

# VILLAGE OF KILDEER, ILLINOIS

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2019

**VILLAGE OF KILDEER, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**  
**APRIL 30, 2019**

Prepared by:  
Finance Department

# VILLAGE OF KILDEER, ILLINOIS

## TABLE OF CONTENTS

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### PAGE

#### INTRODUCTORY SECTION

List of Principal Officials	1
Organization Chart	2
Letter of Transmittal	3 - 6
Certificate of Achievement for Excellence in Financial Reporting	7

#### FINANCIAL SECTION

<b>INDEPENDENT AUDITORS' REPORT</b>	8 - 9
-------------------------------------	-------

<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	10 - 20
---	---------

#### **BASIC FINANCIAL STATEMENTS**

Government-Wide Financial Statements	
Statement of Net Position	21 - 22
Statement of Activities	23
Fund Financial Statements	
Balance Sheet – Governmental Funds	24
Reconciliation of Total Governmental Fund Balance to the Net Position of Governmental Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities	27
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position	29
Notes to Financial Statements	30 - 62

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Employer Contributions	
Illinois Municipal Retirement Fund – Regular Plan	63
Illinois Municipal Retirement Fund – Sheriff's Law Enforcement Personnel Police Pension Fund	64
Police Pension Fund	65
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund – Regular Plan	66 - 67
Illinois Municipal Retirement Fund – Sheriff's Law Enforcement Personnel Police Pension Fund	68 - 69
Police Pension Fund	70 - 71

# VILLAGE OF KILDEER, ILLINOIS

## TABLE OF CONTENTS

### PAGE

### FINANCIAL SECTION - Continued

#### **REQUIRED SUPPLEMENTARY INFORMATION - Continued**

Schedule of Investment Returns	
Police Pension Fund	72
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	73
Motor Fuel Tax – Special Revenue Fund	74

#### **OTHER SUPPLEMENTARY INFORMATION**

Schedules of Revenues – Budget and Actual – General Fund	75 - 76
Schedule of Expenditures – Budget and Actual – General Fund	77 - 79
Combining Statement of Changes in Assets and Liabilities – Agency Funds	80 - 81
Consolidated Year-End Financial Report	82

#### **SUPPLEMENTAL SCHEDULES**

Schedule of Insurance in Force	83
Long-Term Debt Requirements	
General Obligation Refunding Limited Debt Certificates of 2011	84
General Obligation (ARS) Refunding Bonds of 2017	85

### STATISTICAL SECTION (Unaudited)

Net Position by Component – Last Ten Fiscal Years	86 - 87
Changes in Net Position – Last Ten Fiscal Years	88 - 89
Fund Balances of Governmental Funds – Last Ten Fiscal Years	90 - 91
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	92 - 93
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years	94
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years	95 - 96
Principal Property Tax Payers – Current Fiscal Year and Nine Fiscal Years Ago	97
Property Tax Levies and Collections – Last Ten Fiscal Years	98
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	99
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	100
Schedule of Direct and Overlapping Governmental Activities Debt	101
Schedule of Legal Debt Margin – Last Ten Fiscal Years	102 - 103
Demographic and Economic Statistics – Last Ten Fiscal Years	104
Village Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago	105
Full-Time Equivalent Village Government Employees by Function – Last Ten Fiscal Years	106 - 107
Operating Indicators by Function/Program – Last Ten Fiscal Years	108 - 109
Capital Assets Statistics by Function/Program – Last Ten Fiscal Years	110 - 111

## **INTRODUCTORY SECTION**

**VILLAGE OF KILDEER, ILLINOIS**

**List of Principal Officials  
April 30, 2019**

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**VILLAGE BOARD**

Nandia Black, Village President

William Johnson, Trustee

Lester Sokolowski, Trustee

Keith Kovanda, Trustee

Barbara Stavropoulos, Trustee

Ralph Liberatore, Trustee

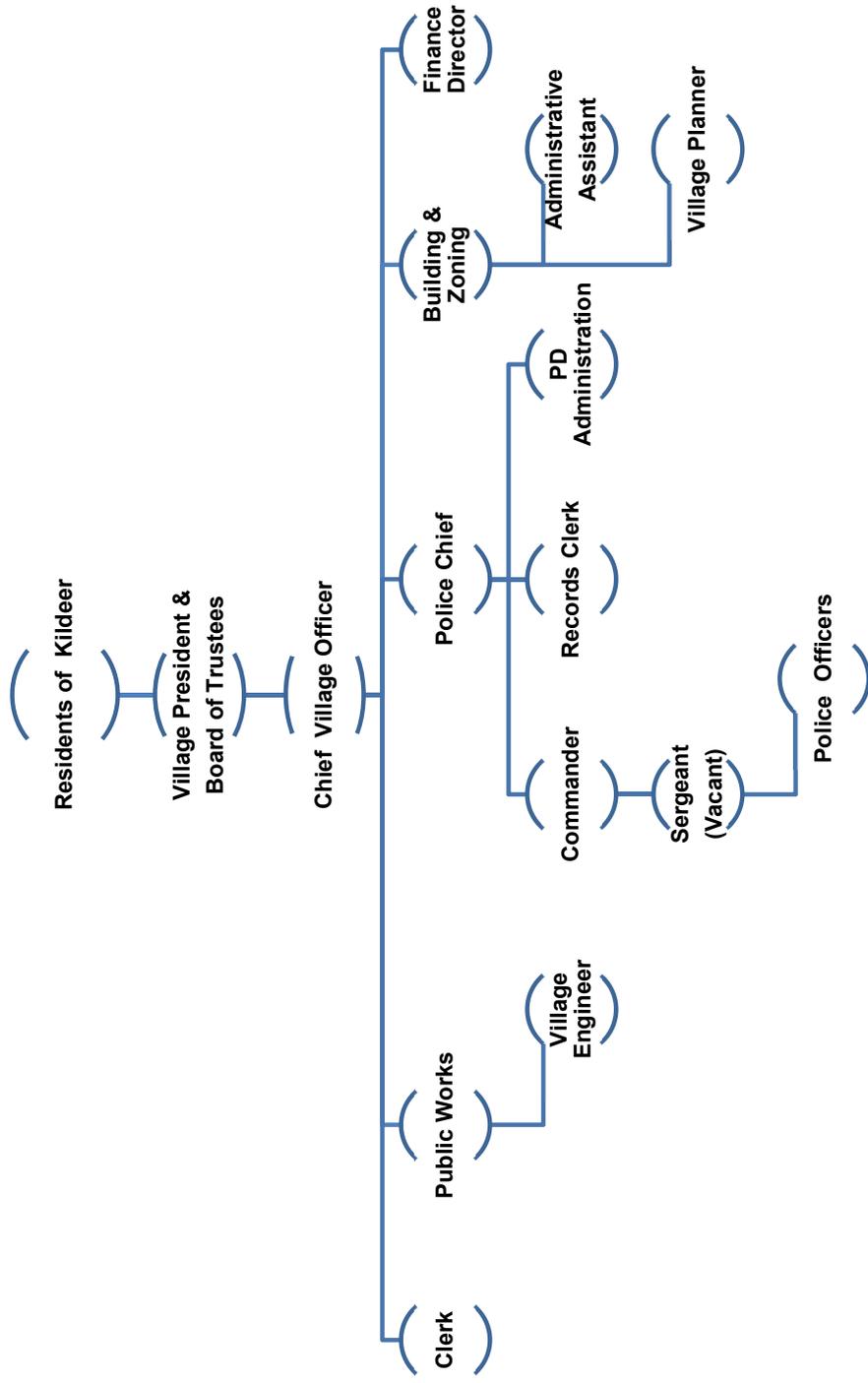
Basel Tarabein, Trustee

**ADMINISTRATION**

Michael Talbett, Chief Village Officer

Annette Zborowski, Finance Director

# Village of Kildeer Organizational Chart





October 21, 2019

## LETTER OF TRANSMITTAL

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

The Village of Kildeer's annual report for the fiscal year which began May 1, 2018 and ended April 30, 2019 (FY 2019) 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 controls in place were 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 staff.

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 FY 2019. 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. The Village Board is invested with policy-making and legislative authority. 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 volunteer their time and resources to advance the interests of the residents and the Village.

The Chief Village Officer is responsible for applying Board policy and conducting the day-to-day operations of the Village which include a wide range of services and departments. Those services include administrative, financial, police protection, public works, planning and zoning, economic development, code enforcement, and cultural/community events. The Chief Village Officer is also responsible for reviewing the annual budget.

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 the administrative review and adjustments, the budget is presented to the Village Board which holds a public hearing. 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 four shopping centers in the Village which account for the vast majority of retail sales. While total sales tax receipts increased in 2019 by 3.5%, due to variations in the national and state economy that impact consumer activity, there is a concern for a dip in sales figures that could adversely impact future budgets.

There are two retail sales tax rebate agreements. One agreement is with the Kildeer Marketplace, LLC that ends in 2024 or when total payments to the developer reach \$1,250,000, whichever occurs first. The second agreement is with Kildeer Village Square, LLC and it ends in 2032 or when total payments to the developer reach \$3,500,000, whichever occurs first.

The Village's second largest revenue source is property tax which continues to increase due to a combination of new construction, renovation of existing property, and the policy of capturing the value of improvements in the annual tax levy. The market for residential development in the Village is strong.

Village management aggressively monitors revenues and adjusts 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

The FY 2020 budget approved by the Village Board is balanced and the management of that budget involves 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 9th year in a row, FY 2019 ended with fund balance increases in both 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 following major accomplishments and initiatives occurred in FY 2019:

**Bond Rating.** The Village's stable Aaa bond rating with Moody's was maintained.

**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 FY 2019 the Village's reserves increased to 101.6% of the FY 2019 total 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 monthly revenues. The Village proactively purchases insurance to mitigate the risk from unexpected damage to the shopping centers that prevent retail sales and the loss of sales tax revenue.

**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. In addition, the Village has a sales tax sharing agreement that includes a large grocery store in Lake Zurich from which revenue is received.

**Labor Contract.** Negotiations to renew a multiyear collective bargaining agreement with police officers began in 2018 and was successfully concluded in 2019. That contract extends coverage to 2021.

**Police Pension.** The Kildeer Police Pension was created in 2007 and the first retiree began to draw from the fund in 2009. Now there are more retired and disabled officers drawing from the fund than active-duty police officers. In 2019 the pension fund was 41% funded. The Village Board's goal is to attain 90% funding before the year 2040 and, towards that end the Village contributed more than the annual amount recommended by the Police Pension Board. The Village Board is also exploring various strategies to achieve the pension funding goal.

**Redevelopment of Commercial Property.** The Village Board approved the redevelopment of a retail garden center into a 50,000 sq. ft. medical office facility. The facility is expected to open in early 2020 and the annual revenue from the medical office center will be greater than the garden center and result in a net benefit for future budgets.

New Residential Development. Two new single family residential subdivisions totaling 94 homes received final approval from the Village Board and construction began in 2019. An additional residential subdivision received preliminary approval which could add 61 more homes to the Village. Final approval for the third subdivision is expected in 2019.

6. Other Information

For the sixth 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 2017-2018 Comprehensive Annual Financial Report (CAFR). This prestigious award is a significant accomplishment for the Finance Director and Chief Village Officer and represents a 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 CAFR 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,



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Michael S. Talbett  
Chief Village Officer



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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, 2018**

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

## **INDEPENDENT AUDITORS' REPORT**



## **INDEPENDENT AUDITORS' REPORT**

October 21, 2019

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, 2019, 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 the 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, 2019, 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 a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *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, individual fund budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 individual fund 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*  
LAUTERBACH & AMEN, LLP

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

## **VILLAGE OF KILDEER, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2019**

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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, 2019. Please read this discussion and analysis in conjunction with the transmittal letter, which begins on page 3 and the Village of Kildeer's financial statements, which begin on page 21.

