

VILLAGE OF GILBERTS

Popular Annual Financial Report

For fiscal year ending April 30, 2021



Village President's Message

To the Citizens of Gilberts:

I am pleased to present the Popular Annual Financial Report (PAFR) for Fiscal Year 2021 for the Village of Gilberts. I would like to note that the Village has again received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for our FY 2020 Comprehensive Annual Financial Report (CAFR) as well as the Award for Outstanding Achievement in Popular Annual Financial Reporting for our FY 2020 PAFR.

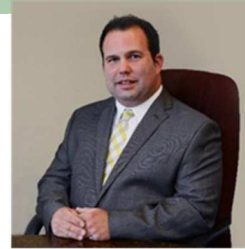
Each year the Village of Gilberts publishes a Comprehensive Annual Financial Report which contains a review of Village finances presented in accordance with Generally Accepted Accounting Principles. These accounting guidelines are set by the Governmental Accounting Standards Board.

These principles and standards are intended to provide all reporting governmental entities with a consistent and uniform financial reporting standard. Unfortunately, many of the Generally Accepted Accounting Principles requirements result in dense technical financial documents which do not convey much in the way of information to the average non-financial person.

As part of the Village of Gilberts effort to manage a transparent government, the Village publishes the Popular Annual Financial Report (PAFR) which provides a less technical overview of Village finances. If you have any questions about this Popular Annual Financial Report please contact me or the Village Finance Director for assistance.

Thank you,

Guy Zambetti, Acting Village President



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Gilberts
Illinois**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

April 30, 2020

Christopher P. Morrell
Executive Director/CEO

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Government Finance Officers Association

Award for
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2020

Christopher P. Morrell
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Government Organization

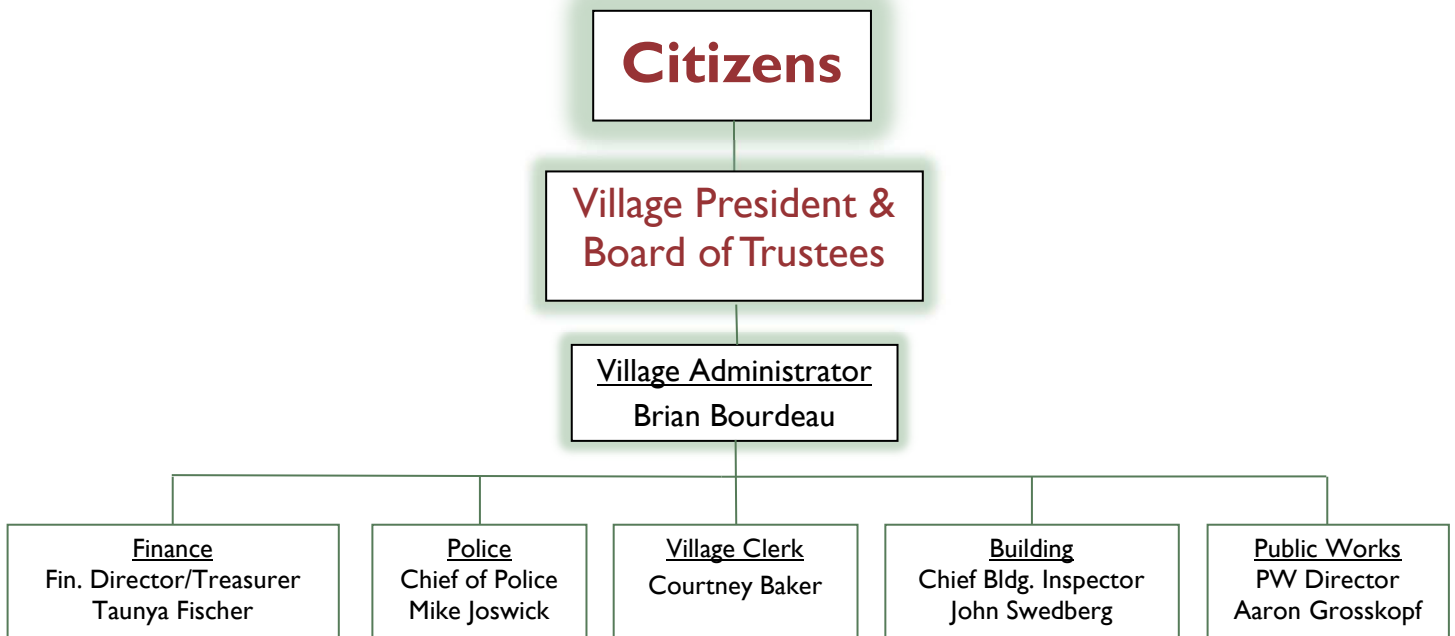


**Village of Gilberts
President and
Board of Trustees
as of April 30, 2021**



Top (l to r): Acting President Guy Zambetti, Trustee Jeanne Allen, Trustee Dan Corbett and Trustee Nancy Farrell
 Second row (l to r): Trustee Kurt Kojzarek and Trustee Lou Hacker.
 There was one vacant trustee position at April 30, 2021.

Gilberts is a non-home rule Village governed by an elected Village President and Board of Trustees functioning as the legislative branch of the Village government. Under State law, the Board of Trustees establishes policies and legislative direction of the Village, adopts all ordinances and resolutions and maintains the authority of final determination of land use. The President and Board of Trustees are elected at-large to four-year terms on a two-year staggered basis. The Village President, with consent of the Board of Trustees, appoints the Village Administrator, who is then responsible for the daily operations of the Village.



