

VILLAGE OF KIRKLAND, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2022

Prepared By

William J. Newkirk, Treasurer
Village of Kirkland, Illinois

VILLAGE OF KIRKLAND, ILLINOIS
TABLE OF CONTENTS

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

VILLAGE OF KIRKLAND, ILLINOIS
TABLE OF CONTENTS (Continued)

	Page(s)
REQUIRED SUPPLEMENTARY INFORMATION (Continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Motor Fuel Tax Fund.....	50
Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund.....	51
Summary of Actuarial Methods and Assumptions Used In the Calculation of the 2015 Contribution Rate - Illinois Municipal Retirement Fund.....	52
Multiyear Schedule Of Changes In Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund.....	53
Notes to Required Supplementary Information.....	54
SUPPLEMENTARY INFORMATION	
Schedule of Revenues - Budget and Actual - General Fund.....	55 - 56
Schedule of Detailed Expenditures - Budget and Actual - General Fund.....	57 - 61
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund.....	62
Combining Statement of Net Position - Water and Sewer Fund.....	63
Combining Statement of Revenues, Expenses, and Changes in Net Position - Water and Sewer Fund.....	64
Combining Statement of Cash Flows - Water and Sewer Fund.....	65
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual - Water and Sewer Operating Sub-Account.....	66
Schedule of Operating Expenses - Budget and Actual - Water and Sewer Operating Sub-Account.....	67 - 68

VILLAGE OF KIRKLAND, ILLINOIS
TABLE OF CONTENTS (Continued)

	Page(s)
SUPPLEMENTARY INFORMATION (Continued)	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual - Water Improvement Sub-Account.....	69
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual - Sewer Improvement Sub-Account.....	70
Schedule of General Capital Assets and Accumulated Depreciation.....	71
Schedule of Water and Sewer Capital Assets and Accumulated Depreciation.....	72
Assessed Value of Taxable Property, Village Tax Rates, and Tax Levies.....	73
Property Tax Rates - Direct and Overlapping Governments.....	74

VILLAGE OF KIRKLAND, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2022

VILLAGE BOARD

Ryan Block, Village President

TRUSTEES

Eric Marshall

John Michener

Dan Chambers

Brian Benes

Jessica Fruit

Sarah Ziegler

Carol Steigman, Village Clerk

VILLAGE ADMINISTRATION

Ryan Block, Chief Executive Officer

Adam Davenport, Police Chief

Jim Stark, Public Works Director

Carol Steigman, Office Manager

William Newkirk, Treasurer

INDEPENDENT AUDITOR'S REPORT



1040 West Route 6 • Morris, IL 60450

Phone: (815) 941-9833

Fax: (815) 941-9835

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Village of Kirkland, Illinois

We have audited the accompanying financial statements of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kirkland, Illinois, (the Village) as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kirkland, Illinois, as of April 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

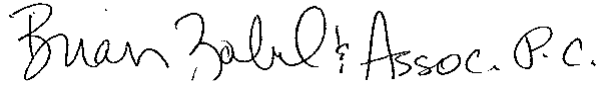
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of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

Other Information

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

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

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


BRIAN ZABEL & ASSOCIATES, P.C.
Certified Public Accountants

Morris, Illinois
October 18, 2022



Brian Zabel & ASSOCIATES P.C.

CERTIFIED PUBLIC ACCOUNTANTS

1040 West Route 6 • Morris, IL 60450

Phone: (815) 941-9833

Fax: (815) 941-9835

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of the Village of Kirkland as of and for the fiscal year ended April 30, 2022, and our report thereon dated October 18, 2022, which expressed an unmodified opinion on those financial statements, appears on pages 1-2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Consolidated Year-End Financial Report (CYEFR) for the State of Illinois fiscal year ended April 30, 2022 is presented for purposes of additional analysis, as required by the Illinois Grant Accountability and Transparency Act, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Morris, Illinois
October 18, 2022

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

MANAGEMENT DISCUSSION AND ANALYSIS

VILLAGE OF KIRKLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2022

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, 2022. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved appropriation), and (5) identify individual fund issues or concerns.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

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

Government-Wide Financial Statements

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

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

Both of the government-wide financial statements (see pages 17 - 19) distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village reflect the Village's basic services, including administration, public safety, highways and streets, and sanitation. The business-type activities include the operations of the water and sewer system.

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

Fund Financial Statements

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

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

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

The Village maintains 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 20 – 23 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 24 - 26 of this report. Budgetary information for the Water and Sewer Fund, including sub-accounts for operations, water system improvements, and sewer system improvements are included elsewhere in this report.

Infrastructure Assets

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 - 47 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI). The RSI includes schedules of revenues, expenditures, and changes in fund balance - budget and actual for the General Fund, Motor Fuel Tax Fund, Tax Incremental Financing Fund, and Revolving Loan Fund along with information concerning the Village's progress in funding its pension benefit obligations through the Illinois Municipal Retirement Pension Fund. Please see pages 49 - 56 of this report.

Additionally, certain supplemental schedules containing more detailed information on fund revenues and expenditures, capital assets, assessed valuations, and property tax rates and tax levies can be found on pages 57 – 78.

Financial Analysis of the Village as a Whole

In accordance with GASB Statement No. 34, a comparative analysis of government-wide information is presented in the government-wide financial statements on pages 17 – 19 and summarized on the next two pages:

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

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table shows the net position of the Village of Kirkland as of April 30, 2022.

A significant portion of the Village's net position (75%) reflects its net investment in capital assets less any related outstanding debt used to acquire those assets. Approximately 8% of net position represents resources subject to restrictions on how they may be used, and about 17%, or \$829,128, represents unrestricted net position and may be used to meet the Village's ongoing obligations. During the fiscal year ended April 30, 2022, unrestricted net position of governmental activities increased \$554,194 and business-type net position decreased \$41,943 for an overall increase of \$31,704.

Table 1
Statement of Net Position
As of April 30, 2021 and 2022

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2022	2021	2022	2021	2022
Assets						
Current Assets	\$ 1,191,838	\$ 1,317,579	\$ 346,718	\$ 280,376	\$ 1,538,556	\$ 1,597,955
Noncurrent Assets	3,044,159	3,237,671	1,404,947	1,355,079	4,449,106	4,592,750
Total Assets	4,235,997	4,555,250	1,751,665	1,635,455	5,987,662	6,190,705
Deferred Outflows	75,588	51,381	46,085	22,512	121,673	73,893
Current Liabilities	176,669	311,178	33,797	29,932	210,466	341,110
Non-Current Liabilities	410,769	455,278	-	-	410,769	455,278
Total Liabilities	587,438	766,456	33,797	29,932	621,235	796,388
Deferred Inflows Of Resources	378,348	407,065	113,781	71,451	492,129	478,516
Total Liabilities and Deferred Inflows	965,786	1,173,521	147,578	101,383	1,113,364	1,274,904
Net Position						
Net Investment In Capital Assets	2,523,197	2,479,054	1,367,092	1,281,650	3,890,289	3,760,704
Restricted	342,055	399,862	-	-	342,055	399,862
Unrestricted	480,547	554,194	316,877	274,934	797,424	829,128
Total Net Position	\$ 3,345,799	\$ 3,433,110	\$ 1,683,969	\$ 1,556,584	\$ 5,029,768	\$ 4,989,694

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

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, 2022.

Table 2
Changes In Net Position
For the Fiscal Year Ended April 30, 2021 and 2022

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2022	2021	2022	2021	2022
Revenues						
Program Revenues						
Charges For Services	\$ 252,626	\$ 191,611	\$ 371,433	\$ 380,113	\$ 624,059	\$ 571,724
Operating Grants	191,856	227,214	-	-	191,856	227,214
Capital Grant	-	-	-	-	-	-
General Revenues						
Property Tax	248,037	246,571	-	-	248,037	246,571
Sales Tax	189,381	273,134	-	-	189,381	273,134
State Income Tax	199,927	245,271	-	-	199,927	245,271
Utility Tax	91,997	97,569	-	-	91,997	97,569
Other Taxes	96,349	102,147	-	-	96,349	102,147
Investment Income	2,188	1,170	-	-	2,188	1,170
Gain on Sale of Assets	-	(81,364)	-	-	-	(81,364)
Miscellaneous	61,053	9,662	-	-	61,053	9,662
Total Revenues	1,333,414	1,312,985	371,433	380,113	1,704,847	1,693,098
Expenses						
General Government	265,840	147,238	-	-	265,840	147,238
Public Safety	322,158	379,003	-	-	322,158	379,003
Highways and Streets	487,486	569,750	-	-	487,486	569,750
Sanitation	179,285	122,181	-	-	179,285	122,181
Interest	8,843	7,502	-	-	8,843	7,502
Water and Sewer	-	-	504,536	507,498	504,536	507,498
Total Expenses	1,263,612	1,225,674	504,536	507,498	1,768,148	1,733,172
Contributions	-	-	-	-	-	-
Change In Net Position	69,802	87,311	(133,103)	(127,385)	(63,301)	(40,074)
Net Position, May 1	3,275,997	3,345,799	1,817,072	1,683,969	5,029,768	5,029,768
Net Position, April 30	\$ 3,345,799	\$ 3,433,110	\$ 1,683,969	\$ 1,556,584	\$ 4,966,467	\$ 4,989,694

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, 2022 were \$1,312,985. This total includes \$227,214 in "operating grants" that represent state shared motor fuel taxes and grant revenue related to the CARES Act and American Recovery Plan Act (ARPA). In comparison to the prior year, total revenues decreased \$20,429 primarily because of a loss on land that was sold.

The revenue mix, received in the fiscal year ended April 30, 2022, represents a relatively diverse revenue base. About 32% of revenues were provided by service charges and operating grants, 19% from property taxes, 26% from state shared revenues, 21% from sales taxes, 7% from utility taxes, and (5%) from other sources – this is negative because of the loss recorded on the disposal of land.

