

# Village of Kirkland

Kirkland, Illinois

## Annual Financial Report

For the Year Ended April 30, 2016

Prepared By

Village of Kirkland, Illinois  
Department of Administration and Finance

VILLAGE OF KIRKLAND, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2016

---

***VILLAGE BOARD***

Leslie Bellah, Mayor

***TRUSTEES***

Coleen N. Ford

David D. McMurray

Emily D. Harvel

Wanda McMurray

Mary A. Carrigan-Micele

Sarah Ziegler

Theresa A. D'Amato, Village Clerk

***VILLAGE ADMINISTRATION***

Leslie Bellah, Chief Executive Officer

Paul D. Lindstrom, Police Chief

Paul C. Naugle, Public Works Director

Theresa A. D'Amato, Office Manager

David C. Jepson, Treasurer

Baxter and Woodman, Village Engineer

VILLAGE OF KIRKLAND, ILLINOIS  
TABLE OF CONTENTS

---

	<u>Page(s)</u>
Principal Officials.....	i
INDEPENDENT AUDITOR'S REPORT.....	1 - 3
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS	4 - 5
MANAGEMENT DISCUSSION AND ANALYSIS.....	6 - 16
FINANCIAL STATEMENTS	
Statement of Net Position.....	17
Statement of Activities.....	18 - 19
Balance Sheet - Governmental Funds.....	20
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds.....	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	23
Statement of Net Position - Proprietary Funds.....	24
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	25
Statement of Cash Flows - Proprietary Funds.....	26
Notes to Financial Statements.....	27 - 48
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	49

VILLAGE OF KIRKLAND, ILLINOIS  
 TABLE OF CONTENTS (Continued)

---

	Page(s)
<b>REQUIRED SUPPLEMENTARY INFORMATION (Continued)</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Motor Fuel Tax Fund.....	50
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Tax Incremental Financing Fund.....	51
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Revolving Loan Fund.....	52
Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund.....	53
Summary of Actuarial Methods and Assumptions Used In the Calculation of the 2015 Contribution Rate - Illinois Municipal Retirement Fund.....	54
Multiyear Schedule Of Changes In Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund.....	55
Notes to Required Supplementary Information.....	56
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues - Budget and Actual - General Fund.....	57 - 58
Schedule of Detailed Expenditures - Budget and Actual - General Fund.....	59 - 63
Schedule of Detailed Expenditures - Budget and Actual - Tax Incremental Financing Fund.....	64
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund.....	65
Combining Statement of Net Position - Water and Sewer Fund.....	66
Combining Statement of Revenues, Expenses, and Changes in Net Position - Water and Sewer Fund.....	67
Combining Statement of Cash Flows - Water and Sewer Fund.....	68
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual - Water and Sewer Operating Sub-Account.....	69

VILLAGE OF KIRKLAND, ILLINOIS  
TABLE OF CONTENTS (Continued)

---

	Page(s)
SUPPLEMENTARY INFORMATION (Continued)	
Schedule of Operating Expenses - Budget and Actual - Water and Sewer Operating Sub-Account.....	70 - 71
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual - Water Improvement Sub-Account.....	72
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual - Sewer Improvement Sub-Account.....	73
Schedule of General Capital Assets and Accumulated Depreciation.....	74
Schedule of Water and Sewer Capital Assets and Accumulated Depreciation.....	75
Assessed Value of Taxable Property, Village Tax Rates, and Tax Levies.....	76
Property Tax Rates - Direct and Overlapping Governments.....	77
Kirkland TIF District Assessed Valuation, Tax Rates, and Tax Levies.....	78
INDEPENDENT ACCOUNTANT'S REPORT	79
SCHEDULE OF FINDINGS AND RESPONSES.....	80

INDEPENDENT AUDITOR'S REPORT



## **Independent Auditor's Report**

Board of Trustees  
Village of Kirkland, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Village of Kirkland, Illinois as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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, and each major fund of the Village of Kirkland, Illinois as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note 5 to the financial statements, the Village of Kirkland, Illinois adopted new accounting guidance, GASB Statement 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" and GASB Statement 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68". Our opinions are not modified with respect to this matter.

### ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 16 and the budgetary comparison information and the schedules of employer's proportionate share of the net pension liability and employer contributions – IMRF on pages 49 through 56 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Kirkland, Illinois' basic financial statements as a whole. The schedules shown as supplementary information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information on pages 76 through 78 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Report on Summarized Comparative Information**

We have previously audited the Village's 2015 financial statements, and our opinion stated that the supplementary information was fairly stated in relation to the basic financial statements in our report dated August 14, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2015, is fairly stated in relation to the audited financial statements from which it has been derived.

### **Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2015, on our consideration of the Village of Kirkland, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Kirkland, Illinois' internal control over financial reporting and compliance.

*Wipac LLP*

Freeport, Illinois  
August 30, 2016



## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters**

To the Honorable Mayor and Board of Trustees  
Village of Kirkland, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities and each major fund of the Village of Kirkland, Illinois as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village of Kirkland, Illinois' basic financial statements, and have issued our report thereon dated August 30, 2016.

Our report on the financial statements includes an emphasis-of-matter paragraph describing how the Village adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB 68, during the year ended April 30, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Kirkland, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Kirkland, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Kirkland's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control that we consider to be significant deficiencies, which are described in the accompanying schedule of findings and responses as item 2016-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Kirkland, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Responses to Findings**

The Village of Kirkland's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Village of Kirkland's response was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipfli LLP*

Freeport, Illinois  
August 30, 2016

## MANAGEMENT DISCUSSION AND ANALYSIS

VILLAGE OF KIRKLAND, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2016

---

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, 2016. 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 17 - 19) 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 five 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, Revolving Loan Fund, and the Capital Projects Fund, 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 20 – 23 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 24 - 26 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 27 - 48 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 49 - 56 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 57 - 78.

**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 17 - 19 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, 2016.

A significant portion of the Village's net position (73%) reflects its net investment in capital assets less any related outstanding debt used to acquire those assets. Approximately 14% of net position represents resources subject to restrictions on how they may be used, and about 13%, or \$589,751, represents unrestricted net position and may be used to meet the Village's ongoing obligations. During the fiscal year ended April 30, 2016, net position of governmental activities decreased \$104,434 and business-type net position decreased \$125,185 for an overall decrease of \$229,619.

Table 1  
**Statement of Net Position**  
As of April 30, 2015 and 2016

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
<b>Assets</b>						
Current Assets	\$ 1,498,527	\$ 1,527,695	\$ 496,034	\$ 485,955	\$ 1,994,561	\$ 2,013,650
Capital Assets	1,594,309	1,686,201	1,638,876	1,585,925	3,233,185	3,272,126
<b>Total Assets</b>	<b>3,092,836</b>	<b>3,213,896</b>	<b>2,134,910</b>	<b>2,071,880</b>	<b>5,227,746</b>	<b>5,285,776</b>
Deferred Outflows	-	53,611	-	27,022	-	80,633
Current Liabilities	105,591	78,036	11,973	9,057	117,564	87,093
Non-Current Liabilities	-	267,117	-	71,138	-	338,255
<b>Total Liabilities</b>	<b>105,591</b>	<b>345,153</b>	<b>11,973</b>	<b>80,195</b>	<b>117,564</b>	<b>425,348</b>
Deferred Inflows Of Resources	420,592	460,135	-	20,955	420,592	481,090
<b>Total Liabilities and Deferred Inflows</b>	<b>526,183</b>	<b>805,288</b>	<b>11,973</b>	<b>101,150</b>	<b>538,156</b>	<b>906,438</b>
<b>Net Position</b>						
Net Investment In Capital Assets	1,594,309	1,686,201	1,638,876	1,585,925	3,233,185	3,272,126
Restricted	551,334	598,094	-	-	551,334	598,094
Unrestricted	421,010	177,924	484,061	411,827	905,071	589,751
<b>Total Net Position</b>	<b>\$ 2,566,653</b>	<b>\$ 2,462,219</b>	<b>\$ 2,122,937</b>	<b>\$ 1,997,752</b>	<b>\$ 4,689,590</b>	<b>\$ 4,459,971</b>

For more detailed information see the Statement of Net Position (page 17).

The 2015 amounts have not been restated for the effects of GASB statement 68.

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, 2016.

Table 2  
**Changes In Net Position**  
For the Fiscal Year Ended April 30, 2015 and 2016

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
<b>Revenues</b>						
Program Revenues						
Charges For Services	\$ 184,591	\$ 212,997	\$ 297,403	\$ 309,175	\$ 481,994	\$ 522,172
Operating Grants	58,244	44,610	-	-	58,244	44,610
Capital Grant	190,558	-	-	-	190,558	-
General Revenues						
Property Tax	429,522	419,038	-	-	429,522	419,038
Sales Tax	138,336	116,251	-	-	138,336	116,251
State Income Tax	170,798	185,862	-	-	170,798	185,862
Utility Tax	110,349	101,515	-	-	110,349	101,515
Other Taxes	57,857	60,147	-	-	57,857	60,147
Investment Income	465	1,054	234	189	699	1,243
Miscellaneous	3,340	3,596	-	-	3,340	3,596
<b>Total Revenues</b>	<b>1,344,060</b>	<b>1,145,070</b>	<b>297,637</b>	<b>309,364</b>	<b>1,641,697</b>	<b>1,454,434</b>
<b>Expenses</b>						
General Government	216,899	348,156	-	-	216,899	348,156
Public Safety	427,123	380,651	-	-	427,123	380,651
Highways and Streets	210,615	256,078	-	-	210,615	256,078
Sanitation	134,098	140,479	-	-	134,098	140,479
Interest	34	1,682	-	-	34	1,682
Water and Sewer	-	-	355,564	372,824	355,564	372,824
<b>Total Expenses</b>	<b>988,769</b>	<b>1,127,046</b>	<b>355,564</b>	<b>372,824</b>	<b>1,344,333</b>	<b>1,499,870</b>
Contributions	(37,325)	-	37,325	-	-	-
<b>Change In Net Position</b>	<b>317,966</b>	<b>18,024</b>	<b>(20,602)</b>	<b>(63,460)</b>	<b>297,364</b>	<b>(45,436)</b>
Net Position, May 1	2,248,687	2,566,653	2,143,539	2,122,937	4,392,226	4,689,590
Prior Period Adjustment	-	(122,458)	-	(61,725)	-	(184,183)
Net Position, May 1, Restated	2,248,687	2,444,195	2,143,539	2,061,212	4,392,226	4,505,407
<b>Net Position, April 30</b>	<b>\$ 2,566,653</b>	<b>\$ 2,462,219</b>	<b>\$ 2,122,937</b>	<b>\$ 1,997,752</b>	<b>\$ 4,689,590</b>	<b>\$ 4,459,971</b>

The 2015 amounts have not been restated for the effects of GASB statement 68.

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, 2016 were \$1,145,070. This total includes \$44,610 in "operating grants" that represent state shared motor fuel taxes. In comparison to the prior year, total revenues decreased \$198,990 primarily because of a capital grant of \$190,558 received in the prior year.

The revenue mix, received in the fiscal year ended April 30, 2016, represents a relatively diverse revenue base. About 23% of revenues were provided by service charges and operating grants, 37% from property taxes, 21% from state shared revenues, 9% from utility taxes, and 10% from sales taxes and other sources.

