

VILLAGE OF KIRKLAND, ILLINOIS

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2023

Village of Kirkland
April 30, 2023
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Village of Kirkland, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Village of Kirkland, Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's 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, and each major fund for the Village of Kirkland, Illinois, as of April 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Responsibility 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 requirements relating to our audit. We believe that the audit evidence 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; and for 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 the 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 retirement plan information in Schedule 1, the budgetary comparison information in Schedules 2 and 3, and Notes to Budgetary Comparison Schedules be presented to supplement the basic financial statements, as listed as *Required Supplementary Information* in the table of contents. Such information is the responsibility of management and, 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.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Kirkland's basic financial statements. Schedules 4 and 5 detailed as *Supplementary Information* in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules identified above as *Supplementary Information* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hopkins & Assoc.

Granville, Illinois
September 29, 2023

VILLAGE OF KIRKLAND
GOVERNMENT-WIDE STATEMENT OF NET POSITION
April 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash (Note 2)	\$ 1,162,559	\$ 24,727	\$ 1,187,286
Restricted Cash (Note 2)	24,530	-	24,530
Receivables (Net):			
Property Tax (Note 1C)	256,450	-	256,450
Accounts (Note 8)	-	65,034	65,034
Other Taxes (Note 8)	97,558	-	97,558
Capital Assets (Note 3):			
Land	144,104	-	144,104
Construction in Progress	139,224	-	139,224
Buildings and Improvements	798,892	-	798,892
Water and Sewer Distribution System	-	2,977,903	2,977,903
Land Improvements and Infrastructure	4,798,335	-	4,798,335
Equipment and Vehicles	813,077	529,244	1,342,321
Accumulated Depreciation	(1,670,321)	(2,207,460)	(3,877,781)
Total Assets	\$ 6,564,408	\$ 1,389,448	\$ 7,953,856
DEFERRED OUTFLOWS OF RESOURCES	\$ 226,232	\$ 64,850	\$ 291,082
Total Assets and Deferred Outflows	\$ 6,790,640	\$ 1,454,298	\$ 8,244,938
LIABILITIES			
Accounts Payable (Note 8)	\$ 27,454	\$ 3,089	\$ 30,543
Accrued Wages & Payroll Tax Liability (Note 8)	14,000	6,246	20,246
Other Liabilities	1,516	-	1,516
Due to Developers	4,977	-	4,977
Long-Term Liabilities (Note 12):			
Due within One Year	207,847	-	207,847
Due in more than One Year	2,299,319	-	2,299,319
Net Pension Liability	41,472	11,888	53,360
Total Liabilities	\$ 2,596,585	\$ 21,223	\$ 2,617,808
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Property Taxes (Note 1C)	\$ 256,450	\$ -	\$ 256,450
Deferred Inflows - Pension Related	134,289	38,494	172,783
Total Deferred Inflows	\$ 390,739	\$ 38,494	\$ 429,233
NET POSITION			
Net Investment in Capital Assets	\$ 2,516,145	\$ 1,299,687	3,815,832
Restricted for:			
Street Maintenance (Note 4)	328,231	-	328,231
Unrestricted	958,940	94,894	1,053,834
Total Net Position	\$ 3,803,316	\$ 1,394,581	\$ 5,197,897
Total Liabilities, Deferred Inflows, and Net Position	\$ 6,790,640	\$ 1,454,298	\$ 8,244,938

See accompanying notes to basic financial statements.

VILLAGE OF KIRKLAND
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year Ended April 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fees/Fines Charges for Service	Operating Grants and Refunds	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Administration	\$ 167,343	\$ 23,491	\$ -	\$ 31,442	\$ (112,410)		\$ (112,410)
Public Safety	339,209	46,368	117,645	-	(175,196)		(175,196)
Highways and Streets	466,262	-	87,780	-	(378,482)		(378,482)
Sanitation	-	10,645	-	-	10,645		10,645
Interest on Long-Term Debt	6,930	-	-	-	(6,930)		(6,930)
Total Governmental Activities	\$ 979,744	\$ 80,504	\$ 205,425	\$ 31,442	\$ (662,373)		\$ (662,373)
Business-Type Activities:							
Water and Sewer Service	\$ 509,171	\$ 353,757	\$ -	\$ -	\$ -	\$ (155,414)	\$ (155,414)
Total Business-Type Activities	\$ 509,171	\$ 353,757	\$ -	\$ -	\$ -	\$ (155,414)	\$ (155,414)
Total Primary Government	\$ 1,488,915	\$ 434,261	\$ 205,425	\$ 31,442	\$ (662,373)	\$ (155,414)	\$ (817,787)
General Revenues:							
Taxes:							
Property Taxes					\$ 250,760	\$ -	\$ 250,760
Sales Tax					210,072	-	210,072
Utility Tax					105,297	-	105,297
State Income Tax					306,295	-	306,295
Other Taxes					108,015	-	108,015
Other Revenue					9,033	-	9,033
Interest Earned					37,711	-	37,711
Total General Revenues					\$ 1,027,183	\$ -	\$ 1,027,183
Change in Net Position from Operations					\$ 364,810	\$ (155,414)	\$ 209,396
Gain (Loss) on Sale of Capital Assets					5,396	(6,589)	(1,193)
Transfers In (Note 7)					-	-	-
Transfers (Out) (Note 7)					-	-	-
Change in Net Position					\$ 370,206	\$ (162,003)	\$ 208,203
Net Position - Beginning					3,433,110	1,556,584	4,989,694
Net Position - Ending					\$ 3,803,316	\$ 1,394,581	\$ 5,197,897

See accompanying notes to basic financial statements.

**VILLAGE OF KIRKLAND
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
April 30, 2023**

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>TOTAL</u>
ASSETS			
Cash (Note 2)	\$ 822,593	\$ 339,966	\$ 1,162,559
Restricted Cash (Note 2)	24,530	-	24,530
Other Intergovernmental Receivables	91,696	5,862	97,558
Property Tax Receivable (Note 1C)	256,450	-	256,450
Total Assets	<u>\$ 1,195,269</u>	<u>\$ 345,828</u>	<u>\$ 1,541,097</u>
LIABILITIES AND FUND BALANCE			
Liabilities: (Note 8)			
Accounts Payable	\$ 9,857	\$ 17,597	\$ 27,454
Accrued Wages and Payroll Tax Liabilities	14,000	-	14,000
Other Payables	1,516	-	1,516
Due to Developers	4,977	-	4,977
Total Liabilities	<u>\$ 30,350</u>	<u>\$ 17,597</u>	<u>\$ 47,947</u>
Deffered Inflows:			
Defered Inflows of Resources	\$ 256,450	\$ -	\$ 256,450
Total Deffered Inflows	<u>\$ 256,450</u>	<u>\$ -</u>	<u>\$ 256,450</u>
Fund Balances (Note 1):			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	328,231	328,231
Committed	-	-	-
Assigned	-	-	-
Unassigned	908,469	-	908,469
Total Fund Balances	<u>\$ 908,469</u>	<u>\$ 328,231</u>	<u>\$ 1,236,700</u>
Total Liabilities and Fund Balances	<u>\$ 1,195,269</u>	<u>\$ 345,828</u>	<u>\$ 1,541,097</u>

Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Position

Total Fund Balances - All Governmental Funds	\$ 1,236,700
The amount of the book value of debt at April 30, 2023. (Governmental funds do not report debt on the balance sheet. In the government-wide statement of net position, debt is reported as a long-term liability.)	(2,507,166)
The amount of the book value of capital assets at April 30, 2023. (In governmental fund statements, all capital assets are expensed as purchased. Under GASB No. 34 in the government-wide statements of net position, capital assets are presented at book value.)	5,023,311
The amount of Net Pension Benefit (Liability) at April 30, 2023. (In the government-wide statement of net position, net pension liability is reported as a long-term liability).	(41,472)
The amount of Deferred Outflows (Inflows) at April 30, 2023 related to IMRF Expenses	91,943
Total Net Position of Governmental Activities	<u>\$ 3,803,316</u>

See accompanying notes to basic financial statements.