State-shared revenues including state income tax, use tax, video gaming tax, and personal property replacement tax totaled \$347,418 in the fiscal year ended April 30, 2022, an increase of \$51,142 from the previous year. Sales tax totaled \$273,134, an increase of \$83,753 from the previous year.

Expenses

Total expenses for the Village's governmental activities for the fiscal year ended April 30, 2022 were \$1,225,674. As required by GASB Statement No. 34, total expenses include depreciation but it excludes expenditures for capital assets. The largest functional expense was highways and streets at \$569,750. This amount was followed by \$379,003 for public safety, \$147,238 for general government, \$122,181 for sanitation (refuse disposal) and \$7,502 for interest expense. Overall, total revenues in governmental activities exceeded total expenses by \$87,311.

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, 2022 were \$380,113 solely from water and sewer charges. Charges for water and sewer service provided about 75% of total related business-type expenses including depreciation.

Expenses

Total expenses, including depreciation of \$91,692, for the Village's business-type activities for the fiscal year ended April 30, 2022 were \$507,498. During the year, the net position of business-type activities decreased \$127,385.

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, 2022, the governmental funds (as presented on the balance sheet on page 20) had combined fund balances of \$898,159. This represents an overall increase of \$82,047 from prior year fund balances. The General Fund increased \$24,240. The Motor Fuel Tax Fund increased \$57,807.

The total net position of the Water and Sewer Fund decreased from \$1,683,969 at April 30, 2021 to \$1,556,584 at April 30, 2022, a decrease of \$127,385. However, of greater significance is the unrestricted portion of net position of the Water and Sewer Fund which decreased \$41,943. The total amount of unrestricted net position, which represents net working capital, as of April 30, 2022 was \$274,934 compared to \$316,877 as of April 30, 2021.

The revenues of the Village have been impacted by the stagnation in the general economy and especially by the slowdown in the residential housing market. The slowdown in the residential housing market has resulted in a reduction in permit fees, water and sewer tap on fees, and expected increases in water and sewer operating revenues. A bright spot in the Village's revenue picture is the increase in sales tax, which jumped about 85% during the 2014/2015 fiscal year and has continued to increase with a 16% increase in the 2016/2017 fiscal year, an additional 12% in the 2017/2018 fiscal year, an additional 36% in the 2018/2019 fiscal year, and an additional 6% in the 2019/2020 fiscal year, after a decline in 2020/2021 of 8% due to the pandemic, there was an increase of 44% in the 2021/2022 fiscal year. The expiration of the TIF district greatly reduced the amount of property taxes collected by the Village in the 2020/2021 fiscal year and all subsequent years.

The available balances of each of the Village funds appear to be adequate as of April 30, 2022 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, 2022
(With Comparative Actual for 2021)

	2022		Actual	2021 Actual
	Original Budget	Final Budget		
REVENUES				
Taxes	\$ 524,000	\$ 524,000	\$ 617,274	\$ 529,415
Licenses and Permits	24,175	24,175	25,037	26,819
Intergovernmental Revenue	548,000	548,000	466,796	368,221
Service Charges	186,900	186,900	154,972	210,650
Fines and Forfeits	15,000	15,000	11,602	15,157
Investment Income	2,200	2,200	770	1,603
Miscellaneous	10,150	10,150	9,662	61,053
Total Revenues	<u>1,310,425</u>	<u>1,310,425</u>	<u>1,286,113</u>	<u>1,212,918</u>
EXPENDITURES				
Current				
General Government	161,380	161,380	133,434	189,340
Public Safety	523,449	523,449	402,210	307,657
Highways and Streets	627,225	627,225	743,045	316,356
Sanitation	186,500	186,500	122,181	179,285
Capital Outlay	-	-	-	253,546
Debt Service	15,950	15,950	55,616	135,341
Total Expenditures	<u>1,514,504</u>	<u>1,514,504</u>	<u>1,456,486</u>	<u>1,381,525</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(204,079)</u>	<u>(204,079)</u>	<u>(170,373)</u>	<u>(168,607)</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers In (Out)	-	-	-	-
Sale of capital assets	-	-	15,000	-
Loan Proceeds	-	-	179,613	120,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>194,613</u>	<u>120,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (204,079)</u>	<u>\$ (204,079)</u>	<u>\$ 24,240</u>	<u>(48,607)</u>
FUND BALANCE, MAY 1			<u>474,057</u>	<u>522,664</u>
FUND BALANCE, APRIL 30			<u>\$ 498,297</u>	<u>\$ 474,057</u>

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

The General Fund total expenditures exceeded total revenue by \$170,373 and loan proceeds from a note payable to Resource Bank and an IEPA loan of \$179,613 increase fund balance and proceeds from the sale of capital assets of \$15,000. The fund balance increased from \$474,057 to \$498,297.

The fund balance of the General Fund of \$498,297 compared to total expenditures of \$1,456,486 represents a fund balance to expenditures ratio of 34.2%. A fund balance to expenditures ratio in excess of 50% in a municipality the size of Kirkland indicates a relatively good financial position. Based on the Village's diverse revenue streams the fund balance is adequate to meet all current liquidity requirements.

CAPITAL ASSETS

The following schedule reflects the Village's capital asset balances as of April 30, 2022.

Table 4
Capital Assets
As of April 30, 2022
(With Comparative Actual for 2021)

	2022			2021 Totals
	Governmental Activities	Business-Type Activities	Totals	
Building and Improvements	\$ 942,996	\$ -	\$ 942,996	\$ 1,039,360
Equipment and Vehicles	692,045	573,124	1,265,169	1,274,827
Pioneer Park Improvement	42,853	-	42,853	42,853
Infrastructure	2,868,659	-	2,868,659	2,551,818
Water and Sewer System	-	1,825,657	1,825,657	1,770,207
Sewer Treatment Plant	-	1,038,181	1,038,181	1,038,181
Total Capital Assets				
Excluding Depreciation	<u>4,546,553</u>	<u>3,436,962</u>	<u>7,983,515</u>	<u>7,717,246</u>
Less:				
Accumulated Depreciation	<u>1,476,478</u>	<u>2,155,312</u>	<u>3,631,790</u>	<u>3,368,086</u>
Total Capital Assets	<u><u>\$3,070,075</u></u>	<u><u>\$1,281,650</u></u>	<u><u>\$4,351,725</u></u>	<u><u>\$4,349,160</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 \$4,351,725 (see note 3 in the Notes to the Financial Statements for further information regarding capital assets). During the fiscal year ended April 30, 2022, there were several asset additions including a road improvement project and new equipment. Additional information on the Village's capital assets can be found on pages 38 - 39 of the notes to the financial statements.

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

LONG-TERM DEBT

During the 2020 fiscal year the Village obtained an IEPA loan for the construction required on Bull Run Creek. The Village as approved up to \$934,698 however only \$548,908 was drawn from the loan as of April 30, 2022. The IEPA agreement states 15% of this loan will be forgiven. As of April 30, 2022 \$85,723 of the loan balance was forgiven. During the 2021 fiscal year the Village obtained an installment note for \$120,000 to refinance a previous loan to purchase 2 public works trucks and provide funds for two new police vehicles. During the current fiscal year the Village drew \$84,178 of a possible total \$2,000,000 on a note payable for street improvements. 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, 2021 and April 30, 2022.

Table 5
Long-Term Debt
As of April 30, 2022
(With Comparative Actual for 2021)

	2022			2021 Total
	Governmental Activities	Business-Type Activities	Total	
Note Payable - Vehicles	76,699	-	76,699	105,785
IEPA Loan - Bull Run Construction	430,144	-	430,144	353,086
Note Payable - Street Project	84,178	-	84,178	-
Total Long-Term Debt	\$ 591,021	\$ -	\$ 591,021	\$ 458,871

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

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

ECONOMIC FACTORS

Economic Outlook

After a one year decline in sales tax revenue due to the pandemic the current fiscal year saw a significant increase in this revenue stream. The Village is seeking opportunities for economic growth and development into the future through commercial and residential development. Fortunately, adequate fund balance and diverse revenue streams will allow the Village to continue normal operations in the near term. Long-term debt is being used for major street improvements.

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.

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

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, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 974,041	\$ 206,411	\$ 1,180,452
Restricted Cash	24,396	-	24,396
Deposits/Prepaid	-	-	-
Receivables			
Property Taxes	243,985	-	243,985
Other Taxes	75,157	-	75,157
Accounts	-	73,965	73,965
Net Pension Asset	167,596	73,429	241,025
Capital Assets, Net of Accumulated Depreciation	3,070,075	1,281,650	4,351,725
Total Assets	4,555,250	1,635,455	6,190,705
DEFERRED OUTFLOWS			
Pension Related	51,381	22,512	73,893
LIABILITIES			
Accounts Payable	151,496	21,800	173,296
Accrued Payroll	17,446	8,132	25,578
Other Liabilities	1,516	-	1,516
Due to Developers	4,977	-	4,977
Notes Payable - due within one year	135,743	-	135,743
Noncurrent Liabilities			
Notes Payable	455,278	-	455,278
Net Pension Liability	-	-	-
Total Liabilities	766,456	29,932	796,388
DEFERRED INFLOWS OF RESOURCES			
Pension Related	163,080	71,451	234,531
Property Taxes	243,985	-	243,985
Total Deferred Inflows Of Resources	407,065	71,451	478,516
Total Liabilities and Deferred Inflows of Resources	1,173,521	101,383	1,274,904
NET POSITION			
Net Investment In Capital Assets	2,479,054	1,281,650	3,760,704
Restricted For			
Highways and Streets	399,862	-	399,862
Unrestricted	554,194	274,934	829,128
Total Net Position	\$ 3,433,110	\$ 1,556,584	\$ 4,989,694

See Notes to Financial Statements

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2022

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
Governmental Activities				
General Government	\$ 147,238	\$ 25,037	\$ -	\$ -
Public Safety	379,003	43,063	119,378	-
Highways and Streets	569,750	-	107,836	-
Sanitation	122,181	123,511	-	-
Interest	7,502	-	-	-
Total Governmental Activities	<u>1,225,674</u>	<u>191,611</u>	<u>227,214</u>	<u>-</u>
Business-Type Activities				
Water and Sewer Service	<u>507,498</u>	<u>380,113</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>507,498</u>	<u>380,113</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,733,172</u>	<u>\$ 571,724</u>	<u>\$ 227,214</u>	<u>\$ -</u>

See Notes to Financial Statements.