Utility taxes (5% on natural gas and electric) and a telecommunications tax of 6% contributed \$101,515 to governmental activities, a decrease of \$8,834 from the previous year. Additionally, property tax revenue decreased in the 2015/2016 fiscal year by about 2%. Although the corporate purpose taxes increased \$2,772, there was a decrease of \$13,256 in tax distributions from the TIF District, for an overall decrease in property tax revenue of \$10,484.

State-shared revenues including state income tax, use tax, video gaming tax, and personal property replacement tax totaled \$246,009 in the fiscal year ended April 30, 2016, an increase of \$17,354 from the previous year. However, sales tax revenues of \$116,251 declined \$22,085, or about 16% from the previous fiscal year. This was after sales taxes in the 2014/2015 fiscal year increased about 85%, primarily as a result of a new building truss manufacturer that opened in the 2013/2014 fiscal year.

***Expenses***

Total expenses for the Village's governmental activities for the fiscal year ended April 30, 2016 were \$1,127,046. As required by GASB Statement No. 34, total expenses include depreciation but it excludes expenditures for capital assets. The largest functional expense was public safety at \$380,651. This amount was followed by \$256,078 for highways and streets, \$216,470 for general government, \$131,686 for Tax Incremental financing Projects, \$140,479 for sanitation (refuse disposal) and \$1,682 for interest expense. Overall, total revenues in governmental activities exceeded total expenses by \$18,024.

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, 2016 were \$309,364. This amount included \$309,175 for water and sewer charges and \$189 for interest income. Charges for water and sewer service provided about 83% of total related business-type expenses including depreciation.

***Expenses***

Total expenses, including depreciation of \$83,237, for the Village's business-type activities for the fiscal year ended April 30, 2016 were \$372,824. During the year, the net position of business-type activities decreased \$63,460.

**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, 2016, the governmental funds (as presented on the balance sheet on page 20) had combined fund balances of \$1,049,162. This represents an overall increase of \$94,318 from prior year fund balances. The General Fund increased \$47,558 along with an increase of \$36 in the Revolving Loan Fund. The Motor Fuel Tax Fund increased \$41,321, along with an increase in the Tax Increment Financing Fund of \$5,403.

The total net position of the Water and Sewer Fund decreased from \$2,061,212 (as restated) at April 30, 2015 to \$1,997,752 at April 30, 2016, a decrease of \$63,460. However, of greater significance is the unrestricted portion of net position of the Water and Sewer Fund which decreased \$72,234. The total amount of unrestricted net position, which represents net working capital, as of April 30, 2016 was \$411,827 compared to \$484,061 as of April 30, 2015.

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. The one bright spot in the Village's revenue picture is the increase in sales tax, which jumped about 85% during the 2014/2015 fiscal year.

The available balances of each of the Village funds appear to be adequate as of April 30, 2016 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, 2016  
(With Comparative Actual for 2015)

	2016		Actual	2015 Actual
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 491,465	\$ 491,465	\$ 443,329	\$ 466,476
Licenses and Permits	16,750	16,750	21,252	14,851
Intergovernmental Revenue	281,275	281,275	245,259	228,155
Service Charges	206,950	206,950	146,375	139,487
Fines and Forfeits	24,000	24,000	45,370	30,253
Investment Income	175	175	561	199
Miscellaneous	31,890	31,890	2,973	3,340
<b>Total Revenue</b>	<u>1,052,505</u>	<u>1,052,505</u>	<u>905,119</u>	<u>882,761</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	173,710	173,710	201,730	169,725
Public Safety	507,845	507,845	313,911	344,305
Highways and Streets	220,340	220,340	189,633	134,828
Sanitation	139,210	139,210	140,479	134,098
Capital Outlay	-	-	2,424	39,579
Debt Service	-	-	9,384	2,759
<b>Total Expenditures</b>	<u>1,041,105</u>	<u>1,041,105</u>	<u>857,561</u>	<u>825,294</u>
<b>Net Change In Fund Balance</b>	<u>\$ 11,400</u>	<u>\$ 11,400</u>	47,558	57,467
<b>Fund Balance, Beginning</b>			<u>403,510</u>	<u>346,043</u>
<b>Fund Balance, Ending</b>			<u>\$ 451,068</u>	<u>\$ 403,510</u>

The General Fund total revenues exceeded total expenditures by \$47,558 increasing fund balance by that amount. The fund balance increased from \$403,510 to \$451,068.

The fund balance of the General Fund of \$451,068 compared to total expenditures of \$857,561 represents a fund balance to expenditures ratio of 52.6%. A fund balance to expenditures ratio in excess of 50% in a municipality the size of Kirkland indicates a relatively good financial position.

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

**CAPITAL ASSETS**

The following schedule reflects the Village's capital asset balances as of April 30, 2016.

Table 4  
**Capital Assets**  
As of April 30, 2016  
(With Comparative Actual for 2015)

	2016		Totals	2015 Totals
	Governmental Activities	Business-Type Activities		
Building and Improvements	\$ 722,934	\$ -	\$ 722,934	\$ 557,934
Equipment and Vehicles	343,058	478,451	821,509	808,122
Pioneer Park Improvement	42,853	-	42,853	42,853
Infrastructure	1,336,113	-	1,336,113	1,336,113
Water and Sewer System	-	1,702,928	1,702,928	1,679,692
Sewer Treatment Plant	-	1,038,181	1,038,181	1,038,181
<b>Total Capital Assets</b>				
Excluding Depreciation	<u>2,444,958</u>	<u>3,219,560</u>	<u>5,664,518</u>	<u>5,462,895</u>
Less:				
Accumulated Depreciation	<u>758,757</u>	<u>1,633,635</u>	<u>2,392,392</u>	<u>2,229,710</u>
<b>Total Capital Assets</b>	<u>\$ 1,686,201</u>	<u>\$ 1,585,925</u>	<u>\$ 3,272,126</u>	<u>\$ 3,233,185</u>

At year-end, the Village's investment in capital assets (net of accumulated depreciation) for both its governmental and business-type activities was \$3,272,126 (see note 3 in the Notes to the Financial Statements for further information regarding capital assets). During the fiscal year ended April 30, 2016, a total of \$180,255 was expended for general capital assets and \$30,286 for water and sewer improvements. Included in the governmental assets are the purchase of property for \$165,000, a generator for Village Hall and various items of police equipment. Water and sewer system additions include equipment of \$7,050 and water system improvements of \$23,236. Additional information on the Village's capital assets can be found on pages 38 - 39 of the notes to the financial statements.

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

**LONG-TERM DEBT**

The Village of Kirkland had no long-term debt outstanding as of April 30, 2015. 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. A total of \$7,702 was paid on the note as of April 30, 2016. 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, 2015 and April 30, 2016.

Table 5  
**Long-Term Debt**  
As of April 30, 2016  
(With Comparative Actual for 2015)

	2016			2015 Total
	Governmental Activities	Business-Type Activities	Total	
Installment Note	\$ 157,298	\$ -	\$ 157,298	\$ -
Total Long-Term Debt	\$ 157,298	\$ -	\$ 157,298	\$ -

The Village has used general revenues to pay the annual principal and interest for the general obligation debt.

**ECONOMIC FACTORS**

**Accomplishments**

*Tax increment financing (TIF) district* - TIF funds have allowed the Village to continue to support projects to improve the community. Sidewalks have been installed along the east end of Main Street and other areas of town, including two sides of Franklin Township Park. Additionally, Franklin Township Park facility improvements, Franklin Fire District, improvements to the Kirkland Public Library, and assistance to the Hiawatha School District with facility renovation costs have been supported by TIF funding. In addition, a bucket truck, a bobcat tractor, a warning siren, water and sewer equipment and facilities, and Village entrance signs have been financed by TIF revenues.

During the recent fiscal years, TIF monies were used to partially fund sewer system improvements, water and sewer equipment and an expansion of the sewer treatment plant building. TIF funds have also been used to finance a special police patrol within the TIF district and has supported economic development projects. The TIF District was established in 1995 and has a total life of 23 years.

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

---

**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 Clerk, Village of Kirkland, 511 W. Main Street, Kirkland, Illinois 60146.

## FINANCIAL STATEMENTS

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash	\$ 1,004,205	\$ 434,067	\$ 1,438,272
Receivables			
Property Taxes	418,561	-	418,561
Utility Taxes	13,495	-	13,495
Other Taxes	68,258	-	68,258
Accounts	23,615	51,049	74,664
Miscellaneous	400	-	400
Internal Balances	(839)	839	-
Capital Assets, Net of Accumulated Depreciation	1,686,201	1,585,925	3,272,126
Total Assets	<u>3,213,896</u>	<u>2,071,880</u>	<u>5,285,776</u>
<b>DEFERRED OUTFLOWS</b>			
Pension Related	53,611	27,022	80,633
<b>LIABILITIES</b>			
Accounts Payable	28,989	4,026	33,015
Accrued Payroll	10,215	5,031	15,246
Other Liabilities	1,016	-	1,016
Due to Developers	4,977	-	4,977
Unearned Revenues	1,525	-	1,525
Notes Payable - due within one year	31,314	-	31,314
Noncurrent Liabilities			
Notes Payable	125,984	-	125,984
Net Pension Liability	141,133	71,138	212,271
Total Liabilities	<u>345,153</u>	<u>80,195</u>	<u>425,348</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related	41,574	20,955	62,529
Property Taxes	418,561	-	418,561
Total Deferred Inflows Of Resources	<u>460,135</u>	<u>20,955</u>	<u>481,090</u>
Total Liabilities and Deferred Inflows of Resources	<u>805,288</u>	<u>101,150</u>	<u>906,438</u>
<b>NET POSITION</b>			
Net Investment In Capital Assets	1,686,201	1,585,925	3,272,126
Restricted For			
Economic Development Loans	91,730	-	91,730
Highways and Streets	164,823	-	164,823
Tax Incremental Financing District	341,541	-	341,541
Unrestricted	177,924	411,827	589,751
Total Net Position	<u>\$ 2,462,219</u>	<u>\$ 1,997,752</u>	<u>\$ 4,459,971</u>

See Notes to Financial Statements

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2016

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
<b>Governmental Activities</b>				
General Government	\$ 348,156	\$ 21,252	\$ -	\$ -
Public Safety	380,651	45,370	-	-
Highways and Streets	256,078	-	44,610	-
Sanitation	140,479	146,375	-	-
Interest	1,682	-	-	-
<b>Total Governmental Activities</b>	<b>1,127,046</b>	<b>212,997</b>	<b>44,610</b>	<b>-</b>
<b>Business-Type Activities</b>				
Water and Sewer Service	372,824	309,175	-	-
<b>Total Business-Type Activities</b>	<b>372,824</b>	<b>309,175</b>	<b>-</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 1,499,870</b>	<b>\$ 522,172</b>	<b>\$ 44,610</b>	<b>\$ -</b>

See Notes to Financial Statements.

