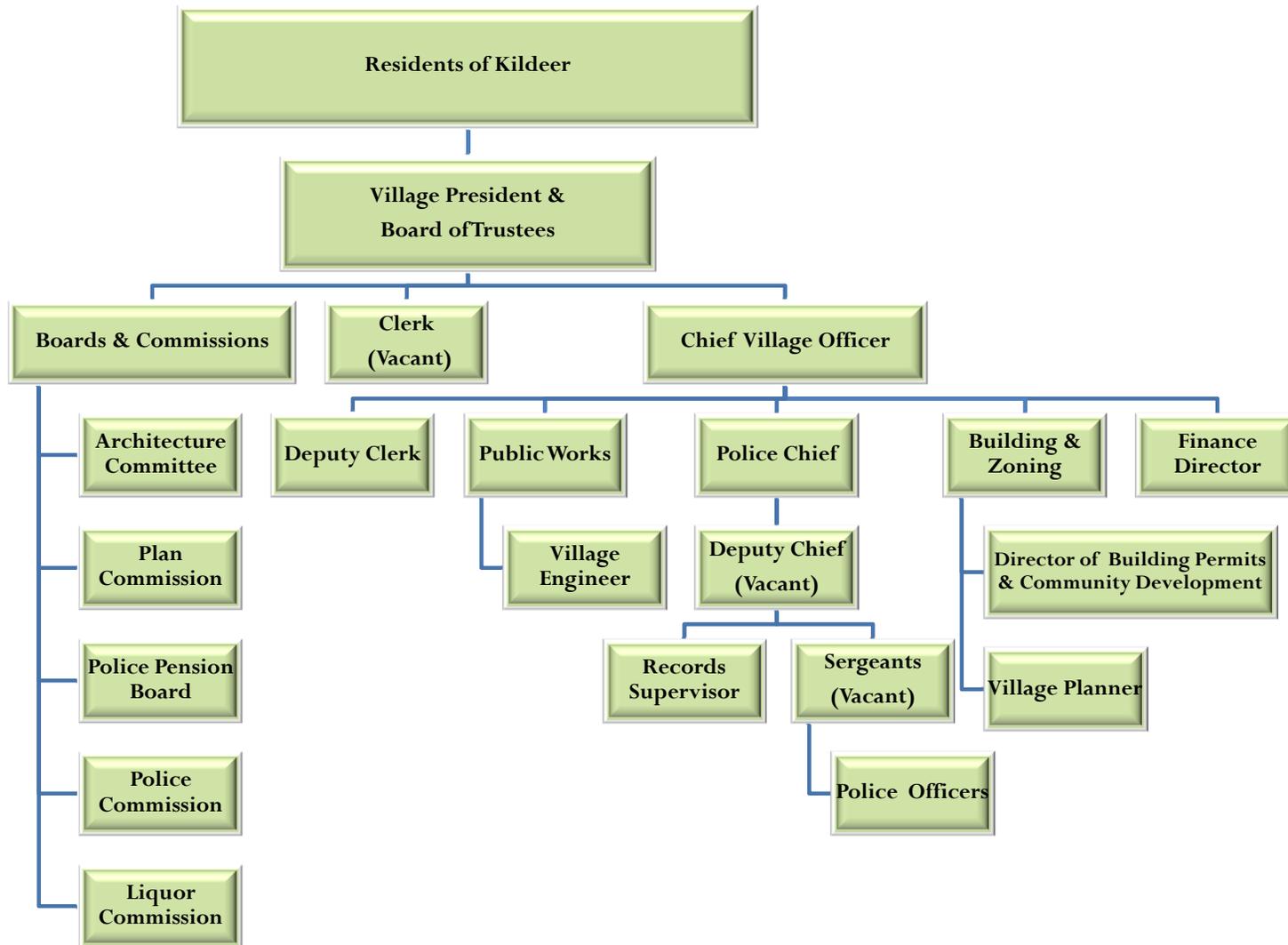
Basel Tarabein, Trustee

ADMINISTRATION

Michael Talbett, Chief Village Officer

Annette Zborowski, Finance Director

Village of Kildeer Organizational Chart





September 26, 2016

LETTER OF TRANSMITTAL

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

The annual report for the Village of Kildeer for the fiscal year which ended April 30, 2016 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 closing the fiscal year.

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 position of various Village funds and the financial condition of the Village as a whole. Responsibility for the accuracy of the data in this report and completeness of its presentation lies solely with the Village of Kildeer's management.

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, 2015. 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 known as the 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 at 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 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 for 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.

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 with input from the Police Chief 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. Presently there are three shopping centers in the Village which account for the vast majority of retail sales. A fourth shopping center is being constructed and is expected to open for business in the summer of 2017.

In fiscal year 2015-2016, the only retail sales tax rebate agreement was for the Kildeer Marketplace shopping center. That agreement is expected to end in 2025 or when total payments to the developer reach \$1,250,000, whichever occurs first.

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. A new thirty-one single family home subdivision, where the anticipated selling price is over \$800,000 per house, received final approval from the Village Board in February 2016.

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

4. Long-term Financial Planning

In April 2016, 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. One of the purposes of the budget is to organize financial information so that decision makers can identify the cost of services and prioritize the value of those services. A Village goal is to promote financial health by increasing fund balances and providing adequate reserves. For the seventh year in a row, the fiscal year ended with fund balance increases in the General Fund and Motor Fuel Tax Fund.

Another goal is to fully fund the Police Pension. That goal will take several years to accomplish.

5. Major Accomplishments and Initiatives

The 2016 fiscal year included the following major accomplishments and initiatives:

Reserves. A need to increase the Village's General Fund reserves was identified by the Chief Village Officer several years ago. Numerous recommendations were made to the Village Board regarding revenues and expenditures and by the close of fiscal year 2016 the Village's reserves were increased to 96% of the FY 17 budgeted operating expenses. The need for adequate reserves is especially important to the Village of Kildeer where sales tax is the largest source of revenue. Unlike municipalities where property tax is the main revenue source, a downturn in the economy or a disruption in retail sales can result in significant losses of revenues month to month and year to year. The Village proactively purchased insurance to mitigate its risk from the loss of sales tax revenue due to unexpected damage to the shopping centers that would prevent retail sales.

Intergovernmental Agreements. Significant cost savings were achieved by joining with other municipalities for road paving projects, police dispatch services, fuel purchases, vehicle maintenance, road salt purchases and right-of-way maintenance.

Labor Contract. A multiyear collective bargaining agreement was successfully negotiated with police officers to bring certainty to personnel costs through 2018.

Police Pension. The police pension was created in 2007 and the first retiree began to draw from the fund in 2009. Now there are more people drawing from the fund than active police officers. In 2015 the police pension was 38% funded and in 2016 that figure dropped to 34% funded despite an additional Village contribution of \$150,000 above the \$450,000 as recommended by the pension fund actuary. The percentage decrease follows the adoption of a new mortality table that reflects a longer lifespan for pension beneficiaries. The increased liability serves to heighten the challenge to meet the Village Board's goal to fully fund the pension.

Property Records Digitalization. The Village maintains over a thousand files on individual residential and commercial lots and an ongoing project is to make sure that all new property records are in a digital format.

Police Records. The Police Chief is leading an ongoing intergovernmental initiative to move towards a digital records management system. The new system, as envisioned, will not only allow for storage, retrieval and copying of files electronically, but it will allow records to be shared with other law enforcement agencies and the public more easily.

E-Citation. Another ongoing intergovernmental initiative lead by the Police Chief is the creation of a new system which will transmit data entered by a police officer while on duty directly into a computer so that it will be shared with the Lake County Clerk of the Court and the Village simultaneously. Sharing data in this fashion not only creates a digital record but avoids the current practice of different agencies typing the same data into separate computer systems.

Refinancing Village Debt. In 2011 the Village refinance debt certificates originally issued to fund the construction of Village Hall. Interest rates decreased since 2011 and the Village Board is moving forward to refinance its debt to take advantage of lower interest rates. The Village is pursuing a refinancing project which is expected to be completed in the fall of 2016.

New Commercial Development. A new shopping center containing 180,000 sq. ft. of retail space is under construction and is expected to open in 2017. The new center will contribute to the sales tax revenue received by the Village.

New Residential Development. A new single family subdivision consisting of 31 homes was approved by the Village Board and construction will start sometime in 2017.

6. Other Information

For the fourth 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 2014-2015 Comprehensive Annual Financial Report (CAFR). This prestigious award is a significant accomplishment for the Finance Director and Chief Village Officer and represents an ongoing commitment towards financial planning and enhancement of the Village's financial health.

We believe that our current CAFR meets the GFOA's requirements.

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 CFAR are stable and sound.

7. Acknowledgements

The preparation of the comprehensive annual financial report was made possible by the dedicated service of everyone who makes up the Village's administrative staff. We wish to thank the Chief of Police for his contributions and recognize the President and Board of Trustees who work together to achieve 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, 2015

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 26, 2016

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, each major fund, and the aggregate remaining fund information of the Village of Kildeer, Illinois, as of and for the year ended April 30, 2016, 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, each major fund, and the aggregate remaining fund information of the Village of Kildeer, Illinois, as of April 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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', basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison 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 budgetary comparison 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 budgetary comparison 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, 2016

Our discussion and analysis of the Village of Kildeer's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2016. 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 is determined by changes in governmental type activities. Governmental activities decreased by a \$1,324,546 or 5.9 percent.
- During the year, government-wide revenue totaled \$4,674,738, while expenses totaled \$5,999,284 resulting in a decrease to net position of \$1,324,546.
- The Village of Kildeer's net position totaled \$21,217,264 on April 30, 2016, which includes \$22,050,905 net investment in capital assets, \$515,401 subject to external restrictions, and deficit net position of \$1,349,042.
- The General Fund contained a surplus on April 30, 2016 of \$261,910, resulting in an ending fund balance of \$4,254,654, an increase of 6.6 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 - 5 provide information about the activities of the Village of Kildeer as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 6. 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'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, 2016

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 - 5 of this report.

