

FY 2021 Proposed Budget

May 1, 2020 - April 30, 2021

VILLAGE OF KILDEER ILLINOIS





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Village of Kildeer
Illinois**

For the Fiscal Year Beginning

May 1, 2019

Christopher P. Morill

Executive Director

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Elected Officials



Nandia Black, President



William Johnson, Trustee



Keith Kovanda, Trustee



Ralph Liberatore, Trustee



Les Sokolowski, Trustee

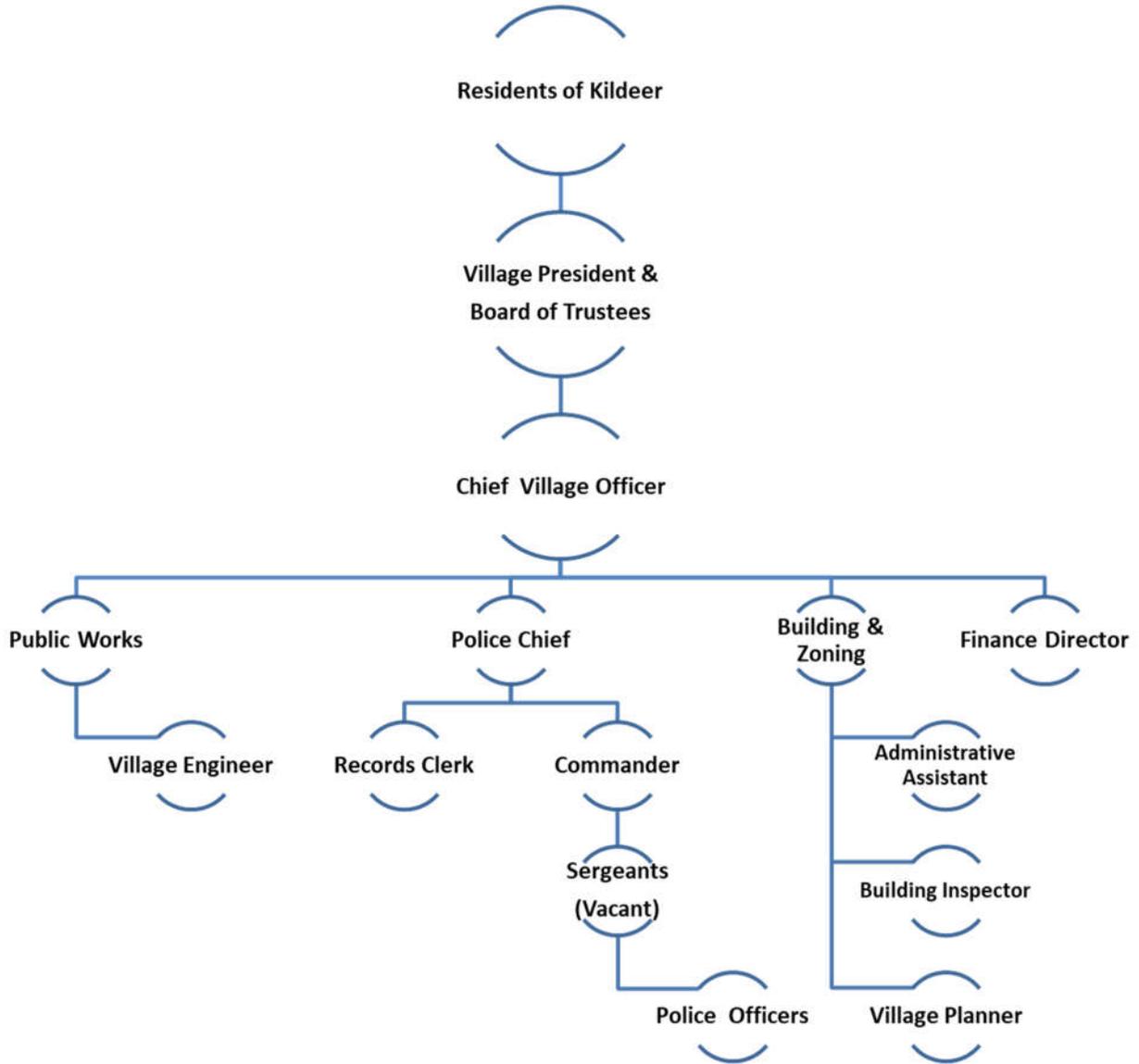


Barb Stavropoulos, Trustee



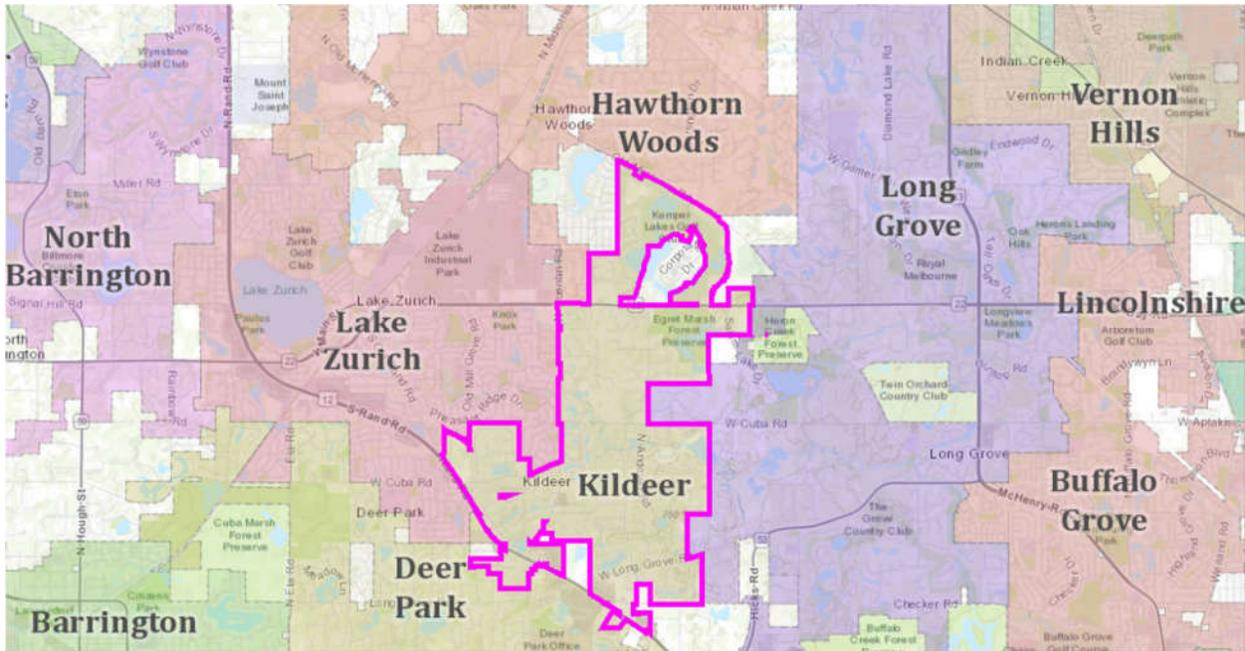
Basel Tarabein, Trustee

Organizational Chart



Village Profile

The Village of Kildeer became an Illinois municipal corporation in March 1958. At that time there were only 163 residents living in 2 subdivisions (Long Grove Valley, and Boschome Farms). There are now over 4,000 residents living in over 30 subdivisions. The jurisdictional boundary of the Village includes about 4.6 square miles in which there over over 32 miles of paved roads.



As described by Moody's Investment Annual Comment of Kildeer:

Kildeer has an excellent credit position and its Aaa rating is well above the US cities median of Aa3. Key credit factors include a very healthy financial position, a very strong wealth and income profile and a sizable tax base. It also reflects a negligible debt burden and a somewhat elevated pension liability.

Finances: The financial position of the village is robust and is consistent with the assigned rating of Aaa. The fund balance as a percent of operating revenues (112.5%) far exceeds the US median, and rose significantly between 2015 and 2019. Furthermore, Kildeer's cash balance as a percent of operating revenues (114.6%) is far superior to other Moody's-rated cities nationwide.

Economy and Tax Base: The village has an exceptionally healthy economy and tax base, which are in line with its Aaa rating. The median family income equates to a robust 255.9% of the US level and Kildeer's full value per capita (\$652,595) is much stronger than the US median, and grew markedly between 2015 and 2019. Lastly, the total full value (\$2.6 billion) is slightly above other Moody's-rated cities nationwide.

Debt and Pensions: The village's debt and pension burdens are light overall. However, they are slightly weak when compared to the assigned rating of Aaa. The net direct debt to full value (0.1%) is materially lower than the US median, and stayed the same from 2015 to 2019. However, Kildeer's Moody's-adjusted net pension liability to operating revenues (2.4x) is unfavorably higher than the US median.

Management and Governance: Illinois cities have an institutional framework score 3 of "A", which is moderate. Revenue-raising ability is moderate overall but varies considerably. Non-home rule

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entities are subject to tax rate limitations. In addition, total operating tax yield for entities subject to the Property Extension Limitation Law (PTELL) is capped to the lesser of 5% or CPI growth, plus new construction. Home rule entities have much greater legal flexibility than the rest of the sector with substantial revenue-raising authority.

Revenue predictability is moderate, with varying dependence on property, sales, and state-distributed income taxes. Expenditures are moderately predictable but cities have limited ability to reduce them given strong public sector unions and pension benefits that enjoy strong constitutional protections. Fixed costs are driven mainly by debt service and employer pension contributions. For single employer public safety plans, the State of Illinois requires most entities to make annual pension contributions that cover current benefit accruals, plus an amount designed to achieve a 90% funded ratio by 2040.

Sector Trends - Illinois Cities

Pensions are the primary credit pressure for Illinois cities (including towns and villages) with many Illinois cities facing growing fixed costs arising from high pension burdens. The state constitution limits the options available for cities to address the costs given it prohibits benefit reductions. To date, state budgetary pressures have resulted in only modest reductions in state shared revenue and the most recent budget restores some previous cuts. Sales tax revenue trends remain largely positive though growth is slowing for many issuers. Home rule cities have more revenue flexibility and are therefore less vulnerable than other cities to state pressures.

Property valuations in the northern part of the state are experiencing robust recovery, though valuations remain below previous peaks. Downstate valuations were largely stable throughout the economic cycle and have seen steady growth in valuations in recent years.

EXHIBIT 1

Key Indicators [4](#) [5](#) Kildeer

	2015	2016	2017	2018	2019	US Median	Credit Trend
Economy / Tax Base							
Total Full Value	\$2,281M	\$2,359M	\$2,430M	\$2,480M	\$2,589M	\$1,904M	Improved
Full Value Per Capita	\$579,318	\$593,379	\$607,438	\$625,220	\$652,595	\$94,106	Improved
Median Family Income (% of US Median)	235%	259%	256%	256%	256%	111%	Improved
Finances							
Available Fund Balance as % of Operating Revenues	96.3%	112.6%	113.5%	113.2%	112.5%	34.6%	Improved
Net Cash Balance as % of Operating Revenues	94.2%	105.1%	109.9%	115.3%	114.6%	39.6%	Improved
Debt / Pensions							
Net Direct Debt / Full Value	0.1%	0.1%	0.1%	0.1%	0.1%	1.1%	Stable
Net Direct Debt / Operating Revenues	0.38x	0.39x	0.34x	0.35x	0.31x	0.84x	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Full Value	0.3%	0.4%	0.5%	0.5%	0.5%	1.9%	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues	1.55x	2.24x	2.50x	2.47x	2.36x	1.56x	Weakened

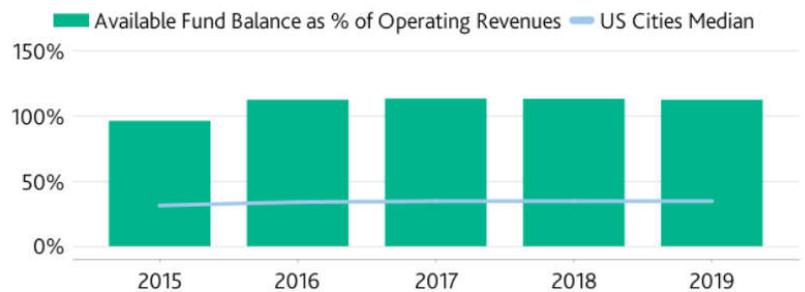
BUDGET FY 2020-2021

	2015	2016	2017	2018	2019	US Median
Debt and Financial Data						
Population	3,938	3,976	4,001	3,968	3,968	N/A
Available Fund Balance (\$000s)	\$4,348	\$4,717	\$5,187	\$5,409	\$5,577	\$8,028
Net Cash Balance (\$000s)	\$4,255	\$4,403	\$5,025	\$5,509	\$5,680	\$9,530
Operating Revenues (\$000s)	\$4,516	\$4,191	\$4,571	\$4,777	\$4,958	\$23,172
Net Direct Debt (\$000s)	\$1,735	\$1,655	\$1,575	\$1,650	\$1,545	\$19,139
Moody's Adjusted Net Pension Liability (3-yr average) (\$000s)	\$7,010	\$9,367	\$11,418	\$11,795	\$11,714	\$35,448

Source: Moody's Investors Service

EXHIBIT 2

Available fund balance as a percent of operating revenues increased from 2015 to 2019



Source: Issuer financial statements; Moody's Investors Service

EXHIBIT 3

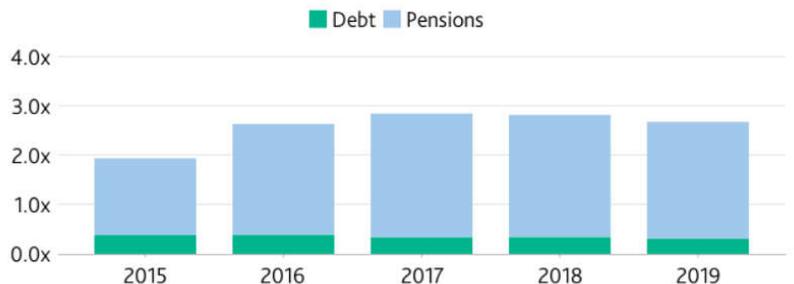
Full value of the property tax base increased from 2015 to 2019



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

EXHIBIT 4

Moody's-adjusted net pension liability to operating revenues increased from 2015 to 2019



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

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Endnotes

1 The rating referenced in this report is the issuer's General Obligation (GO) rating or its highest public rating that is GO-related. A GO bond is generally backed by the full faith and credit pledge and total taxing power of the issuer. GO-related securities include general obligation limited tax, annual appropriation, lease revenue, non-ad valorem, and moral obligation debt. The referenced ratings reflect the government's underlying credit quality without regard to state guarantees, enhancement programs or bond insurance.

2 The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available US government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.

The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the US census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.

3 The institutional framework score assesses a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See [US Local Government General Obligation Debt \(December 2016\)](#) methodology report for more details.

4 For definitions of the metrics in the Key Indicators Table, [US Local Government General Obligation Methodology and Scorecard User Guide \(July 2014\)](#).

Metrics represented as N/A indicate the data were not available at the time of publication.

5 The medians come from our most recently published local government medians report, [Medians - Tax base growth underpins sector strength, while pension challenges remain \(May 2019\)](#) which is available on Moodys.com. The medians presented here are based on the key metrics outlined in Moody's GO methodology

As indicated by the comments by Moody's, the financial position of the Village is strong and the Annual Budget for FY 21 (Budget) reflects the commitment by the Village President and the Board of Trustees to maintain the Village's infrastructure, fund it's Police Pension, and ensure that Kildeer is a desired place to live.

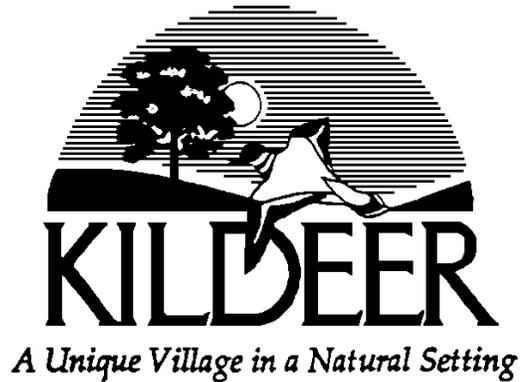
Transmittal Letter

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

From: Chief Village Officer Michael Talbett

Date: April 21, 2020

Re: Budget Transmittal Memo
Fiscal Year 2020-21



I am pleased to present the Budget for the fiscal year May 1, 2020 through April 30, 2021 (FY 21).

The Budget was prepared during the Coronavirus pandemic. The Coronavirus, also known as COVID-19, is a highly contagious disease and in Lake County alone over 1,124 cases of COVID-19 and 29 deaths have already been reported. Illinois Governor Pritzker declared a state-wide disaster and on March 9, 2020 he issued Executive Order 2020-10 requiring social distancing, sheltering in place and the closure of non-essential businesses to slow the spread of the virus. The Executive Order was originally set to expire March 31, but was extended to April 30. Whether or not the Executive Order is extended beyond April 30 depends on the rate that the virus spreads. If the spread is not slowed sufficiently, non-essential Kildeer businesses may remain closed after April 30 prolonging the loss of sales tax revenue from those businesses. The Budget was prepared with these circumstances in mind and before the full extent of the impact from lost revenue is known.

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The approach taken in the preparation of the Budget was to present the pre-Coronavirus revenue and expense projections along with options that can be taken to reduce expenses during the fiscal year to keep the budget in line with the loss in sales tax revenues that will accompany business closures. The options include:

- Reduce the FY 21 Road Program;
- Cut the FY 21 Road Program;
- Continue the FY 21 Road Program and draw down reserves;
- Borrow; and
- Increase property tax and other fees.

The recommended option for responding to a loss of sales tax revenue is to lower expenses by reducing the scope of the FY 21 Road Program. Cutting a portion of the road program offers several advantages. First, General Fund expenditures are reduced, second, only a portion of the Village's Motor Fuel Tax Fund is used, and third, other Village assets remain available to deal with the decline in sales tax revenues. Those other assets include the General Fund reserve, the remaining Motor Fuel Tax Fund and a restricted fund created in 2011 with proceeds from debt refinancing.

This Budget is crafted in the spirit of past budgets that were approved by this Village Board. Each fund within the Budget was evaluated to project whether programmed expenditures can be met with reasonably anticipated revenues. Fiscally conservative assumptions were incorporated into the revenue projections to comply with the Board's philosophy of not spending money the Village does not have. The Village was well served by those past practices and it is a notable achievement to have sufficient reserves and be in a position to withstand the loss of sales tax revenue from the Coronavirus without resorting to the least desirable options of borrowing or increasing property taxes.

This Budget reflects a continued commitment to the following:

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

Budget Summary

The Budget serves as a planning and policy device. It identifies the sources of revenue that the Village will receive during FY 21 and the projected amount from each revenue source. The Budget also sets out the expenses that the Village expects to incur during the same period.

The size of the budget is a function of the amount of money the Village expects to receive from a variety of sources, the two largest of which are sales tax (40%) and property tax (16%). While

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many people believe that the Village receives 100% of the property tax they pay, as shown in the figure and table below, for sample tax bill of about \$15,000 the Village of Kildeer receives 3 cents of every dollar in property tax collected which is used to maintain roads, provide police protection and provide services.



Taxing Bodies	Rates	Property Tax	%
Kildeer	0.2678	\$ 452	3.00%
Lake County	0.6117	\$ 1,033	6.85%
Forest Preserve District of Lake County	0.1820	\$ 307	2.04%
Ela Township (Including Road and Bridge)	0.1458	\$ 246	1.63%
Lake Zurich Fire Protection District	0.5204	\$ 878	5.83%
Ela Library District	0.3185	\$ 538	3.57%
School District Number 96	3.7166	\$ 6,274	41.61%
School District Number 125	2.8883	\$ 4,875	32.33%
Community College District Number 532	0.2819	\$ 476	3.16%
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	8.9329	\$ 15,078.78	

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The proposed Expense Budget for FY 21 is \$5,750,000, a 11% increase over FY 20. The increase is due primarily to the inclusion of population impact fees from new homes to be built in the Village. The population impact fees are accounted for under the Capital Project Fund and will be transferred to the Police Pension Fund. This year a new Asset Seizure Fund was created to account for revenue and expenses in connection with the Lake County Metropolitan Enforcement Group (MEG), a law enforcement agency of which the Village is a member.

A summary of Expense Budget totals is provided in the table below.

Fund Type	FY 2020	FY 2021	Difference	
	Budget	Budget	\$	%
General Fund	4,850,000	4,850,000	-	0%
MFT Fund	350,000	300,000	(50,000)	-14%
Capital Projects	-	500,000	500,000	100%
Asset Seizure	-	100,000	100,000	100%
Totals	5,200,000	5,750,000	550,000	11%

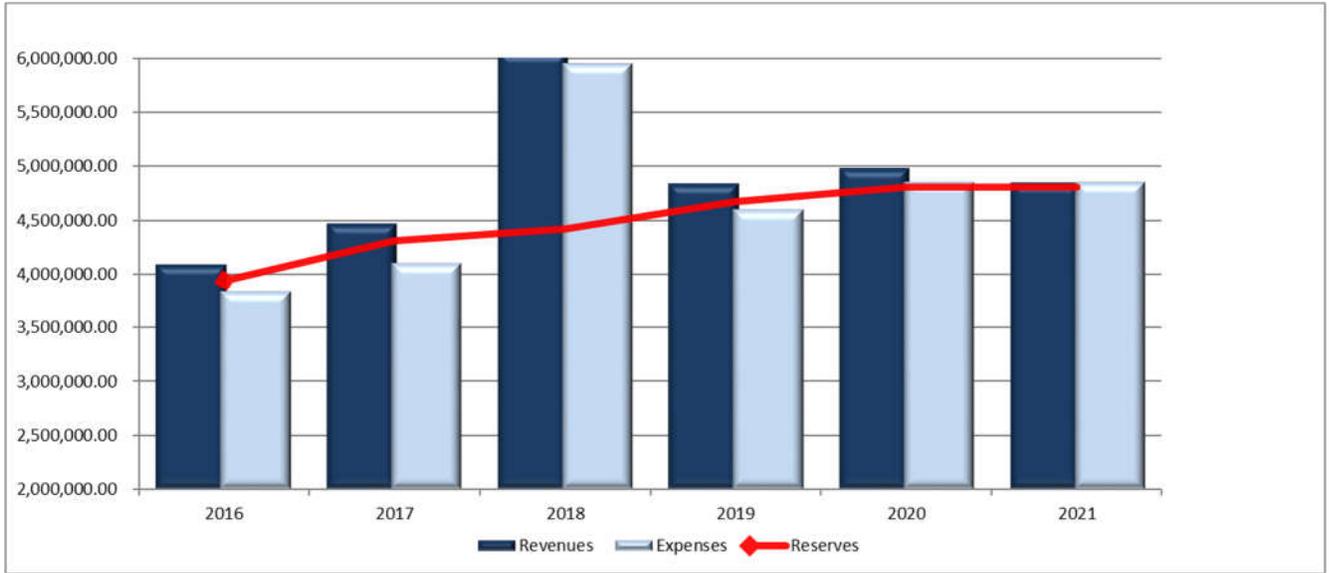
Expense Budget Summary

While the budget for the General Fund is unchanged from FY 20 to FY 21 the upcoming fiscal year is unlike any of the previous fiscal years because of the Coronavirus pandemic and the responses thereto which creates a very fluid environment for economic forecasts. On the adoption date of the Village's annual budget the order closing Kildeer restaurants and non-essential businesses was in effect and it is not known for how long it will continue.

