

VILLAGE OF KIRKLAND, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2021

Prepared By

William J. Newkirk, Treasurer
Village of Kirkland, Illinois

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VILLAGE OF KIRKLAND, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2021

VILLAGE BOARD

Ryan Block, Village President

TRUSTEES

Eric Marshall

John Michener

Dan Chambers

Brian Benes

Jessica Fruit

Sarah Ziegler

Carol Steigman, Village Clerk

VILLAGE ADMINISTRATION

Ryan Block, Chief Executive Officer

Adam Davenport, Police Chief

Dale Miller, Public Works Director

Carol Steigman, Office Manager

William Newkirk, Treasurer

INDEPENDENT AUDITOR'S REPORT



1040 West Route 6 • Morris, IL 60450

Phone: (815) 941-9833

Fax: (815) 941-9835

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Village of Kirkland, Illinois

We have audited the accompanying financial statements of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kirkland, Illinois, (the Village) as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kirkland, Illinois, as of April 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules, and supplemental data, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The supplemental data section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Brian Zabel & Assoc. P.C.
BRIAN ZABEL & ASSOCIATES, P.C.
Certified Public Accountants

Morris, Illinois
December 3, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2021

The management of the Village of Kirkland, Illinois (the "Village") offers readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2021. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved appropriation), and (5) identify individual fund issues or concerns.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

Historically, the primary focus of local government financial statements has been summarized fund type information on a current financial resource basis. This approach has been modified by Government Accounting Standards Board Statement No. 34. As a result, the Village's financial statements now present two kinds of statements, each with a different snapshot of the Village's finances. The focus of the new financial statements is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The focus of the Statement of Net Position presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources management focus. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

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

Both of the government-wide financial statements (see pages 15 - 17) distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village reflect the Village's basic services, including administration, public safety, highways and streets, and sanitation. The business-type activities include the operations of the water and sewer system.

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements to be more familiar. The focus of presentation is on major funds rather than fund types. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and proprietary fund.

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

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

The Village maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Motor Fuel Tax Fund, Tax Incremental Financing Fund, and the Capital Projects Fund (had no activity in this fiscal year), each of which is considered to be a "major" fund.

The Village adopts an annual appropriation/budget for each of its governmental funds. Budgetary comparison statements have been provided elsewhere in the report to demonstrate compliance with the appropriation/budget. The basic governmental fund financial statements can be found on pages 18 – 21 of this report.

Proprietary Funds. The Village maintains one proprietary fund. The Water and Sewer Fund, an enterprise fund, is used to report the same type of information as presented as business-type activities in the government-wide financial statements, only in more detail. The enterprise fund is used to account for the operations of the Village's water and sewer system. The Water and Sewer Fund is considered to be a major fund of the Village.

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The basic proprietary fund financial statements can be found on pages 22 - 24 of this report. Budgetary information for the Water and Sewer Fund, including sub-accounts for operations, water system improvements, and sewer system improvements are included elsewhere in this report.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure assets – roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental Activities column of the government-wide statements. Additionally, the government must elect to: (1) depreciate the assets over their useful life; or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity (modified approach). The Village has chosen to depreciate assets over the useful life. If a road project is considered maintenance - a recurring cost that does not extend the original useful life or expand its capacity - the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 - 46 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI). The RSI includes schedules of revenues, expenditures, and changes in fund balance - budget and actual for the General Fund, Motor Fuel Tax Fund, Tax Incremental Financing Fund, and Revolving Loan Fund along with information concerning the Village's progress in funding its pension benefit obligations through the Illinois Municipal Retirement Pension Fund. Please see pages 47 - 53 of this report.

Additionally, certain supplemental schedules containing more detailed information on fund revenues and expenditures, capital assets, assessed valuations, and property tax rates and tax levies can be found on pages 54 – 75.

Financial Analysis of the Village as a Whole

In accordance with GASB Statement No. 34, a comparative analysis of government-wide information is presented in the government-wide financial statements on pages 15 – 17 and summarized on the next two pages:

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table shows the net position of the Village of Kirkland as of April 30, 2021.

A significant portion of the Village's net position (77%) reflects its net investment in capital assets less any related outstanding debt used to acquire those assets. Approximately 7% of net position represents resources subject to restrictions on how they may be used, and about 16%, or \$797,424, represents unrestricted net position and may be used to meet the Village's ongoing obligations. During the fiscal year ended April 30, 2021, unrestricted net position of governmental activities decreased \$28,220 and business-type net position decreased \$131,969 for an overall decrease of \$160,189.

Table 1
Statement of Net Position
As of April 30, 2020 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	Primary Government 2020	2021
Assets						
Current Assets	\$ 1,249,812	\$ 1,191,838	\$ 529,467	\$ 346,718	\$ 1,779,279	\$ 1,538,556
Noncurrent Assets	2,828,897	3,044,159	1,389,081	1,404,947	4,217,978	4,449,106
Total Assets	4,078,709	4,235,997	1,918,548	1,751,665	5,997,257	5,987,662
Deferred Outflows	68,720	75,588	73,392	46,085	142,112	121,673
Current Liabilities	119,973	176,669	65,778	33,797	185,751	210,466
Non-Current Liabilities	403,955	410,769	-	-	403,955	410,769
Total Liabilities	523,928	587,438	65,778	33,797	589,706	621,235
Deferred Inflows Of Resources	347,504	378,348	109,090	113,781	456,594	492,129
Total Liabilities and Deferred Inflows	871,432	965,786	174,868	147,578	1,046,300	1,113,364
Net Position						
Net Investment In Capital Assets	2,344,001	2,523,197	1,368,226	1,367,092	3,712,227	3,890,289
Restricted	423,229	342,055	-	-	423,229	342,055
Unrestricted	508,767	480,547	448,846	316,877	957,613	797,424
Total Net Position	\$ 3,275,997	\$ 3,345,799	\$ 1,817,072	\$ 1,683,969	\$ 5,093,069	\$ 5,029,768

For more detailed information see the Statement of Net Position (page 15).

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Statement of Activities

The table below summarizes the revenue and expenses of the Village's activities for the fiscal year ended April 30, 2021.

Table 2
Changes In Net Position
For the Fiscal Year Ended April 30, 2020 and 2021

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2021	2020	2021	2020	2021
Revenues						
Program Revenues						
Charges For Services	\$ 244,442	\$ 252,626	\$ 450,195	\$ 371,433	\$ 694,637	\$ 624,059
Operating Grants	64,356	191,856	-	-	64,356	191,856
Capital Grant	85,723	-	-	-	85,723	-
General Revenues						
Property Tax	515,688	248,037	-	-	515,688	248,037
Sales Tax	205,150	189,381	-	-	205,150	189,381
State Income Tax	189,022	199,927	-	-	189,022	199,927
Utility Tax	95,039	91,997	-	-	95,039	91,997
Other Taxes	93,910	96,349	-	-	93,910	96,349
Investment Income	18,917	2,188	-	-	18,917	2,188
Gain on Sale of Assets	-	-	-	-	-	-
Miscellaneous	34,996	61,053	-	-	34,996	61,053
Total Revenues	1,547,243	1,333,414	450,195	371,433	1,997,438	1,704,847
Expenses						
General Government	298,628	265,840	-	-	298,628	265,840
Public Safety	319,041	322,158	-	-	319,041	322,158
Highways and Streets	387,216	487,486	-	-	387,216	487,486
Sanitation	175,196	179,285	-	-	175,196	179,285
Interest	4,592	8,843	-	-	4,592	8,843
Water and Sewer	-	-	507,518	504,536	507,518	504,536
Total Expenses	1,184,673	1,263,612	507,518	504,536	1,692,191	1,768,148
Contributions	-	-	-	-	-	-
Change In Net Position	362,570	69,802	(57,323)	(133,103)	305,247	(63,301)
Net Position, May 1	2,913,427	3,275,997	1,874,395	1,817,072	4,787,822	5,093,069
Net Position, April 30	\$ 3,275,997	\$ 3,345,799	\$ 1,817,072	\$ 1,683,969	\$ 5,093,069	\$ 5,029,768

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CURRENT YEAR FINANCIAL IMPACTS

Governmental Activities

Revenues

Total revenues for the Village's governmental activities for the fiscal year ended April 30, 2021 were \$1,333,414. This total includes \$191,856 in "operating grants" that represent state shared motor fuel taxes and grant revenue related to the CARES Act. In comparison to the prior year, total revenues decreased \$213,829 primarily because of a decrease in property taxes with the termination of the TIF District.

The revenue mix, received in the fiscal year ended April 30, 2021, represents a relatively diverse revenue base. About 33% of revenues were provided by service charges and operating grants, 19% from property taxes, 22% from state shared revenues, 14% from sales taxes, 7% from utility taxes, and 5% from other sources.

State-shared revenues including state income tax, use tax, video gaming tax, and personal property replacement tax totaled \$296,276 in the fiscal year ended April 30, 2021, an increase of \$13,344 from the previous year. However, sales tax revenues of \$189,381 decreased \$15,769, or about 8% from the previous fiscal year.

Expenses

Total expenses for the Village's governmental activities for the fiscal year ended April 30, 2021 were \$1,263,612. As required by GASB Statement No. 34, total expenses include depreciation but it excludes expenditures for capital assets. The largest functional expense was highways and streets at \$487,486. This amount was followed by \$322,158 for public safety, \$265,840 for general government, \$179,285 for sanitation (refuse disposal) and \$8,843 for interest expense. Overall, total revenues in governmental activities exceeded total expenses by \$69,802.

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-Type Activities

Revenues

Total revenues for the Village's business-type activities for the fiscal year ended April 30, 2021 were \$371,433 solely from water and sewer charges. Charges for water and sewer service provided about 74% of total related business-type expenses including depreciation.

Expenses

Total expenses, including depreciation of \$90,530, for the Village's business-type activities for the fiscal year ended April 30, 2021 were \$504,536. During the year, the net position of business-type activities decreased \$133,103.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, the Village of Kirkland uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of April 30, 2021, the governmental funds (as presented on the balance sheet on page 20) had combined fund balances of \$816,112. This represents an overall decrease of \$129,781 from prior year fund balances. The General Fund decreased \$48,607. The Motor Fuel Tax Fund increased \$74,096, along with a decrease in the Tax Increment Financing Fund of \$155,270.

The total net position of the Water and Sewer Fund decreased from \$1,817,072 at April 30, 2020 to \$1,683,969 at April 30, 2021, a decrease of \$133,103. However, of greater significance is the unrestricted portion of net position of the Water and Sewer Fund which decreased \$131,969. The total amount of unrestricted net position, which represents net working capital, as of April 30, 2021 was \$316,877 compared to \$448,846 as of April 30, 2020.

The revenues of the Village have been impacted by the stagnation in the general economy and especially by the slowdown in the residential housing market. The slowdown in the residential housing market has resulted in a reduction in permit fees, water and sewer tap on fees, and expected increases in water and sewer operating revenues. A bright spot in the Village's revenue picture is the increase in sales tax, which jumped about 85% during the 2014/2015 fiscal year and has continued to increase with a 16% increase in the 2016/2017 fiscal year, an additional 12% in the 2017/2018 fiscal year, an additional 36% in the 2018/2019 fiscal year, and an additional 6% in the 2019/2020 fiscal year. The expiration of the TIF district greatly reduced the amount of property taxes collected by the Village.

The available balances of each of the Village funds appear to be adequate as of April 30, 2021 for working cash and contingencies.