The Statement of Net Position reports information on all of the Village of Kildeer's assets/deferred outflows and liabilities/deferred inflows. The difference between asset/deferred outflows and liabilities/deferred inflows is 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 property tax base and the condition of the infrastructure, is needed to assess the overall health of the Village.

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).

Governmental activities of the Village of Kildeer include general government, public safety, and public works. Governmental activities are principally supported by taxes and intergovernmental revenues. The Village does not provide any business-type activities such as sewer, water or trash 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 two categories: governmental funds and fiduciary funds.

Governmental Funds

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

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2016

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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 6 - 9 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 used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on pages 10 - 11 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 12 - 47 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the Village of Kildeer's 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 48 - 55 of this report. Additional budgetary comparison schedules can be found on pages 56 - 62 of this report.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2016

USING THIS ANNUAL REPORT – Continued

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/deferred outflows exceeded liabilities/deferred inflows by \$21,217,264.

	Net Position	
	Governmental	
	Activities	
	2016	2015
Current and Other Assets	\$ 6,387,388	7,333,852
Capital Assets	23,695,420	24,137,140
Deferred Outflows	1,238,137	-
Total Assets/ Def. Outflows	<u>31,320,945</u>	<u>31,470,992</u>
Long-Term Debt	9,062,089	1,651,812
Other Liabilities	228,092	674,280
Deferred Inflows	813,500	789,600
Total Liabilities/ Def. Inflows	<u>10,103,681</u>	<u>3,115,692</u>
Net Position		
Net Investment		
in Capital Assets	22,050,905	22,413,374
Restricted	515,401	413,351
Unrestricted	<u>(1,349,042)</u>	<u>5,528,575</u>
Total Net Position	<u>21,217,264</u>	<u>28,355,300</u>

The most significant change in the Village of Kildeer's net position between FY 2015 and FY 2016 is found in Long-Term Debt. The implementation of GASB Statement No. 68 requires the entire net pension liability to be recorded on government-wide financial statements. The change results in an increase in Long-Term Debt of \$7,410,277. The increase in Long-Term Debt is greater than the FY 2015 Unrestricted net position amount and creates a deficit of \$1,349,042 in FY 2016 Unrestricted net position.

A large portion of the Village of Kildeer's net position, \$22,050,905, reflects its investment in capital assets (land, roads, 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.

VILLAGE OF KILDEER, ILLINOIS

**Management's Discussion and Analysis
April 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

An additional portion, \$515,401, of the Village of Kildeer's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit of \$1,349,042, represents unrestricted net position.

	<u>Changes in Net Position</u>	
	Governmental	
	Activities	
	2016	2015
Revenues		
Program Revenues		
Charges for Services	\$ 596,156	690,631
Operating Grants/Contrib.	105,003	267,171
Capital Grants/Contrib.	483,276	16,677
General Revenues		
Property Taxes	778,003	758,261
Telecommunication Taxes	119,050	131,798
Income Taxes	422,880	388,605
Sales Taxes	1,886,793	1,988,456
Local Use	92,071	81,841
Interest Income	7,897	4,043
Other General Revenues	183,609	188,991
Total Revenues	<u>4,674,738</u>	<u>4,516,474</u>
Expenses		
General Government	976,424	1,040,178
Public Safety	2,764,068	1,530,701
Public Works	2,176,737	1,646,360
Interest on Long-Term Debt	82,055	84,343
Total Expenses	<u>5,999,284</u>	<u>4,301,582</u>
Change in Net Position	(1,324,546)	214,892
Net Position-Beginning as Restated	<u>22,541,810</u>	<u>28,140,408</u>
Net Position-Ending	<u>21,217,264</u>	<u>28,355,300</u>

The Village implemented GASB Statement No. 68 in the current year which required the net pension liability for IMRF and police pension to be recorded and this resulted in beginning net position to be restated by (\$5,813,490).

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

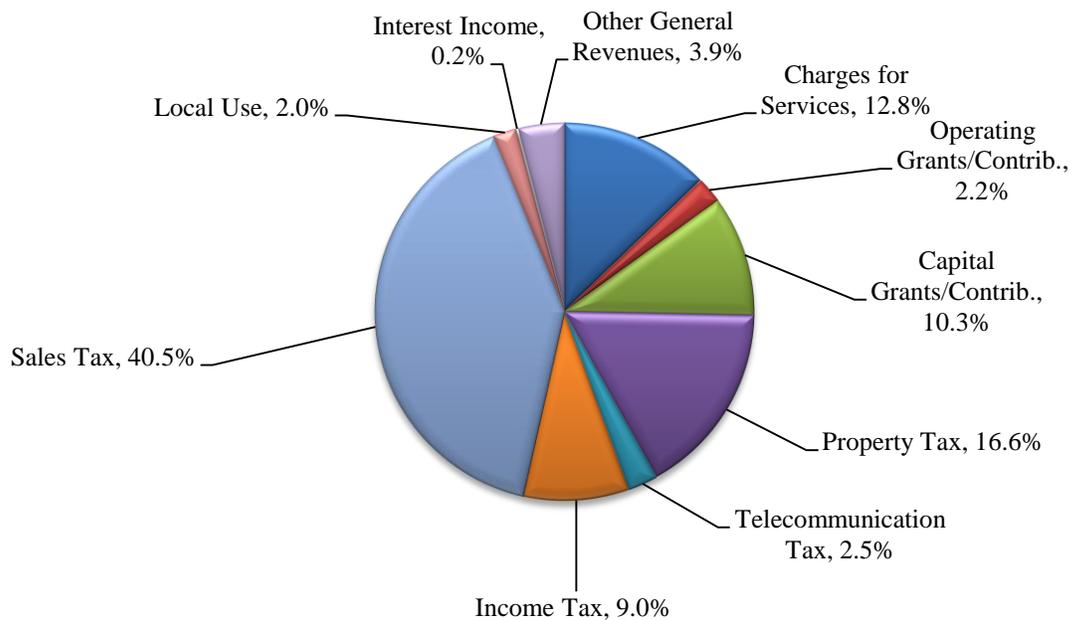
Net position of the Village of Kildeer's governmental activities increased by less than one percent (\$28,140,408 in 2014 compared to \$28,355,300 in 2015). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$5,528,575 on April 30, 2016.

Governmental Activities

Revenues for governmental activities totaled \$4,674,738, while the cost of all governmental functions totaled \$5,999,284. This results in a deficit of \$1,324,546. In 2015, revenues of \$4,516,474 exceeded expenses of \$4,301,582, resulting in a surplus of \$214,862. In fiscal year 2016 the deficit is due mainly to new assets that were added to the Village including new culverts, right-of-way, and a new street, depreciation expense and the implementation of GASB Statement No. 68.

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

Revenues by Source - Governmental Activities



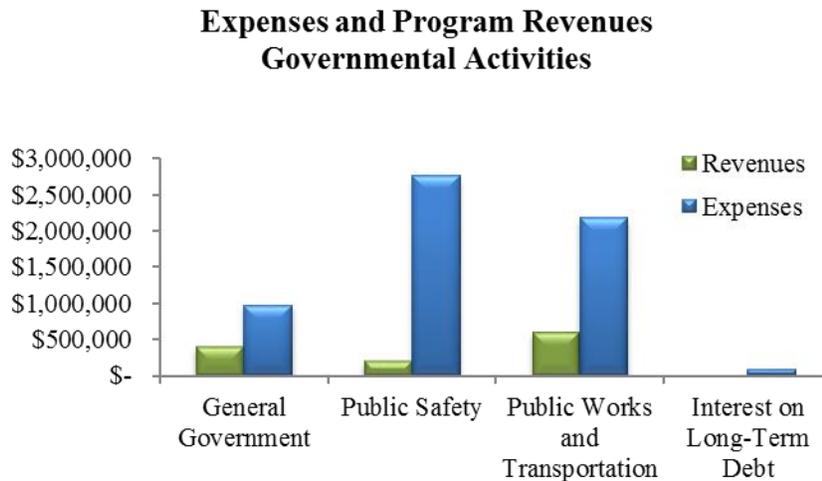
VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

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



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 unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village of Kildeer's governmental funds reported combined ending fund balances of \$5,446,025, is \$67,304, or 1.2 percent, less than last year's total of \$5,513,329. Of the \$5,446,025 total, \$3,941,711 or approximately 72.4 percent, of the fund balance constitutes unassigned fund balance.

The General Fund had a positive change in fund balance of \$261,910, an increase of 6.6 percent. This increase was due, in part, to higher than budgeted revenue sharing from an intergovernmental agreement, taxes, licenses, building permits and police fines. Expenses in fiscal year 2016 were kept under budgeted amounts in the areas of general government and public safety.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2016

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

The General Fund is the chief operating fund of the Village. On April 30, 2016 the unassigned fund balance in the General Fund was \$3,941,711, which represents 92.6 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 106 percent of total General Fund expenditures.

The Motor Fuel Tax Fund reported an increase to fund balance of \$102,050. There were no expenditures from the Motor Fuel Tax Fund in FY 2016 and the restricted fund balance of \$515,401 will be used to fund future qualifying projects.

The Capital Projects Fund reported a decrease of \$431,264 following the partial payoff and refinancing of Special Service Area bonds.

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 \$4,089,187 compared to budgeted revenues of \$3,900,000. Actual revenues were higher than budgeted by \$189,187, which is 4.9 percent higher than budgeted. Positive changes between budget and actual amounts were possible due to the use of conservative assumptions.

Use tax and income tax receipts were higher than budgeted by \$56,251. While sales tax receipts were \$113,207 less than budgeted, receipts from an unbudgeted intergovernmental revenue sharing agreement were \$126,586. Licenses and building permits were higher than budgeted by \$47,967 and police fines by 31,948.