The adverse impact of the Governor's Executive Order on the amount of sales tax the Village receives in FY 21 is substantial and difficult to project. Since the Village is required to present a balanced budget the extraordinary challenge this fiscal year is to keep expenses in-line with uncertain sales tax revenue estimates, the Village's single largest revenue source.

The Village has a proven history of closely monitoring revenue receipts during the fiscal year and making adjustments to expenses. During FY 15 - FY 20 adjustments were made that kept actual expenses below revenues and the result, as shown in the figure below, was steady growth in the Village's reserves. The fact that the Village accumulated reserves is especially relevant and is an important asset in the uncertain economic times to be faced in FY 21.

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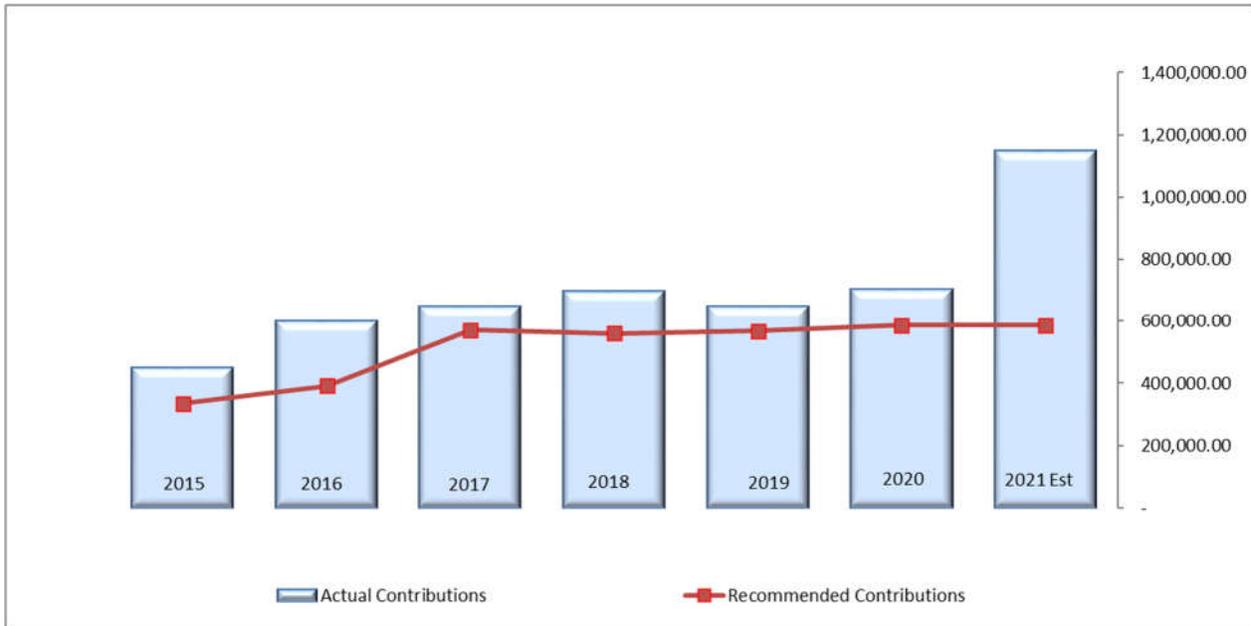


General Fund Reserves

In the aftermath of the economic recession of 2008 the Village Board's goal was to accumulate a reserve in the General Fund equal to operating expenses for one year. In FY 19 the Village achieved its goal as shown in the figure above.

Now that the Village Board's initial goal of increasing the General Fund reserves is achieved, attention shifted to the goal of fully funding the Police Pension Fund. As shown in the figures below, the past practice was to fund the Police Pension in amounts that exceed the actuarial recommendation by the Police Pension Board. Despite the desire to fund the pension above the recommended amount and the constant pressure to increase expenditures from the General Fund for road maintenance needs, the unfavorable economic impact from the Coronavirus and the Governor's Executive Order may require a departure from past practice.

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Annual Contributions to the Police Pension Fund

Opportunities for FY 21

This Budget contains pre-COVID-19 General Fund revenue and expense estimates. At that level the Budget is sufficient to fund the FY 21 Road Program which consists of three road projects. The Village Engineer estimated the entire road program to cost \$562,395.39 but the lowest responsible bid for the work was \$476,025.29. Maintaining a balanced budget at a sufficiently high level to accommodate the FY 21 Road Program positions the Village to pursue all or part of those needed road improvements. In light of an expected reduction in sales tax from the closure of non-essential businesses, the extent of which is presently unknown. A prudent response is to reject all but the least expensive project in the road program costing \$128,261.64 and reduce expenditures by \$347,763.65. This action would accomplish a much needed road repair and use only a portion of Motor Fuel Tax Funds already received by the Village. In the event that the sales tax shortfall exceeds that amount, the General Fund reserves and the remaining balance of the Motor Fuel Tax Fund are available to maintain Village operations. Maintaining a balanced budget at a sufficiently high level allows Village leaders to consider re-bidding the remaining portion of the FY 21 Road Repaving Program in the event that conditions change to make such a decision desirable. Having options in the Budget during times of financial uncertainty provides flexibility to adapt to changing fiscal conditions.

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The Village will continue to do the following to stabilize its financial position:

- Expand efforts to retain retail businesses and attract new ones;
- Pursue annexation opportunities along Rand Road;
- Consider zoning changes along Rand Road to promote development;
- Develop methods to generate revenue from non-retail business uses;
- Continue to control overtime expenses by the use of 12 hour shifts for Police Officers;
- Continue preventative maintenance program for roads to minimize unanticipated repairs;
- Expand the use of shared services with other governmental bodies;
- Continue participation in cooperative road salt purchasing opportunities;
- Increase contributions to the police pension fund;
- Maintain a Aaa rating from Moody's; and
- Follow Government Financing Officers Association criteria for budgeting.

Long Term Concerns

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

- **Police Pension.** The police pension was established by voter referendum in 2007 without a levy to fund the pension. By 2017 there were more retirees collecting benefits from the fund than active officers contributing to it. Currently, the fund only has about 42% of the money it needs to meet future obligations. The State of Illinois now mandates that police pensions be at least 90% funded by 2040. The Village's pension contribution is currently being made with money from the General Fund which is also the source of money for infrastructure maintenance and improvements. With competition for Village resources growing, it is more difficult to find sufficient revenue to maintain existing operations and make larger than required contributions to the police pension fund. To relieve pressure on the General Fund, it would be preferable to establish a dedicated revenue stream for the police pension such as establishing a separate property tax levy. Under present economic conditions, however, the probability of passing a referendum to create a police pension levy seems low. The police pension issue should be revisited when economic conditions improve.

BUDGET FY 2020-2021

- Pension Consolidation. Public Act 101-0610 (20 ILCS 3501/801-10) provides for the creation of administrative rules to accomplish the consolidation of municipal police pension funds to take advantage of economies of scale that may increase investment returns and reduce some financial management expenses. Pension fund consolidation has the potential to help the Village to meet its goal to reach the 90% funding level by 2040.
- Sales Tax Revenue. Prior to the onset of the Coronavirus pandemic, a general downward trend in sales tax receipts in municipalities existed all across Lake County. On-line sales are increasing at the expense of storefront sales and service uses often replace retail businesses resulting in a further loss of sales tax. Notwithstanding the downward trend, the Village was able to increase sales tax revenues starting in 2012 by increasing its portion of the non-home rule sales tax rate from 1% to 1.5% which increased sales tax receipts by approximately \$500,000 per year. In 2017 a new shopping center was built adding retail stores to the Village which also added to sales tax revenues. While the growth in sales tax from the boost in rates and the new shopping center more than offset the loss of tax revenue from the general downward trend, the gradual decline in the largest source of Village revenue is still of concern. The closure of non-essential businesses pursuant to the Governor's Executive Orders may exacerbate the downward sales tax slide and, the longer closures continue, the more consumers may be driven to the internet for purchases. Even when the non-essential businesses are permitted to reopen in Kildeer, sales tax revenue may not return to pre-COVID-19 levels.

While there is still some developable land in the Village along the Rand Road commercial corridor providing the potential for new retail businesses to come to the Village, no new shopping centers are proposed and two large tenant spaces from store closures in FY 18 remain unleased.

- Transportation. It is anticipated that improvements to Route 22 east of Quentin Road will be started by the Illinois Dept. of Transportation possibly as early as 2020. Part of that project includes a sidewalk/bike path that will be connected with Egret's Marsh and Herron Creek Forest Preserves. The cost of its portion of the sidewalk/bike path project, including the partial cost of the traffic light replacement for the realigned Rt. 22 and S. Krueger Road intersection, is estimated to be \$70,000. This road improvement project is also a one time (non-recurring) expense that must be incorporated into a future Village budget. The Rt. 22 project will complete a regional network of paths that connect Kildeer with Citizen's Park in Barrington and Cuba Marsh in the Lake Zurich/Deer Park area to the southwest and Herron Creek Forest Preserve in Long Grove on the northeast.

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

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I would like to express my appreciation to the Village President and all of the Board Members for their input during the preparation of the Budget. Finance Director Annette Zborowski deserves special recognition for her expertise and for devoting so much time and effort to this project so that it is accurate and relatively easy to understand. Chief Steve Balinski's insightful input insured that Kildeer residents will receive the best possible police protection.

Respectfully submitted,

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

Strategic Plan

Values

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

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

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

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

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

Strategic Priorities

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

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

Priority #1 Public Safety

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

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

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

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Priority #2 Infrastructure

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

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

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

Priority #3 Economic Development

Continue to Promote and Foster Economic Development

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

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

Priority #4 Customer Service

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

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

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

Priority #5 Fiscal Management

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

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

- 1) explore grants, operational efficiencies, and actively search for additional economic development opportunities;
- 2) obtain additional dedicated revenue sources for funding capital projects;

BUDGET FY 2020-2021

- 3) evaluate projects and personnel functions to find opportunities for cost savings;
- 4) diversify revenue sources, align fee structures to adequately reflect service demands, reduce the Village's reliance on property and State-shared taxes, have a long term perspective; and
- 5) maintain or improve the Village's favorable bond rating

Budget Process

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

Basis of Budgeting

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

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

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

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

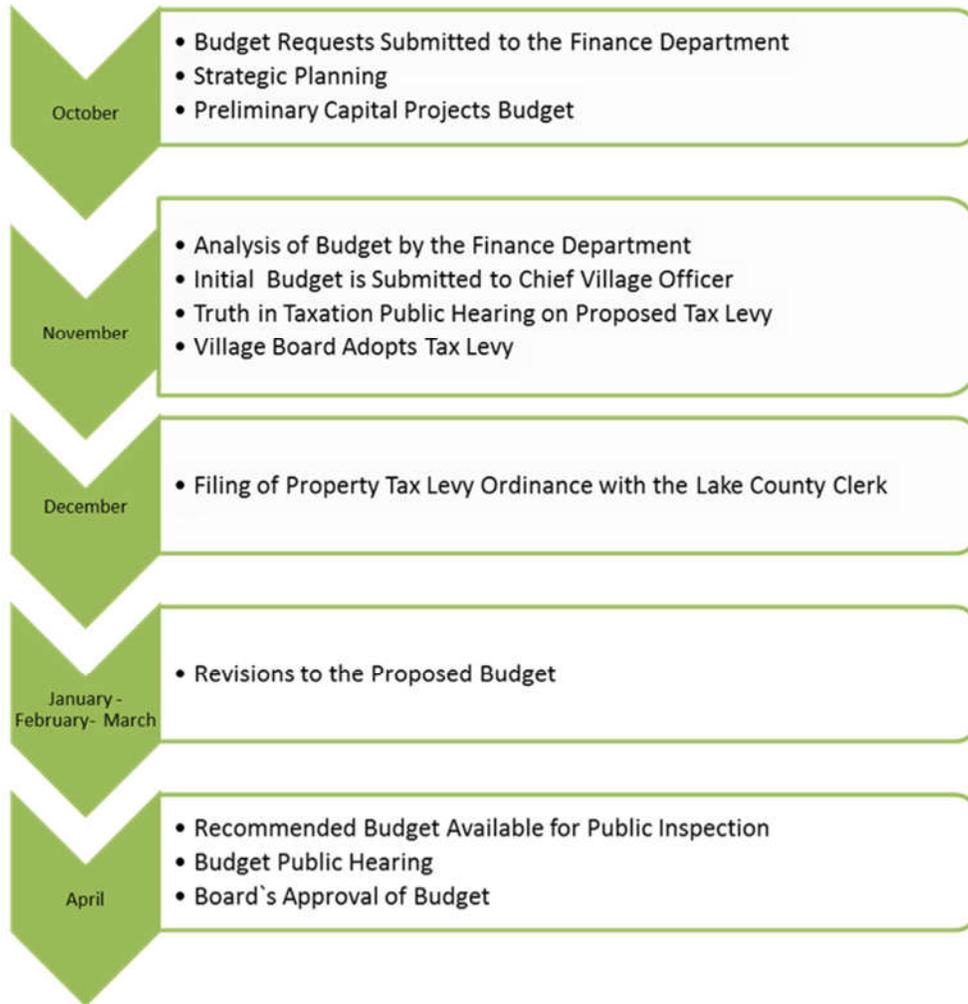
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The next step in the Budget process occurs in the period January through March when Village staff reviews and refines the budget requests with the latest information about expected revenues in the next fiscal year. From these meetings a proposed Budget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

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

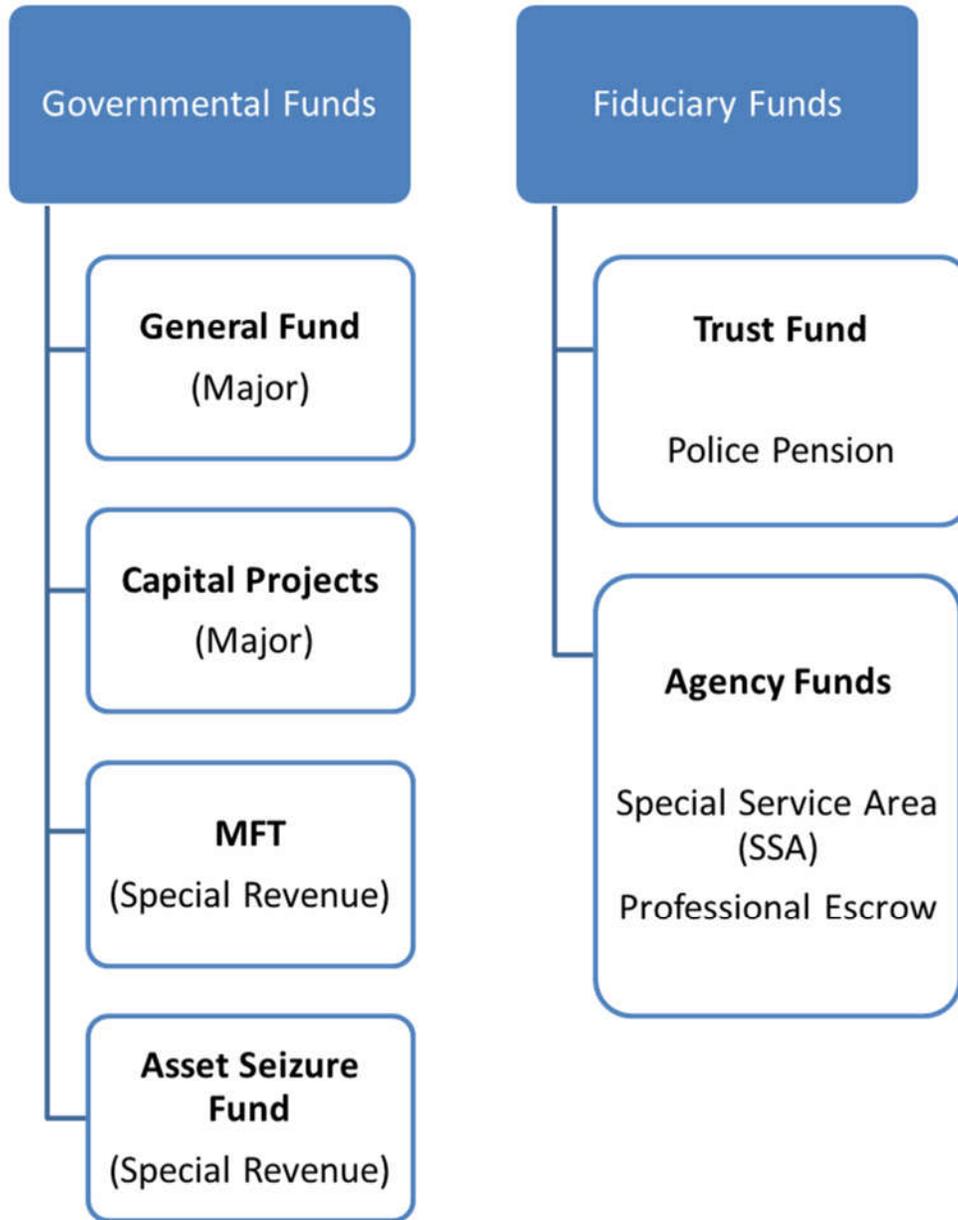
The legal level of budgetary control is at the fund level. Transfers of money between accounts within an accounting fund can be approved by the Chief Village Officer as long as those transfers do not change the total expenditure amount for the respective accounting fund. Changes to the total authorized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

Calendar



Fund Structure

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



Fund Organization

BUDGET FY 2020-2021

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

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

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

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

Asset Seizure Fund was established pursuant to an intergovernmental agreement with the Lake County Metropolitan Enforcement Group (MEG). The fund is restricted for the purchase of equipment which will be used by MEG for law enforcement purposes.

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

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

Fund Structure

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

BUDGET FY 2020-2021

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

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

Financial Policies

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

Budget Policy

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

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

BUDGET FY 2020-2021

7. The annual budget shall set aside adequate funding (pay-as-you-go funding) for the replacement of major equipment and major infrastructure projects that are not financed under the public works budget in the General Fund (routine maintenance). Annual funding (depreciation funding) for these replacements will eliminate major expenditure jumps in the annual budget when these acquisitions are made.
8. During the budget process, the Village will assess the need for contingency funds to be included in the budget to fund unanticipated expenditures that might arise.
9. The annual budget shall finance current operating expenditures, excluding major capital expenditures, with current revenues. The use of reserve funds to finance current operating expenditures shall be carefully considered and avoided if possible.
10. Use of the General Fund unassigned fund balance reserve shall be limited to nonrecurring operating or capital expenditures. This unassigned fund balance reserve will be calculated by comparing the difference between unassigned fund balance and current annual budget operating expenses.

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

Reserve and Fund Balance Policy

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

1. Definitions:

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

BUDGET FY 2020-2021

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

- iii. Committed
- iv. Assigned
- v. Unassigned

Revenue and Expenditure Policy

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

Accounting, Auditing, and Financial Reporting Policy

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

Debt Policy

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

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

Capital Projects Fund

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

Fixed Asset Policy

1. The Village shall maintain fixed asset records to comply with governmental financial reporting standards, to provide a basis for determining appropriate insurable values, and to establish responsibility for property control.
2. Fixed assets shall include land, infrastructure, buildings, machinery, equipment, and vehicles with a life expectancy of more than one year, subject to the capitalization threshold below.

BUDGET FY 2020-2021

3. Infrastructure shall include roads (including curbs and gutters), bike paths, culverts and rights of way. These projects shall be accounted for separately within the Capital Projects Fund.
4. Road projects shall be capitalized when the cost exceeds the capitalization threshold and the work materially extends the life of the street. Patching and pot hole filling is considered maintenance and is not capitalized.
5. The capitalization threshold or minimum value of an asset at the time of acquisition is established at \$5,000 on a per unit basis for machinery, equipment and vehicles, \$50,000 for buildings and improvements, \$100,000 for land and infrastructure, and \$1 for land and right of way.
6. Responsibility for control of assets rests with the operating department wherein the asset is located. The Finance Director shall ensure that control over fixed assets is maintained by establishing a fixed asset inventory that is updated annually and documents all additions and deletions to the fixed asset records. Operating departments shall report the disposal or relocation of a fixed asset promptly to the Finance Director or designee. Assets acquired during the year shall be recorded as an expenditure against the appropriate capital expenditure account, which shall be used for financial reporting purposes.
7. Assets shall be recorded in the fixed asset inventory by using an appropriate description and by recording serial numbers where applicable.
8. All assets will be depreciated using the straight-line method of depreciation over the useful life of the asset. The Village will take a half year of depreciation in the year the asset is placed in service.
9. The Finance Director will assign useful lives to each asset according to the guidelines below:

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

Investment Policy

1. **Scope.** This investment policy applies to the investment activities of the Village. All financial assets of the Village, including the General Fund, Motor Fuel Fund, Capital Project Fund, Trust and Agency Funds and other funds that may be created from time to time, shall be administered in accordance with the provisions of this Policy.
2. **Pooling of Funds.** Except for cash in certain restricted and special funds, the Village will consider consolidation of cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
3. **General Objectives.** The primary objectives, in priority order, of investment activities shall be safety, liquidity and yield:
 - a. **Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
 - b. **Credit Risk.** The Village will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
 - i. Limiting investments to the safest types of securities;
 - ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Village will do business; and
 - iii. Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
 - c. **Interest Rate Risk.** The Village will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:
 - i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and
 - ii. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

BUDGET FY 2020-2021

- d. Liquidity. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.
- e. Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities should not be sold prior to maturity.
- f. Standards of Care:
 - i. Prudence. The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from exceptions are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
 - ii. Ethics and Conflicts of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

iii. Responsibility for the Investment Program/Delegation of Authority. The establishment of investment policies is the responsibility of the Village Board. Management and administrative responsibility for the investment program of the Village is hereby delegated to the Chief Village Officer who shall act in accordance with internal controls for the operation of the investment program consistent with this investment policy. Procedures include references to safekeeping, investment accounting, wire transfer agreements and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Village Officer. The Finance Director will be responsible for all transactions undertaken and will establish a system of controls to regulate the activities of subordinate officials. The Finance Director may from time to time amend the procedures in a manner not inconsistent with this Policy or with State law.

g. Safekeeping and Custody:

- i. Financial Institutions. It shall be the policy of the Village to select financial institutions on the following basis:
- 1) Security. The Village will not maintain funds in any financial institution that is not a member of the FDIC system. Furthermore, the Village will not maintain funds in any financial institution not willing to post, or not capable of posting, required collateral for funds in excess of the FDIC insurable limits.
 - 2) Size. The Village will not maintain deposits in any financial institution in which the Village funds on deposit will exceed 25% of the institution's capital stock and surplus.
 - 3) Internal Controls. The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

- ii. Accordingly, the Finance Director shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:
 - 1) Suitable and Authorized Investments:
 - a) Investment Types. Consistent with the GFOA Policy Statements and State Statutes Concerning Investment Practices, the following investments will be permitted by this policy and are defined by state law where applicable:
 - i) U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value;
 - ii) Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances and commercial paper, rated in the highest tier (e.g., A-1, P-1, D-1, F-1 or higher) by a nationally recognized rating agency;
 - iii) Investment-grade obligations of state and local governments and public authorities;
 - iv) Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and
 - v) Any other investment allowed by Illinois Compiled Statutes.
 - b) Collateralization. It is the policy of the Village to require that funds on deposit in excess of FDIC limits be secured by some form of collateral. The Village will accept any of the following assets as collateral:
 - i) U.S. Government Securities;
 - ii) Obligations of Federal Agencies;
 - iii) Obligations of Federal Instrumentalities;
 - iv) Obligations of the State of Illinois; and
 - v) General Obligation Municipal Bonds rated "A" or better.

vi) The amount of collateral provided will not be less than 110 percent of the fair market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured will be reviewed monthly, and additional collateral will be requested when the ratio declines below the level required and collateral will be released if the market value exceeds the required level. Collateral agreements will preclude the release of the pledged assets without an authorized signature from an appropriate Village official.

h. Investment Parameters:

i. Maximum Maturities. To the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest operating funds in securities maturing more than three (3) years from the date of purchase or in accordance with state and local statutes and ordinances.

ii. Reporting Methods. The Finance Director will prepare an investment schedule monthly. This report should be provided to the legislative body. The report will indicate:

1) Listing of investments by maturity date; and

2) Interest rate of each investment.

i. Amendment. This Investment Policy shall be reviewed on an annual basis. Any changes must be recommended by the Chief Village Officer or the Finance Director and ultimately approved by the Village Board.