VILLAGE OF KIRKLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
Year Ended April 30, 2023

	General Fund	Motor Fuel Tax Fund	TOTAL
REVENUES			
Taxes	\$ 566,129	\$ -	\$ 566,129
Licenses and Permits	23,491	-	23,491
Intergovernmental Revenue	531,955	87,780	619,735
Service Charges	41,891	-	41,891
Fines and Forfeits	15,122	-	15,122
Investment Income	25,577	12,134	37,711
Miscellaneous	40,475	-	40,475
Total Revenues	\$ 1,244,640	\$ 99,914	\$ 1,344,554
EXPENDITURES			
Current:			
General Administrative	\$ 139,173	\$ -	\$ 139,173
Public Safety	313,299	-	313,299
Highways and Streets	276,878	32,321	309,199
Sanitation	-	-	-
Debt Service:			
Loan Interest	6,930	-	6,930
Loan Principal	64,536	-	64,536
Capital Outlay	2,022,350	139,224	2,161,574
Total Expenditures	\$ 2,823,166	\$ 171,545	\$ 2,994,711
Excess (Deficiency) of Revenues over Expenditures	\$ (1,578,526)	\$ (71,631)	\$ (1,650,157)
Sale of Capital Assets	\$ 8,017	\$ -	\$ 8,017
Loan Proceeds	1,980,681	-	1,980,681
Transfers In(Out) (Note 7)	-	-	-
Net Change in Fund Balances	\$ 410,172	\$ (71,631)	\$ 338,541
Fund Balances - Beginning	498,297	399,862	898,159
Fund Balances - Ending	\$ 908,469	\$ 328,231	\$ 1,236,700

See accompanying notes to basic financial statements.

VILLAGE OF KIRKLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended April 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	338,541
<p>The amount by which depreciation (\$205,717) was less than capital outlays (\$2,161,574) in the current period. (Governmental Funds report capital outlays as expenditures and do not report depreciation. In the government-wide statement of activities the cost of the purchased capital assets is reported as depreciation expense over the estimated useful lives of the assets.)</p>		
		1,955,857
<p>The amount by which debt service exceeded interest paid. (Governmental Funds report debt service interest paid and debt service principal payments as expenditures. In the government-wide statement of activities the cost of the debt service interest paid is reported as Interest on Long-Term Debt as a functional expenditure. Principal paid reduces the long-term liability and, in turn, is not recorded as an expenditure.)</p>		
		64,536
<p>The amount of debt issued during the year (Governmental Funds report debt issued as revenue in the year of issuance. In the government-wide state of net position the issuance of debt is recorded as a long-term liability and is not recorded as revenue on the statement of activities)</p>		
		(1,980,681)
<p>The proceeds received from the sale of fixed assets exceed the gain (Governmental Funds report the full proceeds while the Statement of Activities only reports the gain.)</p>		
		(2,621)
<p>The change in Net Pension Liability and related Deferred Inflows/Outflows. (Governmental Funds do not report expenditures that do not require current use of financial resources.)</p>		
		<u>(5,426)</u>
Change in Net Position of Governmental Activities	\$	<u><u>370,206</u></u>

See accompanying notes to basic financial statements.

VILLAGE OF KIRKLAND
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
April 30, 2023

	<u>Water & Sewer Operating Fund</u>	<u>Water Improvement Fund</u>	<u>Sewer Improvement Fund</u>	<u>Total Enterprise Funds</u>
ASSETS				
Current Assets:				
Cash (Note 2)	\$ 24,727	\$ -	\$ -	\$ 24,727
Receivables:				
Accounts Receivable (Note 8)	65,034	-	-	65,034
Non-Current Assets:				
Capital Assets (Note 3):				
Equipment & Vehicles	529,244	-	-	529,244
Distribution System	2,977,903	-	-	2,977,903
Accumulated Depreciation	(2,207,460)	-	-	(2,207,460)
Total Assets	<u>\$ 1,389,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,389,448</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 64,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,850</u>
Total Assets and Deferred Outflows	<u>\$ 1,454,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,454,298</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable (Note 8)	\$ 3,089	\$ -	\$ -	\$ 3,089
Accrued Payroll and Payroll Tax Liabilities (Note 8)	6,246	-	-	6,246
Non-Current Liabilities: (Note 12)				
Due within One Year	-	-	-	-
Due in more than One Year	-	-	-	-
Net Pension Liability	11,888	-	-	11,888
Total Liabilities	<u>\$ 21,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,223</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 38,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,494</u>
NET POSITION				
Net Investment in Capital Assets	\$ 1,299,687	\$ -	\$ -	\$ 1,299,687
Restricted for:				
Other Purposes	-	-	-	-
Unrestricted	94,894	-	-	94,894
Total Net Position	<u>\$ 1,394,581</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,394,581</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 1,454,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,454,298</u>

See accompanying notes to basic financial statements.

VILLAGE OF KIRKLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended April 30, 2023

	Water & Sewer Operating Fund	Water Improvement Fund	Sewer Improvement Fund	Total Enterprise Funds
OPERATING REVENUES				
Charges for Service:				
User Fees	\$ 351,052	\$ -	\$ -	\$ 351,052
Miscellaneous	2,705	-	-	2,705
Total Operating Revenues	<u>\$ 353,757</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,757</u>
OPERATING EXPENSES				
Salaries and Benefits	\$ 245,357	\$ -	\$ -	\$ 245,357
Contractual Services	89,324	45,168	5,639	140,131
Material and Supplies	31,568	-	-	31,568
Miscellaneous	2,676	-	-	2,676
Depreciation	89,439	-	-	89,439
Total Operating Expenses	<u>\$ 458,364</u>	<u>\$ 45,168</u>	<u>\$ 5,639</u>	<u>\$ 509,171</u>
Net Operating Income (Loss)	<u>\$ (104,607)</u>	<u>\$ (45,168)</u>	<u>\$ (5,639)</u>	<u>\$ (155,414)</u>
NON-OPERATING REVENUE (EXPENSES)				
Loss on Disposal of Fixed Assets	\$ (6,589)	\$ -	\$ -	\$ (6,589)
Total Non-Operating	<u>\$ (6,589)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,589)</u>
Transfer In (Out) (Note 7)	<u>\$ 66,766</u>	<u>\$ (58,715)</u>	<u>\$ (8,051)</u>	<u>\$ -</u>
Change in Net Position	<u>\$ (44,430)</u>	<u>\$ (103,883)</u>	<u>\$ (13,690)</u>	<u>\$ (162,003)</u>
Total Net Position - Beginning	<u>1,439,011</u>	<u>103,883</u>	<u>13,690</u>	<u>1,556,584</u>
Total Net Position - Ending	<u><u>\$ 1,394,581</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,394,581</u></u>

See accompanying notes to basic financial statements.