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

	Governmental Activities	Business-Type Activities	Total
	\$ (326,904)	\$ -	\$ (326,904)
	(335,281)	-	(335,281)
	(211,468)	-	(211,468)
	5,896	-	5,896
	(1,682)	-	(1,682)
	<u>(869,439)</u>	<u>-</u>	<u>(869,439)</u>
	-	(63,649)	(63,649)
	-	(63,649)	(63,649)
	<u>(869,439)</u>	<u>(63,649)</u>	<u>(933,088)</u>
<b>General Revenues</b>			
Property Taxes	419,038	-	419,038
Sales Tax	116,251	-	116,251
Utility Taxes	101,515	-	101,515
Intergovernmental - Unrestricted			
State Income Tax	185,862	-	185,862
Other Taxes	60,147	-	60,147
Investment Income	1,054	189	1,243
Miscellaneous	3,596	-	3,596
<b>Total General Revenue</b>	<u>887,463</u>	<u>189</u>	<u>887,652</u>
<b>CHANGE IN NET POSITION</b>	<u>18,024</u>	<u>(63,460)</u>	<u>(45,436)</u>
<b>NET POSITION, MAY 1</b>	2,566,653	2,122,937	4,689,590
Prior Period Adjustment	(122,458)	(61,725)	(184,183)
<b>NET POSITION, MAY 1, RESTATED</b>	<u>2,444,195</u>	<u>2,061,212</u>	<u>4,505,407</u>
<b>NET POSITION, APRIL 30</b>	<u>\$ 2,462,219</u>	<u>\$ 1,997,752</u>	<u>\$ 4,459,971</u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2016

	General	Motor Fuel Tax	Tax Incremental Financing	Revolving Loan Fund	Capital Projects Fund	Total
<b>ASSETS</b>						
Cash	\$ 395,417	\$ 160,854	\$ 356,204	\$ 91,730	\$ -	\$ 1,004,205
Receivables						
Property Taxes	202,647	-	215,914	-	-	418,561
Utility Taxes	13,495	-	-	-	-	13,495
Other Taxes	64,289	3,969	-	-	-	68,258
Accounts	23,615	-	-	-	-	23,615
Due From Other Funds	6,315	-	-	-	-	6,315
Miscellaneous	400	-	-	-	-	400
<b>Total Assets</b>	<b>\$ 706,178</b>	<b>\$ 164,823</b>	<b>\$ 572,118</b>	<b>\$ 91,730</b>	<b>\$ -</b>	<b>\$ 1,534,849</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 21,480	\$ -	\$ 7,509	\$ -	\$ -	\$ 28,989
Accrued Payroll	10,215	-	-	-	-	10,215
Other Payables	1,016	-	-	-	-	1,016
Due To Developers	4,977	-	-	-	-	4,977
Due To Other Funds	-	-	7,154	-	-	7,154
Unearned Revenue	1,525	-	-	-	-	1,525
<b>Total Liabilities</b>	<b>39,213</b>	<b>-</b>	<b>14,663</b>	<b>-</b>	<b>-</b>	<b>53,876</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Taxes	202,647	-	215,914	-	-	418,561
Unavailable Revenue - Other Taxes	13,250	-	-	-	-	13,250
<b>Total Deferred Inflows Of Resources</b>	<b>215,897</b>	<b>-</b>	<b>215,914</b>	<b>-</b>	<b>-</b>	<b>431,811</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>255,110</b>	<b>-</b>	<b>230,577</b>	<b>-</b>	<b>-</b>	<b>485,687</b>
<b>FUND BALANCES</b>						
<b>Restricted</b>						
Economic Development Loans	-	-	-	91,730	-	91,730
Highways and Streets	-	164,823	-	-	-	164,823
Tax Incremental Financing District	-	-	341,541	-	-	341,541
<b>Assigned</b>						
Capital Improvements	17,780	-	-	-	-	17,780
<b>Unassigned</b>	<b>433,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>433,288</b>
<b>Total Fund Balances</b>	<b>451,068</b>	<b>164,823</b>	<b>341,541</b>	<b>91,730</b>	<b>-</b>	<b>1,049,162</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 706,178</b>	<b>\$ 164,823</b>	<b>\$ 572,118</b>	<b>\$ 91,730</b>	<b>\$ -</b>	<b>\$ 1,534,849</b>

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, 2016

---

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,049,162
-------------------------------------	--------------

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.

Long -Term Receivables	13,250
Deferred Outflows Related to Pensions	53,611

Capital Assets used in governmental activities are  
not financial resources and, therefore, are not  
reported in the Governmental Funds

	1,686,201
--	-----------

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	(157,298)
Net Pension Liability	(141,133)
Deferred Inflows Related to Pensions	(41,574)

NET POSITION OF GOVERNMENTAL ACTIVITIES

	<u>\$ 2,462,219</u>
--	---------------------

VILLAGE OF KIRKLAND, ILLINOIS

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

For the Year Ended April 30, 2016

	General	Motor Fuel Tax	Tax Incremental Financing	Revolving Loan Fund	Capital Projects Fund	Total
<b>REVENUES</b>						
Taxes	\$ 443,329	\$ -	\$ 198,475	\$ -	\$ -	\$ 641,804
Licenses and Permits	21,252	-	-	-	-	21,252
Intergovernmental Revenue	245,259	44,610	-	-	-	289,869
Service Charges	146,375	-	-	-	-	146,375
Fines and Forfeits	45,370	-	-	-	-	45,370
Investment Income	561	140	317	36	-	1,054
Miscellaneous	2,973	-	623	-	-	3,596
<b>Total Revenues</b>	<b>905,119</b>	<b>44,750</b>	<b>199,415</b>	<b>36</b>	<b>-</b>	<b>1,149,320</b>
<b>EXPENDITURES</b>						
Current						
General Government	201,730	-	131,686	-	-	333,416
Public Safety	313,911	-	46,797	-	-	360,708
Highways and Streets	189,633	3,429	2,698	-	-	195,760
Sanitation	140,479	-	-	-	-	140,479
Capital Outlay	2,424	-	12,831	-	165,000	180,255
Debt Service	9,384	-	-	-	-	9,384
<b>Total Expenditures</b>	<b>857,561</b>	<b>3,429</b>	<b>194,012</b>	<b>-</b>	<b>165,000</b>	<b>1,220,002</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>47,558</b>	<b>41,321</b>	<b>5,403</b>	<b>36</b>	<b>(165,000)</b>	<b>(70,682)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Loan Proceeds	-	-	-	-	165,000	165,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,000</b>	<b>165,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>47,558</b>	<b>41,321</b>	<b>5,403</b>	<b>36</b>	<b>-</b>	<b>94,318</b>
<b>FUND BALANCES, MAY 1</b>	<b>403,510</b>	<b>123,502</b>	<b>336,138</b>	<b>91,694</b>	<b>-</b>	<b>954,844</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 451,068</b>	<b>\$ 164,823</b>	<b>\$ 341,541</b>	<b>\$ 91,730</b>	<b>\$ -</b>	<b>\$1,049,162</b>

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, 2016

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 94,318
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	180,255
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.	(165,000)
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	7,702
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	(88,363)
Pension Expense	(6,638)
General Revenues in the Statement of Activities reported in the current and the prior year representing long-term taxes receivable are not included in current financial resources and, therefore are subtracted from current financial resources in Governmental Funds.	<u>(4,250)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>18,024</u>

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS

April 30, 2016

	Business-Type Activities
	<u>Water and Sewer System</u>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 434,067
Receivables	
Accounts - Billed and Unbilled	51,049
Due From Other Funds	<u>7,154</u>
Total Current Assets	<u>492,270</u>
Non-Current Assets	
Capital Assets	
Net of Accumulated Depreciation	<u>1,585,925</u>
Total Assets	<u>2,078,195</u>
<b>DEFERRED OUTFLOWS</b>	
Pension Related	<u>27,022</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	4,026
Accrued Payroll	5,031
Due To Other Funds	<u>6,315</u>
Total Current Liabilities	<u>15,372</u>
Non-Current Liabilities	
Net Pension Liability	<u>71,138</u>
Total Liabilities	<u>86,510</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related	<u>20,955</u>
<b>NET POSITION</b>	
Net Investment In Capital Assets	1,585,925
Unrestricted	<u>411,827</u>
TOTAL NET POSITION	<u>\$ 1,997,752</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, 2016

	Business-Type Activities
	<u>Water and Sewer System</u>
OPERATING REVENUES	
Charges for Services	\$ 309,175
Total Operating Revenues	<u>309,175</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Salaries & Benefits	178,727
Contractual Services	88,965
Materials & Supplies	18,992
Miscellaneous	2,903
Total Operating Expenses Excluding Depreciation	<u>289,587</u>
OPERATING INCOME BEFORE DEPRECIATION	<u>19,588</u>
DEPRECIATION	<u>83,237</u>
OPERATING INCOME (LOSS)	<u>(63,649)</u>
NON-OPERATING REVENUES	
Investment Income	189
Total Non-Operating Revenue	<u>189</u>
CHANGE IN NET POSITION	<u>(63,460)</u>
NET POSITION, MAY 1	2,122,937
Prior Period Adjustment	<u>(61,725)</u>
NET POSITION, MAY 1, RESTATED	<u>2,061,212</u>
NET POSITION, APRIL 30	<u>\$ 1,997,752</u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended April 30, 2016

	Business-Type Activities
	Water and Sewer System
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts From Customers	\$ 306,394
Payments To Suppliers	(111,178)
Payments To Employees	(177,979)
	<u>17,237</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of Capital Assets	(30,286)
Transfer From Tax Incremental Financing Fund General Fund Due To/From	<u>(26,194)</u>
Net Cash From Capital and Related Financing Activities	<u>(56,480)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	<u>189</u>
Net Cash From Investing Activities	<u>189</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(39,054)</b>
<b>CASH, MAY 1</b>	<u>473,121</u>
<b>CASH, APRIL 30</b>	<u><u>\$ 434,067</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>	
Operating Income (Loss)	\$ (63,649)
Depreciation	83,237
Adjustments To Reconcile Operating Income (Loss) To Net Cash From Operating Activities	
Accounts Receivable	(2,781)
Accounts Payable	(318)
Accrued Payroll	(2,598)
Pension Expense	3,346
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ 17,237</u></u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2016

---

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, 2016

---

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 the financial 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, 2016

---

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 three major special revenue funds, the Motor Fuel Tax Fund, Tax Incremental Financing District Fund and the Revolving Loan 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, 2016

---

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, 2016

---

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, 2016

---

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, 2016

---

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 measurable 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, 2016

---

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, 2016

---

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 2014 Tax Levy Ordinance, adopted in December 2014, and collected in 2015, was used to finance the fiscal year ended April 30, 2016. The 2015 Tax Levy Ordinance, adopted in December 2015, is recorded as a receivable and unavailable revenue in the financial statements for the year ended April 30, 2016.

VILLAGE OF KIRKLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2016

---

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 \$1,158,034 and the bank balances totaled \$1,187,778. Additionally, the Village had \$280,238 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, 2016

---

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 four banks and the Illinois Funds: 34% of deposits were with Alpine Bank, Kirkland, Illinois, 13% with Resource Bank, Genoa, Illinois, 27% with Heartland Bank, Genoa, Illinois, 7% with Blackhawk Bank, Rockford, Illinois, and 19% with Illinois Funds.