Revenue Summary

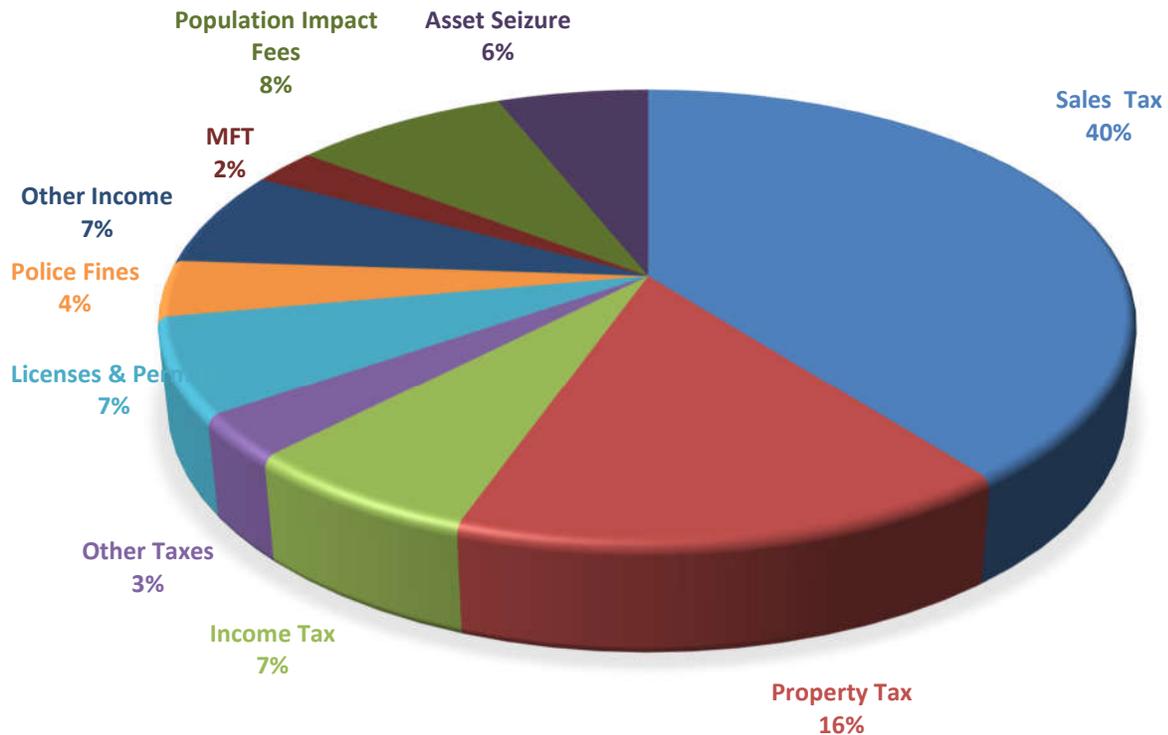
The Revenue Budget includes four separate governmental funds, each with a defined purpose.

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

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

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

Asset Seizure Fund. This fund was established pursuant to an intergovernmental agreement with the Lake County Metropolitan Enforcement Group (MEG). The fund is restricted for the purchase of equipment which will be used by MEG for law enforcement purposes.



BUDGET FY 2020-2021

The proposed FY 21 Revenue Budget for all governmental funds is \$5,850,000, an \$895,000 increase from the FY 20 budget. The higher revenue budget is attributed to growth in three funds: the Capital Projects Fund will increase due to population impact fees from three new residential subdivisions; the Motor Fuel Tax Fund will increase due to additional receipts from the state; and a new Asset Seizure Fund is established to receive federal funds earmarked for MEG. The General Fund revenue budget is unchanged from the previous year.

By Fund	FY 2020	FY 2021	Difference	
	Budget	Budget	\$	%
General	4,850,000	4,850,000	-	0%
MFT	105,000	150,000	45,000	43%
Capital Projects	-	500,000	500,000	100%
Asset Seizure	-	350,000	350,000	100%
Totals	4,955,000	5,850,000	895,000	18%

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

Two residential developments are under construction. The developments called Wentworth and Westbury are on separate land parcels and will add a total of 94 new homes to the Village. Another residential subdivision called The Preserves, consisting of 61 homes was approved by the Village Board but construction of that new subdivision has not yet begun.

BUDGET FY 2020-2021

Revenues also include fees from business licenses and building permits. Annual revenues from businesses are nearly constant (approximately \$115,000 per year), but building permit fees vary due to spikes in activity such as the number of new residential and commercial projects that receive permits in any one year. In FY 17 building permit revenue reached \$578,752 which incorporates the fees from construction of a large shopping center. There was an increase in building fees in FY 20 due to the buildout of a two story medical facility and in FY 21 building fees will be received from two residential developments that are underway. The Village collects an impact fee of \$5,000 as part of the permit fee for each new home that is built.

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimated	FY 2021 Budget
By Revenue Type						
Property Tax	778,003	804,073	824,472	862,354	898,714	922,742
Sales Tax	1,886,793	1,879,136	2,335,764	2,419,089	2,330,000	2,315,000
Income Tax	422,880	375,074	359,826	385,249	415,930	400,000
Other Taxes	216,448	188,161	183,598	195,113	197,943	176,034
Motor Fuel Tax	101,497	100,575	101,315	101,328	141,663	140,000
Intergovernmental	3,506	56,208	10,580	3,725	4,269	3,000
License & Permits	282,967	649,098	393,649	335,007	402,029	400,000
Charges for Service	118,723	111,508	109,732	100,697	101,878	100,000
Fines & Forfeitures	194,466	223,359	235,509	237,934	242,079	220,000
Asset Seizures	-	-	-	-	-	350,000
Interest Income	7,896	16,239	51,698	112,124	101,940	85,000
Miscellaneous	183,955	168,541	175,946	207,271	263,011	238,224
Transfers In	100,000	135,000	100,000	-	-	-
Population Impact F	-	-	-	-	45,000	500,000
Bond Proceeds	-	-	1,380,000	-	-	-
Total Revenues	4,297,134	4,706,972	6,262,089	4,959,891	5,144,456	5,850,000
By Fund						
General	4,094,860	4,468,132	6,052,010	4,840,030	4,986,508	4,850,000
MFT	102,050	103,334	109,061	118,244	156,496	150,000
Capital Projects	100,224	135,506	101,018	1,617	1,452	500,000
Asset Seizure	-	-	-	-	-	350,000
Total Revenues	4,297,134	4,706,972	6,262,089	4,959,891	5,144,456	5,850,000

Summary of Revenue Sources

Expense Summary

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

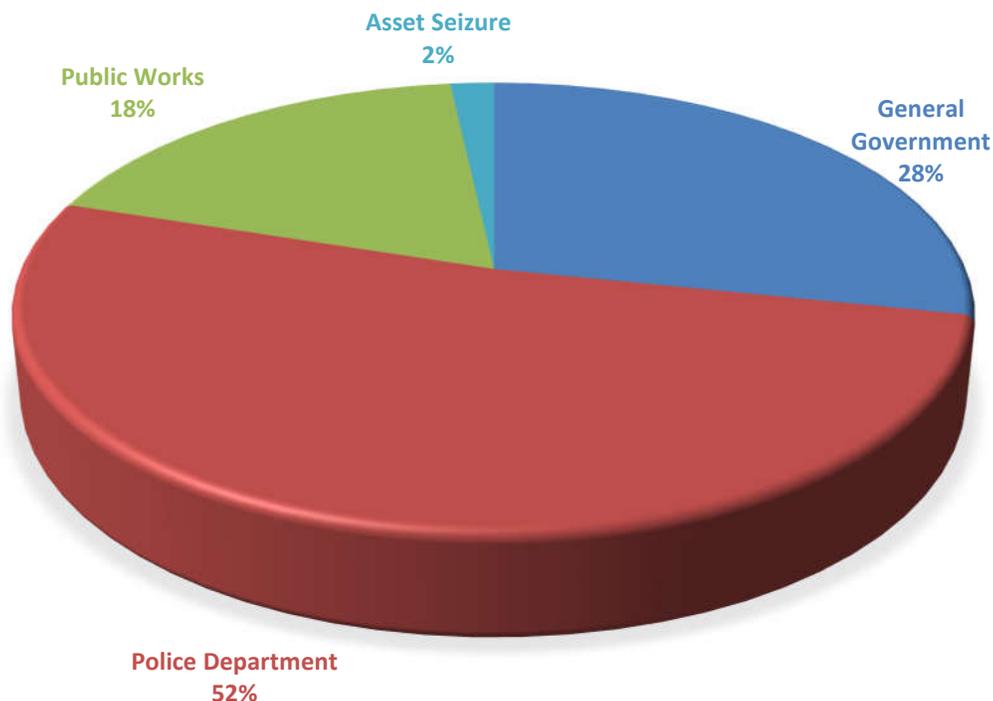
General Fund. In accordance with the Village’s financial and budget policies, the proposed \$4,850,000 expenditure budget for the General Fund is in balance with revenues. Due to concerns regarding the impact on Village revenues from external economic factors and the impact of business shutdowns pursuant to the Governor’s Executive Order 2020-10 in the aftermath of the Coronavirus pandemic, expense projections for FY 21 are problematic at best since the extent of the impact is not yet known.

Motor Fuel Tax (MFT) Fund. The Village’s practice is to accumulate MFT funds until they are sufficient to be used for a project. The Village budgeted \$300,000 for road projects in FY 21.

Capital Projects Fund. In FY 21 the Village does anticipates receiving \$500,000 in population impact fees which will be transferred to the Police Pension Fund.

Asset Seizure Fund. The Village is anticipating to spend \$100,000 for capital equipment for MEG.

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



FY 21 Village Wide Expenses - Budget

BUDGET FY 2020-2021

The proposed FY 21 Budget Expenditure for all governmental funds is \$5,750,000, which is a \$550,000 increase over FY 20. The higher budgeted amount is attributed to increases in the Capital Project and Asset Seizure Funds.

By Fund	FY 2020	FY 2021	Difference	
	Budget	Budget	\$	%
General	4,850,000	4,850,000	-	0%
MFT	350,000	300,000	(50,000)	-14%
Capital Projects	-	500,000	500,000	100%
Asset Seizure	-	100,000	100,000	100%
Totals	5,200,000	5,750,000	550,000	11%

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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Actual	Actual	Actual	Actual	Estimated	Budget
By Expense Type						
General Government	967,690	1,082,589	1,284,803	1,406,523	1,394,677	1,442,263
Police Department	1,877,429	2,003,429	2,178,592	2,287,350	2,348,269	2,927,042
Public Works	1,251,176	654,174	798,559	914,347	1,199,467	1,050,000
Capital Outlay	6,237	64,490	44,821	34,767	49,827	177,958
Debt Service	161,906	159,506	1,541,706	154,138	151,962	152,737
Transfers Out	100,000	135,000	100,000	-	-	-
Total Expenses	4,364,438	4,099,188	5,948,481	4,797,125	5,144,202	5,750,000
By Fund						
General	3,832,950	4,099,188	5,948,481	4,597,125	4,849,202	4,850,000
MFT	-	-	-	200,000	295,000	300,000
Capital Projects	531,488	-	-	-	-	500,000
Asset Seizure	-	-	-	-	-	100,000
Total Expenses	4,364,438	4,099,188	5,948,481	4,797,125	5,144,202	5,750,000

Summary of Expenses

Fund Balance Summary

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

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

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

BUDGET FY 2020-2021

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

VILLAGE OF KILDEER, ILLINOIS

All Governmental Funds Combined

Schedule of Revenues, Expenditures and Changes in Fund Balance

	FY 19	FY 20	FY 21
	Actual	Estimate	Budget
Revenues			
Taxes	\$ 3,861,805	3,842,587	3,813,776
Intergovernmental	105,053	145,932	143,000
Charges for Services	100,697	101,878	450,000
Licenses and Permits	335,007	402,029	400,000
Fines and Forfeits	237,934	242,079	220,000
Interest	112,124	101,940	85,000
Miscellaneous	207,271	308,011	238,224
Population Impact Fees			500,000
Transfers In	-	-	-
Total Revenues	<u>4,959,891</u>	<u>5,144,456</u>	<u>5,850,000</u>
Expenditures			
General Government	1,406,523	1,394,677	1,442,263
Public Safety	2,287,350	2,348,269	2,927,042
Public Works and Transportation	914,347	1,199,467	1,050,000
Capital Outlay	34,767	49,827	177,958
Principal Retirement	105,000	110,000	115,000
Interest and Fiscal Charges	49,138	41,962	37,737
Transfers Out		-	-
Total Expenditures	<u>4,797,125</u>	<u>5,144,202</u>	<u>5,750,000</u>
Net Change in Fund Balance	<u>162,766</u>	<u>254</u>	<u>100,000</u>
Fund Balance - Beginning	<u>6,367,417</u>	<u>6,530,183</u>	<u>6,530,437</u>
Fund Balance - Ending	<u>6,530,183</u>	<u>6,530,437</u>	<u>6,630,437</u>
% Change in Fund Balance	3%	0%	2%

BUDGET FY 2020-2021

Fund balance detail for All Governmental Funds Combined are shown in the table below. Total fund balances in FY 21 are budgeted to increase by 2% due to changes in the Restricted category. Changes in the Restricted category take place in the Asset Seizure Fund.

Fund Balance Detail - All Governmental Funds Combined

	FY 19	FY 20	FY 21
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ 38,848	38,848	38,848
Restricted	646,040	507,536	607,536
Committed	260,173	260,173	260,173
Assigned	914,111	915,563	915,563
Unassigned	4,671,011	4,808,317	4,808,317
Total Fund Balance	6,530,183	6,530,437	6,630,437

BUDGET FY 2020-2021

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

VILLAGE OF KILDEER, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

	FY 19	FY 20	FY 21
	Actual	Estimate	Budget
Revenues			
Taxes	\$ 3,861,805	3,842,587	3,813,776
Intergovernmental	3,725	4,269	3,000
Charges for Services	100,697	101,878	100,000
Licenses and Permits	335,007	402,029	400,000
Fines and Forfeits	237,934	242,079	220,000
Interest	93,591	85,655	75,000
Miscellaneous	207,271	308,011	238,224
Transfers In	-	-	-
Total Revenues	4,840,030	4,986,508	4,850,000
Expenditures			
General Government	1,406,523	1,394,677	1,442,263
Public Safety	2,287,350	2,348,269	2,427,042
Public Works and Transportation	714,347	904,467	750,000
Capital Outlay	34,767	49,827	77,958
Principal Retirement	105,000	110,000	115,000
Interest and Fiscal Charges	49,138	41,962	37,737
Transfers Out	-	-	-
Total Expenditures	4,597,125	4,849,202	4,850,000
Net Change in Fund Balance	242,905	137,306	(0)
Fund Balance - Beginning	<u>4,727,127</u>	<u>4,970,032</u>	<u>5,107,338</u>
Fund Balance - Ending	<u>4,970,032</u>	<u>5,107,338</u>	<u>5,107,338</u>
% Change in Fund Balance	5%	3%	0%

BUDGET FY 2020-2021

In the table below, actual fund balances are shown for FY 19 and projected fund balances are shown for FY 20 and FY 21 where there is a leveling off in fund balances. The Village's goal is to maintain current levels and avoid a decrease in fund balances.

Fund Balance Detail - General Fund

	FY 19	FY 20	FY 21
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ 38,848	38,848	38,848
Restricted	-	-	-
Committed	260,173	260,173	260,173
Assigned	-	-	-
Unassigned	4,671,011	4,808,317	4,808,317
			-
Total Fund Balance	4,970,032	5,107,338	5,107,338

BUDGET FY 2020-2021

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

VILLAGE OF KILDEER, ILLINOIS

Motor Fuel Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

	FY 19	FY 20	FY 21
	Actual	Estimate	Budget
Revenues			
Taxes	\$ -	-	-
Intergovernmental	101,328	141,663	140,000
Charges for Services	-	-	-
Licenses and Permits	-	-	-
Fines and Forfeits	-	-	-
Interest	16,916	14,833	10,000
Miscellaneous	-	-	-
Transfers In	-	-	-
Total Revenues	118,244	156,496	150,000
Expenditures			
General Government	-	-	-
Public Safety	-	-	-
Public Works and Transportation	200,000	295,000	300,000
Capital Outlay	-	-	-
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Transfers Out	-	-	-
Total Expenditures	200,000	295,000	300,000
Net Change in Fund Balance	(81,756)	(138,504)	(150,000)
Fund Balance - Beginning	727,796	646,040	507,536
Fund Balance - Ending	646,040	507,536	357,536
% Change in Fund Balance	-11%	-21%	-30%

BUDGET FY 2020-2021

The MFT Fund is a restricted fund. Between FY 19 and FY 20 fund balances decreased because money accumulated in past years was used for road projects. A decrease of 30% is projected in FY 21 because MFT is again being used to pay for road projects.

Fund Balance Detail - Motor Fuel Fund

	FY 19	FY 20	FY 21
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ -	-	-
Restricted	646,040	507,536	357,536
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balance	646,040	507,536	357,536

BUDGET FY 2020-2021

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

VILLAGE OF KILDEER, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

	FY 19	FY 20	FY 21
	Actual	Estimate	Budget
Revenues			
Taxes	\$ -	-	-
Intergovernmental	-	-	-
Charges for Services	-	-	-
Licenses and Permits	-	-	-
Fines and Forfeits	-	-	-
Interest	1,617	1,452	-
Miscellaneous	-	-	-
Population Impact Fees	-	-	500,000
Transfers In	-	-	-
Total Revenues	1,617	1,452	500,000
Expenditures			
General Government	-	-	-
Public Safety	-	-	500,000
Public Works and Transportation	-	-	-
Capital Outlay	-	-	-
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Transfers Out	-	-	-
Total Expenditures	-	-	500,000
Net Change in Fund Balance	1,617	1,452	-
Fund Balance - Beginning	912,494	914,111	915,563
Fund Balance - Ending	914,111	915,563	915,563
% Change in Fund Balance	0%	0%	0%

BUDGET FY 2020-2021

The Capital Projects Fund is related to the maintenance of Village Hall, major equipment purchases, and emergency road repairs. In FY 21 the revenues from population impact fees are earmarked as an additional contribution to the Police Pension Fund.

Fund Balance Detail - Capital Projects Fund

	FY 19	FY 20	FY 21
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ -	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	914,111	915,563	915,563
Unassigned	-	-	-
Total Fund Balance	914,111	915,563	915,563

BUDGET FY 2020-2021

The following schedule includes beginning and ending fund balances for the Asset Seizure Fund:

VILLAGE OF KILDEER, ILLINOIS

Asset Seizure Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

	FY 19	FY 20	FY 21
	Actual	Estimate	Budget
Revenues			
Taxes	\$ -	-	-
Intergovernmental	-	-	-
Charges for Services	-	-	350,000
Licenses and Permits	-	-	-
Fines and Forfeits	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Population Impact Fees	-	-	-
Transfers In	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>350,000</u>
Expenditures			
General Government	-	-	-
Public Safety	-	-	-
Public Works and Transportation	-	-	-
Capital Outlay	-	-	100,000
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Transfers Out	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>250,000</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>-</u>	<u>-</u>	<u>250,000</u>
% Change in Fund Balance	0%	0%	100%

BUDGET FY 2020-2021

The Asset Seizure Fund is related to major equipment purchases for the use of MEG.