	<u>Net (Expense) Revenue and Change In Net Position</u>		
	<u>Primary Government</u>		
	Governmental Activities	Business-Type Activities	Total
	\$ (122,201)	\$ -	\$ (122,201)
	(216,562)	-	(216,562)
	(461,914)	-	(461,914)
	1,330	-	1,330
	(7,502)	-	(7,502)
	<u>(806,849)</u>	-	<u>(806,849)</u>
	-	(127,385)	(127,385)
	-	(127,385)	(127,385)
	<u>(806,849)</u>	<u>(127,385)</u>	<u>(934,234)</u>
General Revenues			
Property Taxes	246,571	-	246,571
Sales Tax	273,134	-	273,134
Utility Taxes	97,569	-	97,569
Intergovernmental - Unrestricted			
State Income Tax	245,271	-	245,271
Other Taxes	102,147	-	102,147
Investment Income	1,170	-	1,170
Gain (Loss) on Sale of Capital Assets	(81,364)	-	(81,364)
Miscellaneous	9,662	-	9,662
Total General Revenue	<u>894,160</u>	-	<u>894,160</u>
CHANGE IN NET POSITION	<u>87,311</u>	<u>(127,385)</u>	<u>(40,074)</u>
NET POSITION, MAY 1	<u>3,345,799</u>	<u>1,683,969</u>	<u>5,029,768</u>
NET POSITION, APRIL 30	<u>\$ 3,433,110</u>	<u>\$ 1,556,584</u>	<u>\$ 4,989,694</u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2022

	General	Motor Fuel Tax	Total
ASSETS			
Cash	\$ 561,994	\$ 412,047	\$ 974,041
Restricted Cash	24,396	-	24,396
Deposits/Prepays	-	-	-
Receivables			
Property Taxes	243,985	-	243,985
Other Taxes	69,305	5,852	75,157
Accounts	-	-	-
	<hr/>		
Total Assets	\$ 899,680	\$ 417,899	\$ 1,317,579
	<hr/> <hr/>		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 133,459	\$ 18,037	\$ 151,496
Accrued Payroll	17,446	-	17,446
Due to Other Funds	-	-	-
Other Payables	1,516	-	1,516
Due To Developers	4,977	-	4,977
	<hr/>		
Total Liabilities	157,398	18,037	175,435
	<hr/>		
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	243,985	-	243,985
Total Deferred Inflows Of Resources	243,985	-	243,985
	<hr/>		
Total Liabilities and Deferred Inflows of Resources	401,383	18,037	419,420
	<hr/>		
FUND BALANCES			
Restricted			
Highways and Streets	-	399,862	399,862
Tax Incremental Financing District	-	-	-
Assigned			
Capital Equipment	46,862	-	46,862
Unassigned	451,435	-	451,435
	<hr/>		
Total Fund Balances	498,297	399,862	898,159
	<hr/>		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 899,680	\$ 417,899	\$ 1,317,579
	<hr/> <hr/>		

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, 2022

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 898,159
-------------------------------------	------------

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	51,381
---------------------------------------	--------

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

	3,070,075
--	-----------

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	(591,021)
---------------	-----------

Net Pension Asset (Liability)	167,596
-------------------------------	---------

Deferred Inflows Related to Pensions	(163,080)
--------------------------------------	-----------

NET POSITION OF GOVERNMENTAL ACTIVITIES

<u>\$ 3,433,110</u>

VILLAGE OF KIRKLAND, ILLINOIS

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

For the Year Ended April 30, 2022

	General	Motor Fuel Tax	Total
REVENUES			
Taxes	\$ 617,274	\$ -	\$ 617,274
Licenses and Permits	25,037	-	25,037
Intergovernmental Revenue	466,796	107,836	574,632
Service Charges	154,972	-	154,972
Fines and Forfeits	11,602	-	11,602
Investment Income	770	400	1,170
Miscellaneous	9,662	-	9,662
Total Revenues	1,286,113	108,236	1,394,349
EXPENDITURES			
Current			
General Government	133,434	-	133,434
Public Safety	402,210	-	402,210
Highways and Streets	743,045	50,429	793,474
Sanitation	122,181	-	122,181
Capital Outlay	-	-	-
Debt Service	55,616	-	55,616
Total Expenditures	1,456,486	50,429	1,506,915
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(170,373)	57,807	(112,566)
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	15,000	-	15,000
Loan Proceeds	179,613	-	179,613
Interfund Transfers In (Out)	-	-	-
Total Other Financing Sources (Uses)	194,613	-	194,613
NET CHANGE IN FUND BALANCES	24,240	57,807	82,047
FUND BALANCES, MAY 1	474,057	342,055	816,112
FUND BALANCES, APRIL 30	\$ 498,297	\$ 399,862	\$ 898,159

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, 2022

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 82,047
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	356,383
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.	(179,613)
Proceeds from the sale of capital assets are reported as an other financing source in the Governmental Funds, however the book value of the disposed assets is considered to calculate a gain or loss on the Statement of Activities. The book value of the disposed capital assets this period.	(96,364)
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	48,114
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	(172,012)
Pension Expense	48,756
	<hr/>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>87,311</u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

April 30, 2022

	Business-Type Activities Water and Sewer System
ASSETS	
Current Assets	
Cash	\$ 206,411
Receivables	
Accounts - Billed and Unbilled	73,965
Due From Other Funds	-
Total Current Assets	280,376
Non-Current Assets	
Net Pension Asset	73,429
Capital Assets	
Net of Accumulated Depreciation	1,281,650
Total Non-Current Assets	1,355,079
Total Assets	1,635,455
DEFERRED OUTFLOWS	
Pension Related	22,512
LIABILITIES	
Current Liabilities	
Accounts Payable	21,800
Accrued Payroll	8,132
Due To Other Funds	-
Total Current Liabilities	29,932
Non-Current Liabilities	
Net Pension Liability	-
Total Liabilities	29,932
DEFERRED INFLOWS OF RESOURCES	
Pension Related	71,451
NET POSITION	
Net Investment In Capital Assets	1,281,650
Unrestricted	274,934
TOTAL NET POSITION	\$ 1,556,584

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, 2022

	Business-Type Activities <u>Water and Sewer System</u>
OPERATING REVENUES	
Charges for Services	\$ 380,113
Total Operating Revenues	<u>380,113</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Water and Sewer Operations	
Salaries and Benefits	206,502
Contractual Services	177,745
Material and Supplies	28,689
Miscellaneous	<u>2,870</u>
Total Operating Expenses Excluding Depreciation	<u>415,806</u>
OPERATING INCOME BEFORE DEPRECIATION	<u>(35,693)</u>
DEPRECIATION	<u>91,692</u>
OPERATING INCOME (LOSS)	<u>(127,385)</u>
NON-OPERATING REVENUES	
Investment Income	<u>-</u>
Total Non-Operating Revenue	<u>-</u>
CHANGE IN NET POSITION	<u>(127,385)</u>
NET POSITION, MAY 1	1,683,969
NET POSITION, APRIL 30	<u>\$ 1,556,584</u>

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2022

	Business-Type Activities Water and Sewer System
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers	\$ 365,199
Payments To Suppliers	(215,221)
Payments To Employees	(224,984)
	<u>(75,006)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(6,250)
General Fund Due To/From	-
	<u>(6,250)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	-
	<u>-</u>
	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(81,256)
CASH, MAY 1	287,667
CASH, APRIL 30	\$ 206,411
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (127,385)
Depreciation	91,692
Adjustments To Reconcile Operating Income (Loss) To Net Cash From Operating Activities	
Accounts Receivable	(14,914)
Accounts Payable	(5,917)
Accrued Payroll	2,052
Pension related amounts	(20,534)
	<u>(49,313)</u>
NET CASH FROM OPERATING ACTIVITIES	\$ (75,006)

See Notes to Financial Statements.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

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, 2022

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 as a major fund 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, 2022

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 one major special revenue fund, the Motor Fuel Tax 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, 2022

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, 2022

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, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY - Continued

Receivables

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

Internal Receivables, Payables and Activity

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

Prepays

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

Inventories

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

Capital Assets

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

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY – Continued

Capital Assets - Continued

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

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

Unearned / Unavailable Revenues

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

Deferred Outflows / Inflows of Resources

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

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

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, 2022

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 2020 Tax Levy Ordinance, adopted in December 2020, and collected in 2021, was used to finance the fiscal year ended April 30, 2022. The 2021 Tax Levy Ordinance, adopted in December 2021, is recorded as a receivable and unavailable revenue in the financial statements for the year ended April 30, 2022.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS

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

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

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

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$93,755. Additionally, the Village had \$1,111,092 deposited in the Illinois Funds.