The General Fund actual expenditures for the year totaled \$3,732,950 compared to budgeted expenditures of \$3,900,000. Actual expenditures were lower than budgeted by \$167,050, or 4.3 percent. The Village worked diligently during the year to control expenditures.

- Administration Department reported actual expenditures of \$963,940 compared to budget of \$1,071,697, resulting in a positive variance of \$107,757. This positive variance was primarily due to sales tax rebates for the Kildeer Marketplace Shopping Center. Sales receipts from the shopping center were less than predicted and the rebate to the developer, which is based on receipts, was correspondingly lower by \$82,053.
- Police Department reported actual expenditures of \$1,877,429 compared to budget of \$1,923,397 resulting in a positive variance of \$45,968. This positive variance was due to lower the budgeted legal expenses.
- Public Works Department went slightly over the budgeted expenditures by \$13,438.

The General Fund for FY 2015-16 had a positive net change between revenues and expenditures of \$261,910.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village of Kildeer's investment in capital assets for its governmental activities as of April 30, 2016 was \$23,695,420 (net of accumulated depreciation). This investment in capital assets includes land, roads, buildings, equipment, vehicles, and infrastructure.

	Capital Assets - Net of Depreciation	
	Governmental Activities	
	2016	2015
Land	\$ 13,482,500	13,386,524
Buildings	1,696,315	1,744,782
Equipment	100,422	128,206
Vehicles	82,240	114,971
Infrastructure	8,333,943	8,762,657
Total	<u>23,695,420</u>	<u>24,137,140</u>

This year's major additions included:

Land	\$ 95,976
Equipment	6,237
Infrastructure	<u>398,360</u>
	<u>500,573</u>

Additional information on the Village of Kildeer's capital assets can be found in note 3 on pages 25 of this report.

VILLAGE OF KILDEER, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2016**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At fiscal year-end, the Village of Kildeer had total outstanding debt of \$1,655,000, as compared to \$1,1735,000, the previous year, a decrease of 4.6 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	Governmental Activities	
	2016	2015
General Obligation Bonds	<u>\$ 1,655,000</u>	<u>1,735,000</u>

The Village of Kildeer maintains an Aa1 rating from Moody’s for general obligation debt. Moody’s rating was upgraded from Aa2 in fiscal year 2016. 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 \$25,274,529. Current debt outstanding of \$1,655,000 represents just 6.5 percent of the legal debt limit.

Additional information on the Village of Kildeer’s long-term debt can be found in note 3 on pages 27 - 29 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The Village Board approved a balanced budget for FY 2016-17. 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, property tax and income tax. Major Village expenses include the police department, general government (which includes building department, facility maintenance and sales tax rebate to the shopping center) and public works (snow plowing and street maintenance).

Officials of the Village of Kildeer considered many factors when establishing the budget for FY 2016-17. One of those factors was the economy. In light of the fact that 45 percent of all revenue is derived from retail sales tax, only conservative estimates of future revenues are used for budgeting purposes, the same policy that was followed over the last six years.

VILLAGE OF KILDEER, ILLINOIS

Management's Discussion and Analysis April 30, 2016

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

Other State actions involving revenues include proposals to reduce income tax distributions to municipalities and a freeze of property tax rates, all of which would reduce Village revenue and make it more difficult to deliver municipal services to residents. Given the seriousness of the State's fiscal condition, grant revenues from Springfield are not anticipated. The irony associated with the State's poor financial condition is that as revenues to municipalities decline, unfunded mandates for new programs such as heroin antidotes or police body cameras continue to increase municipal expenses.

The Village of Kildeer is a non-home rule community and it is subject to a real estate tax cap of 105 percent of the previous year's levy or the consumer price index (CPI), whichever is lower. The CPI is anticipated to be 0.07 percent which will translate into a small increase in property tax revenues.

The Village of Kildeer's financial strengths include a stable property tax base with a strong demographic profile, the presence of reserves and a robust retail sales tax base. Currently there are three shopping centers in the Rand Road corridor with approximately 380,000 sq. ft. of retail space with a very low vacancy rate. A fourth shopping center with approximately 180,000 sq. ft. of retail space is under construction with an anticipated opening in mid-2017.

The additional retail sales capacity will contribute to annual sales tax revenue which experienced a 5 percent decline in FY 2016 from \$1,988,456 to \$1,886,793. It is not clear whether the reduction was a consequence of traffic congestion or if the drop is the beginning of a leveling off of sales tax. Nonetheless, the additional sales from the development of a fourth shopping center will increase future sales tax revenue.

Revenues from residential construction will also vary in future budgets. Permit and impact fees will increase from a proposed residential subdivision that has received preliminary approval from the Village Board.

Looking ahead, the long-term challenges for the Village consist of maintaining the high quality of municipal roads and fully funding the police pension. The police pension was created in 2007 and in 2009 the first retiree began to draw from the fund. Now, due to disabilities and retirements, there are 11 people drawing from the fund and only six sworn police officers actively working. In FY 2014 the police pension was 44 percent funded and by FY 2015 there was a decrease to 38 percent. In FY 2016 the police pension fund is only 34.4% funded due to a change in the mortality tables to reflect the fact that retirees are living longer. A goal of the Village Board is to move towards fully funding the police pension.

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

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, 2016

See Following Page

VILLAGE OF KILDEER, ILLINOIS

**Statement of Net Position
April 30, 2016**

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 4,978,958
Receivables - Net	
Taxes	1,336,435
Accounts	19,225
Internal Balances	-
Prepays	<u>52,770</u>
Total Current Assets	<u>6,387,388</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	13,482,500
Depreciable	25,214,906
Accumulated Depreciation	<u>(15,001,986)</u>
Total Noncurrent Assets	<u>23,695,420</u>
Total Assets	<u>30,082,808</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	118,335
Deferred Items - Police Pension	<u>1,119,802</u>
Total Deferred Outflows of Resources	<u>1,238,137</u>
Total Assets and Deferred Outflows of Resources	<u>31,320,945</u>

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

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 79,616
Accrued Payroll	32,103
Due to Other Governments	16,144
Accrued Interest Payable	19,877
Current Portion of Long-Term Debt	80,352
Total Current Liabilities	<u>228,092</u>
Noncurrent Liabilities	
Compensated Absences Payable	4,402
Net Pension Liability - IMRF	112,893
Net Pension Liability - Police	7,379,530
General Obligation Bonds Payable - Net	1,565,264
Total Noncurrent Liabilities	<u>9,062,089</u>
Total Liabilities	<u>9,290,181</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>813,500</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,103,681</u>
NET POSITION	
Net Investment in Capital Assets	22,050,905
Restricted - Public Works and Transportation	515,401
Unrestricted	<u>(1,349,042)</u>
Total Net Position	<u><u>21,217,264</u></u>

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

VILLAGE OF KILDEER, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2016

	Expenses	Program Revenues			Net (Expenses)/ Revenues
		Program Revenues	Operating Grants/ Contributions	Capital Grants/ Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 976,424	401,690	-	-	(574,734)
Public Safety	2,764,068	194,466	3,506	-	(2,566,096)
Public Works and Transportation	2,176,737	-	101,497	483,276	(1,591,964)
Interest on Long-Term Debt	82,055	-	-	-	(82,055)
Total Governmental Activities	<u>5,999,284</u>	<u>596,156</u>	<u>105,003</u>	<u>483,276</u>	<u>(4,814,849)</u>

General Revenues	
Taxes	
Property Taxes	778,003
Telecommunication Taxes	119,050
Other Taxes	3,951
Intergovernmental - Unrestricted	
Income Taxes	422,880
Sales Taxes	1,886,793
Local Use	92,071
Personal Property Taxes	1,376
Interest Income	7,897
Miscellaneous	178,282
	<u>3,490,303</u>
Change in Net Position	(1,324,546)
Net Position - Beginning as Restated	<u>22,541,810</u>
Net Position - Ending	<u><u>21,217,264</u></u>

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

VILLAGE OF KILDEER, ILLINOIS

**Balance Sheet - Governmental Funds
April 30, 2016**

	General	Special Revenue Motor Fuel Tax	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 3,896,618	506,370	575,970	4,978,958
Receivables - Net of Allowances				
Taxes	1,327,404	9,031	-	1,336,435
Accounts	19,225	-	-	19,225
Due to Other Funds	-	-	100,000	100,000
Prepays	52,770	-	-	52,770
 Total Assets	 5,296,017	 515,401	 675,970	 6,487,388
LIABILITIES				
Accounts Payable	79,616	-	-	79,616
Accrued Payroll	32,103	-	-	32,103
Due to Other Governments	16,144	-	-	16,144
Due to Other Funds	100,000	-	-	100,000
Total Liabilities	227,863	-	-	227,863
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	813,500	-	-	813,500
Total Liabilities and Deferred Inflows of Resources	1,041,363	-	-	1,041,363
FUND BALANCES				
Nonspendable	52,770	-	-	52,770
Restricted	-	515,401	-	515,401
Committed	260,173	-	-	260,173
Assigned	-	-	675,970	675,970
Unassigned	3,941,711	-	-	3,941,711
Total Fund Balances	4,254,654	515,401	675,970	5,446,025
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 5,296,017	 515,401	 675,970	 6,487,388

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, 2016

Total Governmental Fund Balances \$ 5,446,025

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. 23,695,420

Deferred outflows (inflows) of resources related to the pensions not
reported in the funds.