#### **FINANCIAL HIGHLIGHTS**

- The Village of Kildeer's overall net position is determined by changes in governmental type activities. Governmental activities increased by a \$644,617 or 3.2 percent.
- During the year, government-wide revenue totaled \$6,361,891, while expenses totaled \$5,717,274 resulting in an increase to net position of \$644,617.
- The Village of Kildeer's net position totaled \$20,678,928 on April 30, 2019, which includes \$21,137,737 net investment in capital assets, \$646,040 subject to external restrictions, and unrestricted (deficit) net position of \$1,104,849.
- The General Fund contained a surplus on April 30, 2019 of \$242,905, resulting in an ending fund balance of \$4,970,032, an increase of 5.1 percent.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 21 - 23 provide information about the activities of the Village of Kildeer as a whole and present a long-term view of the Village's finances. Fund financial statements begin on page 24. 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, 2019

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### USING THIS ANNUAL REPORT – Continued

#### Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Kildeer's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 21 - 23 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 they occur, 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.

#### 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, 2019

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### 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 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 24 - 27 of this report.

##### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government such as pension funds and escrow accounts. 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 28 - 29 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 30 - 62 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 63 - 74 of this report. Additional budgetary comparison schedules can be found on pages 75 - 82 of this report.

**VILLAGE OF KILDEER, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2019**

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**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 \$20,678,928.

	Net Position	
	2019	2018
Current and Other Assets	\$ 7,804,826	7,615,829
Capital Assets	22,682,737	22,064,783
Total Assets	30,487,563	29,680,612
Deferred Outflows	421,687	688,734
Total Assets/ Def. Outflows	30,909,250	30,369,346
Long-Term Debt	8,688,796	8,575,238
Other Liabilities	492,666	490,629
Total Liabilities	9,181,462	9,065,867
Deferred Inflows	1,048,860	1,269,168
Total Liabilities/ Def. Inflows	10,230,322	10,335,035
Net Position		
Net Investment		
in Capital Assets	21,137,737	20,414,783
Restricted	646,040	727,796
Unrestricted	(1,104,849)	(1,108,268)
Total Net Position	20,678,928	20,034,311

A large portion of the Village of Kildeer's net position, \$21,137,737, 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.

An additional portion, \$646,040, of the Village of Kildeer's net position represents resources that are subject to external restrictions on how they may be used. The restricted Kildeer funds represent Motor Fuel Tax money that can only be used for certain purposes. The remaining deficit of \$1,104,849, represents unrestricted net position.

**VILLAGE OF KILDEER, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2019**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

	Changes in Net Position	
	2019	2018
Revenues		
Program Revenues		
Charges for Services	\$ 673,641	738,890
Operating Grants/Contrib.	105,054	111,895
Capital Grants/Contrib.	1,402,000	-
General Revenues		
Property Taxes	862,354	824,472
Telecommunication Taxes	66,761	73,247
Income Taxes	385,249	359,826
Sales Taxes	2,419,090	2,335,764
Local Use	122,758	104,933
Interest Income	93,591	51,698
Other General Revenues	231,393	177,241
Total Revenues	<u>6,361,891</u>	<u>4,777,966</u>
Expenses		
General Government	1,414,425	1,309,282
Public Safety	2,512,929	2,358,074
Public Works	1,733,160	1,658,530
Interest on Long-Term Debt	56,760	230,134
Total Expenses	<u>5,717,274</u>	<u>5,556,020</u>
Change in Net Position	644,617	(778,054)
Net Position-Beginning	<u>20,034,311</u>	<u>20,812,365</u>
Net Position-Ending	<u>20,678,928</u>	<u>20,034,311</u>

Net position of the Village's governmental activities increased by 3.2 percent (\$20,678,928 in 2019 compared to \$20,034,311 in 2018). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$1,104,849 on April 30, 2019.

# VILLAGE OF KILDEER, ILLINOIS

## Management's Discussion and Analysis April 30, 2019

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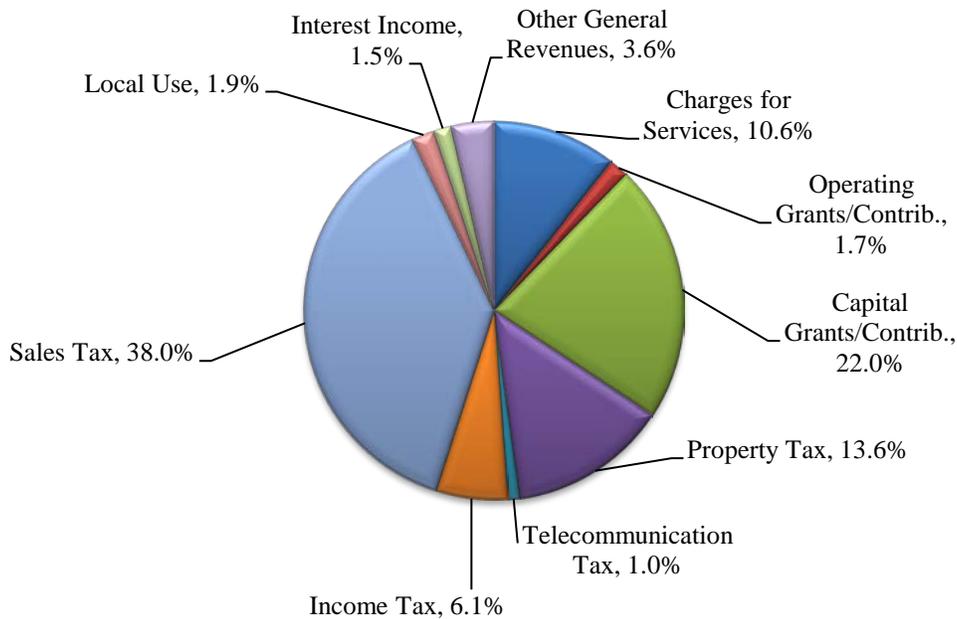
### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities

Revenues for governmental activities totaled \$6,361,891 while the cost of all governmental functions totaled \$5,717,274. This results in a surplus of \$644,617, due mainly to capital contributions. In 2018, however, expenses of \$5,556,020 exceeded revenues of \$4,777,966 resulting in a deficit of \$778,054 due mainly to depreciation expense.

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. Less significant percentages such as telecommunication tax, local use tax, grants and interest income are also shown on the chart.

**Revenues by Source - Governmental Activities**



# VILLAGE OF KILDEER, ILLINOIS

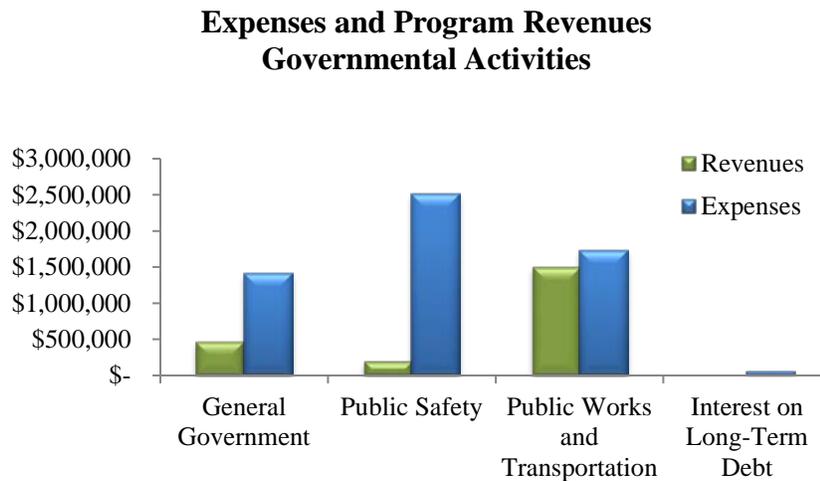
## Management's Discussion and Analysis April 30, 2019

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### 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 a combined ending fund balance of \$6,530,183, which is \$162,766 greater than last year's total of \$6,367,417, a 2.6 percent increase. Of the \$6,530,183 total, \$4,671,011 or approximately 71.5 percent, represents unassigned fund balance.

The General Fund had a positive change in fund balance of \$242,905, an increase of 5.1 percent. The increase was due, mainly, to higher revenues in fiscal year 2019 over budgeted amounts.

## VILLAGE OF KILDEER, ILLINOIS

### Management's Discussion and Analysis April 30, 2019

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

The General Fund is the chief operating fund of the Village. On April 30, 2019 the unassigned fund balance in the General Fund was \$4,671,011, which represents 94 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 101.6 percent of total General Fund expenditures.

The Motor Fuel Tax Fund reported a decrease to fund balance of \$81,756 following a \$200,000 withdrawal to fund the 2018-19 road program. The restricted fund balance of \$646,040 will be used to fund future qualifying projects.

The Capital Projects Fund reported an increase of \$1,617 resulting from a small increase in interest income.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

There were no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$4,840,030 compared to budgeted revenues of \$4,600,000. Actual revenues were higher than budgeted by \$240,030, which is 5 percent higher than budgeted. The increase was due to higher than budgeted sales tax, interest income and refund receipts.

The General Fund actual expenditures for the year totaled \$4,597,125 compared to budgeted expenditures of \$4,600,000. Actual expenditures were lower than budgeted by \$2,875, or less than 0.1 percent. The Village worked diligently during the year to control departmental expenditures as follows:

- Administration Department reported actual expenditures of \$1,560,661 compared to budget of \$1,500,000, resulting in a negative variance of \$60,661. This variance was due to building maintenance, higher tax rebates and personnel costs.
- Police Department reported actual expenditures of \$2,322,117 compared to its budget of \$2,350,000 resulting in a positive variance of \$27,883. This positive variance was due to reductions in legal expenses, health benefits and insurance costs.
- Public Works Department went under budget by \$35,653 due to the inclusion of motor fuel tax funds.

The General Fund for FY 2018-19 had a positive net change between revenues and expenditures of \$242,905.

**VILLAGE OF KILDEER, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2019**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Village of Kildeer’s investment in capital assets for its governmental activities was \$22,682,737 (net of accumulated depreciation). This investment in capital assets includes land, roads, buildings, equipment, vehicles, and infrastructure.

	<u>Capital Assets - Net of Depreciation</u>	
	<u>2019</u>	<u>2018</u>
Land	\$ 13,732,500	13,482,500
Buildings	1,550,917	1,599,383
Equipment	73,746	108,708
Vehicles	58,240	50,303
Infrastructure	7,267,334	6,823,889
Total	<u>22,682,737</u>	<u>22,064,783</u>

This year’s major additions included:

Land	\$ 250,000
Vehicles	34,767
Infrastructure	<u>1,152,000</u>
	<u>1,436,767</u>

Additional information on the Village of Kildeer’s capital assets can be found in note 3 on pages 43 of this report.

**VILLAGE OF KILDEER, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2019**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued**

**Debt Administration**

At fiscal year-end, the Village of Kildeer had total outstanding debt of \$1,545,000, as compared to \$1,650,000 the previous year, a decrease of 6.4 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2019	2018
GO Alternate Revenue Source Bonds	\$ 1,360,000	1,380,000
GO Debt Certificates	185,000	270,000
	<u>1,545,000</u>	<u>1,650,000</u>

The Village maintains a Moody’s bond rating of “Aaa stable.” Kildeer is one of the few Illinois municipalities to maintain a Moody’s Aaa rating for general obligation debt.