The table on the following page shows the appropriation amounts and the actual revenues and expenditures for the General Fund:

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table 3
General Fund Appropriation Highlights
For the Fiscal Year Ended April 30, 2021
(With Comparative Actual for 2020)

	Original Budget	2021 Final Budget	Actual	2020 Actual
REVENUES				
Taxes	\$ 510,300	\$ 510,300	\$ 529,415	\$ 514,506
Licenses and Permits	16,750	16,750	26,819	22,980
Intergovernmental Revenue	221,000	221,000	368,221	282,932
Service Charges	181,500	181,500	210,650	199,135
Fines and Forfeits	22,000	22,000	15,157	22,327
Investment Income	12,500	12,500	1,603	14,365
Miscellaneous	13,050	13,050	61,053	34,996
Total Revenues	977,100	977,100	1,212,918	1,091,241
EXPENDITURES				
Current				
General Government	143,860	143,860	189,340	161,701
Public Safety	328,650	328,650	307,657	313,778
Highways and Streets	243,305	243,305	316,356	227,669
Sanitation	181,100	181,100	179,285	175,196
Capital Outlay	185,000	185,000	253,546	500,328
Debt Service	73,890	73,890	135,341	56,882
Total Expenditures	1,155,805	1,155,805	1,381,525	1,435,554
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(178,705)	(178,705)	(168,607)	(344,313)
(OTHER FINANCING SOURCES (USES))				
Interfund Transfers In (Out)	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	36,530	36,530	120,000	452,822
Total Other Financing Sources (Uses)	36,530	36,530	120,000	452,822
NET CHANGE IN FUND BALANCE	\$ (142,175)	\$ (142,175)	(48,607)	108,509
FUND BALANCE, MAY 1			522,664	414,155
FUND BALANCE, APRIL 30			\$ 474,057	\$ 522,664

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The General Fund total expenditures exceeded total revenue by \$168,607 and loan proceeds from a note payable to Resource Bank of \$120,000 increase fund balance. The fund balance decreased from \$522,664 to \$474,057.

The fund balance of the General Fund of \$474,057 compared to total expenditures of \$1,381,525 represents a fund balance to expenditures ratio of 37.8%. A fund balance to expenditures ratio in excess of 50% in a municipality the size of Kirkland indicates a relatively good financial position. Expenditures in fiscal year 2019/2020 were unusually high due to the Bull Run Creek Construction, purchase of land, and purchase of two police vehicles.

CAPITAL ASSETS

The following schedule reflects the Village's capital asset balances as of April 30, 2021.

Table 4
Capital Assets
As of April 30, 2021
(With Comparative Actual for 2020)

	2021		Totals	2020 Totals
	Governmental Activities	Business-Type Activities		
Building and Improvements	\$ 1,039,360	\$ -	\$ 1,039,360	\$ 851,247
Equipment and Vehicles	652,503	622,324	1,274,827	1,089,101
Pioneer Park Improvement	42,853	-	42,853	42,853
Infrastructure	2,551,818	-	2,551,818	2,551,818
Water and Sewer System	-	1,770,207	1,770,207	1,721,183
Sewer Treatment Plant	-	1,038,181	1,038,181	1,038,181
Total Capital Assets				
Excluding Depreciation	<u>4,286,534</u>	<u>3,430,712</u>	<u>7,717,246</u>	<u>7,294,383</u>
Less:				
Accumulated Depreciation	<u>1,304,466</u>	<u>2,063,620</u>	<u>3,368,086</u>	<u>3,116,788</u>
Total Capital Assets	<u>\$ 2,982,068</u>	<u>\$ 1,367,092</u>	<u>\$ 4,349,160</u>	<u>\$ 4,177,595</u>

At year-end, the Village's investment in capital assets (net of accumulated depreciation) for both its governmental and business-type activities was \$4,349,160 (see note 3 in the Notes to the Financial Statements for further information regarding capital assets). During the fiscal year ended April 30, 2021, there were several asset additions including a land purchase, two new police vehicles, and new equipment. Additional information on the Village's capital assets can be found on pages 36 - 37 of the notes to the financial statements.

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

LONG-TERM DEBT

During the 2016 fiscal year the Village obtained an installment note for \$165,000 for five years to purchase property that was in a flood plain. This note was paid off in the year ending April 30, 2021. During the 2018 fiscal year the Village entered into an agreement with the DeKalb County Sheriff's Department to pay for new communications equipment required because of upgrades throughout the county in the amount of \$15,431. This note was paid off in the year ending April 30, 2021. During the 2019 fiscal year the Village obtained an installment note for \$78,468 for the purchase of two public works trucks. As of April 30, 2020 the balance of this note was \$63,898. This note was paid off in the year ending April 30, 2021 with proceeds from the new vehicle loan. During the 2020 fiscal year the Village obtained an IEPA loan for the construction required on Bull Run Creek. The Village as approved up to \$934,698 however only \$452,822 was drawn from the loan as of April 30, 2021. The IEPA agreement states 15% of this loan will be forgiven. As of April 30, 2021 \$85,723 of the loan balance was forgiven. During the current fiscal year the Village obtained an installment note for \$120,000 to pay off the truck loan noted above and provide funds for two new police vehicles. There is no debt outstanding for the Business-Type Activities. The table below compares the Village's outstanding long-term debt as of April 30, 2020 and April 30, 2021.

Table 5
Long-Term Debt
As of April 30, 2021
(With Comparative Actual for 2020)

	2021			2020 Total
	Governmental Activities	Business-Type Activities	Total	
Bull Run Property Note	\$ -	\$ -	\$ -	\$ 26,309
Note Payable - Trucks	-	-	-	63,898
Note Payable - Vehicles	105,785	-	105,785	-
IEPA Loan - Bull Run Construction	353,086	-	353,086	367,099
DeKalb County Sheriff Note	-	-	-	11,573
Total Long-Term Debt	\$ 458,871	\$ -	\$ 458,871	\$ 468,879

The Village has used general revenues to pay the annual principal and interest for the general obligation debt. A flat fee has been added to the bi-monthly utility bills to repay the IEPA loan.

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

ECONOMIC FACTORS

Economic Outlook

The Village of Kirkland faces uncertainty of the long-term impact of the COVID-19 pandemic. For the first time in several fiscal years sales tax revenue declined. The Village is seeking opportunities for economic growth and development into the future through commercial and residential development. Fortunately, adequate fund balance and diverse revenue streams will allow the Village to continue normal operations in the near term.

Challenges

Waste Water Treatment Plant –With the possibility of future development to the west of the existing Village limits and future growth limitations caused by the age and capacity of the existing WWTP, the Village Board will continue to explore solutions for this concern.

Police department funding – Police department funding continues to be a concern for Village management and elected officials. Concerns regarding limited space and manpower due to funding limitations are one of the major issues facing the Village Board. The limitation of available funds has been exacerbated by the current slowdown in the economy and will be one of the challenges during the coming year.

Growth plans – The support of local business expansion efforts and attracting new businesses and developers will remain a strong consideration for Village officials. Although residential building is presently at a standstill, the Village is positioning itself to be able to provide necessary Village services to potential developers when the opportunity presents itself.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to: Village Treasurer, Village of Kirkland, 511 W. Main Street, Kirkland, Illinois 60146.

FINANCIAL STATEMENTS

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 853,376	\$ 287,667	\$ 1,141,043
Deposits/Prepaid	-	-	-
Receivables			
Property Taxes	247,159	-	247,159
Other Taxes	62,953	-	62,953
Accounts	28,350	59,051	87,401
Net Pension Asset	62,091	37,855	99,946
Capital Assets, Net of Accumulated Depreciation	2,982,068	1,367,092	4,349,160
Total Assets	4,235,997	1,751,665	5,987,662
DEFERRED OUTFLOWS			
Pension Related	75,588	46,085	121,673
LIABILITIES			
Accounts Payable	105,123	27,717	132,840
Accrued Payroll	17,451	6,080	23,531
Other Liabilities	5,993	-	5,993
Due to Developers	-	-	-
Notes Payable - due within one year	48,102	-	48,102
Noncurrent Liabilities			
Notes Payable	410,769	-	410,769
Net Pension Liability	-	-	-
Total Liabilities	587,438	33,797	621,235
DEFERRED INFLOWS OF RESOURCES			
Pension Related	131,189	79,984	211,173
Property Taxes	247,159	-	247,159
Total Deferred Inflows Of Resources	378,348	79,984	458,332
Total Liabilities and Deferred Inflows of Resources	965,786	113,781	1,079,567
NET POSITION			
Net Investment In Capital Assets	2,523,197	1,367,092	3,890,289
Restricted For			
Highways and Streets	342,055	-	342,055
Tax Incremental Financing District	-	-	-
Unrestricted	480,547	316,877	797,424
Total Net Position	\$ 3,345,799	\$ 1,683,969	\$ 5,029,768

See Notes to Financial Statements

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2021

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
Governmental Activities				
General Government	\$ 265,840	\$ 26,819	\$ -	\$ -
Public Safety	322,158	47,627	71,945	-
Highways and Streets	487,486	-	119,911	-
Sanitation	179,285	178,180	-	-
Interest	8,843	-	-	-
Total Governmental Activities	1,263,612	252,626	191,856	-
Business-Type Activities				
Water and Sewer Service	504,536	371,433	-	-
Total Business-Type Activities	504,536	371,433	-	-
TOTAL PRIMARY GOVERNMENT	\$ 1,768,148	\$ 624,059	\$ 191,856	\$ -

See Notes to Financial Statements.

Net (Expense) Revenue and Change In Net Position
Primary Government

	Governmental Activities	Business-Type Activities	Total
	\$ (239,021)	\$ -	\$ (239,021)
	(202,586)	-	(202,586)
	(367,575)	-	(367,575)
	(1,105)	-	(1,105)
	(8,843)	-	(8,843)
	(819,130)	-	(819,130)
	-	(133,103)	(133,103)
	-	(133,103)	(133,103)
	(819,130)	(133,103)	(952,233)
General Revenues			
Property Taxes	248,037	-	248,037
Sales Tax	189,381	-	189,381
Utility Taxes	91,997	-	91,997
Intergovernmental - Unrestricted			
State Income Tax	199,927	-	199,927
Other Taxes	96,349	-	96,349
Investment Income	2,188	-	2,188
Gain on Sale of Capital Assets	-	-	-
Miscellaneous	61,053	-	61,053
Total General Revenue	888,932	-	888,932
CHANGE IN NET POSITION	69,802	(133,103)	(63,301)
NET POSITION, MAY 1	3,275,997	1,817,072	5,093,069
NET POSITION, APRIL 30	\$ 3,345,799	\$ 1,683,969	\$ 5,029,768

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2021

	General	Motor Fuel Tax	Tax Incremental Financing	Capital Projects Fund	Total
ASSETS					
Cash	\$ 516,352	\$ 337,024	\$ -	\$ -	\$ 853,376
Due from Other Funds	-	-	-	-	-
Deposits/Prepays	-	-	-	-	-
Receivables					
Property Taxes	247,159	-	-	-	247,159
Other Taxes	57,208	5,745	-	-	62,953
Accounts	28,350	-	-	-	28,350
Total Assets	\$ 849,069	\$ 342,769	\$ -	\$ -	\$ 1,191,838
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 104,409	\$ 714	\$ -	\$ -	\$ 105,123
Accrued Payroll	17,451	-	-	-	17,451
Due to Other Funds	-	-	-	-	-
Other Payables	5,993	-	-	-	5,993
Due To Developers	-	-	-	-	-
Total Liabilities	127,853	714	-	-	128,567
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	247,159	-	-	-	247,159
Total Deferred Inflows Of Resources	247,159	-	-	-	247,159
Total Liabilities and Deferred Inflows of Resources	375,012	714	-	-	375,726
FUND BALANCES					
Restricted					
Highways and Streets	-	342,055	-	-	342,055
Tax Incremental Financing District	-	-	-	-	-
Assigned					
Capital Equipment	46,862	-	-	-	46,862
Unassigned	427,195	-	-	-	427,195
Total Fund Balances	474,057	342,055	-	-	816,112
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 849,069	\$ 342,769	\$ -	\$ -	\$ 1,191,838

