

Village of Kirkland

Kirkland, Illinois

Annual Financial Report

For the Year Ended April 30, 2019

Prepared By

William J. Newkirk, Treasurer
Village of Kirkland, Illinois

VILLAGE OF KIRKLAND, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2019

VILLAGE BOARD

Ryan Block, Village President

TRUSTEES

Coleen Ford

Brandon Wiegartz

Dan Chambers

Steve Devlieger

Jessica Fruit

Sarah Ziegler

Carol Steigman, Village Clerk

VILLAGE ADMINISTRATION

Ryan Block, Chief Executive Officer

Adam Davenport, Police Chief

Dale Miller, Public Works Director

Carol Steigman, Office Manager

William Newkirk, Treasurer

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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, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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. 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, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management discussion and analysis on pages 4 through 14 and the budgetary comparison information and the schedules of employer's proportionate share of the net pension liability and employer contributions – IMRF on pages 47 through 53 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, 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. 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 72 through 76 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 2018 financial statements, and our opinion stated that the supplementary information was fairly stated in relation to the basic financial statements in our report dated December 17, 2018. In our opinion, the summarized comparative required supplementary information and supplementary information presented herein as of and for the year ended April 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wipfli LLP

Rockford, Illinois
November 1, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

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, 2019. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved appropriation), and (5) identify individual fund issues or concerns.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Infrastructure Assets

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

Notes to the Financial Statements

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

Other Information

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

Additionally, certain supplemental schedules containing more detailed information on fund revenues and expenditures, capital assets, assessed valuations, and property tax rates and tax levies can be found on pages 54 – 76.

Financial Analysis of the Village as a Whole

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

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

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table shows the net position of the Village of Kirkland as of April 30, 2019.

A significant portion of the Village's net position (74%) reflects its net investment in capital assets less any related outstanding debt used to acquire those assets. Approximately 10% of net position represents resources subject to restrictions on how they may be used, and about 16%, or \$767,031, represents unrestricted net position and may be used to meet the Village's ongoing obligations. During the fiscal year ended April 30, 2019, net position of governmental activities increased \$207,965 and business-type net position decreased \$65,335 for an overall increase of \$142,630.

Table 1
Statement of Net Position
As of April 30, 2018 and 2019

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2019	2018	2019	2018	2019
Assets						
Current Assets	\$ 1,579,556	\$ 1,441,415	\$ 533,743	\$ 477,218	\$ 2,113,299	\$ 1,918,633
Noncurrent Assets	2,025,590	2,220,712	1,471,839	1,426,652	3,497,429	3,647,364
Total Assets	3,605,146	3,662,127	2,005,582	1,903,870	5,610,728	5,565,997
Deferred Outflows	35,530	109,145	9,774	69,918	45,304	179,063
Current Liabilities	141,672	100,718	15,817	7,471	157,489	108,189
Non-Current Liabilities	75,949	130,167	-	20,655	75,949	150,822
Total Liabilities	217,621	230,885	15,817	28,126	233,438	259,011
Deferred Inflows Of Resources	717,593	626,960	59,809	71,267	777,402	698,227
Total Liabilities and Deferred Inflows	935,214	857,845	75,626	99,393	1,010,840	957,238
Net Position						
Net Investment In Capital Assets	1,824,815	2,130,671	1,446,638	1,426,652	3,271,453	3,557,323
Restricted	429,054	463,468	-	-	429,054	463,468
Unrestricted	451,593	319,288	493,092	447,743	944,685	767,031
Total Net Position	\$ 2,705,462	\$ 2,913,427	\$ 1,939,730	\$ 1,874,395	\$ 4,645,192	\$ 4,787,822

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

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

Statement of Activities

The table below summarizes the revenue and expenses of the Village's activities for the fiscal year ended April 30, 2019.

Table 2
Changes In Net Position
For the Fiscal Year Ended April 30, 2018 and 2019

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2019	2018	2019	2018	2019
Revenues						
Program Revenues						
Charges For Services	\$ 188,693	\$ 204,932	\$ 326,259	\$ 372,647	\$ 514,952	\$ 577,579
Operating Grants	44,530	55,571	-	-	44,530	55,571
Capital Grant	-	-	-	-	-	-
General Revenues						
Property Tax	490,719	500,345	-	-	490,719	500,345
Sales Tax	142,340	192,900	-	-	142,340	192,900
State Income Tax	158,149	169,323	-	-	158,149	169,323
Utility Tax	102,737	100,242	-	-	102,737	100,242
Other Taxes	53,789	68,098	-	-	53,789	68,098
Investment Income	6,890	16,650	172	193	7,062	16,843
Gain on Sale of Assets	-	5,073	-	-	-	5,073
Miscellaneous	11,783	9,928	-	-	11,783	9,928
Total Revenues	1,199,630	1,323,062	326,431	372,840	1,526,061	1,695,902
Expenses						
General Government	333,709	373,903	-	-	333,709	373,903
Public Safety	284,498	239,552	-	-	284,498	239,552
Highways and Streets	281,979	318,393	-	-	281,979	318,393
Sanitation	155,735	180,929	-	-	155,735	180,929
Interest	3,284	2,320	-	-	3,284	2,320
Water and Sewer	-	-	352,416	438,175	352,416	438,175
Total Expenses	1,059,205	1,115,097	352,416	438,175	1,411,621	1,553,272
Contributions	-	-	-	-	-	-
Change In Net Position	140,425	207,965	(25,985)	(65,335)	114,440	142,630
Net Position, May 1	2,565,037	2,705,462	1,965,715	1,939,730	4,530,752	4,645,192
Net Position, April 30	\$ 2,705,462	\$ 2,913,427	\$ 1,939,730	\$ 1,874,395	\$ 4,645,192	\$ 4,787,822

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, 2019 were \$1,323,062. This total includes \$55,571 in "operating grants" that represent state shared motor fuel taxes and a grant received for economic development. In comparison to the prior year, total revenues increased \$123,432 primarily because of increases to sales tax, income tax, and property tax.

The revenue mix, received in the fiscal year ended April 30, 2019, represents a relatively diverse revenue base. About 20% of revenues were provided by service charges and operating grants, 38% from property taxes, 18% from state shared revenues, 15% from sales taxes, 8% from utility taxes, and 1% from other sources.

State-shared revenues including state income tax, use tax, video gaming tax, and personal property replacement tax totaled \$237,421 in the fiscal year ended April 30, 2019, an increase of \$25,483 from the previous year. Additionally, sales tax revenues of \$192,900 increased \$50,560, or about 36% from the previous fiscal year.

Expenses

Total expenses for the Village's governmental activities for the fiscal year ended April 30, 2019 were \$1,115,097. As required by GASB Statement No. 34, total expenses include depreciation but it excludes expenditures for capital assets. The largest functional expense was general government at \$373,903. This amount was followed by \$318,393 for highways and streets, \$239,552 for public safety, \$180,929 for sanitation (refuse disposal) and \$2,320 for interest expense. Overall, total revenues in governmental activities exceeded total expenses by \$207,965.

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, 2019 were \$372,840. This amount included \$372,647 for water and sewer charges and \$193 for interest income. Charges for water and sewer service provided about 85% of total related business-type expenses including depreciation.

Expenses

Total expenses, including depreciation of \$85,766, for the Village's business-type activities for the fiscal year ended April 30, 2019 were \$438,175. During the year, the net position of business-type activities decreased \$65,335.

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, 2019, the governmental funds (as presented on the balance sheet on page 20) had combined fund balances of \$877,623. This represents an overall decrease of \$93,306 from prior year fund balances. The General Fund decreased \$127,720 The Motor Fuel Tax Fund increased \$34,309, along with an increase in the Tax Increment Financing Fund of \$105.

The total net position of the Water and Sewer Fund decreased from \$1,939,730 at April 30, 2018 to \$1,874,395 at April 30, 2019, a decrease of \$65,355. However, of greater significance is the unrestricted portion of net position of the Water and Sewer Fund which decreased \$45,349. The total amount of unrestricted net position, which represents net working capital, as of April 30, 2019 was \$447,743 compared to \$493,092 as of April 30, 2018.

The revenues of the Village have been impacted by the stagnation in the general economy and especially by the slowdown in the residential housing market. The slowdown in the residential housing market has resulted in a reduction in permit fees, water and sewer tap on fees, and expected increases in water and sewer operating revenues. A bright spot in the Village's revenue picture is the increase in sales tax, which jumped about 85% during the 2014/2015 fiscal year and has continued to increase with a 16% increase in the 2016/2017 fiscal year, an additional 12% in the 2017/2018 fiscal year, and an additional 36% in the 2018/2019 fiscal year. Property taxes have slowly increased as the real estate market continues to improve.

The available balances of each of the Village funds appear to be adequate as of April 30, 2019 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, 2019
(With Comparative Actual for 2018)

	2019		Actual	2018 Actual
	Original Budget	Final Budget		
REVENUES				
Taxes	\$ 455,915	\$ 455,915	\$ 504,103	\$ 463,669
Licenses and Permits	14,050	14,050	18,687	10,141
Intergovernmental Revenue	198,750	198,750	237,421	215,293
Service Charges	159,300	159,300	164,487	153,501
Fines and Forfeits	35,000	35,000	21,758	25,051
Investment Income	5,000	5,000	12,531	4,829
Miscellaneous	19,850	19,850	21,228	11,783
Total Revenues	887,865	887,865	980,215	884,267
EXPENDITURES				
Current				
General Government	168,680	168,680	159,741	172,006
Public Safety	282,310	282,310	271,541	319,727
Highways and Streets	340,970	340,970	371,651	197,024
Sanitation	159,270	159,270	180,929	155,735
Capital Outlay	-	-	151,176	-
Debt Service	4,000	4,000	39,393	35,535
Total Expenditures	955,230	955,230	1,174,431	880,027
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(67,365)	(67,365)	(194,216)	4,240
(OTHER FINANCING SOURCES (USES))				
Interfund Transfers In (Out)	-	-	(17,045)	-
Sale of capital assets	(13,500)	(13,500)	5,073	-
Loan Proceeds	(15,000)	(15,000)	78,468	15,431
Total Other Financing Sources (Uses)	(28,500)	(28,500)	66,496	15,431
NET CHANGE IN FUND BALANCE	\$ (95,865)	\$ (95,865)	(127,720)	19,671
FUND BALANCE, MAY 1			541,875	522,204
FUND BALANCE, APRIL 30			\$ 414,155	\$ 541,875

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

The General Fund total expenditures exceeded total revenue by \$194,216, a transfer out to the MFT Fund of \$17,045 also decreases fund balance, loan proceeds from the loan for new trucks of \$78,468 and proceeds from sales of capital assets of \$5,073 increase fund balance. The fund balance decreased from \$541,875 to \$414,155.