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 \$28,946,653. Current debt outstanding of \$185,000 represents just 0.6 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 44 - 46 of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

The Village Board approved a \$4,850,000 balanced budget for FY 2019-20 which is a 5% increase over the previous year. 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).

## VILLAGE OF KILDEER, ILLINOIS

### Management's Discussion and Analysis April 30, 2019

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

Officials of the Village of Kildeer considered many factors when establishing the budget for FY 2019-20. One of those factors was the economy. In light of the fact that approximately 50 percent of all revenue is derived from retail sales tax, only conservative estimates of future revenues are used for budgeting purposes.

State actions that could divert money from municipalities to the state include proposals to reduce income tax distributions to municipalities and a property tax rate freeze. Such state action would reduce Village revenues and make it more difficult to deliver municipal services to residents. The likelihood of an adverse impact on municipal revenues caused by state action is a significant threat to the success of any annual budget.

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 2018 CPI is 2.1 percent which translated into only a small increase in property tax revenues and future CPI rates are not anticipated to change significantly.

The Village of Kildeer's financial strength includes a stable property tax base with a strong demographic profile. In recent years over 20 new single family homes were built and three new residential subdivisions were preliminarily approved. Construction of new units will add to the permit and impact fees received by the Village.

There are four shopping centers in Kildeer along the Rand Road corridor with approximately 560,000 sq. ft. of retail space. Sales tax revenue increased by \$83,326 or 3.5% over FY18 receipts and the Village is cautiously optimistic that the current sales tax level can be sustained.

Additionally, annexations are still anticipated in the future for Village growth expansion opportunities.

Looking ahead, long-term challenges for the Village consist of maintaining the high quality of municipal roads and fully funding the police pension which was created in 2007. Retirees began drawing from the fund in 2009 and now there are more people receiving benefits from the fund than contributing to it. In FY 2019 the pension fund is 41.48% funded. A goal of the Village Board is to fully fund the police pension as soon as possible.

#### 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, 2019**

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**See Following Page**

**VILLAGE OF KILDEER, ILLINOIS**

**Statement of Net Position  
April 30, 2019**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 6,258,873
Receivables - Net	
Taxes	1,485,922
Accounts	21,183
Prepays	<u>38,848</u>
Total Current Assets	<u>7,804,826</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	13,732,500
Depreciable	26,476,529
Accumulated Depreciation	<u>(17,526,292)</u>
Total Noncurrent Assets	<u>22,682,737</u>
Total Assets	<u>30,487,563</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	259,060
Deferred Items - SLEP	20,331
Deferred Items - Police Pension	<u>142,296</u>
Total Deferred Outflows of Resources	<u>421,687</u>
Total Assets and Deferred Outflows of Resources	<u>30,909,250</u>

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

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 175,043
Accrued Payroll	34,357
Other Payables	117,971
Due to Other Governments	43,974
Accrued Interest Payable	10,491
Current Portion of Long-Term Debt	110,830
Total Current Liabilities	<u>492,666</u>
Noncurrent Liabilities	
Compensated Absences Payable	3,318
Net Pension Liability - IMRF	284,241
Net Pension Liability - SLEP	24,770
Net Pension Liability - Police	6,941,467
General Obligation (ARS) Bonds Payable - Net	1,340,000
General Obligation Debt Certificates	95,000
Total Noncurrent Liabilities	<u>8,688,796</u>
Total Liabilities	<u>9,181,462</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	37,289
Deferred Items - SLEP	1,860
Deferred Items - Police Pension	106,413
Property Taxes	903,298
Total Deferred Inflows of Resources	<u>1,048,860</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,230,322</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	21,137,737
Restricted - Public Works and Transportation	646,040
Unrestricted (Deficit)	<u>(1,104,849)</u>
Total Net Position	<u>20,678,928</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, 2019**

	Expenses	Program Revenues			Net (Expenses)/ Revenues
		Program Revenues	Operating Grants/ Contributions	Capital Grants/ Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 1,414,425	475,283	-	-	(939,142)
Public Safety	2,512,929	198,358	3,726	-	(2,310,845)
Public Works and Transportation	1,733,160	-	101,328	1,402,000	(229,832)
Interest on Long-Term Debt	56,760	-	-	-	(56,760)
<b>Total Governmental Activities</b>	<b>5,717,274</b>	<b>673,641</b>	<b>105,054</b>	<b>1,402,000</b>	<b>(3,536,579)</b>

General Revenues

Taxes

Property Taxes	862,354
Telecommunication Taxes	66,761
Other Taxes	4,386

Intergovernmental - Unrestricted

Income Taxes	385,249
Sales Taxes	2,419,090
Local Use	122,758
Personal Property Taxes	1,210
Interest Income	112,124
Miscellaneous	207,264
	<u>4,181,196</u>

Change in Net Position 644,617

Net Position - Beginning 20,034,311

Net Position - Ending 20,678,928

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

**VILLAGE OF KILDEER, ILLINOIS**

**Balance Sheet - Governmental Funds  
April 30, 2019**

	General	Special Revenue Motor Fuel Tax	Capital Projects	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 4,993,107	686,655	579,111	6,258,873
Receivables - Net of Allowances				
Taxes	1,476,537	9,385	-	1,485,922
Accounts	21,183	-	-	21,183
Due from Other Funds	-	-	335,000	335,000
Prepays	38,848	-	-	38,848
<b>Total Assets</b>	<b>6,529,675</b>	<b>696,040</b>	<b>914,111</b>	<b>8,139,826</b>
<b>LIABILITIES</b>				
Accounts Payable	175,043	-	-	175,043
Accrued Payroll	34,357	-	-	34,357
Other Payable	117,971	-	-	117,971
Due to Other Governments	43,974	-	-	43,974
Due to Other Funds	285,000	50,000	-	335,000
<b>Total Liabilities</b>	<b>656,345</b>	<b>50,000</b>	<b>-</b>	<b>706,345</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	903,298	-	-	903,298
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,559,643</b>	<b>50,000</b>	<b>-</b>	<b>1,609,643</b>
<b>FUND BALANCES</b>				
Nonspendable	38,848	-	-	38,848
Restricted	-	646,040	-	646,040
Committed	260,173	-	-	260,173
Assigned	-	-	914,111	914,111
Unassigned	4,671,011	-	-	4,671,011
<b>Total Fund Balances</b>	<b>4,970,032</b>	<b>646,040</b>	<b>914,111</b>	<b>6,530,183</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>6,529,675</b>	<b>696,040</b>	<b>914,111</b>	<b>8,139,826</b>

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

**VILLAGE OF KILDEER, ILLINOIS**

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

**April 30, 2019**

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<b>Total Governmental Fund Balances</b>	\$ 6,530,183
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.	22,682,737
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	221,771
Deferred Items - SLEP	18,471
Deferred Items - Police Pension	35,883
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(4,148)
Net Pension Liability - IMRF	(284,241)
Net Pension Liability - SLEP	(24,770)
Net Pension Liability - Police	(6,941,467)
General Obligation (ARS) Bonds Payable	(1,360,000)
General Obligation Debt Certificates Payable	(185,000)
Accrued Interest Payable	(10,491)
<b>Net Position of Governmental Activities</b>	<u><u>20,678,928</u></u>

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

**VILLAGE OF KILDEER, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2019**

	General	Special Revenue Motor Fuel Tax	Capital Projects	Totals
<b>Revenues</b>				
Taxes	\$ 933,501	-	-	933,501
Intergovernmental	2,932,033	101,328	-	3,033,361
Charges for Services	140,275	-	-	140,275
Licenses and Permits	335,008	-	-	335,008
Fines and Forfeits	198,358	-	-	198,358
Interest	93,591	16,916	1,617	112,124
Miscellaneous	207,264	-	-	207,264
Total Revenues	4,840,030	118,244	1,617	4,959,891
<b>Expenditures</b>				
<b>Current</b>				
General Government	1,406,523	-	-	1,406,523
Public Safety	2,287,350	-	-	2,287,350
Public Works and Transportation	714,347	200,000	-	914,347
Capital Outlay	34,767	-	-	34,767
<b>Debt Service</b>				
Principal Retirement	105,000	-	-	105,000
Interest and Fiscal Charges	49,138	-	-	49,138
Total Expenditures	4,597,125	200,000	-	4,797,125
Net Change in Fund Balances	242,905	(81,756)	1,617	162,766
Fund Balances - Beginning	4,727,127	727,796	912,494	6,367,417
Fund Balances - Ending	4,970,032	646,040	914,111	6,530,183

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, 2019**

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**Net Change in Fund Balances - Total Governmental Funds** **\$ 162,766**

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	1,436,767
Depreciation Expense	(818,813)
Disposals - Cost	(28,455)
Disposals - Accumulated Depreciation	28,455

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

Change in Deferred Items - IMRF	260,134
Change in Deferred Items - SLEP	17,399
Change in Deferred Items - Police Pension	(287,667)

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Decrease in Compensated Absences Payable	1,055
Increase in Net Pension Liability - IMRF	(268,036)
Increase in Net Pension Liability - SLEP	(20,266)
Decrease in Net Pension Liability - Police	63,900
Retirement of General Obligation Bonds Payable	105,000

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

(7,622)

**Changes in Net Position of Governmental Activities**

644,617

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

VILLAGE OF KILDEER, ILLINOIS

Statement of Fiduciary Net Position  
April 30, 2019

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 165,680	596,183
Investments		
Corporate Bonds	2,317,375	-
Mutual Funds	2,373,032	-
Receivables - Net of Allowances		
Accrued Interest	26,696	-
Miscellaneous Receivables	606	-
Due from Other Governments	-	343,974
Prepays	<u>46,778</u>	<u>-</u>
Total Assets	<u>4,930,167</u>	<u>940,157</u>
<b>LIABILITIES</b>		
Accounts Payable	5,682	-
Other Payables	3,941	300,000
Due to Developers	-	43,974
Due to Bondholders	<u>-</u>	<u>596,183</u>
Total Liabilities	<u>9,623</u>	<u>940,157</u>
<b>NET POSITION</b>		
Net Position Restricted for Pensions	<u>4,920,544</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, 2019**

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	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 650,000
Contributions - Plan Members	64,430
Total Contributions	<u>714,430</u>
Investment Income	
Interest Earned	194,349
Net Change in Fair Value	109,855
	<u>304,204</u>
Less Investment Expenses	<u>(22,294)</u>
Net Investment Income	<u>281,910</u>
Total Additions	<u>996,340</u>
Deductions	
Administration	29,479
Benefits and Refunds	593,137
Total Deductions	<u>622,616</u>
Change in Fiduciary Net Position	373,724
Net Position Restricted for Pensions	
Beginning	<u>4,546,820</u>
Ending	<u><u>4,920,544</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, 2019

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### 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
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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, 2019

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

#### BASIS OF PRESENTATION

##### Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police, street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village 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, 2019

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

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into 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, 2019

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#### 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, 2019

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### 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, 2019

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### 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 generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

##### 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.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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

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

**Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**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 acquisition 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 acquisition 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/reduction 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.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2019

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

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

##### Compensated Absences

The Village accrues accumulated compensatory time 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.

##### 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, 2019

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#### 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, except the Capital Projects Fund and the Police Pension Fund. 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 17, 2018.

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

##### DEPOSITS AND INVESTMENTS

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.