VILLAGE OF KIRKLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2023

	Water & Sewer Operating Fund	Water Improvement Fund	Sewer Improvement Fund	Total Enterprise Funds
Cash flows from operating activities:				
Cash Received from Customers	\$ 359,983	\$ -	\$ -	\$ 359,983
Payments to Employees	(90,015)	-	-	(90,015)
Payments to Suppliers	(286,780)	(45,168)	(5,639)	(337,587)
Other Operating Revenues (Expenses)	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ (16,812)</u>	<u>\$ (45,168)</u>	<u>\$ (5,639)</u>	<u>\$ (67,619)</u>
Cash flows from non-capital financing activities:				
Transfers In (Out)	\$ 66,766	\$ (58,715)	\$ (8,051)	\$ -
Net cash provided by non-capital financing activities	<u>\$ 66,766</u>	<u>\$ (58,715)</u>	<u>\$ (8,051)</u>	<u>\$ -</u>
Cash flows from capital and related financing activities:				
Capital Improvements	\$ (114,065)	\$ -	\$ -	\$ (114,065)
Principal Payments on Loans	-	-	-	-
Net cash provided (used) in capital financing activities	<u>\$ (114,065)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114,065)</u>
Cash flows from investing activities:				
Interest Revenue	\$ -	\$ -	\$ -	\$ -
Net cash provided by investing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net increase (decrease) in cash and cash equivalents	\$ (64,111)	\$ (103,883)	\$ (13,690)	\$ (181,684)
Cash and equivalents, April 30, 2022	<u>88,838</u>	<u>103,883</u>	<u>13,690</u>	<u>102,528</u>
Cash and equivalents, April 30, 2023	<u><u>\$ 24,727</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 24,727</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income (Loss)	\$ (104,607)	\$ (45,168)	\$ (5,639)	\$ (155,414)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation	89,439	-	-	89,439
Changes in Assets and Liabilities				
(Increase) Decrease in Receivables	8,931	-	-	8,931
Increase (Decrease) in Payables	(20,597)	-	-	(20,597)
Change in Pension Liability and Deferrals	10,022	-	-	10,022
Total Adjustments	<u>87,795</u>	<u>-</u>	<u>-</u>	<u>87,795</u>
Net cash provided (used) by operating activities	<u><u>\$ (16,812)</u></u>	<u><u>\$ (45,168)</u></u>	<u><u>\$ (5,639)</u></u>	<u><u>\$ (67,619)</u></u>

See accompanying notes to basic financial statements.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 1 - Summary of Significant Accounting Policies

A. General

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.

For the year ended April 30, 2023, the financial statements are being presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34 as described in more detail in Note 1C.

B. Reporting Entity

The Village of Kirkland, Illinois, includes all of the funds and account groups relevant to the operation of the Village in the financial statements reported herein.

The criteria of GASB pronouncements have been considered in determining the activities to be included in this report. The Village has determined that no other agency is a component of the Village and the Village is not a component of any other entity.

C. Basis of Accounting

The Village maintains its accounting records on the modified accrual/accrual basis of accounting. In the government-wide financial statements, the accrual basis is used, and revenues are recognized when earned and expenses are recognized when the related liability is incurred. In the fund financial statements, the modified accrual basis is used, except for the property tax receivable that is discussed below. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within 60 days. Expenditures are recognized when the related liability is incurred. All revenue and expense accounts are subject to accrual.

Property tax receivable and a balancing deferred inflows of resources are recorded in the government-wide statement of net position and in the fund financial statements. These amounts are measurable but not available.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 1 - **Summary of Significant Accounting Policies (Continued)**

D. Basic Financial Statements – 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.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are 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 positions are reported in four parts: net investment in capital assets; restricted - nonspendable; restricted net position; and unrestricted net position. Fiduciary funds are not included in government-wide statements.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village’s functions and business-type activities. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses by related program revenues and operating and capital grants. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary grants while the capital grants column reflects capital-specific grants.

The Village does not allocate indirect costs. The government-wide focus is more on the sustainability of the Village as an entity and the change in its net position resulting from the current year’s activities.

As a general rule the effect of internal activity has been eliminated from the government-wide financial statements.

E. Basic Financial Statements—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 or expenses. The various funds are reported by generic classifications within the financial statements. The Village has elected to treat all funds as major funds.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Basic Financial Statements—Fund Financial Statements (Continued)

1. Governmental Funds:

The focus of the governmental funds' measurement is upon determination of financial position and changes in financial position rather than upon net income. The following is a description of governmental fund types:

- a. General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. 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 has one Special Revenue Fund: the Motor Fuel Tax Fund.
- c. Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt for governmental funds. The Village has no Debt Service Funds.
- d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Village has no Capital Projects Funds.

2. Proprietary Funds:

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed through user charges. The Village has three Enterprise Funds: the Water and Sewer Operating Fund, which accounts for water service and sewage treatment service; Water Improvement Fund, which accounts for improvements and repair to the water system; and the Sewer Improvement Fund, which accounts for improvements and repair to the sewer system.

3. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The Village has no fiduciary funds.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 1 - **Summary of Significant Accounting Policies (Continued)**

F. Budgets and Budgetary Accounting

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.

G. 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.

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

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

H. Revenue and Expenses

Program revenues in government-wide financial statements generally include fees, rentals, fines, and other specifically levied revenues. In proprietary funds, operating revenues and expenses are distinguished from non-operating items because they are clearly traceable to the functioning of the specific service provided to the customers.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates are also made regarding the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. 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.

K. 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.

L. Restricted and Unrestricted Resources

When an expense is incurred in which both restricted and unrestricted net position/fund balances are available, it is the Village's policy to first apply the restricted resources.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

M. Fund Balance Classification

In order to comply with GASB 54, the Village is adhering to the fund balance classification requirements. Fund balances in the fund financial statements will now be classified as follows:

- a. Nonspendable – Fund balances should be considered to be nonspendable if funds are not in spendable form, or are legally or contractually required to be maintained intact. The Village does not have any nonspendable fund balances.
- b. Restricted – Fund balances should be considered to be restricted when constraints placed on funds are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Village has \$0 of restricted fund balances in the General Fund, see Note 4. All fund balances in the Motor Fuel Tax Fund are restricted.
- c. Committed – Fund balances should be considered to be committed if funds can only be used for specific purposes as a result of constraints imposed by formal action of the Village’s Board of Trustees. The Village does not have any committed fund balances.
- d. Assigned – Fund balances should be considered to be assigned if amounts that are constrained by the Village’s intent to be used for specific purposes, but are neither restricted nor committed. The Village does not have any assigned fund balances.
- e. Unassigned – Fund balances should be considered to be unassigned if they are a portion of the General fund balances that have not been considered to be restricted, committed, or assigned to specific purposes.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 2 - **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 \$172,291. Additionally, the Village had \$1,039,525 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. Although not subject to regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Funds Investment Act, 30 ILCS 235.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 2 - **Deposits and Investments (Continued)**

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

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

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

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy recommends diversification to minimize this risk. However, the Village does not require diversification for funds on deposit with a financial institution that are covered by FDIC insurance or collateral. At year-end, the Village maintained deposit accounts with three banks and the Illinois Funds: Resource Bank, Kirkland, Illinois; Blackhawk Bank, Belvidere, Illinois; Illinois National Bank, Springfield, Illinois, and Illinois Funds at US Bancorp, Milwaukee, Wisconsin.