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2021

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 816,112
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Deferred Resources in governmental activities are not financial resources and, therefore are not reported in the Governmental Funds.	
Deferred Outflows Related to Pensions	75,588
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental Funds	2,982,068
Liabilities applicable to the Village's governmental activities that are not due and payable from current resources are not reported as governmental fund liabilities. Amounts reported in the Statement of Net Position that are not reported in the governmental fund balance sheet are:	
Notes Payable	(458,871)
Net Pension Asset (Liability)	62,091
Deferred Inflows Related to Pensions	(131,189)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,345,799</u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2021

	General	Motor Fuel Tax	Tax Incremental Financing	Capital Projects Fund	Total
REVENUES					
Taxes	\$ 529,415	\$ -	\$ -	\$ -	\$ 529,415
Licenses and Permits	26,819	-	-	-	26,819
Intergovernmental Revenue	368,221	119,911	-	-	488,132
Service Charges	210,650	-	-	-	210,650
Fines and Forfeits	15,157	-	-	-	15,157
Investment Income	1,603	568	17	-	2,188
Miscellaneous	61,053	-	-	-	61,053
Total Revenues	1,212,918	120,479	17	-	1,333,414
EXPENDITURES					
Current					
General Government	189,340	-	104,594	-	293,934
Public Safety	307,657	-	-	-	307,657
Highways and Streets	316,356	46,383	2,143	-	364,882
Sanitation	179,285	-	-	-	179,285
Capital Outlay	253,546	-	48,550	-	302,096
Debt Service	135,341	-	-	-	135,341
Total Expenditures	1,381,525	46,383	155,287	-	1,583,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(168,607)	74,096	(155,270)	-	(249,781)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Loan Proceeds	120,000	-	-	-	120,000
Interfund Transfers In (Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	120,000	-	-	-	120,000
NET CHANGE IN FUND BALANCES	(48,607)	74,096	(155,270)	-	(129,781)
FUND BALANCES, MAY 1	522,664	267,959	155,270	-	945,893
FUND BALANCES, APRIL 30	\$ 474,057	\$ 342,055	\$ -	\$ -	\$ 816,112

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2021

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (129,781)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report capital outlay as expenditures; however, they are capitalized and depreciated in the Statement of Activities	333,467
Debt Proceeds are reported in Governmental Funds as other financing sources. However, the amount is recorded as a liability in the Statement of Net Position. The amount of debt proceeds in this period.	(120,000)
Long-term debt forgiveness is no a current transaction and there therefore is not recorded in Governmental Funds. However the amount is reported as a reduction of long-term debt on the Statement of Net Position and a capital grant on the Statement of Activities	-
Governmental Funds report principal payments of long-term debt as expenditures; however, they are reported as a reduction of long-term debt in the Statement of Activities	126,498
Some revenues (expenses) in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as revenues (expenditures) in Governmental Funds:	
Depreciation	(160,768)
Pension Expense	<u>20,386</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>69,802</u></u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

April 30, 2021

	Business-Type Activities
	<u>Water and Sewer System</u>
ASSETS	
Current Assets	
Cash	\$ 287,667
Receivables	
Accounts - Billed and Unbilled	59,051
Due From Other Funds	<u>-</u>
Total Current Assets	<u>346,718</u>
Non-Current Assets	
Net Pension Asset	37,855
Capital Assets	
Net of Accumulated Depreciation	<u>1,367,092</u>
Total Non-Current Assets	<u>1,404,947</u>
Total Assets	<u>1,751,665</u>
DEFERRED OUTFLOWS	
Pension Related	<u>46,085</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	27,717
Accrued Payroll	6,080
Due To Other Funds	<u>-</u>
Total Current Liabilities	<u>33,797</u>
Non-Current Liabilities	
Net Pension Liability	<u>-</u>
Total Liabilities	<u>33,797</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Related	<u>79,984</u>
NET POSITION	
Net Investment In Capital Assets	1,367,092
Unrestricted	<u>316,877</u>
TOTAL NET POSITION	<u>\$ 1,683,969</u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS

For the Year Ended April 30, 2021

	Business-Type Activities
	<u>Water and Sewer System</u>
OPERATING REVENUES	
Charges for Services	\$ 371,433
Total Operating Revenues	<u>371,433</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Water and Sewer Operations	
Salaries and Benefits	211,130
Contractual Services	175,951
Material and Supplies	23,732
Miscellaneous	<u>3,193</u>
Total Operating Expenses Excluding Depreciation	<u>414,006</u>
OPERATING INCOME BEFORE DEPRECIATION	<u>(42,573)</u>
DEPRECIATION	<u>90,530</u>
OPERATING INCOME (LOSS)	<u>(133,103)</u>
NON-OPERATING REVENUES	
Investment Income	<u>-</u>
Total Non-Operating Revenue	<u>-</u>
CHANGE IN NET POSITION	<u>(133,103)</u>
NET POSITION, MAY 1	1,817,072
NET POSITION, APRIL 30	<u>\$ 1,683,969</u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2021

	Business-Type Activities <u>Water and Sewer System</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers	\$ 371,433
Payments To Suppliers	(235,383)
Payments To Employees	<u>(229,403)</u>
Net Cash From Operating Activities	<u>(93,353)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(89,396)
General Fund Due To/From	<u>-</u>
Net Cash From Capital and Related Financing Activities	<u>(89,396)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>-</u>
Net Cash From Investing Activities	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(182,749)
CASH, MAY 1	<u>470,416</u>
CASH, APRIL 30	<u><u>\$ 287,667</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (133,103)
Depreciation	90,530
Adjustments To Reconcile Operating Income (Loss) To Net Cash From Operating Activities	
Accounts Receivable	-
Accounts Payable	(32,507)
Accrued Payroll	526
Pension related amounts	<u>(18,799)</u>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ (93,353)</u></u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Kirkland, Illinois (the Village), established in 1882, is a municipal corporation governed by an elected President and six-member Board of Trustees. The Village's major operations include public safety, street and sidewalk maintenance, public improvements, planning and zoning, water and sewer services and general administrative services.

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

REPORTING ENTITY

In determining the financial reporting entity, the Village complies with the provisions of GASB Statements and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statements, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

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

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

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions (general government, public safety, streets and sidewalks, etc.) and business-type activities. The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, streets and sidewalks, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

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

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. In addition to funds that meet the minimum criteria as a major fund, the Village may designate other funds as a major fund. The Village electively added funds, as major funds, which had a specific community focus. The Village has chosen to include the Motor Fuel Tax Fund and the Revolving Loan Fund as major funds even though the fund calculations do not classify them as major funds. The Village views these funds particularly important to financial report users.

The various funds are reported by generic classification within the financial statements. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Following is a description of the fund types of the Village:

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains two major special revenue funds, the Motor Fuel Tax Fund and the Tax Incremental Financing District Fund.

The Capital Projects Fund is used to account for the proceeds of capital-specific grants and expenditures from these resources. The Village has elected to report this fund as a major governmental fund.

Proprietary Funds

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

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Water and Sewer Fund, which is used to account for the provision of potable water and wastewater treatment services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, improvements and extensions, financing and related debt service, billing and collection.

Fiduciary Funds

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

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied. On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

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

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

Fiduciary funds held in agency capacity for others are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end.

The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest, if any, which are recognized when due.

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

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

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

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows", cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY - Continued

Receivables

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

Internal Receivables, Payables and Activity

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

Prepays

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaids.

Inventories

Inventories, if any, are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Equipment and vehicles purchased or acquired with an original cost of \$500 or more and infrastructure improvements of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY – Continued

Capital Assets - Continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated. Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	10 - 50 Years
Water and Sewer Distribution System	20 - 50 Years
Vehicles and Equipment	5 - 30 Years

Unearned / Unavailable Revenues

Governmental funds report unearned revenue and unavailable revenue on its financial statements. Unearned revenues arise when resources are received before the Village has a legal claim to them or prior to the provision of services. Unavailable revenues arise when a potential revenue does not meet both the measureable and available or earned criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability and deferred inflows of resources for unearned and unavailable revenue are removed from the financial statements and revenue is recognized.

Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY – Continued

Fund Equity

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

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

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

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

In the fund financial statements, governmental funds report equity as fund balances and displayed in three components:

Restricted – Consists of amounts that are constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities.

Assigned – Consists of amounts constrained by the Village’s intent to use them for a specific purpose. The authority to assign fund balance is vested with the Board of Trustees.

Unassigned – Any residual positive fund balance is reported as unassigned in the General Fund. In governmental funds other than the General Fund, any deficit fund balance is also reported as unassigned.

The Village’s flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY – Continued

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

All departments of the Village submit requests for budgets so that an appropriation ordinance may be prepared. The appropriation ordinance is prepared by fund and function, and includes approved appropriations for the next fiscal year.

The proposed appropriation ordinance is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations. All appropriations are adopted on a basis consistent with generally accepted accounting principles (GAAP). The appropriation ordinance may be amended by the governing body. Expenditures may not legally exceed appropriation allocations at the fund level. The appropriation lapses at the end of each fiscal year.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

PROPERTY TAXES

Property taxes attach as an enforceable lien on January 1 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1, and September 1. The County collects such taxes and remits them periodically. The 2019 Tax Levy Ordinance, adopted in December 2019, and collected in 2020, was used to finance the fiscal year ended April 30, 2021. The 2020 Tax Levy Ordinance, adopted in December 2020, is recorded as a receivable and unavailable revenue in the financial statements for the year ended April 30, 2021.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the Motor Fuel Tax Fund. Each fund type's portion of this pool is displayed on the financial statements as "cash and cash equivalents". In addition, investments may be held separately by each of the Village's funds.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

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

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$80,471 and the bank balances totaled \$83,234. Additionally, the Village had \$1,060,572 deposited in the Illinois Funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Village officials recognize that safety of principle is the foremost objective of the Village's investment program. Officials additionally follow the principle that the investment portfolio will remain sufficiently liquid to enable the Village to meet all operating requirements which might be reasonably anticipated. Finally, the investment program has been designed with the objective of attaining a market rate of return throughout budgetary and economic cycles. All Village investment transactions must be specifically approved by the Finance Committee of the Village Board of Trustees. The Village's investment in the Illinois Funds has an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Accordingly, the Village's investment portfolio only includes securities authorized under State Statute. The Village's investment in the Illinois Funds were rated AAA by Standard & Poor's.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk - Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. All funds on deposit in banks in excess of FDIC limits should be secured by some form of collateral. Furthermore, pledged collateral should be held by the Village or in safekeeping evidenced by a safekeeping agreement. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village's investment policy requires collateral on all funds on deposit in banks in excess of the FDIC insurance. At year-end all deposits were covered by FDIC insurance or collateral held by the Village or in safekeeping in the Village's name.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy recommends diversification to minimize this risk. However, the Village does not require diversification for funds on deposit with a financial institution that are covered by FDIC insurance or collateral. At year-end, the Village maintained deposit accounts with five banks and the Illinois Funds: 7% of deposits were with Midland States Bank, Kirkland, Illinois, 3% with Resource Bank, Kirkland, Illinois, 12% with Heartland Bank, Genoa, Illinois, and less than 1% with Blackhawk Bank and Illinois National Bank, and 78% with Illinois Funds.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year ended April 30, 2020 follows on the next page:

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS - Continued

Governmental Activities – Continued

	<u>Balances</u> May 1, 2020	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> April 30, 2021
Capital Assets				
General Government				
Building and Improvements	\$ 818,061	\$ 44,009	\$ -	\$ 862,070
Equipment	21,628	48,550	-	70,178
Public Safety				
Equipment and Vehicles	140,338	93,059	-	233,397
Highways and Streets				
Equipment and Vehicles	345,183	3,745	-	348,928
Building and Improvements	33,186	144,104	-	177,290
Pioneer Park Improvement	42,853	-	-	42,853
Infrastructure	<u>2,551,818</u>	<u>-</u>	<u>-</u>	<u>2,551,818</u>
	<u>3,953,067</u>	<u>333,467</u>	<u>-</u>	<u>4,286,534</u>
Less Accumulated Depreciation				
General Government				
Building and Improvements	207,049	16,755	-	223,804
Equipment	11,888	3,782	-	15,670
Public Safety				
Equipment and Vehicles	105,599	25,548	-	131,147
Highways and Streets				
Equipment and Vehicles	194,422	36,939	-	231,361
Building and Improvements	830	1,659	-	2,489
Pioneer Park Improvement	42,853	-	-	42,853
Infrastructure	<u>581,057</u>	<u>76,085</u>	<u>-</u>	<u>657,142</u>
	<u>1,143,698</u>	<u>160,768</u>	<u>-</u>	<u>1,304,466</u>
Total Capital Assets	<u>\$2,809,369</u>	<u>\$ 172,699</u>	<u>\$ -</u>	<u>\$2,982,068</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 20,537
Public Safety	25,548
Highways and Streets	<u>114,683</u>
	<u>\$ 160,768</u>

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS - Continued

Business-Type Activities

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

	<u>Balances</u> May 1, 2020	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> April 30, 2021
Capital Assets				
Equipment	\$ 450,772	\$ 40,372	\$ -	\$ 491,144
Vehicles	131,180	-	-	131,180
Water System	915,048	-	-	915,048
Sewer System	806,135	49,024	-	855,159
Sewer Treatment Plant	<u>1,038,181</u>	<u>-</u>	<u>-</u>	<u>1,038,181</u>
	<u>3,341,316</u>	<u>89,396</u>	<u>-</u>	<u>3,430,712</u>
Less Accumulated Depreciation				
Equipment	202,280	18,798	-	221,078
Vehicles	59,768	4,925	-	64,693
Water System	433,120	26,082	-	459,202
Sewer System	364,394	18,615	-	383,009
Sewer Treatment Plant	<u>913,528</u>	<u>22,110</u>	<u>-</u>	<u>935,638</u>
	<u>1,973,090</u>	<u>90,530</u>	<u>-</u>	<u>2,063,620</u>
Total Capital Assets	<u>\$ 1,368,226</u>	<u>\$ (1,134)</u>	<u>\$ -</u>	<u>\$ 1,367,092</u>

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Installment Loans:

Issue	Fund Debt Retired By	Balances May 1, 2020	Issuances	Retirements	Balances April 30, 2021
Installment note to purchase Bull Run Creek Property, due in 60 monthly installments with interest at 2.91%, maturing January 22, 2021.	General Fund	\$ 26,309	\$ -	\$ 26,309	\$ -
Installment note to purchase two Public Works trucks, due in 5 annual installments with interest at 3.67%, maturing November 15, 2023. This was refinanced in 2021.	General Fund	\$ 63,898	\$ -	\$ 63,898	\$ -
Installment note to refinance a note used to purchase two Public Works trucks and new funds to purchase two Police vehicles, due in 48 monthly installments with interest at 3.00% maturing November 19, 2024	General Fund	\$ -	\$ 120,000	\$ 14,215	\$ 105,785
IEPA Loan to complete Bull Run Creek Construction Project due in 20 semi-annual installments with interest at 1.18% maturing 12/1/2039	General Fund	\$ 367,099	\$ -	\$ 14,013	\$ 353,086
Installment note to DeKalb County Sheriff for digital communication system, due in 4 annual installments with interest at 3%, maturing December 31, 2022. This was paid off early.	General Fund	8,062	-	8,062	-
		<u>\$ 465,368</u>	<u>\$ 120,000</u>	<u>\$ 126,497</u>	<u>\$ 458,871</u>

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT - Continued

Debt Repayment Schedules:

	Fiscal Year April 30	Principal	Interest	Total Payments
Installment Loan	2022	\$ 29,086	\$ 2,814	\$ 31,900
Public Works Trucks	2023	29,983	1,917	31,900
and Police Vehicles	2024	30,908	992	31,900
	2025	15,808	141	15,949
Total		<u>\$ 105,785</u>	<u>\$ 5,864</u>	<u>\$ 111,649</u>
IEPA Loan	2022	\$ 19,016	\$ 4,680	\$ 23,696
Bull Creek Construction	2023	21,550	5,005	26,555
	2024	21,805	4,750	26,555
	2025	22,064	4,492	26,556
	2026	22,325	4,231	26,556
	2027-2031	115,649	17,127	132,776
	2032-2036	122,657	10,119	132,776
	2037-2040	8,020	2,766	10,786
Total		<u>\$ 353,086</u>	<u>\$ 53,170</u>	<u>\$ 406,256</u>

Debt Limitation

The Village is subject to a debt limitation of 8.625% of its assessed valuation of \$28,217,764. As of April 30, 2021, the Village had a debt limit of \$2,433,782, but no general obligation outstanding debt.

Authorized Debt Not Yet Issued

On December 26, 2018 the Illinois Environmental Protection Agency (IEPA) authorized a loan in the amount of \$934,698 to be used for engineering and construction costs related the Bull Run Creek Project. As of April 30, 2021 \$452,822 had been drawn on the loan. A final draw of \$95,435 was taken on May 27, 2021 (see additional information under Subsequent Events in Note 5).

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERNAL ACCOUNTS

Interfund Balances

There were no loans between funds as of April 30, 2021.

NOTE 4 – DEFINED BENEFIT PENSION PLAN

Plan Description - The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download on-line at www.imrf.org.

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

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

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

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

Benefits Provided – Continued

Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Employees Covered by the Benefit Terms – At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	6
Active employees	<u>6</u>
Total	<u><u>17</u></u>

Contributions – As set by statute, the employer’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar year 2020 was 6.33%. For the fiscal year ended April 30, 2021, the Village contributed \$24,913 to the plan. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability – The employer’s Net Pension Liability was measured as of December 31, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

Actuarial Assumptions – The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

The **Actuarial Cost Method** used was Aggregate Entry Age Normal.

The **Asset Valuation Method** used was Market Value of Assets.

The **Inflation rate** used was 2.25%.

Salary Increases were expected to be 2.85% to 13.75%, including inflation.

The **Investment Rate of Return** was assumed to be 7.25%.

Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017-2019.

The IMRF-specific rates for **Mortality** (for non-disabled retirees) were based on an IMRF specific mortality table used with the fully generational projection scale MP-2020. For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2020. The IMRF-specific rates were developed from the MP-2020 Employee Mortality Table, applying the same adjustments that were applied for non-disabled lives.

For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2020.

Single Discount Rate – A single discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2020	\$ 1,406,184	\$ 1,446,567	\$ (40,383)
Service Costs	34,664	-	34,664
Interest On Total Pension Liability	101,417	-	101,417
Difference Between Expected and Actual Experience	58,818	-	58,818
Changes In Assumptions	(12,195)	-	(12,195)
Employer Contributions	-	23,461	(23,461)
Employee Contributions	-	16,678	(16,678)
Net Investment Income	-	201,753	(201,753)
Benefit Payments, Net of Refunds	(49,333)	(49,333)	-
Other Changes	-	375	(375)
Net Changes	133,371	192,934	(59,563)
Balances As Of December 31, 2020	\$ 1,539,555	\$ 1,639,501	\$ (99,946)

Sensitivity of the Village’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the Village’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Village’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 Percent) or 1 percentage point higher (8.25 percent) than the current year:

	1%	Current Rate	1%
	Decrease (6.25%)	(7.25%)	Increase (8.25%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ 71,764	\$ (99,946)	\$ (237,674)

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the issued IMRF annual financial report which is publicly available at www.imrf.org.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended April 30, 2021, the Village recognized a pension expense of \$24,913. At April 30, 2021 the Village had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources to be recognized in future pension expenses:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 48,007	\$ 16,427	\$ 31,580
Changes In Assumptions	-	12,994	(12,994)
Net Difference Between Projected and Actual Earnings	64,760	181,754	(116,994)
Employer Contributions Subsequent to the Measurement Date	8,906	-	8,906
Total	<u>\$ 121,673</u>	<u>\$ 211,175</u>	<u>\$ (89,502)</u>

The Village reported \$8,906 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (30,309)
2021	(1,816)
2022	(46,842)
2023	(19,441)
2024	-
Thereafter	-
Total	<u>\$ (98,408)</u>

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 5 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through a limited self-insurance program. The Village currently reports its risk management activities in the General Fund and the Water and Sewer Fund.

The Village participates in the Illinois Municipal League Risk Management Association (IMLRMA). IMLRMA is an organization of municipalities and special districts in Illinois which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool its risk management needs. The association administers a mix of self-insurance and commercial insurance coverage; property/casualty and workers' compensation claim administration and litigation management service; risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

IMLRMA is governed by a board of directors made up of Illinois mayors and village presidents of municipalities who participate in the program. The Village does not exercise any control over the activities of IMLRMA beyond its representation on the board of directors. Annual contributions are determined each year by underwriters based on the individual member's exposure to loss and experience modification factors based on past member loss experience. There have been no significant reductions in insurance coverage from the prior year. Settlements have not exceeded insurance coverage in each of the last three fiscal years.

POSTEMPLOYMENT BENEFITS

The Village has evaluated its potential other postemployment benefits liability. The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Village has no former employees for which the Village was providing an explicit subsidy and no employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any postemployment benefit liability as of April 30, 2021.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

NOTE 5 – OTHER INFORMATION - Continued

TORT INSURANCE EXPENDITURES

The Village allocated the total amount of the tort insurance levy of \$19,790 received in the year ended April 30, 2021 towards tort insurance expenditures for the year, resulting in no restricted balances for tort as of April 30, 2021.

CONTINGENT LIABILITIES

Litigation

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

Grants

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

SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. On May 27, 2021 the Village received the final draw on the IEPA Loan related to the Bull Run Creek Construction project of \$95,435.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021			2020 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 510,300	\$ 510,300	\$ 529,415	\$ 514,506
Licenses and Permits	16,750	16,750	26,819	22,980
Intergovernmental Revenue	221,000	221,000	368,221	282,932
Service Charges	181,500	181,500	210,650	199,135
Fines and Forfeits	22,000	22,000	15,157	22,327
Investment Income	12,500	12,500	1,603	14,365
Miscellaneous	13,050	13,050	61,053	34,996
Total Revenues	977,100	977,100	1,212,918	1,091,241
EXPENDITURES				
Current				
General Government	143,860	143,860	189,340	161,701
Public Safety	328,650	328,650	307,657	313,778
Highways and Streets	243,305	243,305	316,356	227,669
Sanitation	181,100	181,100	179,285	175,196
Capital Outlay	185,000	185,000	253,546	500,328
Debt Service	73,890	73,890	135,341	56,882
Total Expenditures	1,155,805	1,155,805	1,381,525	1,435,554
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(178,705)	(178,705)	(168,607)	(344,313)
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In (Out)	-	-	-	-
Sale of capital assets	-	-	-	-
Loan Proceeds	36,530	36,530	120,000	452,822
Total Other Financing Sources (Uses)	36,530	36,530	120,000	452,822
NET CHANGE IN FUND BALANCE	\$ (142,175)	\$ (142,175)	(48,607)	108,509
FUND BALANCE, MAY 1			522,664	414,155
FUND BALANCE, APRIL 30			\$ 474,057	\$ 522,664

(See Notes to Required Supplementary Information.)