Fund Balance Detail - Asset Seizure Fund

	FY 19	FY 20	FY 21
	Actual	Estimate	Budget
Fund Balance			
Non-spendable	\$ -	-	-
Restricted	-	-	250,000
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balance	-	-	250,000

BUDGET FY 2020-2021

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

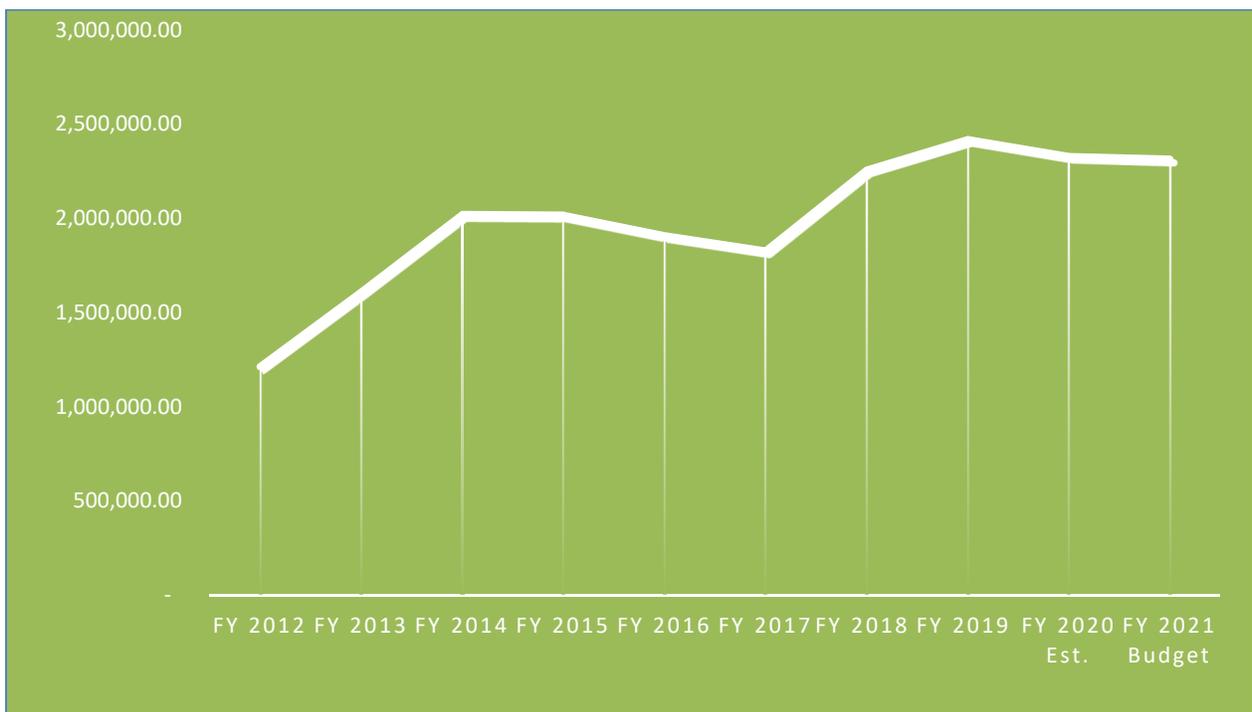
For those municipalities where the primary source of revenue is property tax, which is a relatively stable and dependable revenue source, a two month reserve of unrestricted funds in the General Fund is appropriate to maintain operations. In Kildeer, however, the majority of revenue in the General Fund is from sales tax and the Village's share of state income tax (Local Government Distributive Fund or LGDF), which are less stable revenue sources than property tax. Because sales tax and LGDF receipts fluctuate between times of economic recession and recovery and are susceptible to disruption from natural and manmade disasters, it is appropriate to have a larger reserve of unrestricted funds so that the Village can continue to function during a period of less than expected sales and income tax receipts. The Village's policy is to maintain approximately 90% of operating expenses as an unrestricted fund balance. No minimum balance is established for the Motor Fuel Tax Fund, Capital Projects or Asset Seizure Fund. Those fund balances may be drawn upon to fulfill their purposes when needed and do not serve as a fund balance reserve that can be used to pay for operating costs.

Revenue Highlights

Municipal Sales Tax

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

As shown in the chart below, in 2012 there was an increase in revenue from a successful referendum in which residents voted to increase the Village’s portion of the state sales tax from 1% to 1.5%. Starting in FY 15 the growth in sales tax stalled followed by a reduction that was only offset by the addition of new sales tax revenue from stores in the Kildeer Village Square Shopping Center that opened in FY 18. Sales tax revenue began to level off again and vacancies now exist in all of the shopping centers and some large tenant spaces have remained unleased for over two years. Other municipalities in Lake County are also experiencing a downward trend in sales tax receipts and that trend will be significantly more pronounced due to the business shutdown ordered by the Governor in Executive Orders 2020-10 and 2020-18 that extend the shutdown of business from March 7 to at least April 30. The extent of the sales tax decrease is unknown at the moment and a contingency plan to cut expenses is in place.



Sales Tax Receipts

BUDGET FY 2020-2021

For purposes of the budget, the Village of Kildeer anticipates receiving sales tax revenue of \$2,315,000 in FY 21. This source of revenue represents 48% of the revenue in the General Fund needed to operate the Village.

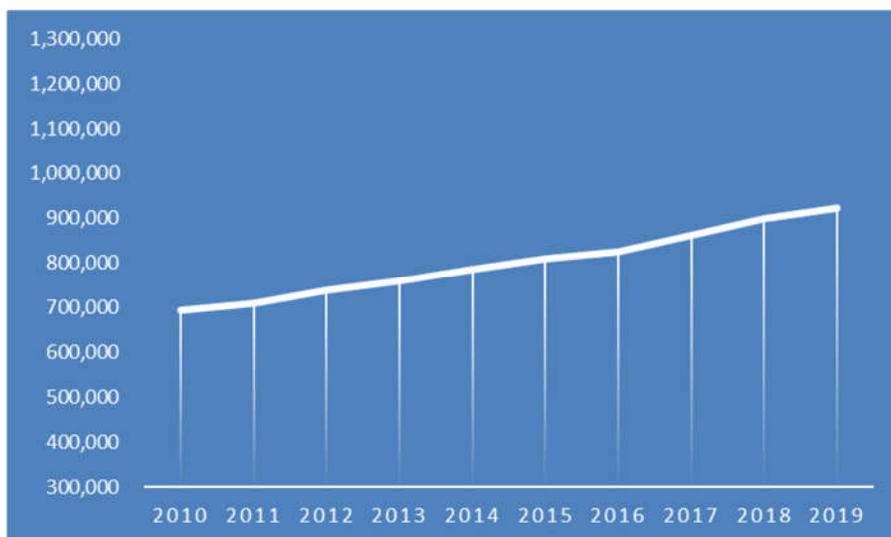
Real Estate Tax

In FY 21 the Village of Kildeer anticipates receiving real estate tax revenue of \$922,742. The revenue that the Village receives from real estate taxes represents about 19% of the General Fund revenue used to operate the Village.

The amount of real estate tax revenue from the Village's portion of a resident's tax bill is a function of the total value of property in the Village (equalized assessed value or "EAV") and the tax rate. The tax rate is determined by the tax levy, which is the amount of money the Village estimates that it will need from real estate taxes, divided by the EAV. Property taxes are paid one year in arrears so that the taxes due are based on values from the year before.

Kildeer is a non-home rule community where the amount of revenue that can be raised from the real estate tax levy each year is limited by state law. Any percentage increase over the previous year's levy amount must be equal to or less than either the Consumer Price Index ("CPI") or 105% of the previous year's levy, whichever amount is less. New property is exempted from the CPI or 105% limitation. The CPI for calendar year 2019 is 1.9%.

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



Property Tax Receipts

BUDGET FY 2020-2021

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

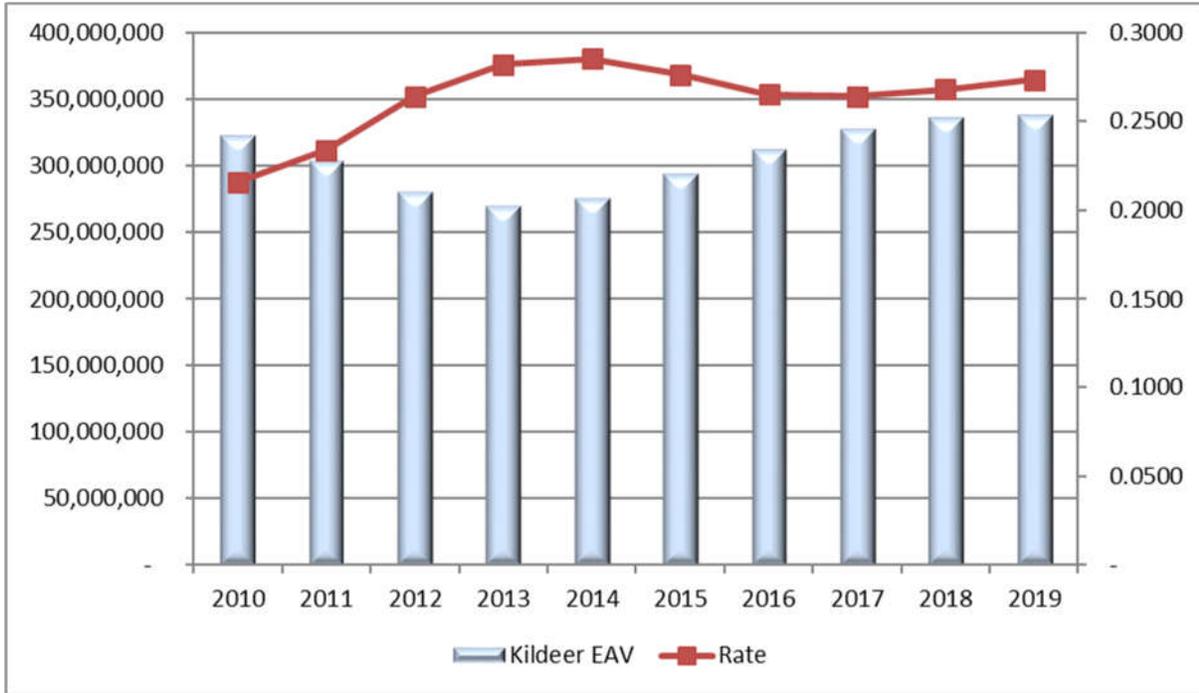
As shown in the Tax Rate Changes table below, Village-wide property tax revenue (Amount) steadily increased since FY 08 even though equalized assessed valuation (EAV) declined during that period of general economic recession. The increase in property tax revenue was due to both the rate increases and the fact that new construction in the Village added to the EAV during those years.

Levy Year	Amount	Tax Rate	EAV
2008	670,797	0.1970	335,810,238
2009	670,797	0.2000	335,398,586
2010	694,822	0.2160	321,676,990
2011	709,300	0.2340	303,119,519
2012	738,518	0.2640	279,741,780
2013	759,691	0.2820	269,394,063
2014	785,638	0.2852	275,431,568
2015	809,309	0.2762	293,038,018
2016	826,131	0.2650	311,804,197
2017	862,303	0.2641	326,528,360
2018	898,756	0.2678	335,613,372
2019	922,742	0.2733	337,628,381

Tax Rate Changes

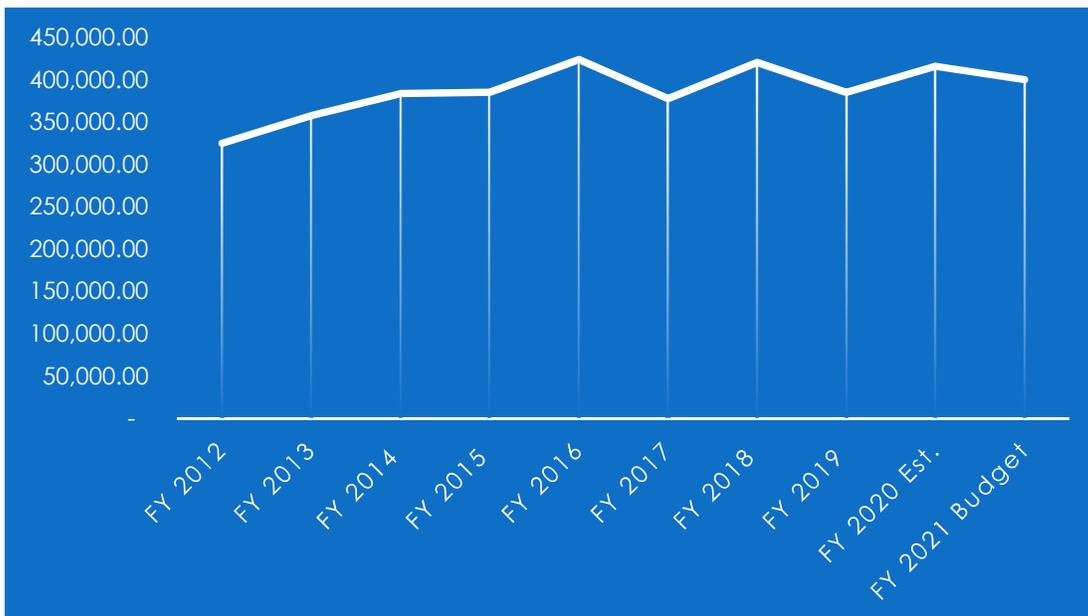
The EAV changes annually due to variations in fair market value of real estate, improvements to existing property and annexations or de-annexations. The nature and kind of changes to property in the Village, such as renovations and new construction, are tracked using the building permit system. Building permits are forwarded to the Township Assessor who changes assessed values (up or down) to insure that amounts levied by taxing bodies are collected fairly. New construction, renovations and annexations increase EAV, while during times of economic recession the assessed value of existing property, in general, decreases. The EAV for Kildeer in calendar year 2019 is \$ 337,628,381.

BUDGET FY 2020-2021



Income Tax

The State of Illinois assesses a tax on the annual income of residents and businesses. Income tax is paid by individuals and businesses in April of each year. The Village’s portion of income tax is known as the Local Government Distributive Fund (“LGDF”) and it is collected by the State and shared with municipalities on a per capita basis. Like sales tax, income tax receipts are very sensitive to economic events and revenue from this source varies on an annual basis. Income tax receipts from FY 12 to FY 21 are shown below.



Income Tax Receipts

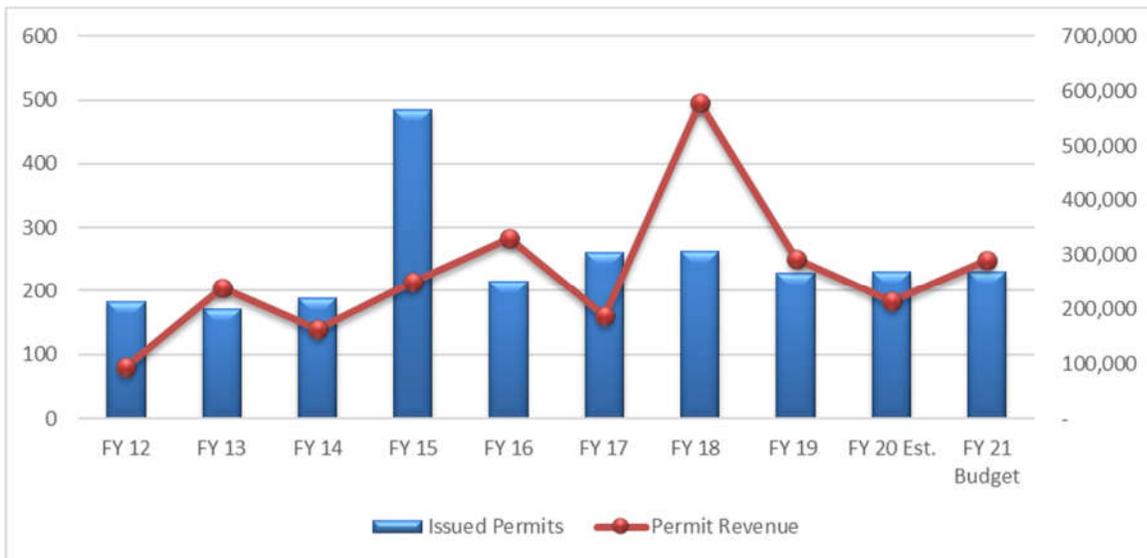
BUDGET FY 2020-2021

Licenses and Permits

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

As illustrated in the graphs below, revenue from permits vary significantly on an annual basis. These variations are largely caused by changes in development activities in the Village. For example, a hailstorm in 2014 resulted in over 200 roof replacement permits in FY 15 leading to a spike in the number of permits issued. Similarly, in FY 18 construction of the Kildeer Village Square shopping center caused a spike in building permit revenue. In FY 21 two new residential subdivisions are under construction resulting in an increase in permit fees, and a third subdivision is approved and awaiting the start of construction.

Permit revenue accounts for \$285,000 or 6 % of the FY 21 budget of the General Fund.



Unlike permit revenue, business license revenue usually does not vary much from year to year. While individual businesses may open or close, the total number of businesses in the Village does not change very much. The opening of stores in the new Kildeer Square Shopping Center provided a jump in the number of business licenses. Annual revenue from this category averages \$115,000 or 2% of the FY 21 budget of the General Fund.

Expense Evaluations

Personnel Costs

The Village of Kildeer’s mission is to provide high value services to its residents. Providing residents with municipal services is largely dependent on the number and quality of the staff employed by the organization. Personnel costs represent 52% of the Village’s total operating General Fund budget.

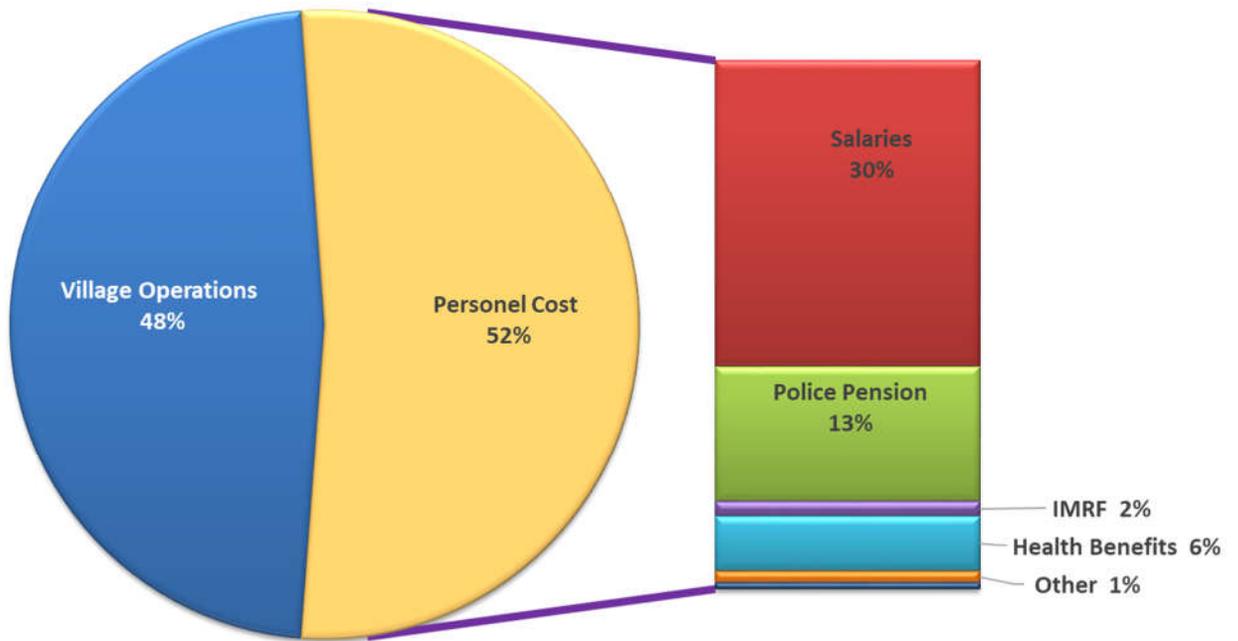
The growth of the Village since its incorporation in 1958 was accompanied by an increase in the nature and extent of its municipal government and the services it offers. A Police Department was established and it grew from a part-time to a full-time force. A Village Administrator was hired to maintain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

Kildeer is governed by an elected Village President and six Trustees who serve as citizen volunteers without salary. Those officials are supported by a small professional staff consisting of a Chief Village Officer (formerly the Village Administrator), Finance Director, Chief of Police and Administrative Assistant. In FY 20 the Village’s entire full-time staff consisted of 12 people, 9 of which were engaged in law enforcement activities. The Village’s full-time workforce for FY 21 is unchanged.

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Budget 2021	Difference 2020 v. 2021
General Government								
Chief Village Officer	1	1	1	1	1	1	1	-
Administrative Assistant (PT)	-	-	-	1	-	-	-	-
Administrative Assistant (FT)	-	-	-	-	1	1	1	-
Finance Director	1	1	1	1	1	1	1	-
Director of Building Permits	1	1	1	1	-	-	-	-
Police Department								
Police Chief	1	1	1	1	1	1	1	-
Commander	-	-	-	-	-	-	1	1
Police Records Clerk	1	1	1	1	1	1	1	-
Sergeant						1	-	(1)
Police Officers- FT	6	6	7	7	7	6	6	-
Police Officers- PT	5	5	6	6	6	6	6	-
Community Service Officer - PT	1	1	1	1	1	1	1	-
Total Full Time	11	11	12	12	12	12	12	-
Total Part Time	6	6	7	8	7	7	7	-

BUDGET FY 2020-2021

Village-wide personnel costs in FY 21 are projected to be \$2,540,348, which are 52% of all General Fund expenses. The largest portion of personnel costs are salaries which represent 30% (\$1,471,529) of total expenses within the General Fund. The second largest expense within the General Fund is the Village's contribution to the Police Pension Fund which is 13% (\$650,000).



Percentage of Personnel Costs Relative to General Fund

Police Pension

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

Police Pension Fund expenses increased by over \$250,000 in the period between FY 13 and FY 21. At the end of FY 19 the Police Pension Fund was only 41.48% funded and the FY 20 expected funding ratio is 43%.