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

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

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

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

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

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy recommends diversification to minimize this risk. However, the Village does not require diversification for funds on deposit with a financial institution that are covered by FDIC insurance or collateral. At year-end, the Village maintained deposit accounts with five banks and the Illinois Funds: 7% with Resource Bank, Kirkland, Illinois, and less than 1% with Blackhawk Bank and Illinois National Bank, and 92% with Illinois Funds.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year ended April 30, 2022 follows on the next page:

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS - Continued

Governmental Activities – Continued

	<u>Balances</u> May 1, 2021	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> April 30, 2022
Capital Assets				
General Government				
Building and Improvements	\$ 862,070	\$ -	\$ 96,364	\$ 765,706
Equipment	70,178	1,490	-	71,668
Public Safety				
Equipment and Vehicles	233,397	20,655	-	254,052
Highways and Streets				
Equipment and Vehicles	348,928	17,397	-	366,325
Building and Improvements	177,290	-	-	177,290
Pioneer Park Improvement Infrastructure	42,853	-	-	42,853
	<u>2,551,818</u>	<u>316,841</u>	<u>-</u>	<u>2,868,659</u>
	<u>4,286,534</u>	<u>356,383</u>	<u>96,364</u>	<u>4,546,553</u>
Less Accumulated Depreciation				
General Government				
Building and Improvements	223,804	17,855	-	241,659
Equipment	15,670	5,624	-	21,294
Public Safety				
Equipment and Vehicles	131,147	28,884	-	160,031
Highways and Streets				
Equipment and Vehicles	231,361	39,388	-	270,749
Building and Improvements	2,489	1,659	-	4,148
Pioneer Park Improvement Infrastructure	42,853	-	-	42,853
	<u>657,142</u>	<u>78,602</u>	<u>-</u>	<u>735,744</u>
	<u>1,304,466</u>	<u>172,012</u>	<u>-</u>	<u>1,476,478</u>
Total Capital Assets	<u>\$ 2,982,068</u>	<u>\$ 184,371</u>	<u>\$ 96,364</u>	<u>\$ 3,070,075</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 23,479
Public Safety	28,884
Highways and Streets	<u>119,649</u>
	<u>\$ 172,012</u>

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

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, 2021	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> April 30, 2022
Capital Assets				
Equipment	\$ 435,694	\$ 6,250	\$ -	\$ 441,944
Vehicles	131,180	-	-	131,180
Water System	915,048	-	-	915,048
Sewer System	910,609	-	-	910,609
Sewer Treatment Plant	<u>1,038,181</u>	<u>-</u>	<u>-</u>	<u>1,038,181</u>
	<u>3,430,712</u>	<u>6,250</u>	<u>-</u>	<u>3,436,962</u>
Less Accumulated Depreciation				
Equipment	220,385	19,760	-	240,145
Vehicles	64,693	4,925	-	69,618
Water System	459,202	26,082	-	485,284
Sewer System	383,702	19,228	-	402,930
Sewer Treatment Plant	<u>935,638</u>	<u>21,697</u>	<u>-</u>	<u>957,335</u>
	<u>2,063,620</u>	<u>91,692</u>	<u>-</u>	<u>2,155,312</u>
Total Capital Assets	<u>\$ 1,367,092</u>	<u>\$ (85,442)</u>	<u>\$ -</u>	<u>\$ 1,281,650</u>

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Installment Loans:

Issue	Fund Debt Retired By	Balances May 1, 2021	Issuances	Retirements	Balances April 30, 2022
Installment note to refinance a note used to purchase two Public Works trucks and new funds to purchase two Police vehicles, due in 48 monthly installments with interest at 3.00% maturing November 19, 2024	General Fund	\$ 105,785	\$ -	\$ 29,086	\$ 76,699
IEPA Loan to complete Bull Run Creek Construction Project due in 20 semi-annual installments with interest at 1.18% maturing 12/1/2039	General Fund	353,086	96,086	19,028	430,144
Installment note to fund street projects up to \$2,000,000 due April 30, 2023 with interest at 3.17%. It is the Village's intent to refinance this once the project is complete.	General Fund	-	84,178	-	84,178
		\$ 458,871	\$ 180,264	\$ 48,114	\$ 591,021

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

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	2023	29,983	1,917	31,900
Public Works Trucks	2024	30,908	992	31,900
and Police Vehicles	2025	15,808	141	15,949
Total		<u>\$ 76,699</u>	<u>\$ 3,050</u>	<u>\$ 79,749</u>
IEPA Loan	2023	\$ 21,582	\$ 5,012	\$ 26,594
Bull Creek Construction	2024	21,838	4,757	26,595
	2025	22,096	4,498	26,594
	2026	22,358	4,237	26,595
	2027	22,622	3,972	26,594
	2028-2032	117,192	15,781	132,973
	2033-2037	124,293	10,119	143,092
	2038-2040	78,163	1,622	79,785
Total		<u>\$ 430,144</u>	<u>\$ 49,998</u>	<u>\$ 488,822</u>
Installment Loan - Street Projects	2023	84,178	2,668	86,846
Total		<u>\$ 84,178</u>	<u>\$ 2,668</u>	<u>\$ 86,846</u>

Debt Limitation

The Village is subject to a debt limitation of 8.625% of its assessed valuation of \$29,746,235. As of April 30, 2022, the Village had a debt limit of \$2,565,613, but no general obligation outstanding debt.

Authorized Debt Not Yet Issued

On March 15, 2022 the Village obtained a note payable up to \$2,000,000 from Resource bank. As of April 30, 2022 \$84,178 had been drawn on the loan. Additional draws totaling \$122,157 were taken through October 11, 2022 (see additional information under Subsequent Events in Note 5).

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERNAL ACCOUNTS

Interfund Balances

There were no loans between funds as of April 30, 2022.

NOTE 4 – DEFINED BENEFIT PENSION PLAN

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

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

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

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

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

Benefits Provided – Continued

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

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

Employees Covered by the Benefit Terms – At the December 31, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inacive employees entitled to but not yet receiving benefits	6
Active employees	<u>7</u>
Total	<u><u>18</u></u>

Contributions – As set by statute, the employer’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar year 2021 was 7.07%. For the fiscal year ended April 30, 2022, the Village contributed \$31,135 to the plan. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability – The employer’s Net Pension Liability was measured as of December 31, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

Actuarial Assumptions – The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

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

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

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

Salary Increases were expected to be 3.35% 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 2020 valuation according to an experience study from years 2017-2019.

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

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

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 4 – DEFINED BENEFIT PENSION PLAN – Continued

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2021	\$ 1,539,555	\$ 1,639,501	\$ (99,946)
Service Costs	36,903	-	36,903
Interest On Total Pension Liability	111,179	-	111,179
Difference Between Expected and Actual Experience	24,586	-	24,586
Changes In Assumptions	-	-	-
Employer Contributions	-	30,695	(30,695)
Employee Contributions	-	19,536	(19,536)
Net Investment Income	-	266,429	(266,429)
Benefit Payments, Net of Refunds	(49,001)	(49,001)	-
Other Changes	-	(2,913)	2,913
Net Changes	123,667	264,746	(141,079)
Balances As Of December 31, 2021	\$ 1,663,222	\$ 1,904,247	\$ (241,025)

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)	\$ (27,068)	\$ (241,025)	\$ (407,668)

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

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, 2022, the Village recognized a pension expense of \$31,859. At April 30, 2022 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	\$ 32,167	\$ -	\$ 32,167
Changes In Assumptions	-	3,307	(3,307)
Net Difference Between Projected and Actual Earnings	32,379	231,224	(198,845)
Employer Contributions Subsequent to the Measurement Date	9,347	-	9,347
Total	\$ 73,893	\$ 234,531	\$ (160,638)

The Village reported \$9,347 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ (22,970)
2023	(68,523)
2024	(48,966)
2025	(29,526)
2026	-
Thereafter	-
Total	\$ (169,985)

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 5 – OTHER INFORMATION

RISK MANAGEMENT

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

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

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

POSTEMPLOYMENT BENEFITS

The Village has evaluated its potential other postemployment benefits liability. The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Village has no former employees for which the Village was providing an explicit subsidy and no employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any postemployment benefit liability as of April 30, 2022.

VILLAGE OF KIRKLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2022

NOTE 5 – OTHER INFORMATION - Continued

TORT INSURANCE EXPENDITURES

The Village allocated the total amount of the tort insurance levy of \$19,953 received in the year ended April 30, 2022 towards tort insurance expenditures for the year, resulting in no restricted balances for tort as of April 30, 2022.

CONTINGENT LIABILITIES

Litigation

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

Grants

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

SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. As of this date an additional \$122,157 had been drawn on the street project note payable discussed in Note 3.

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, 2022
(with comparative actual for 2021)

	2022		2021 Actual
	Original Budget	Final Budget	
REVENUES			
Taxes	\$ 524,000	\$ 524,000	\$ 529,415
Licenses and Permits	24,175	24,175	26,819
Intergovernmental Revenue	734,900	734,900	368,221
Service Charges	-	-	210,650
Fines and Forfeits	15,000	15,000	15,157
Investment Income	2,200	2,200	1,603
Miscellaneous	10,150	10,150	61,053
Total Revenues	1,310,425	1,310,425	1,212,918
EXPENDITURES			
Current			
General Government	161,380	161,380	189,340
Public Safety	523,449	523,449	307,657
Highways and Streets	627,225	627,225	316,356
Sanitation	186,500	186,500	179,285
Capital Outlay	-	-	253,546
Debt Service	15,950	15,950	135,341
Total Expenditures	1,514,504	1,514,504	1,381,525
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(204,079)	(204,079)	(168,607)
OTHER FINANCING SOURCES (USES)			
Interfund Transfers In (Out)	-	-	-
Sale of capital assets	-	-	15,000
Loan Proceeds	-	-	120,000
Total Other Financing Sources (Uses)	-	-	120,000
NET CHANGE IN FUND BALANCE	\$ (204,079)	\$ (204,079)	24,240
FUND BALANCE, MAY 1			474,057
FUND BALANCE, APRIL 30			\$ 474,057

(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, 2022
(with comparative actual for 2021)

	2022		2021 Actual
	Original Budget	Final Budget	
REVENUES			
Intergovernmental Revenues			
MFT Allocation	\$ 100,800	\$ 100,800	\$ 119,911
Investment Income	600	600	568
Total Revenues	101,400	101,400	120,479
EXPENDITURES			
Highways and Streets			
Street Salt	18,000	18,000	13,661
Street Repairs & Improvements	73,600	73,600	32,722
Legal Expenses	10,000	10,000	-
Engineering	5,000	5,000	-
Total Expenditures	106,600	106,600	46,383
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,200)	(5,200)	74,096
OTHER FINANCING SOURCES (USES)			
Interfund Transfers In (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (5,200)	\$ (5,200)	74,096
FUND BALANCE, MAY 1			342,055
FUND BALANCE, APRIL 30			<u>\$ 399,862</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
2022	\$ 31,135	\$ 31,135	\$ -	\$ 446,648	6.97%
2021	24,913	24,913	-	378,841	6.58%
2020	18,392	18,392	-	324,112	5.67%
2019	22,062	22,062	-	288,435	7.65%
2018	26,124	26,124	-	256,621	10.18%
2017	35,766	35,766	-	337,430	10.60%
2016	46,630	46,630	-	389,019	11.99%
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-

(See Notes to Required Supplementary Information.)

