

VILLAGE OF GILBERTS

Popular Annual Financial Report

For fiscal year ending April 30, 2023



Village President's Message

To the Citizens of Gilberts:

I am pleased to present the Popular Annual Financial Report (PAFR) for Fiscal Year 2023 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 2022 Annual Comprehensive Financial Report (ACFR) and anticipate receiving the Award for Outstanding Achievement in Popular Annual Financial Reporting for our FY 2022 PAFR.

Each year the Village of Gilberts publishes an Annual Comprehensive 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, Village President



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Gilberts
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2022

Christopher P. Merrill
Executive Director/CEO

Table of Contents

<i>2 - Message from the President</i>
<i>3 - Government Organization</i>
<i>4 - About Gilberts</i>
<i>5 - 2023 Notable Achievements</i>
<i>6-7 - General Fund</i>
<i>8 - Statement of Revenues & Expenditures</i>
<i>9 - Property Tax & EAV</i>
<i>10 - Debt Management</i>
<i>11 - Water & Wastewater Enterprise Fund</i>
<i>12 - Statement of Net Position by Component</i>
<i>13 - Demographic Data</i>
<i>14 - About the PAFR</i>

Government Organization

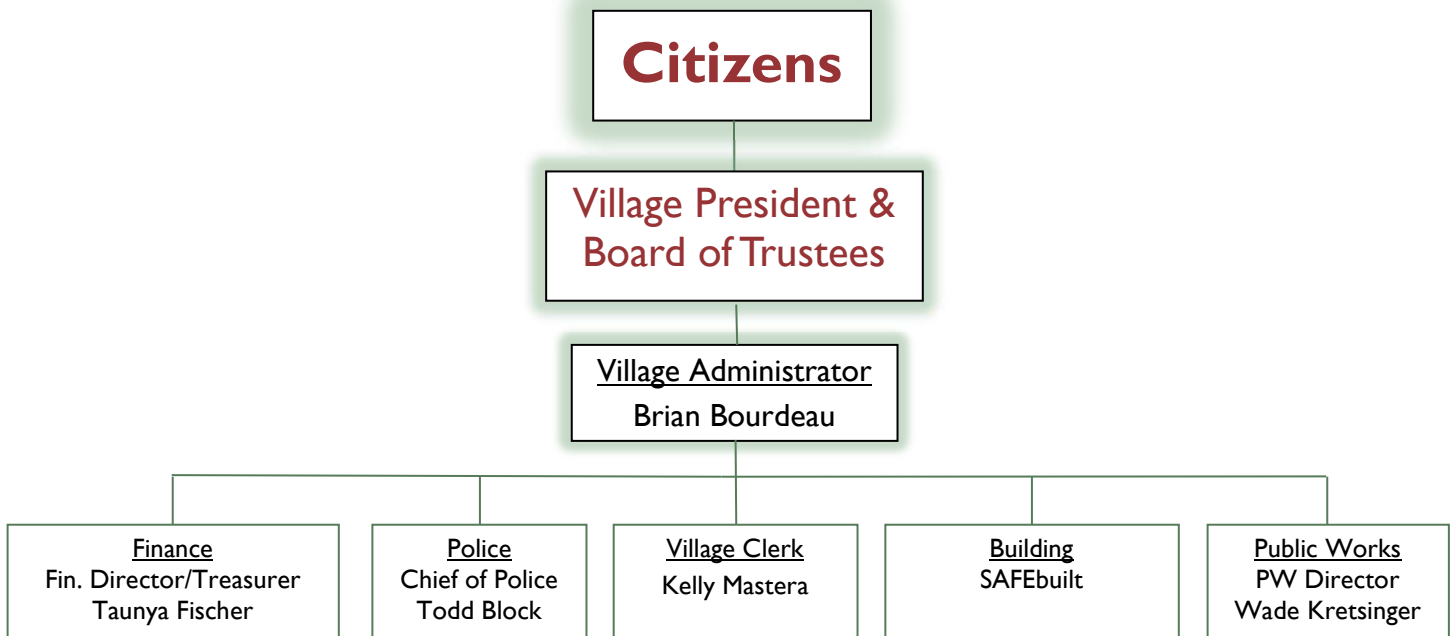


**Village of Gilberts
President and
Board of Trustees
as of April 30, 2023**



Top (l to r): President Guy Zambetti, Trustee Jeanne Allen, Trustee Dan Corbett and Trustee Brandon Coats
Second row (l to r): Trustee Lou Hacker, Trustee Justin Redfield and Trustee David LeClerc Sr.