Note 3 - **Capital Assets**

The Village's Fixed Assets, excluding land, are valued at historical cost or estimated historical cost, if actual cost is not known. A detailed listing is on file with the Village Clerk. Land was valued at estimated fair market value since no historical records were available.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 3 - Capital Assets (Continued)

<u>COST BASIS</u>				
	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>End</u>
	<u>of Year</u>			<u>of Year</u>
General Government				
Non-Depreciable Assets				
Land	\$ 144,104	\$ -	\$ -	\$ 144,104
Construction in Progress	-	139,224	-	139,224
Depreciable Assets				
Building and Improvements	798,892	-	-	798,892
Equipment and Vehicles	692,045	135,527	14,495	813,077
Land Improvements and Infrastructure	2,911,512	1,886,823	-	4,798,335
Total General Village Capital Assets	\$ 4,546,553	\$ 2,161,574	\$ 14,495	\$ 6,693,632
Business-Type Activities				
Depreciable Assets				
Water & Sewer Distribution System	\$ 2,863,838	\$ 114,065	\$ -	\$ 2,977,903
Equipment and Vehicles	573,124	-	43,880	529,244
Total Water and Sewer Capital Assets	\$ 3,436,962	\$ 114,065	\$ 43,880	\$ 3,507,147
GrandTotal	\$ 7,983,515	\$ 2,275,639	\$ -	\$ 10,200,779

ACCUMULATED DEPRECIATION

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>End</u>
	<u>of Year</u>			<u>of Year</u>
General Government				
Depreciable Assets				
Building and Improvements	\$ 245,807	\$ 19,514	\$ -	\$ 265,321
Equipment and Vehicles	454,695	78,611	14,495	518,811
Land Improvement and Infrastructure	778,597	107,592	-	886,189
Total General Government Assets	\$ 1,479,099	\$ 205,717	\$ 14,495	\$ 1,670,321
Business-Type Activities				
Depreciable Assets				
Water & Sewer Distribution System	\$ 1,845,549	\$ 66,596	\$ -	\$ 1,912,145
Equipment and Vehicles	309,763	22,843	37,291	295,315
Total Water and Sewer Capital Assets	\$ 2,155,312	\$ 89,439	\$ 37,291	\$ 2,207,460
GrandTotal	\$ 3,634,411	\$ 295,156	\$ 51,786	\$ 3,877,781

Depreciation is allocated to the following functions: General Administration, \$22,744; Public Safety, \$25,910; Highways & Streets, \$157,063; and Water & Sewer, \$89,439.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 4 - **Restricted Fund Balances and Net Position**

Amounts in the Motor Fuel Tax Fund are classified as restricted in the fund financial statements and in the government-wide financial statements.

In the General Fund, special levies were made for road and bridge, police protection, audit, and liability insurance. All special levies in the General Fund were spent for the stated purposes. There were no restricted fund balance amounts in the General Fund as of April 30, 2023.

Note 5 - **Property Tax**

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 2021 Tax Levy Ordinance, adopted in December 2021, and collected in 2022, was used to finance the fiscal year ended April 30, 2023. The 2022 Tax Levy Ordinance, adopted in December 2022, is recorded as a receivable and unavailable revenue in the financial statements for the year ended April 30, 2023.

Note 6 - **Prepaid Expenses**

There are no prepaid expenses as of April 30, 2023.

Note 7 - **Interfund Payables/Receivables and Transfers**

Transfers of \$58,715 and \$8,051 were made from the Water Improvement Fund and the Sewer Improvement Fund, respectively, into the Water and Sewer Operating Fund during the year ended April 30, 2023. These transfers were made to close out these funds and bring the fund balance in each to \$0 at year-end.

Note 8 - **Other Receivables and Payables**

At April 30, 2023, the following receivables are recorded:

- Accounts Receivable – Water and Sewer billings not yet collected at April 30 including the May 2023 billing. Other receivables identified by the Clerk, including motor fuel tax receivable and income tax receivable.
- Accrued Payroll Tax Liabilities – Unpaid wages and the related FICA and Medicare taxes for work performed in the current fiscal year.
- Accounts Payable – Unpaid bills for materials received or services provided at year-end.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 9 - **Insurance Risk Management**

The Village provides for risk management by securing comprehensive insurance through local insurance brokers. The Village reports no major changes in insurance coverage or risk during the current fiscal year. Insurance premiums are paid through the General Fund and the Water and Sewer Operating Fund.

Note 10 - **Leases**

The Village has no leases outstanding at April 30, 2023.

Note 11 - **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.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 12 - Long-Term Debt

The following is a summary of changes in long-term debt of the Village for the year ended April 30, 2023.

	Balances, May 1, 2022	Additions	Reductions	Balances, April 30, 2023	Current Portion
Installment Loans					
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.	\$ 76,699	\$ -	\$ 29,983	\$ 46,716	\$ 30,908
IEPA Loan to complete Bull Run Creek Construction Project due in 20 semi-annual installments with interest at 1.18% maturing 12/1/2039.	\$ 430,144	\$ -	\$ 21,582	\$ 408,562	\$ 21,967
Installment note to fund street projects up to \$2,000,000 due April 30, 2023 with interest at 3.17%.	\$ 84,178	\$1,915,822	\$ -	\$2,000,000	\$142,000
Installment note to purchase Caterpillar Compact Track Loader due in 6 annual installments at 0% interest maturing on 10/31/2026.	\$ -	\$ 64,859	\$ 12,971	\$ 51,888	\$ 12,972
Total Government Type Activities	\$ 591,021	\$1,980,681	\$ 64,536	\$2,507,166	\$207,847

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 12 - Long-Term Debt (Continued)

Debt Repayment Schedules:

	Fiscal Year			Total
	April 30	Principal	Interest	Payments
Installment Loan	2024	30,908	992	31,900
Public Works Trucks and Police Vehicles	2025	15,808	141	15,949
		\$ 46,716	\$ 1,133	\$ 47,849
IEPA Loan				
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	22,890	3,705	26,595
	2029-2033	118,579	14,395	132,974
	2034-2038	125,764	7,210	132,974
	2039-2040	52,415	775	53,190
		\$ 408,562	\$ 43,549	\$ 452,111
Installment Loan - Street Projects	2024	142,000	86,052	228,052
	2025	124,117	62,060	186,177
	2026	128,051	58,125	186,176
	2027	132,110	54,066	186,176
	2028	136,298	49,878	186,176
	2029-2033	749,107	181,775	930,882
	2034-2027	588,317	56,673	644,990
		\$2,000,000	\$548,629	\$ 2,548,629
Installment Loan - Track Loader	2024	12,972	-	12,972
	2025	12,972	-	12,972
	2026	12,972	-	12,972
	2027	12,972	-	12,972
		\$ 51,888	\$ -	\$ 51,888

Note 13 - Legal Debt Margin

The Village is subject to a debt limitation of 8.625% of its assessed valuation of \$32,645,064. As of April 30, 2023, the Village had a debt limit of \$2,815,637, but no general obligation outstanding debt.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 14 - Retirement Benefits

All employees are covered by Social Security and Medicare. The Village also has a pension plan covering eligible employees. A summary of the plan follows:

Illinois Municipal Retirement Fund

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

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

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

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

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 14 - Retirement Benefits (Continued)

highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of: 3% of the original pension amount, or ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms – As of December 31, 2022, the following employees were covered by the benefit terms:

<u>Membership</u>	
Number of	
- Retirees and Beneficiaries	5
- Inactive, Non-Retired Members	7
- Active Members	7
Total	19

Contributions – As set by statute, the Employer’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Employer’s annual contribution rate for calendar years 2022 and 2023 were 6.75% and 5.61%, respectively. For the fiscal year ended April 30, 2023, the Employer contributed \$25,879 to the plan. The Employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability – The Employer’s net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2022. The **actuarial cost method** used was Entry Age Normal. The **asset valuation method** used was Market Value of Assets. The **inflation rate** was assumed to be 2.25%. **Salary increases** were expected to be 2.85-13.75%, including inflation. The **investment rate of return** was assumed to be 7.25%. **Projected retirement age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated of the 2020 valuation according to an experience study from years 2017-2019. For **mortality**, for **non-disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2000. For **disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, and Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For **active**