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MOTOR FUEL TAX FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021		Actual	2020 Actual
	Original Budget	Final Budget		
REVENUES				
Intergovernmental Revenues				
MFT Allocation	\$ 93,300	\$ 93,300	\$ 119,911	\$ 64,356
Investment Income	4,000	4,000	568	4,349
Total Revenues	<u>97,300</u>	<u>97,300</u>	<u>120,479</u>	<u>68,705</u>
EXPENDITURES				
Highways and Streets				
Street Salt	27,000	27,000	13,661	26,894
Street Repairs & Improvements	35,300	35,300	32,722	11,192
Miscellaneous	-	-	-	22
Engineering	3,000	3,000	-	1,540
Total Expenditures	<u>65,300</u>	<u>65,300</u>	<u>46,383</u>	<u>39,648</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>32,000</u>	<u>32,000</u>	<u>74,096</u>	<u>29,057</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 32,000</u>	<u>\$ 32,000</u>	<u>74,096</u>	<u>29,057</u>
FUND BALANCE, MAY 1			<u>267,959</u>	<u>238,902</u>
FUND BALANCE, APRIL 30			<u>\$ 342,055</u>	<u>\$ 267,959</u>

(See Notes to Required Supplementary Information.)

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TAX INCREMENTAL FINANCING FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021			2020 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes				
TIF Property Taxes	\$ -	\$ -	\$ -	\$ 301,371
Miscellaneous				
Investment Income	-	-	17	203
Other Income	-	-	-	-
Total Revenues	-	-	17	301,574
EXPENDITURES				
Current				
General Government	-	157,628	104,594	124,775
Public Safety	-	-	-	-
Highways and Streets	-	-	2,143	27,204
Capital Outlay	-	-	48,550	218,891
Total Expenditures	-	157,628	155,287	370,870
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(157,628)	(155,270)	(69,296)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)				
Transfer To Water & Sewer Fund	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (157,628)	(155,270)	(69,296)
FUND BALANCE, MAY 1			155,270	224,566
FUND BALANCE, APRIL 30			\$ -	\$ 155,270

(See Notes to Required Supplementary Information.)

VILLAGE OF KIRKLAND, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
MULTIYEAR SCHEDULE OF CONTRIBUTIONS

LAST 10 CALENDAR YEARS (To Be Built Prospectively From 2016)

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As A % Of Covered Valuation Payroll
2021	\$ 24,913	\$ 24,913	\$ -	\$ 378,841	6.58%
2020	18,392	18,392	-	324,112	5.67%
2019	22,062	22,062	-	288,435	7.65%
2018	26,124	26,124	-	256,621	10.18%
2017	35,766	35,766	-	337,430	10.60%
2016	46,630	46,630	-	389,019	11.99%
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-

(See Notes to Required Supplementary Information.)

VILLAGE OF KIRKLAND, ILLINOIS

NOTES TO MULTIYEAR SCHEDULE OF CONTRIBUTIONS

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2020 CONTRIBUTION RATE (1)

April 30, 2021

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2020 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal.
Amortization Period	Level Percentage of Payroll, Closed.
Remaining Amortization Period	Non-Taxing Bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 23-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 27 year and four others were financed over 28 years).
Asset Valuation Method	5-year smoothed market; 20% corridor.
Wage Growth	3.25%.
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.25%.
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scal MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjusts to match current IMRF experience. For disabled retirees, an IMRF specific mortatlity table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were appied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generaltional projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Morality Table with adiustment to match current IMRF exnperience.

Other Information:

Notes There were no benefit changes during the year.

(1) Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

(See Notes to Required Supplementary Information)

VILLAGE OF KIRKLAND, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY and RELATED RATIOS - ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

LAST 10 CALENDAR YEARS (To Be Built Prospectively From 2014)

Calendar Year Ending December 31,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service Cost	\$ 34,664	\$ 31,003	\$ 27,710	\$ 42,317	\$ 46,558	\$ 46,695	\$ 42,777
Interest On The Total Pension Liability	101,417	92,588	87,755	92,035	93,590	93,859	83,386
Benefit Changes	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	58,818	45,486	10,476	(100,703)	(105,993)	(81,618)	22,254
Assumption Changes	(12,195)	-	32,737	(32,147)	(6,749)	1,729	42,747
Benefit Payments and Refunds	(49,333)	(48,931)	(57,704)	(44,822)	(60,613)	(64,422)	(38,430)
Net Change In Total Pension Liability	133,371	120,146	100,974	(43,320)	(33,207)	(3,757)	152,734
Total Pension Liability - Beginning	1,406,184	1,286,038	1,185,064	1,228,384	1,261,591	1,265,348	1,112,614
Total Pension Liability - Ending (a)	\$ 1,539,555	\$ 1,406,184	\$ 1,286,038	\$ 1,185,064	\$ 1,228,384	\$ 1,261,591	\$ 1,265,348
Plan Fiduciary Net Position:							
Employer Contributions	\$ 23,461	\$ 17,633	\$ 23,548	\$ 31,178	\$ 43,223	\$ 47,301	\$ 45,480
Employee Contributions	16,678	14,804	11,696	13,064	16,074	17,348	17,271
Pension Plan Net Investment Income	201,753	225,955	(64,424)	192,534	71,743	5,305	60,109
Benefit Payments and Refunds	(49,333)	(48,931)	(57,704)	(44,822)	(60,613)	(64,422)	(38,430)
Other	375	3,967	18,147	(9,498)	(327)	(17,117)	3,247
Net Change In Plan Fiduciary Net Position	192,934	213,428	(68,737)	182,456	70,100	(11,585)	87,677
Plan Fiduciary Net Position - Beginning	1,446,567	1,233,139	1,301,876	1,119,420	1,049,320	1,060,905	973,228
Plan Fiduciary Net Position - Ending (b)	\$ 1,639,501	\$ 1,446,567	\$ 1,233,139	\$ 1,301,876	\$ 1,119,420	\$ 1,049,320	\$ 1,060,905
Net Pension Liability(Asset) - Ending (a)-(b)	(99,946)	(40,383)	52,899	(116,812)	108,964	212,271	204,443
Plan Fiduciary Net Position As A Percentage Of Total Pension Liability	106.49%	102.87%	95.89%	109.86%	91.13%	83.17%	83.84%
Covered Valuation Payroll	\$ 370,626	\$ 328,975	\$ 259,912	\$ 290,304	\$ 357,208	\$ 385,509	\$ 383,800
Net Pension Liability As A Percentage Of Covered Valuation Payroll	-26.97%	-12.28%	20.35%	-40.24%	30.50%	55.06%	53.27%

(See Notes To Required Supplementary Information)

VILLAGE OF KIRKLAND, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2021

a. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles, except the proprietary funds which adopt a current financial resources measurement focus budget in that depreciation is not budgeted and capital outlay is budgeted. Annual appropriated budgets are adopted for the General, Special Revenue, and Enterprise Funds. All annual appropriations lapse at fiscal year end.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The treasurer is authorized to transfer amounts between departments within any fund; however, any revisions that alter total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level. The final budget figures included in this report do not include any amendments increasing the original budget amount.

SUPPLEMENTARY INFORMATION

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021			2020 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes				
Property	\$ 237,500	\$ 237,500	\$ 240,708	\$ 207,486
Road and Bridge	6,800	6,800	7,329	6,831
Utility	96,000	96,000	91,997	95,039
Sales	170,000	170,000	189,381	205,150
Total Taxes	510,300	510,300	529,415	514,506
Licenses and Permits				
Liquor Licenses	3,100	3,100	3,100	6,692
Other Licenses	350	350	375	450
Building Permits	10,000	10,000	18,494	12,988
Golf Cart Permits	900	900	950	750
Cable TV Franchise	2,400	2,400	3,900	2,100
Total Licenses and Permits	16,750	16,750	26,819	22,980
Intergovernmental Revenue				
State Shared Taxes				
State Income Tax	160,000	160,000	199,927	189,022
State Use Tax	45,000	45,000	78,457	70,028
Personal Property Replacement Tax	3,000	3,000	4,155	3,276
Video Gaming Tax	13,000	13,000	12,194	20,238
Cannabis Tax	-	-	1,543	368
Grant Revenue - CARES Act	-	-	71,945	-
Total Intergovernmental Revenue	221,000	221,000	368,221	282,932
Service Charges				
Garbage Fees	\$ 181,500	\$ 181,500	\$ 178,180	\$ 167,978
Utility Billing for Bull Run Creek IEPA Loan	-	-	32,470	31,157
Total Service Charges	181,500	181,500	210,650	199,135
Fines and Forfeits				
Ordinance Fines	22,000	22,000	15,157	22,327
Total Fines and Forfeits	22,000	22,000	15,157	22,327

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

GENERAL FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021			2020 Actual
	Original Budget	Final Budget	Actual	
REVENUES (Continued)				
Investment Income	\$ 12,500	\$ 12,500	\$ 1,603	\$ 14,365
Miscellaneous				
Miscellaneous Income	5,050	5,050	16,996	16,387
Tower Rental	6,000	6,000	3,552	6,524
Insurance Claims	-	-	40,505	-
Copies/Fax Charges	-	-	-	2,085
Donation Income	2,000	2,000	-	10,000
Total Miscellaneous	13,050	13,050	61,053	34,996
TOTAL GENERAL FUND REVENUES	\$ 977,100	\$ 977,100	\$ 1,212,918	\$ 1,091,241

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021			2020 Actual
	Original Budget	Final Budget	Actual	
GENERAL GOVERNMENT				
Administration and Finance				
Salaries & Benefits				
Salaries - Board Members	\$ 13,760	\$ 13,760	\$ 12,620	\$ 12,260
Liquor Commissioner Salary	500	500	500	500
Salaries - Village Finance	26,670	26,670	26,463	27,138
Payroll Taxes	2,300	2,300	3,380	3,030
IMRF Pension	1,700	1,700	3,654	2,905
Life Insurance	150	150	7	89
Health Insurance	6,000	6,000	5,094	4,828
Employee Appreciation	50	50	50	89
Total Salaries and Benefits	51,130	51,130	51,768	50,839
Contractual Services				
Repairs & Maint - Equipment	750	750	3,315	4,844
Maintenance/Cleaning	2,000	2,000	1,118	1,482
Legal Expense	20,000	20,000	43,585	36,699
Treasurer/Accounting Expense	9,000	9,000	9,337	9,021
Audit Expense	9,400	9,400	9,600	9,300
Permit Inspections - ICCI	8,500	8,500	19,435	12,195
Engineering Expense	10,780	10,780	19,900	1,030
Codification	3,000	3,000	3,829	3,239
IML/Training	1,500	1,500	115	1,193
Utilities	-	-	-	-
Telephone	1,750	1,750	2,069	1,783
Telephone Notification System	1,300	1,300	1,250	1,250
Internet Service	-	-	-	-
E Worldlinx Web	1,200	1,200	1,280	1,280
Insurance & Bonds	10,000	10,000	9,094	9,904
Postage	750	750	506	459
Printing & Publishing	1,200	1,200	1,341	1,085
Billing software	1,500	1,500	2,007	2,014
Dues & Subscriptions	3,000	3,000	4,481	5,105
Total Contractual Services	85,630	85,630	132,262	101,883
Materials & Supplies				
Tools/Equipment	1,500	1,500	909	1,178
Office Supplies	1,750	1,750	1,151	1,619
New Equipment	-	-	-	-
Total Materials and Supplies	3,250	3,250	2,060	2,797