 Deferred Items - IMRF 118,335

 Deferred Items - Police Pension 1,119,802

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

 Compensated Absences Payable (5,503)

 Net Pension Liability - IMRF (112,893)

 Net Pension Liability - Police (7,379,530)

 Accrued Interest Payable (19,877)

 General Obligation Bonds Payable - Net (1,644,515)

Net Position of Governmental Activities 21,217,264

VILLAGE OF KILDEER, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2016**

	General	Special Revenue Motor Fuel Tax	Capital Projects	Totals
Revenues				
Taxes	\$ 901,004	-	-	901,004
Intergovernmental	2,406,626	101,497	-	2,508,123
Charges for Services	118,723	-	-	118,723
Licenses and Permits	282,967	-	-	282,967
Fines and Forfeits	194,466	-	-	194,466
Interest	7,119	553	225	7,897
Miscellaneous	178,282	-	-	178,282
Total Revenues	4,089,187	102,050	225	4,191,462
Expenditures				
Current				
General Government	963,940	-	3,750	967,690
Public Safety	1,877,429	-	-	1,877,429
Public Works and Transportation	723,438	-	527,739	1,251,177
Capital Outlay	6,237	-	-	6,237
Debt Service				
Principal Retirement	80,000	-	-	80,000
Interest and Fiscal Charges	81,906	-	-	81,906
Total Expenditures	3,732,950	-	531,489	4,264,439
Excess (Deficiency) of Revenues Over (Under) Expenditures	356,237	102,050	(531,264)	(72,977)
Other Financing Sources (Uses)				
Sale of Capital Asset	5,673	-	-	5,673
Transfer In	-	-	100,000	100,000
Transfer Out	(100,000)	-	-	(100,000)
	(94,327)	-	100,000	5,673
Net Change in Fund Balances	261,910	102,050	(431,264)	(67,304)
Fund Balances - Beginning	3,992,744	413,351	1,107,234	5,513,329
Fund Balances - Ending	4,254,654	515,401	675,970	5,446,025

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, 2016

Net Change in Fund Balances - Total Governmental Funds \$ (67,304)

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	500,573
Depreciation Expense	(940,105)
Disposals - Cost	(85,646)
Disposals - Accumulated Depreciation	83,458

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - IMRF	84,127
Change in Deferred Items - Police Pension	519,801

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.

Increase in Compensated Absences Payable	(980)
Increase in Net Pension Liability - IMRF	(95,560)
Increase in Net Pension Liability - Police	(1,406,440)
Decrease in Net Other Post-Employment Benefit Obligation	3,679
Retirement of General Obligation Bonds Payable	80,000
Amortization of Discount on Debt Issuance	(749)

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

600

Changes in Net Position of Governmental Activities

(1,324,546)

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

VILLAGE OF KILDEER, ILLINOIS

**Statement of Fiduciary Net Position
April 30, 2016**

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 261,132	540,413
Investments		
Corporate Bonds	1,748,965	-
Mutual Funds	1,842,759	-
Receivables - Net of Allowances		
Accrued Interest	20,748	-
Due from Other Governments	-	306,531
Miscellaneous Receivables	606	-
Prepays	<u>2,820</u>	<u>-</u>
Total Assets	<u>3,877,030</u>	<u>846,944</u>
LIABILITIES		
Accounts Payable	4,226	-
Other Payables	3,358	300,000
Due to Developers	-	6,531
Due to Bondholders	<u>-</u>	<u>540,413</u>
Total Liabilities	<u>7,584</u>	<u>846,944</u>
NET POSITION		
Net Position Restricted for Pensions	<u>3,869,446</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
For the Fiscal Year Ended April 30, 2016**

	<u>Police Pension</u>
Additions	
Contributions - Employer	\$ 600,000
Contributions - Plan Members	<u>43,892</u>
Total Contributions	<u>643,892</u>
Investment Income	
Interest Earned	102,533
Net Change in Fair Value	<u>(31,981)</u>
	70,552
Less Investment Expenses	<u>(18,382)</u>
Net Investment Income	<u>52,170</u>
Total Additions	<u>696,062</u>
Deductions	
Administration	37,238
Benefits and Refunds	<u>533,841</u>
Total Deductions	<u>571,079</u>
Change in Fiduciary Net Position	124,983
Net Position Restricted for Pensions	
Beginning	<u>3,744,463</u>
Ending	<u><u>3,869,446</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, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Kildeer (Village), 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, 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, 2016

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 does not have any business-type activities.

The government-wide Statement of Net Position is: (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 (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 are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

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, 2016

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 two major categories: governmental and fiduciary. The emphasis in fund financial statements is on the major funds in the governmental 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) 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.

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.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital. The Village reports the Capital Projects Fund as a major fund.

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.

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, governmental 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.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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.

All 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. 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, governmental 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.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

All 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.

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.

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.

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.

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.

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$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. 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

Deferred Outflows/Inflows of Resources

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

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 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.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Long-Term Obligations

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

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

Net Position

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

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

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

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

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

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 21, 2015.

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.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund 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; credit unions, 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 Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), 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 and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

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, 2016

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 activities totaled \$3,878,239 and the bank balances totaled \$3,965,914. In addition, the Village has \$1,100,719 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 Illinois Funds 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 amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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

Concentration 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, 2016

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 \$261,132 and the bank balances totaled \$265,335.

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	\$ 1,748,965	357,208	1,022,656	369,101	-

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

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

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 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 \$1,842,759 invested in mutual funds. At April 30, 2016, the Fund has over 5% of net plan position invested in AT&T Inc. of \$214,148, Cisco Systems of \$304,032, Invesco Diversified of \$618,586 Pioneer Fundamental Growth of \$619,221 and Federated Government Obligation Tax MGD of \$255,671.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

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 – Continued

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	51%	1.8%
Domestic Equities	41%	5.9%
International Equities	4%	5.9%
Real Estate	1%	7.0%
Cash and Cash Equivalents	3%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2016 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2016 are listed in the table above.

Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2015 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	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 13,386,524	95,976	-	13,482,500
Depreciable Capital Assets				
Buildings	2,423,308	-	-	2,423,308
Equipment	345,846	6,237	61,800	290,283
Vehicles	203,143	-	20,350	182,793
Infrastructure	21,923,658	398,360	3,496	22,318,522
	<u>24,895,955</u>	<u>404,597</u>	<u>85,646</u>	<u>25,214,906</u>
Less Accumulated Depreciation				
Buildings	678,526	48,467	-	726,993
Equipment	217,640	34,021	61,800	189,861
Vehicles	88,172	32,731	20,350	100,553
Infrastructure	13,161,001	824,886	1,308	13,984,579
	<u>14,145,339</u>	<u>940,105</u>	<u>83,458</u>	<u>15,001,986</u>
Total Net Depreciable Capital Assets	<u>10,750,616</u>	<u>(535,508)</u>	<u>2,188</u>	<u>10,212,920</u>
Total Net Capital Assets	<u>24,137,140</u>	<u>(439,532)</u>	<u>2,188</u>	<u>23,695,420</u>

Depreciation expense was charged to governmental activities as follows:

Public Works \$ 940,105

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects	General	<u>\$ 100,000</u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Capital Projects	General	<u>\$ 100,000</u>

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

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

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$2,035,000 General Obligation Refunding Limited Debt Certificates of 2011, due in annual installments of \$70,000 to \$150,000 plus interest at a rate of 3.00% to 5.375% through February 1, 2031.	\$ 1,735,000	-	80,000	1,655,000

Long-Term Liability Activity

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

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 4,523	1,960	980	5,503	1,101
Net Pension Liability - IMRF	17,333	95,560	-	112,893	-
Net Pension Liability - Police	5,973,090	1,406,440	-	7,379,530	-
Net Other Post-Employment Benefit Obligation	3,679	-	3,679	-	-
General Obligation Bonds	1,735,000	-	80,000	1,655,000	80,000
Less: Unamortized Bond Discount	(11,234)	-	(749)	(10,485)	(749)
	<u>7,722,391</u>	<u>1,503,960</u>	<u>83,910</u>	<u>9,142,441</u>	<u>80,352</u>

The compensated absences, the net pension liabilities 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 Fund.

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

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	Governmental Activities	
	General Obligation	
	Bonds	
	Principal	Interest
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>1,655,000</u>	<u>740,476</u>

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

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 \$1,390,000. 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 - 2015	<u>\$ 293,038,018</u>
Legal Debt Limit - 8.625% of Assessed Value	25,274,529
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>(1,655,000)</u>
Legal Debt Margin	<u>23,619,529</u>

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/ FUND BALANCE

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2016:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 23,695,420
Less Capital Related Debt:	
General Obligation Limited Debt Certificates of 2011	(1,655,000)
Unamortized Bond Discount	<u>10,485</u>
Net Investment in Capital Assets	<u><u>22,050,905</u></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, 2016**

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	Totals
Fund Balances				
Nonspendable - Prepaids	\$ 52,770	-	-	52,770
Restricted				
Public Works and Transportation	-	515,401	-	515,401
Committed				
Facility Maintenance	100,000	-	-	100,000
Debt Service	160,173	-	-	160,173
	260,173	-	-	260,173
Assigned	-	-	675,970	675,970
Unassigned	3,941,711	-	-	3,941,711
Total Fund Balances	4,254,654	515,401	675,970	5,446,025

Net Position Restatements

Net position was restated due to the implementation of GASB Statement No. 68. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 28,355,300	22,541,810	(5,813,490)

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

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.

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, 2016

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, 2016 the Village collected \$273,136 of sales tax and will rebate \$136,568 to the developer.

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.

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.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Sheriff's Law Enforcement Personnel Fund (SLEP), which is administered by the IMRF, 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 (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police Pension Plan) hired in positions that need or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

**NOTE 4 – OTHER INFORMATION – Continued
EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

Illinois Municipal Retirement (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2015, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>4</u>
Total	<u><u>7</u></u>

Contributions. As set by statute, the Village’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar year 2015 was 9.58% of covered payroll.