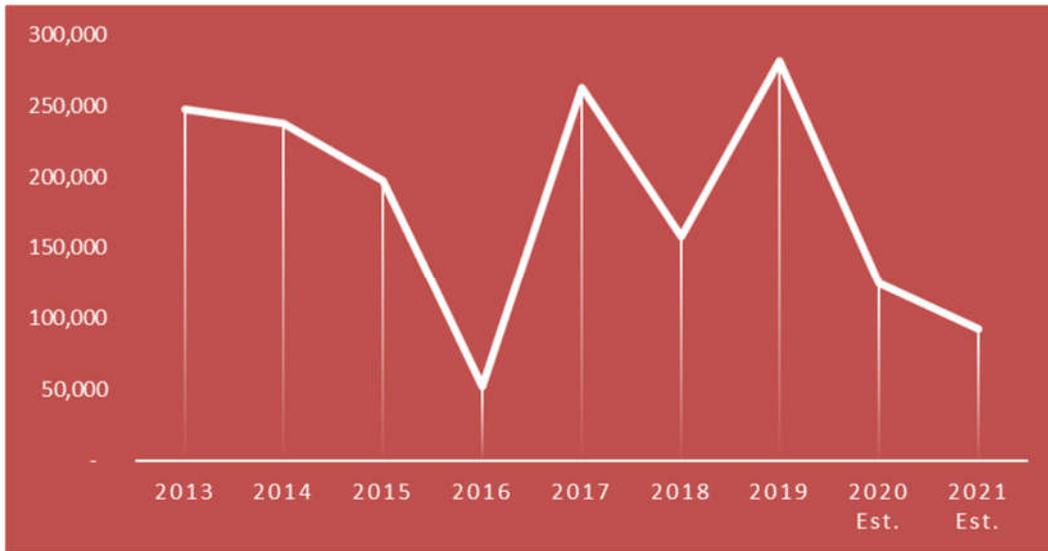


Police Pension Expenses

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

BUDGET FY 2020-2021

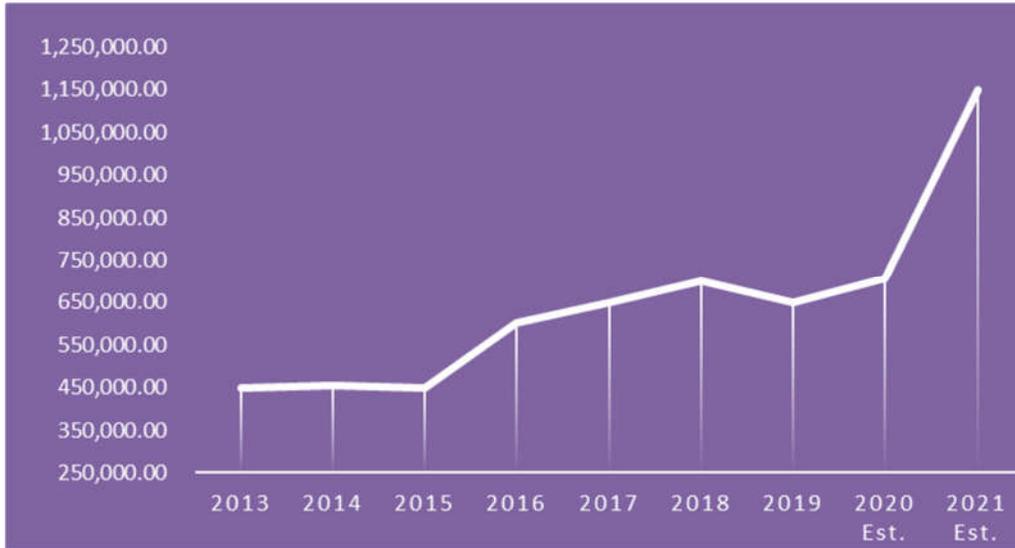
Investment income has not grown at the same rate as expenses. Annual returns from FY 13 to FY 19 fluctuated between \$50,000 and \$280,000.



Police Pension Investment Income

As expected, the Village's contribution to the pension fund must increase in an environment where expenses are growing, police officer contributions are steady and investment income is less than the actuarially assumed rate of return. In FY 18 the Village's contribution to the pension fund was able to increase to \$700,000 due to a spike in building permit revenues associated with the construction of a new shopping center. In FY 21 it is the Village's intention to apply the population impact fee from the construction of new residential subdivisions to the Police Pension Fund. This is another example of the Village's use of one-time revenues for a non-operational purpose and it will result in another one-time much larger than usual pension contribution.

BUDGET FY 2020-2021



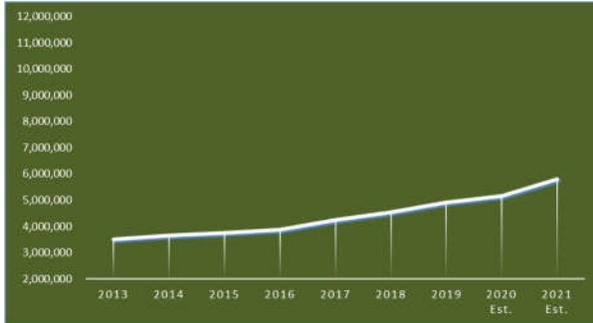
Village Contributions to the Police Pension

Police Pension Fund obligations significantly impact the General Fund Balance. The Village's contribution in FY 13 was \$348,830. In FY 20 the amount was \$705,000, a dramatic increase within a eight year period. The Police Pension Fund is required by Illinois Statute to be 90% funded by FY 40. The state mandate is incorporated into the actuarial projections used by the Police Pension Board when a funding request is made to the Village Board. As pension expenses grow and additional beneficiaries are added, greater contributions are needed. In addition, the life expectancy of pension beneficiaries was recently increased by five years. This change negatively impacted the Police Pension's funding ratio lowering it from 38.53% to 34.40% in FY 16. The funding ratio in FY 20 is expected to increase to 43%.

In the most recent actuarial report it is estimated that \$11,862,011 is needed to meet future pension obligations. With police salary contributions steady and investments below the assumed rate, in order for the Police Pension Fund balance to grow and attain the ninety percent mandate, it will be necessary for the Village to increase it's contributions for the foreseeable future.

BUDGET FY 2020-2021

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



Police Pension Fund Balance



Funding Ratio Percentage

BUDGET FY 2020-2021

Public Works

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

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



Public Works Expenditures

	General Fund	MFT Fund	Total
FY 2015	918,728	53,209	971,937
FY 2016	723,438	-	723,438
FY 2017	654,174	-	654,174
FY 2018	798,559	-	798,559
FY 2019	714,347	200,000	914,347
FY 2020 Est.	904,467	295,000	1,199,467
FY 2021 Budget	750,000	300,000	1,050,000

BUDGET FY 2020-2021

The Village's annual road program is traditionally the largest expenditure within the Public Works portion of the Budget. The FY 21 road program consists of three separate road repaving projects which the Village Engineer estimated to cost \$562,395.39. The lowest responsible bid for the FY 21 road program was \$476,025.29, an amount below the estimated cost and included as an expense in the Budget. In light of the expected reduction in sales tax from the closure of non-essential businesses during the COVID-19 pandemic, a corresponding reduction in expenses is needed to keep the Budget in balance. For example, by accepting only the least expensive project in the road program, which costs \$128,261.64, a much needed road repair could be done and paid for using only a portion of Motor Fuel Tax Funds already received by the Village and expenditures would be reduced by \$347,763.65. In the event that the sales tax shortfall exceeds that amount, the General Fund reserves and the remaining balance of the Motor Fuel Tax Fund are available. Maintaining a balanced budget at a sufficiently high level allows Village leaders to consider re-bidding the remaining portion of the FY 21 Road Repaving Program in the event that conditions change to make such a decision desirable. Having options in times of financial uncertainty provides flexibility to adapt to changing fiscal conditions.

The State of Illinois widening project that will require future Village funds is along Route 22 east of Quentin Road. The Village's portion of the cost for this project is estimated at \$70,000. The Rt. 22 project is part of the Illinois Dept. of Transportation's Five Year Plan, and the contract letting date for this project is spring 2022.

BUDGET FY 2020-2021

Long Term Debt

The Village is a non-home rule municipality. As a non-home rule municipality, the Village is limited in the amount of debt it can incur. That limit is 8.625% of the community's equalized assessed valuation or \$29M. General Obligation debt is paid from General Fund revenues. The Village's existing debt is just \$95,000 (principal only). The Village also has alternative revenue bonds with an outstanding principal of \$1.34M.

Assessed Valuation - 2019	<u>\$ 337,628,381</u>
Legal Debt Limit = 8.625% of Assessed Value	<u>29,120,448</u>
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>95,000</u>
Legal Debt Margin	<u>29,215,448</u>

In 2002 the Village issued debt certificates to raise money to build Village Hall. In 2011 the debt was refinanced and the Village issued General Obligation Refunding Limited Debt Certificates. In 2017 the Village refinanced a majority of the 2011 debt.

The outstanding payments from the 2011 refinancing are as follows:

<u>General Obligation Refunding Limited Debt Certificates of 2011</u>	
Date of Issue	January 18, 2011
Date of Maturity	February 1, 2031
Authorized Issue	\$2,220,000
Denomination of Bonds	\$5,000
Interest Rate	3.00% - 5.375%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	Amalgamated Bank of Chicago, Chicago IL

BUDGET FY 2020-2021

Fiscal Year Ending April 30	Governmental Activities		
	General Obligation		
	Bonds		
	Principal	Interest	Totals
2021	95,000	4,038	99,038
Total	95,000	4,038	99,038

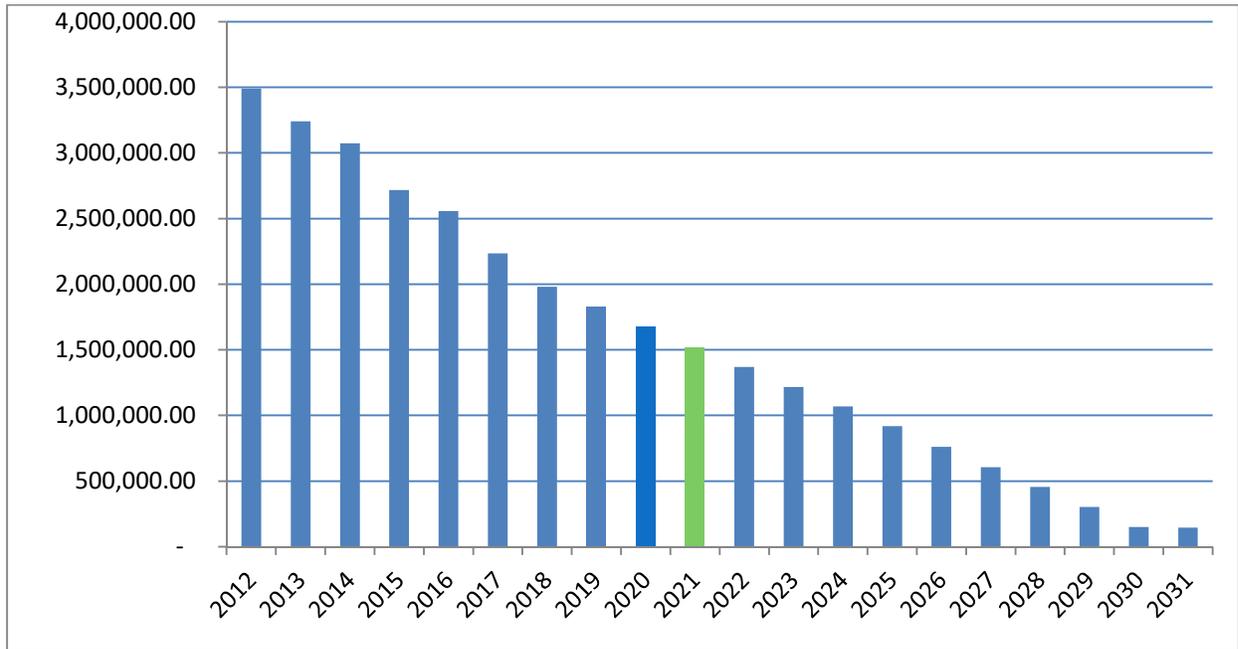
The outstanding payments from the 2017 refinancing are as follows:

Alternative Revenue Bonds 2017	
Date of Issue	December 19, 2017
Date of Maturity	February 1, 2031
Authorized Issue	\$1,380,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% - 2.85%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	Amalgamated Bank of Chicago, Chicago IL

Fiscal Year Ending April 30	Governmental Activities		
	General Obligation		
	Bonds		
	Principal	Interest	Totals
2021	20,000	33,700	53,700
2022	120,000	33,300	153,300
2023	120,000	30,900	150,900
2024	120,000	28,500	148,500
2025	125,000	25,800	150,800
2026	135,000	22,988	157,988
2027	135,000	19,545	154,545
2028	135,000	16,103	151,103
2029	140,000	12,255	152,255
2030	145,000	8,265	153,265
2031	145,000	4,133	149,133
Total	1,340,000	235,488	1,575,488

BUDGET FY 2020-2021

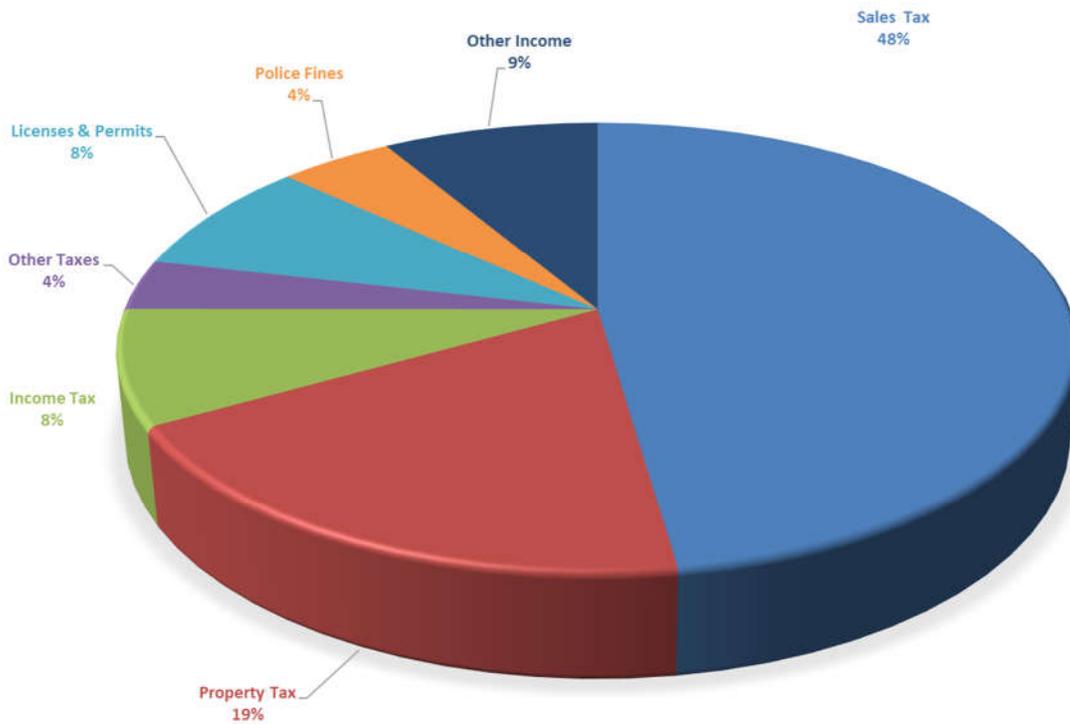
The Village's financial health improved by reducing the amount of its debt service costs. A chart displaying the Village's remaining debt is shown below.



Long Term Debt/ Principle & Interest

Revenues/ General Fund

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



FY 21 – General Fund Revenues

BUDGET FY 2020-2021

Revenue Type	FY 2020	FY 2021	Difference	
	Budget	Budget	\$	%
Sales Tax	2,450,000	2,315,000	(135,000)	-6%
Property Tax	888,250	923,951	35,701	4%
Income Tax	380,000	400,000	20,000	5%
Other Taxes	180,390	176,034	(4,356)	-2%
Licenses & Permits	340,000	400,000	60,000	18%
Police Fines	230,000	220,000	(10,000)	-4%
Other Income	381,360	415,015	33,655	9%
	<u>4,850,000</u>	<u>4,850,000</u>	<u>-</u>	<u>0%</u>

FY 20 vs. FY 21 Budgeted Revenues

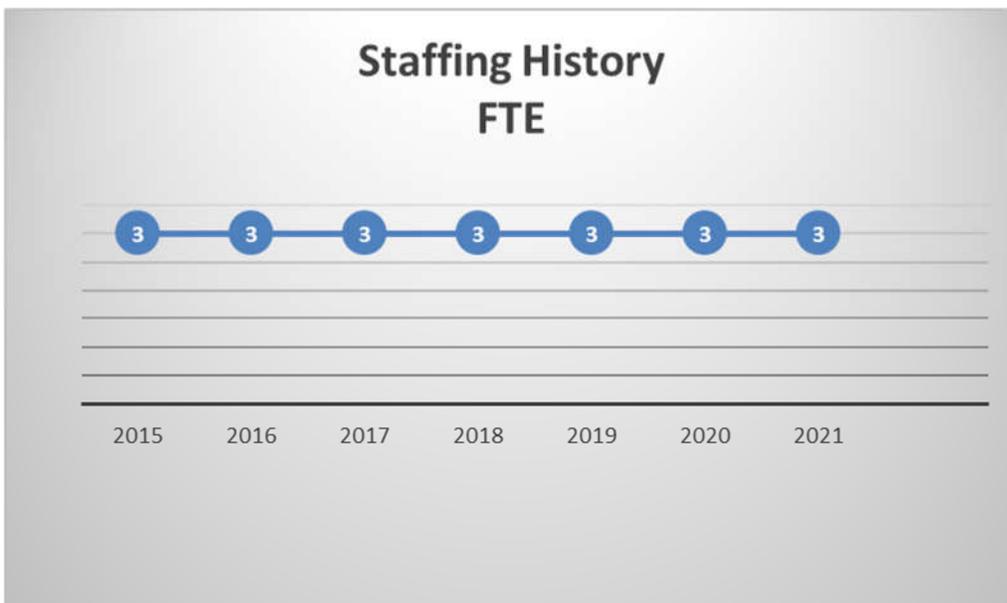
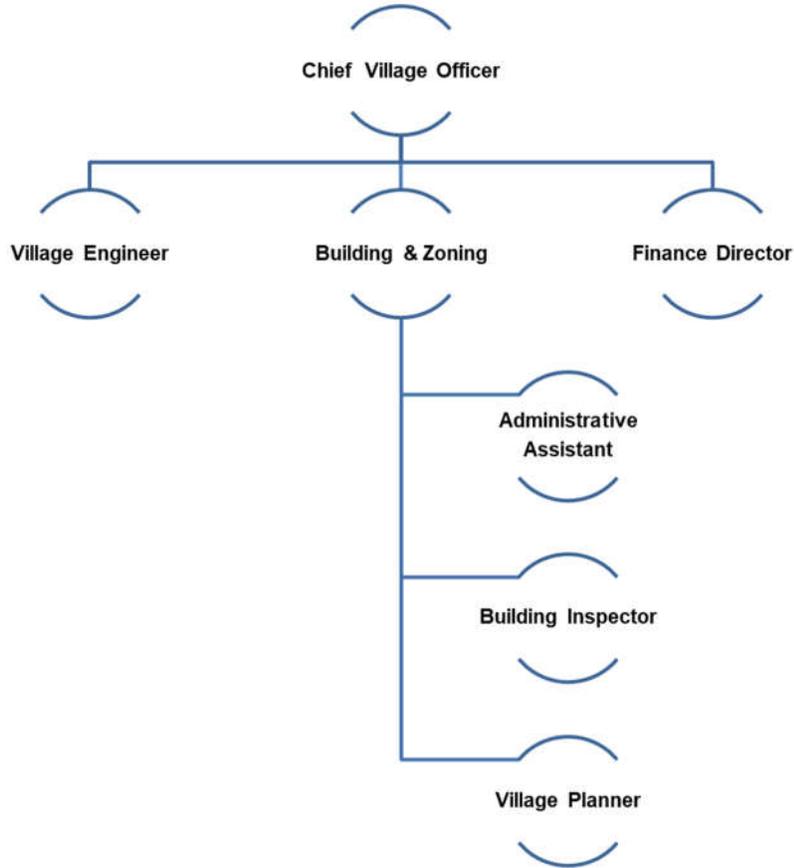
For purposes of the Budget, General Fund revenues for FY 21 are unchanged from FY 20. The drop in sales tax revenue prior to the onset of the COVID-19 store closures was projected to be 6%. That relatively small decrease will be offset by increases in building fees, income tax, property tax, and other miscellaneous revenues. The more dramatic drop in sales tax from COVID-19 store closures will be offset by decreases in expenses primarily in the FY 21 Road Program.