About the Village of Gilberts

Gilberts is located 46 miles northwest of Chicago along IL Route 72 with easy access to Interstate 90 either east via Randall Road or west via IL Route 47. The Village of Gilberts was platted in 1855 and was incorporated in 1890. With an area of 5.5 square miles, the Village has a current population of 8,366. Gilberts is close to major cities, but far enough away to provide room for healthy growth of families, small businesses and light industrial manufacturing. Here in Gilberts, we believe that we are **growing with vision** and pride ourselves on our commitment to our community.

GILBERTS TOP EMPLOYERS

Scurto Cement Construction, Ltd.
R. M. Sellergren
Midwest Integrated Companies
Community Unit School District #300
MAX Maintenance Solutions
Safety Socket LLC
Selee Corporation
Suburban Plastics Company
R. Cleveland Corporation
Forming Concepts, Inc.



Gilberts: A Brief History

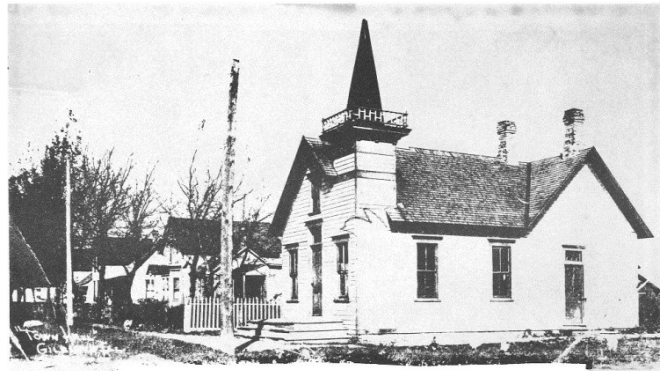
The Village of Gilberts began in the spring of 1836 when E.R. Starks and Elijah Rich filed claims to what would be Rutland Township. In 1839, Albro Gilberts arrived and established a farm in what is now the center of Gilberts. Around 1852, a post office established near the railroad station, was named Gilberts Station, a name which generalized to the surrounding community. In 1890 Gilberts incorporated as a village.

In 1956, the construction of the Chicago- Northwest Tollway resulted in new industrial development in Gilberts. A light industrial manufacturing area was established in the 1960's which grew with the development of three additional industrial parks in the 1970's. In 1988, a new water system was constructed which supported new residential development.

Finished in 2014, the Illinois Tollway Authority built a complete interchange on Interstate 90 at Route 47. This interchange provides

greater interstate access to the Chicago metro area while preserving the identity and character of the quaint rural living environment that drew the early settlers to the area.

With a variety of local business and housing options available, Gilberts' growth has been steady. This trend is anticipated to continue given the ongoing subdivisions and commercial land ready for development.



ORIGINAL GILBERTS VILLAGE HALL, EAST OF GALLIGAN RD. AT TURNER



Gilberts school

2021 Notable Achievements



The SafeWise Team is pleased to release the seventh annual Safest Cities report.

Here are the 10 Safest Cities in Illinois for 2021

1. Campton Hills
2. Hawthorn Woods
3. Inverness
4. Lindenhurst
5. Elburn
6. Orland Hill
7. Chester
8. Lake in the Hills
- 9. Gilberts**
10. Huntley

Gilberts made the top 10 Safest Cities in Illinois list for the 3rd year in a row!

Capital Equipment



In fiscal year 2021, the Village was able to make several capital equipment purchases. These include a 2021 Ford Police Interceptor for the police department, a Ford F550 dump truck for public works and a ramjet trailer that will be used in public works by both the water and street departments.



Prairie Business Park

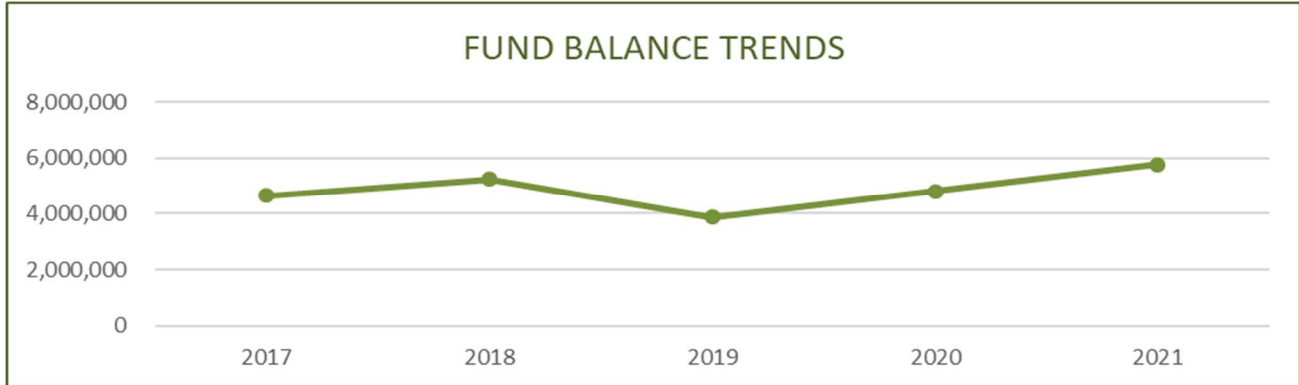
While several commercial lots are waiting to be developed in Prairie Business Park, the final industrial building has been completed. The new occupant, Toynk Toys, will employ roughly 100 people, some in seasonal positions and is a welcome addition to Gilberts.

With the Shell gas station and Dunkin Donuts anchoring the commercial lots off of IL Route 72, the Village anticipates more interest in the remaining lots off both Tyrell Road and IL Route 72 in the future.