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021		Actual	2020 Actual
	Original Budget	Final Budget		
GENERAL GOVERNMENT (Continued)				
Administration and Finance (Continued)				
Miscellaneous				
Sales Tax Reimbursement	\$ -	\$ -	\$ -	\$ -
Economic Development	-	-	-	-
Revenue Audit Reimbursement	-	-	-	-
Donations/Grant Expense	2,500	2,500	1,697	2,850
Contingency	1,350	1,350	1,553	3,332
Total Miscellaneous	3,850	3,850	3,250	6,182
Total Administration and Finance	143,860	143,860	189,340	161,701
Impact Fee Account				
Miscellaneous				
Street Improvements	-	-	-	-
Total Impact Fee Account	-	-	-	-
Total General Government	143,860	143,860	189,340	161,701
PUBLIC SAFETY				
Police Department				
Salaries & Benefits				
Police F/T Salaries	111,000	111,000	117,121	107,779
Police P/T Salaries	73,500	73,500	50,798	63,818
Police Special Activity Pay	-	-	-	-
Police Salaries - Back Pay	-	-	-	-
Police Overtime	3,500	3,500	349	8,120
Police Holiday Pay	-	-	6,678	6,925
Employee Appreciation	100	100	100	120
Payroll Taxes	16,000	16,000	16,028	14,393
IMRF Pension	7,000	7,000	8,748	6,804
Life Insurance	600	600	45	534
Health Insurance	14,000	14,000	9,893	13,362
Total Salaries and Benefits	225,700	225,700	209,760	221,855
Contractual Services				
Repairs & Maint - Equipment	7,500	7,500	7,877	18,921
Building Maintenance	250	250	163	31
Legal Expense	-	-	-	-
Adjudication	9,000	9,000	4,403	3,644
Dues & Training	21,250	21,250	13,356	6,924
Telephone	4,500	4,500	4,685	4,701

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021		2020 Actual
	Original Budget	Final Budget	
PUBLIC SAFETY (Continued)			
Police Department (Continued)			
Internet Service	-	-	55
Insurance	9,800	9,800	9,800
Postage	250	250	297
Printing & Publishing	500	500	857
Donations/Grant Expense	250	250	10,121
Alerts/PSAN/IPIPS	6,400	6,400	6,405
911 Dispatch Fee	17,000	17,000	17,000
Total Contractual Services	76,700	76,700	75,019
Materials and Supplies			
Police Supplies	\$ 4,500	\$ 4,500	\$ -
Police Materials	-	-	-
DARE Supplies	1,000	1,000	299
Billing Software	1,000	1,000	435
Office Supplies	-	-	5,544
Police Tools and Equipment	4,500	4,500	4,415
Automotive Fuel	7,500	7,500	6,700
Uniforms	6,000	6,000	3,518
Total Materials and Supplies	24,500	24,500	20,911
Miscellaneous			
Other Expenditures	1,750	1,750	1,967
Equipment leasing	-	-	-
Total Miscellaneous	1,750	1,750	1,967
Capital Outlay			
Vehicles	-	-	-
Equipment	-	-	-
Total Capital Outlay	-	-	-
Total Public Safety	328,650	328,650	307,657
HIGHWAYS AND STREETS			
Street Department			
Salaries & Benefits			
Streets F/T Salaries	78,465	78,465	79,874
Streets P/T Salaries	32,715	32,715	31,200
Streets Seasonal	-	-	2,120
Streets Overtime	3,500	3,500	17,797
Employee Appreciation	75	75	50
			100

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021		2020 Actual	
	Original Budget	Final Budget		
HIGHWAYS AND STREETS (Continued)				
Street Department (Continued)				
Payroll Taxes	9,800	9,800	12,033	9,573
IMRF Pension	5,000	5,000	3,781	2,617
Life Insurance	400	400	30	356
Health Insurance	18,000	18,000	19,016	11,921
Total Salaries and Benefits	147,955	147,955	165,901	150,577
Contractual Services				
Repairs & Maint - Equipment	\$ 15,100	\$ 15,100	\$ 16,178	\$ 13,815
Repairs & Maint - Weather Siren	1,200	1,200	1,200	1,170
Repairs & Maint - Streets	1,400	1,400	1,553	1,331
Engineering	10,000	10,000	13,061	8,898
Repairs - Street Lights	500	500	29,394	377
Forestry Maintenance	10,000	10,000	8,471	4,242
Building Maintenance	1,000	1,000	60	456
Dues & Training	2,000	2,000	1,279	275
Telephone	1,500	1,500	2,732	1,204
Internet Service	-	-	-	-
Insurance	10,000	10,000	10,000	9,804
Postage	250	250	90	144
Printing & Publishing	500	500	213	343
Sidewalk Construction	10,000	10,000	10,000	9,552
Donation/Grant Expense	-	-	-	-
Electric - Street Lights	9,000	9,000	9,488	12,414
Total Contractual Services	72,450	72,450	103,719	64,025
Materials and Supplies				
Tools/Equipment	2,750	2,750	2,305	3,127
Software	900	900	435	1,129
Street Decorations	300	300	551	204
Office Supplies	350	350	422	327
Automotive Fuel	7,000	7,000	3,681	5,433
Uniforms	2,250	2,250	2,228	1,055
Mosquito Abatement	3,000	3,000	2,407	-
Total Materials and Supplies	16,550	16,550	12,029	11,275
Miscellaneous				
Pioneer Park Improvements	1,000	1,000	831	891
Bull Run Creek IDNR Improvements	-	-	29,684	-
Equipment Rental	5,000	5,000	3,741	747
Contingency	350	350	451	154
Total Miscellaneous	6,350	6,350	34,707	1,792

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021		2020 Actual
	Original Budget	Final Budget	
HIGHWAYS AND STREETS (Continued)			
Street Department (Continued)			
Capital Outlay			
Equipment	-	-	-
Total Capital Outlay	-	-	-
Total Street Department	243,305	243,305	227,669
Total Highways and Streets	243,305	243,305	227,669
SANITATION			
Contractual Services			
Postage	750	750	762
Printing	500	500	332
Billing Software	350	350	1,757
Garbage Collection	179,500	179,500	172,345
Total Sanitation	181,100	181,100	175,196
CAPITAL OUTLAY			
Bull Run Creek Improvements	-	-	488,626
Land Purchase	145,000	145,000	-
Police Vehicles and Equipment	40,000	40,000	-
Street Vehicles and Equipment	-	-	11,702
Total Capital Outlay	185,000	185,000	500,328
DEBT SERVICE			
Bull Run Creek Property Loan	29,140	29,140	35,535
Bull Run Creek IEPA Loan	36,500	36,500	-
Streets Equipment Loan	-	-	17,489
Police Equipment Loans	8,250	8,250	3,858
Total Debt Service	73,890	73,890	56,882
TOTAL EXPENDITURES	\$ 1,155,805	\$ 1,155,805	\$ 1,435,554

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

TAX INCREMENTAL FINANCING FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021		2020 Actual
	Original Budget	Final Budget	
GENERAL GOVERNMENT			
Business District Improvements	\$ -	\$ -	\$ 4,960
Miscellaneous Expense	-	-	845
Kirkland Community Center	-	127,628	17,220
School District 426 Safety Projects	-	-	75,000
Library Repairs	-	-	-
Sidewalk and Concrete Work	-	10,000	-
LED Street Lighting	-	-	-
Village Hall Improvements	-	15,000	3,275
Private Property Improvements	-	-	23,475
PA Speakers	-	5,000	-
Total General Government	-	157,628	124,775
PUBLIC SAFETY			
TIF District - Police Services	-	-	-
Total Public Safety	-	-	-
HIGHWAYS AND STREETS			
Repairs & Maintenance	-	-	2,143
Total Highway and Streets	-	-	2,143
CAPITAL OUTLAY			
General Capital Assets			
Equipment	-	-	48,550
Total General Capital Assets	-	-	48,550
Proprietary Funds Capital Assets			
Treatment Plant Roof	-	-	-
Proprietary Funds Capital Outlay Reclassified	-	-	-
Total Capital Outlay	-	-	48,550
TOTAL EXPENDITURES BEFORE TRANSFERS	-	157,628	370,870
TRANSFERS			
Transfer To Water & Sewer Fund	\$ -	\$ -	\$ -
Total Transfers	-	-	-
TOTAL EXPENDITURES AND TRANSFERS	\$ -	\$ 157,628	\$ 370,870

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAPITAL PROJECTS FUND

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021			2020 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental Revenues				
Grants and Donations	\$ 482,500	\$ 482,500	\$ -	\$ -
Total Revenues	482,500	482,500	-	-
EXPENDITURES				
Capital Outlay				
Community Center	482,500	482,500		
Total Expenditures	482,500	482,500	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfer from the TIF Fund	-	-		
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCE				
	-	-	-	-
FUND BALANCE, MAY 1				
			-	-
FUND BALANCE, APRIL 30				
			\$ -	\$ -

(See Notes to Required Supplementary Information.)

VILLAGE OF KIRKLAND, ILLINOIS

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUND - WATER AND SEWER FUND BY SUBACCOUNT

April 30, 2021

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2021 Total
ASSETS				
Current Assets				
Cash and Investments	\$ 84,691	\$ 161,548	\$ 41,428	\$ 287,667
Water and Sewer Accounts Receivable	59,051	-	-	59,051
Due From Other Funds	-	-	-	-
Proprietary Fund - Internal Accounts	-	-	-	-
Total Current Assets	<u>143,742</u>	<u>161,548</u>	<u>41,428</u>	<u>346,718</u>
Non-Current Assets				
Net Pension Asset	37,855	-	-	37,855
Capital Assets				
Net Of Accumulated Depreciation	<u>1,367,092</u>	<u>-</u>	<u>-</u>	<u>1,367,092</u>
Total Non-Current Assets	<u>1,404,947</u>	<u>-</u>	<u>-</u>	<u>1,404,947</u>
Total Assets	<u>1,548,689</u>	<u>161,548</u>	<u>41,428</u>	<u>1,751,665</u>
DEFERRED OUTFLOWS				
Pension Related	<u>46,085</u>	<u>-</u>	<u>-</u>	<u>46,085</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	27,717	-	-	27,717
Accrued Payroll	6,080	-	-	6,080
Due To Other Funds	-	-	-	-
Total Current Liabilities	<u>33,797</u>	<u>-</u>	<u>-</u>	<u>33,797</u>
Non-Current Liabilities				
Net Pension Liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>33,797</u>	<u>-</u>	<u>-</u>	<u>33,797</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related	<u>79,984</u>	<u>-</u>	<u>-</u>	<u>79,984</u>
NET POSITION				
Net Investment In Capital Assets	1,367,092	-	-	1,367,092
Unrestricted	<u>113,901</u>	<u>161,548</u>	<u>41,428</u>	<u>316,877</u>
Total Net Position	<u>\$ 1,480,993</u>	<u>\$ 161,548</u>	<u>\$ 41,428</u>	<u>\$ 1,683,969</u>