VILLAGE OF KIRKLAND, ILLINOIS

NOTES TO MULTIYEAR SCHEDULE OF CONTRIBUTIONS

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

April 30, 2022

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 2021 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): 22-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 27 year and four others were financed over 28 years).
Asset Valuation Method	5-year smoothed market; 20% corridor.
Wage Growth	3.25%.
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.25%.
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scal MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjusts to match current IMRF experience. For disabled retirees, an IMRF specific mortatlity table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were appied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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, 2018 actuarial valuation.

(See Notes to Required Supplementary Information)

VILLAGE OF KIRKLAND, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Calendar Year Ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:								
Service Cost	\$ 36,903	\$ 34,664	\$ 31,003	\$ 27,710	\$ 42,317	\$ 46,558	\$ 46,695	\$ 42,777
Interest On The Total Pension Liability	111,179	101,417	92,588	87,755	92,035	93,590	93,859	83,386
Benefit Changes	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	24,586	58,818	45,486	10,476	(100,703)	(105,993)	(81,618)	22,254
Assumption Changes	-	(12,195)	-	32,737	(32,147)	(6,749)	1,729	42,747
Benefit Payments and Refunds	(49,001)	(49,333)	(48,931)	(57,704)	(44,822)	(60,613)	(64,422)	(38,430)
Net Change In Total Pension Liability	123,667	133,371	120,146	100,974	(43,320)	(33,207)	(3,757)	152,734
Total Pension Liability - Beginning	1,539,555	1,406,184	1,286,038	1,185,064	1,228,384	1,261,591	1,265,348	1,112,614
Total Pension Liability - Ending (a)	\$ 1,663,222	\$ 1,539,555	\$ 1,406,184	\$ 1,286,038	\$ 1,185,064	\$ 1,228,384	\$ 1,261,591	\$ 1,265,348
Plan Fiduciary Net Position:								
Employer Contributions	\$ 30,695	\$ 23,461	\$ 17,633	\$ 23,548	\$ 31,178	\$ 43,223	\$ 47,301	\$ 45,480
Employee Contributions	19,536	16,678	14,804	11,696	13,064	16,074	17,348	17,271
Pension Plan Net Investment Income	266,429	201,753	225,955	(64,424)	192,534	71,743	5,305	60,109
Benefit Payments and Refunds	(49,001)	(49,333)	(48,931)	(57,704)	(44,822)	(60,613)	(64,422)	(38,430)
Other	(2,913)	375	3,967	18,147	(9,498)	(327)	(17,117)	3,247
Net Change In Plan Fiduciary Net Position	264,746	192,934	213,428	(68,737)	182,456	70,100	(11,585)	87,677
Plan Fiduciary Net Position - Beginning	1,639,501	1,446,567	1,233,139	1,301,876	1,119,420	1,049,320	1,060,905	973,228
Plan Fiduciary Net Position - Ending (b)	\$ 1,904,247	\$ 1,639,501	\$ 1,446,567	\$ 1,233,139	\$ 1,301,876	\$ 1,119,420	\$ 1,049,320	\$ 1,060,905
Net Pension Liability(Asset) - Ending (a)-(b)	(241,025)	(99,946)	(40,383)	52,899	(116,812)	108,964	212,271	204,443
Plan Fiduciary Net Position As A Percentage Of Total Pension Liability	114.49%	106.49%	102.87%	95.89%	109.86%	91.13%	83.17%	83.84%
Covered Valuation Payroll	\$ 434,141	\$ 370,626	\$ 328,975	\$ 259,912	\$ 290,304	\$ 357,208	\$ 385,509	\$ 383,800
Net Pension Liability As A Percentage Of Covered Valuation Payroll	-55.52%	-26.97%	-12.28%	20.35%	-40.24%	30.50%	55.06%	53.27%

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

(See Notes To Required Supplementary Information)

VILLAGE OF KIRKLAND, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2022

a. Budgets

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

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

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

SUPPLEMENTARY INFORMATION

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2022
(with comparative actual for 2021)

	2022		2021 Actual	
	Original Budget	Final Budget		
REVENUES				
Taxes				
Property	\$ 240,000	\$ 240,000	\$ 239,113	\$ 240,708
Road and Bridge	7,000	7,000	7,458	7,329
Utility	87,000	87,000	97,569	91,997
Sales	190,000	190,000	273,134	189,381
Total Taxes	524,000	524,000	617,274	529,415
Licenses and Permits				
Liquor Licenses	4,200	4,200	3,600	3,100
Other Licenses	475	475	525	375
Building Permits	15,000	15,000	16,212	18,494
Golf Cart Permits	1,000	1,000	1,400	950
Cable TV Franchise	3,500	3,500	3,300	3,900
Total Licenses and Permits	24,175	24,175	25,037	26,819
Intergovernmental Revenue				
State Shared Taxes				
State Income Tax	170,000	170,000	245,271	199,927
State Use Tax	60,000	60,000	65,513	78,457
Personal Property Replacement Tax	3,200	3,200	9,058	4,155
Video Gaming Tax	18,000	18,000	24,879	12,194
Cannabis Tax	1,200	1,200	2,697	1,543
Grant Revenue - ARPA	482,500	482,500	117,645	-
Grant Revenue - CARES Act	-	-	1,733	71,945
Total Intergovernmental Revenue	734,900	734,900	466,796	368,221
Service Charges				
Garbage Fees	\$ -	\$ -	\$ 123,511	\$ 178,180
Utility Billing for Bull Run Creek IEPA Loan	-	-	31,461	32,470
Total Service Charges	-	-	154,972	210,650
Fines and Forfeits				
Ordinance Fines	15,000	15,000	11,602	15,157
Total Fines and Forfeits	15,000	15,000	11,602	15,157

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

GENERAL FUND

For the Year Ended April 30, 2022
(with comparative actual for 2021)

	2022		2021 Actual	
	Original Budget	Final Budget		Actual
REVENUES (Continued)				
Investment Income	\$ 2,200	\$ 2,200	\$ 770	\$ 1,603
Miscellaneous				
Miscellaneous Income	4,100	4,100	5,307	16,996
Tower Rental	4,000	4,000	4,305	3,552
Insurance Claims	50	50	50	40,505
Copies/Fax Charges	-	-	-	-
Donation Income	2,000	2,000	-	-
Total Miscellaneous	10,150	10,150	9,662	61,053
TOTAL GENERAL FUND REVENUES	\$ 1,310,425	\$ 1,310,425	\$ 1,286,113	\$ 1,212,918

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2022
(with comparative actual for 2021)

	2022		2021 Actual	
	Original Budget	Final Budget		Actual
GENERAL GOVERNMENT				
Administration and Finance				
Salaries & Benefits				
Salaries - Board Members	\$ 13,800	\$ 13,800	\$ 12,860	\$ 12,620
Liquor Commissioner Salary	500	500	-	500
Salaries - Village Finance	28,000	28,000	27,517	26,463
Payroll Taxes	2,250	2,250	3,354	3,380
IMRF Pension	2,000	2,000	3,962	3,654
Life Insurance	180	180	-	7
Health Insurance	5,050	5,050	7,280	5,094
Employee Appreciation	50	50	50	50
Total Salaries and Benefits	51,830	51,830	55,023	51,768
Contractual Services				
Repairs & Maint - Equipment	2,200	2,200	4,134	3,315
Maintenance/Cleaning	5,000	5,000	1,799	1,118
Legal Expense	20,000	20,000	(889)	43,585
Treasurer/Accounting Expense	9,000	9,000	10,660	9,337
Audit Expense	9,000	9,000	8,500	9,600
Permit Inspections - ICCI	10,000	10,000	15,259	19,435
Engineering Expense	5,000	5,000	7,111	19,900
Codification	3,000	3,000	2,038	3,829
IML/Training	1,500	1,500	-	115
Utilities	-	-	-	-
Telephone	1,750	1,750	1,524	2,069
Telephone Notification System	1,300	1,300	1,250	1,250
Internet Service	-	-	-	-
E Worldlinc Web	1,200	1,200	1,280	1,280
Insurance & Bonds	11,000	11,000	10,287	9,094
Postage	800	800	495	506
Printing & Publishing	1,200	1,200	1,904	1,341
Billing software	-	-	1,215	2,007
Dues & Subscriptions	3,500	3,500	1,976	4,481
Total Contractual Services	85,450	85,450	68,543	132,262
Materials & Supplies				
Tools/Equipment	1,250	1,250	2,022	909
Office Supplies	1,750	1,750	1,164	1,151
New Equipment	1,500	1,500	-	-
Total Materials and Supplies	4,500	4,500	3,186	2,060

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2022
(with comparative actual for 2021)