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 14 - Retirement Benefits (Continued)

members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	35.5%	6.50%
International Equities	18.0%	7.60%
Fixed Income	25.5%	4.90%
Real Estate	10.5%	6.20%
Alternatives	9.5%	9.90%
Cash Equivalents	1.0%	4.00%
Total	100.0%	

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 that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects: 1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and 2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 14 - Retirement Benefits (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2021	\$ 1,663,222	\$ 1,904,247	\$ (241,025)
Changes for the year:			
Service Cost	43,270	-	43,270
Interest on the Total Pension Liability	120,031	-	120,031
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(25,606)	-	(25,606)
Changes of Assumptions	-	-	-
Contributions - Employer	-	25,879	(25,879)
Contributions - Employees	-	17,253	(17,253)
Net Investment Income	-	(207,408)	207,408
Benefit Payments, including Refunds of			
Employee Contributions	(58,511)	(58,511)	-
Other (Net Transfer)	-	7,586	(7,586)
Net Changes	<u>79,184</u>	<u>(215,201)</u>	<u>294,385</u>
Balances at December 31, 2022	<u>\$ 1,742,406</u>	<u>\$ 1,689,046</u>	<u>\$ 53,360</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the plan’s net pension liability, calculated using a Single Discount Rate of 7.25% as well as what the plan’s net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Net Pension Liability / (Asset)	\$ 266,943	\$ 53,360	\$ (115,388)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – For the fiscal year ended April 30, 2023, the Employer recognized pension expense of \$15,448. At April 30, 2023, the Employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 14 - Retirement Benefits (Continued)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 7,844	\$ 17,924
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>276,146</u>	<u>154,859</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>283,990</u>	<u>172,783</u>
 Pension Contributions made subsequent to the Measurement Date	 <u>7,092</u>	 <u>-</u>
 Total Deferred Amounts Related to Pensions	 <u><u>\$ 291,082</u></u>	 <u><u>\$ 172,783</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (76)
2024	12,389
2025	36,951
2026	69,035
2027	-
Thereafter	-
Total	<u><u>\$ 118,299</u></u>

VILLAGE OF KIRKLAND
NOTES TO FINANCIAL STATEMENTS
April 30, 2023

Note 15 - Post Employment Benefits

The Village has evaluated its potential other postemployment benefits liability. The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting 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, 2023.

Note 16 - Other Information

Tort Insurance Expenditures

The Village allocated the total amount of the tort insurance levy of \$19,449 received in the year ended April 30, 2023 towards tort insurance expenditures for the year, resulting in no restricted balances for tort as of April 30, 2023.

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 \$99,715 had been drawn on the street project note payable discussed in Note 13.

**VILLAGE OF KIRKLAND
ILLINOIS MUNICIPAL RETIREMENT FUND**

Calendar Year Ending December 31, Total Pension Liability	Schedule of Changes in the Net Pension Liability and Related Ratios							
	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$ 43,270	\$ 36,903	\$ 34,664	\$ 31,003	\$ 27,710	\$ 42,317	\$ 46,558	\$ 46,695
Interest on the Total Pension Liability	120,031	111,179	101,417	92,588	87,755	92,035	93,590	93,859
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(25,606)	24,586	58,818	45,486	10,476	(100,703)	(105,993)	(81,618)
Changes of Assumptions	-	-	(12,195)	-	32,737	(32,147)	(6,749)	1,729
Benefit Payments, including Refunds of Employee Contributions	(58,511)	(49,001)	(49,333)	(48,931)	(57,704)	(44,822)	(60,613)	(64,422)
Net Change in Total Pension Liability	\$ 79,184	\$ 123,667	\$ 133,371	\$ 120,146	\$ 100,974	\$ (43,320)	\$ (33,207)	\$ (3,757)
Total Pension Liability - Beginning	1,663,222	1,539,555	1,406,184	1,286,038	1,185,064	1,228,384	1,261,591	1,265,348
Total Pension Liability - Ending (a)	\$ 1,742,406	\$ 1,663,222	\$ 1,539,555	\$ 1,406,184	\$ 1,286,038	\$ 1,185,064	\$ 1,228,384	\$ 1,261,591
Plan Fiduciary Net Position								
Contributions - Employer	\$ 25,879	\$ 30,695	\$ 23,461	\$ 17,633	\$ 23,548	\$ 31,178	\$ 43,223	\$ 47,301
Contributions - Employee	17,253	19,536	16,678	14,804	11,696	13,064	16,074	17,348
Net Investment Income	(207,408)	266,429	201,753	225,955	(64,424)	192,534	71,743	5,305
Benefit Payments, including Refunds of Employee Contributions	(58,511)	(49,001)	(49,333)	(48,931)	(57,704)	(44,822)	(60,613)	(64,422)
Other (Net Transfer)	7,586	(2,913)	375	3,967	18,147	(9,498)	(327)	(17,117)
Net Change in Plan Fiduciary Net Position	(215,201)	264,746	192,934	213,428	(68,737)	182,456	70,100	(11,585)
Plan Fiduciary Net Position - Beginning	1,904,247	1,639,501	1,446,567	1,233,139	1,301,876	1,119,420	1,049,320	1,060,905
Plan Fiduciary Net Position - Ending (b)	1,689,046	1,904,247	1,639,501	1,446,567	1,233,139	1,301,876	1,119,420	1,049,320
Net Pension Liability / (Asset) - Ending (a)-(b)	53,360	(241,025)	(99,946)	(40,383)	52,899	(116,812)	108,964	212,271
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.94%	114.49%	106.49%	102.87%	95.89%	109.86%	91.13%	83.17%
Covered Valuation Payroll	\$ 383,394	\$ 436,141	\$ 370,626	\$ 328,975	\$ 259,912	\$ 290,304	\$ 357,208	\$ 385,509
Net Pension Liability as a Percentage of Covered Valuation Payroll	13.92%	-55.52%	-26.97%	-12.28%	20.35%	-40.24%	30.50%	55.06%

Schedule of Employer Contributions - Most Recent Calendar Year

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	47,302	47,301	1	385,509	12.27%
2016	43,222	43,223	(1)	357,208	12.10%
2017	31,179	31,178	1	290,304	10.74%
2018	23,548	23,548	-	259,912	9.06%
2019	17,633	17,633	-	328,975	5.36%
2020	23,461	23,461	-	370,626	6.33%
2021	30,694	30,695	(1)	434,141	7.07%
2022	25,879	25,879	-	383,394	6.75%

*Estimated based on contribution rate of 6.75% and covered valuation payroll of \$383,394.

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

Methods and Assumptions Used to Determine 2020 - 2022 Contribution Rates: Actuarial Cost Method is Aggregate entry age normal. Amortization method is level percentage of payroll, closed. Remaining Amortization Period is 24 year closed period. Asset Valuation Method is 5-year smoothed market; 20% corridor. Wage growth is 3.5%. Price Inflation is 2.50% approximate; No explicit price inflation assumption is used in this valuation. Salary increases are 3.35% - 14.25%, including inflation. Investment Rate of Return is 7.25%. Retirement Age is Experience-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 to 2016. Mortality is based on specific mortality table was used with fully generational projection scale MP-2017 (base year 2015) with specific rates developed for non-disabled retirees, disabled retirees, and active members. The IMRF specific rates were developed from the RP-2014 Blue Collar Annuitant Mortality Table (non-disabled retirees), RP-2014 Disabled Retirees Mortality Table, and RP-2014 Employee Mortality Table (active members). Other Information: There were no benefit changes during the year.