VILLAGE OF KIRKLAND, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION

PROPRIETARY FUND - WATER AND SEWER FUND BY SUBACCOUNT

For the Year Ended April 30, 2021

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2021 Total
OPERATING REVENUES				
Charges for Services				
Water and Sewer Charges	\$ 370,582	\$ -	\$ -	\$ 370,582
Miscellaneous Income	851	-	-	851
Total Operating Revenues	<u>371,433</u>	<u>-</u>	<u>-</u>	<u>371,433</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water & Sewer Operations	341,356	57,407	15,243	414,006
Total Operating Expenses Excluding Depreciation	<u>341,356</u>	<u>57,407</u>	<u>15,243</u>	<u>414,006</u>
OPERATING INCOME (EXPENSES) BEFORE DEPRECIATION	<u>30,077</u>	<u>(57,407)</u>	<u>(15,243)</u>	<u>(42,573)</u>
DEPRECIATION	<u>90,530</u>	<u>-</u>	<u>-</u>	<u>90,530</u>
OPERATING INCOME (LOSS)	<u>(60,453)</u>	<u>(57,407)</u>	<u>(15,243)</u>	<u>(133,103)</u>
NON-OPERATING REVENUES				
Investment Income	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCOME BEFORE TRANSFERS	<u>(60,453)</u>	<u>(57,407)</u>	<u>(15,243)</u>	<u>(133,103)</u>
TRANSFERS				
Transfers From (To) Other Funds Or Subaccounts				
Sewer Improvement Subaccount	60,429	-	(60,429)	-
Water Improvement Subaccount	39,075	(39,075)	-	-
Total Transfers	<u>99,504</u>	<u>(39,075)</u>	<u>(60,429)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>39,051</u>	<u>(96,482)</u>	<u>(75,672)</u>	<u>(133,103)</u>
NET POSITION, MAY 1,	<u>1,441,942</u>	<u>258,030</u>	<u>117,100</u>	<u>1,817,072</u>
NET POSITION, APRIL 30	<u>\$ 1,480,993</u>	<u>\$ 161,548</u>	<u>\$ 41,428</u>	<u>\$ 1,683,969</u>

VILLAGE OF KIRKLAND, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND - WATER AND SEWER FUND BY SUBACCOUNT

For the Year Ended April 30, 2021

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2021 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Customers	\$ 371,433	\$ -	\$ -	\$ 371,433
Payments To Suppliers	(162,733)	(57,407)	(15,243)	(235,383)
Payments To Employees	(229,403)	-	-	(229,403)
Net Cash From Operating Activities	(20,703)	(57,407)	(15,243)	(93,353)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(89,396)	-	-	(89,396)
Other Funds Due To/From	-	-	-	-
Proprietary Fund Interaccount Due To/Due From	-	-	-	-
Proprietary Fund Interaccount Transfers	99,504	(39,075)	(60,429)	-
Net Cash From Capital and Related Financing Activities	10,108	(39,075)	(60,429)	(89,396)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	-	-	-	-
Net Cash From Investing Activities	-	-	-	-
NET INCREASE IN CASH	(10,595)	(96,482)	(75,672)	(182,749)
CASH, MAY 1	95,286	258,030	117,100	470,416
CASH, APRIL 30	\$ 84,691	\$ 161,548	\$ 41,428	\$ 287,667
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (60,453)	\$ (57,407)	\$ (15,243)	\$ (133,103)
Depreciation	90,530	-	-	90,530
Adjustments To Reconcile Operating Income (Loss) To Net Cash From Operating Activities				
Accounts Receivable	-	-	-	-
Accounts Payable	(32,507)	-	-	(32,507)
Accrued Payroll	526	-	-	526
Pension Expense	(18,799)	-	-	(18,799)
NET CASH FROM OPERATING ACTIVITIES	\$ (20,703)	\$ (57,407)	\$ (15,243)	\$ (93,353)

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

WATER AND SEWER FUND - WATER AND SEWER OPERATING SUBACCOUNT

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021		2020 Actual
	Original Budget	Final Budget	
OPERATING REVENUES			
Charges For Services			
Water and Sewer Charges	\$ 397,375	\$ 397,375	\$ 370,582
Miscellaneous			
Reimbursements	2,000	2,000	851
Total Operating Revenues	399,375	399,375	371,433
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Water & Sewer Operating Expenses	371,450	371,450	341,356
Total Operating Expenses Excluding Depreciation	371,450	371,450	341,356
OPERATING INCOME (EXPENSES) EXCLUDING DEPRECIATION	27,925	27,925	30,077
DEPRECIATION	-	-	90,530
OPERATING INCOME (LOSS)	27,925	27,925	(60,453)
NONOPERATING INCOME (EXPENSE)			
Investment Income	-	-	-
Transfers From (To) Other Funds Or Subaccounts			
(To) From Sewer Improvement Subaccount	(12,000)	(12,000)	60,429
(To) From Water Improvement Subaccount	(12,000)	(12,000)	39,075
Total Transfers	(24,000)	(24,000)	99,504
CHANGE IN NET POSITION	\$ 3,925	\$ 3,925	39,051
NET POSITION, MAY 1,			1,441,942
NET POSITION, APRIL 30			\$ 1,480,993

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

WATER AND SEWER FUND - WATER AND SEWER OPERATING SUBACCOUNT

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021		Actual	2020 Actual
	Original Budget	Final Budget		
OPERATING EXPENSES				
Salaries & Benefits				
Water & Sewer F/T Salaries	\$ 110,100	\$ 110,100	\$ 122,304	\$ 114,388
Water & Sewer P/T Maintenance	55,400	55,400	53,550	57,304
Water & Sewer Overtime	1,500	1,500	4,659	965
Payroll Taxes	14,000	14,000	16,877	13,089
Employee Appreciation	150	150	100	90
IMRF Pension	7,000	7,000	9,699	13,164
Pension Expense	-	-	(18,799)	(7,161)
Life Insurance	550	550	52	771
Health Insurance	24,000	24,000	22,688	37,722
Total Salaries & Benefits	212,700	212,700	211,130	230,332
Contractual Services				
Repairs & Maint - Water	22,250	22,250	12,044	7,685
Repairs & Maint - Sewer	3,400	3,400	6,823	1,241
Meter Repair	2,500	2,500	352	1,929
Repairs & Maint - Treatment	6,000	6,000	12,565	4,327
Building Maintenance & Cleaning	4,600	4,600	40	254
Engineering	2,500	2,500	2,322	9,693
Dues & Training	1,700	1,700	311	1,317
Electric - Water	36,000	36,000	33,212	44,314
Heat - Sewer Plant	2,400	2,400	2,709	3,857
Telephone	2,400	2,400	1,713	1,669
Internet Expense	1,800	1,800	2,099	1,812
Property/Liability Insurance	21,000	21,000	21,000	20,696
Postage	2,000	2,000	603	1,324
Printing & Publishing	2,500	2,500	1,145	888
Testing - Water	6,400	6,400	6,058	5,788
Equipment Rental	-	-	-	9
JULIE	800	800	305	457
Total Contractual Services	118,250	118,250	103,301	107,260
Materials and Supplies				
Materials & Supplies	9,000	9,000	8,482	8,377
Materials & Supplies - Treatment	1,500	1,500	85	154
Lab Supplies	3,200	3,200	1,471	1,967
Water Billing Software	2,000	2,000	3,620	3,697
Office Supplies	600	600	641	316
Tools/Equip - Water	6,500	6,500	1,953	2,480
Tools/Equip - Treatment	-	-	-	494
Automotive Fuel	6,500	6,500	6,244	5,530
Uniforms	2,000	2,000	1,236	1,597
Total Materials and Supplies	31,300	31,300	23,732	24,612

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

WATER AND SEWER FUND - WATER AND SEWER OPERATING SUBACCOUNT (Continued)

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
OPERATING EXPENSES (Continued)				
Capital Outlay				
Equipment	-	-	-	-
Sewer - Lift Station Pump	-	-	-	-
Treatment - Equipment	-	-	-	-
Capital Outlay Capitalized	-	-	-	-
Total Capital Outlay	-	-	-	-
Miscellaneous Expense				
NPDES Permit	2,500	2,500	2,500	2,500
Lease - Property	1,100	1,100	403	-
Other Expense	5,600	5,600	290	283
Total Miscellaneous Expense	9,200	9,200	3,193	2,783
Total Water and Sewer Expenses Before Depreciation	371,450	371,450	341,356	364,987
Depreciation Expense	-	-	90,530	87,212
TOTAL OPERATING EXPENSES	371,450	371,450	431,886	452,199
TRANSFERS				
Transfer To Water Improvement Subaccount	-	-	-	-
Total Transfers	-	-	-	-
TOTAL OPERATING EXPENDITURES	\$ 371,450	\$ 371,450	\$ 431,886	\$ 452,199

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

WATER AND SEWER FUND - WATER IMPROVEMENT SUBACCOUNT

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021		2020 Actual
	Original Budget	Final Budget	
OPERATING REVENUES			
Charges For Services			
Water and Sewer Charges	\$ 12,500	\$ 12,500	\$ 100,000
Miscellaneous Income	-	-	-
Total Operating Revenues	<u>12,500</u>	<u>12,500</u>	<u>100,000</u>
OPERATING EXPENSES			
Water Operations			
Water Meter Replacement	16,500	16,500	12,210
Water Main Improvements	96,700	96,700	16,068
Engineering	6,000	6,000	5,250
Water Capital Outlay Capitalized	-	-	(22,896)
Total Operating Expenses	<u>119,200</u>	<u>119,200</u>	<u>33,528</u>
OPERATING INCOME (LOSS)	<u>(106,700)</u>	<u>(106,700)</u>	<u>66,472</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	-	-	-
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS			
Transfer From Water and Sewer Operating	-	-	14,937
Transfer (To) Water and Sewer Operating	-	-	(39,075)
Total Transfers	<u>-</u>	<u>-</u>	<u>14,937</u>
CHANGE IN NET POSITION	<u>\$ (106,700)</u>	<u>\$ (106,700)</u>	<u>81,409</u>
NET POSITION, MAY 1			<u>258,030</u>
NET POSITION, APRIL 30			<u>\$ 161,548</u>

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

WATER AND SEWER FUND - SEWER IMPROVEMENT SUBACCOUNT

For the Year Ended April 30, 2021
(with comparative actual for 2020)

	2021		Actual	2020 Actual
	Original Budget	Final Budget		
OPERATING REVENUES				
Charges for Services				
Water and Sewer Charges	\$ 12,500	\$ 12,500	\$ -	\$ -
Miscellaneous Income	-	-	-	-
Total Operating Revenues	12,500	12,500	-	-
OPERATING EXPENSES				
Sewer Operations				
Sewer Improvements	78,200	78,200	64,267	40,046
Sewer Improvements Capitalized	-	-	(49,024)	(18,255)
Total Sewer Operating Expenses	78,200	78,200	15,243	21,791
OPERATING INCOME	(65,700)	(65,700)	(15,243)	(21,791)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	-	-	-	-
Total Non-Operating Revenues (Expenses)	-	-	-	-
TRANSFERS				
Transfer (To) Water and Sewer Operating	-	-	(60,429)	(3,247)
Total Transfers	-	-	(60,429)	(3,247)
CHANGE IN NET POSITION	\$ (65,700)	\$ (65,700)	(75,672)	(25,038)
NET POSITION, MAY 1			117,100	142,138
NET POSITION, APRIL 30			\$ 41,428	\$ 117,100

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF GENERAL CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