The fund balance of the General Fund of \$414,155 compared to total expenditures of \$1,174,431 represents a fund balance to expenditures ratio of 46.1%. A fund balance to expenditures ratio in excess of 50% in a municipality the size of Kirkland indicates a relatively good financial position. Expenditures in fiscal year 2018/2019 were unusually high due to the purchase of new equipment.

CAPITAL ASSETS

The following schedule reflects the Village's capital asset balances as of April 30, 2019.

Table 4
Capital Assets
As of April 30, 2019
(With Comparative Actual for 2018)

	2019		Totals	2018 Totals
	Governmental Activities	Business-Type Activities		
Building and Improvements	\$ 739,234	\$ -	\$ 739,234	\$ 739,234
Equipment and Vehicles	495,447	571,421	1,066,868	876,944
Pioneer Park Improvement	42,853	-	42,853	42,853
Infrastructure	1,948,456	-	1,948,456	1,692,071
Water and Sewer System	-	1,702,928	1,702,928	1,702,928
Sewer Treatment Plant	-	1,038,181	1,038,181	1,038,181
Total Capital Assets				
Excluding Depreciation	<u>3,225,990</u>	<u>3,312,530</u>	<u>6,538,520</u>	<u>6,092,211</u>
Less:				
Accumulated Depreciation	<u>1,005,278</u>	<u>1,885,878</u>	<u>2,891,156</u>	<u>2,711,594</u>
Total Capital Assets	<u><u>\$2,220,712</u></u>	<u><u>\$1,426,652</u></u>	<u><u>\$3,647,364</u></u>	<u><u>\$3,380,617</u></u>

At year-end, the Village's investment in capital assets (net of accumulated depreciation) for both its governmental and business-type activities was \$3,647,364 (see note 3 in the Notes to the Financial Statements for further information regarding capital assets). During the fiscal year ended April 30, 2019, there were several asset additions including road improvements, new public works vehicles, and new equipment. Additional information on the Village's capital assets can be found on pages 36 - 37 of the notes to the financial statements.

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

LONG-TERM DEBT

During the 2016 fiscal year the Village obtained an installment note for \$165,000 for five years to purchase property that was in a flood plain. As of April 30, 2018 the balance of this note was \$93,733. A total of \$33,215 in principal was paid on the note during the year ended April 30, 2019. During the 2018 fiscal year the Village entered into an agreement with the DeKalb County Sheriff's Department to pay for new communications equipment required because of upgrades throughout the county in the amount of \$15,431. The first payment is not due until December 31, 2019, however the Village made a payment in July 2018 of 3,858. During the 2019 fiscal year the Village obtained an installment note for \$78,468 for the purchase of two public works trucks. The first payment is not due until November 15, 2019. 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, 2018 and April 30, 2019.

Table 5
Long-Term Debt
As of April 30, 2019
(With Comparative Actual for 2018)

	2019			2018 Total
	Governmental Activities	Business-Type Activities	Total	
Bull Run Property Note	\$ 60,518	\$ -	\$ 60,518	\$ 93,733
Note Payable - Trucks	78,468	-	78,468	-
DeKalb County Sheriff Note	11,573	-	11,573	15,431
Total Long-Term Debt	\$ 150,559	\$ -	\$ 150,559	\$ 109,164

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. 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 road improvements, sewer system improvements, water and sewer equipment and an expansion of the sewer treatment plant building. The TIF District was established in 1995 and has a total life of 23 years, meaning this is the final year of the TIF District.

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 Treasurer, Village of Kirkland, 511 W. Main Street, Kirkland, Illinois 60146.

FINANCIAL STATEMENTS

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 839,788	\$ 417,306	\$ 1,257,094
Receivables			
Property Taxes	515,710	-	515,710
Other Taxes	58,294	-	58,294
Accounts	27,623	59,912	87,535
Net Pension Asset			
Capital Assets, Net of Accumulated Depreciation	2,220,712	1,426,652	3,647,364
Total Assets	3,662,127	1,903,870	5,565,997
DEFERRED OUTFLOWS			
Pension Related	109,145	69,918	179,063
LIABILITIES			
Accounts Payable	31,504	4,257	35,761
Accrued Payroll	10,585	3,214	13,799
Other Liabilities	1,016	-	1,016
Due to Developers	4,977	-	4,977
Notes Payable - due within one year	52,636	-	52,636
Noncurrent Liabilities			
Notes Payable	97,923	-	97,923
Net Pension Liability	32,244	20,655	52,899
Total Liabilities	230,885	28,126	259,011
DEFERRED INFLOWS OF RESOURCES			
Pension Related	111,250	71,267	182,517
Property Taxes	515,710	-	515,710
Total Deferred Inflows Of Resources	626,960	71,267	698,227
Total Liabilities and Deferred Inflows of Resources	857,845	99,393	957,238
NET POSITION			
Net Investment In Capital Assets	2,130,671	1,426,652	3,557,323
Restricted For			
Highways and Streets	238,902	-	238,902
Tax Incremental Financing District	224,566	-	224,566
Unrestricted	319,288	447,743	767,031
Total Net Position	\$ 2,913,427	\$ 1,874,395	\$ 4,787,822

See Notes to Financial Statements

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2019

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
Governmental Activities				
General Government	\$ 373,903	\$ 18,687	\$ 11,300	\$ -
Public Safety	239,552	21,758	-	-
Highways and Streets	318,393	-	44,271	-
Sanitation	180,929	164,487	-	-
Interest	2,320	-	-	-
Total Governmental Activities	1,115,097	204,932	55,571	-
Business-Type Activities				
Water and Sewer Service	438,175	372,647	-	-
Total Business-Type Activities	438,175	372,647	-	-
TOTAL PRIMARY GOVERNMENT	\$ 1,553,272	\$ 577,579	\$ 55,571	\$ -

See Notes to Financial Statements.

Net (Expense) Revenue and Change In Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (343,916)	\$ -	\$ (343,916)
	(217,794)	-	(217,794)
	(274,122)	-	(274,122)
	(16,442)	-	(16,442)
	(2,320)	-	(2,320)
	(854,594)	-	(854,594)
	-	(65,528)	(65,528)
	-	(65,528)	(65,528)
	(854,594)	(65,528)	(920,122)
General Revenues			
Property Taxes	500,345	-	500,345
Sales Tax	192,900	-	192,900
Utility Taxes	100,242	-	100,242
Intergovernmental - Unrestricted			
State Income Tax	169,323	-	169,323
Other Taxes	68,098	-	68,098
Investment Income	16,650	193	16,843
Gain on Sale of Capital Assets	5,073	-	5,073
Miscellaneous	9,928	-	9,928
Total General Revenue	1,062,559	193	1,062,752
CHANGE IN NET POSITION	207,965	(65,335)	142,630
NET POSITION, MAY 1	2,705,462	1,937,712	4,643,174
NET POSITION, APRIL 30	\$ 2,913,427	\$ 1,872,377	\$ 4,785,804

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2019

	General	Motor Fuel Tax	Tax Incremental Financing	Capital Projects Fund	Total
ASSETS					
Cash	\$ 359,546	\$ 236,076	\$ 244,166	\$ -	\$ 839,788
Receivables					
Property Taxes	214,547	-	301,163	-	515,710
# Other Taxes	54,434	3,860	-	-	58,294
Accounts	27,623	-	-	-	27,623
Total Assets	\$ 656,150	\$ 239,936	\$ 545,329	\$ -	\$ 1,441,415
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 10,870	\$ 1,034	\$ 19,600	\$ -	\$ 31,504
Accrued Payroll	10,585	-	-	-	10,585
Other Payables	1,016	-	-	-	1,016
Due To Developers	4,977	-	-	-	4,977
Total Liabilities	27,448	1,034	19,600	-	48,082
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	214,547	-	301,163	-	515,710
Total Deferred Inflows Of Resources	214,547	-	301,163	-	515,710
Total Liabilities and Deferred Inflows of Resources	241,995	1,034	320,763	-	563,792
FUND BALANCES					
Restricted					
Highways and Streets	-	238,902	-	-	238,902
Tax Incremental Financing District	-	-	224,566	-	224,566
Assigned					
Capital Equipment	48,555	-	-	-	48,555
Unassigned	365,600	-	-	-	365,600
Total Fund Balances	414,155	238,902	224,566	-	877,623
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 656,150	\$ 239,936	\$ 545,329	\$ -	\$ 1,441,415

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, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 877,623
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

Deferred Resources in governmental activities are
not financial resources and, therefore are not
reported in the Governmental Funds.