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2018--	--2019--	----- 2020 -----		--2021--	% INC (DEC)	
		ACTUAL	ACTUAL	BUDGETED	11 MO. ACTUAL	PROJECTED		REQUESTED BUDGET
General Government								
REVENUES								
10-10-3010	Property Tax	824,471	862,354	898,755	898,714	898,714	922,742	2%
10-10-3020	Replacement Tax	1,168	1,210	1,000	1,295	1,675	1,500	50%
10-10-3030	Road and Bridge Tax	4,249	4,385	4,390	4,539	4,539	4,593	4%
10-10-3040	Sales Tax	2,335,763	2,419,089	2,450,000	2,193,603	2,330,000	2,315,000	(5%)
10-10-3050	State Income Tax	359,825	385,249	380,000	389,209	415,930	400,000	5%
10-10-3060	State Use Tax	104,932	122,758	95,000	125,568	135,000	120,000	26%
10-10-3070	Telecommunications Tax	73,247	66,760	80,000	51,337	56,729	50,000	(37%)
10-10-3100	Licenses and Fees	100,693	119,608	115,000	111,029	111,029	115,000	0%
10-10-3105	Franchise Fees	95,731	91,697	90,000	69,283	92,378	90,000	0%
10-10-3210	Building Permits	292,954	215,399	225,000	270,219	291,000	285,000	26%
10-10-3340	Books and Copies	993	770	1,000	750	919	1,000	0%
10-10-3410	Revenue Sharing	117,988	122,697	120,000	109,360	116,000	120,000	0%
10-10-3415	Non-Retail Agreements	0	0	0	76,253	76,253	65,000	0%
10-10-3420	Impoundment Fees	9,500	4,500	10,000	4,000	4,500	5,000	(50%)
10-10-3425	Impoundment Fees - DUI	4,500	4,500	5,000	4,500	5,000	5,000	0%
10-10-3440	Sewer Administration	922	0	0	0	0	0	0%
10-10-3450	Population Impact Fees	0	0	50,000	45,000	55,000	0	(100%)
10-10-3600	Restricted Drug Seizure	1,350	6,000	0	1,350	1,800	0	0%
10-10-3630	Police Fines	33,514	35,613	30,000	48,431	55,000	40,000	33%
10-10-3640	Code Violations	33,813	39,577	35,000	23,375	27,079	30,000	(14%)
10-10-3650	Restricted DUI	2,800	350	0	368	400	0	0%
10-10-3660	Police Equipment Resale	4,123	0	0	130	130	0	0%
10-10-3670	Red Light Enforcement	168,179	162,744	150,000	145,660	160,000	150,000	0%
10-10-3675	Hireback Income	1,680	2,380	2,000	1,078	1,500	2,000	0%
10-10-3676	Alcohol Awareness Revenue	659	0	0	1,000	1,000	0	0%
10-10-3680	Restricted Traffic Rebate	4,280	6,032	4,000	2,326	2,964	3,000	(25%)
10-10-3686	Restricted E-Citation	246	340	200	759	759	700	250%
10-10-3687	Restricted CERT	250	650	0	850	850	0	0%
10-10-3690	Grants	10,579	3,725	3,000	4,269	4,269	3,000	0%
10-10-3720	Interest Income	42,933	93,591	65,000	83,443	85,655	75,000	15%
10-10-3950	Expired Completion Bonds	4,500	0	0	1,000	1,000	0	0%
10-10-3960	Refunds & Reimbursements	29,772	59,422	30,000	32,009	39,436	35,000	16%
10-10-3970	Proceeds from Bonds	1,380,000	0	0	0	0	0	0%
10-10-3990	Misc Income	6,396	8,630	5,655	8,297	10,000	11,465	102%
10-10-3999	Interfund Operating Transfer	0	0	0	0	0	0	0%
TOTAL REVENUES:		6,052,010	4,840,030	4,850,000	4,709,004	4,986,508	4,850,000	0%

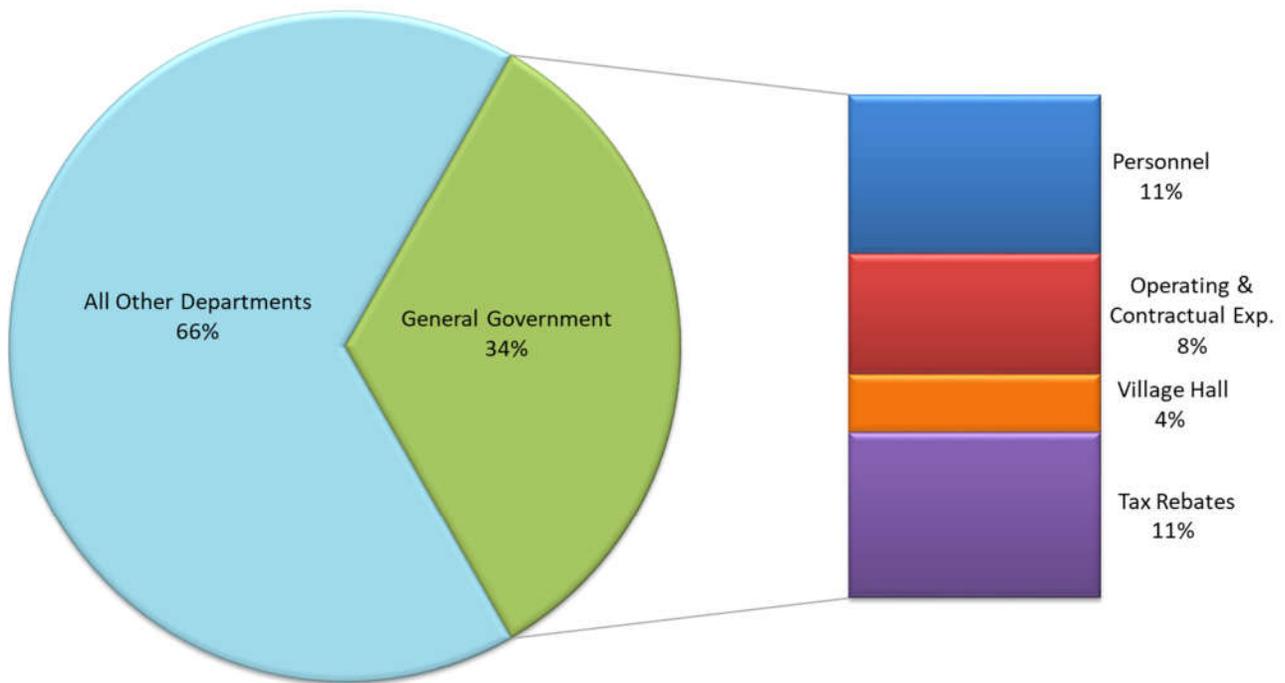
General Government/ General Fund



BUDGET FY 2020-2021

General Government functions include the administration of the Village's affairs by the Chief Village Officer, Finance Director, and an Administrative Assistant.

General Government expenses make up 34% of the Village's General Fund budget which includes sales tax rebates to developers, salaries, contractual services (building and engineering) and Village Hall upkeep.



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

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

BUDGET FY 2020-2021

The Administrative Assistant processes commercial and residential construction permits and files forms in connection with safety inspections, zoning issues and code compliance matters. The Administrative Assistant also serves as the first point of contact for Village matters.

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

There is no change in overall budget between FY 20 and FY 21. Sales tax rebates amounts were, however, lowered in response to decreases in sales tax receipts.

Expense Type	FY 2020	FY 2021	Difference	
	Budget	Budget	\$	%
Personnel	516,129	523,477	7,348	1%
Operating & Contractual Exp.	386,909	403,786	16,877	4%
Village Hall	186,962	187,737	775	0%
Sales Tax Rebates	535,000	510,000	(25,000)	-5%
Totals	1,625,000	1,625,000	-	0%

Performance Measures Service Indicators	2014	2015	2016	2017	2018	2019
Licenses						
Business	56	62	63	61	75	84
Liquor	13	12	13	13	14	16
Permits						
Residential- New Construction	30	31	9	5	14	4
Residential- Remodeling	130	434	184	203	178	185
Commercial- New Construction	3	-	3	6	13	4
Commercial- Remodeling	25	21	19	46	58	35
Total Issued Permits	188	486	215	262	263	228

BUDGET FY 2020-2021

FY 20 ACCOMPLISHMENTS

The accomplishments under the General Government Department for FY 20, organized by the priorities identified in the Strategic Plan, are as follows:

Priority #3 Economic Development:

- Issued Certificate of Occupancy for new 50,000 sq. ft. medical center facility
- Completed fee in lieu of lost sales tax agreement with medical center facility
- Approved two new businesses
- Approved new single family subdivision for sixty homes known as The Preserves
- Approved new single family subdivision for forty-four homes known as Westbury

Priority #4 Customer Service:

- Approved small cell network for improved telecommunications
- Executed a new contract for road snow plowing and salting
- Executed emergency declaration and order in response to COVID-19 pandemic

Priority #5 Fiscal Management:

- Awarded the FY 19 Certificate of Achievement for Financial Reporting by the Government Finance Officers Association (GFOA)
- Awarded the FY 20 Distinguished Budget Presentation Award by the GFOA
- Maintained Moody's Aaa bond rating
- Reduced premium for worker's compensation and general liability insurance
- Maintained the FY 20 general fund reserves at over 90% of annual expenditures
- Increased FY 20 budgeted contribution to Kildeer Police Pension above recommended amount
- Restructured health insurance plans for employees
- Executed new collective bargaining agreement
- Execute new intergovernmental agreement with the Metropolitan Enforcement Group
- Redeemed bonds and abated taxes for Special Service Area No. 1

FY 21 OBJECTIVES

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

Priority #3 Economic Development:

- Complete Comprehensive Plan Update
- Continue to promote growth of retail sales in commercial areas
- Monitor land use and zoning changes along Rand Road
- Facilitate the approval of new residential subdivisions
- Annex unincorporated land along Rand Road

BUDGET FY 2020-2021

Priority #4 Customer Service:

- Implement acceptance of credit card payments at Village Hall
- Continue to provide digital copies of records to residents upon request

Priority #5 Fiscal Management:

- Apply for the GFOA Certificate of Achievement for Excellence in Financial Reporting
- Apply for the GFOA Distinguished Budget Presentation Award
- Review health insurance options and select the most cost effective plans
- Incorporate health care reform mandates into the Village benefit programs
- Increase contributions to Kildeer Police Pension fund
- Promote public awareness of the need for a dedicated levy for the Police Pension Fund
- Maintain Moody's Aaa bond rating
- Manage impact of lost sales tax revenue due to COVID-19 pandemic
- Obtain reimbursements for expenses due to COVID-19 pandemic

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

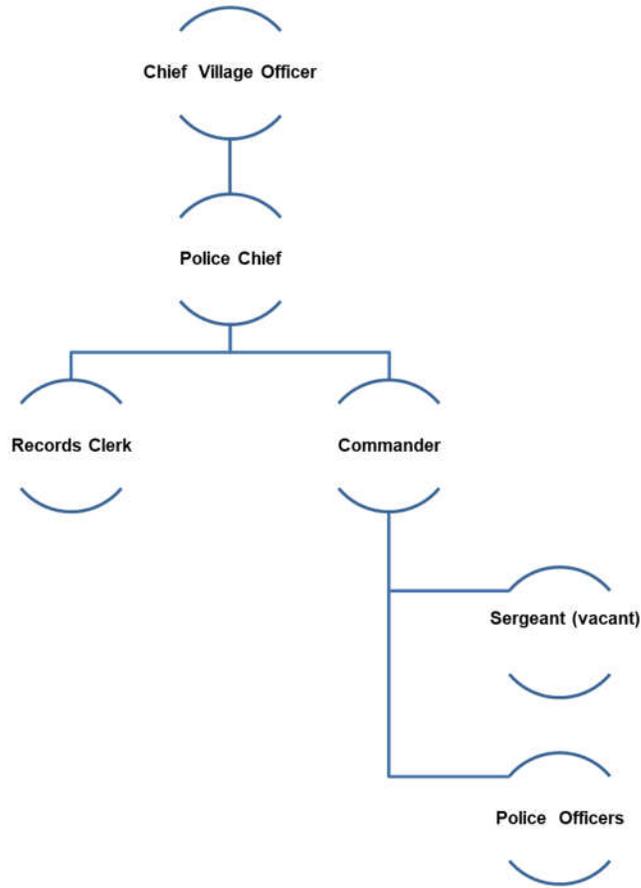
ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2018--	--2019--	----- 2020 -----		--2021--	% INC (DEC)	
		ACTUAL	ACTUAL	BUDGETED	11 MO. ACTUAL	PROJECTED		REQUESTED BUDGET
General Government								
10-10-4010	FT Salaries - Administration	353,801	385,306	376,569	352,984	397,214	389,821	3%
10-10-4050	PT Salaries - Administration	8,243	0	0	0	0	0	0%
10-10-4080	Health Benefits	57,082	77,774	61,632	59,501	64,733	51,567	(16%)
10-10-4090	FICA/Medicare	22,061	23,509	29,020	20,653	21,759	30,123	3%
10-10-4095	Unemployment Insurance	675	367	300	29	300	699	133%
10-10-4096	Worker's Comp Insurance	878	1,159	540	648	648	568	5%
10-10-4110	Retirement - IMRF	35,510	39,525	40,737	34,740	38,014	43,182	6%
10-10-4160	Longevity	2,848	3,049	6,131	6,231	6,231	6,382	4%
10-10-4170	Training	2,031	2,345	5,000	2,428	3,157	5,000	0%
10-10-4220	Travel and Lodging	1,616	2,072	3,500	2,624	2,737	3,500	0%
10-10-4520	Clerk & Collector Stipends	1,200	1,200	1,200	1,150	1,200	1,200	0%
10-10-4525	Zoning Administration	165	0	3,000	207	276	3,000	0%
10-10-4530	Audit	17,415	17,415	17,500	19,880	19,880	19,880	13%
10-10-4550	Building Inspections	120,148	119,064	116,298	105,974	127,565	117,871	1%
10-10-4570	Engineering	42,690	34,427	45,000	46,330	50,537	45,500	1%
10-10-4580	Financial Services	2,549	1,979	5,000	711	911	5,000	0%
10-10-4590	IT Support	16,537	12,522	17,420	13,804	15,977	17,420	0%
10-10-4610	Legal	18,933	7,433	15,000	5,148	9,864	15,000	0%
10-10-4660	Permit Review	35,273	39,458	35,000	27,639	32,171	35,000	0%
10-10-4680	Planning	857	888	2,000	951	951	2,000	0%
10-10-4710	Other Professional Fees	5,526	7,094	7,000	5,750	6,100	7,000	0%
10-10-5010	Alarm and Video	387	300	400	300	399	400	0%
10-10-5030	Codification	650	2,012	3,000	1,011	2,347	3,000	0%
10-10-5040	Copy Services	125	23	1,000	1,958	2,383	1,000	0%
10-10-5050	Datacom Services	9,565	10,772	10,000	10,801	12,227	12,124	21%
10-10-5055	Marketing/ Social Media	0	0	18,000	0	0	0	(100%)
10-10-5070	Dues and Subscriptions	8,815	9,645	8,500	8,293	8,500	8,500	0%
10-10-5080	Equipment Contracts	16,854	10,023	12,000	6,547	8,614	12,000	0%
10-10-5110	General Insurance	12,781	13,867	15,000	13,412	13,612	15,000	0%
10-10-5210	Misc. Contract Services	10,709	18,634	12,440	18,276	20,000	12,440	0%
10-10-6060	Natural Gas	2,152	2,553	2,665	1,719	2,600	2,665	0%
10-10-6080	Postage and Shipping	820	496	1,500	568	682	1,500	0%
10-10-6100	Supplies	8,838	9,119	8,000	3,741	7,323	8,000	0%
10-10-6105	Yard Waste Stickers	0	0	0	3,280	4,373	5,000	0%
10-10-6120	Water and Sewer	677	661	540	506	540	540	0%
10-10-7020	Community Events	1,037	10,518	1,000	2,309	2,578	2,881	188%
10-10-7230	Tax Rebates	418,869	473,113	535,000	355,000	473,333	510,000	(4%)
10-10-7510	Building Maintenance	34,453	59,868	30,000	26,990	28,545	30,000	0%
10-10-7530	Equipment Maintenance	308	225	1,000	291	300	1,000	0%
10-10-7540	Building/Grounds Maintenance	7,277	5,529	5,000	2,244	2,992	5,000	0%
10-10-7810	Non-Capital Equipment	3,576	1,429	7,500	1,379	1,838	10,000	33%

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2018--	--2019--	2020 -----			--2021--	% INC (DEC)
		ACTUAL	ACTUAL	BUDGETED	11 MO. ACTUAL	PROJECTED	REQUESTED BUDGET	
EXPENSES								
10-10-7820	Capital Equipment	30,307	0	12,000	0	0	30,000	150%
10-10-8010	Principal Payments - Mortgage	85,000	105,000	110,000	110,000	110,000	115,000	4%
10-10-8020	Interest Payments	45,684	49,137	41,962	41,962	41,962	37,737	(10%)
10-10-8025	Payment to Escrow Agent	1,360,062	0	0	0	0	0	0%
10-10-8030	Refunds	0	0	0	10	10	0	0%
10-10-8040	Bond Issue Exp	50,959	0	0	0	0	0	0%
10-10-9010	Other Expenses	872	1,151	646	977	1,256	1,500	132%
10-10-9050	Contingency	0	0	0	0	0	0	0%
10-10-9999	Interfund Operating Transfer	100,000	0	0	0	0	0	0%
TOTAL General Government		2,956,815	1,560,661	1,625,000	1,318,956	1,546,639	1,625,000	0%

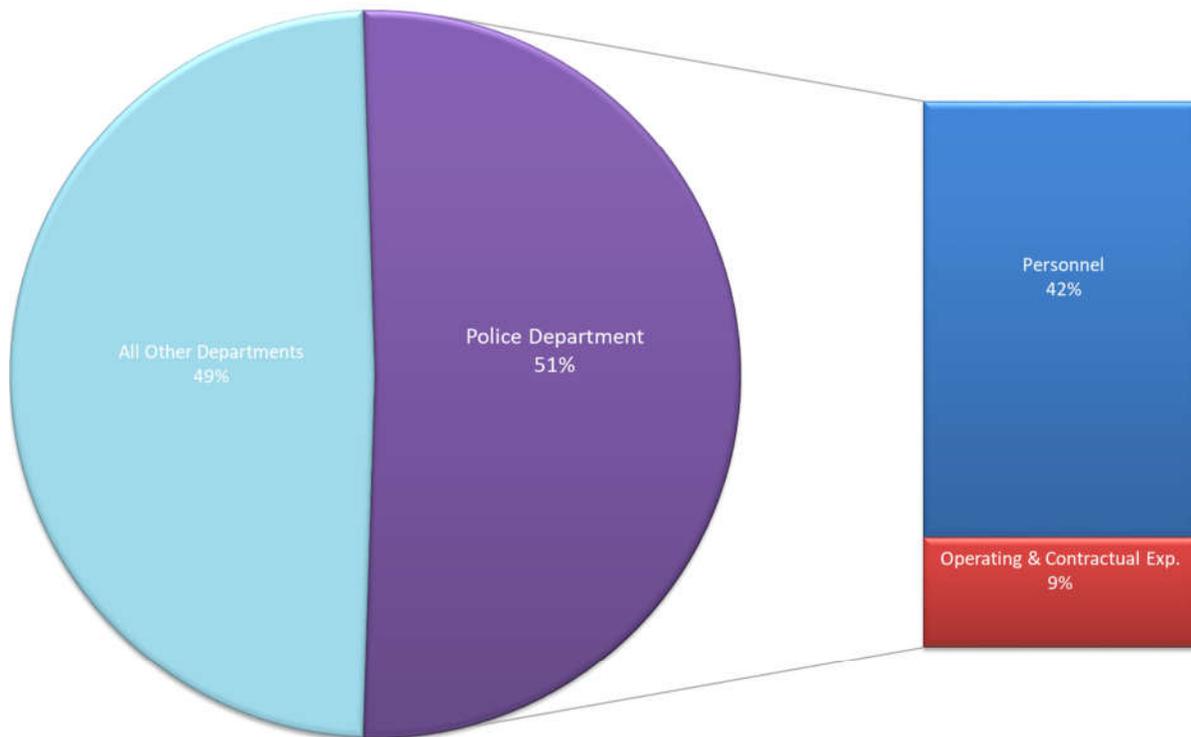
Police Department/ General Fund



BUDGET FY 2020-2021

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

Police Department expenses make up 51% of the Village's General Fund budget. Within the General Fund personnel account for 42% and the remaining 9% are due to operations and contractals.



BUDGET FY 2020-2021

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

Kildeer Police Officers serve with honor, integrity and dedication. Their response to the Coronavirus and the special challenges to routine procedures that were required to deal with the threat of contamination is especially laudable.

There is no change in the Police category between FY 20 and FY 21, however, the cost of personnel is higher because of contractual obligations pursuant to a collective bargaining agreement. Those increases were offset by cuts in contractual and operational services.

Expense Type	FY 2020	FY 2021	Difference	
	Budget	Budget	\$	%
Personnel	1,978,910	2,016,871	37,961	2%
Operating & Contractual Exp.	496,090	458,129	(37,961)	-8%
Totals	2,475,000	2,475,000	-	0%

Performance Measures Service Indicators	2014	2015	2016	2017	2018	2019
Calls for Service	18,191	21,010	19,915	20,679	22,382	21,481
Total arrests	65	76	97	75	63	77
Traffic Citations	773	961	714	571	636	719
Ordinance Enforcement	139	433	558	476	662	653
House Watch	223	295	201	225	560	660

FY 20 ACCOMPLISHMENTS

The accomplishments under the Police Department for FY 20, organized by the priorities identified in the Strategic Plan, are as follows:

Priority #1 Public Safety:

- Promotion of Police Commander
- Renewed dispatch and vehicle maintenance intergovernmental agreements with the Village of Lake Zurich
- Participated in Law Enforcement Coffee with the Cop
- Participated in Community Emergency Response Team (CERT) events

BUDGET FY 2020-2021

- Updated Lexipol policy manual
- Reviewed policies for high risk/low frequency events
- Conducted proficiency training exercises (firearms, use of force, self-defense, CPR, taser)
- Conducted simulation training
- Implemented various Covid-19 safety programs
- Purchased appropriate personal protective equipment

- Continued Community Policing
 - Enhanced school bus safety program
 - Established a business liaison program
 - Met with existing business operators regarding community policing issues or needs
 - Participated in block parties and assisted other agencies in community events
 - Conducted a car show to raise funds for Illinois Special Olympics
- Traffic Safety
 - Received an Illinois Department of Transportation grant for DUI enforcement
 - Continued speed enforcement in construction zones and high volume areas within the Village
 - Assisted the Township/IDOT with traffic projects throughout the year to ensure the safe flow of traffic
 - Utilize mobile speed signs throughout the Village
- Technology
 - Enhanced records management system
 - Updated E-Citation Program
 - Updated in-house software programs
 - Adopted new Traffic Crash Applications Program
 - Initiated new House Watch software program (Front-Line)

FY 21 OBJECTIVES

The objectives under the Police Department for FY 2021 are as follows:

Priority #1 Public Safety:

- Staffing
 - Hire one new full time police patrolman
 - Hire a part time Community Service Officer
 - Evaluate a Records Supervisor position

BUDGET FY 2020-2021

- Community Policing
 - Enhance Business Liaison Program
 - Continue to promptly respond to community needs
 - Continue to participate in community and HOA events
 - Continue to monitor school bus pick-ups and drop-offs
 - Conduct monthly customer satisfaction reviews (calls for service)
 - Formalize the Evidence Technician Program
 - Review use of force policies
 - Formalize an annual proficiency training program
 - Annual review of use of force and citizen complaints against police officer
- Technology
 - Review in-car technology
 - Review records management system
 - Evaluate additional applications for the E Citation program
 - Enhance Front-Line software to enhance use by residents
 - Review bodycam and taser technology
- Community Relations
 - Support Illinois Special Olympic Programs
 - Participate with Coffee with a Cop
 - Participate in community Halloween activities
 - Review various community outreach programs