## VILLAGE OF KILDEER, ILLINOIS

### Notes to the Financial Statements

April 30, 2019

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

##### DEPOSITS AND INVESTMENTS – Continued

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, and Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks.

The 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. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, which is the price for which the investment could be sold.

##### **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 \$3,701,456 and the bank balances totaled \$3,748,011. In addition, the Village has \$2,557,417 invested in the Illinois Funds at year-end, which is measured at net asset value per share as determined by the Pool.

*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 requires 110% of the deposits to be collateralized. At year-end, the entire bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2019

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

#### DEPOSITS AND INVESTMENTS – Continued

#### Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Custodial Credit Risk – Continued.* 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 does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$165,680 and the bank balances totaled \$171,468.

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

Investment	Investment Maturities (in Years)				More than 10
	Fair Value	Less than 1	1 to 5	6 to 10	
Corporate Bonds	\$ 2,317,375	329,028	1,784,135	204,212	-

The Fund has the following recurring fair value measurements as of April 30, 2019:

- Corporate Bonds of \$2,317,375 are valued using significant other observable inputs (Level 2 inputs)
- Mutual Funds of \$2,373,032 are valued using quoted prices in active markets for identical assets (Level 1 inputs)

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2019

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### 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

*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' were rated A to BBB by Standard and Poor's.

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

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

*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 \$2,373,032 invested in mutual funds. At year-end, the Fund does not have any investments over 5 percent of net position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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	51.00%	1.80%
Domestic Equities	41.00%	8.00%
International Equities	4.00%	8.00%
Real Estate	1.00%	7.00%
Cash and Cash Equivalents	3.00%	0.00%

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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**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**

*Concentration Risk – Continued.* Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 65%. 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 June 2019 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, 2019 are listed in the table above.

**Rate of Return**

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**PROPERTY TAXES**

Property taxes for 2018 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.

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Balances**

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

Receivable Fund	Payable Fund	Amount
Capital Projects	General	\$ 285,000
Capital Projects	MFT Fund	50,000
		335,000

Interfund balances are advances in anticipation of receipts.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 13,482,500	250,000	-	13,732,500
Depreciable Capital Assets				
Buildings	2,423,308	-	-	2,423,308
Equipment	365,682	-	28,455	337,227
Vehicles	197,572	34,767	-	232,339
Infrastructure	22,331,655	1,152,000	-	23,483,655
	<u>25,318,217</u>	<u>1,186,767</u>	<u>28,455</u>	<u>26,476,529</u>
Less Accumulated Depreciation				
Buildings	823,925	48,466	-	872,391
Equipment	256,974	34,962	28,455	263,481
Vehicles	147,269	26,830	-	174,099
Infrastructure	15,507,766	708,555	-	16,216,321
	<u>16,735,934</u>	<u>818,813</u>	<u>28,455</u>	<u>17,526,292</u>
Total Net Depreciable Capital Assets	<u>8,582,283</u>	<u>367,954</u>	<u>-</u>	<u>8,950,237</u>
Total Net Capital Assets	<u>22,064,783</u>	<u>617,954</u>	<u>-</u>	<u>22,682,737</u>

Depreciation expense was charged to governmental activities as follows:

Public Works and Transportation \$ 818,813

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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

**LONG-TERM DEBT**

**Alternate Revenue Source Bonds**

The Village issues bonds to provide funds for the acquisition and construction of major capital facilities. Alternate revenue source bonds provide for the collection, segregation and distribution of certain taxes received by the Village for the payment of principal and interest on the alternate revenue source bonds. Alternate revenue source bonds outstanding are as follows:

<u>Issue</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
\$1,380,000 General Obligation (ARS) Refunding Bonds of 2017, due in annual installments of \$20,000 to \$145,000 plus interest at a rate of 2.00% through February 1, 2031.	\$ 1,380,000	-	20,000	1,360,000

**Debt Certificates**

The Village issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates have been issued for governmental activities. Debt certificates currently outstanding are as follows:

<u>Issue</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
\$2,025,000 General Obligation Refunding Limited Debt Certificates of 2011, due in annual installments of \$70,000 to \$95,000 plus interest at a rate of 3.00% to 4.25% through February 1, 2021.	\$ 270,000	-	85,000	185,000

**Defeased Debt**

In prior years, the Village defeased general obligation debt certificates by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements which normally satisfy defeasance, have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Defeased bonds of \$1,220,000 remain outstanding as of the date of this report.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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

**LONG-TERM DEBT – Continued**

**Long-Term Liability Activity**

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 5,203	1,055	2,110	4,148	830
Net Pension Liability - IMRF	16,205	268,036	-	284,241	-
Net Pension Liability - SLEP	4,504	20,266	-	24,770	-
Net Pension Liability - Police	7,005,367	-	63,900	6,941,467	-
General Obligation (ARS) Bonds	1,380,000	-	20,000	1,360,000	20,000
General Obligation Debt Certificates	270,000	-	85,000	185,000	90,000
	<u>8,681,279</u>	<u>289,357</u>	<u>171,010</u>	<u>8,799,626</u>	<u>110,830</u>

The compensated absences and the net pension liabilities are liquidated by the General Fund. Payments on the general obligation bonds are made by the General Fund.

**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 - 2018	<u>\$ 335,613,372</u>
Legal Debt Limit - 8.625% of Assessed Value	28,946,653
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>(185,000)</u>
Legal Debt Margin	<u>28,761,653</u>

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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**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 (ARS) Bonds		General Obligation Debt Certificates	
	Principal	Interest	Principal	Interest
2020	\$ 20,000	34,100	90,000	7,862
2021	20,000	33,700	95,000	4,038
2022	120,000	33,300	-	-
2023	120,000	30,900	-	-
2024	120,000	28,500	-	-
2025	125,000	25,800	-	-
2026	135,000	22,988	-	-
2027	135,000	19,546	-	-
2028	135,000	16,102	-	-
2029	140,000	12,254	-	-
2030	145,000	8,266	-	-
2031	145,000	4,132	-	-
Total	<u>1,360,000</u>	<u>269,588</u>	<u>185,000</u>	<u>11,900</u>

**Non-Commitment Debt**

**Special Service Area Bonds**

Special service area bonds outstanding as of the date of this report totaled \$637,407. 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.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2019**

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

**NET POSITION/ FUND BALANCE**

**Fund Balance Classifications**

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				
Prepays	\$ 38,848	-	-	38,848
Restricted				
Public Works and Transportation	-	646,040	-	646,040
Committed				
Facility Maintenance	100,000	-	-	100,000
Debt Service	160,173	-	-	160,173
	260,173	-	-	260,173
Assigned	-	-	914,111	914,111
Unassigned	4,671,011	-	-	4,671,011
Total Fund Balances	4,970,032	646,040	914,111	6,530,183

In the governmental fund 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.

*Nonspendable Fund Balance.* Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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

**NET POSITION/ FUND BALANCE – Continued**

**Fund Balance Classifications – Continued**

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned Fund Balance.* Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

*Unassigned Fund Balance.* Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

**Net Position Classifications**

Net investment in capital assets was comprised of the following as of April 30, 2019:

Governmental Activities

Capital Assets - Net of Accumulated Depreciation	\$ 22,682,737
Less Capital Related Debt:	
General Obligation Limited Debt Certificates of 2011	(185,000)
General Obligation Refunding Bonds of 2017	<u>(1,360,000)</u>
Net Investment in Capital Assets	<u>21,137,737</u>

**NOTE 4 – OTHER INFORMATION**

**OTHER POST-EMPLOYMENT BENEFITS**

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, there is minimal participation. As the Village provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Therefore, the Village has not recorded a liability as of April 30, 2019.

## **VILLAGE OF KILDEER, ILLINOIS**

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

**April 30, 2019**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **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 coverages 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.

##### **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, LLC 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 April 2024 or when the total payments to the developer reach \$1,250,000. For the year ended April 30, 2019 the Village collected \$322,953 of sales tax and will rebate \$161,476 to the developer, of which \$52,122 remains outstanding as of April 30, 2019.

The Village has an agreement to share sales tax revenue with the developer of the shopping center known as the Kildeer Village Square, LLC which opened for business in May 2017. 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 May 2032 or when the total payments to the developer reach \$3,500,000. For the year ended April 30, 2019 the Village collected \$623,275 of sales tax and will rebate \$311,638 to the developer, of which \$95,698 remains outstanding as of April 30, 2019.

## VILLAGE OF KILDEER, ILLINOIS

### Notes to the Financial Statements

April 30, 2019

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#### NOTE 4 – OTHER INFORMATION – Continued

##### 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.

##### **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](http://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.

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Illinois Municipal Retirement Fund (IMRF)

###### Plan Descriptions

*Plan Administration.* All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. 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.

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.

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 4 – OTHER INFORMATION – Continued**

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

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

**Plan Descriptions – Continued**

*Plan Membership.* As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

	Regular Plan	SLEP
Inactive Plan Members Currently Receiving Benefits	2	-
Inactive Plan Members Entitled to but not yet Receiving Benefits	4	1
Active Plan Members	4	1
	<hr/>	<hr/>
Total	10	2

*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 fiscal year-ended April 30, 2019 for the Regular Plan was 10.17% and for SLEP was 9.40% of covered payroll.

*Net Pension Liability.* The Village’s net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

	Regular Plan	SLEP
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market	Market
Actuarial Assumptions		
Interest Rate	7.25%	7.25%
Salary Increases	3.39% to 14.25%	3.39% to 14.25%
Cost of Living Adjustments	2.50%	2.50%
Inflation	2.50%	2.50%

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements

April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Illinois Municipal Retirement Fund (IMRF) – Continued

##### Plan Descriptions – Continued

*Actuarial Assumptions – Continued.* For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The 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 table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	28.00%	3.75%
Domestic Equities	37.00%	7.15%
International Equities	18.00%	7.25%
Real Estate	9.00%	6.25%
Blended	7.00%	3.20% - 8.50%
Cash and Cash Equivalents	1.00%	2.50%

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Illinois Municipal Retirement Fund (IMRF) – Continued

###### Discount Rate

The discount rate used to measure the total pension liability was 7.25% for the Regular Plan and SLEP, and 7.50% for the Regular Plan and SLEP was used in 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, IMRF'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.

###### Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Regular Plan			
Net Pension Liability	\$ 482,995	284,241	115,048
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SLEP			
Net Pension Liability	\$ 47,428	24,770	5,385

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

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

**Changes in the Net Pension Liability – Regular Plan**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 1,756,063	1,739,858	16,205
Changes for the Year:			
Service Cost	37,840	-	37,840
Interest on the Total Pension Liability	128,896	-	128,896
Difference Between Expected and Actual Experience of the Total Pension Liability	40,479	-	40,479
Changes of Assumptions	44,788	-	44,788
Contributions - Employer	-	45,096	(45,096)
Contributions - Employees	-	18,860	(18,860)
Net Investment Income	-	(115,390)	115,390
Benefit Payments, including Refunds of Employee Contributions	(112,744)	(112,744)	-
Other (Net Transfer)	-	35,401	(35,401)
Net Changes	139,259	(128,777)	268,036
Balances at December 31, 2018	1,895,322	1,611,081	284,241

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

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

**Changes in the Net Pension Liability – SLEP**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 156,976	152,472	4,504
Changes for the Year:			
Service Cost	17,473	-	17,473
Interest on the Total Pension Liability	12,428	-	12,428
Difference Between Expected and Actual Experience of the Total Pension Liability	2,020	-	2,020
Changes of Assumptions	5,127	-	5,127
Contributions - Employer	-	13,172	(13,172)
Contributions - Employees	-	8,523	(8,523)
Net Investment Income	-	(2,509)	2,509
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	(2,404)	2,404
Net Changes	37,048	16,782	20,266
Balances at December 31, 2018	194,024	169,254	24,770

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 4 – OTHER INFORMATION – Continued**

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

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

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

For the year ended April 30, 2019, the Village recognized pension expense of \$52,001 for the Regular Plan and \$16,938 for SLEP. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Regular Plan			SLEP		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 98,932	-	98,932	2,400	-	2,400
Change in Assumptions	34,200	37,289	(3,089)	3,270	1,860	1,410
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	111,608	-	111,608	8,716	-	8,716
Total Pension Expense to be Recognized in Future Periods	244,740	37,289	207,451	14,386	1,860	12,526
Pension Contributions Made Subsequent to the Measurement Date	14,320	-	14,320	5,945	-	5,945
Total Deferred Amounts Related to IMRF	259,060	37,289	221,771	20,331	1,860	18,471

\$14,320 for the Regular Plan and \$5,945 for SLEP reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2020.