CAPITAL ASSETS

***Governmental Activities***

Governmental capital asset activity for the year ended April 30, 2016 follows on the next page:

VILLAGE OF KIRKLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS - Continued

*Governmental Activities* – Continued

	<u>Balances</u> May 1, 2015	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> April 30, 2016
<b>Capital Assets</b>				
General Government				
Building and Improvements	\$ 557,934	\$ 165,000	\$ -	\$ 722,934
Equipment	12,970	12,831	8,918	16,883
Public Safety				
Equipment and Vehicles	112,283	2,424	-	114,707
Highways and Streets				
Equipment and Vehicles	211,468	-	-	211,468
Pioneer Park Improvement	42,853	-	-	42,853
Infrastructure	<u>1,336,113</u>	<u>-</u>	<u>-</u>	<u>1,336,113</u>
	<u>2,273,621</u>	<u>180,255</u>	<u>8,918</u>	<u>2,444,958</u>
<b>Less Accumulated Depreciation</b>				
General Government				
Building and Improvements	138,429	13,147	-	151,576
Equipment	12,156	884	8,918	4,122
Public Safety				
Equipment and Vehicles	56,041	15,453	-	71,494
Highways and Streets				
Equipment and Vehicles	126,988	9,627	-	136,615
Pioneer Park Improvement	32,290	3,561	-	35,851
Infrastructure	<u>313,408</u>	<u>45,691</u>	<u>-</u>	<u>359,099</u>
	<u>679,312</u>	<u>88,363</u>	<u>8,918</u>	<u>758,757</u>
<b>Total Capital Assets</b>	<u>\$ 1,594,309</u>	<u>\$ 91,892</u>	<u>\$ -</u>	<u>\$ 1,686,201</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 14,031
Public Safety	15,453
Highways and Streets	<u>58,879</u>
	<u>\$ 88,363</u>

VILLAGE OF KIRKLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2016

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> <u>May 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>April 30, 2016</u>
<b>Capital Assets</b>				
Equipment	\$ 340,221	\$ 7,050	\$ -	\$ 347,271
Vehicles	131,180	-	-	131,180
Water System	891,812	23,236	-	915,048
Sewer System	787,880	-	-	787,880
Sewer Treatment Plant	<u>1,038,181</u>	<u>-</u>	<u>-</u>	<u>1,038,181</u>
	<u>3,189,274</u>	<u>30,286</u>	<u>-</u>	<u>3,219,560</u>
<b>Less Accumulated Depreciation</b>				
Equipment	128,282	13,967	-	142,249
Vehicles	35,143	4,925	-	40,068
Water System	303,000	25,792	-	328,792
Sewer System	281,980	16,160	-	298,140
Sewer Treatment Plant	<u>801,993</u>	<u>22,393</u>	<u>-</u>	<u>824,386</u>
	<u>1,550,398</u>	<u>83,237</u>	<u>-</u>	<u>1,633,635</u>
<b>Total Capital Assets</b>	<u>\$ 1,638,876</u>	<u>\$ (52,951)</u>	<u>\$ -</u>	<u>\$ 1,585,925</u>

VILLAGE OF KIRKLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

***Installment Loan:***

The Village entered into an installment loan to purchase Bull Run Creek Property:

Issue	Fund Debt Retired By	Balances May 1, 2015	Issuances	Retirements	Balances April 30, 2016
Installment note to purchase Bull Run Creek Property, due in 60 monthly installments with interest at 2.91%, maturing January 22,	General Fund	\$ -	\$ 165,000	\$ 7,702	\$ 157,298
		\$ -	\$ 165,000	\$ 7,702	\$ 157,298

***Long-Term Liability Activity:***

	Fiscal Year April 30	Principal	Interest	Total Payments
Installment Loan	2017	\$ 31,314	\$ 4,221	\$ 35,535
	2018	32,251	3,285	35,536
Alpine Bank	2019	33,215	2,320	35,535
	2020	34,209	1,327	35,536
	2021	26,309	325	26,634
Total long-term debt		<u>\$ 157,298</u>	<u>\$ 11,478</u>	<u>\$ 168,776</u>

***Debt Limitation***

The Village is subject to a debt limitation of 8.625% of its assessed valuation of \$20,527,598. As of April 30, 2016, the Village had a debt limit of \$1,770,505, but no general obligation outstanding debt.

VILLAGE OF KIRKLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS -- Continued

INTERNAL ACCOUNTS

*Internal Receivables and Payables*

Due From/Due To Other Funds as of April 30, 2016 consist of the following:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund		
Water and Sewer Fund	\$ 6,315	\$ -
Tax Incremental Financing Fund		
Water and Sewer Fund	-	7,154
Water and Sewer Fund		
General Fund	-	6,315
Tax Incremental Financing Fund	7,154	-
Totals	<u>\$ 13,469</u>	<u>\$ 13,469</u>

The internal accounts as of April 30, 2016 represent temporary cash advances and were paid back within 30 days after the fiscal year-end.

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 multi-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 at [www.imrf.org](http://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 sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

VILLAGE OF KIRKLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 April 30, 2016

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

**Benefits Provided – Continued**

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

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

**Employees Covered by the Benefit Terms** - At the December 31, 2015 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	5
Active employees	8
<hr/>	
Total	17

**Contributions** – As set by statute, the employer’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer’s annual contribution rate for calendar year 2015 was 12.27%. For the fiscal year ended April 30, 2016, the employer contributed \$47,343 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 IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

VILLAGE OF KIRKLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2016

---

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

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

**Actuarial assumptions** – The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees 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-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Single Discount rate** - A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members’ contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

VILLAGE OF KIRKLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2016

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.46%.

**Changes in Net Pension Liability:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2015	\$ 1,265,348	\$ 1,060,905	\$ 204,443
Service Costs	46,695	-	46,695
Interest On Total Pension Liability	93,859	-	93,859
Difference Between Expected and Actual Experience	(81,618)	-	(81,618)
Changes In Assumptions	1,729	-	1,729
Employer Contributions	-	47,301	(47,301)
Employee Contributions	-	17,348	(17,348)
Net Investment Income	-	5,305	(5,305)
Benefit Payments, Net of Refunds	(64,422)	(64,422)	-
Other Changes	-	(17,117)	17,117
Net Changes	(3,757)	(11,585)	7,828
Balances As Of December 31, 2015	\$ 1,261,591	\$ 1,049,320	\$ 212,271

**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 7.46 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 (6.46 Percent) or 1 percentage point higher (8.46 percent) than the current year:

	1% Decrease (6.46%)	Current Rate (7.46%)	1% Increase (8.46%)
Village's Proportionate Share of the Net Pension Liability	\$ 400,536	\$ 212,271	\$ 57,075

VILLAGE OF KIRKLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2016

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – For the year ended April 30, 2016, 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 Outflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 62,529	\$ (62,529)
Changes In Assumptions	1,325	-	1,325
Net Difference Between Projected and Actual Earnings	58,904	-	58,904
Employer Contributions Subsequent to the Measurement Date	20,404	-	20,404
<b>Total</b>	<b>\$ 80,633</b>	<b>\$ 62,529</b>	<b>\$ 18,104</b>

The Village reported \$14,873 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 ended April 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2017	\$ (3,959)
2018	(3,959)
2019	(3,959)
2020	9,577
2021	-
Thereafter	-
<b>Total</b>	<b>\$ (2,300)</b>

VILLAGE OF KIRKLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2016

---

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, 2016.

VILLAGE OF KIRKLAND, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 April 30, 2016

NOTE 5 – OTHER INFORMATION - Continued

TORT INSURANCE EXPENDITURES

The Village allocated the total amount of the tort insurance levy of \$19,101 received in the year ended April 30, 2016 towards tort insurance expenditures for the year, resulting in no restricted balances for tort as of April 30, 2016.

PRIOR PERIOD ADJUSTMENT

Net Position as of May 1, 2015 has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71.

	Governmental Activities	Business-Type Activities
Net Position as previously reported at May 1, 2015	\$2,566,653	\$ 2,122,937
Prior Period Adjustment		
Net Pension Liability (measurement date as of December 31, 2014)	(135,928)	(68,515)
Deferred Outflows		
Contributions made during 2015 (subsequent to the measurement date)	13,470	6,790
Total Prior Period Adjustment	(122,458)	(61,725)
Net Position as restated May 1, 2015	\$2,444,195	\$ 2,061,212

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.

VILLAGE OF KIRKLAND, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2016

---

NOTE 5 – OTHER INFORMATION - Continued

CONTINGENT LIABILITIES - Continued

***Fairdale Tornado Escrow Fund***

On April 9, 2015, a tornado struck an unincorporated rural area known as Fairdale, approximately three miles West of the Village of Kirkland. Relief contributions immediately started coming to the Village for the tornado victims. Through April 30, 2015, a total of \$283,926 had been collected and one disbursement of \$240,000 to the Kirkland Lions Club was made to provide immediate help to the Fairdale residents. A balance of \$43,926 was unexpended as of April 30, 2015.

During the fiscal year ending April 30, 2016, additional donations of \$211,495 were received along with the repayment of the disbursement that had been made the previous year to the Kirkland Lions Club of \$240,000. During the current fiscal year, the Village disbursed \$1,877 for waste disposal charges and \$15 for bank fees from the funds received. The balance of \$493,529 was paid to the DeKalb County Long-Term Recovery Corporation. This corporation, with a separate Board of Directors, was created to receive future donations and authorize future disbursements relating to the Fairdale tornado recovery.

PENDING GASB STATEMENTS

In February 2015, the Government Accounting Standards Board (GASB) issued Statement 72, “*Fair Value Measurement and Application*”. The Village is required to implement this standard for the fiscal year ending April 30, 2017.

In June 2015, the GASB issued Statement No. 73, “*Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*”. The Village is required to implement this standard for the fiscal year ending April 30, 2017.

In June 2015, the GASB issued Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*”. The Village is required to implement this standard for the fiscal year ending April 30, 2019.

In June 2015, the GASB issued Statement No. 76, “*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*”. The Village is required to implement this standard for the fiscal year ending April 30, 2017.

In August 2015, the GASB issued Statement No. 77, “*Tax Abatement Disclosures*”. The Village is required to implement this standard for the fiscal year ending April 30, 2017.

The Village has not yet determined the full impact that adoption of these GASB Statements will have on the financial statements.

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, 2016  
(with comparative actual for 2015)

	2016		Actual	2015 Actual
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes	\$ 491,465	\$ 491,465	\$ 443,329	\$ 466,476
Licenses and Permits	16,750	16,750	21,252	14,851
Intergovernmental Revenue	281,275	281,275	245,259	228,155
Service Charges	206,950	206,950	146,375	139,487
Fines and Forfeits	24,000	24,000	45,370	30,253
Investment Income	175	175	561	199
Miscellaneous	31,890	31,890	2,973	3,340
<b>Total Revenues</b>	<b>1,052,505</b>	<b>1,052,505</b>	<b>905,119</b>	<b>882,761</b>
<b>EXPENDITURES</b>				
Current				
General Government	173,710	173,710	201,730	169,725
Public Safety	507,845	507,845	313,911	344,305
Highways and Streets	220,340	220,340	189,633	134,828
Sanitation	139,210	139,210	140,479	134,098
Capital Outlay	-	-	2,424	39,579
Debt Service	-	-	9,384	2,759
<b>Total Expenditures</b>	<b>1,041,105</b>	<b>1,041,105</b>	<b>857,561</b>	<b>825,294</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 11,400</b>	<b>\$ 11,400</b>	<b>47,558</b>	<b>57,467</b>
<b>FUND BALANCE, MAY 1</b>			<b>403,510</b>	<b>346,043</b>
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 451,068</b>	<b>\$ 403,510</b>

(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, 2016  
(with comparative actual for 2015)