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2018--	--2019--	----- 2020 -----			--2021--	% INC (DEC)
		ACTUAL	ACTUAL	BUDGETED	11 MO. ACTUAL	PROJECTED	REQUESTED BUDGET	
Kildeer Police								
EXPENSES								
10-20-4010	Salaries - FT Sworn	715,819	798,658	835,195	765,923	835,195	866,104	3%
10-20-4020	Salaries - PT Sworn	43,848	66,201	66,540	55,787	62,466	87,629	31%
10-20-4030	Salaries - Overtime Sworn	35,384	30,452	35,000	27,132	32,472	35,000	0%
10-20-4040	Special Detail	2,178	26,565	3,000	4,258	5,678	3,000	0%
10-20-4050	Salary - FT Civilian	61,233	68,123	91,042	64,930	72,106	73,268	(19%)
10-20-4060	Overtime - Civilian	557	0	0	0	0	0	0%
10-20-4080	Health Benefits	187,379	177,968	215,294	179,255	207,324	209,777	(2%)
10-20-4090	FICA/Medicare	18,365	22,607	24,846	20,563	23,043	25,552	2%
10-20-4095	Unemployment Insurance	2,195	1,343	1,516	361	482	3,929	159%
10-20-4096	Worker's Comp Insurance	33,280	23,428	25,502	18,414	18,414	26,392	3%
10-20-4100	Retirement - Pension	700,000	650,000	650,000	605,000	705,000	650,000	0%
10-20-4110	Retirement - IMRF	17,657	18,643	22,021	13,959	15,228	27,030	22%
10-20-4160	Longevity	6,009	10,793	11,954	11,048	11,950	12,179	1%
10-20-4170	Training	1,428	1,630	5,950	7,639	8,631	6,300	5%
10-20-4180	Recruitment	206	0	750	0	0	100	(86%)
10-20-4210	Uniforms	10,084	7,376	9,200	9,572	10,000	6,400	(30%)
10-20-4220	Travel and Lodging	1,104	1,161	1,000	46	61	1,425	42%
10-20-4510	Admin Adjudication	2,592	2,295	3,060	1,827	2,324	3,060	0%
10-20-4640	Legal - Prosecution	24,000	28,000	30,000	27,500	30,000	30,000	0%
10-20-4650	Personnel & Legal	11,037	41,492	50,000	2,113	2,591	50,000	0%
10-20-5020	Animal Control	65	0	250	28	37	200	(20%)
10-20-5040	Copy Services	914	1,216	1,100	1,471	1,734	2,052	86%
10-20-5060	Dispatch Services	70,915	80,149	80,450	80,427	80,427	73,300	(8%)
10-20-5070	Dues and Subscriptions	23,417	27,107	24,013	26,784	30,000	32,890	36%
10-20-5080	Equipment Contracts	13,921	25,646	25,269	24,946	25,472	29,739	17%
10-20-5100	Forensic Srv & Investigation	281	492	575	87	150	550	(4%)
10-20-5110	General Insurance	49,712	38,431	44,202	31,570	31,570	33,570	(24%)
10-20-5210	Misc. Contract Services	3,594	3,302	4,075	3,516	4,688	4,100	0%
10-20-5220	Storage Rental	2,616	2,673	2,976	2,521	2,724	2,900	(2%)
10-20-5290	Wireless Communications	3,084	2,622	2,604	3,045	4,029	4,800	84%
10-20-6040	Fuel	18,133	16,598	15,000	14,423	15,440	15,500	3%
10-20-6080	Postage and Shipping	600	270	650	555	679	600	(7%)
10-20-6090	Printing and Forms	1,418	417	1,200	159	213	950	(20%)
10-20-6100	Supplies	2,961	3,640	2,600	2,260	3,550	2,500	(3%)
10-20-7110	Firearms and Defense	3,116	3,441	3,800	4,278	5,552	3,800	0%
10-20-7120	Police Grant Exp	0	0	500	0	0	500	0%
10-20-7150	Community Relations Program	827	1,417	1,300	732	864	1,200	(7%)
10-20-7530	Equipment Maintenance	1,639	1,031	600	811	877	600	0%
10-20-7710	Telecom Maintenance	3,583	4,640	3,960	6,166	7,516	8,256	108%
10-20-7730	Vehicle Maint.	13,231	12,356	10,000	12,741	13,176	10,000	0%

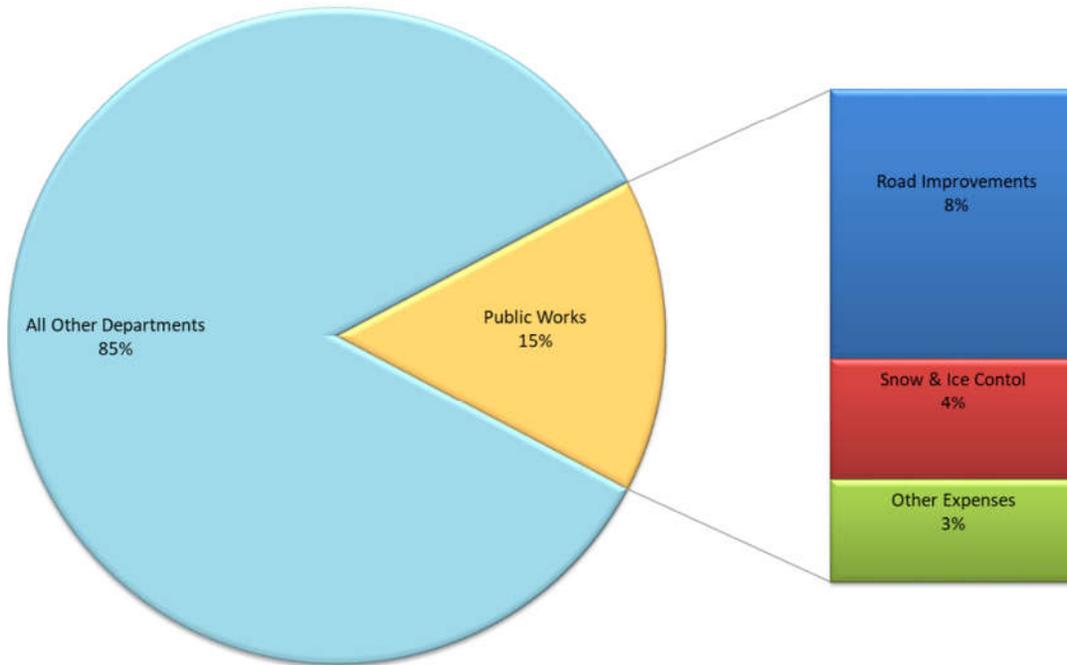
VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2018-- ACTUAL	--2019-- ACTUAL	----- BUDGETED	2020 11 MO. ACTUAL	----- PROJECTED	--2021-- REQUESTED BUDGET	% INC (DEC)
Kildeer Police								
EXPENSES								
10-20-7810	Non-Capital Equipment	10,927	9,609	7,200	4,121	5,693	6,900	(4%)
10-20-7820	Capital Equipment	14,513	0	38,000	49,827	49,827	47,958	26%
10-20-7830	DUI Expenses	100	17,171	675	958	958	0	(100%)
10-20-7835	Alcohol Awareness Exp.	135	150	200	215	287	250	25%
10-20-7870	Restrict Drug Seizure Exp	70	0	0	533	710	0	0%
10-20-7871	Asset Seizure Exp.	340	10,000	0	0	0	0	0%
10-20-7880	Restrict Traffic Rebate Ex	425	9,000	0	0	0	0	0%
10-20-7881	CERT Expenses	891	1,650	1,000	0	0	1,000	0%
10-20-7885	Red Light Enforcement Exp	75,256	71,408	70,000	55,187	66,113	70,000	0%
10-20-7890	Collection Agency Fees	1,199	566	500	1,166	2,322	3,000	500%
10-20-9010	Other Expenses	864	380	431	302	523	740	71%
10-20-9050	Contingency	0	0	50,000	0	0	0	(100%)
TOTAL Kildeer Police		2,193,102	2,322,117	2,475,000	2,144,156	2,398,096	2,475,000	0%

Public Works/ General Fund

Public Works Department expenses make up 15% of the Village’s General Fund budget. Within the General Fund budget road improvements account for 8%, followed by snow and ice removal 4%, and other expenses 3%.



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

BUDGET FY 2020-2021

There is no budgetary change between FY 20 and FY 21, however, in light of the expected reduction in sales tax from the closure of non-essential businesses during the COVID-19 pandemic, a corresponding reduction in expenses may be needed to keep the Budget balanced. By eliminating all or a portion of the FY 21 road program the Budget may be kept in balance.

Expense Type	FY 2020	FY 2021	Difference	
	Budget	Budget	\$	%
Road Improvements	450,000	410,000	(40,000)	-9%
Snow & Ice Control	165,000	185,000	20,000	12%
Other Expenses	135,000	155,000	20,000	15%
Totals	750,000	750,000	-	0%

FY 20-21 Budget – Public Works Expenses

Performance Measures Service Indicators	2014	2015	2016	2017	2018	2019
Snow removal (hours)	1,269	646	499	512	605	560
Salt Usage (tons)	850	415	575	520	650	670
Paving (miles)	1	1	1	1	1	2

FY 20 ACCOMPLISHMENTS

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

Priority #2 Infrastructure:

- Completed FY 20 road program
- Continued vegetation trim back project in Village’s right-of-way
- Continued project to refurbish Village street signs

BUDGET FY 2020-2021

- Continued landscape maintenance of Lot 102 (Village owned lot on W. Cuba Road)
- Added left turn lane at intersection of W. Cuba and Rand Roads
- Renewed intergovernmental agreement for public work services with Ela Township

FY 21 OBJECTIVES

The objectives under the Public Works Department for FY 20, organized by the priorities identified in the Strategic Plan, are as follows:

Priority #2 Infrastructure:

- Participate in joint bid program for road work with Long Grove and Ela Township
- Continue to develop a realistic and achievable plan to fund the road and drainage projects
- Negotiate new contract for snow plow services

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: General Fund

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2018--	--2019--	2020			--2021--	% INC (DEC)
		ACTUAL	ACTUAL	BUDGETED	11 MO. ACTUAL	PROJECTED	REQUESTED BUDGET	
Public Works								
EXPENSES								
10-40-5150	JULIE	1,137	1,293	1,500	2,288	2,288	2,300	53%
10-40-6030	Electricity - Street Lighting	3,316	3,067	3,000	2,615	3,100	3,000	0%
10-40-7140	Mosquito Abatement	10,726	11,000	14,500	11,275	11,275	12,200	(15%)
10-40-7170	Road Improvements	537,896	412,814	450,000	605,000	605,000	410,000	(8%)
10-40-7200	Snow & Ice Control	144,487	163,776	165,000	167,741	175,000	185,000	12%
10-40-7570	ROW Maintenance	83,876	87,551	85,500	73,417	92,673	100,000	16%
10-40-7630	Signal Maintenance	15,185	11,074	12,500	7,321	9,746	12,500	0%
10-40-7650	Storm Sewer Line Maint	0	22,677	15,000	0	0	20,000	33%
10-40-7680	Street Signs and Safety	1,720	1,091	3,000	5,385	5,385	5,000	66%
10-40-9010	Other Expenses	221	4	0	0	0	0	0%
TOTAL Public Works		798,564	714,347	750,000	875,042	904,467	750,000	0%

Motor Fuel Tax Fund

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

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

The Village’s practice for the Motor Fuel Tax Fund (MFT) has been to accumulate funds until there is enough to support a project. Due to the accumulation of funds from prior budgets, the estimated FY 20 MFT fund balance is \$507,536 which is sufficient to support the budgeted expenditures in FY 21.

MFT Fund		FY 2020	FY 2021	Difference	
		Budget	Budget	\$	%
Revenues	Revenues	105,000	150,000	45,000	42.9%
Expenses	Expenses	350,000	300,000	(50,000)	-14%

FY 20-21 Budget- MFT

	FY 2019	Projected FY 2020	Budget FY 2021
Beginning Fund Balance	727,796	646,040	507,536
Revenues	118,244	156,496	150,000
Expenses	200,000	295,000	300,000
Ending Fund Balance	646,040	507,536	357,536

Fund Balance – MFT

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: Motor Fuel Tax

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2018-- ACTUAL	--2019-- ACTUAL	----- BUDGETED	2020 11 MO. ACTUAL	----- PROJECTED	--2021-- REQUESTED BUDGET	% INC (DEC)
							0	
REVENUES								
20-10-3080	Motor Fuel Tax	101,314	101,327	100,000	118,590	141,663	140,000	40%
20-10-3720	Interest Income	7,747	16,917	5,000	12,131	14,833	10,000	100%
TOTAL REVENUES:		109,061	118,244	105,000	130,721	156,496	150,000	42%
EXPENSES								
20-10-7160	MFT Road Improvements	0	200,000	350,000	295,000	295,000	300,000	(14%)
20-10-9050	Contingency	0	0	0	0	0	0	0%
TOTAL		0	200,000	350,000	295,000	295,000	300,000	(14%)

Capital Project Fund

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

Fund Information

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

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

Under GASB 54 reporting requirements, Capital Improvement Funds are not allowed to have Unassigned Fund Balances unless there is a negative Fund Balance. In FY 20, the Capital Project Fund will have an estimated Assigned Fund Balance of \$915,563 for future vehicle and equipment purchases and infrastructure improvement projects.

Minimum Fund Balances

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

BUDGET FY 2020-2021

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

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

In FY 21 the Capital Projects Fund will be used to receive population impact fees estimated to be \$500,000. Those fees will be transferred ultimately to the Police Pension Fund.

Capital Projects Fund		FY 2020	FY 2021	Difference	
		Budget	Budget	\$	%
Revenues	Revenues	-	500,000	500,000	100%
Expenses	Expenses	-	500,000	500,000	100%

FY 20 vs. FY 21 Budget- Capital Projects

	FY 2019	Projected FY 2020	Budget FY 2021
Beginning Fund Balance	912,494	914,111	915,563
Revenues	1,617	1,452	500,000
Transfers In	-	-	-
Expenses	-	-	500,000
Ending Fund Balance	914,111	915,563	915,563

Fund Balance – Capital Projects

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: Capital Projects

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2018--	--2019--	2020			--2021--	% INC (DEC)
		ACTUAL	ACTUAL	BUDGETED	11 MO. ACTUAL	PROJECTED	REQUESTED BUDGET	
							0	
REVENUES								
30-10-3450	Population Impact Fees	0	0	0	0	0	500,000	0%
30-10-3720	Interest Income	1,017	1,617	0	1,227	1,452	0	0%
30-10-3974	Proceeds- Quentin Rd Impr.	0	0	0	0	0	0	0%
30-10-3975	Proceeds-Bike Path	0	0	0	0	0	0	0%
30-10-3999	Interfund Operating Transfer	100,000	0	0	0	0	0	0%
TOTAL REVENUES:		101,017	1,617	0	1,227	1,452	500,000	0%
EXPENSES								
30-10-4610	Legal	0	0	0	0	0	0	0%
30-10-4615	Police Pension Exp.	0	0	0	0	0	500,000	0%
30-10-7574	Road Improvements	0	0	0	0	0	0	0%
30-10-7820	Capital Equipment	0	0	0	0	0	0	0%
30-10-9999	Interfund Operating Transfer	0	0	0	0	0	0	0%
TOTAL		0	0	0	0	0	500,000	0%

Asset Seizure Fund

Asset Seizure Fund was established pursuant to an intergovernmental agreement with the Lake County Metropolitan Enforcement Group (MEG). MEG works in cooperation with federal law enforcement agencies and shares in assets forfeited by criminals. Kildeer is a member of MEG and serves as its financial agent for the receipt of forfeited assets. The fund is restricted for the purchase of equipment which will be used by MEG for law enforcement purposes.

Asset Seizure Fund		FY 2020	FY 2021	Difference	
		Budget	Budget	\$	%
Revenues	Revenues	-	350,000	350,000	100%
Expenses	Expenses	-	100,000	100,000	100%

	FY 2019	Projected FY 2020	Budget FY 2021
Beginning Fund Balance	-	-	-
Revenues	-	-	350,000
Expenses	-	-	10,000
Ending Fund Balance	-	-	340,000

VILLAGE OF KILDEER
 DETAILED BUDGET REPORT

FUND: ASSET SEIZURE

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	--2018-- ACTUAL	--2019-- ACTUAL	----- BUDGETED	2020 11 MO. ACTUAL	----- PROJECTED	--2021-- REQUESTED BUDGET	% INC (DEC)
REVENUES								
60-10-3430	Asset Seisure / D.O.J.	0	0	0	0	0	350,000	0%
TOTAL REVENUES:		0	0	0	0	0	350,000	0%
EXPENSES								
60-10-7820	Capital Equipment	0	0	0	0	0	90,000	0%
60-10-7872	Asset Seizure Exp.	0	0	0	0	0	10,000	0%
TOTAL EXPENSES:		0	0	0	0	0	100,000	0%
TOTAL REVENUES		0	0	0	0	0	350,000	0%
TOTAL EXPENSES		0	0	0	0	0	100,000	0%
SURPLUS (DEFICIT)		0	0	0	0	0	250,000	0%

APPENDIX I

Capital Improvement Plan

Village of Kildeer Capital Improvement Plan For Fiscal Years 2021-2025



Village of Kildeer Capital Improvement Plan FY 2021-2025

Summary

The Capital Improvement Program (CIP) is a comprehensive, five-year plan of capital projects and purchases of capital equipment that will support the continued growth and development of the Village. The CIP is used by the Village to determine future infrastructure requirements and equipment purchases to maintain Village Hall and the service levels provided to residents.

The Village identifies capital projects as those which:

- Cost \$5,000 or more;
- Have an expected useful life of five or more years; and
- Become, or preserve, an asset of the Village

The Village uses the CIP as an avenue of communication with the public. Through the CIP document, residents and businesses are provided with an accurate and concise view of the Village's long term direction for capital investment and the Village's need for stable revenue sources to fund large multi-year capital projects.

Critical to the selection of the CIP projects are the criteria by which projects are assessed and evaluated. The evaluation criteria guide the review and ranking committee in their selection of the projects to be funded.

The evaluation criteria areas are as follows:

- Public Health and Safety
- Support Stated Community Goals
- Fiscal Impact
- Service Level Impact
- Legal Ramifications

Financing the Capital Improvement Program

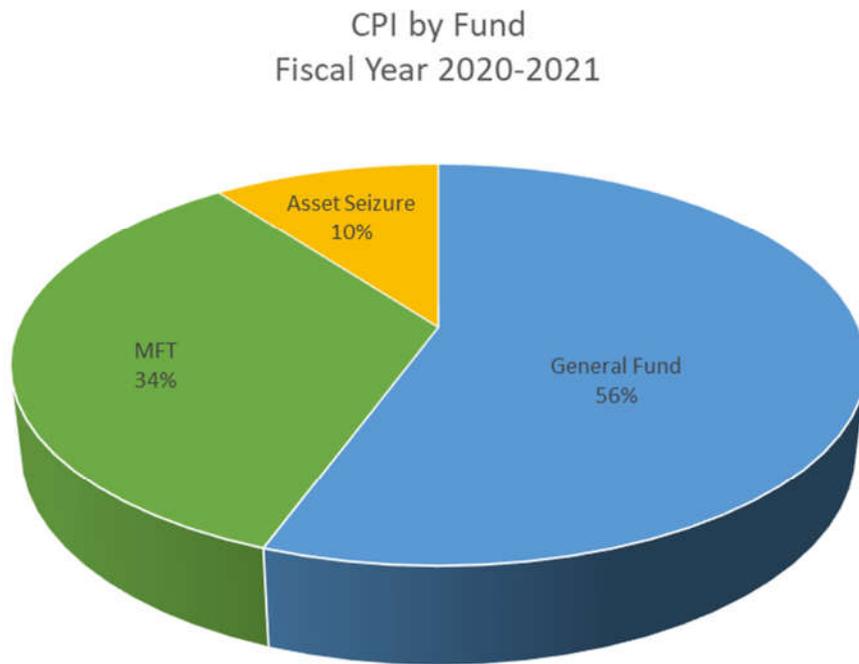
Over the years, the Village of Kildeer has financed a substantial portion of capital improvements through operating revenue and use of cash reserves. The "pay-as-you-go" financing method has been the preferred method for funding CIP projects in the past. Revenues deemed one-time in nature, such as large commercial and residential permitting fees are dedicated towards one-time capital projects. The following options may be considered when analyzing potential funding sources for CIP projects:

- Pay-as-you-go financing
- Bonds
- Loans
- Lease-purchase agreements
- Development impact fee ordinances
- Federal and state grants

Village of Kildeer Capital Improvement Plan FY 2021-2025

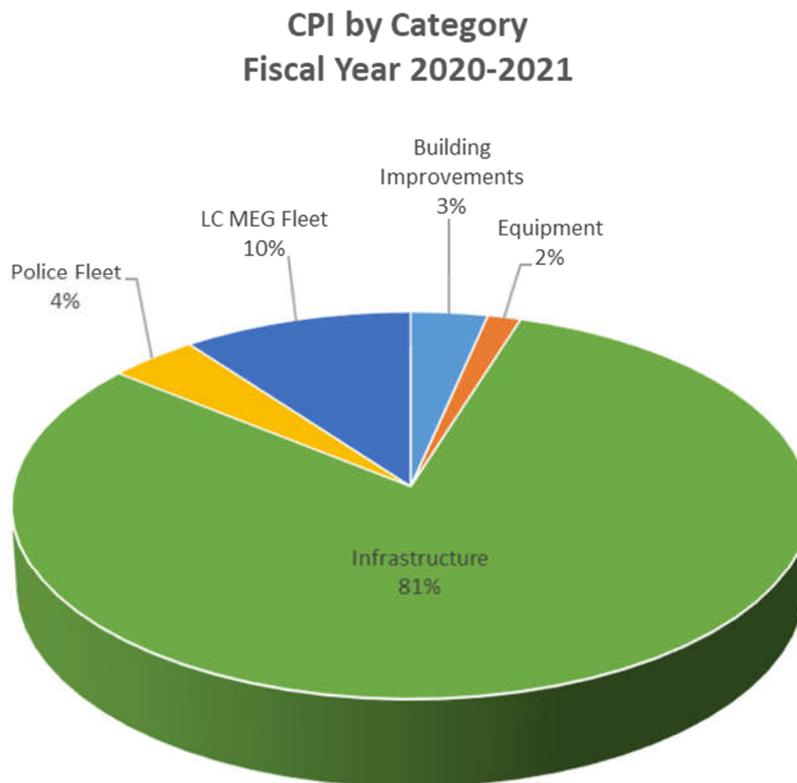
The Capital Improvement plan is funded by General Fund, MFT Fund, Capital Projects and Asset Seizure Fund. The Village currently has a reserve of \$915,563 in its Capital Projects Fund. In addition, there is a committed sinking fund of \$100,000 for the maintenance of Village Hall contained within the General Fund. One of the Village's goals is to annually transfer money from the General Fund to the Capital Improvement Fund so that there are sufficient reserves to meet planned and unplanned capital needs.

Funding for the FY 20/21 CIP totals \$877,958 and is derived from three sources as depicted in the chart below:



Village of Kildeer Capital Improvement Plan FY 2021-2025

The amount allocated for CIP projects in the FY 20/21 budget is \$877,958. The graph below shows the allocations by category. The projects included in the FY 20/21 CIP reflect the needs of the Village based on established goals.



Impact on the Operating Budget

The Village of Kildeer's operating budget is directly affected by the CIP. When certain types of capital projects are developed and completed, they also have ongoing financial impacts on the Village's operating budget. For example, if the Village were to buy a new squad car, the operating budget for the Police Department would increase to include maintenance and replacement of this asset.

Village of Kildeer Capital Improvement Plan FY 2021-2025

In the FY 2021-2025 CIP, individual projects include estimated impacts on future operating budgets, if it is possible to identify the cost at this time in the project's lifecycle. These costs are estimates provided by the finance department and the professionals that are responsible for the completion of the project. The Village carefully considers these operating costs when deciding which projects will move forward in the CIP, as it is not sustainable for the Village to fund concurrently several large-scale projects that have significant operating budget impacts. Emphasis is placed on the desire for self-sustaining projects with neutral operating impacts.