	2022		Actual	2021 Actual
	Original Budget	Final Budget		
GENERAL GOVERNMENT (Continued)				
Administration and Finance (Continued)				
Miscellaneous				
Grant Projects - Downtown Beautification	15,000	15,000	855	-
Sales Tax Reimbursement	\$ -	\$ -	\$ -	\$ -
Economic Development	100	100	-	-
Revenue Audit Reimbursement	-	-	-	-
Donations/Grant Expense	2,500	2,500	3,650	1,697
Contingency	2,000	2,000	2,177	1,553
Total Miscellaneous	19,600	19,600	6,682	3,250
Total Administration and Finance	161,380	161,380	133,434	189,340
Impact Fee Account				
Miscellaneous				
Street Improvements	-	-	-	-
Total Impact Fee Account	-	-	-	-
Total General Government	161,380	161,380	133,434	189,340
PUBLIC SAFETY				
Police Department				
Salaries & Benefits				
Police F/T Salaries	187,200	187,200	179,538	117,121
Police P/T Salaries	30,000	30,000	24,852	50,798
Police Special Activity Pay	-	-	-	-
Police Salaries - Back Pay	-	-	-	-
Police Overtime	2,000	2,000	6,360	349
Police Holiday Pay	-	-	9,759	6,678
Employee Appreciation	150	150	150	100
Payroll Taxes	17,400	17,400	18,621	16,028
IMRF Pension	15,450	15,450	14,095	8,748
Life Insurance	500	500	-	45
Health Insurance	24,200	24,200	33,655	9,893
Total Salaries and Benefits	276,900	276,900	287,030	209,760

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2022
(with comparative actual for 2021)

	2022		2021 Actual
	Original Budget	Final Budget	
Contractual Services			
Repairs & Maint - Equipment	8,500	8,500	4,416
Building Maintenance	225	225	106
Legal Expense	2,000	2,000	531
Adjudication	6,000	6,000	3,190
Dues & Training	11,250	11,250	12,006
Telephone	4,500	4,500	5,265
Internet Service	-	-	-
Insurance	10,000	10,000	10,222
Postage	250	250	483
Printing & Publishing	700	700	772
Donations/Grant Expense	250	250	-
Alerts/PSAN/IPIPS	6,500	6,500	5,885
911 Dispatch Fee	17,400	17,400	17,340
Total Contractual Services	67,575	67,575	60,216
Materials and Supplies			
Police Supplies	\$ 5,000	\$ 5,000	\$ -
Police Materials	1,000	1,000	-
DARE Supplies	-	-	839
Billing Software	650	650	796
Office Supplies	-	-	3,538
Police Tools and Equipment	6,500	6,500	5,638
Automotive Fuel	8,500	8,500	11,685
Uniforms	5,000	5,000	3,436
Total Materials and Supplies	26,650	26,650	25,932
Miscellaneous			
Grant Projects - Public Safety	117,500	117,500	28,250
Other Expenditures	1,500	1,500	782
Equipment Rentals	16,050	16,050	-
Total Miscellaneous	135,050	135,050	29,032
Capital Outlay			
Vehicles	17,274	17,274	-
Equipment	-	-	-
Total Capital Outlay	17,274	17,274	-
Total Public Safety	523,449	523,449	402,210

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2022
(with comparative actual for 2021)

	2022		2021 Actual	
	Original Budget	Final Budget		Actual
HIGHWAYS AND STREETS				
Street Department				
Salaries & Benefits				
Streets F/T Salaries	88,750	88,750	86,536	79,874
Streets P/T Salaries	34,000	34,000	28,569	31,200
Streets Seasonal	-	-	7,412	2,120
Streets Overtime	5,000	5,000	8,895	17,797
Employee Appreciation	75	75	50	50
Payroll Taxes	10,200	10,200	11,093	12,033
IMRF Pension	8,750	8,750	4,096	3,781
Life Insurance	400	400	-	30
Health Insurance	17,050	17,050	16,245	19,016
Total Salaries and Benefits	164,225	164,225	162,896	165,901
Contractual Services				
Repairs & Maint - Equipment	\$ 16,000	\$ 16,000	\$ 13,283	\$ 16,178
Repairs & Maint - Weather Siren	-	-	1,250	1,200
Repairs & Maint - Streets	5,000	5,000	1,681	1,553
Engineering	5,000	5,000	87,097	13,061
Repairs - Street Lights	1,000	1,000	1,479	29,394
Forestry Maintenance	10,000	10,000	1,248	8,471
Building Maintenance	1,000	1,000	171	60
Dues & Training	2,100	2,100	1,134	1,279
Telephone	1,800	1,800	639	2,732
Internet Service	300	300	-	-
Insurance	10,000	10,000	10,222	10,000
Postage	250	250	445	90
Printing & Publishing	500	500	26	213
Sidewalk Construction	10,000	10,000	10,000	10,000
Donation/Grant Expense	100	100	299,766	-
Gas Service/Usage	1,000	1,000	-	-
Electric - Street Lights	8,000	8,000	9,533	9,488
Total Contractual Services	72,050	72,050	437,974	103,719
Materials and Supplies				
Tools/Equipment	3,500	3,500	25,892	2,305
Software	400	400	997	435
Street Decorations	500	500	564	551
Office Supplies	300	300	916	422
Automotive Fuel	9,500	9,500	8,941	3,681
Uniforms	2,000	2,000	934	2,228
Mosquito Abatement	3,000	3,000	2,187	2,407
Total Materials and Supplies	19,200	19,200	40,431	12,029

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2022
(with comparative actual for 2021)

	2022		2021 Actual
	Original Budget	Final Budget	
Miscellaneous			
Grant Projects - Water/Sewer Projects	350,000	350,000	91,847
Pioneer Park Improvements	1,500	1,500	408
Bull Run Creek IDNR Improvements	-	-	5,035
Equipment Leases	5,000	5,000	4,310
Contingency	250	250	144
Total Miscellaneous	356,750	356,750	101,744
Capital Outlay			
Equipment	15,000	15,000	-
Total Capital Outlay	15,000	15,000	-
Total Street Department	627,225	627,225	743,045
Total Highways and Streets	627,225	627,225	743,045
SANITATION			
Contractual Services			
Postage	500	500	583
Printing	650	650	529
Billing Software	550	550	542
Garbage Collection	184,800	184,800	120,527
Total Sanitation	186,500	186,500	122,181
CAPITAL OUTLAY			
Bull Run Creek Improvements	-	-	-
Land Purchase	-	-	144,104
Police Vehicles and Equipment	-	-	93,059
Street Vehicles and Equipment	-	-	16,383
Total Capital Outlay	-	-	253,546
DEBT SERVICE			
Bull Run Creek Property Loan	-	-	26,579
Bull Run Creek IEPA Loan	-	-	23,716
Streets Equipment Loan	-	-	66,178
Police Equipment Loans	15,950	15,950	31,900
Total Debt Service	15,950	15,950	55,616
TOTAL EXPENDITURES	\$ 1,514,504	\$ 1,514,504	\$ 1,456,486

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, 2022
(with comparative actual for 2021)

	2022		2021 Actual	2021 Actual
	Original Budget	Final Budget		
REVENUES				
Intergovernmental Revenues				
Grants and Donations	\$ 36,530	\$ 36,530	\$ -	\$ -
Total Revenues	36,530	36,530	-	-
EXPENDITURES				
Capital Outlay				
Community Center	36,500	36,500		
Total Expenditures	36,500	36,500	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	30	30	-	-
OTHER FINANCING SOURCES (USES)				
Transfer from the TIF Fund	-	-		
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	30	30	-	-
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, 2022

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2022 Total
ASSETS				
Current Assets				
Cash and Investments	\$ 88,838	\$ 103,883	\$ 13,690	\$ 206,411
Water and Sewer Accounts Receivable	73,965	-	-	73,965
Due From Other Funds	-	-	-	-
Proprietary Fund - Internal Accounts	-	-	-	-
Total Current Assets	<u>162,803</u>	<u>103,883</u>	<u>13,690</u>	<u>280,376</u>
Non-Current Assets				
Net Pension Asset	73,429	-	-	73,429
Capital Assets				
Net Of Accumulated Depreciation	<u>1,281,650</u>	<u>-</u>	<u>-</u>	<u>1,281,650</u>
Total Non-Current Assets	<u>1,355,079</u>	<u>-</u>	<u>-</u>	<u>1,355,079</u>
Total Assets	<u>1,517,882</u>	<u>103,883</u>	<u>13,690</u>	<u>1,635,455</u>
DEFERRED OUTFLOWS				
Pension Related	<u>22,512</u>	<u>-</u>	<u>-</u>	<u>22,512</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	21,800	-	-	21,800
Accrued Payroll	8,132	-	-	8,132
Due To Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>29,932</u>	<u>-</u>	<u>-</u>	<u>29,932</u>
Non-Current Liabilities				
Net Pension Liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>29,932</u>	<u>-</u>	<u>-</u>	<u>29,932</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related	<u>71,451</u>	<u>-</u>	<u>-</u>	<u>71,451</u>
NET POSITION				
Net Investment In Capital Assets	1,281,650	-	-	1,281,650
Unrestricted	<u>157,361</u>	<u>103,883</u>	<u>13,690</u>	<u>274,934</u>
Total Net Position	<u>\$ 1,439,011</u>	<u>\$ 103,883</u>	<u>\$ 13,690</u>	<u>\$ 1,556,584</u>