	2016		Actual	2015 Actual
	Original Budget	Final Budget		
<b>REVENUES</b>				
Intergovernmental Revenues				
MFT Allocation	\$ 41,500	\$ 41,500	\$ 44,610	\$ 42,740
MFT Capital Jobs Bill Allocation	7,752	7,752	-	15,504
Investment Income	23	23	140	23
Total Revenues	<u>49,275</u>	<u>49,275</u>	<u>44,750</u>	<u>58,267</u>
<b>EXPENDITURES</b>				
Highways and Streets				
Street Salt	6,000	6,000	3,429	4,382
Street Repairs & Improvements	12,500	12,500	-	-
Pearl Street Bridge Engineering	-	-	-	13,732
Total Expenditures	<u>18,500</u>	<u>18,500</u>	<u>3,429</u>	<u>18,114</u>
NET CHANGE IN FUND BALANCE	<u>\$ 30,775</u>	<u>\$ 30,775</u>	41,321	40,153
FUND BALANCE, MAY 1			<u>123,502</u>	<u>83,349</u>
FUND BALANCE, APRIL 30			<u>\$ 164,823</u>	<u>\$ 123,502</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, 2016  
(with comparative actual for 2015)

	2016		Actual	2015 Actual
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes				
TIF Property Taxes	\$ 200,000	\$ 200,000	\$ 198,475	\$ 211,731
Miscellaneous				
Investment Income	150	150	317	206
Other Income	-	-	623	-
Total Revenues	<u>200,150</u>	<u>200,150</u>	<u>199,415</u>	<u>211,937</u>
<b>EXPENDITURES</b>				
Current				
General Government	143,850	143,850	131,686	33,484
Public Safety	62,500	62,500	46,797	66,192
Highways and Streets	-	-	2,698	1,100
Capital Outlay	265,000	265,000	12,831	-
Total Expenditures	<u>471,350</u>	<u>471,350</u>	<u>194,012</u>	<u>100,776</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(271,200)</u>	<u>(271,200)</u>	<u>5,403</u>	<u>111,161</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)				
Transfer To Water & Sewer Fund	-	-	-	(37,325)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,325)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (271,200)</u>	<u>\$ (271,200)</u>	<u>5,403</u>	<u>73,836</u>
FUND BALANCE, MAY 1			<u>336,138</u>	<u>262,302</u>
FUND BALANCE, APRIL 30			<u>\$ 341,541</u>	<u>\$ 336,138</u>

(See Notes to Required Supplementary Information.)

VILLAGE OF KIRKLAND, ILLINOIS

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

REVOLVING LOAN FUND

For the Year Ended April 30, 2016  
(with comparative actual for 2015)

	2016		Actual	2015 Actual
	Original Budget	Final Budget		
REVENUES				
Investment Income	\$ 40	\$ 40	\$ 36	\$ 37
Total Revenues	40	40	36	37
EXPENDITURES				
Current				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 40	\$ 40	36	37
FUND BALANCE, MAY 1			91,694	91,657
FUND BALANCE, APRIL 30			\$ 91,730	\$ 91,694

(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 2014)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As A % Of Covered Valuation Payroll
2015	\$ 47,302	\$ 47,302	\$ -	\$ 385,509	12.27%
2014	45,480	45,480	-	383,800	11.85%
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-

(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 2015 CONTRIBUTION RATE (1)

April 30, 2016

**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 2015 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): 28-year closed period until remaining period reaches 15 years (then 15-year rolling 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 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-year smoothed market; 20% corridor.
Wage Growth	4%.
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation.
Investment Rate of Return	7.50%.
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

**Other Information:**

Notes There were no benefit changes during the year.

*(1) Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation.*

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,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total Pension Liability:</b>										
Service Cost	\$ 46,695	\$ 42,777								
Interest On The Total Pension Liability	93,859	83,386								
Benefit Changes										
Difference Between Expected and Actual Experience	(81,618)	22,254								
Assumption Changes	1,729	42,747								
Benefit Payments and Refunds	(64,422)	(38,430)								
<b>Net Change In Total Pension Liability</b>	<b>(3,757)</b>	<b>152,734</b>								
<b>Total Pension Liability - Beginning</b>	<b>1,265,348</b>	<b>1,112,614</b>								
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 1,261,591</b>	<b>\$ 1,265,348</b>								
<b>Plan Fiduciary Net Position:</b>										
Employer Contributions	\$ 47,301	\$ 45,480								
Employee Contributions	17,348	17,271								
Pension Plan Net Investment Income	5,305	60,109								
Benefit Payments and Refunds	(64,422)	(38,430)								
Other	(17,117)	3,247								
<b>Net Change In Plan Fiduciary Net Position</b>	<b>(11,585)</b>	<b>87,677</b>								
<b>Plan Fiduciary Net Position - Beginning</b>	<b>1,060,905</b>	<b>973,228</b>								
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 1,049,320</b>	<b>\$ 1,060,905</b>								
<b>Net Pension Liability(Asset) - Ending (a)-(b)</b>	<b>212,271</b>	<b>204,443</b>								
<b>Plan Fiduciary Net Position As A Percentage Of Total Pension Liability</b>	<b>83.17%</b>	<b>83.84%</b>								
<b>Covered Valuation Payroll</b>	<b>\$ 385,509</b>	<b>\$ 383,800</b>								
<b>Net Pension Liability As A Percentage Of Covered Valuation Payroll</b>	<b>55.06%</b>	<b>53.27%</b>								

The Village Of Kirkland Implemented GASB Statement No. 68 April 30, 2016

(See Notes To Required Supplementary Information)

VILLAGE OF KIRKLAND, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2016

---

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.

b. Excess of Actual Expenditures/Expenses Over Budget in Individual Funds

Expenditures did not exceed budgeted appropriations in any fund.

SUPPLEMENTARY INFORMATION

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual for 2015)

	2016		2015 Actual
	Original Budget	Final Budget	
<b>REVENUES</b>			
Taxes			
Property	\$ 195,965	\$ 195,965	\$ 192,840
Road and Bridge	26,000	26,000	24,951
Utility	117,000	117,000	110,349
Sales	152,500	152,500	138,336
<b>Total Taxes</b>	<b>491,465</b>	<b>491,465</b>	<b>466,476</b>
Licenses and Permits			
Liquor Licenses	4,750	4,750	5,000
Other Licenses	200	200	-
Building Permits	10,000	10,000	8,072
Cable TV Franchise	1,800	1,800	1,779
<b>Total Licenses and Permits</b>	<b>16,750</b>	<b>16,750</b>	<b>14,851</b>
Intergovernmental Revenue			
State Shared Taxes			
State Income Tax	155,000	155,000	170,798
State Use Tax	30,425	30,425	35,318
Personal Property Replacement Tax	2,950	2,950	3,233
Video Gaming Tax	7,250	7,250	7,316
Police Grants	35,650	35,650	11,490
Police DEA Project Distributions	50,000	50,000	-
<b>Total Intergovernmental Revenue</b>	<b>281,275</b>	<b>281,275</b>	<b>228,155</b>
Service Charges			
Garbage Fees	\$ 143,500	\$ 143,500	\$ 138,527
Police Reimbursements	950	950	960
TIF District Police Services	62,500	62,500	66,192
Reclassify/TIF District Police Services	-	-	(66,192)
<b>Total Service Charges</b>	<b>206,950</b>	<b>206,950</b>	<b>139,487</b>
Fines and Forfeits			
Ordinance Fines	24,000	24,000	30,253
<b>Total Fines and Forfeits</b>	<b>24,000</b>	<b>24,000</b>	<b>30,253</b>

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual for 2015)

	2016		Actual	2015 Actual
	Original Budget	Final Budget		
REVENUES (Continued)				
Investment Income	\$ 175	\$ 175	\$ 561	\$ 199
Miscellaneous				
Miscellaneous Income	250	250	255	170
Tower Rental	2,400	2,400	2,400	2,400
Insurance Reports	200	200	75	201
Copies/Fax Charges	25	25	61	12
Reimbursements	500	500	155	540
Police Vehicle Provision	13,500	13,500	-	-
Truck Purchase Provision	15,000	15,000	-	-
Impact Fee Account Interest	15	15	27	17
Total Miscellaneous	31,890	31,890	2,973	3,340
TOTAL GENERAL FUND REVENUES	\$ 1,052,505	\$ 1,052,505	\$ 905,119	\$ 882,761

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual for 2015)

	2016		2015 Actual
	Original Budget	Final Budget	
<b>GENERAL GOVERNMENT</b>			
Administration and Finance			
Salaries & Benefits			
Salaries - Board Members	\$ 14,500	\$ 14,500	\$ 13,792
Salaries - Village Finance	27,155	27,155	26,617
Payroll Taxes	3,185	3,185	3,091
Unemployment Taxes	1,200	1,200	1,555
IMRF Pension	3,335	3,335	3,266
Employee Appreciation	600	600	-
<b>Total Salaries and Benefits</b>	<b>49,975</b>	<b>49,975</b>	<b>48,321</b>
Contractual Services			
Repairs & Maint - Equipment	3,000	3,000	2,331
Maintenance/Cleaning	900	900	835
Legal Expense	21,500	21,500	21,759
Adjudication Expense	4,800	4,800	2,980
Treasurer/Accounting Expense	6,000	6,000	6,000
Audit Expense	8,900	8,900	8,900
Revenue Audit Reimbursement	-	-	660
Permit Inspections - ICCI	10,000	10,000	7,300
Permit Inspections - Village	4,250	4,250	6,313
Engineering Expense	1,200	1,200	3,433
Codification	1,500	1,500	1,354
IML/Training	3,500	3,500	3,428
Telephone	3,100	3,100	2,828
Telephone Notification System	1,570	1,570	1,570
Internet Service	750	750	738
E Worldlinx Web	1,280	1,280	1,279
Insurance & Bonds	33,835	33,835	30,760
Postage	700	700	610
Printing & Publishing	600	600	604
Dues & Subscriptions	1,750	1,750	1,670
<b>Total Contractual Services</b>	<b>109,135</b>	<b>109,135</b>	<b>104,692</b>
Materials & Supplies			
Tools/Equipment	250	250	-
Office Supplies	2,100	2,100	2,125
<b>Total Materials and Supplies</b>	<b>2,350</b>	<b>2,350</b>	<b>2,125</b>

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual for 2015)

	2016		Actual	2015 Actual
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
<b>Administration and Finance (Continued)</b>				
Miscellaneous				
Sales Tax Reimbursement	\$ 11,250	\$ 11,250	\$ 8,998	\$ 10,943
New Equipment	500	500	-	-
Contingency	500	500	620	1,144
Total Miscellaneous	12,250	12,250	9,618	12,087
Total Administration and Finance	173,710	173,710	201,730	167,225
Impact Fee Account				
Miscellaneous				
Kirkland Library Improvements	-	-	-	2,500
Total Impact Fee Account	-	-	-	2,500
Total General Government	173,710	173,710	201,730	169,725
<b>PUBLIC SAFETY</b>				
<b>Police Department</b>				
<b>Salaries &amp; Benefits</b>				
Police F/T Salaries	203,317	203,317	153,607	160,841
Police P/T Salaries	9,000	9,000	51,279	32,485
Police Special Activity Pay	35,648	35,648	3,357	12,155
Police Salaries - TIF District	50,000	50,000	30,643	59,748
Police Overtime	4,000	4,000	6,128	8,691
Police Holiday Pay	5,571	5,571	1,452	1,468
Payroll Taxes	23,527	23,527	18,855	21,067
IMRF Pension	29,535	29,535	21,290	23,484
Life Insurance	581	581	534	534
Health Insurance	21,517	21,517	20,016	16,508
Total Salaries and Benefits	382,696	382,696	307,161	336,981
<b>Contractual Services</b>				
Repairs & Maint - Equipment	8,500	8,500	5,841	8,500
Dues & Training	3,000	3,000	5,097	10,641
Telephone	6,250	6,250	4,938	5,270
Alerts/PSAN/IPIPS	2,450	2,450	2,508	2,448
911 Dispatch Fee	17,599	17,599	17,599	16,828
Total Contractual Services	37,799	37,799	35,983	43,687