Net Pension Liability. The Village’s net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement (IMRF) – Continued

Discount Rate

A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.49%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
Net Pension Liability/ (Asset)	\$ 287,383	112,893	(34,522)

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 1,493,923	1,476,590	17,333
Changes for the Year:			
Service Cost	38,504	-	38,504
Interest on the Total Pension Liability	110,514	-	110,514
Difference Between Expected and Actual Experience of the Total Pension Liability	20,880	-	20,880
Changes of Assumptions	1,631	-	1,631
Contributions - Employer	-	34,208	(34,208)
Contributions - Employees	-	16,069	(16,069)
Net Investment Income	-	7,310	(7,310)
Benefit Payments, including Refunds of Employee Contributions	(79,320)	(79,320)	-
Other (Net Transfer)	-	18,382	(18,382)
Net Changes	92,209	(3,351)	95,560
Balances at December 31, 2015	1,586,132	1,473,239	112,893

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement (IMRF) – Continued

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

For the year ended April 30, 2016, the Village recognized pension expense of \$11,433. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 17,246	-	17,246
Change in Assumptions	1,347	-	1,347
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	82,427	-	82,427
Pension Contributions Made Subsequent to the Measurement Date	17,315	-	17,315
Total Deferred Amounts Related to IMRF	118,335	-	118,335

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2017	\$ 41,840
2018	24,525
2019	24,525
2020	24,524
2021	2,921
Thereafter	-
Total	118,335

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2016, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	11
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>8</u>
Total	<u><u>20</u></u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer 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 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. 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 and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2016, the Village's contribution was 94.97% of covered payroll.

Concentrations. At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows:

Investment	Amount
AT&T Inc.	\$ 214,148
Cisco Systems	304,032
Invesco Diversified	618,586
Pioneer Fundamental Growth	619,221
Federated Government Obligation Tax MGD	255,671

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2016, using the following actuarial methods and assumptions:

Actuarial Valuation Date	4/30/16
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.25%
Salary Increases	4.00% to 11.00%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the assumption study by an independent actuary in 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Discount Rate

The discount rate used to measure the total pension liability was 6.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability	\$ 8,896,660	7,379,530	6,131,057

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2015	\$ 9,717,553	3,744,463	5,973,090
Changes for the Year:			
Service Cost	189,443	-	189,443
Interest on the Total Pension Liability	590,665	-	590,665
Difference Between Expected and Actual Experience of the Total Pension Liability	173,119	-	173,119
Changes of Assumptions	1,112,037	-	1,112,037
Contributions - Employer	-	600,000	(600,000)
Contributions - Employees	-	43,892	(43,892)
Net Investment Income	-	52,170	(52,170)
Benefit Payments, including Refunds of Employee Contributions	(533,841)	(533,841)	-
Administrative Expenses	-	(37,238)	37,238
Net Changes	1,531,423	124,983	1,406,440
Balances at April 30, 2016	11,248,976	3,869,446	7,379,530

VILLAGE OF KILDEER, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended April 30, 2016, the Village recognized pension expense of \$886,639. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 130,997	-	130,997
Change in Assumptions	841,468	-	841,468
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	147,337	-	147,337
Total Deferred Amounts Related to Police Pension	<u>1,119,802</u>	-	<u>1,119,802</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2017	\$ 349,526
2018	349,526
2019	349,526
2020	71,224
2021	-
Thereafter	-
Total	<u>1,119,802</u>

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

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.

The Village has evaluated its potential other post-employment benefits liability. The Village has deemed the explicit cost of the other post-employment benefit to be immaterial, therefore there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. The Village has not recorded any post-employment benefit liability as of April 30, 2016.

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

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, 2016, was calculated as follows:

Annual Required Contribution	\$	16,667
Interest on the NPO		147
Adjustment to the ARC		<u>(3,879)</u>
Annual OPEB Cost		12,935
Actual Contribution		<u>16,614</u>
Increase in the NPO		(3,679)
NPO - Beginning		<u>3,679</u>
NPO - Ending		<u><u>-</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
2014	\$ 15,035	\$ 15,674	104.25%	\$ 4,393
2015	15,900	16,614	104.49%	3,679
2016	12,935	16,614	128.44%	-

VILLAGE OF KILDEER, ILLINOIS

Notes to the Financial Statements

April 30, 2016

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 advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2016, 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
Other Post-Employment Benefit Plan

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
Police Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
Police Pension Fund

- Schedule of Investment Returns
Police Pension Fund

- Budgetary Comparison Schedule
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

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2016**

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						
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
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2015	16,614	15,724	105.66%
2016	16,614	16,667	99.68%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2013. Information for other years is not available. The Village wrote off the NOPEBO balance as of April 30, 2016.

VILLAGE OF KILDEER, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2016

Calendar Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 34,208	\$ 34,208	\$ -	\$ 357,082	9.58%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	4.40% - 16.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healthy Mortality Table

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF KILDEER, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2016**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 335,213	\$ 450,000	\$ 114,787	\$ 599,377	75.08%
2016	391,135	600,000	208,865	631,770	94.97%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	April 30, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	Market
Inflation	2.50%
Salary Increases	4.00% to 11.00%
Investment Rate of Return	6.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	2016 Illinois Police Mortality Rates

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF KILDEER, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2016**

	December 31, 2015
Total Pension Liability	
Service Cost	\$ 38,504
Interest	110,514
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	20,880
Change of Assumptions	1,631
Benefit Payments, Including Refunds of Member Contributions	<u>(79,320)</u>
Net Change in Total Pension Liability	92,209
Total Pension Liability - Beginning	<u>1,493,923</u>
Total Pension Liability - Ending	<u><u>1,586,132</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 34,208
Contributions - Members	16,069
Net Investment Income	7,310
Benefit Payments, Including Refunds of Member Contributions	(79,320)
Administrative Expense	<u>18,382</u>
Net Change in Plan Fiduciary Net Position	(3,351)
Plan Net Position - Beginning	<u>1,476,590</u>
Plan Net Position - Ending	<u><u>1,473,239</u></u>
Employer's Net Pension Liability	<u><u>\$ 112,893</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.88%
Covered-Employee Payroll	\$ 357,082
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	31.62%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF KILDEER, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2016**

	2015	2016
Total Pension Liability		
Service Cost	\$ 177,115	189,443
Interest	549,663	590,665
Differences Between Expected and Actual Experience	587,379	173,119
Change of Assumptions	526,379	1,112,037
Benefit Payments, Including Refunds of Member Contributions	(532,287)	(533,841)
Net Change in Total Pension Liability	1,308,249	1,531,423
Total Pension Liability - Beginning	8,409,304	9,717,553
Total Pension Liability - Ending	9,717,553	11,248,976
Plan Fiduciary Net Position		
Contributions - Employer	\$ 450,000	600,000
Contributions - Members	39,978	43,892
Net Investment Income	197,602	52,170
Benefit Payments, Including Refunds of Member Contributions	(532,287)	(533,841)
Administrative Expense	(71,821)	(37,238)
Net Change in Plan Fiduciary Net Position	83,472	124,983
Plan Net Position - Beginning	3,660,991	3,744,463
Plan Net Position - Ending	3,744,463	3,869,446
Employer's Net Pension Liability	\$ 5,973,090	7,379,530
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	38.53%	34.40%
Covered-Employee Payroll	\$ 599,377	631,770
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	996.55%	1168.07%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF KILDEER, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2016**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	5.48%
2016	1.45%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

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, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 899,600	899,600	901,004
Intergovernmental	2,459,600	2,459,600	2,406,626
Charges for Services	113,000	113,000	118,723
Licenses and Permits	235,000	235,000	282,967
Fines and Forfeits	152,000	152,000	194,466
Interest	2,500	2,500	7,119
Miscellaneous	38,300	38,300	178,282
Total Revenues	<u>3,900,000</u>	<u>3,900,000</u>	<u>4,089,187</u>
Expenditures			
Current			
General Government	1,071,697	1,071,697	963,940
Public Safety	1,923,397	1,923,397	1,877,429
Public Works and Transportation	710,000	710,000	723,438
Capital Outlay	33,000	33,000	6,237
Debt Service			
Principal Retirement	80,000	80,000	80,000
Interest and Fiscal Charges	81,906	81,906	81,906
Total Expenditures	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,732,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	<u>356,237</u>
Other Financing Sources (Uses)			
Sale of Capital Asset	-	-	5,673
Transfer Out	-	-	(100,000)
	-	-	<u>(94,327)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	261,910
Fund Balance - Beginning			<u>3,992,744</u>
Fund Balance - Ending			<u><u>4,254,654</u></u>

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, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Motor Fuel Tax	\$ 100,000	100,000	101,497
Interest	-	-	553
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>102,050</u>
Expenditures			
Public Works and Transportation			
Road Improvements	<u>250,000</u>	<u>250,000</u>	-
Net Change in Fund Balance	<u>(150,000)</u>	<u>(150,000)</u>	102,050
Fund Balance - Beginning			<u>413,351</u>
Fund Balance - Ending			<u><u>515,401</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
- Combining Statement of Changes in Assets and Liabilities – Agency Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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).