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	Regular Plan	SLEP
	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources
2020	\$ 69,586	4,754
2021	47,981	3,450
2022	40,100	1,390
2023	49,784	2,932
2024	-	-
Thereafter	-	-
Totals	207,451	12,526

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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**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, 2019, 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, 2019

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### 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 1<sup>st</sup> 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 or 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, 2019, the Village's contribution was 99.98% of covered payroll.

*Concentrations.* At year-end, the Police Pension Plan does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

# VILLAGE OF KILDEER, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### 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, 2019, using the following actuarial methods and assumptions:

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 following:

- Active Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment.
- Retiree Mortality follows the L&A Assumption Study for Police 2016. These Rates are Experience Weighted with the Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment.
- Disabled Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study for Disabled.
- Participants, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2016 Improvement Rates.
- Spouse Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study. These Rates.
- Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois Police Officers.

##### 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, 2019

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### 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	\$ 8,483,130	6,941,467	5,661,580

##### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2018	\$ 11,552,187	4,546,820	7,005,367
Changes for the Year:			
Service Cost	205,595	-	205,595
Interest on the Total Pension Liability	703,476	-	703,476
Difference Between Expected and Actual Experience of the Total Pension Liability	(6,315)	-	(6,315)
Changes of Assumptions	205	-	205
Contributions - Employer	-	650,000	(650,000)
Contributions - Employees	-	64,430	(64,430)
Net Investment Income	-	281,910	(281,910)
Benefit Payments, including Refunds of Employee Contributions	(593,137)	(593,137)	-
Administrative Expenses	-	(29,479)	29,479
Net Changes	309,824	373,724	(63,900)
Balances at April 30, 2019	11,862,011	4,920,544	6,941,467

**VILLAGE OF KILDEER, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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**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, 2019, the Village recognized pension expense of \$873,767. At April 30, 2019, 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	\$ 11,243	94,146	(82,903)
Change in Assumptions	29,914	12,267	17,647
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	101,139	-	101,139
Total Deferred Amounts Related to Police Pension	142,296	106,413	35,883

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
2020	\$ 8,524
2021	3,698
2022	22,608
2023	1,053
2024	-
Thereafter	-
Total	35,883

## **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 Employer Contributions
  - Illinois Municipal Retirement Fund - Regular Plan
  - Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel
  - Police Pension Fund
  
- Schedule of Changes in the Employer's Net Pension Liability
  - Illinois Municipal Retirement Fund - Regular Plan
  - Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel
  - 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**

**Illinois Municipal Retirement Fund - Regular Plan**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 34,208	\$ 34,208	\$ -	\$ 357,082	9.58%
2017	36,086	36,086	-	384,297	9.39%
2018	38,736	38,736	-	406,453	9.53%
2019	44,099	44,099	-	433,611	10.17%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2014 (base year 2012)

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**VILLAGE OF KILDEER, ILLINOIS**

**Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2019**

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Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 12,763	\$ 12,763	\$ -	\$ 111,572	11.44%
2018	13,452	13,452	-	130,614	10.30%
2019	14,071	14,071	-	149,643	9.40%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2014 (base year 2012)

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**VILLAGE OF KILDEER, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 335,213	\$ 450,000	\$ 114,787	\$ 599,377	75.08%
2016	391,135	600,000	208,865	631,770	94.97%
2017	571,125	650,000	78,875	653,741	99.43%
2018	560,518	700,000	139,482	583,324	120.00%
2019	567,100	650,000	82,900	650,152	99.98%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	Market
Inflation	2.50%
Salary Increases	3.25%
Investment Rate of Return	6.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**VILLAGE OF KILDEER, ILLINOIS**

**Illinois Municipal Retirement Fund - Regular Plan**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2019**

	<u>12/31/15</u>
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	<u>(79,320)</u>
Other (Net Transfer)	<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 Payroll	\$ 357,082
Employer's Net Pension Liability as a Percentage of Covered Payroll	31.62%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/16	12/31/17	12/31/18
40,548	36,445	37,840
117,221	126,458	128,896
-	-	-
70,026	47,068	40,479
(1,757)	(60,248)	44,788
(82,746)	(123,084)	(112,744)
143,292	26,639	139,259
1,586,132	1,729,424	1,756,063
1,729,424	1,756,063	1,895,322
36,086	36,337	45,096
17,293	17,677	18,860
98,146	295,497	(115,390)
(82,746)	(123,084)	(112,744)
8,200	(36,787)	35,401
76,979	189,640	(128,777)
1,473,239	1,550,218	1,739,858
1,550,218	1,739,858	1,611,081
179,206	16,205	284,241
89.64%	99.08%	85.00%
384,297	392,828	419,110
46.63%	4.13%	67.82%

VILLAGE OF KILDEER, ILLINOIS

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel

Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2019

	<u>12/31/16</u>
Total Pension Liability	
Service Cost	\$ 18,801
Interest	8,283
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	2,392
Change of Assumptions	100,986
Benefit Payments, Including Refunds of Member Contributions	<u>-</u>
Net Change in Total Pension Liability	130,462
Total Pension Liability - Beginning	<u>-</u>
Total Pension Liability - Ending	<u><u>130,462</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 12,763
Contributions - Members	8,368
Net Investment Income	6,582
Benefit Payments, Including Refunds of Member Contributions	-
Other (Net Transfer)	<u>89,452</u>
Net Change in Plan Fiduciary Net Position	117,165
Plan Net Position - Beginning	<u>-</u>
Plan Net Position - Ending	<u><u>117,165</u></u>
Employer's Net Pension Liability	<u><u>\$ 13,297</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.81%
Covered Payroll	\$ 111,572
Employer's Net Pension Liability as a Percentage of Covered Payroll	11.92%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/17	12/31/18
18,619	17,473
10,483	12,428
-	-
2,291	2,020
(4,879)	5,127
-	-
26,514	37,048
130,462	156,976
156,976	194,024
13,231	13,172
8,431	8,523
17,183	(2,509)
-	-
(3,538)	(2,404)
35,307	16,782
117,165	152,472
152,472	169,254
4,504	24,770
97.13%	87.23%
112,408	113,645
4.01%	21.80%

**VILLAGE OF KILDEER, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2019**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 177,115
Interest	549,663
Differences Between Expected and Actual Experience	587,379
Change of Assumptions	526,379
Benefit Payments, Including Refunds of Member Contributions	<u>(532,287)</u>
Net Change in Total Pension Liability	1,308,249
Total Pension Liability - Beginning	<u>8,409,304</u>
Total Pension Liability - Ending	<u><u>9,717,553</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 450,000
Contributions - Members	39,978
Net Investment Income	197,602
Benefit Payments, Including Refunds of Member Contributions	(532,287)
Administrative Expense	<u>(71,821)</u>
Net Change in Plan Fiduciary Net Position	83,472
Plan Net Position - Beginning	<u>3,660,991</u>
Plan Net Position - Ending	<u><u>3,744,463</u></u>
Employer's Net Pension Liability	<u><u>\$ 5,973,090</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	38.53%
Covered Payroll	\$ 599,377
Employer's Net Pension Liability as a Percentage of Covered Payroll	996.55%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018	2019
189,443	194,376	206,525	205,595
590,665	686,005	683,724	703,476
173,119	(311,108)	12,598	(6,315)
1,112,037	(42,687)	-	205
(533,841)	(545,752)	(580,470)	(593,137)
1,531,423	(19,166)	322,377	309,824
9,717,553	11,248,976	11,229,810	11,552,187
11,248,976	11,229,810	11,552,187	11,862,011
600,000	650,000	700,000	650,000
43,892	49,115	57,808	64,430
52,170	263,392	157,472	281,910
(533,841)	(545,752)	(580,470)	(593,137)
(37,238)	(44,740)	(29,451)	(29,479)
124,983	372,015	305,359	373,724
3,744,463	3,869,446	4,241,461	4,546,820
3,869,446	4,241,461	4,546,820	4,920,544
7,379,530	6,988,349	7,005,367	6,941,467
34.40%	37.77%	39.36%	41.48%
631,770	653,741	583,324	650,152
1168.07%	1068.98%	1200.94%	1067.67%

**VILLAGE OF KILDEER, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
April 30, 2019**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	5.48%
2016	1.45%
2017	6.84%
2018	3.83%
2019	6.20%

Note: This schedule is intended to show information for ten years. Information for additional years 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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 941,692	941,692	933,501
Intergovernmental	2,846,000	2,846,000	2,932,033
Charges for Services	136,500	136,500	140,275
Licenses and Permits	290,000	290,000	335,008
Fines and Forfeits	185,000	185,000	198,358
Interest	30,000	30,000	93,591
Miscellaneous	165,808	165,808	207,264
Total Revenues	<u>4,595,000</u>	<u>4,595,000</u>	<u>4,840,030</u>
Expenditures			
Current			
General Government	1,345,500	1,345,500	1,406,523
Public Safety	2,315,600	2,315,600	2,287,350
Public Works and Transportation	750,000	750,000	714,347
Capital Outlay	34,400	34,400	34,767
Debt Service			
Principal Retirement	105,000	105,000	105,000
Interest and Fiscal Charges	49,500	49,500	49,138
Total Expenditures	<u>4,600,000</u>	<u>4,600,000</u>	<u>4,597,125</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,000)</u>	<u>(5,000)</u>	<u>242,905</u>
Other Financing Sources			
Disposal of Capital Assets	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>242,905</u>
Fund Balance - Beginning			<u>4,727,127</u>
Fund Balance - Ending			<u><u>4,970,032</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, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Motor Fuel Tax	\$ 100,000	100,000	101,328
Interest	3,000	3,000	16,916
Total Revenues	<u>103,000</u>	<u>103,000</u>	118,244
Expenditures			
Public Works and Transportation			
Road Improvements	<u>350,000</u>	<u>350,000</u>	200,000
Net Change in Fund Balance	<u>(247,000)</u>	<u>(247,000)</u>	(81,756)
Fund Balance - Beginning			<u>727,796</u>
Fund Balance - Ending			<u><u>646,040</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
- Combining Statement of Changes in Assets and Liabilities – Agency Funds

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

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## **GENERAL FUND**

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

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## **SPECIAL REVENUE FUND**

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

### **Motor Fuel Tax Fund**

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

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## **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUND**