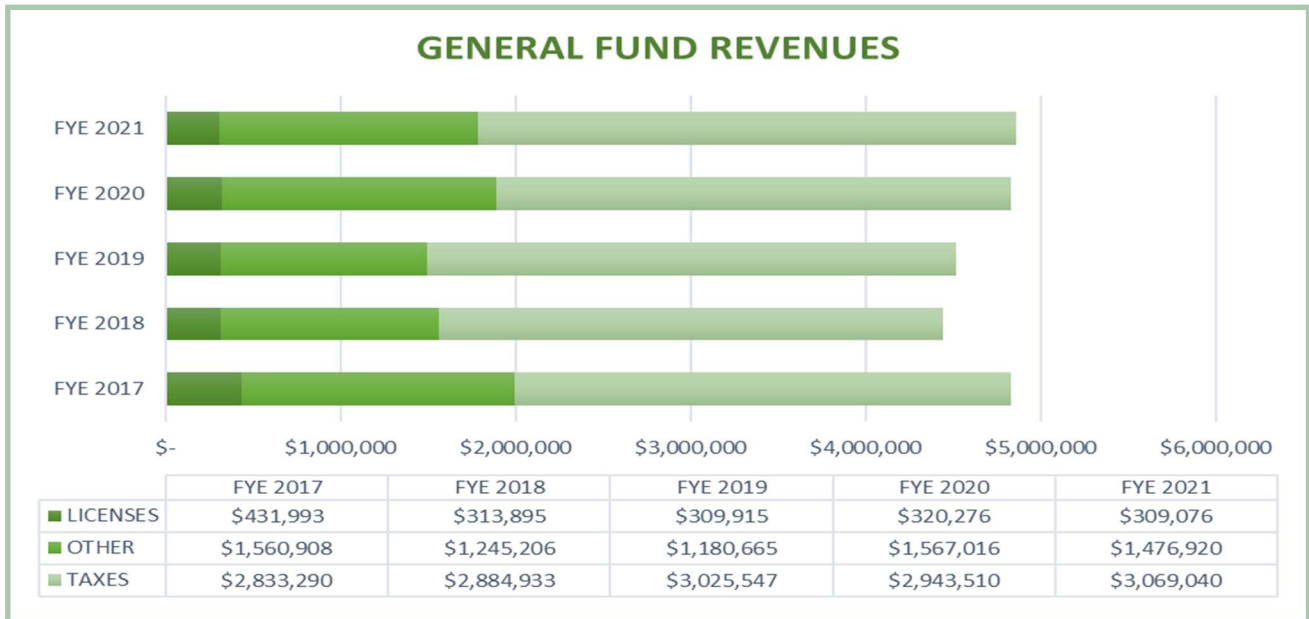


General Fund Revenues

The Village operates under the Budget System of financial planning and management. As this more truly reflects anticipated receipts and disbursements it enables the Village Board of Trustees to prioritize their expectations with regard to where those monies are to be spent. The General Fund accounts for the daily operations of Administration, Finance, Police, Building, Public Works and Parks.

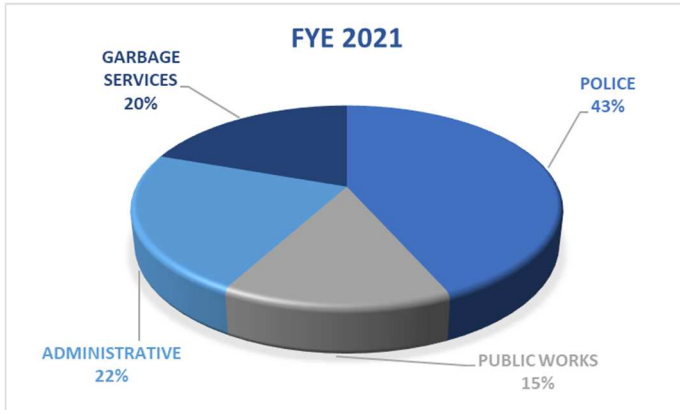


The Village’s fund balance policy requires that a minimum of 25% of current operating expenditures be available in unrestricted fund balance. The sustained prudent practices the Village has followed through the years allows for the level of services expected by our residents as well as the availability of unrestricted funds, presently \$2.6 million, should the need arise.



The largest portion of Village revenues comes from taxes; including, but are not limited to, property tax, sales tax, local use tax, income tax, video gaming tax and cannabis taxes. While there have been slight fluctuations, for the most part these taxes have remained consistent. Additionally, with the completion of the decennial census, the Village’s population has grown from 6,879 to 8,366. This growth will allow for modestly larger deposits from the State of Illinois through the Local Government Distributive Funds (LGDF) that will not only help the General Fund, but the Motor Fuel Tax Fund as well.

General Fund Expenditures



\$ 1,733,663



\$ 896,870



\$ 782,562



\$ 583,076



Public Safety

The Police Department is part of the Village's General Fund and provides for the safety and well-being of our community. Continually developing relationships with residents and businesses is essential and contributes to the success of the department.



General Government

General Government encompasses managing the daily operations of the Village while following the Board approved budget. Items included here are planning & zoning, building permit, finance office and other general inquiries.



Garbage Services

The Village has contracted with MDC for refuse removal services, which include regular trash pickup, recycling pickup, yard waste removal and even large item pickup for a set monthly fee.