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, 2016**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 785,638	785,638	778,003
Other			
Road and Bridge Tax	3,962	3,962	3,951
Telecommunication Taxes	110,000	110,000	119,050
Total Taxes	899,600	899,600	901,004
Intergovernmental			
State Sales Tax	2,000,000	2,000,000	1,886,793
State Use Tax	70,630	70,630	92,071
Illinois State Income Tax	388,070	388,070	422,880
Illinois State Replacement Tax	900	900	1,376
State Grants	-	-	3,506
Total Intergovernmental	2,459,600	2,459,600	2,406,626
Charges for Services			
Impoundment Fees	28,000	28,000	22,000
Franchise Fees	85,000	85,000	96,723
Total Charges for Services	113,000	113,000	118,723
Licenses and Permits			
Licenses and Fees	75,000	75,000	95,677
Building Permits	160,000	160,000	187,290
Total Licenses and Permits	235,000	235,000	282,967
Fines and Forfeits			
Police Fines	52,000	52,000	83,948
Red Light Enforcement	100,000	100,000	110,518
Total Fines and Forfeits	152,000	152,000	194,466

VILLAGE OF KILDEER, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Interest			
Investment Income	\$ 2,500	2,500	7,119
Miscellaneous			
Revenue Sharing	-	-	126,586
Expired Completion Bonds	-	-	12,000
Books and Copies	1,000	1,000	1,098
Refunds and Reimbursements	30,000	30,000	25,225
Other	7,300	7,300	13,373
Total Miscellaneous	38,300	38,300	178,282
Total Revenues	3,900,000	3,900,000	4,089,187

VILLAGE OF KILDEER, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
General Government			
Personnel Salaries	\$ 301,037	301,037	319,658
Payroll Taxes	25,264	25,264	21,212
Workers' Compensation Insurance	-	-	998
Retirement and Benefits	104,923	104,923	90,378
Training and Education	5,010	5,010	3,143
Travel and Lodging	4,000	4,000	1,851
Legal Services	15,000	15,000	10,084
Contract Services	70,000	70,000	65,686
Planning and Zoning Services	7,500	7,500	403
Inspection Services	65,000	65,000	60,866
Financial Services	5,000	5,000	3,133
Information Technology	15,000	15,000	15,643
Other Professional Fees	10,000	10,000	5,286
Engineering Fees	45,000	45,000	30,576
Audit Fees	17,000	17,000	16,545
Alarm and Video	400	400	360
Codification	3,500	3,500	1,543
Insurance	17,000	17,000	16,724
Dues and Subscriptions	8,652	8,652	10,858
Supplies	7,000	7,000	5,373
Copy Services	1,000	1,000	171
Postage	1,500	1,500	735
Utilities	9,100	9,100	3,064
Equipment Maintenance	15,600	15,600	8,965
Building and Grounds Maintenance	73,535	73,535	120,114
Sales Tax Rebate	225,000	225,000	142,947
Community Events	1,720	1,720	159
Newsletter	10,000	10,000	651
Miscellaneous Expenditures	7,956	7,956	6,814
Total General Government	1,071,697	1,071,697	963,940
Public Safety			
Personnel Salaries	751,072	751,072	717,800
Payroll Taxes	32,757	32,757	23,247
Workers' Compensation Insurance	-	-	32,574
Health Benefits	239,911	239,911	171,694

VILLAGE OF KILDEER, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2016

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Pension Contribution	\$ 416,279	416,279	616,807
Insurance	78,000	78,000	49,515
Investigations and Lab	650	650	102
Legal Services	159,000	159,000	39,262
Contract Services	10,000	10,000	14,370
Admin Adjudication	4,080	4,080	2,252
Police Grant Expenditures	-	-	1,109
Community Relations	1,000	1,000	60
Firearms and Defense	4,000	4,000	2,772
Communications	3,000	3,000	2,618
Conferences and Dues	20,228	20,228	19,725
Dispatching	74,245	74,245	74,245
DUI Expenditures	10,000	10,000	350
Drug Seizures	1,500	1,500	1,520
Traffic Rebate	10,879	10,879	-
Red Light Enforcement Expenditures	37,121	37,121	49,252
Training and Education	6,500	6,500	3,400
Travel and Lodging	720	720	106
Printing	1,500	1,500	244
Copy Services	500	500	595
Postage	500	500	704
Fuel	25,000	25,000	14,091
Storage	2,400	2,400	2,540
Supplies	2,500	2,500	2,166
Uniforms	8,075	8,075	6,034
Maintenance and Repairs	17,980	17,980	16,054
Miscellaneous Expenditures	4,000	4,000	12,221
Total Public Safety	1,923,397	1,923,397	1,877,429
Public Works and Transportation			
Contract Services	1,500	1,500	5,037
Mosquito Control	10,150	10,150	10,300
Road Maintenance	450,000	450,000	438,326
Snow and Ice Control	170,000	170,000	140,112

VILLAGE OF KILDEER, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Public Works and Transportation - Continued			
Street Signs and Safety	\$ 9,350	9,350	3,988
Street Lighting	3,500	3,500	2,682
Right of Way Maintenance	40,000	40,000	76,271
Traffic Signal Maintenance	15,000	15,000	22,099
Storm Sewer Line Maintenance	10,000	10,000	24,074
Miscellaneous Expenditures	500	500	549
Total Public Works and Transportation	710,000	710,000	723,438
Capital Outlay			
General Government	8,000	8,000	6,237
Public Safety	25,000	25,000	-
	33,000	33,000	6,237
Debt Service			
Principal Retirement	80,000	80,000	80,000
Interest and Fiscal Charges	81,906	81,906	81,906
Total Debt Service	161,906	161,906	161,906
Total Expenditures	3,900,000	3,900,000	3,732,950

VILLAGE OF KILDEER, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2016**

See Following Page

VILLAGE OF KILDEER, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2016**

	Beginning Balances	Additions	Deductions	Ending Balances
All Funds				
ASSETS				
Cash and Investments	\$ 777,231	-	236,818	540,413
Due from Other Governments	706,920	-	400,389	306,531
Total Assets	<u>1,484,151</u>	<u>-</u>	<u>637,207</u>	<u>846,944</u>
LIABILITIES				
Other Payables	300,000	-	-	300,000
Due to Developers	406,920	-	400,389	6,531
Due to Bondholders	777,231	-	236,818	540,413
Total Liabilities	<u>1,484,151</u>	<u>-</u>	<u>637,207</u>	<u>846,944</u>
Escrow Fund				
ASSETS				
Due from Other Governments	406,920	-	400,389	6,531
LIABILITIES				
Due to Developers	406,920	-	400,389	6,531

	Beginning Balances	Additions	Deductions	Ending Balances
Special Service Area Fund				
ASSETS				
Cash and Investments	\$ 777,231	-	236,818	540,413
Due from Other Governments	300,000	-	-	300,000
Total Assets	<u>1,077,231</u>	-	<u>236,818</u>	<u>840,413</u>
LIABILITIES				
Other Payables	300,000	-	-	300,000
Due to Bondholders	777,231	-	236,818	540,413
Total Liabilities	<u>1,077,231</u>	-	<u>236,818</u>	<u>840,413</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF KILDEER, ILLINOIS

**Schedule of Insurance in Force
April 30, 2016**

Coverage	Amount of Coverage		Expiration Date of Policy
General Liability	\$ 1,000,000	per Occurrence	11/1/16
Commercial Property	3,355,000	Blanket Limit	11/1/16
Boiler & Machinery	50,000,000	Blanket Limit	11/1/16
Commercial Umbrella	9,000,000	per Occurrence	11/1/16
Automobile Liability	1,000,000	per Occurrence	11/1/16
Uninsured/Underinsured Motorist	1,000,000	per Occurrence	11/1/16
Public Officials Liability	1,000,000	per Occurrence	11/1/16
Law Enforcement Liability	1,000,000	per Occurrence	11/1/16
Employment Practices	1,000,000	per Occurrence	11/1/16
Employers Benefits Liability	1,000,000	per Occurrence	11/1/16
Workers' Compensation	1,000,000	per Accident	1/1/16
Crime and Fidelity			
a. Employee Dishonesty	1,000,000	per Occurrence	11/1/16
b. Forgery or Alteration	50,000	per Occurrence	11/1/16
c. Theft, Disappearance and Destruction	1,000,000	per Occurrence	11/1/16

VILLAGE OF KILDEER, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Refunding Limited Debt Certificates of 2011
April 30, 2016**

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
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>1,655,000</u>	<u>740,476</u>	<u>2,395,476</u>		<u>370,238</u>		<u>370,238</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, 2016 (Unaudited)

See Following Page

VILLAGE OF KILDEER, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years*
April 30, 2016 (Unaudited)**

	2007	2008	2009
Governmental Activities			
Net Investment in Capital Assets	\$ 15,608,048	24,865,410	24,514,077
Restricted	1,065,267	903,687	837,479
Unrestricted	2,814,614	1,073,574	686,615
Total Governmental Activities Net Position	19,487,929	26,842,671	26,038,171
Business-Type Activities			
Net Investment in Capital Assets	-	5,675,656	5,733,654
Restricted	-	37,990	37,990
Unrestricted	-	992,793	1,073,870
Total Business-Type Activities Net Position	-	6,706,439	6,845,514
Primary Government			
Net Investment in Capital Assets	15,608,048	30,541,066	30,247,731
Restricted	1,065,267	941,677	875,469
Unrestricted	2,814,614	2,066,367	1,760,485
Total Primary Government Net Position	19,487,929	33,549,110	32,883,685

* Accrual Basis of Accounting

** The Village transferred the entire sanitary sewer system to the Lake County Department of Public Works at April 30, 2015.