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual for 2015)

	2016		Actual	2015 Actual
	Original Budget	Final Budget		
<b>PUBLIC SAFETY (Continued)</b>				
<b>Police Department (Continued)</b>				
<b>Materials and Supplies</b>				
Police Supplies	\$ 1,200	\$ 1,200	\$ 2,703	\$ 4,718
Police Materials	1,200	1,200	3,149	1,052
DARE Supplies	1,200	1,200	1,376	1,135
Police Equipment	1,000	1,000	834	2,089
Automotive Fuel	17,500	17,500	7,897	13,334
Uniforms	1,500	1,500	1,605	1,259
<b>Total Materials and Supplies</b>	<b>23,600</b>	<b>23,600</b>	<b>17,564</b>	<b>23,587</b>
<b>Miscellaneous</b>				
Other Expenditures	13,500	13,500	-	6,098
Contingency	250	250	-	144
<b>Total Miscellaneous</b>	<b>13,750</b>	<b>13,750</b>	<b>-</b>	<b>6,242</b>
<b>Capital Outlay</b>				
Police Vehicle	-	-	-	39,579
New Equipment	-	-	2,424	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>2,424</b>	<b>39,579</b>
<b>Total Police Department</b>	<b>457,845</b>	<b>457,845</b>	<b>363,132</b>	<b>450,076</b>
<b>Reclassify Police Department Expenditures</b>				
Reclassify Police TIF District Salaries	-	-	(46,797)	(66,192)
Reclassify Police Department Capital Outlay	-	-	(2,424)	(39,579)
<b>Total Police Department Reclassifications</b>	<b>-</b>	<b>-</b>	<b>(49,221)</b>	<b>(105,771)</b>
<b>Police DEA Project</b>				
<b>Police DEA Project Expenditures</b>				
Police Supplies	10,000	10,000	-	-
Police Building Improvements	20,000	20,000	-	-
Police Equipment	20,000	20,000	-	-
<b>Total DEA Project</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>
<b>Total Public Safety</b>	<b>507,845</b>	<b>507,845</b>	<b>313,911</b>	<b>344,305</b>

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual for 2015)

	2016		2015 Actual	
	Original Budget	Final Budget		
<b>HIGHWAYS AND STREETS</b>				
Street Department				
Salaries & Benefits				
Streets F/T Salaries	53,106	53,106	52,265	52,577
Streets P/T Salaries	5,000	5,000	2,302	4,051
Streets Overtime	4,500	4,500	1,887	2,600
Payroll Taxes	4,800	4,800	4,147	4,531
IMRF Pension	7,567	7,567	6,825	6,815
Life Insurance	267	267	267	267
Health Insurance	14,450	14,450	13,560	13,134
<b>Total Salaries and Benefits</b>	<b>89,690</b>	<b>89,690</b>	<b>81,253</b>	<b>83,975</b>
Contractual Services				
Repairs & Maint - Equipment	\$ 14,250	\$ 14,250	\$ 10,050	\$ 13,717
Repairs & Maint - Streets	6,000	6,000	2,377	5,091
Repairs - Street Lights	500	500	737	500
Forestry Maintenance	10,500	10,500	3,454	6,806
Dues & Training	100	100	100	25
Electric - Street Lights	13,250	13,250	12,751	12,913
<b>Total Contractual Services</b>	<b>44,600</b>	<b>44,600</b>	<b>29,469</b>	<b>39,052</b>
Materials and Supplies				
Tools/Equipment	2,100	2,100	615	1,488
Street Decorations	500	500	-	749
Automotive Fuel	5,000	5,000	3,151	4,037
Mosquito Abatement	2,500	2,500	2,100	-
<b>Total Materials and Supplies</b>	<b>10,100</b>	<b>10,100</b>	<b>5,866</b>	<b>6,274</b>
Miscellaneous				
Sidewalk Construction	10,000	10,000	-	4,448
Capital Improvements	500	500	-	-
Walking Path & Butterfly Garden	4,500	4,500	-	-
Pioneer Park Improvements	750	750	179	904
Bull Run Creek IDNR Improvements	45,000	45,000	72,691	-
Other Expenditures	15,000	15,000	-	-
Contingency	200	200	175	175
<b>Total Miscellaneous</b>	<b>75,950</b>	<b>75,950</b>	<b>73,045</b>	<b>5,527</b>

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2016  
(with comparative actual for 2015)

	Original Budget	2016 Final Budget	Actual	2015 Actual
Debt Service				
Bull Run Creek Property Loan	-	-	9,384	-
Vehicle Installment Loan	-	-	-	2,759
Total Debt Service	-	-	9,384	2,759
Total Street Department	220,340	220,340	199,017	137,587
Reclassify Street Department Expenditures				
Reclassify Street Department Debt Service	-	-	(9,384)	(2,759)
Total Highways and Streets	220,340	220,340	189,633	134,828
SANITATION				
Contractual Services				
Garbage Collection	139,210	139,210	140,479	134,098
Total Sanitation	139,210	139,210	140,479	134,098
CAPITAL OUTLAY				
Police Department Equipment & Vehicle	-	-	2,424	39,579
Total Capital Outlay	-	-	2,424	39,579
DEBT SERVICE				
Street Department Installment Loan	-	-	9,384	2,759
Total Debt Service	-	-	9,384	2,759
TOTAL EXPENDITURES	\$ 1,041,105	\$ 1,041,105	\$ 857,561	\$ 825,294

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

TAX INCREMENTAL FINANCING FUND

For the Year Ended April 30, 2016  
(with comparative actual for 2015)

	2016		Actual	2015 Actual
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT</b>				
TIF Consultant	\$ 2,500	\$ 2,500	\$ 2,600	\$ 2,500
Miscellaneous Expense	2,250	2,250	390	1,550
Other Services	5,000	5,000	4,250	8,576
School District 426 Safety Projects	115,000	115,000	104,559	-
Library Repairs	12,000	12,000	12,183	9,645
Warning Siren Maintenance	1,100	1,100	1,140	-
Property Taxes Reimbursements	6,000	6,000	6,564	11,213
<b>Total General Government</b>	<b>143,850</b>	<b>143,850</b>	<b>131,686</b>	<b>33,484</b>
<b>PUBLIC SAFETY</b>				
TIF District - Police Services	62,500	62,500	46,797	66,192
<b>Total Public Safety</b>	<b>62,500</b>	<b>62,500</b>	<b>46,797</b>	<b>66,192</b>
<b>HIGHWAYS AND STREETS</b>				
Repairs & Maintenance	-	-	2,698	1,100
<b>Total Highway and Streets</b>	<b>-</b>	<b>-</b>	<b>2,698</b>	<b>1,100</b>
<b>CAPITAL OUTLAY</b>				
General Capital Assets				
Village Hall Improvements	13,000	13,000	4,706	-
Village Hall Generator	15,000	15,000	8,125	-
<b>Total General Capital Assets</b>	<b>28,000</b>	<b>28,000</b>	<b>12,831</b>	<b>-</b>
Proprietary Funds Capital Assets				
Water Tower Rehabilitation	225,000	225,000	-	-
Treatment Plant Air Exchanger	12,000	12,000	-	-
6th St Water Main	-	-	-	6,668
Reline Sanitary Sewers	-	-	-	30,657
Proprietary Funds Capital Outlay Reclassified	-	-	-	(37,325)
<b>Total Capital Outlay</b>	<b>265,000</b>	<b>265,000</b>	<b>12,831</b>	<b>-</b>
<b>TOTAL EXPENDITURES BEFORE TRANSFERS</b>	<b>471,350</b>	<b>471,350</b>	<b>194,012</b>	<b>100,776</b>
<b>TRANSFERS</b>				
Transfer To Water & Sewer Fund	\$ -	\$ -	\$ -	\$ 37,325
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,325</b>
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<b>\$ 471,350</b>	<b>\$ 471,350</b>	<b>\$ 194,012</b>	<b>\$ 138,101</b>

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, 2016  
(with comparative actual for 2015)

	2016		2015 Actual
	Original Budget	Final Budget	
REVENUES			
Intergovernmental Revenues			
DCEO Grant	\$ -	\$ -	\$ 190,558
Total Revenues	-	-	190,558
EXPENDITURES			
Capital Outlay			
Bull Run Creek Property	-	-	165,000
6th Street Engineering	-	-	28,288
6th Street Construction	-	-	162,270
Total Expenditures	-	-	190,558
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(165,000)
OTHER FINANCING SOURCES (USES)			
Loan Proceeds	-	-	165,000
Total Other Financing Sources (Uses)	-	-	165,000
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, 2016

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2016 Total
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 72,831	\$ 191,791	\$ 169,445	\$ 434,067
Water and Sewer Accounts Receivable	51,049	-	-	51,049
Due From Other Funds	7,154	-	-	7,154
Proprietary Fund - Internal Accounts	(17,487)	17,487	-	-
Total Current Assets	<u>113,547</u>	<u>209,278</u>	<u>169,445</u>	<u>492,270</u>
Non-Current Assets				
Capital Assets				
Net Of Accumulated Depreciation	1,585,925	-	-	1,585,925
Total Capital Assets	<u>1,585,925</u>	<u>-</u>	<u>-</u>	<u>1,585,925</u>
Total Assets	<u>1,699,472</u>	<u>209,278</u>	<u>169,445</u>	<u>2,078,195</u>
<b>DEFERRED OUTFLOWS</b>				
Pension Related	27,022	-	-	27,022
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	4,026	-	-	4,026
Accrued Payroll	5,031	-	-	5,031
Due To Other Funds	6,315	-	-	6,315
Total Current Liabilities	<u>15,372</u>	<u>-</u>	<u>-</u>	<u>15,372</u>
Non-Current Liabilities				
Net Pension Liability	71,138	-	-	71,138
Total Liabilities	<u>86,510</u>	<u>-</u>	<u>-</u>	<u>86,510</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related	20,955	-	-	20,955
<b>NET POSITION</b>				
Net Investment In Capital Assets	1,585,925	-	-	1,585,925
Unrestricted	33,104	209,278	169,445	411,827
Total Net Position	<u>\$ 1,619,029</u>	<u>\$ 209,278</u>	<u>\$ 169,445</u>	<u>\$ 1,997,752</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, 2016

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2016 Total
<b>OPERATING REVENUES</b>				
Charges for Services				
Water and Sewer Charges	\$ 309,175	\$ -	\$ -	\$ 309,175
Total Operating Revenues	309,175	-	-	309,175
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>				
Water & Sewer Operations	278,364	11,223	-	289,587
Total Operating Expenses Excluding Depreciation	278,364	11,223	-	289,587
<b>OPERATING INCOME (EXPENSES) BEFORE DEPRECIATION</b>	30,811	(11,223)	-	19,588
DEPRECIATION	83,237	-	-	83,237
<b>OPERATING INCOME (LOSS)</b>	(52,426)	(11,223)	-	(63,649)
<b>NON-OPERATING REVENUES</b>				
Investment Income	-	101	88	189
Total Non-Operating Revenues (Expenses)	-	101	88	189
<b>INCOME BEFORE TRANSFERS</b>	(52,426)	(11,122)	88	(63,460)
<b>TRANSFERS</b>				
Transfers From (To) Other Funds Or Subaccounts				
Water Improvement Subaccount	5,749	(5,749)	-	-
Total Transfers	5,749	(5,749)	-	-
<b>CHANGE IN NET POSITION</b>	(46,677)	(16,871)	88	(63,460)
<b>NET POSITION, MAY 1,</b>	1,727,431	226,149	169,357	2,122,937
Prior Period Adjustment	(61,725)	-	-	(61,725)
<b>NET POSITION, MAY 1, RESTATED</b>	1,665,706	226,149	169,357	2,061,212
<b>NET POSITION, APRIL 30</b>	<u>\$ 1,619,029</u>	<u>\$ 209,278</u>	<u>\$ 169,445</u>	<u>\$ 1,997,752</u>