Notes to Schedule: These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend is compiled, information is presented for those years or which information is available.

VILLAGE OF KIRKLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended April 30, 2023

<u>REVENUES</u>	2023			2022 Actual
	Original and Final Budget	Actual	Over/Under Budget	
Taxes:				
Propety	\$ 250,000	\$ 243,044	\$ (6,956)	\$ 239,113
Road and Bridge	7,500	7,716	216	7,458
Utility/Telecommunications	95,000	105,297	10,297	97,569
Sales	280,000	210,072	(69,928)	273,134
Licenses and Permits:				
Liquor Licenses	4,200	4,300	100	3,600
Other Licenses	600	1,575	975	525
Building Permits	16,000	12,466	(3,534)	16,212
Golf Cart Permits	1,500	1,850	350	1,400
Cable TV Franchise	3,500	3,300	(200)	3,300
Intergovernmental Revenue:				
State Shared Taxes:				
State Income Tax	235,000	306,295	71,295	245,271
State Use Tax	60,000	67,659	7,659	65,513
Personal Property Replacement Tax	5,000	10,237	5,237	9,058
Video Gaming Tax	27,000	27,551	551	24,879
Cannabis Tax	2,400	2,568	168	2,697
Grant Revenue - ARPA	-	117,645	117,645	117,645
Grant Revenue - CARES Act	-	-	-	1,733
Service Charges:				
Garbage Fees	-	10,645	10,645	123,511
Utility Billing for Bull Run Creek IEPA Loan	-	31,246	31,246	31,461
Fines and Forfeits:				
Ordinance Fines	15,000	15,122	122	11,602
Investment Revenue	1,200	25,577	24,377	770
Miscellaneous:				
Miscellaneous Revenue	2,900	4,910	2,010	5,307
Registration Fees	-	200	200	-
Tower Rental	3,600	3,918	318	4,305
Insurance Claims	50	5	(45)	50
Other Donation/Grant Revenue	6,000	31,442	25,442	-
Total Revenues	<u>\$ 1,016,450</u>	<u>\$ 1,244,640</u>	<u>\$ 228,190</u>	<u>\$ 1,286,113</u>
<u>EXPENDITURES</u>				
Administration and Finance:				
Salaries & Benefits:				
Salaries - Board Members	\$ 13,800	\$ 13,527	\$ 273	\$ 12,860
Liquor Commissioner Salary	500	500	-	-
Salaries - Village Finance	29,400	28,815	585	27,517
Payroll Taxes	2,450	6,603	(4,153)	3,354
IMRF Pension	2,000	3,878	(1,878)	3,962
Life Insurance	150	-	150	-
Health Insurance	5,400	5,009	391	7,280
Employee Appreciation	50	50	-	50
Total Salaries and Benefits	<u>\$ 53,750</u>	<u>\$ 58,382</u>	<u>\$ (4,632)</u>	<u>\$ 55,023</u>
Contractual Services:				
Repairs & Maint - Equipment	\$ 2,300	\$ 4,066	\$ (1,766)	\$ 4,134
Maintenance/Cleaning	3,000	2,837	163	1,799
Legal Expense	17,500	10,869	6,631	(889)
Treasurer/Accounting Expense	9,600	9,031	569	10,660
Audit Expense	9,000	8,600	400	8,500
Permit Inspections - ICCI	16,000	12,424	3,576	15,259
Engineering Expense	2,500	4,173	(1,673)	7,111
Codification	2,500	1,650	850	2,038
IML/Training	1,500	134	1,366	-
Utilities	-	46	(46)	-
Telephone	1,750	1,658	92	1,524
Telephone Notification System	1,300	1,350	(50)	1,250
E Worldlinx Web	1,250	1,280	(30)	1,280
Insurance & Bonds	10,500	10,324	176	10,287
Postage	800	371	429	495
Printing & Publishing	1,800	970	830	1,904
Billing Software	900	2,378	(1,478)	1,215
Dues & Subscriptions	2,500	3,747	(1,247)	1,976
Total Contractual Services	<u>\$ 84,700</u>	<u>\$ 75,908</u>	<u>\$ 8,792</u>	<u>\$ 68,543</u>

VILLAGE OF KIRKLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended April 30, 2023

	2023			2022 Actual
	Original and Final Budget	Actual	Over/Under Budget	
Administration and Finance (Continued)				
Materials & Supplies:				
Tools/Equipment	\$ 1,500	\$ 1,643	\$ (143)	\$ 2,022
Office Supplies	1,500	375	1,125	1,164
Total Materials & Supplies	\$ 3,000	\$ 2,018	\$ 982	\$ 3,186
Miscellaneous:				
Grant Projects - Downtown Beautification	\$ 100	\$ -	\$ 100	\$ 855
Donations/Grant Expense	3,000	2,500	500	3,650
Contingency	2,000	365	1,635	2,177
Total Miscellaneous	\$ 5,100	\$ 2,865	\$ 2,235	\$ 6,682
Total Administration and Finance	\$ 146,550	\$ 139,173	\$ 7,377	\$ 133,434
Public Safety				
Police Department				
Salaries & Benefits:				
Police F/T Salaries	\$ 205,000	\$ 125,371	\$ 79,629	\$ 179,538
Police P/T Salaries	45,000	36,474	8,526	24,852
Police Overtime	4,500	12,189	(7,689)	6,360
Police Holiday/Special Activity Pay	-	5,393	(5,393)	9,759
Employee Appreciation	150	100	50	150
Payroll Taxes	15,300	11,181	4,119	18,621
IMRF Pension	14,175	8,922	5,253	14,095
Life Insurance	600	-	600	-
Health Insurance	26,000	2,761	23,239	33,655
Total Salaries and Benefits	\$ 310,725	\$ 202,391	\$ 108,334	\$ 287,030
Contractual Services:				
Repairs & Maint - Equipment	\$ 10,500	\$ 6,411	\$ 4,089	\$ 4,416
Building Maintenance	225	153	72	106
Legal Expense	1,000	(375)	1,375	531
Adjudication	6,000	3,843	2,157	3,190
Dues & Training	14,700	24,275	(9,575)	12,006
Telephone	4,500	4,640	(140)	5,265
Insurance	10,250	10,324	(74)	10,222
Postage	750	371	379	483
Printing & Publishing	750	607	143	772
Alerts/PSAN/PIPS	7,500	10,781	(3,281)	5,885
911 Dispatch Fee	17,700	17,690	10	17,340
Total Contractual Services	\$ 73,875	\$ 78,720	\$ (4,845)	\$ 60,216
Materials and Supplies:				
DARE Supplies	\$ 1,200	\$ 891	\$ 309	\$ 839
Billing Software	900	614	286	796
Office Supplies	6,500	1,911	4,589	3,538
Police Tools and Equipment	7,500	6,133	1,367	5,638
Automotive Fuel	8,500	8,051	449	11,685
Uniforms	6,000	6,148	(148)	3,436
Total Materials and Supplies	\$ 30,600	\$ 23,748	\$ 6,852	\$ 25,932
Miscellaneous:				
Grant Projects - Public Safety	\$ -	\$ 6,703	\$ (6,703)	\$ 28,250
Other Expenditures	1,650	1,737	(87)	782
Equipment Rentals	16,000	-	16,000	-
Total Miscellaneous	\$ 17,650	\$ 8,440	\$ 9,210	\$ 29,032
Capital Outlay:				
Vehicles	\$ -	\$ -	\$ -	\$ -
Equipment	-	-	-	-
Total Capital Outlay	\$ -	\$ -	\$ -	\$ -
Total Public Safety	\$ 432,850	\$ 313,299	\$ 119,551	\$ 402,210