For the Year Ended April 30, 2021

	Capital Assets			Accumulated Depreciation			Net Capital Assets		
	Balances May 1	Additions	Retirements	Balances April 30	Balances May 1	Provisions		Retirements	Balances April 30
GENERAL GOVERNMENT									
Buildings and Improvements Equipment	\$ 818,061 21,628	\$ 44,009 48,550	\$ - -	\$ 862,070 70,178	\$ 207,049 11,888	\$ 16,755 3,782	\$ - -	\$ 223,804 15,670	\$ 638,266 54,508
Total General Government	839,689	92,559	-	932,248	218,937	20,537	-	239,474	692,774
PUBLIC SAFETY									
Equipment & Vehicles	140,338	93,059	-	233,397	105,599	25,548	-	131,147	102,250
Total Public Safety	140,338	93,059	-	233,397	105,599	25,548	-	131,147	102,250
HIGHWAYS AND STREETS									
Equipment & Vehicles	345,183	3,745	-	348,928	194,422	36,939	-	231,361	117,567
Buildings and Improvements	33,186	144,104	-	177,290	830	1,659	-	2,489	174,801
Pioneer Park Improvements	42,853	-	-	42,853	42,853	-	-	42,853	-
Infrastructure	2,551,818	-	-	2,551,818	581,057	76,085	-	657,142	1,894,676
Total Highways and Streets	2,973,040	147,849	-	3,120,889	819,162	114,683	-	933,845	2,187,044
TOTAL CAPITAL ASSETS	\$3,953,067	\$ 333,467	\$ -	\$4,286,534	\$1,143,698	\$ 160,768	\$ -	\$1,304,466	\$2,982,068
CAPITAL ASSETS SUMMARY									
Buildings and Improvements Equipment	\$ 851,247 21,628	\$ 188,113 48,550	\$ - -	\$1,039,360 70,178	\$ 207,879 11,888	\$ 18,414 3,782	\$ - -	\$ 226,293 15,670	\$ 813,067 54,508
Equipment & Vehicles	485,521	96,804	-	582,325	300,021	62,487	-	362,508	219,817
Pioneer Park Improvements	42,853	-	-	42,853	42,853	-	-	42,853	-
Infrastructure	2,551,818	-	-	2,551,818	581,057	76,085	-	657,142	1,894,676
TOTAL CAPITAL ASSETS	\$3,953,067	\$ 333,467	\$ -	\$4,286,534	\$1,143,698	\$ 160,768	\$ -	\$1,304,466	\$2,982,068

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF WATER AND SEWER CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

For the Year Ended April 30, 2021

	Capital Assets			Accumulated Depreciation			Net Capital Assets	
	Balances May 1	Additions	Retirements April 30	Balances May 1	Provisions	Retirements April 30		
EQUIPMENT								
Equipment	\$ 450,772	\$ 40,372	\$ -	\$ 491,144	\$ 18,798	\$ -	\$ 221,078	\$ 270,066
Total Equipment	450,772	40,372	-	491,144	18,798	-	221,078	270,066
VEHICLES								
Vehicles	131,180	-	-	131,180	4,925	-	64,693	66,487
Total Vehicles	131,180	-	-	131,180	4,925	-	64,693	66,487
DISTRIBUTION SYSTEM								
Water System	915,048	-	-	915,048	26,082	-	459,202	455,846
Sewer System	806,135	49,024	-	855,159	18,615	-	383,009	472,150
Sewer Treatment Plant	1,038,181	-	-	1,038,181	22,110	-	935,638	102,543
Total Water & Sewer System	2,759,364	49,024	-	2,808,388	66,807	-	1,777,849	1,030,539
TOTAL CAPITAL ASSETS	\$3,341,316	\$ 89,396	\$ -	\$3,430,712	\$ 90,530	\$ -	\$2,063,620	\$1,367,092
CAPITAL ASSETS SUMMARY								
Equipment	\$ 450,772	\$ 40,372	\$ -	\$ 491,144	\$ 18,798	\$ -	\$ 221,078	\$ 270,066
Vehicles	131,180	-	-	131,180	4,925	-	64,693	66,487
Water System	915,048	-	-	915,048	26,082	-	459,202	455,846
Sewer System	806,135	49,024	-	855,159	18,615	-	383,009	472,150
Sewer Treatment Plant	1,038,181	-	-	1,038,181	22,110	-	935,638	102,543
TOTAL CAPITAL ASSETS	\$3,341,316	\$ 89,396	\$ -	\$3,430,712	\$ 90,530	\$ -	\$2,063,620	\$1,367,092

VILLAGE OF KIRKLAND, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
VILLAGE TAX RATES AND TAX LEVIES

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Rural and Railroad Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Total Village Tax	
							Rate	Levy
2020	\$ 23,468,978	\$ 4,010,307	\$ 469,254	\$ 269,225	\$ 28,217,764	\$ 84,653,292	0.84942	\$ 239,687
2019	22,229,420	3,931,587	455,454	182,912	26,799,373	80,398,119	0.88810	238,005
2018	20,375,140	1,844,855	432,242	171,625	22,823,862	68,471,586	0.91002	207,702
2017	19,879,757	1,830,419	422,036	162,899	22,295,111	66,885,333	0.91240	203,421
2016	19,275,058	1,808,482	413,142	152,349	21,649,031	64,947,093	0.91982	199,132
2015	18,181,526	1,819,366	389,370	137,336	20,527,598	61,582,794	0.96264	197,607
2014	18,550,196	1,752,168	362,051	153,325	20,817,740	62,453,220	0.94134	195,966
2013	19,129,002	1,836,786	371,826	135,210	21,472,824	64,418,472	0.89840	192,912
2012	20,904,451	1,944,844	401,574	135,027	23,385,896	70,157,688	0.81034	189,505
2011	24,356,458	1,996,322	419,169	132,353	26,904,302	80,712,906	0.68393	184,007

Note: Property in the Village is reassessed each year. Property is assessed at 33.333% of actual value.

Note: Does not include property valuations in the Kirkland TIF District.

Data Source

Office of the County Clerk

VILLAGE OF KIRKLAND, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Five Levy Years

Tax Levy Year	2016	2017	2018	2019	2020
VILLAGE DIRECT RATES					
General Corporate	\$ 0.34492	\$ 0.35605	\$ 0.38092	\$ 0.42492	\$ 0.40643
Police Protection	0.45991	0.44507	0.42327	0.37054	0.35439
Audit	0.02300	0.02226	0.02117	0.01853	0.01772
Liability Insurance	0.09199	0.08902	0.08466	0.07411	0.07088
	<u>\$ 0.91982</u>	<u>\$ 0.91240</u>	<u>\$ 0.91002</u>	<u>\$ 0.88810</u>	<u>\$ 0.84942</u>
OVERLAPPING RATES					
Kishwaukee Community College No. 523	\$ 0.66998	\$ 0.66690	\$ 0.66834	\$ 0.65277	\$ 0.65278
County of DeKalb	1.14289	1.12014	1.09507	1.07520	1.06293
DeKalb County Forest Preserve District	0.07990	0.07831	0.07656	0.07481	0.07396
Franklin Cemetery	0.07829	0.07741	0.07676	0.07288	-
Franklin Road and Bridge	0.45815	0.44360	0.43304	0.39884	0.38650
Franklin Township	0.26098	0.25804	0.25589	0.24296	0.30686
Franklin Twp Park District	0.09756	0.09646	0.09566	0.09081	0.08823
Franklin Fire District	0.51037	0.50508	0.49603	0.67903	0.65970
Kirkland Library	0.22557	0.22375	0.22317	0.21779	0.21161
Hiawatha School District 426	6.44019	6.30968	6.35145	6.23258	6.15355
Village of Kirkland	0.91982	0.91240	0.91002	0.88810	0.84942
TOTAL PROPERTY TAX RATE	<u>\$ 10.88370</u>	<u>\$ 10.69177</u>	<u>\$ 10.68199</u>	<u>\$ 10.62577</u>	<u>\$ 10.44554</u>

Data Source

Office of the County Clerk

VILLAGE OF KIRKLAND, ILLINOIS

KIRKLAND TIF DISTRICT ASSESSED VALUATION, PROPERTY TAX RATES, & TAX LEVIES

Last Five Levy Years

Tax Levy Year	2016	2017	2018	2019	2020
ASSESSED VALUATION					
Kirkland TIF District	\$ 2,356,014	\$ 2,367,873	\$ 2,368,398	\$ -	\$ -
PROPERTY TAX RATES					
Kishwaukee Community College No. 523	\$ 0.66998	\$ 0.66690	\$ 0.66834	\$ 0.65277	\$ 0.65278
County of DeKalb	1.14289	1.12014	1.09507	1.07520	1.06293
DeKalb County Forest Preserve District	0.07990	0.07831	0.07656	0.07481	0.07396
Franklin Cemetery	0.07829	0.07741	0.07676	0.07288	-
Franklin Road and Bridge	0.45815	0.44360	0.43304	0.39884	0.38650
Franklin Township	0.26098	0.25804	0.25589	0.24296	0.30686
Franklin Twp Park District	0.09756	0.09646	0.09566	0.09081	0.08823
Kirkland Fire District	0.51037	0.50508	0.49603	0.67903	0.65970
Kirkland Library	0.22557	0.22375	0.22317	0.21779	0.21161
Hiawatha School District 426	6.44019	6.30968	6.35145	6.23258	6.15355
Village of Kirkland	0.91982	0.91240	0.91002	0.88810	0.84942
<u>Total Property Tax Rate</u>	<u>\$ 10.88370</u>	<u>\$ 10.69177</u>	<u>\$ 10.68199</u>	<u>\$ 10.62577</u>	<u>\$ 10.44554</u>
TIF DISTRICT TAX LEVIES					
Kishwaukee Community College No. 523	\$ 15,785	\$ 15,791	\$ 15,829	\$ -	\$ -
County of DeKalb	26,927	26,523	25,936	-	-
DeKalb County Forest Preserve District	1,882	1,854	1,813	-	-
Franklin Cemetery	1,845	1,833	1,818	-	-
Franklin Road and Bridge	10,794	10,504	10,256	-	-
Franklin Township	6,149	6,110	6,060	-	-
Franklin Twp Park District	2,299	2,284	2,266	-	-
Franklin Fire District	12,024	11,960	11,748	-	-
Kirkland Library	5,314	5,298	5,286	-	-
Hiawatha School District 426	151,732	149,405	150,428	-	-
Village of Kirkland	21,671	21,604	21,553	-	-
<u>Total TIF District Tax Levies</u>	<u>\$ 256.422</u>	<u>\$ 253.166</u>	<u>\$ 252.993</u>	<u>\$ -</u>	<u>\$ -</u>

Data Source

Office of the County Clerk



1040 West Route 6 • Morris, IL 60450

Phone: (815) 941-9833

Fax: (815) 941-9835

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the Board of Trustees
Village of Kirkland, Illinois
Kirkland, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Village of Kirkland, Illinois, (the "Village") TIF District Funds, which comprise the balance sheet as of April 30, 2021, and the related statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon, dated December 3, 2021.

We have also audited the Village's compliance with the provisions of subsection (q) of Section 11-74.4-3 of the *Illinois Tax Increment Redevelopment Allocation Act* (Illinois Public Act 85-1142) for its TIF District Funds. The management of the Village of Kirkland, Illinois is responsible for the Village's compliance with those requirements.

Our responsibility is to express an opinion on compliance with those requirements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Village complied in all material respects with the requirements referred to above. An audit includes examining, on a test basis, evidence about the Village of Kirkland, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Village of Kirkland, Illinois complied, in all material respects, with the requirements of subsection (q) of Section 11-74.4-3 of the *Illinois Tax Increment Redevelopment Allocation Act* (Illinois Public Act 85-1142) for its TIF District Funds.

Brian Zabel & Assoc. P.C.
BRIAN ZABEL & ASSOCIATES, P.C.
Certified Public Accountants

Morris, Illinois
December 3, 2021

12/21/2021 3:20 PM Central Standard Time

Customer Name Brian Skiba

Effective Date

12/21/2021

Approved 20001825

Item	Amount
Utility Bill	\$155.46
Subtotal:	\$155.46
Transaction Fee:	\$3.50
Total Charged to:	\$158.96
Visa ***** 3174	
Total Amount Paid:	\$158.96

Collection Mode: Web

Payment Details

Utility Bill

Account Number: 1222 - Service Address: 527 Main St 2E - Account Holder's Name: Alice Garcia - Account Holder's Cell or Daytime

Phone Number: 801-751-2948 - Brian Skiba - \$155.46

A Transaction Fee has been included in the total amount paid for this transaction.