Public Works

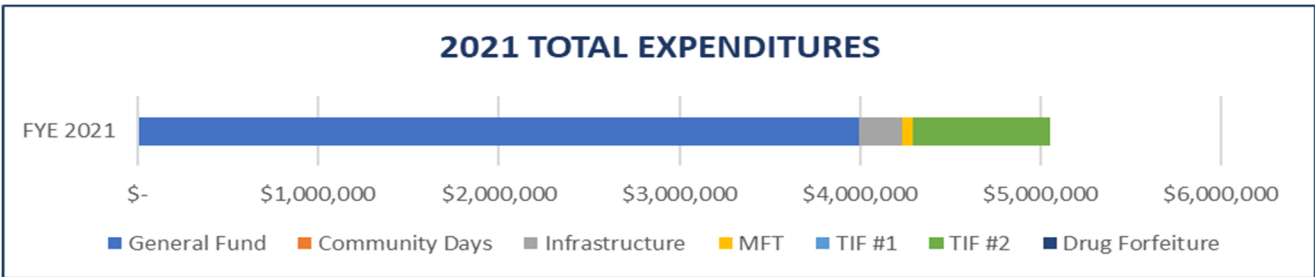
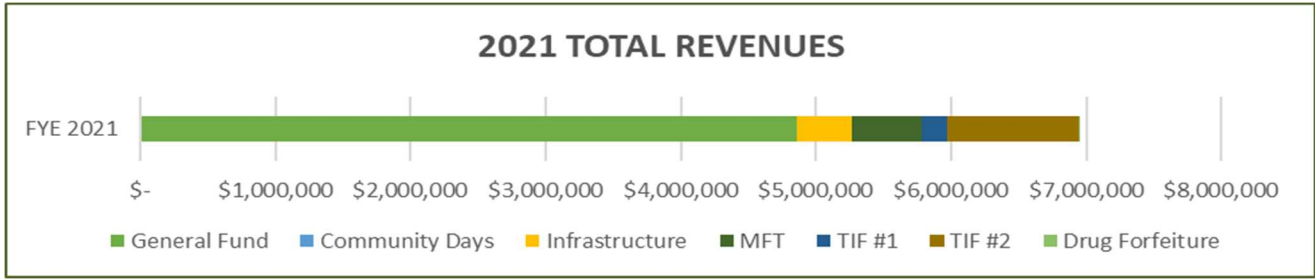
The Village's Public Works department handles the maintenance and upkeep of our streets, storm sewers, all village-owned properties, all public park maintenance, parkway tree removals, as well as snow removal.

GENERAL FUND EXPENDITURES



	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
■ POLICE	\$1,420,053	\$1,491,031	\$1,563,549	\$1,671,141	\$1,733,663
■ PUBLIC WORKS	\$701,550	\$644,804	\$2,741,895	\$384,008	\$583,076
■ ADMINISTRATIVE	\$1,213,256	\$1,110,451	\$955,487	\$1,260,775	\$896,870
■ GARBAGE SERVICES	\$578,393	\$609,221	\$628,889	\$801,750	\$782,562

Statement of Revenues & Expenditures For Governmental Funds



TOTAL REVENUES \$6,947,133

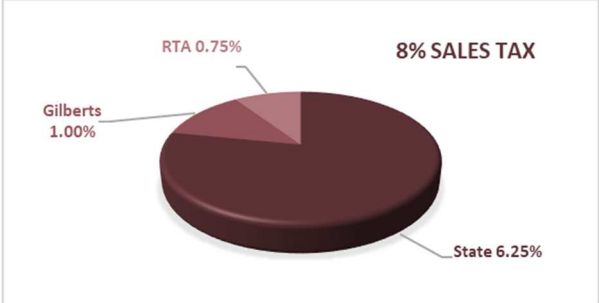
TOTAL EXPENDITURES \$5,055,091

This page summarizes all of the governmental operating funds of the Village; including General Fund, Community Days, Infrastructure, Motor Fuel Tax (MFT), TIF #1, TIF #2 and Drug Forfeiture.

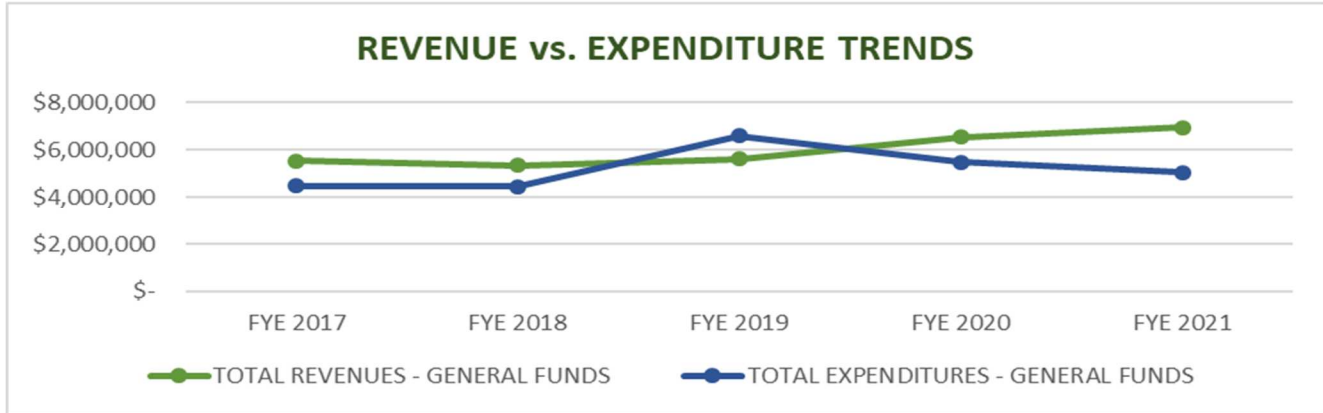
The Village met the eligibility requirements of the federally passed Coronavirus Aid, Relief, and Economic Support Act (CARES Act) based on front-line policer officer salaries, safety equipment purchases and small building upgrades necessary to protect employees. These emergency funds totaling \$475,322 were passed through Kane County to the Village and are recognized in the grant revenue section of the general fund budget. The expenditures were absorb into various accounts throughout the Village's overall budget and documentation was provided to Kane County. Without these funds the Village would have had a difficult time providing the regular services village residents have become accustomed to.