VILLAGE OF KIRKLAND, ILLINOIS

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

PROPRIETARY FUND - WATER AND SEWER FUND BY SUBACCOUNT

For the Year Ended April 30, 2022

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2022 Total
OPERATING REVENUES				
Charges for Services				
Water and Sewer Charges	\$ 379,896	\$ -	\$ -	\$ 379,896
Miscellaneous Income	217	-	-	217
Total Operating Revenues	<u>380,113</u>	<u>-</u>	<u>-</u>	<u>380,113</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water & Sewer Operations	338,292	61,158	16,356	415,806
Total Operating Expenses Excluding Depreciation	<u>338,292</u>	<u>61,158</u>	<u>16,356</u>	<u>415,806</u>
OPERATING INCOME (EXPENSES) BEFORE DEPRECIATION	<u>41,821</u>	<u>(61,158)</u>	<u>(16,356)</u>	<u>(35,693)</u>
DEPRECIATION	<u>91,692</u>	<u>-</u>	<u>-</u>	<u>91,692</u>
OPERATING INCOME (LOSS)	<u>(49,871)</u>	<u>(61,158)</u>	<u>(16,356)</u>	<u>(127,385)</u>
NON-OPERATING REVENUES				
Investment Income	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCOME BEFORE TRANSFERS	<u>(49,871)</u>	<u>(61,158)</u>	<u>(16,356)</u>	<u>(127,385)</u>
TRANSFERS				
Transfers From (To) Other Funds Or Subaccounts				
Sewer Improvement Subaccount	11,382	-	(11,382)	-
Water Improvement Subaccount	(3,493)	3,493	-	-
Total Transfers	<u>7,889</u>	<u>3,493</u>	<u>(11,382)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(41,982)</u>	<u>(57,665)</u>	<u>(27,738)</u>	<u>(127,385)</u>
NET POSITION, MAY 1,	<u>1,480,993</u>	<u>161,548</u>	<u>41,428</u>	<u>1,683,969</u>
NET POSITION, APRIL 30	<u>\$ 1,439,011</u>	<u>\$ 103,883</u>	<u>\$ 13,690</u>	<u>\$ 1,556,584</u>

VILLAGE OF KIRKLAND, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND - WATER AND SEWER FUND BY SUBACCOUNT

For the Year Ended April 30, 2022

	Water & Sewer Operating Account	Water Improvement Account	Sewer Improvement Account	2022 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts From Customers	\$ 365,199	\$ -	\$ -	\$ 365,199
Payments To Suppliers	(137,707)	(61,158)	(16,356)	(215,221)
Payments To Employees	(224,984)	-	-	(224,984)
Net Cash From Operating Activities	<u>2,508</u>	<u>(61,158)</u>	<u>(16,356)</u>	<u>(75,006)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(6,250)	-	-	(6,250)
Other Funds Due To/From	-	-	-	-
Proprietary Fund Interaccount Due To/Due From	-	-	-	-
Proprietary Fund Interaccount Transfers	7,889	3,493	(11,382)	-
Net Cash From Capital and Related Financing Activities	<u>1,639</u>	<u>3,493</u>	<u>(11,382)</u>	<u>(6,250)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	-	-	-	-
Net Cash From Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE IN CASH	4,147	(57,665)	(27,738)	(81,256)
CASH, MAY 1	84,691	161,548	41,428	287,667
CASH, APRIL 30	<u>\$ 88,838</u>	<u>\$ 103,883</u>	<u>\$ 13,690</u>	<u>\$ 206,411</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (49,871)	\$ (61,158)	\$ (16,356)	\$ (127,385)
Depreciation	91,692	-	-	91,692
Adjustments To Reconcile Operating Income (Loss) To Net Cash From Operating Activities				
Accounts Receivable	(14,914)	-	-	(14,914)
Accounts Payable	(5,917)	-	-	(5,917)
Accrued Payroll	2,052	-	-	2,052
Pension Expense	(20,534)	-	-	(20,534)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 2,508</u>	<u>\$ (61,158)</u>	<u>\$ (16,356)</u>	<u>\$ (75,006)</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, 2022
(with comparative actual for 2021)

	2022		Actual	2021 Actual
	Original Budget	Final Budget		
OPERATING REVENUES				
Charges For Services				
Water and Sewer Charges	\$ 384,600	\$ 384,600	\$ 379,896	\$ 370,582
Miscellaneous				
Reimbursements	2,000	2,000	217	851
Total Operating Revenues	<u>386,600</u>	<u>386,600</u>	<u>380,113</u>	<u>371,433</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water & Sewer Operating Expenses	<u>385,050</u>	<u>385,050</u>	<u>338,292</u>	<u>341,356</u>
Total Operating Expenses Excluding Depreciation	<u>385,050</u>	<u>385,050</u>	<u>338,292</u>	<u>341,356</u>
OPERATING INCOME (EXPENSES) EXCLUDING DEPRECIATION				
	<u>1,550</u>	<u>1,550</u>	<u>41,821</u>	<u>30,077</u>
DEPRECIATION				
	<u>-</u>	<u>-</u>	<u>91,692</u>	<u>90,530</u>
OPERATING INCOME (LOSS)				
	<u>1,550</u>	<u>1,550</u>	<u>(49,871)</u>	<u>(60,453)</u>
NONOPERATING INCOME (EXPENSE)				
Investment Income	-	-	-	-
Transfers From (To) Other Funds Or Subaccounts				
(To) From Sewer Improvement Subaccount	12,000	12,000	11,382	60,429
(To) From Water Improvement Subaccount	12,000	12,000	(3,493)	39,075
Total Transfers	<u>24,000</u>	<u>24,000</u>	<u>7,889</u>	<u>99,504</u>
CHANGE IN NET POSITION				
	<u>\$ 25,550</u>	<u>\$ 25,550</u>	<u>(41,982)</u>	<u>39,051</u>
NET POSITION, MAY 1				
			<u>1,480,993</u>	<u>\$ 1,441,942</u>
NET POSITION, APRIL 30				
			<u>\$ 1,439,011</u>	<u>\$ 1,480,993</u>

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, 2022
(with comparative actual for 2021)

	2022		2021 Actual	
	Original Budget	Final Budget		
OPERATING EXPENSES				
Salaries & Benefits				
Water & Sewer F/T Salaries	\$ 116,600	\$ 116,600	\$ 122,882	\$ 122,304
Water & Sewer P/T Maintenance	55,400	55,400	53,136	53,550
Water & Sewer Overtime	3,000	3,000	4,400	4,659
Payroll Taxes	13,800	13,800	15,234	16,877
Employee Appreciation	150	150	100	100
IMRF Pension	12,000	12,000	9,706	9,699
Pension Expense	-	-	(20,534)	(18,799)
Life Insurance	600	600	-	52
Health Insurance	24,000	24,000	21,578	22,688
Total Salaries & Benefits	225,550	225,550	206,502	211,130
Contractual Services				
Repairs & Maint - Water	10,250	10,250	5,648	12,044
Repairs & Maint - Sewer	3,000	3,000	11,573	6,823
Meter Repair	12,500	12,500	908	352
Repairs & Maint - Treatment	6,000	6,000	4,029	12,565
Building Maintenance & Cleaning	4,500	4,500	1,194	40
Legal Expense	-	-	923	-
Engineering	5,000	5,000	-	2,322
Dues & Training	7,000	7,000	4,029	311
Electric - Water	30,000	30,000	33,084	33,212
Heat - Sewer Plant	1,800	1,800	3,508	2,709
Telephone	2,000	2,000	3,522	1,713
Internet Expense	2,400	2,400	1,619	2,099
Property/Liability Insurance	21,000	21,000	21,564	21,000
Postage	1,500	1,500	1,176	603
Printing & Publishing	1,500	1,500	1,214	1,145
Testing - Water	6,700	6,700	5,746	6,058
Equipment Rental	1,000	1,000	200	-
JULIE	800	800	294	305
Total Contractual Services	116,950	116,950	100,231	103,301
Materials and Supplies				
Materials & Supplies	13,500	13,500	11,177	8,482
Materials & Supplies - Treatment	2,000	2,000	437	85
Lab Supplies	3,400	3,400	2,567	1,471
Water Billing Software	1,050	1,050	2,458	3,620
Office Supplies	800	800	142	641
Tools/Equip - Water	3,500	3,500	5,013	1,953
Tools/Equip - Treatment	3,000	3,000	398	-
Automotive Fuel	9,000	9,000	6,104	6,244
Uniforms	2,000	2,000	393	1,236
Total Materials and Supplies	38,250	38,250	28,689	23,732

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, 2022
(with comparative actual for 2021)

	2022		2021 Actual
	Original Budget	Final Budget	
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
Lease - Property	350	350	175
Other Expense	1,450	1,450	195
Total Miscellaneous Expense	4,300	4,300	2,870
Total Water and Sewer Expenses Before Depreciation	385,050	385,050	338,292
Depreciation Expense	-	-	91,692
TOTAL OPERATING EXPENSES	385,050	385,050	429,984
TRANSFERS			
Transfer To Sewer Improvement Subaccount	24,000	24,000	-
Total Transfers	24,000	24,000	-
TOTAL OPERATING EXPENDITURES	\$ 409,050	\$ 409,050	\$ 429,984

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, 2022
(with comparative actual for 2021)

	2022		2021 Actual
	Original Budget	Final Budget	
OPERATING REVENUES			
Charges For Services			
Water and Sewer Charges	\$ 12,500	\$ 12,500	\$ -
Miscellaneous Income	-	-	-
Total Operating Revenues	<u>12,500</u>	<u>12,500</u>	<u>-</u>
OPERATING EXPENSES			
Water Operations			
Water Meter Replacement	67,500	67,500	41,339
Water Main Improvements	71,500	71,500	8,631
Engineering	6,000	6,000	11,188
Water Capital Outlay Capitalized	-	-	(22,896)
Total Operating Expenses	<u>145,000</u>	<u>145,000</u>	<u>61,158</u>
OPERATING INCOME (LOSS)	<u>(132,500)</u>	<u>(132,500)</u>	<u>(61,158)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	-	-	-
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS			
Transfer From Water and Sewer Operating	-	-	3,493
Transfer (To) Water and Sewer Operating	-	-	(39,075)
Total Transfers	<u>-</u>	<u>-</u>	<u>3,493</u>
CHANGE IN NET POSITION	<u>\$ (132,500)</u>	<u>\$ (132,500)</u>	<u>(57,665)</u>
NET POSITION, MAY 1			<u>161,548</u>
NET POSITION, APRIL 30			<u>\$ 103,883</u>
			<u>\$ 161,548</u>