Village of Kildeer Capital Improvement Plan FY 2021-2025

Summary of 5 Year Plan by Funding Source

Fund	2021	2022	2023	2024	2025	Total
General Fund	487,958	515,000	546,000	491,000	491,000	2,530,958
Capital Projects	-	100,000	145,000	90,000	75,000	410,000
MFT	300,000	100,000	100,000	100,000	100,000	700,000
Asset Seizure	90,000	35,000	35,000	35,000	35,000	230,000
Total	877,958	750,000	826,000	716,000	701,000	3,870,958

Fund Description	Project Description	Placed in Service	Cost	Annual Impact on operating Budget	Capital Outlay				
					FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Village Equipment									
Capital Projects	MSI Computer Software	8/31/2009	39,674.17	7,033	-	-	100,000	-	-
Capital Projects	Phones	3/15/2012	14,718.98	7,740	-	-	-	-	-
General Fund	Server	4/30/2017	11,822.08	1,260	-	-	15,000	-	-
General Fund	Computers	4/3/2018	18,867.21	8,400	-	-	25,000	-	-
Village Hall Building Maintenance									
Capital Projects	Electronic Sound System	2/1/2002	8,487.00	-	-	-	-	-	-
Capital Projects	HVAC System	2/1/2002	40,000.00	1,340	-	-	-	-	50,000
General Fund	Keyless Entry	12/26/2007	36,687.10	387	30,000	-	-	-	-
Capital Projects	LED Lighting System	4/1/2014	31,617.50	-	-	-	-	-	-
Capital Projects	Generator (Radiator)	2/9/2016	6,237.00	2,312	-	-	-	90,000	-
Capital Projects	Village Hall Roof	1/1/2016	16,000.00	-	-	-	45,000	-	-
General Fund	Tuckpointing Village Hall	4/1/2015	11,150.00	-	-	-	15,000	-	-
Capital Projects	Parking Lot Reseal & Stripe	1/1/2016	5,000.00	-	-	100,000	-	-	-
Capital Projects	Facility Cameras	4/30/2017	18,756.43	300	-	-	-	-	-
Capital Projects	Driveway Boiler	1/23/2018	19,890.00	-	-	-	-	-	-
General Fund	Village Hall Floors	1/18/2019	37,544.54	-	-	-	-	-	-
Capital Projects	Office Furniture			-	-	-	-	-	25,000
Police Department Equipment									
General Fund	Traffic Display Mon Speedcom	3/15/2000	6,995.00	2,200	-	-	-	-	-
General Fund	Communications-AP ICRI - Mobile	5/24/2006	7,350.00	-	-	-	-	-	-
General Fund	Breathalyzer	4/1/2014	5,875.00	-	7,000	-	-	-	-
General Fund	Livescan	10/3/2014	7,995.00	1,895	-	9,000	-	-	-
Capital Projects	Radios/ Motorola	4/30/2015	45,936.81	3,912	-	-	-	-	-
General Fund	Server	3/30/2015	9,774.35	1,260	-	15,000	-	-	-
General Fund	In Car Video Camera			665	5,958	6,000	6,000	6,000	6,000
Police Department Fleet									
General Fund	New squad car			5,465	35,000	35,000	35,000	35,000	35,000
Asset Seizure	LC MEG vehicles				90,000	35,000	35,000	35,000	35,000
Road Programs									
General Fund	Street Improvements			-	410,000	450,000	450,000	450,000	450,000
MFT Fund	Street Improvements (MFT)			-	300,000	100,000	100,000	100,000	100,000
Totals					877,958	750,000	826,000	716,000	701,000

Village of Kildeer Capital Improvement Plan FY 2021-2025

CPI –Project Descriptions

PROJECT TITLE:

Village Hall Roof

PROJECT JUSTIFICATION:

Original roof installed in 2002 and repaired in 2016. Life expectancy will be exceeded in 2023 and a new roof required.

OPERATING BUDGET IMPACTS:

This program will have no impact on the operating budget.



Project	Village Hall Roof					
Department	General Government					
Cost	\$ 45,000					
Funding Source (s)	Capital Projects					
Fiscal Year		2021	2022	2023	2024	2025
Activities				45,000	-	

Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

Parking Lot Reseal and Restripe

PROJECT JUSTIFICATION:

Regular maintenance item that was last performed in 2016. Life expectancy will be exceeded in 2022 and, due to an excessive amount of cracking, the parking lot base will have to be rebuilt the next time that the resealing and restriping is done.



OPERATING BUDGET IMPACTS:

This program will have no impact on the operating budget.

Project	Parking Lot Reseal and Restripe					
Department	General Government					
Cost	\$ 100,000					
Funding Source (s)	Capital Projects					
Fiscal Year		2021	2022	2023	2024	2025
Activities			100,000			

Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

Tuckpoint Village Hall Masonry

PROJECT JUSTIFICATION:

This is a regular maintenance item that was last performed in 2016. Life expectancy will be exceeded in 2023 when tuck-pointing of the masonry will need to be redone.



OPERATING BUDGET IMPACTS:

This program will have no impact on the operating budget.

Project	Tuckpoint Village Hall Masonry					
Department	General Government					
Cost	\$ 15,000					
Funding Source (s)	General Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities				15,000		

Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

Generator



PROJECT JUSTIFICATION:

This is a regular maintenance item that is performed every year. Life expectancy will be exceeded in 2024 and a new generator will be purchased.

OPERATING BUDGET IMPACTS:

The annual impact on operating budget is \$ 2,312 which is the cost of maintenance.

Project	Generator					
Department	General Government					
Cost	\$ 90,000					
Funding Source (s)	Capital Projects					
Fiscal Year		2021	2022	2023	2024	2025
Activities					90,000	

Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

Keyless entry

PROJECT JUSTIFICATION:

Software and hardware update

OPERATING BUDGET IMPACTS:

The annual impact on operating budget is \$ 387 which is the cost of maintenance.



Project	Keyless Entry					
Department	General Government					
Cost	\$ 30,000					
Funding Source (s)	General Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities		30,000				

Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

Servers



PROJECT JUSTIFICATION:

The Police Department server was installed in 2015 and the Village server was installed in 2017. A replacement of police server is anticipated in 2022.

OPERATING BUDGET IMPACTS:

The annual impact of two servers on operating budget is \$ 2,520 which is the cost of offsite backup.

Project	Servers					
Department	General Government					
Cost	\$ 15,000					
Funding Source (s)	General Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities				15,000		

Project	Servers					
Department	Police Department					
Cost	\$ 15,000					
Funding Source (s)	General Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities			15,000			

Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

Computers

PROJECT JUSTIFICATION:

Equipment installed in 2018 and new computers will need to be purchased in 2023.



OPERATING BUDGET IMPACTS:

The annual impact on operating budget is \$8,400 which is the cost of IT maintenance.

Project	Computers					
Department	General Government/ Police Department					
Cost	\$ 25,000					
Funding Source (s)	General Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities				25,000		-

Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

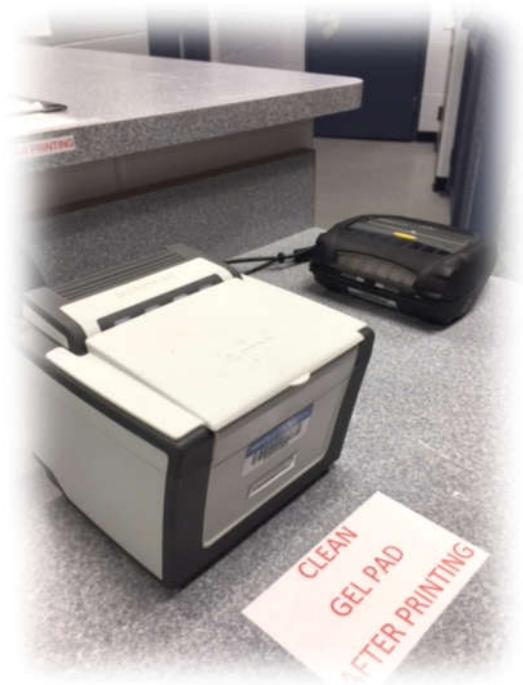
Live scan

PROJECT JUSTIFICATION:

Equipment installed in 2014 and software support expected to end in 2022 when new live scan equipment will be purchased.

OPERATING BUDGET IMPACTS:

The annual impact on operating budget is \$1,895 which is the cost of the maintenance.



Project	Livescan					
Department	Police Department					
Cost	\$ 9,000					
Funding Source (s)	General Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities			9,000			

Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

Breathalyzer

PROJECT JUSTIFICATION:

Equipment installed in 2014 and software support expected to end in 2021 when a new breathalyzer will be purchased.

OPERATING BUDGET IMPACTS:

This program will have no impact on the operating budget.



Project	Breathalyzer					
Department	Police Department					
Cost	\$	7,000				
Funding Source (s)	General Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities		7,000				

Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

In-car video cameras.



PROJECT JUSTIFICATION:

One camera will be replaced each year on a rotating basis.

OPERATING BUDGET IMPACTS:

The impact on the operating budget is \$665 per year per camera.

Project	In car camera					
Department	Police Department					
Cost	\$	6,000				
Funding Source (s)	General Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities		5,958	6,000	6,000	6,000	6,000

Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

2020 Ford Utility

PROJECT JUSTIFICATION:

Each year one squad car will be replaced on a rotating basis.



OPERATING BUDGET IMPACTS:

The impact on operating budget is \$5,465 per year per car (maintenance and fuel).

Project	Squad Car					
Department	Police Department					
Cost	\$ 35,000					
Funding Source (s)	General Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities		35,000	35,000	35,000	35,000	35,000

Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

Law enforcement vehicles used by LC
MEG



PROJECT JUSTIFICATION:

Each year one vehicle will be replaced on a rotating basis.

OPERATING BUDGET IMPACTS:

This program will have no impact on the operating budget.

Project	Vehicles for LC MEG					
Department	Police Department					
Cost	\$ 90,000					
Funding Source (s)	Vehicle Seizure Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities		90,000	35,000	35,000	35,000	35,000

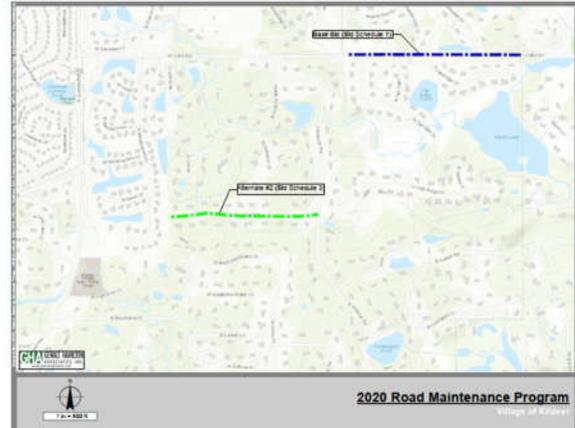
Village of Kildeer Capital Improvement Plan FY 2021-2025

PROJECT TITLE:

Road Program / Storm Sewers

PROJECT JUSTIFICATION:

Each year the Village’s goal is to repave an entire subdivision and perform needed infrastructure maintenance and replacement where needed in other parts of the Village pursuant to the Village Engineer’s recommendation.

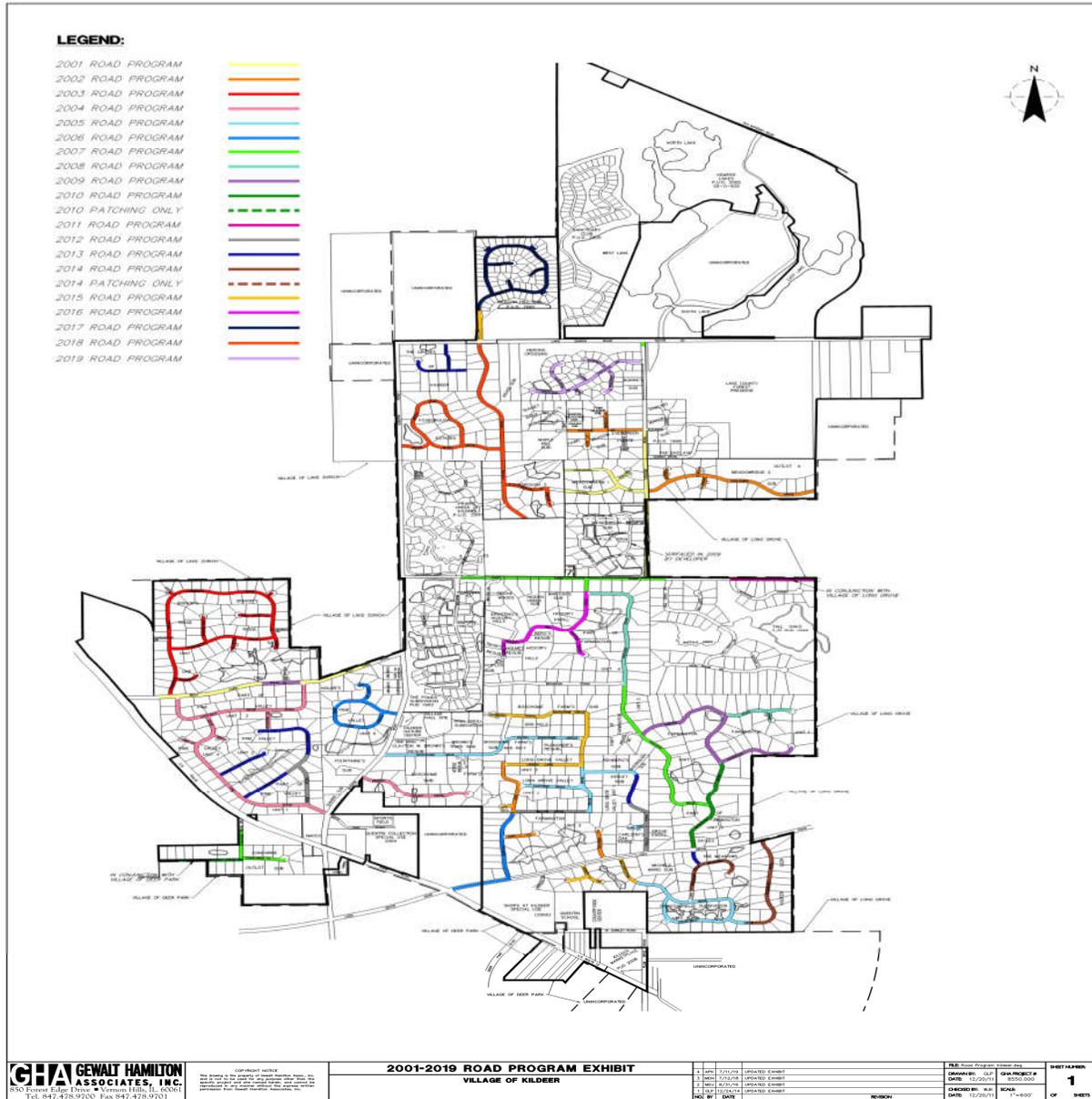


OPERATING BUDGET IMPACTS:

This program will have no impact on the operating budget.

Project	Road Program/ Storm Sewers					
Department	Public Works					
Cost	Various					
Funding Source (s)	General Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities		410,000	450,000	450,000	450,000	450,000
Project	Road Program/ Storm Sewers					
Department	Public Works					
Cost	Various					
Funding Source (s)	Motor Fuel Tax Fund					
Fiscal Year		2021	2022	2023	2024	2025
Activities		300,000	100,000	100,000	100,000	100,000

The following map identifies the location of road programs completed since 2001. The goal of the road program is to achieve cost efficiencies by establishing a sequence in which one entire subdivision is resurfaced each year until all subdivisions are done. The process is then to be repeated so that all Village roads are maintained on a regular basis.



APPENDIX II

Five Year Financial Forecast

BUDGET FY 2020-2021

VILLAGE OF KILDEER, ILLINOIS

General Fund - Long Term Financial Planning

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

	FY 21	FY 22	FY 23	FY 24	FY 25
	Budget	Projection	Projection	Projection	Projection
Revenues					
Taxes	3,813,776	3,851,914	3,890,433	3,929,337	3,968,630
Intergovernmental	3,000	5,000	4,567	5,000	5,000
Charges for Services	100,000	105,000	105,000	105,000	105,000
Licenses and Permits	400,000	400,000	400,000	400,000	400,000
Fines and Forfeits	220,000	220,000	220,000	220,000	220,000
Population Impact Fees	-	-	-	-	-
Interest	75,000	50,000	50,000	50,000	50,000
Miscellaneous	238,224	218,086	210,000	200,663	191,370
Transfers In					
Total Revenues	4,850,000	4,850,000	4,880,000	4,910,000	4,940,000
Annual Increase		0%	1%	1%	1%
Expenditures					
General Government	1,442,263	1,430,388	1,382,275	1,379,917	1,394,917
Public Safety	2,427,042	2,451,312	2,475,825	2,500,583	2,533,283
Public Works and Transportation	750,000	750,000	750,000	750,000	750,000
Capital Outlay	77,958	65,000	96,000	41,000	41,000
Principal Retirement	115,000	120,000	120,000	120,000	125,000
Interest and Fiscal Charges	37,737	33,300	30,900	28,500	25,800
Transfers Out	-	-	25,000	90,000	70,000
Total Expenditures	4,850,000	4,850,000	4,880,000	4,910,000	4,940,000
Annual Increase		0%	1%	1%	1%
Net Change in Fund Balance	(0)	(0)	(0)	(0)	(0)
Fund Balance - Beginning	5,107,338	5,107,338	5,107,338	5,107,338	5,107,338
Fund Balance - Ending	5,107,338	5,107,338	5,107,338	5,107,338	5,107,338
% Change in Fund Balance	0%	0%	0%	0%	0%

BUDGET FY 2020-2021

VILLAGE OF KILDEER, ILLINOIS

MFT - Long Term Financial Planning

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

	FY 21	FY 22	FY 23	FY 24	FY 25
	Budget	Projection	Projection	Projection	Projection
Revenues					
Taxes					
Intergovernmental	140,000	168,000	168,000	168,000	168,000
Charges for Services					
Licenses and Permits					
Fines and Forfeits					
Population Impact Fees				-	-
Interest	10,000	5,000	3,000	2,500	2,000
Miscellaneous					
Transfers In					
Total Revenues	150,000	173,000	171,000	170,500	170,000
Annual Increase		15%	-1%	0%	0%
Expenditures					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works and Transportation	300,000	100,000	100,000	100,000	100,000
Capital Outlay	-	-	-	-	-
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Expenditures	300,000	100,000	100,000	100,000	100,000
Annual Increase		-67%	0%	0%	0%
Net Change in Fund Balance	(150,000)	73,000	71,000	70,500	70,000
Fund Balance - Beginning	507,536	357,536	430,536	501,536	572,036
Fund Balance - Ending	357,536	430,536	501,536	572,036	642,036
% Change in Fund Balance	-30%	20%	16%	14%	12%

BUDGET FY 2020-2021

VILLAGE OF KILDEER, ILLINOIS

Capital Projects - Long Term Financial Planning

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

	FY 21 Budget	FY 22 Projection	FY 23 Projection	FY 24 Projection	FY 25 Projection
Revenues					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Population Impact Fees	500,000	455,000	-	-	-
Interest	-	1,000	1,000	800	500
Miscellaneous	-	-	-	-	-
Transfers In	-	-	25,000	90,000	70,000
Total Revenues	500,000	456,000	26,000	90,800	70,500
Annual Increase		-9%	-94%	249%	-22%
Expenditures					
General Government	-	-	-	-	-
Public Safety	500,000	455,000	-	-	-
Public Works and Transportation	-	-	-	-	-
Capital Outlay	-	100,000	145,000	90,000	75,000
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Expenditures	500,000	555,000	145,000	90,000	75,000
Annual Increase		11%	-74%	-38%	-17%
Net Change in Fund Balance	-	(99,000)	(119,000)	800	(4,500)
Fund Balance - Beginning	915,563	915,563	816,563	697,563	698,363
Fund Balance - Ending	915,563	816,563	697,563	698,363	693,863
% Change in Fund Balance	0%	-11%	-15%	0%	-1%

BUDGET FY 2020-2021

VILLAGE OF KILDEER, ILLINOIS

Asset Seizure Fund - Long Term Financial Planning

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

	FY 21 Budget	FY 22 Projection	FY 23 Projection	FY 24 Projection	FY 25 Projection
Revenues					
Taxes	-	-	-	-	-
Intergovernmental	350,000	-	-	-	-
Charges for Services	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-
Population Impact Fees	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers In	-	-	-	-	-
Total Revenues	350,000	-	-	-	-
Annual Increase		-100%	0%	0%	0%
Expenditures					
General Government	-	-	-	-	-
Public Safety	10,000	-	-	-	-
Public Works and Transportation	-	-	-	-	-
Capital Outlay	90,000	35,000	35,000	35,000	35,000
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Expenditures	100,000	35,000	35,000	35,000	35,000
Annual Increase		-65%	0%	0%	0%
Net Change in Fund Balance	250,000	(35,000)	(35,000)	(35,000)	(35,000)
Fund Balance - Beginning	-	250,000	215,000	180,000	145,000
Fund Balance - Ending	250,000	215,000	180,000	145,000	110,000
% Change in Fund Balance	100%	-14%	-16%	-19%	-24%

APPENDIX III

Performance Measures

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

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

	2016	2017	2018	2019	2020 EST.
Unassigned Fund Balance	3,941,711	4,308,340	4,420,662	4,671,011	4,808,317
% of annual expenses	106%	105%	96%	114%	105%

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

	2016	2017	2018	2019	2020 EST.
Assets	3,869,446	4,241,461	4,546,820	4,930,167	5,159,519
Liabilities	11,248,976	11,229,810	11,552,187	11,862,011	11,862,011
Funded Ratio	34%	38%	39%	42%	43%

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

	2016	2017	2018	2019	2020 EST.
Assigned Fund Balance	675,970	811,476	912,494	914,111	915,563
% Difference		20%	12%	0%	0%

APPENDIX IV

Glossary

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

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

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

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

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

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

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

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

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

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

BUDGET FY 2020-2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BUDGET FY 2020-2021

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

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

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

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

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

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

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

BUDGET FY 2020-2021

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

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

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

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

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

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

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

LEVY - The imposition and collecting of a tax.

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

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

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

MEASURABLE - A term that means the amount of a transaction can be determined.

MODIFIED ACCRUAL BASIS - A method of accounting in which revenues are recognized or recorded when they are susceptible to accrual or in other words "measurable" and "available." "Measurable" means the amount can be determined. "Available" means collectible within the current accounting period or sixty (60) days beyond that period. Expenditures are recognized or

BUDGET FY 2020-2021

recorded when the related liability is incurred. All Governmental funds and Agency funds are accounted for using the modified accrual basis of accounting.

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

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

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

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

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

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

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

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