VILLAGE OF KIRKLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended April 30, 2023

	2023			2022 Actual
	Original and Final Budget	Actual	Over/Under Budget	
Highways and Streets				
Street Department				
Salaries & Benefits:				
Streets F/T Salaries	\$ 68,000	\$ 64,146	\$ 3,854	\$ 86,536
Streets P/T Salaries	45,000	55,267	(10,267)	28,569
Streets Seasonal	-	1,133	(1,133)	7,412
Streets Overtime	6,000	7,798	(1,798)	8,895
Employee Appreciation	100	100	-	50
Payroll Taxes	6,400	7,995	(1,595)	11,093
IMRF Pension	5,000	6,272	(1,272)	4,096
Life Insurance	400	311	89	-
Health Insurance	15,000	18,637	(3,637)	16,245
Total Salaries and Benefits	\$ 145,900	\$ 161,659	\$ (15,759)	\$ 162,896
Contractual Services:				
Repairs & Maint - Equipment	\$ 16,000	\$ 21,843	\$ (5,843)	\$ 13,283
Repairs & Maint - Weather Siren	-	-	-	1,250
Repairs & Maint - Streets	5,000	6,353	(1,353)	1,681
Engineering	5,000	2,000	3,000	87,097
Repairs - Street Lights	1,500	4,839	(3,339)	1,479
Forestry Maintenance	10,000	12,027	(2,027)	1,248
Building Maintenance	1,000	820	180	171
Dues & Training	2,000	644	1,356	1,134
Telephone	1,500	1,341	159	639
Insurance	10,500	10,324	176	10,222
Postage	500	371	129	445
Printing & Publishing	250	45	205	26
Equipment Rental	500	(209)	709	-
Sidewalk Construction	15,000	17,020	(2,020)	10,000
Donation/Grant Expense	100	-	100	299,766
Electric - Street Lights	9,000	8,366	634	9,533
Total Contractual Services	\$ 77,850	\$ 85,784	\$ (7,934)	\$ 437,974
Materials and Supplies:				
Tools/Equipment	\$ 3,500	\$ 2,709	\$ 791	\$ 25,892
Software	900	661	239	997
Street Decorations	1,000	162	838	564
Office Supplies	1,000	376	624	916
Automotive Fuel	10,000	10,412	(412)	8,941
Uniforms	2,500	2,501	(1)	934
Mosquito Abatement	3,000	-	3,000	2,187
Total Materials and Supplies	\$ 21,900	\$ 16,821	\$ 5,079	\$ 40,431
Miscellaneous:				
Grant Projects - Water/Sewer Projects	\$ -	\$ -	\$ -	\$ 91,847
Gravel Lot Enhancements	16,000	7,139	8,861	-
Pioneer Park Improvements	5,000	3,415	1,585	408
Bull Run Creek IDNR Improvements	-	-	-	5,035
Equipment Leases	5,000	1,654	3,346	4,310
Contingency	250	406	(156)	144
Total Miscellaneous	\$ 26,250	\$ 12,614	\$ 13,636	\$ 101,744
Capital Outlay:				
Construction	-	-	-	-
Equipment	18,000	86,559	(68,559)	-
Total Capital Outlay	\$ 18,000	\$ 86,559	\$ (68,559)	\$ -
Total Highways and Streets	\$ 289,900	\$ 363,437	\$ (73,537)	\$ 743,045

**VILLAGE OF KIRKLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended April 30, 2023**

	2023			2022 Actual
	Original and Final Budget	Actual	Over/Under Budget	
Sanitation				
Contractual Services:				
Postage	\$ -	\$ -	\$ -	\$ 583
Printing	-	-	-	529
Billing Software	-	-	-	542
Garbage Collection	-	-	-	120,527
Total Sanitation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,181</u>
Capital Outlay				
Equipment Purchase	\$ -	\$ 48,968	\$ (48,968)	\$ -
Engineering	250,000	157,503	92,497	-
Construction	1,750,000	1,729,320	20,680	-
Total Capital Outlay	<u>\$ 2,000,000</u>	<u>\$ 1,935,791</u>	<u>\$ 64,209</u>	<u>\$ -</u>
Debt Service				
Bull Run Creek IEPA Loan Principal	\$ 150,000	\$ 21,582	\$ 128,418	\$ 18,602
Bull Run Creek IEPA Loan Interest	-	5,012	(5,012)	5,114
Street Equipment Loan	-	12,972	(12,972)	-
Police Equipment Loan	-	31,900	(31,900)	31,900
Total Debt Services	<u>\$ 150,000</u>	<u>\$ 71,466</u>	<u>\$ 78,534</u>	<u>\$ 55,616</u>
Total Expenditures	<u>\$ 3,019,300</u>	<u>\$ 2,823,166</u>	<u>\$ 196,134</u>	<u>\$ 1,456,486</u>
Excess (Deficiency)				
Revenues over Expenditures	\$(2,002,850)	\$(1,578,526)	\$ 424,324	\$ (170,373)
Transfer In (Out)	-	-	-	-
Loan Proceeds	2,000,000	1,980,681	(19,319)	179,613
Sale of Capital Assets	8,000	8,017	17	15,000
Change in Fund Balance	<u>\$ 5,150</u>	<u>\$ 410,172</u>	<u>\$ 405,022</u>	<u>\$ 24,240</u>
Fund Balance, Beginning of Year		<u>498,297</u>		<u>474,057</u>
Fund Balance, End of Year		<u><u>\$ 908,469</u></u>		<u><u>\$ 498,297</u></u>

See accompanying note to budgetary comparison schedules.

**VILLAGE OF KIRKLAND
BUDGETARY COMPARISON SCHEDULE
ALL SPECIAL REVENUE FUNDS
Year Ended April 30, 2023**

MOTOR FUEL TAX FUND

	2023			2022 Actual
	Original and Final Budget	Actual	Over/Under Budget	
<u>REVENUES</u>				
Motor Fuel Tax	\$ 65,000	\$ 68,624	\$ 3,624	\$ 69,524
Rebuild Illinois Grant	38,300	19,156	(19,144)	38,312
Interest	350	12,134	11,784	400
Total Revenues	\$ 103,650	\$ 99,914	\$ (3,736)	\$ 108,236
<u>EXPENDITURES</u>				
Engineering	\$ 2,500	\$ 139,224	\$ (136,724)	\$ -
Road Salt	18,000	9,352	8,648	20,526
Legal	7,500	5,316	2,184	7,764
Street Repair & Improvements	20,000	17,653	2,347	22,139
Total Expenditures	\$ 48,000	\$ 171,545	\$ (123,545)	\$ 50,429
Excess (Deficiency) Revenues over Expenditures	\$ 55,650	\$ (71,631)	\$ (127,281)	\$ 57,807
Transfer In (Out)	-	-	-	-
Change in Fund Balance	\$ 55,650	\$ (71,631)	\$ (127,281)	\$ 57,807
Fund Balance, Beginning of Year		399,862		342,055
Fund Balance, End of Year		\$ 328,231		\$ 399,862

See accompanying note to budgetary comparison schedules.

**VILLAGE OF KIRKLAND
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
Year Ended April 30, 2023**

Note 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 budget was not amended during the fiscal year, so the original budget is also the final budget.