Deferred Outflows Related to Pensions	109,145
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Capital Assets used in governmental activities are
not financial resources and, therefore, are not
reported in the Governmental Funds

	2,220,712
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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	(150,559)
Net Pension Asset (Liability)	(32,244)
Deferred Inflows Related to Pensions	(111,250)

NET POSITION OF GOVERNMENTAL ACTIVITIES

	<u>\$ 2,913,427</u>
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See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

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

For the Year Ended April 30, 2019

	General	Motor Fuel Tax	Tax Incremental Financing	Capital Projects Fund	Total
REVENUES					
Taxes	\$ 504,103	\$ -	\$ 289,384	\$ -	\$ 793,487
Licenses and Permits	18,687	-	-	-	18,687
Intergovernmental Revenue	237,421	44,271	-	-	281,692
# Service Charges	164,487	-	-	-	164,487
Fines and Forfeits	21,758	-	-	-	21,758
Investment Income	12,531	3,951	168	-	16,650
Miscellaneous	21,228	-	-	-	21,228
Total Revenues	980,215	48,222	289,552	-	1,317,989
EXPENDITURES					
Current					
General Government	159,741	-	213,394	-	373,135
Public Safety	271,541	-	-	-	271,541
Highways and Streets	371,651	30,958	1,053	-	403,662
Sanitation	180,929	-	-	-	180,929
Capital Outlay	151,176	-	75,000	-	226,176
Debt Service	39,393	-	-	-	39,393
Total Expenditures	1,174,431	30,958	289,447	-	1,494,836
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(194,216)	17,264	105	-	(176,847)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	5,073	-	-	-	5,073
Loan Proceeds	78,468	-	-	-	78,468
Interfund Transfers In (Out)	(17,045)	17,045	-	-	-
Total Other Financing Sources (Uses)	66,496	17,045	-	-	83,541
NET CHANGE IN FUND BALANCES	(127,720)	34,309	105	-	(93,306)
FUND BALANCES, MAY 1	541,875	204,593	224,461	-	970,929
FUND BALANCES, APRIL 30	\$ 414,155	\$ 238,902	\$ 224,566	\$ -	\$ 877,623

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, 2019

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (93,306)
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	400,529
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.	(78,468)
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	37,073
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	(113,796)
Pension Expense	<u>55,933</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>207,965</u></u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

April 30, 2019

	Business-Type Activities
	Water and Sewer System
ASSETS	
Current Assets	
Cash	\$ 417,306
Receivables	
Accounts - Billed and Unbilled	59,912
Due From Other Funds	<u> -</u>
Total Current Assets	<u>477,218</u>
Non-Current Assets	
Net Pension Asset	-
Capital Assets	
Net of Accumulated Depreciation	<u>1,426,652</u>
Total Non-Current Assets	<u>1,426,652</u>
Total Assets	<u>1,903,870</u>
DEFERRED OUTFLOWS	
Pension Related	<u>69,918</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	4,257
Accrued Payroll	3,214
Due To Other Funds	<u> -</u>
Total Current Liabilities	<u>7,471</u>
Non-Current Liabilities	
Net Pension Liability	<u>20,655</u>
Total Liabilities	<u>28,126</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Related	<u>71,267</u>
NET POSITION	
Net Investment In Capital Assets	1,426,652
Unrestricted	<u>447,743</u>
TOTAL NET POSITION	<u>\$ 1,874,395</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, 2019

	Business-Type Activities
	Water and Sewer System
<hr/>	
OPERATING REVENUES	
Charges for Services	\$ 372,647
Total Operating Revenues	<u>372,647</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Water and Sewer Operations	
Salaries and Benefits	194,880
Contractual Services	121,575
Material and Supplies	31,617
Miscellaneous	4,337
Total Operating Expenses Excluding Depreciation	<u>352,409</u>
OPERATING INCOME BEFORE DEPRECIATION	<u>20,238</u>
DEPRECIATION	<u>85,766</u>
OPERATING INCOME (LOSS)	<u>(65,528)</u>
NON-OPERATING REVENUES	
Investment Income	<u>193</u>
Total Non-Operating Revenue	<u>193</u>
CHANGE IN NET POSITION	(65,335)
NET POSITION, MAY 1	<u>1,937,712</u>
NET POSITION, APRIL 30	<u>\$ 1,872,377</u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2019

	Business-Type Activities Water and Sewer System
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers	\$ 363,807
Payments To Suppliers	(166,482)
Payments To Employees	(197,103)
	<u>222</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(65,780)
Transfer From Tax Incremental Financing Fund	-
General Fund Due To/From	6,917
	<u>(58,863)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	193
	<u>193</u>
NET INCREASE (DECREASE) IN CASH	(58,448)
CASH, MAY 1	475,754
CASH, APRIL 30	\$ 417,306
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (65,528)
Depreciation	85,766
Adjustments To Reconcile Operating Income (Loss) To Net Cash From Operating Activities	
Accounts Receivable	(8,840)
Accounts Payable	(8,953)
Accrued Payroll	607
Pension related amounts	(2,830)
	<u>(8,840)</u>
NET CASH FROM OPERATING ACTIVITIES	\$ 222

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

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, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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

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

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

Fund Financial Statements

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

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

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

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

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, 2019

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, 2019

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 their acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

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 their acquisition value on the date donated. Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings 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, 2019

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, 2019

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 2017 Tax Levy Ordinance, adopted in December 2017, and collected in 2018, was used to finance the fiscal year ended April 30, 2019. The 2018 Tax Levy Ordinance, adopted in December 2018, is recorded as a receivable and unavailable revenue in the financial statements for the year ended April 30, 2019.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

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.

The Village is a participant in the Local Government Investment Pool (LGIP) which is authorized in Illinois Compiled Statutes 30 ILCS 235 under the Public Funds Investment Act. The LGIP is not registered with the Securities Exchange Commission as an investment company. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in LGIP. The investment is not subject to the fair value hierarchy disclosures.

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 \$411,707 and the bank balances totaled \$467,715. Additionally, the Village had \$845,387 deposited in the Illinois Funds which is stated at cost which approximates market.

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, 2019

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 three banks and the Illinois Funds: 11% of deposits were with Midland States Bank, Kirkland, Illinois, 19% with Heartland Bank, Genoa, Illinois, 3% with Blackhawk Bank, Rockford, Illinois, and 67% with Illinois Funds.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year ended April 30, 2019 follows on the next page:

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS - Continued

Governmental Activities – Continued

	<u>Balances</u> May 1, 2018	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> April 30, 2019
Capital Assets				
General Government				
Building and Improvements	\$ 739,234	\$ -	\$ -	\$ 739,234
Equipment	21,628	-	-	21,628
Public Safety				
Equipment and Vehicles	124,907	15,431	-	140,338
Highways and Streets				
Equipment and Vehicles	224,768	128,713	20,000	333,481
Pioneer Park Improvement	42,853	-	-	42,853
Infrastructure	<u>1,692,071</u>	<u>256,385</u>	<u>-</u>	<u>1,948,456</u>
	<u>2,845,461</u>	<u>400,529</u>	<u>20,000</u>	<u>3,225,990</u>
Less Accumulated Depreciation				
General Government				
Building and Improvements	178,278	13,962	-	192,240
Equipment	7,502	2,223	-	9,725
Public Safety				
Equipment and Vehicles	73,065	15,982	-	89,047
Highways and Streets				
Equipment and Vehicles	156,373	22,597	20,000	158,970
Pioneer Park Improvement	41,333	1,449	-	42,782
Infrastructure	<u>454,931</u>	<u>57,583</u>	<u>-</u>	<u>512,514</u>
	<u>911,482</u>	<u>113,796</u>	<u>20,000</u>	<u>1,005,278</u>
Total Capital Assets	<u>\$ 1,933,979</u>	<u>\$ 286,733</u>	<u>\$ -</u>	<u>\$ 2,220,712</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 16,185
Public Safety	15,982
Highways and Streets	<u>81,629</u>
	<u>\$ 113,796</u>

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS - Continued

Business-Type Activities

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

	<u>Balances</u> May 1, 2018	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> April 30, 2019
Capital Assets				
Equipment	\$ 374,461	\$ 65,780	\$ -	\$ 440,241
Vehicles	131,180	-	-	131,180
Water System	915,048	-	-	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>3,246,750</u>	<u>65,780</u>	<u>-</u>	<u>3,312,530</u>
Less Accumulated Depreciation				
Equipment	169,606	16,353	-	185,959
Vehicles	49,918	4,925	-	54,843
Water System	380,956	26,082	-	407,038
Sewer System	330,460	16,160	-	346,620
Sewer Treatment Plant	<u>869,172</u>	<u>22,246</u>	<u>-</u>	<u>891,418</u>
	<u>1,800,112</u>	<u>85,766</u>	<u>-</u>	<u>1,885,878</u>
Total Capital Assets	<u>\$ 1,446,638</u>	<u>\$ (19,986)</u>	<u>\$ -</u>	<u>\$ 1,426,652</u>

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Installment Loans:

Issue	Fund Debt Retired By	Balances May 1, 2018	Issuances	Retirements	Balances April 30, 2019
Installment note to purchase Bull Run Creek Property, due in 60 monthly installments with interest at 2.91%, maturing January 22, 2021.	General Fund	\$ 93,733	-	\$ 33,215	\$ 60,518
Installment note to purchase two Public Works trucks, due in 5 annual installments with interest at 3.67%, maturing November 15, 2023.	General Fund	-	\$ 78,468	-	\$ 78,468
Installment note to DeKalb County Sheriff for digital communication system, due in 4 annual installments with interest at 3%, maturing December 31, 2022	General Fund	15,431	-	3,858	11,573
		\$ <u>109,164</u>	\$ <u>78,468</u>	\$ <u>37,073</u>	\$ <u>150,559</u>

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT - Continued

Debt Repayment Schedules:

	Fiscal Year April 30	Principal	Interest	Total Payments
Installment Loan	2020	\$ 34,209	\$ 1,327	\$ 35,536
Bull Run Creek Property	2021	26,309	325	26,634
Total		<u>\$ 60,518</u>	<u>\$ 1,652</u>	<u>\$ 62,170</u>
Installment Loan	2020	\$ 3,858	\$ 347	\$ 4,205
DeKalb County Sheriff	2021	3,858	231	4,089
	2022	3,857	116	3,973
Total		<u>\$ 11,573</u>	<u>\$ 694</u>	<u>\$ 12,267</u>
Installment Loan	2020	\$ 14,570	\$ 2,920	\$ 17,490
Public Works Trucks	2021	15,112	2,378	17,490
	2022	15,674	1,815	17,489
	2023	16,257	1,232	17,489
	2024	16,855	634	17,489
Total		<u>\$ 78,468</u>	<u>\$ 8,979</u>	<u>\$ 87,447</u>

Debt Limitation

The Village is subject to a debt limitation of 8.625% of its assessed valuation of \$22,823,862. As of April 30, 2019, the Village had a debt limit of \$1,968,558, but no general obligation outstanding debt.