Nonmajor Governmental Funds

- Community Days
- Infrastructure
- MFT
- TIF 1
- TIF 2
- Drug Forfeiture

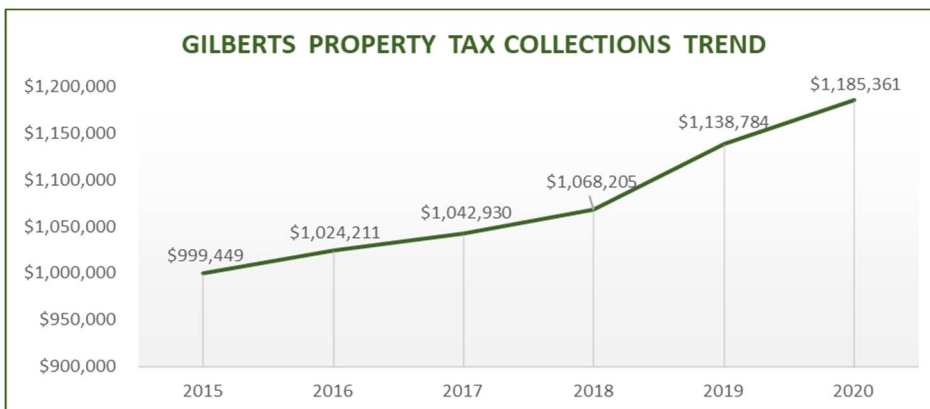
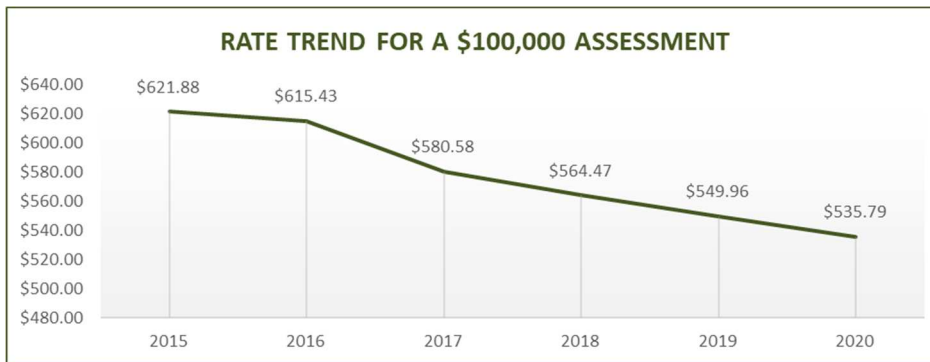
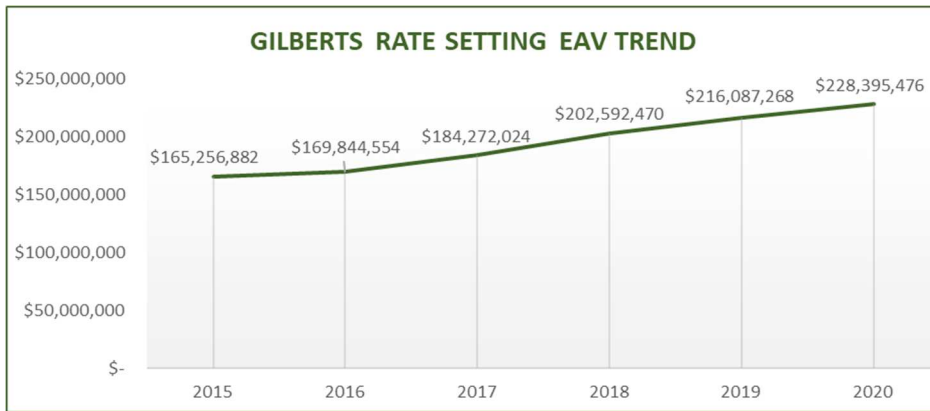


The 8% sales tax in Gilberts on general merchandise is distributed as follows:
 State of Illinois: 6.25%
 Gilberts Non-Home Rule: 1.00%
 Regional Transportation Authority: 0.75%



Property Tax & Equalized Assessed Valuation

All Gilberts residents live within Kane County and a majority reside in Rutland Township. Your property taxes are distributed amongst as many as eleven different taxing bodies. The largest of these is Dundee School District 300 which collects 69%; Rutland Dundee Fire District comes in second at 8%; and the Village of Gilberts with 7% is third on the list. The remaining 16% is split between Elgin Community College #509, Kane County, Dundee Township Library district, and others depending on your address.



EAV is the total dollar value of all property within Gilberts, similar to an individual's net worth. All EAV's are determined by the Kane County Tax Assessor's Office and play an important part in determining all property tax collections.