VILLAGE OF KIRKLAND, ILLINOIS

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

WATER AND SEWER FUND - SEWER IMPROVEMENT SUBACCOUNT

For the Year Ended April 30, 2022
(with comparative actual for 2021)

	2022		Actual	2021 Actual
	Original Budget	Final Budget		
OPERATING REVENUES				
Charges for Services				
Water and Sewer Charges	\$ 12,500	\$ 12,500	\$ -	\$ -
Miscellaneous Income	-	-	-	-
Total Operating Revenues	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES				
Sewer Operations				
Sewer Improvements	97,000	97,000	16,356	64,267
Sewer Improvements Capitalized	-	-	-	(49,024)
Total Sewer Operating Expenses	<u>97,000</u>	<u>97,000</u>	<u>16,356</u>	<u>15,243</u>
OPERATING INCOME	<u>(84,500)</u>	<u>(84,500)</u>	<u>(16,356)</u>	<u>(15,243)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS				
Transfer (To) Water and Sewer Operating	-	-	(11,382)	(60,429)
Total Transfers	<u>-</u>	<u>-</u>	<u>(11,382)</u>	<u>(60,429)</u>
CHANGE IN NET POSITION	<u>\$ (84,500)</u>	<u>\$ (84,500)</u>	<u>(27,738)</u>	<u>(75,672)</u>
NET POSITION, MAY 1			<u>41,428</u>	<u>117,100</u>
NET POSITION, APRIL 30			<u>\$ 13,690</u>	<u>\$ 41,428</u>

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF GENERAL CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

For the Year Ended April 30, 2022

	Capital Assets				Accumulated Depreciation				Net Capital Assets
	Balances May 1	Additions	Retirements	Balances April 30	Balances May 1	Provisions	Retirements	Balances April 30	
GENERAL GOVERNMENT									
Buildings and Improvements	\$ 862,070	\$ -	\$ 96,364	\$ 765,706	\$ 223,804	\$ 17,855	\$ -	\$ 241,659	\$ 524,047
Equipment	70,178	1,490	-	71,668	15,670	5,624	-	21,294	50,374
Total General Government	932,248	1,490	96,364	837,374	239,474	23,479	-	262,953	574,421
PUBLIC SAFETY									
Equipment & Vehicles	233,397	20,655	-	254,052	131,147	28,884	-	160,031	94,021
Total Public Safety	233,397	20,655	-	254,052	131,147	28,884	-	160,031	94,021
HIGHWAYS AND STREETS									
Equipment & Vehicles	348,928	17,397	-	366,325	231,361	39,388	-	270,749	95,576
Buildings and Improvements	177,290	-	-	177,290	2,489	1,659	-	4,148	173,142
Pioneer Park Improvements	42,853	-	-	42,853	42,853	-	-	42,853	-
Infrastructure	2,551,818	316,841	-	2,868,659	657,142	78,602	-	735,744	2,132,915
Total Highways and Streets	3,120,889	334,238	-	3,455,127	933,845	119,649	-	1,053,494	2,401,633
TOTAL CAPITAL ASSETS	\$4,286,534	\$ 356,383	\$ 96,364	\$4,546,553	\$1,304,466	\$ 172,012	\$ -	\$1,476,478	\$3,070,075
CAPITAL ASSETS SUMMARY									
Buildings and Improvements	\$1,039,360	\$ -	\$ 96,364	\$ 942,996	\$ 226,293	\$ 19,514	\$ -	\$ 245,807	\$ 697,189
Equipment	70,178	1,490	-	71,668	15,670	5,624	-	21,294	50,374
Equipment & Vehicles	582,325	38,052	-	620,377	362,508	68,272	-	430,780	189,597
Pioneer Park Improvements	42,853	-	-	42,853	42,853	-	-	42,853	-
Infrastructure	2,551,818	316,841	-	2,868,659	657,142	78,602	-	735,744	2,132,915
TOTAL CAPITAL ASSETS	\$4,286,534	\$ 356,383	\$ 96,364	\$4,546,553	\$1,304,466	\$ 172,012	\$ -	\$1,476,478	\$3,070,075

VILLAGE OF KIRKLAND, ILLINOIS

SCHEDULE OF WATER AND SEWER CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

For the Year Ended April 30, 2022

	Capital Assets				Accumulated Depreciation				Net Capital Assets
	Balances		Retirements	Balances	Balances		Balances	April 30	
	May 1	Additions		April 30	May 1	Provisions			
EQUIPMENT									
Equipment	\$ 491,144	\$ 6,250	\$ -	\$ 497,394	\$ 220,385	\$ 19,760	\$ -	\$ 240,145	\$ 257,249
Total Equipment	491,144	6,250	-	497,394	221,078	19,760	-	240,145	257,249
VEHICLES									
Vehicles	131,180	-	-	131,180	64,693	4,925	-	69,618	61,562
Total Vehicles	131,180	-	-	131,180	64,693	4,925	-	69,618	61,562
DISTRIBUTION SYSTEM									
Water System	915,048	-	-	915,048	459,202	26,082	-	485,284	429,764
Sewer System	855,159	-	-	855,159	383,702	19,228	-	402,930	452,229
Sewer Treatment Plant	1,038,181	-	-	1,038,181	935,638	21,697	-	957,335	80,846
Total Water & Sewer System	2,808,388	-	-	2,808,388	1,777,849	67,007	-	1,845,549	962,839
TOTAL CAPITAL ASSETS	\$ 3,430,712	\$ 6,250	\$ -	\$ 3,436,962	\$ 2,063,620	\$ 91,692	\$ -	\$ 2,155,312	\$ 1,281,650
CAPITAL ASSETS SUMMARY									
Equipment	\$ 491,144	\$ 6,250	\$ -	\$ 497,394	\$ 221,078	\$ 19,760	\$ -	\$ 240,145	\$ 257,249
Vehicles	131,180	-	-	131,180	64,693	4,925	-	69,618	61,562
Water System	915,048	-	-	915,048	459,202	26,082	-	485,284	429,764
Sewer System	855,159	-	-	855,159	383,009	19,228	-	402,930	452,229
Sewer Treatment Plant	1,038,181	-	-	1,038,181	935,638	21,697	-	957,335	80,846
TOTAL CAPITAL ASSETS	\$ 3,430,712	\$ 6,250	\$ -	\$ 3,436,962	\$ 2,063,620	\$ 91,692	\$ -	\$ 2,155,312	\$ 1,281,650

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
2021	\$ 24,760,023	\$ 4,210,871	\$ 494,311	\$ 281,030	\$ 29,746,235	\$ 89,238,705	0.82022	\$ 243,985
2020	23,468,978	4,010,307	469,254	269,225	28,217,764	84,653,292	0.84942	239,687
2019	22,229,420	3,931,587	455,454	182,912	26,799,373	80,398,119	0.88810	238,005
2018	20,375,140	1,844,855	432,242	171,625	22,823,862	68,471,586	0.91002	207,702
2017	19,879,757	1,830,419	422,036	162,899	22,295,111	66,885,333	0.91240	203,421
2016	19,275,058	1,808,482	413,142	152,349	21,649,031	64,947,093	0.91982	199,132
2015	18,181,526	1,819,366	389,370	137,336	20,527,598	61,582,794	0.96264	197,607
2014	18,550,196	1,752,168	362,051	153,325	20,817,740	62,453,220	0.94134	195,966
2013	19,129,002	1,836,786	371,826	135,210	21,472,824	64,418,472	0.89840	192,912
2012	20,904,451	1,944,844	401,574	135,027	23,385,896	70,157,688	0.81034	189,505

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	2017	2018	2019	2020	2021
VILLAGE DIRECT RATES					
General Corporate	\$ 0.35605	\$ 0.38092	\$ 0.42492	\$ 0.40643	\$ 0.38999
Police Protection	0.44507	0.42327	0.37054	0.35439	0.34482
Audit	0.02226	0.02117	0.01853	0.01772	0.01972
Liability Insurance	0.08902	0.08466	0.07411	0.07088	0.06569
	<u>\$ 0.91240</u>	<u>\$ 0.91002</u>	<u>\$ 0.88810</u>	<u>\$ 0.84942</u>	<u>\$ 0.82022</u>
OVERLAPPING RATES					
Kishwaukee Community College No. 523	\$ 0.66690	\$ 0.66834	\$ 0.65277	\$ 0.65278	\$ 0.64319
County of DeKalb	1.12014	1.09507	1.07520	1.06293	1.03149
DeKalb County Forest Preserve District	0.07831	0.07656	0.07481	0.07396	0.07355
Franklin Cemetery	0.07741	0.07676	0.07288	-	-
Franklin Road and Bridge	0.44360	0.43304	0.39884	0.38650	0.37184
Franklin Township	0.25804	0.25589	0.24296	0.30686	0.29516
Franklin Twp Park District	0.09646	0.09566	0.09081	0.08823	0.08488
Kirkland Fire District	0.50508	0.49603	0.67903	0.65970	0.63482
Kirkland Library	0.22375	0.22317	0.21779	0.21161	0.20433
Hiawatha School District 426	6.30968	6.35145	6.23258	6.15355	6.07350
Village of Kirkland	0.91240	0.91002	0.88810	0.84942	0.82022
TOTAL PROPERTY TAX RATE	<u>\$ 10.69177</u>	<u>\$ 10.68199</u>	<u>\$ 10.62577</u>	<u>\$ 10.44554</u>	<u>\$ 10.23298</u>

Data Source

Office of the County Clerk