Authorized Debt Not Yet Issued

On December 26, 2018 the Illinois Environmental Protection Agency (IEPA) authorized a loan in the amount of \$934,698 to be used for engineering and construction costs related the Bull Run Creek Project. This loan was not drawn as of April 30, 2019, however as of the date of this report \$365,450 had been drawn on the loan. The project is expected to be completed by April 30, 2020.

VILLAGE OF KIRKLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 April 30, 2019

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERNAL ACCOUNTS

Internal Transfers

Transfers between funds for the year ending April 30, 2019 consist of the following:

<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
General Fund		
MFT Fund	\$ -	\$ 17,045
MFT Fund		
General Fund	17,045	-
Totals	<u>\$ 17,045</u>	<u>\$ 17,045</u>

The interfund transfer from the General Fund to the MFT Fund was for reimbursement of expenditures in a prior year.

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 an agent multiple-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download on-line at www.imrf.org.

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

VILLAGE OF KIRKLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 April 30, 2019

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

Benefits Provided – Continued

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

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. 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, 2018 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	6
Active employees	6
Total	<div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100%; margin: 0;">18</div>

Contributions – As set by statute, the employer’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar year 2018 was 9.06%. For the fiscal year ended April 30, 2019, the Village contributed \$22,062 to the plan. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

Net Pension Liability – The employer’s Net Pension Liability was measured as of December 31, 2018, 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, 2018:

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

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

The **Inflation rate** used was 2.50%.

Salary Increases were expected to be 3.39% to 14.25%, including inflation.

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

Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.

The IMRF-specific rates for **Mortality** (for non-disabled retirees) were based on an IMRF specific mortality table used with the fully generational projection scale MP-2017 (base year 2015). For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2017 Employee Mortality Table, applying the same adjustments that were applied for non-disabled lives.

For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members’ contributions will be made at the current contribution rate, and the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2018	\$ 1,185,064	\$ 1,301,876	\$ (116,812)
Service Costs	27,710	-	27,710
Interest On Total Pension Liability	87,755	-	87,755
Difference Between Expected and Actual Experience	10,476	-	10,476
Changes In Assumptions	32,737	-	32,737
Employer Contributions	-	23,548	(23,548)
Employee Contributions	-	11,696	(11,696)
Net Investment Income	-	(64,424)	64,424
Benefit Payments, Net of Refunds	(57,704)	(57,704)	-
Other Changes	-	18,147	(18,147)
Net Changes	100,974	(68,737)	169,711
Balances As Of December 31, 2019	<u>\$ 1,286,038</u>	<u>\$ 1,233,139</u>	<u>\$ 52,899</u>

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

	1%	Current Rate	1%
	Decrease (6.25%)	(7.25%)	Increase (8.25%)
Village's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 201,124</u>	<u>\$ 52,899</u>	<u>\$ (69,562)</u>

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended April 30, 2019, the Village recognized pension expense of \$22,415. At April 30, 2019, the Village had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources to be recognized in future pension expenses:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 6,315	\$ 96,377	\$ (90,062)
Changes In Assumptions	19,846	20,767	(921)
Net Difference Between Projected and Actual Earnings	147,005	65,373	81,632
Employer Contributions Subsequent to the Measurement Date	5,897	-	5,897
Total	<u>\$ 179,063</u>	<u>\$ 182,517</u>	<u>\$ (3,454)</u>

The Village reported \$5,897 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (15,124)
2021	(15,526)
2022	(11,080)
2023	32,379
2024	-
Thereafter	-
Total	<u>\$ (9,351)</u>

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

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. 75, *Accounting and Financial Reporting 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, 2019.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2019

NOTE 5 – OTHER INFORMATION - Continued

TORT INSURANCE EXPENDITURES

The Village allocated the total amount of the tort insurance levy of \$19,844 received in the year ended April 30, 2019 towards tort insurance expenditures for the year, resulting in no restricted balances for tort as of April 30, 2019.

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 management 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.

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, 2019
(with comparative actual for 2018)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 455,915	\$ 455,915	\$ 504,103	\$ 463,669
Licenses and Permits	14,050	14,050	18,687	10,141
Intergovernmental Revenue	198,750	198,750	237,421	215,293
Service Charges	159,300	159,300	164,487	153,501
Fines and Forfeits	35,000	35,000	21,758	25,051
Investment Income	5,000	5,000	12,531	4,829
Miscellaneous	19,850	19,850	21,228	11,783
Total Revenues	887,865	887,865	980,215	884,267
EXPENDITURES				
Current				
General Government	168,680	168,680	159,741	172,006
Public Safety	282,310	282,310	271,541	319,727
Highways and Streets	340,970	340,970	371,651	197,024
Sanitation	159,270	159,270	180,929	155,735
Capital Outlay	-	-	151,176	-
Debt Service	4,000	4,000	39,393	35,535
Total Expenditures	955,230	955,230	1,174,431	880,027
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(67,365)	(67,365)	(194,216)	4,240
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In (Out)	-	-	(17,045)	-
Sale of capital assets	(13,500)	(13,500)	5,073	-
Loan Proceeds	(15,000)	(15,000)	78,468	15,431
Total Other Financing Sources (Uses)	(28,500)	(28,500)	66,496	15,431
NET CHANGE IN FUND BALANCE	\$ (95,865)	\$ (95,865)	(127,720)	19,671
FUND BALANCE, MAY 1			541,875	522,204
FUND BALANCE, APRIL 30			\$ 414,155	\$ 541,875

(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, 2019
(with comparative actual for 2018)

	2019		2018 Actual
	Original Budget	Final Budget	
REVENUES			
Intergovernmental Revenues			
MFT Allocation	\$ 44,900	\$ 44,900	\$ 44,271
Investment Income	625	625	3,951
Total Revenues	<u>45,525</u>	<u>45,525</u>	<u>48,222</u>
EXPENDITURES			
Highways and Streets			
Street Salt	-	-	14,466
Street Repairs & Improvements	40,000	40,000	13,683
Engineering	5,000	5,000	2,809
Total Expenditures	<u>45,000</u>	<u>45,000</u>	<u>30,958</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>525</u>	<u>525</u>	<u>17,264</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers In (Out)	-	-	17,045
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>17,045</u>
NET CHANGE IN FUND BALANCE	<u>\$ 525</u>	<u>\$ 525</u>	<u>34,309</u>
FUND BALANCE, MAY 1			<u>204,593</u>
FUND BALANCE, APRIL 30			<u>\$ 238,902</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, 2019
(with comparative actual for 2018)

	2019		Actual	2018 Actual
	Original Budget	Final Budget		
REVENUES				
Taxes				
TIF Property Taxes	\$ 290,000	\$ 290,000	\$ 289,384	\$ 285,459
Miscellaneous				
Investment Income	400	400	168	414
Other Income	-	-	-	-
Total Revenues	<u>290,400</u>	<u>290,400</u>	<u>289,552</u>	<u>285,873</u>
EXPENDITURES				
Current				
General Government	448,700	448,700	213,394	43,591
Public Safety	-	-	-	-
Highways and Streets	1,200	1,200	1,053	355,958
Capital Outlay	50,000	50,000	75,000	36,856
Total Expenditures	<u>499,900</u>	<u>499,900</u>	<u>289,447</u>	<u>436,405</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(209,500)</u>	<u>(209,500)</u>	<u>105</u>	<u>(150,532)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)				
Transfer To Water & Sewer Fund	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (209,500)</u>	<u>\$ (209,500)</u>	<u>105</u>	<u>(150,532)</u>
FUND BALANCE, MAY 1			<u>224,461</u>	<u>374,993</u>
FUND BALANCE, APRIL 30			<u>\$ 224,566</u>	<u>\$ 224,461</u>

(See Notes to Required Supplementary Information.)

VILLAGE OF KIRKLAND, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
MULTIYEAR SCHEDULE OF CONTRIBUTIONS

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

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As A % Of Covered Valuation Payroll
2019	\$ 22,062	\$ 22,062	\$ -	\$ 288,435	7.65%
2018	26,124	26,124	-	256,621	10.18%
2017	35,766	35,766	-	337,430	10.60%
2016	46,630	46,630	-	389,019	11.99%
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-

(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 2018 CONTRIBUTION RATE (1)

April 30, 2019

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 2018 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): 25-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 20 years for most employers (three employers were financed over 29 years).
Asset Valuation Method	5-year smoothed market; 20% corridor.
Wage Growth	3.5%.
Price Inflation	2.75%
Salary Increases	3.75 to 14.50% 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 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scal MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjusts to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were appied for non-disabled lives. Fore active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Morality Table with adjustment to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

(1) Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation.