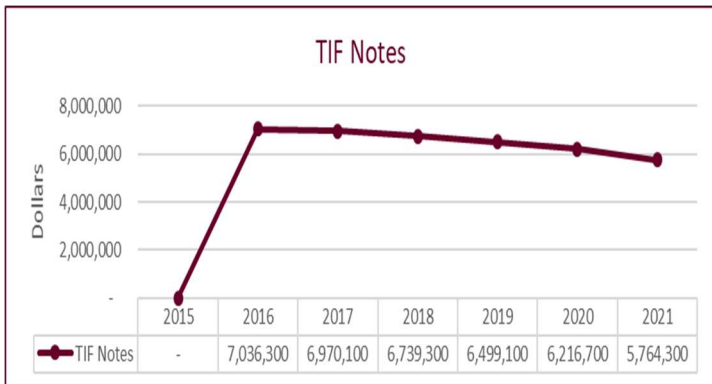
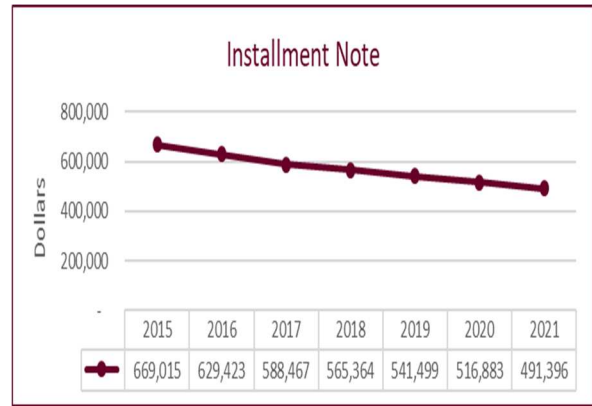
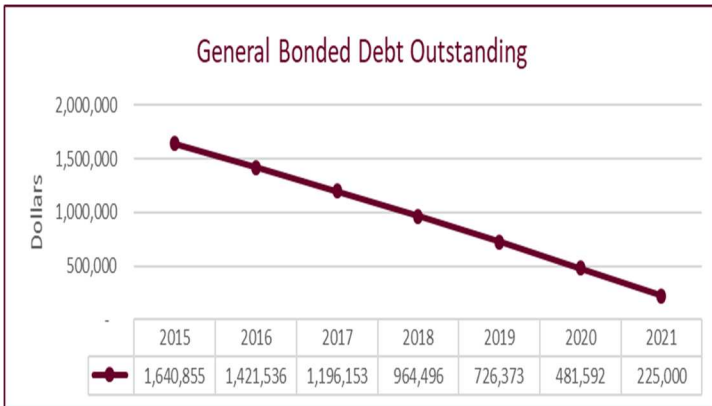
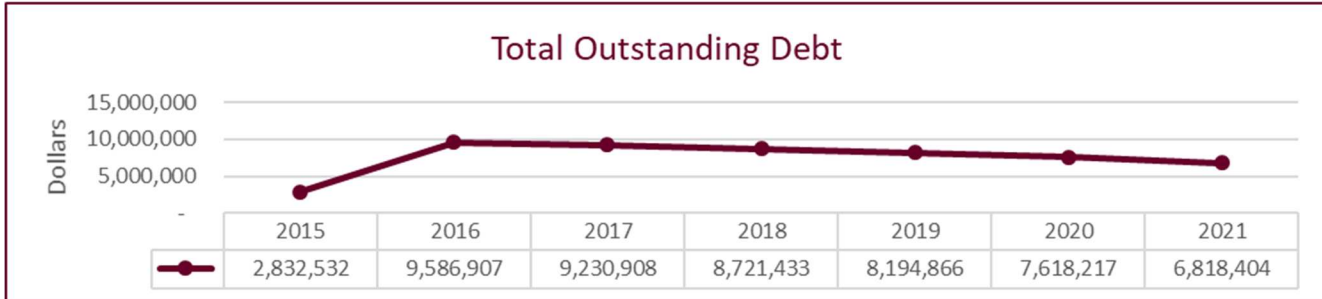
As the Village's overall EAV grows the rates assessed on individual properties trend lower, but dollars collected by the Village tend to grow due to the increased valuation.

Between 2015 and 2020 the rate for Gilberts' residents has decreased from \$621.88 per \$100,000 to \$535.79 per \$100,000 in assessed value.

As Kane County is a PTELL county (Property Tax Extension Limitation Law) the Village is limited to increasing property taxes by the lesser of 5% or CPI year over year. Thus, the increases in total property tax collections has stayed relatively constant. New construction valuations are the only values not capped by PTELL.

Debt Management

Debt is a tool available to local governments that enables the Village to provide infrastructure improvements and finance that debt over time using various revenues received. Gilberts has several different types of debt: Alternate Revenue Bonds (also know as General Obligation or GO Bonds), Tax Increment Financing (TIF) notes, an Installment note and an Illinois Environmental Protection Agency (IEPA) loan.



AA Credit Rating

The Village prides itself on continued prudent practices, which has enabled Gilberts to maintain a rating of 'AA' with Standard & Poor's. This rating demonstrates our creditworthiness and enables the Village to obtain lower interest rates on loans and bonds.

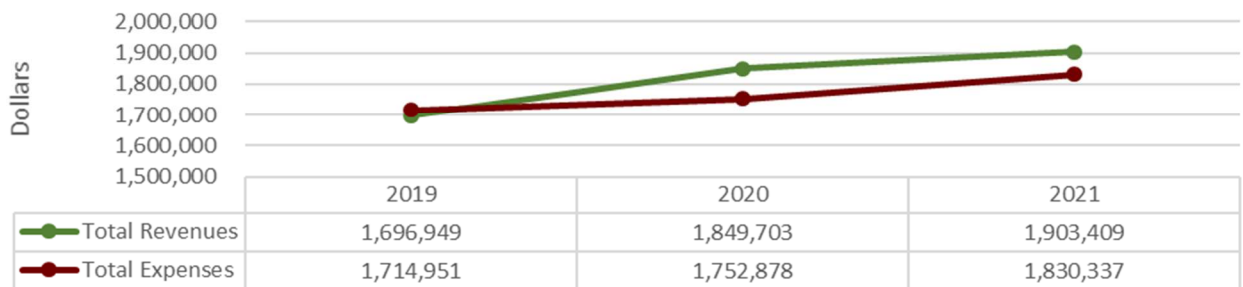
Standard & Poor's Long Term Bond Ratings	
Letter Grade	Capacity To Repay
AAA	Extremely strong
AA+, AA, AA-	Very strong
A+, A, A-	Strong
BBB+, BBB, BBB-	Adequate
BB+, BB	Faces major future uncertainties
B	Faces major uncertainties
CCC	Currently vulnerable
CC	Currently highly vulnerable
C	Has filed bankruptcy petition
D	In default