VILLAGE OF KIRKLAND, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND - WATER AND SEWER FUND BY SUBACCOUNT

For the Year Ended April 30, 2016

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2016 Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts From Customers	\$ 306,394	\$ -	\$ -	\$ 306,394
Payments To Suppliers	(99,955)	(11,223)	-	(111,178)
Payments To Employees	(177,979)	-	-	(177,979)
Net Cash From Operating Activities	<u>28,460</u>	<u>(11,223)</u>	<u>-</u>	<u>17,237</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Capital Assets	(30,286)	-	-	(30,286)
Transfer From Tax Incremental Financing Fund	-	-	-	-
Other Funds Due To/From	(5,755)	-	(20,439)	(26,194)
Proprietary Fund Interaccount Due To/Due From	182	(182)	-	-
Proprietary Fund Interaccount Transfers	5,749	(5,749)	-	-
Net Cash From Capital and Related Financing Activities	<u>(30,110)</u>	<u>(5,931)</u>	<u>(20,439)</u>	<u>(56,480)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	-	101	88	189
Net Cash From Investing Activities	<u>-</u>	<u>101</u>	<u>88</u>	<u>189</u>
NET INCREASE IN CASH	(1,650)	(17,053)	(20,351)	(39,054)
CASH, MAY 1	74,481	208,844	189,796	473,121
CASH, APRIL 30	<u>\$ 72,831</u>	<u>\$ 191,791</u>	<u>\$ 169,445</u>	<u>\$ 434,067</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (52,426)	\$ (11,223)	\$ -	\$ (63,649)
Depreciation	83,237	-	-	83,237
Adjustments To Reconcile Operating Income (Loss) To Net Cash From Operating Activities				
Accounts Receivable	(2,781)	-	-	(2,781)
Accounts Payable	(318)	-	-	(318)
Accrued Payroll	(2,598)	-	-	(2,598)
Pension Expense	3,346	-	-	3,346
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 28,460</u>	<u>\$ (11,223)</u>	<u>\$ -</u>	<u>\$ 17,237</u>

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, 2016  
(with comparative actual for 2015)

	2016		2015 Actual
	Original Budget	Final Budget	
<b>OPERATING REVENUES</b>			
Charges For Services			
Water and Sewer Charges	\$ 311,000	\$ 311,000	\$ 308,120
Miscellaneous			
Reimbursements	200	200	1,055
Total Operating Revenues	311,200	311,200	309,175
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>			
Water & Sewer Operating Expenses	299,305	299,305	278,364
Total Operating Expenses Excluding Depreciation	299,305	299,305	278,364
<b>OPERATING INCOME (EXPENSES) EXCLUDING DEPRECIATION</b>			
	11,895	11,895	30,811
<b>DEPRECIATION</b>			
	-	-	83,237
<b>OPERATING INCOME (LOSS)</b>			
	11,895	11,895	(52,426)
<b>TRANSFERS</b>			
Transfers From (To) Other Funds Or Subaccounts			
From Tax Incremental Financing Fund	-	-	-
From Water Improvement Subaccount	22,500	22,500	23,236
From Sewer Improvement Subaccount	-	-	-
To Water Improvement Subaccount	(17,750)	(17,750)	(17,487)
Total Transfers	4,750	4,750	5,749
<b>CHANGE IN NET POSITION</b>			
	\$ 16,645	\$ 16,645	(46,677)
<b>NET POSITION, MAY 1,</b>			
Prior Period Adjustment			1,727,431
NET POSITION, MAY 1, RESTATED			(61,725)
			1,665,706
<b>NET POSITION, APRIL 30</b>			
			\$ 1,619,029
			\$ 1,727,431

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, 2016  
(with comparative actual for 2015)

	2016			2015 Actual
	Original Budget	Final Budget	Actual	
<b>OPERATING EXPENSES</b>				
<b>Salaries &amp; Benefits</b>				
Water & Sewer F/T Salaries	\$ 109,470	\$ 109,470	\$ 107,355	\$ 107,365
Water & Sewer P/T Maintenance	4,750	4,750	2,515	5,195
Water & Sewer P/T Billing	17,250	17,250	16,430	16,750
Water & Sewer Overtime	3,500	3,500	1,806	2,823
Payroll Taxes	10,325	10,325	9,971	10,108
IMRF Pension	15,950	15,950	15,866	15,517
Pension Expense	-	-	3,346	-
Life Insurance	535	535	534	534
Health Insurance	22,550	22,550	20,904	20,502
<b>Total Salaries &amp; Benefits</b>	<b>184,330</b>	<b>184,330</b>	<b>178,727</b>	<b>178,794</b>
<b>Contractual Services</b>				
Repairs & Maint - Water	6,750	6,750	4,180	4,846
Maint - Truck & Tractor	2,500	2,500	1,066	384
Repairs & Maint - Sewer	1,000	1,000	100	1,468
Meter Repair	4,500	4,500	3,372	3,451
Repairs & Maint - Treatment	4,000	4,000	697	1,934
Dues & Training	900	900	624	622
Electric - Water	33,750	33,750	30,813	31,909
Heat - Sewer Plant	1,800	1,800	1,146	1,330
Telephone	3,750	3,750	3,858	3,302
Internet Expense	720	720	779	724
Property/Liability Insurance	23,450	23,450	24,232	21,334
Postage	1,800	1,800	1,313	1,302
Printing & Publishing	1,700	1,700	1,606	2,080
Testing - Water	3,250	3,250	3,080	2,880
Testing - Treatment	750	750	440	480
JULIE	750	750	436	522
<b>Total Contractual Services</b>	<b>91,370</b>	<b>91,370</b>	<b>77,742</b>	<b>78,568</b>
<b>Materials and Supplies</b>				
Materials & Supplies - Water	7,750	7,750	8,370	6,324
Materials & Supplies - Treatment	2,500	2,500	2,307	2,006
Lab Supplies	1,100	1,100	1,016	1,046
Water Billing Software	900	900	2,517	900
Tools/Equip - Water	400	400	80	-
Tools/Equip - Sewer	300	300	-	-
Tools/Equip - Treatment	300	300	-	-
Automotive Fuel	3,750	3,750	2,167	2,461
Uniforms	3,250	3,250	2,535	3,644
<b>Total Commodities and Supplies</b>	<b>20,250</b>	<b>20,250</b>	<b>18,992</b>	<b>16,381</b>

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, 2016  
(with comparative actual for 2015)

	2016		2015 Actual
	Original Budget	Final Budget	
<b>OPERATING EXPENSES (Continued)</b>			
Capital Outlay			
Equipment	400	400	-
Sewer - Lift Station Pump	-	-	-
Treatment - Equipment	-	-	7,050
Capital Outlay Capitalized	-	-	(7,050)
<b>Total Capital Outlay</b>	<b>400</b>	<b>400</b>	<b>-</b>
Miscellaneous Expense			
NPDES Permit	2,500	2,500	2,500
Lease - Property	403	403	403
Other Expense	52	52	-
<b>Total Miscellaneous Expense</b>	<b>2,955</b>	<b>2,955</b>	<b>2,903</b>
<b>Total Water and Sewer Expenses     Before Depreciation</b>	<b>299,305</b>	<b>299,305</b>	<b>278,364</b>
Depreciation Expense	-	-	83,237
<b>TOTAL OPERATING EXPENSES</b>	<b>299,305</b>	<b>299,305</b>	<b>361,601</b>
<b>TRANSFERS</b>			
Transfer To Water Improvement Subaccount	17,750	17,750	17,487
<b>Total Transfers</b>	<b>17,750</b>	<b>17,750</b>	<b>17,487</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 317,055</b>	<b>\$ 317,055</b>	<b>\$ 379,088</b>

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, 2016  
(with comparative actual for 2015)

	2016			2015 Actual
	Original Budget	Final Budget	Actual	
<b>OPERATING REVENUES</b>				
Charges For Services				
Water and Sewer Charges	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	-	-	-	-
<b>OPERATING EXPENSES</b>				
Water Operations				
Water Tower Engineering	-	-	11,223	-
Water Main Improvements	22,500	22,500	23,236	-
Backhoe	-	-	-	98,500
Water Capital Outlay Capitalized	(22,500)	(22,500)	(23,236)	(98,500)
Total Operating Expenses	-	-	11,223	-
OPERATING INCOME (LOSS)	-	-	(11,223)	-
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment Income	125	125	101	102
Total Non-Operating Revenues (Expenses)	125	125	101	102
<b>TRANSFERS</b>				
Transfer From Water and Sewer Operating	17,750	17,750	17,487	17,305
Transfer (To) Water and Sewer Operating	(22,500)	(22,500)	(23,236)	(98,500)
Total Transfers	(4,750)	(4,750)	(5,749)	(81,195)
CHANGE IN NET POSITION	\$ (4,625)	\$ (4,625)	(16,871)	(81,093)
NET POSITION, MAY 1			226,149	307,242
NET POSITION, APRIL 30			\$ 209,278	\$ 226,149

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, 2016  
(with comparative actual for 2015)

	2016		Actual	2015 Actual
	Original Budget	Final Budget		
<b>OPERATING REVENUES</b>				
Charges for Services				
Water and Sewer Charges	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	-	-	-	-
<b>OPERATING EXPENSES</b>				
Sewer Operations				
Sewer Improvements	-	-	-	173,726
Sewer Improvements Capitalized	-	-	-	(173,726)
Total Sewer Operating Expenses	-	-	-	-
<b>OPERATING INCOME</b>				
	-	-	-	-
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment Income	150	150	88	132
Total Non-Operating Revenues (Expenses)	150	150	88	132
<b>TRANSFERS</b>				
Transfer (To) Water and Sewer Operating	-	-	-	(173,726)
Total Transfers	-	-	-	(173,726)
<b>CHANGE IN NET POSITION</b>	<u>\$ 150</u>	<u>\$ 150</u>	<b>88</b>	<b>(173,594)</b>
NET POSITION, MAY 1			169,357	342,951
NET POSITION, APRIL 30			<u>\$ 169,445</u>	<u>\$ 169,357</u>

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF GENERAL CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