(See Notes to Required Supplementary Information)

VILLAGE OF KIRKLAND, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Calendar Year Ending December 31,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability:										
Service Cost	\$ 27,710	\$ 42,317	\$ 46,558	\$ 46,695	\$ 42,777					
Interest On The Total Pension Liability	87,755	92,035	93,590	93,859	83,386					
Benefit Changes	-	-	-	-	-					
Difference Between Expected and Actual Experience										
Assumption Changes	10,476	(100,703)	(105,993)	(81,618)	22,254					
Benefit Payments and Refunds	32,737	(32,147)	(6,749)	1,729	42,747					
Benefit Payments and Refunds	(57,704)	(44,822)	(60,613)	(64,422)	(38,430)					
Net Change In Total Pension Liability	100,974	(43,320)	(33,207)	(3,757)	152,734					
Total Pension Liability - Beginning	1,185,064	1,228,384	1,261,591	1,265,348	1,112,614					
Total Pension Liability - Ending (a)	\$ 1,286,038	\$ 1,185,064	\$ 1,228,384	\$ 1,261,591	\$ 1,265,348					
Plan Fiduciary Net Position:										
Employer Contributions	\$ 23,548	\$ 31,178	\$ 43,223	\$ 47,301	\$ 45,480					
Employee Contributions	11,696	13,064	16,074	17,348	17,271					
Pension Plan Net Investment Income	(64,424)	192,534	71,743	5,305	60,109					
Benefit Payments and Refunds	(57,704)	(44,822)	(60,613)	(64,422)	(38,430)					
Other	18,147	(9,498)	(327)	(17,117)	3,247					
Net Change In Plan Fiduciary Net Position	(68,737)	182,456	70,100	(11,585)	87,677					
Plan Fiduciary Net Position - Beginning	1,301,876	1,119,420	1,049,320	1,060,905	973,228					
Plan Fiduciary Net Position - Ending (b)	\$ 1,233,139	\$ 1,301,876	\$ 1,119,420	\$ 1,049,320	\$ 1,060,905					
Net Pension Liability(Asset) - Ending (a)-(b)	52,899	(116,812)	108,964	212,271	204,443					
Plan Fiduciary Net Position As A Percentage Of Total Pension Liability	95.89%	109.86%	91.13%	83.17%	83.84%					
Covered Valuation Payroll	\$ 259,912	\$ 290,304	\$ 357,208	\$ 385,509	\$ 383,800					
Net Pension Liability As A Percentage Of Covered Valuation Payroll	20.35%	-40.24%	30.50%	55.06%	53.27%					

The Village Of Kirkland Implemented GASB Statement No. 68 April 30, 2010 (Notes To Required Supplementary Information)

VILLAGE OF KIRKLAND, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2019

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 in the General Fund exceeded the budget by \$219,201.

SUPPLEMENTARY INFORMATION

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2019
(with comparative actual for 2018)

	2019			2018
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes				
Property	\$ 199,132	\$ 199,132	\$ 203,569	\$ 198,996
Road and Bridge	6,283	6,283	7,392	6,264
Utility	100,500	100,500	100,242	104,924
Sales	150,000	150,000	192,900	153,485
Total Taxes	455,915	455,915	504,103	463,669
Licenses and Permits				
Liquor Licenses	5,000	5,000	5,183	4,525
Other Licenses	250	250	675	50
Building Permits	6,000	6,000	9,829	5,016
Golf Cart Permits	600	600	600	550
Cable TV Franchise	2,200	2,200	2,400	-
Total Licenses and Permits	14,050	14,050	18,687	10,141
Intergovernmental Revenue				
State Shared Taxes				
State Income Tax	145,000	145,000	169,323	158,149
State Use Tax	42,500	42,500	53,023	45,873
Personal Property Replacement Tax	2,250	2,250	2,993	2,767
Video Gaming Tax	9,000	9,000	12,082	8,504
Police Grants	-	-	-	-
Police DEA Project Distributions	-	-	-	-
Total Intergovernmental Revenue	198,750	198,750	237,421	215,293
Service Charges				
Garbage Fees	\$ 159,300	\$ 159,300	\$ 164,487	\$ 153,501
Police Reimbursements	-	-	-	-
TIF District Police Services	-	-	-	-
Reclassify/TIF District Police Services	-	-	-	-
Total Service Charges	159,300	159,300	164,487	153,501
Fines and Forfeits				
Ordinance Fines	35,000	35,000	21,758	25,051
Total Fines and Forfeits	35,000	35,000	21,758	25,051

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

GENERAL FUND

For the Year Ended April 30, 2019
(with comparative actual for 2018)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
REVENUES (Continued)				
Investment Income	\$ 5,000	\$ 5,000	\$ 12,531	\$ 4,829
Miscellaneous				
Miscellaneous Income	2,500	2,500	7,328	3,600
Tower Rental	4,800	4,800	2,400	2,400
Insurance Reports	50	50	-	30
Copies/Fax Charges	500	500	-	1,886
Reimbursements	-	-	-	-
Police Vehicle Provision	-	-	-	-
Truck Purchase Provision	-	-	-	-
Donation Income	12,000	12,000	11,500	3,798
Insurance Reimbursement	-	-	-	-
Impact Fee Account Interest	-	-	-	69
Total Miscellaneous	19,850	19,850	21,228	11,783
TOTAL GENERAL FUND REVENUES	\$ 887,865	\$ 887,865	\$ 980,215	\$ 884,267

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2019
(with comparative actual for 2018)

	2019		Actual	2018 Actual
	Original Budget	Final Budget		
GENERAL GOVERNMENT				
Administration and Finance				
Salaries & Benefits				
Salaries - Board Members	\$ 13,760	\$ 13,760	\$ 13,520	\$ 11,640
Liquor Commissioner Salary	500	500	500	500
Salaries - Village Finance	24,200	24,200	20,013	24,663
Payroll Taxes	2,500	2,500	2,048	2,193
IMRF Pension	1,450	1,450	3,766	3,840
Life Insurance	150	150	89	111
Health Insurance	6,000	6,000	4,398	4,017
Employee Appreciation	50	50	50	250
Total Salaries and Benefits	48,610	48,610	44,384	47,214
Contractual Services				
Repairs & Maint - Equipment	1,000	1,000	1,198	447
Maintenance/Cleaning	500	500	837	383
Legal Expense	24,000	24,000	28,233	33,931
Adjudication Expense	-	-	-	5,368
Treasurer/Accounting Expense	9,000	9,000	8,533	9,605
Audit Expense	9,200	9,200	9,300	9,100
Permit Inspections - ICCI	8,500	8,500	6,046	3,790
Permit Inspections - Village	-	-	-	-
Engineering Expense	1,000	1,000	448	-
Codification	2,500	2,500	174	2,342
IML/Training	4,000	4,000	602	3,853
Telephone	2,500	2,500	1,909	2,551
Telephone Notification System	1,000	1,000	995	1,145
Internet Service	250	250	466	1,188
E Worldlinx Web	1,200	1,200	1,280	1,479
Insurance & Bonds	32,500	32,500	34,384	32,025
Postage	250	250	458	107
Printing & Publishing	500	500	559	701
Billing software	1,670	1,670	1,723	-
Dues & Subscriptions	3,000	3,000	2,737	2,670
Total Contractual Services	102,570	102,570	99,882	110,685
Materials & Supplies				
Tools/Equipment	1,500	1,500	913	-
Office Supplies	1,500	1,500	1,139	2,166
New Equipment	-	-	-	-
Total Materials and Supplies	3,000	3,000	2,052	2,166

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2019
(with comparative actual for 2018)

	2019		2018 Actual
	Original Budget	Final Budget	
GENERAL GOVERNMENT (Continued)			
Administration and Finance (Continued)			
Miscellaneous			
Sales Tax Reimbursement	\$ 8,000	\$ 8,000	\$ 8,166
Economic Development	1,500	1,500	5,000
Revenue Audit Reimbursement	500	500	471
Donations/Grant Expense	3,500	3,500	2,500
Contingency	1,000	1,000	804
Total Miscellaneous	14,500	14,500	13,423
Total Administration and Finance	168,680	168,680	172,006
Impact Fee Account			
Miscellaneous			
Street Improvements	-	-	-
Total Impact Fee Account	-	-	-
Total General Government	168,680	168,680	172,006
PUBLIC SAFETY			
Police Department			
Salaries & Benefits			
Police F/T Salaries	95,000	95,000	97,274
Police P/T Salaries	70,000	70,000	69,516
Police Special Activity Pay	-	-	-
Police Salaries - Back Pay	-	-	851
Police Overtime	2,000	2,000	2,415
Police Holiday Pay	5,600	5,600	4,844
Employee Appreciation	100	100	100
Payroll Taxes	11,100	11,100	10,713
IMRF Pension	8,600	8,600	7,949
Life Insurance	540	540	512
Health Insurance	12,000	12,000	11,341
Total Salaries and Benefits	204,940	204,940	205,515
Contractual Services			
Repairs & Maint - Equipment	5,500	5,500	5,434
Building Maintenance	250	250	-
Legal Expense	4,000	4,000	-
Adjudication	6,000	6,000	5,961
Dues & Training	6,500	6,500	6,327
Telephone	3,600	3,600	4,040
Internet Service	250	250	367

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2019
(with comparative actual for 2018)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
Postage	250	250	247	-
Printing & Publishing	250	250	514	-
Donations/Grant Expense	500	500	1,500	-
Alerts/PSAN/IPIPS	5,650	5,650	6,288	5,034
911 Dispatch Fee	15,700	15,700	15,700	30,681
Total Contractual Services	48,450	48,450	46,378	48,076
PUBLIC SAFETY (Continued)				
Police Department (Continued)				
Materials and Supplies				
Police Supplies	\$ -	\$ -	\$ -	\$ 2,584
Police Materials	-	-	-	2,419
DARE Supplies	1,250	1,250	1,336	882
Billing Software	1,670	1,670	1,617	-
Office Supplies	4,000	4,000	3,714	-
Police Tools and Equipment	4,000	4,000	3,334	-
Automotive Fuel	8,000	8,000	7,859	8,305
Uniforms	8,000	8,000	1,235	1,792
Total Materials and Supplies	26,920	26,920	19,095	15,982
Miscellaneous				
Other Expenditures	2,000	2,000	553	349
Equipment leasing	-	-	-	4,804
Total Miscellaneous	2,000	2,000	553	5,153
Capital Outlay				
Vehicles	-	-	-	34,200
Equipment	-	-	-	3,314
Total Capital Outlay	-	-	-	37,514
Total Public Safety	282,310	282,310	271,541	319,727
HIGHWAYS AND STREETS				
Street Department				
Salaries & Benefits				
Streets F/T Salaries	78,500	78,500	58,041	28,140
Streets P/T Salaries	33,800	33,800	39,566	26,426
Streets Seasonal	-	-	3,960	-
Streets Overtime	3,000	3,000	6,998	2,519
Employee Appreciation	100	100	50	-
Payroll Taxes	9,500	9,500	6,537	2,955
IMRF Pension	4,700	4,700	1,948	5,682
Life Insurance	400	400	222	326