Water & Wastewater Enterprise Fund

Statement of Revenues, Expenses and Net Position for Water & Sewer

Water & Wastewater	2019	2020	2021
Revenues			
Operating Revenues	1,580,117	1,721,466	1,872,330
Non-Operating Revenues	116,832	128,237	31,079
Total Revenues	1,696,949	1,849,703	1,903,409
Expenses			
Operating Expenses	1,706,339	1,744,855	1,822,680
Non-Operating Expenses	8,612	8,023	7,657
Total Expenses	1,714,951	1,752,878	1,830,337
Net Position			
Net Income	(18,002)	96,825	73,072
Net Position May 1	20,071,315	20,053,313	20,150,138
Net Position April 30	20,053,313	20,150,138	20,223,210

Water & Wastewater Trends



Fund Analysis

While the net position of the Water and Wastewater Fund is healthy, the majority of the balance is held in the physical infrastructure or “Assets” within the Village. Only 30%, or \$6 million is available for needed improvements to facilities, maintenance or infrastructure. The Village has been able to maintain consistent rates for water and wastewater since 2016.

What is an Enterprise Fund?

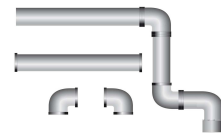
Much like a private business, an Enterprise Fund is designed to be self-sustaining. The Village delivers water and wastewater (sewer) services to residents and then provides an accounting for those services within this enterprise fund. All repairs or improvements to the water and sewer infrastructure are funded through the fees collected.



2,018
Metered
Accounts



484,000
Gallons of water
supplied per day



422,000
Gallons of sewer
treated on an
average day

Statement of Net Position by Component 5 Year Trends

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.

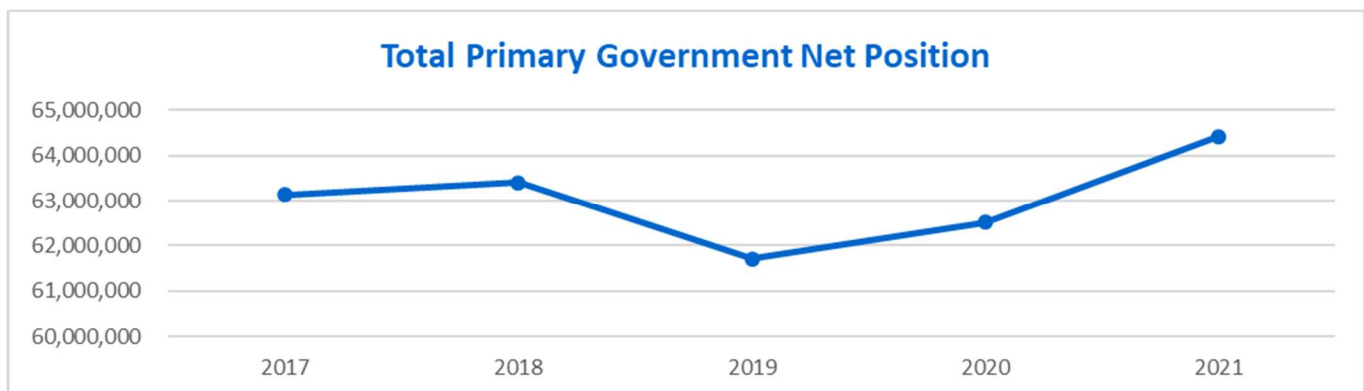
Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net positions balances that do not meet the definition of “restricted” or “net invested in capital assets.”

Governmental Activities	2017	2018	2019	2020	2021
Net Investment in Capital Assets	39,409,855	38,821,056	38,228,679	37,692,010	37,440,886
Restricted	3,616,075	4,833,443	4,405,457	1,745,896	2,834,658
Unrestricted	130,438	(319,089)	(989,826)	2,922,880	3,917,323
Total Governmental Activities Net Position	43,156,368	43,335,410	41,644,310	42,360,786	44,192,867
Business-Type Activities	2017	2018	2019	2020	2021
Net Investment in Capital Assets	16,442,566	15,991,640	15,558,480	15,101,878	14,730,145
Unrestricted	3,531,368	4,079,675	4,494,833	5,048,260	5,493,065
Total Business-Type Activities Net Position	19,973,934	20,071,315	20,053,313	20,150,138	20,223,210
Primary Government	2017	2018	2019	2020	2021
Net Investment in Capital Assets	55,852,421	54,812,696	53,787,159	52,793,888	52,171,031
Restricted	3,616,075	4,833,443	4,405,457	1,745,896	2,834,658
Unrestricted	3,661,806	3,760,586	3,505,007	7,971,140	9,410,388
Total Primary Government Net Position	63,130,302	63,406,725	61,697,623	62,510,924	64,416,077

Analysis of Net Position

Over the past five years the Village’s Net Position has fluctuated slightly; specifically due to a road program that occurred in 2019, which accounts for the \$1.7 million drop from 2018 to 2019. Net position of the Village’s governmental activities for 2021 had an increase from the prior year due to an increase in revenues and slight decreases in expenses for the year. A portion of that increase came from the CARES Act federal funding for COVID-19 related expenses. Net position of the business-type activities increased by less than one percent or \$73,072 from the prior year. Prudent practices currently in place concerning expenditures will enable the Village to continue in a positive trajectory for the near future.