#### **Police Pension Fund**

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

### **AGENCY FUNDS**

#### **Escrow Fund**

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

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

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

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**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes	\$ 862,302	862,302	862,354
Other			
Road and Bridge Tax	4,390	4,390	4,386
Telecommunication Taxes	75,000	75,000	66,761
<b>Total Taxes</b>	<b>941,692</b>	<b>941,692</b>	<b>933,501</b>
<b>Intergovernmental</b>			
State Sales Tax	2,350,000	2,350,000	2,419,090
State Use Tax	95,000	95,000	122,758
Illinois State Income Tax	395,000	395,000	385,249
Illinois State Replacement Tax	1,000	1,000	1,210
State Grants	5,000	5,000	3,726
<b>Total Intergovernmental</b>	<b>2,846,000</b>	<b>2,846,000</b>	<b>2,932,033</b>
<b>Charges for Services</b>			
Impoundment Fees	16,500	16,500	9,000
Code Violations	30,000	30,000	39,577
Franchise Fees	90,000	90,000	91,698
<b>Total Charges for Services</b>	<b>136,500</b>	<b>136,500</b>	<b>140,275</b>
<b>Licenses and Permits</b>			
Licenses and Fees	90,000	90,000	119,608
Building Permits	200,000	200,000	215,400
<b>Total Licenses and Permits</b>	<b>290,000</b>	<b>290,000</b>	<b>335,008</b>
<b>Fines and Forfeits</b>			
Police Fines	35,000	35,000	35,613
Red Light Enforcement	150,000	150,000	162,745
<b>Total Fines and Forfeits</b>	<b>185,000</b>	<b>185,000</b>	<b>198,358</b>

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2019**

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	Budget		Actual
	Original	Final	
Interest			
Investment Income	\$ 30,000	30,000	93,591
Miscellaneous			
Revenue Sharing	120,000	120,000	122,697
Books and Copies	1,000	1,000	770
Refunds and Reimbursements	30,000	30,000	59,423
Other	14,808	14,808	24,374
Total Miscellaneous	165,808	165,808	207,264
Total Revenues	4,595,000	4,595,000	4,840,030

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# VILLAGE OF KILDEER, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended April 30, 2019

	Budget		Actual
	Original	Final	
General Government			
Personnel Salaries	\$ 356,756	356,756	389,557
Payroll Taxes	27,532	27,532	23,877
Workers' Compensation Insurance	1,784	1,784	1,160
Retirement and Benefits	101,482	101,482	117,301
Training and Education	5,000	5,000	2,345
Travel and Lodging	3,500	3,500	2,073
Legal Services	15,000	15,000	7,434
Contract Services	57,500	57,500	68,866
Planning and Zoning Services	5,000	5,000	888
Inspection Services	100,000	100,000	119,064
Financial Services	5,000	5,000	1,980
Information Technology	17,420	17,420	12,522
Other Professional Fees	7,000	7,000	7,094
Engineering Fees	45,000	45,000	34,427
Audit Fees	17,500	17,500	17,415
Alarm and Video	400	400	300
Codification	3,000	3,000	2,012
Insurance	15,000	15,000	13,868
Dues and Subscriptions	8,500	8,500	9,646
Supplies	10,000	10,000	9,119
Copy Services	1,000	1,000	23
Postage	1,500	1,500	496
Utilities	3,540	3,540	3,215
Equipment Maintenance	13,000	13,000	10,249
Building and Grounds Maintenance	35,000	35,000	65,398
Sales Tax Rebate	450,000	450,000	473,114
Community Events	1,000	1,000	10,518
Miscellaneous Expenditures	38,086	38,086	2,562
Total General Government	1,345,500	1,345,500	1,406,523
Public Safety			
Personnel Salaries	960,745	960,745	1,000,795
Payroll Taxes	23,348	23,348	23,951
Workers' Compensation Insurance	35,375	35,375	23,428
Health Benefits	206,306	206,306	177,968

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Pension Contribution	\$ 671,339	671,339	668,643
Insurance	46,000	46,000	38,432
Investigations and Lab	575	575	493
Legal Services	84,000	84,000	69,492
Contract Services	32,570	32,570	28,949
Admin Adjudication	3,060	3,060	2,295
Community Relations	875	875	1,418
Firearms and Defense	3,600	3,600	3,442
Communications	2,640	2,640	2,623
Conferences and Dues	22,500	22,500	27,107
Dispatching	80,150	80,150	80,149
DUI Expenditures	-	-	1,404
Red Light Enforcement Expenditures	77,000	77,000	71,409
Training and Education	6,250	6,250	1,630
Travel and Lodging	1,200	1,200	1,161
Printing	1,400	1,400	418
Copy Services	875	875	1,216
Postage	750	750	271
Fuel	16,000	16,000	16,598
Storage	2,616	2,616	2,673
Supplies	2,500	2,500	3,641
Uniforms	10,200	10,200	7,376
Maintenance and Repairs	14,360	14,360	18,029
Miscellaneous Expenditures	9,366	9,366	12,339
Total Public Safety	2,315,600	2,315,600	2,287,350
Public Works and Transportation			
Contract Services	1,500	1,500	1,294
Mosquito Control	13,000	13,000	11,000
Road Maintenance	450,000	450,000	412,814
Snow and Ice Control	165,000	165,000	163,776

**VILLAGE OF KILDEER, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Public Works and Transportation - Continued			
Street Signs and Safety	\$ 3,000	3,000	1,091
Street Lighting	3,000	3,000	3,067
Right of Way Maintenance	87,000	87,000	87,552
Traffic Signal Maintenance	12,500	12,500	11,075
Storm Sewer Line Maintenance	15,000	15,000	22,678
Total Public Works and Transportation	750,000	750,000	714,347
Capital Outlay			
Public Safety	34,400	34,400	34,767
Debt Service			
Principal Retirement	105,000	105,000	105,000
Interest and Fiscal Charges	49,500	49,500	49,138
Total Debt Service	154,500	154,500	154,138
Total Expenditures	4,600,000	4,600,000	4,597,125

**VILLAGE OF KILDEER, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2019**

	Beginning Balances	Additions	Deductions	Ending Balances
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 548,432	596,183	548,432	596,183
Due from Other Governments	353,896	43,974	53,896	343,974
Total Assets	902,328	640,157	602,328	940,157
<b>LIABILITIES</b>				
Other Payables	300,000	-	-	300,000
Due to Developers	53,896	43,974	53,896	43,974
Due to Bondholders	548,432	596,183	548,432	596,183
Total Liabilities	902,328	640,157	602,328	940,157
<b>Escrow Fund</b>				
<b>ASSETS</b>				
Due from Other Governments	53,896	43,974	53,896	43,974
<b>LIABILITIES</b>				
Due to Developers	53,896	43,974	53,896	43,974

	Beginning Balances	Additions	Deductions	Ending Balances
<b>Special Service Area Fund</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 548,432	596,183	548,432	596,183
Due from Other Governments	300,000	-	-	300,000
Total Assets	848,432	596,183	548,432	896,183
<b>LIABILITIES</b>				
Other Payables	300,000	-	-	300,000
Due to Bondholders	548,432	596,183	548,432	596,183
Total Liabilities	848,432	596,183	548,432	896,183

**VILLAGE OF KILDEER, ILLINOIS**

**Consolidated Year-End Financial Report  
April 30, 2019**

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CSFA #	Program Name	State	Federal	Other	Totals
494-00-1488	Motor Fuel Tax Program	\$ 200,000	-	-	200,000
494-10-0343	State and Community Highway Safety				
	National Priority Safety Program	-	3,726	-	3,726
	Other Grant Programs and Activities	-	-	-	-
	All Other Costs Not Allocated	-	-	5,513,548	5,513,548
	Totals	200,000	3,726	5,513,548	5,717,274

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## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Insurance in Force  
April 30, 2019**

Coverage	Amount of Coverage	Expiration Date of Policy
General Liability	\$ 1,000,000 per Occurrence	11/1/19
Commercial Property	5,395,000 Blanket Limit	11/1/19
Boiler & Machinery	50,000,000 Blanket Limit	11/1/19
Commercial Umbrella	9,000,000 per Occurrence	11/1/19
Automobile Liability	1,000,000 per Occurrence	11/1/19
Uninsured/Underinsured Motorist	1,000,000 per Occurrence	11/1/19
Public Officials Liability	1,000,000 per Occurrence	11/1/19
Cyber	100,000 per Occurrence	11/1/19
Law Enforcement Liability	1,000,000 per Occurrence	11/1/19
Deadly Weapons Response	500,000 per Event	11/1/19
Employment Practices	1,000,000 per Occurrence	11/1/19
Employers Benefits Liability	1,000,000 per Occurrence	11/1/19
Workers' Compensation	1,000,000 per Accident	1/1/19
Crime and Fidelity		
a. Employee Dishonesty	1,000,000 per Occurrence	11/1/19
b. Forgery or Alteration	50,000 per Occurrence	11/1/19
c. Theft, Disappearance and Destruction	1,000,000 per Occurrence	11/1/19

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Refunding Limited Debt Certificates of 2011  
April 30, 2019**

Date of Issue	January 18, 2011
Date of Maturity	February 1, 2021
Authorized Issue	\$2,025,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% - 4.25%
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
2020	\$ 90,000	7,862	97,862	2019	3,931	2020	3,931
2021	95,000	4,038	99,038	2020	2,019	2021	2,019
	<u>185,000</u>	<u>11,900</u>	<u>196,900</u>		<u>5,950</u>		<u>5,950</u>

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation (ARS) Refunding Bonds of 2017  
April 30, 2019**

Date of Issue	December 28, 2017
Date of Maturity	February 1, 2031
Authorized Issue	\$1,380,000
Denomination of Bonds	\$5,000
Interest Rates	2.00%
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
2020	\$ 20,000	34,100	54,100	2019	17,050	2020	17,050
2021	20,000	33,700	53,700	2020	16,850	2021	16,850
2022	120,000	33,300	153,300	2021	16,650	2022	16,650
2023	120,000	30,900	150,900	2022	15,450	2023	15,450
2024	120,000	28,500	148,500	2023	14,250	2024	14,250
2025	125,000	25,800	150,800	2024	12,900	2025	12,900
2026	135,000	22,988	157,988	2025	11,494	2026	11,494
2027	135,000	19,546	154,546	2026	9,773	2027	9,773
2028	135,000	16,102	151,102	2027	8,051	2028	8,051
2029	140,000	12,254	152,254	2028	6,127	2029	6,127
2030	145,000	8,266	153,266	2029	4,133	2030	4,133
2031	145,000	4,132	149,132	2030	2,066	2031	2,066
	<u>1,360,000</u>	<u>269,588</u>	<u>1,629,588</u>		<u>134,794</u>		<u>134,794</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, 2019 (Unaudited)**

	2010	2011	2012
<b>Governmental Activities</b>			
Net Investment in Capital Assets	\$ 25,196,160	24,251,008	23,123,488
Restricted	840,083	806,981	253,958
Unrestricted	982,198	1,634,430	3,243,668
Total Governmental Activities Net Position	<u>27,018,441</u>	<u>26,692,419</u>	<u>26,621,114</u>
<b>Business-Type Activities</b>			
Net Investment in Capital Assets	5,655,652	5,606,722	6,877,619
Restricted	37,990	37,990	-
Unrestricted	1,207,713	1,322,204	891,508
Total Business-Type Activities Net Position	<u>6,901,355</u>	<u>6,966,916</u>	<u>7,769,127</u>
<b>Primary Government</b>			
Net Investment in Capital Assets	30,851,812	29,857,730	30,001,107
Restricted	878,073	844,971	253,958
Unrestricted	2,189,911	2,956,634	4,135,176
Total Primary Government Net Position	<u>33,919,796</u>	<u>33,659,335</u>	<u>34,390,241</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.