2010	2011	2012	2013	2014	2015**	2016
25,196,160	24,251,008	23,123,488	23,001,841	22,900,281	22,413,374	22,050,905
840,083	806,981	253,958	216,823	332,976	413,351	515,401
982,198	1,634,430	3,243,668	3,785,397	4,907,151	5,528,575	(1,349,042)
27,018,441	26,692,419	26,621,114	27,004,061	28,140,408	28,355,300	21,217,264
5,655,652	5,606,722	6,877,619	6,772,468	9,280,347	-	-
37,990	37,990	-	-	-	-	-
1,207,713	1,322,204	891,508	965,434	986,165	-	-
6,901,355	6,966,916	7,769,127	7,737,902	10,266,512	-	-
30,851,812	29,857,730	30,001,107	29,774,309	32,180,628	22,413,374	22,050,905
878,073	844,971	253,958	216,823	332,976	413,351	515,401
2,189,911	2,956,634	4,135,176	4,750,831	5,893,316	5,528,575	(1,349,042)
33,919,796	33,659,335	34,390,241	34,741,963	38,406,920	28,355,300	21,217,264

VILLAGE OF KILDEER, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years*
April 30, 2016 (Unaudited)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
General Government	\$ 450,323	773,997	919,885	746,493	705,714	735,208	972,336	813,336	1,040,178	976,424
Public Safety	3,029,381	3,404,562	3,256,162	2,621,054	2,918,201	2,415,917	1,743,825	1,461,553	1,530,701	2,764,068
Public Works	1,871,824	1,856,094	1,389,902	1,313,149	1,259,178	1,181,611	1,388,693	906,037	1,646,360	2,176,737
Interest on Long-Term Debt	296,913	88,908	75,882	72,414	98,094	97,934	88,730	86,591	84,343	82,055
Total Governmental Activities Expenses	5,648,441	6,123,561	5,641,831	4,753,110	4,981,187	4,430,670	4,193,584	3,267,517	4,301,582	5,999,284
Business-Type Activities										
Sewer	-	415,526	618,463	591,880	616,480	702,113	758,278	1,316,102	11,352,702	-
Total Primary Government Expenses	5,648,441	6,539,087	6,260,294	5,344,990	5,597,667	5,132,783	4,951,862	4,583,619	15,654,284	5,999,284
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	868,722	273,710	305,066	276,200	345,453	481,452	397,335	484,540	593,253	401,690
Public Safety	1,432,807	1,477,098	1,535,089	1,679,767	1,707,594	919,901	202,076	114,507	97,378	194,466
Operating Grants/Contributions	104,072	32,869	5,763	7,000	10,868	195,713	121,998	118,877	267,171	105,003
Capital Grants/Contributions	-	2,168,745	399,592	1,408,491	108,640	222,023	744,917	26,000	16,677	483,276
Total Governmental Activities Program Revenues	2,405,601	3,952,422	2,245,510	3,371,458	2,172,555	1,819,089	1,466,326	743,924	974,479	1,184,435
Business-Type Activities										
Charges for Services										
Sewer	-	380,554	718,540	633,420	674,289	1,498,196	722,283	744,177	586,312	-
Total Primary Government Program Revenues	2,405,601	4,332,976	2,964,050	4,004,878	2,846,844	3,317,285	2,188,609	1,488,101	1,560,791	1,184,435

	2007	2008	2009	2010	2011	2012	2013	2014	2015**	2016
Net (Expense) Revenue										
Governmental Activities	\$ (2,171,139)	(3,396,321)	(1,381,652)	(2,808,632)	(2,611,581)	(2,727,258)	(2,523,593)	(3,327,103)	(3,327,103)	(4,814,849)
Business-Type Activities	(34,972)	100,077	41,540	57,809	796,083	(35,995)	(571,925)	(10,766,390)	(10,766,390)	-
Total Primary Government Net (Expense) Revenue	<u>(2,206,111)</u>	<u>(3,296,244)</u>	<u>(1,340,112)</u>	<u>(2,750,823)</u>	<u>(1,815,498)</u>	<u>(2,763,253)</u>	<u>(3,095,518)</u>	<u>(14,093,493)</u>	<u>(14,093,493)</u>	<u>(4,814,849)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	566,008	603,095	633,467	662,083	673,436	693,026	708,962	737,848	758,261	778,003
Sales	1,196,317	1,229,239	1,172,279	1,015,240	1,121,376	1,219,870	1,774,457	2,032,314	1,988,456	1,886,793
Income	299,815	328,944	378,444	334,066	325,745	325,202	357,598	386,666	388,605	422,880
Other	28,584	184,689	200,985	185,770	215,363	187,960	201,897	188,882	218,962	216,448
Interest	170,702	81,067	27,916	6,682	3,618	4,611	4,353	2,103	4,043	7,897
Miscellaneous	1,162,497	636,355	178,730	79,870	143,072	109,607	103,787	312,127	183,668	178,282
Total Governmental Activities	<u>3,423,923</u>	<u>3,063,389</u>	<u>2,591,821</u>	<u>2,283,711</u>	<u>2,482,610</u>	<u>2,540,276</u>	<u>3,151,054</u>	<u>3,659,940</u>	<u>3,541,995</u>	<u>3,490,303</u>
Business-Type Activities										
Interest	-	58,860	35,988	14,301	7,752	6,128	4,770	1,060	-	-
Miscellaneous	-	-	3,010	-	-	-	-	-	499,878	-
Total Business-Type Activities	<u>-</u>	<u>58,860</u>	<u>38,998</u>	<u>14,301</u>	<u>7,752</u>	<u>6,128</u>	<u>4,770</u>	<u>1,060</u>	<u>499,878</u>	<u>-</u>
Total Primary Government	<u>3,423,923</u>	<u>3,122,249</u>	<u>2,630,819</u>	<u>2,298,012</u>	<u>2,490,362</u>	<u>2,546,404</u>	<u>3,155,824</u>	<u>3,661,000</u>	<u>4,041,873</u>	<u>3,490,303</u>
Changes in Net Position										
Governmental Activities	1,252,784	(332,932)	1,210,169	(524,921)	(128,971)	(186,982)	627,461	332,837	214,892	(1,324,546)
Business-Type Activities	(34,972)	158,937	80,538	72,110	803,835	(29,867)	(567,155)	(10,765,330)	(10,266,512)	-
Total Primary Government	<u>1,217,812</u>	<u>(173,995)</u>	<u>1,290,707</u>	<u>(452,811)</u>	<u>674,864</u>	<u>(216,849)</u>	<u>60,306</u>	<u>(10,432,493)</u>	<u>(10,051,620)</u>	<u>(1,324,546)</u>

* Accrual Basis of Accounting

** The Village transferred the entire sanitary sewer system to the Lake County Department of Public Works at April 30, 2015.

VILLAGE OF KILDEER, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2016 (Unaudited)

	2007	2008	2009
General Fund			
Reserved	\$ 456,339	119,182	115,193
Unreserved	1,354,397	710,110	667,015
Nonspendable	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total General Fund	<u>1,810,736</u>	<u>829,292</u>	<u>782,208</u>
All Other Governmental Funds			
Reserved	1,251,498	524,954	-
Unreserved, Reported in,			
Special Revenue Funds	870,060	259,551	192,095
Debt Service Funds	-	-	-
Capital Projects Funds	20,692	-	530,191
Restricted	-	-	-
Assigned	-	-	-
Total All Other Governmental Funds	<u>2,142,250</u>	<u>784,505</u>	<u>722,286</u>
Total Governmental Funds	<u><u>3,952,986</u></u>	<u><u>1,613,797</u></u>	<u><u>1,504,494</u></u>

* Modified Accrual Basis of Accounting

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

2010	2011	2012	2013	2014	2015	2016
131,632	139,164	-	-	-	-	-
946,869	1,573,488	-	-	-	-	-
-	-	36,352	34,579	84,804	57,863	52,770
-	-	260,173	260,173	260,173	260,173	260,173
-	-	1,769,695	2,310,493	3,149,137	3,674,708	3,941,711
1,078,501	1,712,652	2,066,220	2,605,245	3,494,114	3,992,744	4,254,654
-	-	-	-	-	-	-
177,814	136,907	-	-	-	-	-
-	-	-	-	-	-	-
530,637	1,141,749	-	-	-	-	-
-	-	253,958	216,823	332,976	413,351	515,401
-	-	1,105,233	1,106,258	1,106,956	1,107,234	675,970
708,451	1,278,656	1,359,191	1,323,081	1,439,932	1,520,585	1,191,371
1,786,952	2,991,308	3,425,411	3,928,326	4,934,046	5,513,329	5,446,025

VILLAGE OF KILDEER, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2016 (Unaudited)

	2007	2008	2009
Revenues			
Taxes	\$ 2,362,518	2,345,967	2,385,175
Intergovernmental	1,340,143	32,869	5,763
Licenses, Permits and Fees	386,724	683,700	452,328
Charges for Services	495,214	1,303,637	1,319,198
Fines and Forfeitures	196,736	312,661	215,247
Interest	170,702	81,067	27,916
Miscellaneous	877,487	107,634	31,247
Total Revenues	<u>5,829,524</u>	<u>4,867,535</u>	<u>4,436,874</u>
Expenditures			
Current			
General Government	376,984	720,969	863,694
Public Safety	2,921,150	3,750,717	2,834,004
Public Works	776,454	1,069,113	596,828
Capital Outlay	614,089	130,807	77,609
Debt Service			
Principal Retirement	328,024	109,831	99,224
Interest and Fiscal Charges	296,913	89,285	82,738
Total Expenditures	<u>5,313,614</u>	<u>5,870,722</u>	<u>4,554,097</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>515,910</u>	<u>(1,003,187)</u>	<u>(117,223)</u>
Other Financing Sources (Uses)			
Debt Issuance	40,874	-	-
Sale of Capital Assets	-	21,453	7,920
Transfers In	162,797	20,692	-
Transfers Out	(162,797)	(20,692)	-
Total Other Financing Sources (Uses)	<u>40,874</u>	<u>21,453</u>	<u>7,920</u>
Net Change in Fund Balances	<u>556,784</u>	<u>(981,734)</u>	<u>(109,303)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>13.42%</u>	<u>3.46%</u>	<u>4.06%</u>

* Modified Accrual Basis of Accounting

2010	2011	2012	2013	2014	2015	2016
2,197,159	2,335,920	2,099,597	2,684,100	2,957,689	2,964,389	901,004
7,000	119,508	744,197	1,010,148	513,898	673,743	2,508,123
312,750	345,453	315,392	154,395	164,499	408,565	282,967
1,385,158	1,454,416	866,060	242,940	320,041	184,688	118,723
294,609	293,178	219,901	202,076	114,507	97,378	194,466
6,682	3,618	4,611	4,353	2,103	4,043	7,897
43,320	103,072	109,607	103,787	312,127	183,668	178,282
4,246,678	4,655,165	4,359,365	4,401,799	4,384,864	4,516,474	4,191,462
692,695	538,346	760,017	797,979	809,689	1,040,234	967,690
2,572,679	2,848,180	2,457,717	1,855,123	1,735,320	1,673,596	1,877,429
528,622	431,697	263,870	550,732	634,111	971,937	1,251,177
37,971	122,605	259,814	536,544	38,618	92,268	6,237
102,694	1,394,352	96,242	70,000	75,000	75,000	80,000
72,430	140,629	87,602	88,506	86,406	84,156	81,906
4,007,091	5,475,809	3,925,262	3,898,884	3,379,144	3,937,191	4,264,439
239,587	(820,644)	434,103	502,915	1,005,720	579,283	(72,977)
42,871	2,025,000	-	-	-	-	-
-	-	-	-	-	-	5,673
-	-	37,791	-	-	-	100,000
-	-	(37,791)	-	-	-	(100,000)
42,871	2,025,000	-	-	-	-	5,673
282,458	1,204,356	434,103	502,915	1,005,720	579,283	(67,304)
4.41%	28.03%	5.09%	4.90%	4.99%	4.46%	4.30%