For the Year Ended April 30, 2016

	Capital Assets				Accumulated Depreciation				Net Capital Assets
	Balances May 1	Additions	Retirements	Balances April 30	Balances May 1	Provisions	Retirements	Balances April 30	
<b>GENERAL GOVERNMENT</b>									
Buildings and Improvements	\$ 557,934	\$ 165,000	\$ -	\$ 722,934	\$ 138,429	\$ 13,147	\$ -	\$ 151,576	\$ 571,358
Equipment	12,970	12,831	8,918	16,883	12,156	884	8,918	4,122	12,761
<b>Total General Government</b>	<b>570,904</b>	<b>177,831</b>	<b>8,918</b>	<b>739,817</b>	<b>150,585</b>	<b>14,031</b>	<b>8,918</b>	<b>155,698</b>	<b>584,119</b>
<b>PUBLIC SAFETY</b>									
Equipment & Vehicles	112,283	2,424	-	114,707	56,041	15,453	-	71,494	43,213
<b>Total Public Safety</b>	<b>112,283</b>	<b>2,424</b>	<b>-</b>	<b>114,707</b>	<b>56,041</b>	<b>15,453</b>	<b>-</b>	<b>71,494</b>	<b>43,213</b>
<b>HIGHWAYS AND STREETS</b>									
Equipment & Vehicles	211,468	-	-	211,468	126,988	9,627	-	136,615	74,853
Pioneer Park Improvements	42,853	-	-	42,853	32,290	3,561	-	35,851	7,002
Infrastructure	1,336,113	-	-	1,336,113	313,408	45,691	-	359,099	977,014
<b>Total Highways and Streets</b>	<b>1,590,434</b>	<b>-</b>	<b>-</b>	<b>1,590,434</b>	<b>472,686</b>	<b>58,879</b>	<b>-</b>	<b>531,565</b>	<b>1,058,869</b>
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 2,273,621</b>	<b>\$ 180,255</b>	<b>\$ 8,918</b>	<b>\$ 2,444,958</b>	<b>\$ 679,312</b>	<b>\$ 88,363</b>	<b>\$ 8,918</b>	<b>\$ 758,757</b>	<b>\$ 1,686,201</b>
<b>CAPITAL ASSETS SUMMARY</b>									
Buildings and Improvements	\$ 557,934	\$ 165,000	\$ -	\$ 722,934	\$ 138,429	\$ 13,147	\$ -	\$ 151,576	\$ 571,358
Equipment	12,970	12,831	8,918	16,883	12,156	884	8,918	4,122	12,761
Equipment & Vehicles	323,751	2,424	-	326,175	183,029	25,080	-	208,109	118,066
Pioneer Park Improvements	42,853	-	-	42,853	32,290	3,561	-	35,851	7,002
Infrastructure	1,336,113	-	-	1,336,113	313,408	45,691	-	359,099	977,014
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 2,273,621</b>	<b>\$ 180,255</b>	<b>\$ 8,918</b>	<b>\$ 2,444,958</b>	<b>\$ 679,312</b>	<b>\$ 88,363</b>	<b>\$ 8,918</b>	<b>\$ 758,757</b>	<b>\$ 1,686,201</b>

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF WATER AND SEWER CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

For the Year Ended April 30, 2016

	Capital Assets				Accumulated Depreciation				Net Capital Assets
	Balances		Retirements	Balances		Balances		Balances	
	May 1	Additions		April 30	May 1	Provisions	April 30		
<b>EQUIPMENT</b>									
Equipment	\$ 340,221	\$ 7,050	\$ -	\$ 347,271	\$ 128,282	\$ 13,967	\$ -	\$ 142,249	\$ 205,022
Total Equipment	340,221	7,050	-	347,271	128,282	13,967	-	142,249	205,022
<b>VEHICLES</b>									
Vehicles	131,180	-	-	131,180	35,143	4,925	-	40,068	91,112
Total Vehicles	131,180	-	-	131,180	35,143	4,925	-	40,068	91,112
<b>DISTRIBUTION SYSTEM</b>									
Water System	891,812	23,236	-	915,048	303,000	25,792	-	328,792	586,256
Sewer System	787,880	-	-	787,880	281,980	16,160	-	298,140	489,740
Sewer Treatment Plant	1,038,181	-	-	1,038,181	801,993	22,393	-	824,386	213,795
Total Water & Sewer System	2,717,873	23,236	-	2,741,109	1,386,973	64,345	-	1,451,318	1,289,791
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 3,189,274</b>	<b>\$ 30,286</b>	<b>\$ -</b>	<b>\$ 3,219,560</b>	<b>\$ 1,550,398</b>	<b>\$ 83,237</b>	<b>\$ -</b>	<b>\$ 1,633,635</b>	<b>\$ 1,585,925</b>
<b>CAPITAL ASSETS SUMMARY</b>									
Equipment	\$ 340,221	\$ 7,050	\$ -	\$ 347,271	\$ 128,282	\$ 13,967	\$ -	\$ 142,249	\$ 205,022
Vehicles	131,180	-	-	131,180	35,143	4,925	-	40,068	91,112
Water System	891,812	23,236	-	915,048	303,000	25,792	-	328,792	586,256
Sewer System	787,880	-	-	787,880	281,980	16,160	-	298,140	489,740
Sewer Treatment Plant	1,038,181	-	-	1,038,181	801,993	22,393	-	824,386	213,795
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 3,189,274</b>	<b>\$ 30,286</b>	<b>\$ -</b>	<b>\$ 3,219,560</b>	<b>\$ 1,550,398</b>	<b>\$ 83,237</b>	<b>\$ -</b>	<b>\$ 1,633,635</b>	<b>\$ 1,585,925</b>

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	Total Village Tax Levy
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
2010	26,976,745	2,086,275	26,437	118,298	29,207,755	87,623,265	0.61761	180,390
2009	28,466,081	2,155,445	26,437	87,270	30,735,233	92,205,699	0.57125	175,575
2008	28,861,002	2,141,807	26,437	111,740	31,140,986	93,422,958	0.56280	175,261
2007	27,551,730	2,159,996	26,437	76,710	29,814,873	89,444,619	0.56013	167,002
2006	25,621,258	2,085,769	26,437	62,691	27,796,155	83,388,465	0.57364	159,450

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	2011	2012	2013	2014	2015
<b>VILLAGE DIRECT RATES</b>					
General Corporate	\$ 0.29364	\$ 0.35171	\$ 0.39099	\$ 0.36733	\$ 0.36098
Police Protection	0.29736	0.35171	0.39102	0.45919	0.48132
Audit	0.01859	0.02139	0.02328	0.02297	0.02407
Liability Insurance	0.07434	0.08553	0.09311	0.09185	0.09627
<b>TOTAL VILLAGE DIRECT RATES</b>	<u>\$ 0.68393</u>	<u>\$ 0.81034</u>	<u>\$ 0.89840</u>	<u>\$ 0.94134</u>	<u>\$ 0.96264</u>
<b>OVERLAPPING RATES</b>					
Kishwaukee Community College No. 523	\$ 0.57577	\$ 0.64156	\$ 0.72938	\$ 0.71234	\$ 0.69723
County of DeKalb	0.96943	1.08923	1.20126	1.24825	1.23640
DeKalb County Forest Preserve District	0.07404	0.07972	0.08521	0.08761	0.08530
Franklin Cemetery	0.06109	0.07015	0.07651	0.07900	0.08019
Franklin Road and Bridge	0.50360	0.53815	0.57495	0.59025	0.47766
Franklin Township	0.21204	0.23733	0.25506	0.26335	0.26731
Franklin Twp Park District	0.07613	0.08742	0.09534	0.09845	0.09993
Franklin Fire District	0.43156	0.48260	0.51788	0.52569	0.52780
Kirkland Library	0.16728	0.19872	0.22032	0.23085	0.23607
Hiawatha School District 426	5.34551	5.41202	5.92226	6.03921	6.34142
Village of Kirkland	0.68393	0.81034	0.89840	0.94134	0.96264
<b>TOTAL PROPERTY TAX RATE</b>	<u>\$ 9.10038</u>	<u>\$ 9.64724</u>	<u>\$ 10.57657</u>	<u>\$ 10.81634</u>	<u>\$ 11.01195</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	2011	2012	2013	2014	2015
<b>ASSESSED VALUATION</b>					
Kirkland TIF District	\$ 3,028,641	\$ 2,496,993	\$ 2,017,807	\$ 1,846,907	\$ 1,960,722
<b>PROPERTY TAX RATES</b>					
Kishwaukee Community College No. 523	\$ 0.57577	\$ 0.64156	\$ 0.72938	\$ 0.71234	\$ 0.69723
County of DeKalb	0.96943	1.08923	1.20126	1.24825	1.23640
DeKalb County Forest Preserve District	0.07404	0.07972	0.08521	0.08761	0.08530
Franklin Cemetery	0.06109	0.07015	0.07651	0.07900	0.08019
Franklin Road and Bridge	0.50560	0.53815	0.57495	0.59025	0.47766
Franklin Township	0.21204	0.23733	0.25506	0.26335	0.26731
Franklin Twp Park District	0.07613	0.08742	0.09534	0.09845	0.09993
Franklin Fire District	0.43156	0.48260	0.51788	0.52569	0.52780
Kirkland Library	0.16728	0.19872	0.22032	0.23085	0.23607
Hiawatha School District 426	5.34551	5.41202	5.92226	6.03921	6.34142
Village of Kirkland	0.68393	0.81034	0.89840	0.94134	0.96264
<u>Total Property Tax Rate</u>	<u>\$ 9.10238</u>	<u>\$ 9.64724</u>	<u>\$ 10.57657</u>	<u>\$ 10.81634</u>	<u>\$ 11.01195</u>
<b>TIF DISTRICT TAX LEVIES</b>					
Kishwaukee Community College No. 523	\$ 17,438	\$ 16,020	\$ 14,718	\$ 13,156	\$ 13,671
County of DeKalb	29,361	27,198	24,239	23,054	24,242
DeKalb County Forest Preserve District	2,242	1,991	1,719	1,618	1,672
Franklin Cemetery	1,850	1,752	1,544	1,459	1,572
Franklin Road and Bridge	15,313	13,437	11,600	10,901	9,366
Franklin Township	6,422	5,926	5,147	4,864	5,241
Franklin Twp Park District	2,306	2,183	1,924	1,818	1,959
Franklin Fire District	13,070	12,050	10,450	9,709	10,349
Kirkland Library	5,066	4,962	4,446	4,264	4,629
Hiawatha School District 426	161,896	135,138	119,500	111,539	124,338
Village of Kirkland	20,655	20,234	18,128	17,386	18,875
<u>Total TIF District Tax Levies</u>	<u>\$ 275,619</u>	<u>\$ 240,891</u>	<u>\$ 213,415</u>	<u>\$ 199,768</u>	<u>\$ 215,914</u>

Data Source

Office of the County Clerk



## **Independent Accountant's Report**

To the Honorable Mayor and Board of Trustees  
Village of Kirkland, Illinois

We have examined the Village of Kirkland, Illinois' (the "Village") 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) during the year ended April 30, 2016. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with specified requirements.

In our opinion, the Village of Kirkland, Illinois, complied, in all material respects, with the aforementioned requirements for the year ended April 30, 2016.

This report is intended solely for the information and use of management, the Village Board, others within the Village, the Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

*Wipfli LLP*

Freeport, Illinois  
August 30, 2016

# Village of Kirkland, Illinois

## Schedule of Findings and Questioned Costs

---

### **Finding (2016-001):**

Condition and Criteria - There is inadequate control over the functions of processing and recording the financial transactions of the Village due to the inadequate segregation of duties stemming from limited personnel.

Cause - The Village has a limited number of staff to allow for adequate segregation of duties.

Effects or Potential Effects - Many of the accounting functions are performed by the same individuals.

Auditor's Recommendation - It does not appear to be economically feasible to hire additional personnel to help segregate the accounting functions. However, the Village Board's close supervision and review of accounting information appears to be the most economical and appropriate manner to help prevent and detect errors and irregularities in the Village's accounting and financial reporting.

View of responsible officials - The Village's management and Village Board's close supervision and review of accounting information is the most economical and appropriate manner to help prevent and detect errors and irregularities in the Village's accounting and financial reporting.