2013	2014	2015**	2016	2017	2018	2019
23,001,841	22,900,281	22,413,374	22,050,905	21,314,669	20,414,783	21,137,737
216,823	332,976	413,351	515,401	618,735	727,796	646,040
3,785,397	4,907,151	5,528,575	(1,349,042)	(1,121,039)	(1,108,268)	(1,104,849)
27,004,061	28,140,408	28,355,300	21,217,264	20,812,365	20,034,311	20,678,928
6,772,468	9,280,347	-	-	-	-	-
-	-	-	-	-	-	-
965,434	986,165	-	-	-	-	-
7,737,902	10,266,512	-	-	-	-	-
29,774,309	32,180,628	22,413,374	22,050,905	21,314,669	20,414,783	21,137,737
216,823	332,976	413,351	515,401	618,735	727,796	646,040
4,750,831	5,893,316	5,528,575	(1,349,042)	(1,121,039)	(1,108,268)	(1,104,849)
34,741,963	38,406,920	28,355,300	21,217,264	20,812,365	20,034,311	20,678,928

VILLAGE OF KILDEER, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years\*  
 April 30, 2019 (Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
General Government	\$ 746,493	705,714	735,208	972,336	813,336	1,040,178	976,424	1,089,598	1,309,282	1,414,425
Public Safety	2,621,054	2,918,201	2,415,917	1,743,825	1,461,553	1,530,701	2,764,068	2,273,568	2,358,074	2,512,929
Public Works	1,313,149	1,259,178	1,181,611	1,388,693	906,037	1,646,360	2,176,737	1,534,150	1,658,530	1,733,160
Interest on Long-Term Debt	72,414	98,094	97,934	88,730	86,591	84,343	82,055	79,555	230,134	56,760
Total Governmental Activities Expenses	4,753,110	4,981,187	4,430,670	4,193,584	3,267,517	4,301,582	5,999,284	4,976,871	5,556,020	5,717,274
Business-Type Activities										
Sewer	591,880	616,480	702,113	758,278	1,316,102	11,352,702	-	-	-	-
Total Primary Government Expenses	5,344,990	5,597,667	5,132,783	4,951,862	4,583,619	15,654,284	5,999,284	4,976,871	5,556,020	5,717,274
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	276,200	345,453	481,452	397,335	484,540	593,253	401,690	760,606	537,195	475,283
Public Safety	1,679,767	1,707,594	919,901	202,076	114,507	97,378	194,466	223,359	201,695	198,358
Operating Grants/Contributions	7,000	10,868	195,713	121,998	118,877	267,171	105,003	156,783	111,895	105,054
Capital Grants/Contributions	1,408,491	108,640	222,023	744,917	26,000	16,677	483,276	-	-	1,402,000
Total Governmental Activities Program Revenues	3,371,458	2,172,555	1,819,089	1,466,326	743,924	974,479	1,184,435	1,140,748	850,785	2,180,695
Business-Type Activities										
Charges for Services										
Sewer	633,420	674,289	1,498,196	722,283	744,177	586,312	-	-	-	-
Total Primary Government Program Revenues	4,004,878	2,846,844	3,317,285	2,188,609	1,488,101	1,560,791	1,184,435	1,140,748	850,785	2,180,695

	2010	2011	2012	2013	2014	2015**	2016	2017	2018	2019
<b>Net (Expense) Revenue</b>										
Governmental Activities	(2,808,632)	(2,611,581)	(2,727,258)	(2,523,593)	(3,327,103)	(3,327,103)	(4,814,849)	(3,836,123)	(4,705,235)	(3,536,579)
Business-Type Activities	57,809	796,083	(35,995)	(571,925)	(10,766,390)	(10,766,390)	-	-	-	-
<b>Total Primary Government Net (Expense) Revenue</b>	<b>(2,750,823)</b>	<b>(1,815,498)</b>	<b>(2,763,253)</b>	<b>(3,095,518)</b>	<b>(14,093,493)</b>	<b>(14,093,493)</b>	<b>(4,814,849)</b>	<b>(3,836,123)</b>	<b>(4,705,235)</b>	<b>(3,536,579)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes										
Property	662,083	673,436	693,026	708,962	737,848	758,261	778,003	804,073	824,472	862,354
Sales	1,015,240	1,121,376	1,219,870	1,774,457	2,032,314	1,988,456	1,886,793	1,879,136	2,335,764	2,419,090
Income	334,066	325,745	325,202	357,598	386,666	388,605	422,880	375,074	359,826	385,249
Other	185,770	215,363	187,960	201,897	188,882	218,962	216,448	188,161	183,598	195,115
Interest	6,682	3,618	4,611	4,353	2,103	4,043	7,897	16,239	51,698	112,124
Miscellaneous	79,870	143,072	109,607	103,787	312,127	183,668	178,282	168,541	171,823	207,264
<b>Total Governmental Activities</b>	<b>2,283,711</b>	<b>2,482,610</b>	<b>2,540,276</b>	<b>3,151,054</b>	<b>3,659,940</b>	<b>3,541,995</b>	<b>3,490,303</b>	<b>3,431,224</b>	<b>3,927,181</b>	<b>4,181,196</b>
Business-Type Activities										
Interest	14,301	7,752	6,128	4,770	1,060	-	-	-	-	-
Miscellaneous	-	-	-	-	-	499,878	-	-	-	-
<b>Total Business-Type Activities</b>	<b>14,301</b>	<b>7,752</b>	<b>6,128</b>	<b>4,770</b>	<b>1,060</b>	<b>499,878</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>2,298,012</b>	<b>2,490,362</b>	<b>2,546,404</b>	<b>3,155,824</b>	<b>3,661,000</b>	<b>4,041,873</b>	<b>3,490,303</b>	<b>3,431,224</b>	<b>3,927,181</b>	<b>4,181,196</b>
<b>Changes in Net Position</b>										
Governmental Activities	(524,921)	(128,971)	(186,982)	627,461	332,837	214,892	(1,324,546)	(404,899)	(778,054)	644,617
Business-Type Activities	72,110	803,835	(29,867)	(567,155)	(10,765,330)	(10,266,512)	-	-	-	-
<b>Total Primary Government</b>	<b>(452,811)</b>	<b>674,864</b>	<b>(216,849)</b>	<b>60,306</b>	<b>(10,432,493)</b>	<b>(10,051,620)</b>	<b>(1,324,546)</b>	<b>(404,899)</b>	<b>(778,054)</b>	<b>644,617</b>

\* 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, 2019 (Unaudited)**

	2010	2011	2012
General Fund			
Reserved	\$ 131,632	139,164	-
Unreserved	946,869	1,573,488	-
Nonspendable	-	-	36,352
Committed	-	-	260,173
Unassigned	-	-	1,769,695
Total General Fund	<u>1,078,501</u>	<u>1,712,652</u>	<u>2,066,220</u>
All Other Governmental Funds			
Reserved	-	-	-
Unreserved, Reported in,			
Special Revenue Funds	177,814	136,907	-
Capital Projects Funds	530,637	1,141,749	-
Restricted	-	-	253,958
Assigned	-	-	1,105,233
Total All Other Governmental Funds	<u>708,451</u>	<u>1,278,656</u>	<u>1,359,191</u>
Total Governmental Funds	<u><u>1,786,952</u></u>	<u><u>2,991,308</u></u>	<u><u>3,425,411</u></u>

\* Modified Accrual Basis of Accounting

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

2013	2014	2015	2016	2017	2018	2019
-	-	-	-	-	-	-
-	-	-	-	-	-	-
34,579	84,804	57,863	52,770	55,085	46,292	38,848
260,173	260,173	260,173	260,173	260,173	260,173	260,173
2,310,493	3,149,137	3,674,708	3,941,711	4,308,340	4,420,662	4,671,011
2,605,245	3,494,114	3,992,744	4,254,654	4,623,598	4,727,127	4,970,032
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
216,823	332,976	413,351	515,401	618,735	727,796	646,040
1,106,258	1,106,956	1,107,234	675,970	811,476	912,494	914,111
1,323,081	1,439,932	1,520,585	1,191,371	1,430,211	1,640,290	1,560,151
3,928,326	4,934,046	5,513,329	5,446,025	6,053,809	6,367,417	6,530,183

**VILLAGE OF KILDEER, ILLINOIS**

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
April 30, 2019 (Unaudited)**

	2010	2011	2012
Revenues			
Taxes	\$ 2,197,159	2,335,920	2,099,597
Intergovernmental	7,000	119,508	744,197
Licenses, Permits and Fees	312,750	345,453	315,392
Charges for Services	1,385,158	1,454,416	866,060
Fines and Forfeitures	294,609	293,178	219,901
Interest	6,682	3,618	4,611
Miscellaneous	43,320	103,072	109,607
Total Revenues	<u>4,246,678</u>	<u>4,655,165</u>	<u>4,359,365</u>
Expenditures			
Current			
General Government	692,695	538,346	760,017
Public Safety	2,572,679	2,848,180	2,457,717
Public Works	528,622	431,697	263,870
Capital Outlay	37,971	122,605	259,814
Debt Service			
Principal Retirement	102,694	1,394,352	96,242
Interest and Fiscal Charges	72,430	140,629	87,602
Total Expenditures	<u>4,007,091</u>	<u>5,475,809</u>	<u>3,925,262</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>239,587</u>	<u>(820,644)</u>	<u>434,103</u>
Other Financing Sources (Uses)			
Debt Issuance	-	2,025,000	-
Disposal of Capital Assets	7,920	-	-
Payment to Paying Agent	-	-	-
Transfers In	-	-	37,791
Transfers Out	-	-	(37,791)
	<u>7,920</u>	<u>2,025,000</u>	<u>-</u>
Net Change in Fund Balances	<u>247,507</u>	<u>1,204,356</u>	<u>434,103</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>4.06%</u>	<u>28.03%</u>	<u>5.09%</u>

\* Modified Accrual Basis of Accounting

2013	2014	2015	2016	2017	2018	2019
2,684,100	2,957,689	2,964,389	901,004	893,199	901,968	933,501
1,010,148	513,898	673,743	2,508,123	2,510,028	2,913,587	3,033,361
154,395	164,499	408,565	282,967	649,098	393,649	335,008
242,940	320,041	184,688	118,723	111,508	143,546	140,275
202,076	114,507	97,378	194,466	223,359	201,695	198,358
4,353	2,103	4,043	7,897	16,239	51,698	112,125
103,787	312,127	183,668	178,282	168,541	171,823	207,265
4,401,799	4,384,864	4,516,474	4,191,462	4,571,972	4,777,966	4,959,893
797,979	809,689	1,040,234	967,690	1,082,589	1,284,803	1,406,525
1,855,123	1,735,320	1,673,596	1,877,429	2,003,429	2,178,592	2,287,350
550,732	634,111	971,937	1,251,177	654,174	798,559	914,347
536,544	38,618	92,268	6,237	64,490	44,821	34,767
70,000	75,000	75,000	80,000	80,000	85,000	105,000
88,506	86,406	84,156	81,906	79,506	96,643	49,138
3,898,884	3,379,144	3,937,191	4,264,439	3,964,188	4,488,418	4,797,127
502,915	1,005,720	579,283	(72,977)	607,784	289,548	162,766
-	-	-	-	-	1,380,000	-
-	-	-	5,673	-	4,123	-
-	-	-	-	-	(1,360,063)	-
-	-	-	100,000	135,000	100,000	-
-	-	-	(100,000)	(135,000)	(100,000)	-
-	-	-	5,673	-	24,060	-
502,915	1,005,720	579,283	(67,304)	607,784	313,608	162,766
4.90%	4.99%	4.46%	4.30%	4.11%	4.09%	4.59%