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2019
(with comparative actual for 2018)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
Health Insurance	18,000	18,000	3,234	1,449
Total Salaries and Benefits	148,000	148,000	120,556	67,497
Contractual Services				
Repairs & Maint - Equipment	\$ 15,500	\$ 15,500	\$ 15,457	\$ 18,101
Repairs & Maint - Weather Siren	1,200	1,200	1,170	-
Repairs & Maint - Streets	127,000	127,000	179,902	6,639
Repairs - Street Lights	1,000	1,000	-	702
Forestry Maintenance	12,500	12,500	11,163	11,764
Building Maintenance	250	250	187	-
Dues & Training	1,000	1,000	395	503
Telephone	1,000	1,000	351	-
Internet Service	250	250	189	-
Postage	250	250	84	-
Printing & Publishing	250	250	476	-
Sidewalk Construction	10,000	10,000	10,624	8,565
Donation/Grant Expense	500	500	-	-
Electric - Street Lights	8,000	8,000	11,047	16,413
Total Contractual Services	178,700	178,700	231,045	62,687
Materials and Supplies				
Tools/Equipment	2,000	2,000	1,475	1,620
Software	1,670	1,670	1,659	-
Street Decorations	500	500	385	108
Office Supplies	250	250	181	-
Automotive Fuel	4,500	4,500	7,949	4,418
Uniforms	500	500	308	-
Mosquito Abatement	2,600	2,600	4,390	2,278
Total Materials and Supplies	12,020	12,020	16,347	8,424
Miscellaneous				
Pioneer Park Improvements	1,000	1,000	-	250
Bull Run Creek IDNR Improvements	-	-	-	39,230
Equipment Rental	1,000	1,000	3,381	177
Contingency	250	250	322	-
Total Miscellaneous	2,250	2,250	3,703	39,657
Capital Outlay				
Equipment	-	-	-	18,759
Total Capital Outlay	-	-	-	18,759

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2019
(with comparative actual for 2018)

	2019		2018 Actual
	Original Budget	Final Budget	
Total Street Department	340,970	340,970	371,651
Total Highways and Streets	340,970	340,970	371,651
SANITATION			
Contractual Services			
Billing Software	1,670	1,670	2,147
Garbage Collection	157,600	157,600	178,782
Total Sanitation	159,270	159,270	180,929
CAPITAL OUTLAY			
Bull Run Creek Improvements	-	-	16,997
Street Vehicles and Equipment	-	-	134,179
Total Capital Outlay	-	-	151,176
DEBT SERVICE			
Bull Run Creek Property Loan	-	-	35,535
Police Equipment Loan	4,000	4,000	3,858
Total Debt Service	4,000	4,000	39,393
TOTAL EXPENDITURES	\$ 955,230	\$ 955,230	\$ 1,174,431
			\$ 880,027

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

TAX INCREMENTAL FINANCING FUND

For the Year Ended April 30, 2019
(with comparative actual for 2018)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
GENERAL GOVERNMENT				
TIF Consultant	\$ 500	\$ 500	\$ -	\$ -
Miscellaneous Expense	6,000	6,000	2,970	8,104
Kirkland Community Center	250,000	250,000	24,300	-
School District 426 Safety Projects	100,000	100,000	107,875	11,554
Library Repairs	6,000	6,000	4,000	6,265
Sidewalk and Concrete Work	27,000	27,000	28,601	-
Warning Siren Maintenance	-	-	-	1,170
LED Street Lighting	10,000	10,000	8,496	-
Village Hall Improvements	10,000	10,000	5,942	8,875
Private Property Improvements	31,000	31,000	31,210	-
Property Taxes Reimbursements	8,200	8,200	-	7,623
Total General Government	448,700	448,700	213,394	43,591
PUBLIC SAFETY				
TIF District - Police Services	-	-	-	-
Total Public Safety	-	-	-	-
HIGHWAYS AND STREETS				
Repairs & Maintenance	1,200	1,200	1,053	355,958
Total Highway and Streets	1,200	1,200	1,053	355,958
CAPITAL OUTLAY				
General Capital Assets Infrastructure	50,000	50,000	75,000	20,556
Total General Capital Assets	50,000	50,000	75,000	20,556
Proprietary Funds Capital Assets Treatment Plant Roof	-	-	-	16,300
Proprietary Funds Capital Outlay Reclassified	-	-	-	-
Total Capital Outlay	50,000	50,000	75,000	36,856
TOTAL EXPENDITURES BEFORE TRANSFERS	499,900	499,900	289,447	436,405
TRANSFERS				
Transfer To Water & Sewer Fund	\$ -	\$ -	\$ -	\$ -
Total Transfers	-	-	-	-
TOTAL EXPENDITURES AND TRANSFERS	\$ 499,900	\$ 499,900	\$ 289,447	\$ 436,405

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, 2019
(with comparative actual for 2018)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental Revenues				
Federal Grant	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Capital Outlay				
Bull Run Creek Property	85,600	85,600	-	-
Bull Run Creek Property Construction	750,000	750,000	-	-
Total Expenditures	835,600	835,600	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(835,600)	(835,600)	-	-
OTHER FINANCING SOURCES (USES)				
Transfer from the General Fund	35,600	35,600		
Loan Proceeds	800,000	800,000		
Total Other Financing Sources (Uses)	835,600	835,600		
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, 2019

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2019 Total
ASSETS				
Current Assets				
Cash and Investments	\$ 98,547	\$ 176,621	\$ 142,138	\$ 417,306
Water and Sewer Accounts Receivable	59,912	-	-	59,912
Due From Other Funds	-	-	-	-
Proprietary Fund - Internal Accounts	-	-	-	-
Total Current Assets	158,459	176,621	142,138	477,218
Non-Current Assets				
Net Pension Asset	-	-	-	-
Capital Assets				
Net Of Accumulated Depreciation	1,426,652	-	-	1,426,652
Total Non-Current Assets	1,426,652	-	-	1,426,652
Total Assets	1,585,111	176,621	142,138	1,903,870
DEFERRED OUTFLOWS				
Pension Related	69,918	-	-	69,918
LIABILITIES				
Current Liabilities				
Accounts Payable	4,257	-	-	4,257
Accrued Payroll	3,214	-	-	3,214
Due To Other Funds	-	-	-	-
Total Current Liabilities	7,471	-	-	7,471
Non-Current Liabilities				
Net Pension Liability	20,655	-	-	20,655
Total Liabilities	28,126	-	-	28,126
DEFERRED INFLOWS OF RESOURCES				
Pension Related	71,267	-	-	71,267
NET POSITION				
Net Investment In Capital Assets	1,426,652	-	-	1,426,652
Unrestricted	128,984	176,621	142,138	447,743
Total Net Position	\$ 1,555,636	\$ 176,621	\$ 142,138	\$ 1,874,395

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, 2019

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2019 Total
OPERATING REVENUES				
Charges for Services				
Water and Sewer Charges	\$ 341,647	\$ -	\$ -	\$ 341,647
Miscellaneous Income	-	15,500	15,500	31,000
Total Operating Revenues	<u>341,647</u>	<u>15,500</u>	<u>15,500</u>	<u>372,647</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water & Sewer Operations	340,480	6,650	5,279	352,409
Total Operating Expenses Excluding Depreciation	<u>340,480</u>	<u>6,650</u>	<u>5,279</u>	<u>352,409</u>
OPERATING INCOME (EXPENSES) BEFORE DEPRECIATION	<u>1,167</u>	<u>8,850</u>	<u>10,221</u>	<u>20,238</u>
DEPRECIATION	85,766	-	-	85,766
OPERATING INCOME (LOSS)	<u>(84,599)</u>	<u>8,850</u>	<u>10,221</u>	<u>(65,528)</u>
NON-OPERATING REVENUES				
Investment Income	193	-	-	193
Total Non-Operating Revenues (Expenses)	<u>193</u>	<u>-</u>	<u>-</u>	<u>193</u>
INCOME BEFORE TRANSFERS	<u>(84,406)</u>	<u>8,850</u>	<u>10,221</u>	<u>(65,335)</u>
TRANSFERS				
Transfers From (To) Other Funds Or Subaccounts				
Sewer Improvement Subaccount	26,946	-	(26,946)	-
Water Improvement Subaccount	35,205	(35,205)	-	-
Total Transfers	<u>62,151</u>	<u>(35,205)</u>	<u>(26,946)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(22,255)</u>	<u>(26,355)</u>	<u>(16,725)</u>	<u>(65,335)</u>
NET POSITION, MAY 1,	<u>1,575,873</u>	<u>202,976</u>	<u>158,863</u>	<u>1,937,712</u>
NET POSITION, APRIL 30	<u>\$ 1,553,618</u>	<u>\$ 176,621</u>	<u>\$ 142,138</u>	<u>\$ 1,872,377</u>