Demographic Data



8,366
2020 Census population



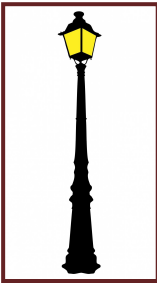
43%
With a Bachelor's degree or higher



31.8
Median age of Gilberts' residents



\$97,135
Median household income



184 lights
Illuminating our streets and sidewalks



28 miles
Of roadways maintained by Public Works



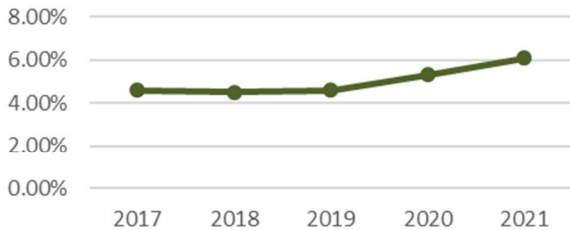
40+ acres
Of parks for our residents to enjoy



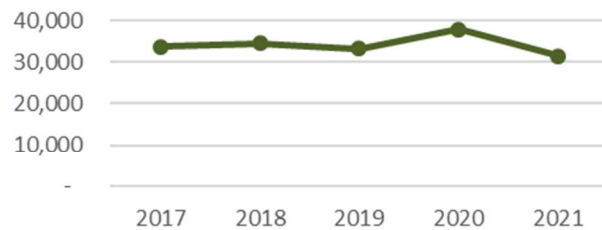
142
Business licenses registered within the village

Five-Year Trends

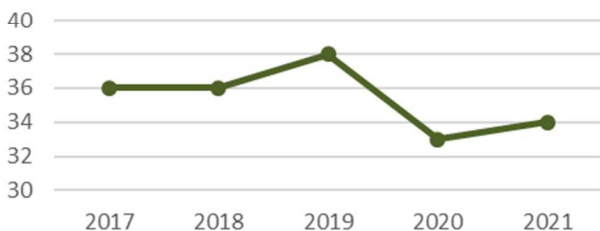
Unemployment Rate



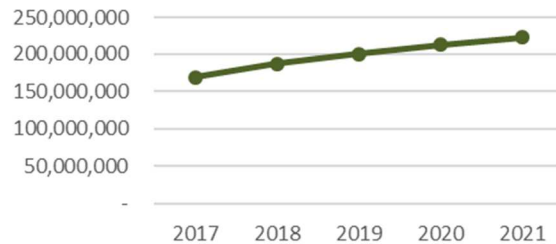
Per Capita Income



Village Employees

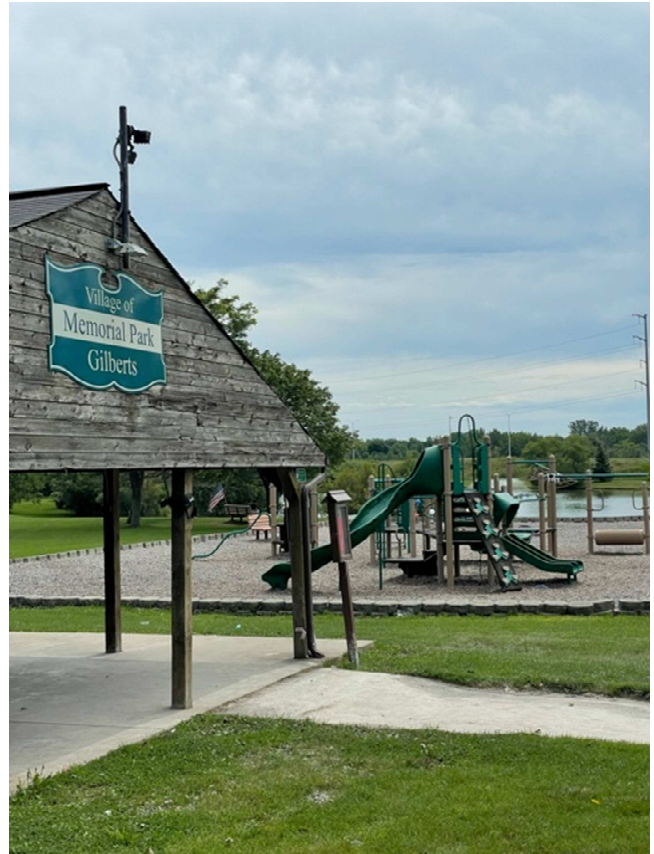


Residential Property EAV



About the PAFR

The Popular Annual Financial Report, or PAFR, is designed to present the Village's financial information in an accessible and understandable format for its citizens and other interested parties. The Village of Gilberts values sharing financial information and presenting it in a format that is easy to comprehend and obtainable to the general public, encouraging citizens interested in the Village's finances to utilize this resource.



The PAFR is designed to present the Village of Gilberts' Comprehensive Annual Financial Report in a summarized and simplified format and is consistent with GAAP. The document also focuses heavily on trends since more information can be derived from data over time. Although information presented in the PAFR is accurate and presents the Village's finances objectively, the public can obtain the most reliable source for financial information within the 2021 Comprehensive Annual Financial Report by visiting the financial documents section of www.villageofgilberts.com. In addition, eight years of financial reports are also available for any interested parties.

Comments, suggestions, and questions are welcome and can be addressed to:

Taunya Fischer, Finance Director

Phone: 847-428-4167

Email: tfischer@villageofgilberts.com