VILLAGE OF KILDEER, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years (in Thousands)
April 30, 2016 (Unaudited)**

Fiscal Year Ended April 30	Tax Levy Year	Residential Property	Farm	Commercial Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
2015	2014	696,773	1,973	86,892	785,638	0.285
2016	2015	722,382	1,790	85,138	809,310	0.276

Data Source: Office of the County Clerk

VILLAGE OF KILDEER, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2016 (Unaudited)**

See Following Page

VILLAGE OF KILDEER, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2016 (Unaudited)**

	2006	2007	2008
Village Direct Rates			
General	0.190	0.190	0.197
Overlapping Rates			
Lake County	0.450	0.444	0.453
Forest Preserve District of Lake County	0.204	0.201	0.199
Ela Township (Including Road and Bridge)	0.128	0.124	0.127
Lake Zurich Fire Protection District	0.511	0.547	0.561
Long Grove Fire Protection District	0.549	0.547	0.549
Ela Library District	0.317	0.306	0.308
Unit School District Number 95	3.992	3.830	3.899
School District Number 96	2.989	2.772	2.869
School District Number 125	2.134	2.114	2.139
Community College District Number 532	0.195	0.192	0.196

Data Source: Office of the County Clerk

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

2009	2010	2011	2012	2013	2014	2015
0.200	0.213	0.234	0.264	0.282	0.285	0.276
0.464	0.505	0.554	0.608	0.663	0.682	0.663
0.200	0.198	0.201	0.212	0.218	0.210	0.208
0.127	0.138	0.150	0.128	0.157	0.156	0.154
0.564	0.607	0.504	0.654	0.695	0.705	0.542
0.599	0.616	0.692	0.766	0.812	0.830	0.798
0.308	0.329	0.356	0.386	0.409	0.410	0.398
3.901	4.136	4.446	4.914	5.242	5.291	5.191
2.916	3.086	3.453	3.756	3.976	4.040	3.870
2.185	2.306	2.465	2.751	2.989	3.049	3.004
0.200	0.218	0.240	0.272	0.296	0.306	0.299

VILLAGE OF KILDEER, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2016 (Unaudited)**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Shops At Kildeer, LLC	\$ 9,095,731	1	3.30%	\$ 7,620,321	1	2.45%
Centro/ IA Quentin Collection	8,499,150	2	3.09%			
Kildeer Marketplace, LLC	3,301,834	3	1.20%			
U- Store-It, LP	1,203,075	4	0.44%			
Kemper Lakes Golf Club, LLC	1,128,556	5	0.41%			
Concorde Group II	1,054,956	6	0.38%	1,032,253	6	0.33%
Individual	842,248	7	0.31%			
Heidner Property Management	677,750	8	0.25%			
Angel Associates, LP	641,696	9	0.23%			
Kildeer Village Square, LLC	599,940	10	0.22%			
New Plan of Illinois, LLC				7,546,103	2	2.42%
Churchill Associates, Inc				4,145,676	3	1.33%
GDC Meadowood, LLC				1,242,446	4	0.40%
United Land Development, Inc				1,180,452	5	0.38%
YSI III LLC				991,600	7	0.32%
Individual				761,584	8	0.24%
Individual				695,058	9	0.22%
Individual				660,881	10	0.21%
	<u>27,044,936</u>		<u>9.82%</u>	<u>25,876,374</u>		<u>8.30%</u>

Data Source: Office of the County Clerk

VILLAGE OF KILDEER, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2016 (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
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	2013	763,732	762,294	99.81%	N/A	762,294	99.81%
2015	2014	789,600	785,658	99.50%	N/A	785,658	99.50%
2016 (1)	2015	813,500	-	0.00%	-	-	0.00%

Data Source: Office of the County Clerk

(1) Collections for the 2016 Tax Levy Year will not be received until fiscal year 2017.

N/A - Not available

VILLAGE OF KILDEER, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
April 30, 2016 (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			
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
2015	1,723,766	-	-	-	1,723,766	0.67%	434.42
2016	1,644,515	-	-	-	1,644,515	0.63%	414.44

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, 2016 (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)
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
2015	1,723,766	-	1,723,766	219.41%	434.42
2016	1,644,515	-	1,644,515	203.20%	414.44

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, 2016 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)	Village's Share of Debt
Village	\$ 1,644,515	100.000%	\$ 1,644,515
Overlapping Debt			
Lake County	186,350,000	1.25%	2,329,375
Lake County Forest Preserve District	270,445,000	1.25%	3,380,563
Ela Public Library District	2,120,000	13.08%	277,338
Unit School District Number 95	10,497,872	19.52%	2,048,765
Elementary School District Number 96	405,000	24.30%	98,427
High School District Number 125	33,420,000	9.11%	3,042,891
Community College District Number 532	67,415,000	1.32%	888,530
Total Overlapping Debt	570,652,872		12,065,888
Total Direct and Overlapping Debt	572,297,387		13,710,403

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, 2016 (Unaudited)**

See Following Page

VILLAGE OF KILDEER, ILLINOIS

**Schedule of Legal Debt Margin - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

	2007	2008	2009
Legal Debt Limit	\$ 26,874,950	28,318,039	28,963,633
Total Net Debt Applicable to Limit	1,841,433	1,579,640	1,480,416
Legal Debt Margin	25,033,517	26,738,399	27,483,217
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.85%	5.58%	5.11%

Data Source: Village Records

2010	2011	2012	2013	2014	2015	2016
28,928,128	27,744,640	26,144,059	24,127,729	23,235,238	23,755,973	25,274,529
1,420,593	2,316,164	2,107,016	2,037,016	1,810,000	1,735,000	1,655,000
27,507,535	25,428,476	24,037,043	22,090,713	21,425,238	22,020,973	23,619,529
4.91%	8.35%	8.06%	8.44%	7.79%	7.30%	6.55%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Value - 2015	<u>\$ 293,038,018</u>
Bonded Debt Limit - 8.625% of Assessed Value	25,274,529
Amount of Debt Applicable to Limit	<u>1,655,000</u>
Legal Debt Margin	<u>23,619,529</u>

VILLAGE OF KILDEER, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2016 (Unaudited)

Fiscal Year Ended April 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	5.20%
2015	3,968	259,078,656	65,292	4.70%
2016	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, 2016 (Unaudited)**

Employer	2016			2007		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Population
Whole Foods	118	1	2.97%			
Kemper Lakes Golf Club	94	2	2.37%	115	2	3.32%
Best Buy	81	3	2.04%	116	1	3.35%
Chick-Fil-A	60	4	1.51%			
Fresh Market	57	5	1.44%	60	4	1.73%
Concorde Banquets	45	6	1.13%	40	9	1.16%
Michael's	42	7	1.06%			
Chili's Bar & Grill	35	8	0.88%	62	3	1.79%
Stain Mart	35	9	0.88%	45	8	1.30%
Old Navy	34	10	0.86%	45	7	1.30%
Circuit City				52	5	1.50%
Bed Bath & Beyond				47	6	1.36%
Potbelly				35	10	1.01%
	<u>601</u>		<u>15.15%</u>	<u>617</u>		<u>17.83%</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, 2016 (Unaudited)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government	2	2	1
Public Safety	<u>24</u>	<u>24</u>	<u>23</u>
Total	<u>26</u>	<u>26</u>	<u>24</u>

Data Source: Village Records

2010	2011	2012	2013	2014	2015	2016
2	2	2	2	3	3	3
22	19	11	8	8	8	8
24	21	13	10	11	11	11

VILLAGE OF KILDEER, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

	2007	2008	2009
General Government			
Business Licenses	49	52	50
Liquor Licenses	9	9	9
Building Permits	194	171	140
Public Safety			
Police			
Part I Crimes	117	129	107
Part II Crimes	153	118	122
Physical Arrests	247	175	148
Parking Violations	65	108	168
Traffic Violations	3,220	3,341	2,953
Public Works			
Street Resurfacing (Miles)	2	1	1
Sewer			
Number of Metered Accounts	618	641	641

Data Source: Various Village Departments

2010	2011	2012	2013	2014	2015	2016
48	48	52	50	56	62	63
9	10	11	11	13	12	13
110	142	186	175	188	486	215
85	78	74	31	47	31	23
106	100	79	38	61	74	67
80	48	89	43	65	76	97
475	235	80	137	139	433	558
2,973	3,098	1,708	1,159	773	961	714
1	-	1	1	1	1	1
646	648	656	663	670	-	-

VILLAGE OF KILDEER, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

	2007	2008	2009
Public Safety			
Police			
Stations	1	1	1
Area Patrols	3	3	3
Patrol Units	18	18	18
Public Works			
Streets (Miles)	28	29	29
Sewer			
Sanitary Sewers (Miles)	17	17	17
Storm Sewers (Culverts)	114	114	114
Lift Stations	7	7	7

Data Source: Various Village Departments

2010	2011	2012	2013	2014	2015	2016
1	1	1	1	1	1	1
3	2	1	1	1	1	1
18	10	10	7	6	6	6
30	30	30	30	30	30	30
18	18	18	18	20	-	-
114	114	114	152	146	147	148
7	7	7	7	7	-	-