**VILLAGE OF KIRKLAND
BUDGETARY COMPARISON SCHEDULE
ALL PROPRIETARY FUNDS
Year Ended April 30, 2023**

WATER AND SEWER OPERATING FUND

	2023			2022
	Original and Final Budget	Actual	Over/Under Budget	Actual
<u>OPERATING REVENUES</u>				
Water and Sewer Charges	\$ 420,300	\$ 351,052	\$ (69,248)	\$ 379,896
Miscellaneous Revenue	1,000	2,705	1,705	217
Total Revenues	\$ 421,300	\$ 353,757	\$ (67,543)	\$ 380,113
<u>OPERATING EXPENSES</u>				
Salaries & Benefits:				
Water & Sewer F/T Salaries	\$ 124,000	\$ 107,757	\$ 16,243	\$ 122,882
Water & Sewer P/T Maintenance	58,000	81,210	(23,210)	53,136
Water & Sewer Overtime	6,000	5,364	636	4,400
Payroll Taxes	10,400	12,120	(1,720)	15,234
Employee Appreciation	100	100	-	100
IMRF Pension	8,800	15,488	(6,688)	(10,828)
Life Insurance	600	-	600	-
Health Insurance	18,000	23,318	(5,318)	21,578
Total Salaries & Benefits	\$ 225,900	\$ 245,357	\$ (19,457)	\$ 206,502
Contractual Services:				
Repairs & Maint - Equipment	\$ 11,500	\$ 6,413	\$ 5,087	\$ 5,648
Repairs & Maint - System	14,500	2,858	11,642	11,573
Meter Repair	3,000	656	2,344	908
Repairs & Maint - Treatment	5,000	6,256	(1,256)	4,029
Building Maintenance & Cleaning	2,500	291	2,209	1,194
Legal Expense	-	23	(23)	923
Engineering	1,000	-	1,000	-
Dues & Training	7,450	2,871	4,579	4,029
Electric	36,000	27,660	8,340	33,084
Heat	3,000	3,710	(710)	3,508
Telephone	2,400	3,484	(1,084)	3,522
Internet Expense	2,400	1,962	438	1,619
Property/Liability Insurance	21,000	21,904	(904)	21,564
Postage	2,000	2,222	(222)	1,176
Printing & Publishing	1,600	1,442	158	1,214
Testing	7,500	6,959	541	5,746
Equipment Rental	1,000	209	791	200
JULIE	800	404	396	294
Total Contractual Services	\$ 122,650	\$ 89,324	\$ 33,326	\$ 100,231
Materials and Supplies:				
Materials & Supplies	\$ 13,000	\$ 11,506	\$ 1,494	\$ 11,177
Materials & Supplies - Treatment	5,000	226	4,774	437
Lab Supplies	3,200	2,815	385	2,567
Billing Software	3,760	2,628	1,132	2,458
Office Supplies	600	186	414	142
Tools/Equip	3,500	4,115	(615)	5,013
Tools/Equip - Treatment	3,000	-	3,000	398
Automotive Fuel	11,000	9,129	1,871	6,104
Uniforms	2,000	963	1,037	393
Total Materials and Supplies	\$ 45,060	\$ 31,568	\$ 13,492	\$ 28,689
Miscellaneous Expense:				
NPDES Permit	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Lease - Property	1,100	176	924	175
Depreciation Expense	-	89,439	(89,439)	91,692
Other Expense	-	-	-	195
Total Miscellaneous Expense	\$ 3,600	\$ 92,115	\$ (88,515)	\$ 94,562
Total Operating Expenses	\$ 397,210	\$ 458,364	\$ (61,154)	\$ 429,984
Net Operating Income (Loss)	\$ 24,090	\$ (104,607)	\$ (128,697)	\$ (49,871)
Other Sources (Uses)				
Loss on Disposal of Equipment	\$ -	\$ (6,589)	\$ (6,589)	\$ -
Transfer In	-	66,766	66,766	11,382
Transfer Out	(24,000)	-	24,000	(3,493)
Total Other Sources (Uses)	\$ (24,000)	\$ 60,177	\$ 84,177	\$ 7,889
Change in Net Position	\$ 90	\$ (44,430)	\$ (44,520)	\$ (41,982)
Net Position, Beginning of Year		1,439,011		1,480,993
Net Position, End of Year		\$ 1,394,581		\$ 1,439,011

**VILLAGE OF KIRKLAND
BUDGETARY COMPARISON SCHEDULE
ALL PROPRIETARY FUNDS
Year Ended April 30, 2023**

WATER IMPROVEMENT FUND

	2023			2022 Actual
	Original and Final Budget	Actual	Over/Under Budget	
<u>OPERATING REVENUES</u>				
Water and Sewer Charges	\$ 12,500	\$ -	\$ (12,500)	\$ -
Miscellaneous Revenue	-	-	-	-
Total Revenues	\$ 12,500	\$ -	\$ (12,500)	\$ -
<u>OPERATING EXPENSES</u>				
Water Meter Replacement	\$ 66,000	\$ 21,807	\$ 44,193	\$ 41,339
Water Main Improvements	51,000	23,361	27,639	8,631
Engineering	5,000	-	5,000	11,188
Total Expenses	\$ 122,000	\$ 45,168	\$ 76,832	\$ 61,158
Net Operating Income (Loss)	\$ (109,500)	\$ (45,168)	\$ 64,332	\$ (61,158)
Other Sources (Uses)				
Transfer In (Out)	-	(58,715)	(58,715)	3,493
Interest Revenue	-	-	-	-
Total Other Sources (Uses)	\$ -	\$ (58,715)	\$ (58,715)	\$ 3,493
Change in Net Position	\$ (109,500)	\$ (103,883)	\$ 5,617	\$ (57,665)
Net Position, Beginning of Year		103,883		161,548
Net Position, End of Year		\$ -		\$ 103,883

SEWER IMPROVEMENT FUND

	2023			2022 Actual
	Original and Final Budget	Actual	Over/Under Budget	
<u>OPERATING REVENUES</u>				
Water and Sewer Charges	\$ 12,500	\$ -	\$ (12,500)	\$ -
Miscellaneous Revenue	-	-	-	-
Total Revenues	\$ 12,500	\$ -	\$ (12,500)	\$ -
<u>OPERATING EXPENSES</u>				
Sewer Improvements	\$ 55,000	\$ 5,639	\$ 49,361	\$ 16,356
Total Expenses	\$ 55,000	\$ 5,639	\$ 49,361	\$ 16,356
Net Operating Income (Loss)	\$ (42,500)	\$ (5,639)	\$ 36,861	\$ (16,356)
Other Sources (Uses)				
Transfer In (Out)	\$ -	\$ (8,051)	\$ (8,051)	\$ (11,382)
Total Other Sources (Uses)	\$ -	\$ (8,051)	\$ (8,051)	\$ (11,382)
Change in Net Position	\$ (42,500)	\$ (13,690)	\$ 28,810	\$ (27,738)
Net Position, Beginning of Year		13,690		41,428
Net Position, End of Year		\$ -		\$ 13,690

VILLAGE OF KIRKLAND
SCHEDULE OF ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
VILLAGE TAX RATES AND TAX LEVIES
Last 10 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
2022	27,414,118	4,477,896	512,699	240,351	32,645,064	97,935,192	0.78557	256,440
2021	24,760,023	4,210,871	494,311	281,030	29,746,235	89,238,705	0.82022	243,985
2019	23,468,978	4,010,307	469,254	269,225	28,217,764	84,653,292	0.84942	239,687
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

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

Data Source: Office of the County Clerk