VILLAGE OF KIRKLAND, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND - WATER AND SEWER FUND BY SUBACCOUNT

For the Year Ended April 30, 2019

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2019 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Customers	\$ 332,807	\$ 15,500	\$ 15,500	\$ 363,807
Payments To Suppliers	(154,553)	(6,650)	(5,279)	(166,482)
Payments To Employees	(197,103)	-	-	(197,103)
Net Cash From Operating Activities	<u>(18,849)</u>	<u>8,850</u>	<u>10,221</u>	<u>222</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(65,780)	-	-	(65,780)
Transfer From Tax Incremental Financing Fund	-	-	-	-
Other Funds Due To/From	6,917	-	-	6,917
Proprietary Fund Interaccount Due To/Due From Proprietary Fund Interaccount Transfers	62,151	(35,205)	(26,946)	-
Net Cash From Capital and Related Financing Activities	<u>3,288</u>	<u>(35,205)</u>	<u>(26,946)</u>	<u>(58,863)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	193	-	-	193
Net Cash From Investing Activities	<u>193</u>	<u>-</u>	<u>-</u>	<u>193</u>
NET DECREASE IN CASH	<u>(15,368)</u>	<u>(26,355)</u>	<u>(16,725)</u>	<u>(58,448)</u>
CASH, MAY 1	<u>113,915</u>	<u>202,976</u>	<u>158,863</u>	<u>475,754</u>
CASH, APRIL 30	<u>\$ 98,547</u>	<u>\$ 176,621</u>	<u>\$ 142,138</u>	<u>\$ 417,306</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (84,599)	\$ 8,850	\$ 10,221	\$ (65,528)
Depreciation	85,766	-	-	85,766
Adjustments To Reconcile Operating Income (Loss) To Net Cash From Operating Activities				
Accounts Receivable	(8,840)	-	-	(8,840)
Accounts Payable	(8,953)	-	-	(8,953)
Accrued Payroll	607	-	-	607
Pension Expense	(2,830)	-	-	(2,830)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (18,849)</u>	<u>\$ 8,850</u>	<u>\$ 10,221</u>	<u>\$ 222</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, 2019
(with comparative actual for 2018)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
OPERATING REVENUES				
Charges For Services				
Water and Sewer Charges	\$ 351,800	\$ 351,800	\$ 340,908	\$ 326,259
Miscellaneous				
Reimbursements	2,000	2,000	739	-
Total Operating Revenues	353,800	353,800	341,647	326,259
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water & Sewer Operating Expenses	329,290	329,290	340,480	263,315
Total Operating Expenses Excluding Depreciation	329,290	329,290	340,480	263,315
OPERATING INCOME (EXPENSES) EXCLUDING DEPRECIATION				
	24,510	24,510	1,167	62,944
DEPRECIATION				
	-	-	85,766	83,828
OPERATING INCOME (LOSS)				
	24,510	24,510	(84,599)	(20,884)
NONOPERATING INCOME (EXPENSE)				
Investment Income	-	-	193	-
Transfers From (To) Other Funds Or Subaccounts				
From Tax Incremental Financing Fund	-	-	-	-
From Water Improvement Subaccount	-	-	35,205	-
From Sewer Improvement Subaccount	-	-	26,946	-
To Water Improvement Subaccount	-	-	-	-
Total Transfers	-	-	62,344	-
CHANGE IN NET POSITION				
	\$ 24,510	\$ 24,510	(22,255)	(20,884)
NET POSITION, MAY 1,				
			1,575,873	1,596,757
NET POSITION, APRIL 30				
			\$ 1,553,618	\$ 1,575,873

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, 2019
(with comparative actual for 2018)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
OPERATING EXPENSES				
Salaries & Benefits				
Water & Sewer F/T Salaries	\$ 91,200	\$ 91,200	\$ 104,972	\$ 87,994
Water & Sewer P/T Maintenance	44,800	44,800	37,291	45,122
Water & Sewer P/T Billing	-	-	-	-
Water & Sewer Overtime	3,000	3,000	1,372	2,716
Payroll Taxes	8,600	8,600	8,662	7,886
Employee Appreciation	150	150	100	-
IMRF Pension	5,600	5,600	8,752	5,635
Pension Expense	-	-	(2,830)	(34,091)
Life Insurance	800	800	624	349
Health Insurance	24,000	24,000	35,937	31,413
Total Salaries & Benefits	178,150	178,150	194,880	147,024
Contractual Services				
Repairs & Maint - Water	4,000	4,000	6,186	5,931
Maint - Truck & Tractor	-	-	-	3,423
Repairs & Maint - Sewer	11,000	11,000	6,340	5,778
Meter Repair	16,200	16,200	15,668	206
Repairs & Maint - Treatment	7,800	7,800	1,997	2,401
Building Maintenance & Cleaning	500	500	480	-
Dues & Training	1,750	1,750	1,265	1,222
Electric - Water	38,000	38,000	43,255	41,995
Heat - Sewer Plant	1,800	1,800	3,620	2,002
Telephone	4,000	4,000	2,636	2,438
Internet Expense	500	500	2,620	704
Property/Liability Insurance	18,000	18,000	15,853	17,787
Postage	1,000	1,000	1,692	2,848
Printing & Publishing	1,000	1,000	1,073	664
Testing - Water	6,400	6,400	6,445	3,545
Testing - Treatment	-	-	-	2,175
Equipment Rental	1,000	1,000	8	-
Donations/Grant Expense	1,000	1,000	-	-
JULIE	800	800	508	784
Total Contractual Services	114,750	114,750	109,646	93,903
Materials and Supplies				
Materials & Supplies - Water	10,000	10,000	12,407	2,458
Materials & Supplies - Sewer	-	-	-	765
Materials & Supplies - Treatment	1,000	1,000	1,565	2,823
Lab Supplies	2,200	2,200	1,040	2,229
Water Billing Software	3,340	3,340	4,534	2,711
Office Supplies	500	500	516	-

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, 2019
(with comparative actual for 2018)

	2019		2018 Actual	
	Original Budget	Final Budget		
Tools/Equip - Water	5,000	5,000	1,818	880
Tools/Equip - Sewer	-	-	-	95
Tools/Equip - Treatment	2,000	2,000	1,956	215
Automotive Fuel	5,000	5,000	6,132	3,940
Uniforms	3,000	3,000	1,649	1,351
Total Materials and Supplies	32,040	32,040	31,617	19,485
OPERATING EXPENSES (Continued)				
Capital Outlay				
Equipment	-	-	-	-
Sewer - Lift Station Pump	-	-	-	-
Treatment - Equipment	-	-	-	-
Capital Outlay Capitalized	-	-	-	-
Total Capital Outlay	-	-	-	-
Miscellaneous Expense				
NPDES Permit	2,500	2,500	2,500	2,500
Lease - Property	300	300	175	403
Other Expense	1,550	1,550	1,662	-
Total Miscellaneous Expense	4,350	4,350	4,337	2,903
Total Water and Sewer Expenses Before Depreciation	329,290	329,290	340,480	263,315
Depreciation Expense	-	-	85,766	83,828
TOTAL OPERATING EXPENSES	329,290	329,290	426,246	347,143
TRANSFERS				
Transfer To Water Improvement Subaccount	-	-	-	-
Total Transfers	-	-	-	-
TOTAL OPERATING EXPENDITURES	\$ 329,290	\$ 329,290	\$ 426,246	\$ 347,143

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, 2019
(with comparative actual for 2018)

	2019		2018 Actual
	Original Budget	Final Budget	
OPERATING REVENUES			
Charges For Services			
Water and Sewer Charges	\$ -	\$ -	\$ -
Miscellaneous Income	500	500	-
Total Operating Revenues	500	500	-
OPERATING EXPENSES			
Water Operations			
Water Tank Engineering	-	-	-
Water Main Improvements	24,900	24,900	-
Engineering	5,000	5,000	1,499
Water Capital Outlay Capitalized	-	-	(38,055)
Total Operating Expenses	29,900	29,900	1,499
OPERATING INCOME (LOSS)	(29,400)	(29,400)	(1,499)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	-	-	95
Total Non-Operating Revenues (Expenses)	-	-	95
TRANSFERS			
Transfer From Water and Sewer Operating	-	-	-
Transfer (To) Water and Sewer Operating	-	-	(35,205)
Total Transfers	-	-	(35,205)
CHANGE IN NET POSITION	\$ (29,400)	\$ (29,400)	(1,404)
NET POSITION, MAY 1			204,380
NET POSITION, APRIL 30			\$ 176,621

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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, 2019
(with comparative actual for 2018)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
OPERATING REVENUES				
Charges for Services				
Water and Sewer Charges	\$ -	\$ -	\$ -	\$ -
Miscellaneous Income	500	500	15,500	-
Total Operating Revenues	500	500	15,500	-
OPERATING EXPENSES				
Sewer Operations				
Sewer Improvements	57,200	57,200	33,004	32,982
Sewer Improvements Capitalized	-	-	(27,725)	(27,190)
Total Sewer Operating Expenses	57,200	57,200	5,279	5,792
OPERATING INCOME	(56,700)	(56,700)	10,221	(5,792)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	-	-	-	77
Total Non-Operating Revenues (Expenses)	-	-	-	77
TRANSFERS				
Transfer (To) Water and Sewer Operating	-	-	(26,946)	-
Total Transfers	-	-	(26,946)	-
CHANGE IN NET POSITION	\$ (56,700)	\$ (56,700)	(16,725)	(5,715)
NET POSITION, MAY 1			158,863	164,578
NET POSITION, APRIL 30			\$ 142,138	\$ 158,863

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF GENERAL CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