**VILLAGE OF KILDEER, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years (in Thousands)  
April 30, 2019 (Unaudited)**

Fiscal Year	Tax Levy Year	Residential Property	Farm	Commercial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value
2011	2009	\$ 895,432	\$ 2,183	\$ 73,103	\$ 970,718	0.200	\$ 2,912,154	33.3%
2012	2010	914,443	2,378	78,001	994,822	0.213	2,984,466	33.3%
2013	2011	916,179	2,416	90,705	1,009,300	0.234	3,027,900	33.3%
2014	2012	932,600	2,620	103,298	1,038,518	0.264	3,115,554	33.3%
2015	2013	676,857	1,951	80,883	759,691	0.282	2,279,073	33.3%
2016	2014	696,773	1,973	86,892	785,638	0.285	2,356,914	33.3%
2017	2015	722,382	1,790	85,138	809,310	0.276	2,427,930	33.3%
2018	2016	732,180	1,793	92,158	826,131	0.265	2,478,393	33.3%
2019	2017	751,070	1,788	109,445	862,303	0.264	2,586,908	33.3%
2020	2018	773,772	1,517	123,467	898,756	0.268	2,696,268	33.3%

Data Source: Office of the County Clerk

**VILLAGE OF KILDEER, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
April 30, 2019 (Unaudited)**

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	2009	2010	2011
Village Direct Rates			
General	0.200	0.213	0.234
Overlapping Rates			
Lake County	0.464	0.505	0.554
Forest Preserve District of Lake County	0.200	0.198	0.201
Ela Township (Including Road and Bridge)	0.127	0.138	0.150
Lake Zurich Fire Protection District	0.564	0.607	0.504
Long Grove Fire Protection District	0.599	0.616	0.692
Ela Library District	0.308	0.329	0.356
Unit School District Number 95	3.901	4.136	4.446
School District Number 96	2.916	3.086	3.453
School District Number 125	2.185	2.306	2.465
Community College District Number 532	0.200	0.218	0.240

Data Source: Office of the County Clerk

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

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2012	2013	2014	2015	2016	2017	2018
0.264	0.282	0.285	0.276	0.265	0.264	0.268
0.608	0.663	0.682	0.663	0.632	0.622	0.612
0.212	0.218	0.210	0.208	0.193	0.187	0.182
0.128	0.157	0.156	0.154	0.148	0.145	0.146
0.654	0.695	0.705	0.542	0.601	0.488	0.520
0.766	0.812	0.830	0.798	0.770	0.750	0.777
0.386	0.409	0.410	0.398	0.381	0.371	0.318
4.914	5.242	5.291	5.191	5.021	4.960	5.021
3.756	3.976	4.040	3.870	3.690	3.655	3.717
2.751	2.989	3.049	3.004	2.858	2.862	2.888
0.272	0.296	0.306	0.299	0.285	0.281	0.282

**VILLAGE OF KILDEER, ILLINOIS**

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2019 (Unaudited)**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Kildeer Village Square, LLC	\$ 11,963,363	1	3.56%			
G&I IX Kildeer, LLC	9,840,717	2	2.93%	\$ 7,802,111	1	2.43%
Centro/ IA Quentin Collection	8,298,929	3	2.47%	7,648,485	2	2.38%
Kildeer Marketplace, LLC	3,274,047	4	0.98%	1,251,816	5	0.39%
U- Store-It, LP	2,179,669	5	0.65%	1,113,648	6	0.35%
Kemper Lakes Golf Club, LLC	1,177,529	6	0.35%	1,282,637	4	0.40%
Concorde Group II	1,087,362	7	0.32%	1,056,878	7	0.33%
Bond 20357 Rand Road, LLC	1,075,731	8	0.32%			
Kildeer Medical Building, LLC	924,334	9	0.28%			
Bond 20423 Rand Road, LLC	713,319	10	0.21%			
Sanctuary 26 Kildeer, LLC				1,849,590	3	0.57%
Individual				676,646	8	0.21%
Individual				676,646	9	0.21%
Individual				672,778	10	0.21%
	<u>40,535,000</u>		<u>12.07%</u>	<u>24,031,235</u>		<u>7.48%</u>

Data Source: Office of the County Clerk

**VILLAGE OF KILDEER, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

Fiscal Year	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
2011	2009	\$ 670,797	\$ 670,084	99.89%	\$ N/A	\$ 670,084	99.89%
2012	2010	694,822	692,954	99.73%	N/A	692,954	99.73%
2013	2011	709,300	708,962	99.95%	N/A	708,962	99.95%
2014	2012	742,714	737,848	99.34%	N/A	737,848	99.34%
2015	2013	763,732	762,294	99.81%	N/A	762,294	99.81%
2016	2014	789,600	785,658	99.50%	N/A	785,658	99.50%
2017	2015	813,500	808,255	99.36%	N/A	808,255	99.36%
2018	2016	830,404	828,721	99.80%	N/A	828,721	99.80%
2019	2017	866,693	866,740	100.01%	N/A	866,740	100.01%
2020	2018	903,298	-	0.00%	-	-	0.00%

Data Source: Office of the County Clerk

(1) Collections for the 2018 tax levy year will not be received until fiscal year 2020.

N/A - Not Available

**VILLAGE OF KILDEER, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

Fiscal Year	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			
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
2017	1,565,264	-	-	-	1,565,264	0.60%	394.47
2018	1,650,000	-	-	-	1,650,000	0.64%	415.83
2019	1,545,000	-	-	-	1,545,000	0.60%	389.36

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, 2019 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
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
2017	1,565,264	-	1,565,264	189.47%	394.47
2018	1,650,000	-	1,650,000	191.35%	415.83
2019	1,545,000	-	1,545,000	171.90%	389.36

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

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

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

**VILLAGE OF KILDEER, ILLINOIS**

**Schedule of Direct and Overlapping Governmental Activities Debt  
April 30, 2019 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)	Village's Share of Debt
Village	\$ 1,545,000	100.000%	\$ 1,545,000
Overlapping Debt			
Lake County	164,980,000	1.26%	2,083,697
Lake County Forest Preserve District	225,130,000	1.26%	2,836,638
Unit School District Number 95	41,852,093	19.94%	8,346,981
High School District Number 125	44,745,000	9.28%	4,152,336
Community College District Number 532	52,995,000	1.33%	703,774
Total Overlapping Debt	529,702,093		18,123,426
Total Direct and Overlapping Debt	531,247,093		19,668,426

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, 2019 (Unaudited)**

	2010	2011	2012
Legal Debt Limit	\$ 28,928,128	27,744,640	26,144,059
Total Net Debt Applicable to Limit	1,420,593	2,316,164	2,107,016
Legal Debt Margin	27,507,535	25,428,476	24,037,043
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.91%	8.35%	8.06%

Data Source: Village Records

2013	2014	2015	2016	2017	2018	2019
24,127,729	23,235,238	23,755,973	25,274,529	26,893,112	28,163,071	28,946,653
2,037,016	1,810,000	1,735,000	1,655,000	1,575,000	1,650,000	185,000
22,090,713	21,425,238	22,020,973	23,619,529	25,318,112	26,513,071	28,761,653
8.44%	7.79%	7.30%	6.55%	5.86%	5.86%	0.64%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Value - 2018	<u>\$ 335,613,372</u>
Bonded Debt Limit - 8.625% of Assessed Value	28,946,653
Amount of Debt Applicable to Limit	<u>185,000</u>
Legal Debt Margin	<u>28,761,653</u>

**VILLAGE OF KILDEER, ILLINOIS**

**Demographic and Economic Statistics - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

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Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	4.40%
2017	3,968	259,078,656	65,292	3.70%
2018	3,968	259,078,656	65,292	3.50%
2019	3,968	259,078,656	65,292	N/A

Data Source: Illinois Department of Employment Security (IDES)

N/A - Not Available

**VILLAGE OF KILDEER, ILLINOIS**

**Village Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2019 (Unaudited)**

Employer	2019			2010		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Population
Whole Foods	118	1	2.97%			
Uncle Julio`s	100	2	2.52%			
Kemper Lakes Golf Club	85	3	2.14%			
Best Buy	83	4	2.09%			
Chick-Fil-A	55	5	1.39%			
Concorde Banquets	50	6	1.26%	40	4	1.16%
Old Navy	49	7	1.23%	55	2	1.59%
Nike	42	8	1.06%			
Sierra Trading Post	40	9	1.01%			
Nordstrom Rack	37	10	0.93%			
Fresh Market				72	1	2.08%
Stein Mart				45	3	1.30%
Bed Bath & Beyond				36	5	1.04%
Chili's Bar & Grill				35	6	1.01%
Ulta				35	7	1.01%
Cost Plus World Market				30	8	0.87%
Chipotle Mexican Grill				29	9	0.84%
Potbelly Sandwich Shop				27	10	0.78%
	<u>659</u>		<u>16.61%</u>	<u>404</u>		<u>11.68%</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, 2019 (Unaudited)**

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Function	2010	2011	2012
General Government	2	2	2
Public Safety	22	19	11
Totals	24	21	13

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Data Source: Village Records

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2013	2014	2015	2016	2017	2018	2019
2	3	3	3	3	3	3
8	8	8	8	9	9	9
10	11	11	11	12	12	12

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**VILLAGE OF KILDEER, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

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Function/Program	2010	2011	2012
General Government			
Business Licenses	48	48	52
Liquor Licenses	9	10	11
Building Permits	110	142	186
Public Safety			
Police			
Part I Crimes	85	78	74
Part II Crimes	106	100	79
Physical Arrests	80	48	89
Parking Violations	475	235	80
Traffic Violations	2,973	3,098	1,708
Calls for service	N/A	N/A	26,121
Red Light Citations	2,410	2,188	2,655
Public Works			
Street Resurfacing (Miles)	1	-	1
Sewer			
Number of Metered Accounts	646	648	656

Data Source: Various Village Departments

N/A - Not Available

2013	2014	2015	2016	2017	2018	2019
50	56	62	63	61	75	84
11	13	12	13	13	14	16
175	188	486	215	262	262	228
31	47	31	23	18	43	49
38	61	74	67	N/A	N/A	N/A
43	65	76	97	75	63	77
137	139	433	558	476	662	653
1,159	773	961	714	571	636	719
17,041	18,191	21,010	19,915	20,679	22,382	21,481
1,849	-	-	1,325	1,746	1,916	1,975
1	1	1	1	1	1	2
663	670	-	-	-	-	-

**VILLAGE OF KILDEER, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

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Function/Program	2010	2011	2012
Public Safety			
Police			
Stations	1	1	1
Area Patrols	3	2	1
Patrol Units	18	10	10
Public Works			
Streets (Miles)	30	30	30
Sewer			
Sanitary Sewers (Miles)	18	18	18
Storm Sewers (Culverts)	114	114	114
Lift Stations	7	7	7

Data Source: Various Village Departments

2013	2014	2015	2016	2017	2018	2019
1	1	1	1	1	1	1
1	1	1	1	1	1	1
7	6	6	6	7	7	7
30	30	30	30	30	30	31
18	20	-	-	-	-	-
152	146	147	148	148	148	148
7	7	-	-	-	-	-