For the Year Ended April 30, 2019

	Capital Assets				Accumulated Depreciation				Net Capital Assets
	Balances		Retirements	Balances April 30	Balances		Retirements	Balances April 30	
	May 1	Additions			May 1	Provisions			
GENERAL GOVERNMENT									
Buildings and Improvements	\$ 739,234	\$ -	\$ -	\$ 739,234	\$ 178,278	\$ 13,962	\$ -	\$ 192,240	\$ 546,994
Equipment	21,628	-	-	21,628	7,502	2,223	-	9,725	11,903
# Total General Government	760,862	-	-	760,862	185,780	16,185	-	201,965	558,897
PUBLIC SAFETY									
Equipment & Vehicles	124,907	15,431	-	140,338	73,065	15,982	-	89,047	51,291
Total Public Safety	124,907	15,431	-	140,338	73,065	15,982	-	89,047	51,291
HIGHWAYS AND STREETS									
Equipment & Vehicles	224,768	128,713	20,000	333,481	156,373	22,597	20,000	158,970	174,511
Pioneer Park Improvements	42,853	-	-	42,853	41,333	1,449	-	42,782	71
Infrastructure	1,692,071	256,385	-	1,948,456	454,931	57,583	-	512,514	1,435,942
Total Highways and Streets	1,959,692	385,098	20,000	2,324,790	652,637	81,629	20,000	714,266	1,610,524
TOTAL CAPITAL ASSETS	\$ 2,845,461	\$ 400,529	\$ 20,000	\$ 3,225,990	\$ 911,482	\$ 113,796	\$ 20,000	\$ 1,005,278	\$ 2,220,712
CAPITAL ASSETS SUMMARY									
Buildings and Improvements	\$ 739,234	\$ -	\$ -	\$ 739,234	\$ 178,278	\$ 13,962	\$ -	\$ 192,240	\$ 546,994
Equipment	21,628	-	-	21,628	7,502	2,223	-	9,725	11,903
Equipment & Vehicles	349,675	144,144	20,000	473,819	229,438	38,579	20,000	248,017	225,802
Pioneer Park Improvements	42,853	-	-	42,853	41,333	1,449	-	42,782	71
Infrastructure	1,692,071	256,385	-	1,948,456	454,931	57,583	-	512,514	1,435,942
TOTAL CAPITAL ASSETS	\$ 2,845,461	\$ 400,529	\$ 20,000	\$ 3,225,990	\$ 911,482	\$ 113,796	\$ 20,000	\$ 1,005,278	\$ 2,220,712

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF WATER AND SEWER CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

For the Year Ended April 30, 2019

	Capital Assets				Accumulated Depreciation				Net Capital Assets
	Balances		Retirements	Balances	Balances		Retirements	Balances	
	May 1	Additions			April 30	May 1			
EQUIPMENT									
Equipment	\$ 374,461	\$ 65,780	\$ -	\$ 440,241	\$ 169,606	\$ 16,353	\$ -	\$ 185,959	\$ 254,282
Total Equipment	374,461	65,780	-	440,241	169,606	16,353	-	185,959	254,282
#									
VEHICLES									
Vehicles	131,180	-	-	131,180	49,918	4,925	-	54,843	76,337
Total Vehicles	131,180	-	-	131,180	49,918	4,925	-	54,843	76,337
DISTRIBUTION SYSTEM									
Water System	915,048	-	-	915,048	380,956	26,082	-	407,038	508,010
Sewer System	787,880	-	-	787,880	330,460	16,160	-	346,620	441,260
Sewer Treatment Plant	1,038,181	-	-	1,038,181	869,172	22,246	-	891,418	146,763
Total Water & Sewer System	2,741,109	-	-	2,741,109	1,580,588	64,488	-	1,645,076	1,096,033
TOTAL CAPITAL ASSETS	\$ 3,246,750	\$ 65,780	\$ -	\$ 3,312,530	\$ 1,800,112	\$ 85,766	\$ -	\$ 1,885,878	\$ 1,426,652
CAPITAL ASSETS SUMMARY									
Equipment	\$ 374,461	\$ 65,780	\$ -	\$ 440,241	\$ 169,606	\$ 16,353	\$ -	\$ 185,959	\$ 254,282
Vehicles	131,180	-	-	131,180	49,918	4,925	-	54,843	76,337
Water System	915,048	-	-	915,048	380,956	26,082	-	407,038	508,010
Sewer System	787,880	-	-	787,880	330,460	16,160	-	346,620	441,260
Sewer Treatment Plant	1,038,181	-	-	1,038,181	869,172	22,246	-	891,418	146,763
TOTAL CAPITAL ASSETS	\$ 3,246,750	\$ 65,780	\$ -	\$ 3,312,530	\$ 1,800,112	\$ 85,766	\$ -	\$ 1,885,878	\$ 1,426,652

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
2018	\$ 20,375,140	\$ 1,844,855	\$ 432,242	\$ 171,625	\$ 22,823,862	\$ 68,471,586	0.91002	\$ 207,702
2017	19,879,757	1,830,419	422,036	162,899	22,295,111	66,885,333	0.91240	203,421
2016	19,275,058	1,808,482	413,142	152,349	21,649,031	64,947,093	0.91982	199,132
2015	18,181,526	1,819,366	389,370	137,336	20,527,598	61,582,794	0.96264	197,607
2014	18,550,196	1,752,168	362,051	153,325	20,817,740	62,453,220	0.94134	195,966
2013	19,129,002	1,836,786	371,826	135,210	21,472,824	64,418,472	0.89840	192,912
2012	20,904,451	1,944,844	401,574	135,027	23,385,896	70,157,688	0.81034	189,505
2011	24,356,458	1,996,322	419,169	132,353	26,904,302	80,712,906	0.68393	184,007
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

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	2014	2015	2016	2017
VILLAGE DIRECT RATES				
General Corporate	\$ 0.36733	\$ 0.36098	\$ 0.34492	\$ 0.35605
Police Protection	0.45919	0.48132	0.45991	0.44507
Audit	0.02297	0.02407	0.02300	0.02226
Liability Insurance	0.09185	0.09627	0.09199	0.08902
	<u>\$ 0.94134</u>	<u>\$ 0.96264</u>	<u>\$ 0.91982</u>	<u>\$ 0.91240</u>
OVERLAPPING RATES				
Kishwaukee Community College No. 523	\$ 0.71234	\$ 0.69723	\$ 0.66998	\$ 0.66690
County of DeKalb	1.24825	1.23640	1.14289	1.12014
DeKalb County Forest Preserve District	0.08761	0.08530	0.07990	0.07831
Franklin Cemetery	0.07900	0.08019	0.07829	0.07741
Franklin Road and Bridge	0.59025	0.47766	0.45815	0.44360
Franklin Township	0.26335	0.26731	0.26098	0.25804
Franklin Twp Park District	0.09845	0.09993	0.09756	0.09646
Franklin Fire District	0.52569	0.52780	0.51037	0.50508
Kirkland Library	0.23085	0.23607	0.22557	0.22375
Hiawatha School District 426	6.03921	6.34142	6.44019	6.30968
Village of Kirkland	0.94134	0.96264	0.91982	0.91240
TOTAL PROPERTY TAX RATE	<u>\$ 10.81634</u>	<u>\$ 11.01195</u>	<u>\$ 10.88370</u>	<u>\$10.69177</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	2014	2015	2016	2017	2018
ASSESSED VALUATION					
Kirkland TIF District	<u>\$1,846,907</u>	<u>\$ 1,960,722</u>	<u>\$ 2,356,014</u>	<u>\$2,367,873</u>	<u>\$ 2,368,398</u>
PROPERTY TAX RATES					
Kishwaukee Community College No. 523	\$ 0.71234	\$ 0.69723	\$ 0.66998	\$ 0.66690	\$ 0.66834
County of DeKalb	1.24825	1.23640	1.14289	1.12014	1.09507
DeKalb County Forest Preserve District	0.08761	0.08530	0.07990	0.07831	0.07656
Franklin Cemetery	0.07900	0.08019	0.07829	0.07741	0.07676
Franklin Road and Bridge	0.59025	0.47766	0.45815	0.44360	0.43304
Franklin Township	0.26335	0.26731	0.26098	0.25804	0.25589
Franklin Twp Park District	0.09845	0.09993	0.09756	0.09646	0.09566
Kirkland Fire District	0.52569	0.52780	0.51037	0.50508	0.49603
Kirkland Library	0.23085	0.23607	0.22557	0.22375	0.22317
Hiawatha School District 426	6.03921	6.34142	6.44019	6.30968	6.35145
Village of Kirkland	<u>0.94134</u>	<u>0.96264</u>	<u>0.91982</u>	<u>0.91240</u>	<u>0.91002</u>
Total Property Tax Rate	<u>\$ 10.81634</u>	<u>\$ 11.01195</u>	<u>\$ 10.88370</u>	<u>\$ 10.69177</u>	<u>\$ 10.68199</u>
TIF DISTRICT TAX LEVIES					
Kishwaukee Community College No. 523	\$ 13,156	\$ 13,671	\$ 15,785	\$ 15,791	\$ 15,829
County of DeKalb	23,054	24,242	26,927	26,523	25,936
DeKalb County Forest Preserve District	1,618	1,672	1,882	1,854	1,813
Franklin Cemetery	1,459	1,572	1,845	1,833	1,818
Franklin Road and Bridge	10,901	9,366	10,794	10,504	10,256
Franklin Township	4,864	5,241	6,149	6,110	6,060
Franklin Twp Park District	1,818	1,959	2,299	2,284	2,266
Franklin Fire District	9,709	10,349	12,024	11,960	11,748
Kirkland Library	4,264	4,629	5,314	5,298	5,286
Hiawatha School District 426	111,539	124,338	151,732	149,405	150,428
Village of Kirkland	<u>17,386</u>	<u>18,875</u>	<u>21,671</u>	<u>21,604</u>	<u>21,553</u>
Total TIF District Tax Levies	<u>\$ 199,768</u>	<u>\$ 215,914</u>	<u>\$ 256,422</u>	<u>\$ 253,166</u>	<u>\$ 252,993</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, 2019. 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, 2019.

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

Rockford, Illinois
November 1, 2019