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., per the 2020 U.S. Census. 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

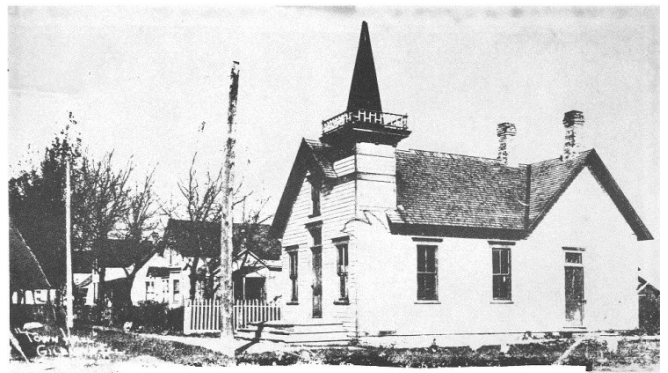
The Village of Gilberts began in the spring of 1836 when E.R. Starks and Elijah Rich filed claims to what would be Rutland Township. In 1839, Albro Gilberts arrived and established a farm in what is now the center of Gilberts. Around 1852, a post office established near the railroad station, was named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

2023 Notable Achievements

Capital Equipment

In fiscal year 2023, the Village was able to make several capital equipment purchases. These include a 2022 Ford Police Interceptor, two 2022 Dodge Durangos for the police department, a Ford F-750 Super Duty dump truck and an F-250 Super Duty for public works. All of these purchases replace aging vehicles. The wastewater plant also received a new pump, bar screen and updates to the clarifier digester. Most of these purchases were thanks in part to the American Rescue Plan Act (ARPA) Work has continued on the water treatment plant expansion that is nearing completion.



New housing units and building permits

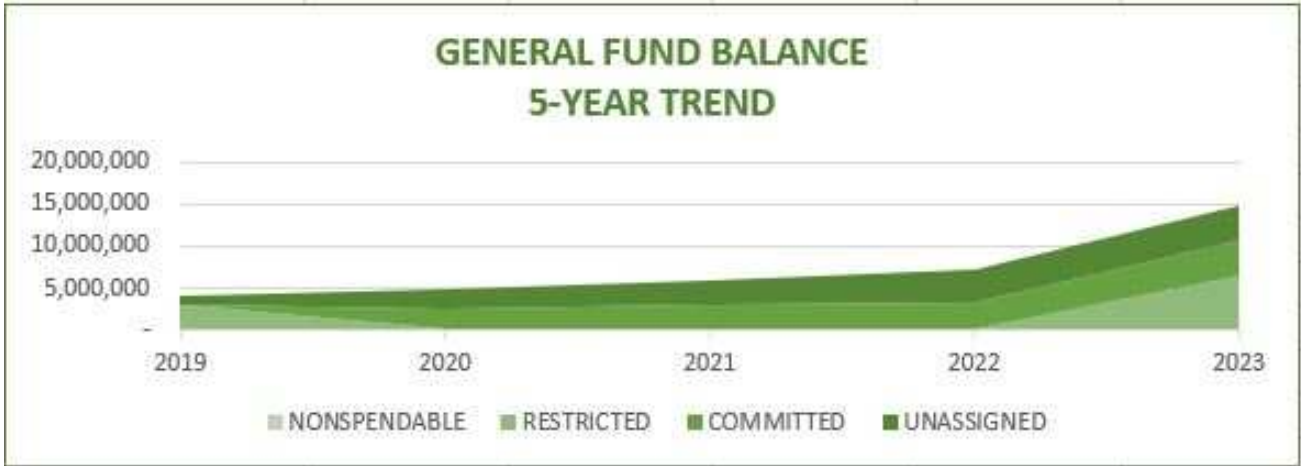
The Village issued a total of 352 building permits from May 1, 2022 to April 30, 2023. Of these, 53 were new residential units. In The Conservancy 49 single-family home permits were issued. The Town Center neighborhood had 4 duplex permits issued.

The remaining 299 permits consisted of permits for fences, solar panels, residential additions, water heaters, HVAC systems, driveways, patios and various other projects.



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.

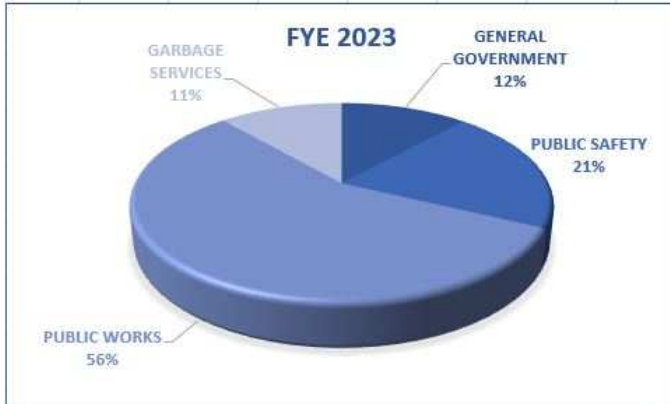


The Village’s fund balance policy requires that a minimum of 25% of current operating expenditures be available in unrestricted fund balance. The sustained prudent practices the Village has followed through the years allows for the level of services expected by our residents as well as the availability of unrestricted funds, presently \$4.6 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



\$ 1,623,876



\$ 928,484



\$ 908,937



\$ 4,480,745



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. This also includes Capital Outlay and any Debt Service Payments.



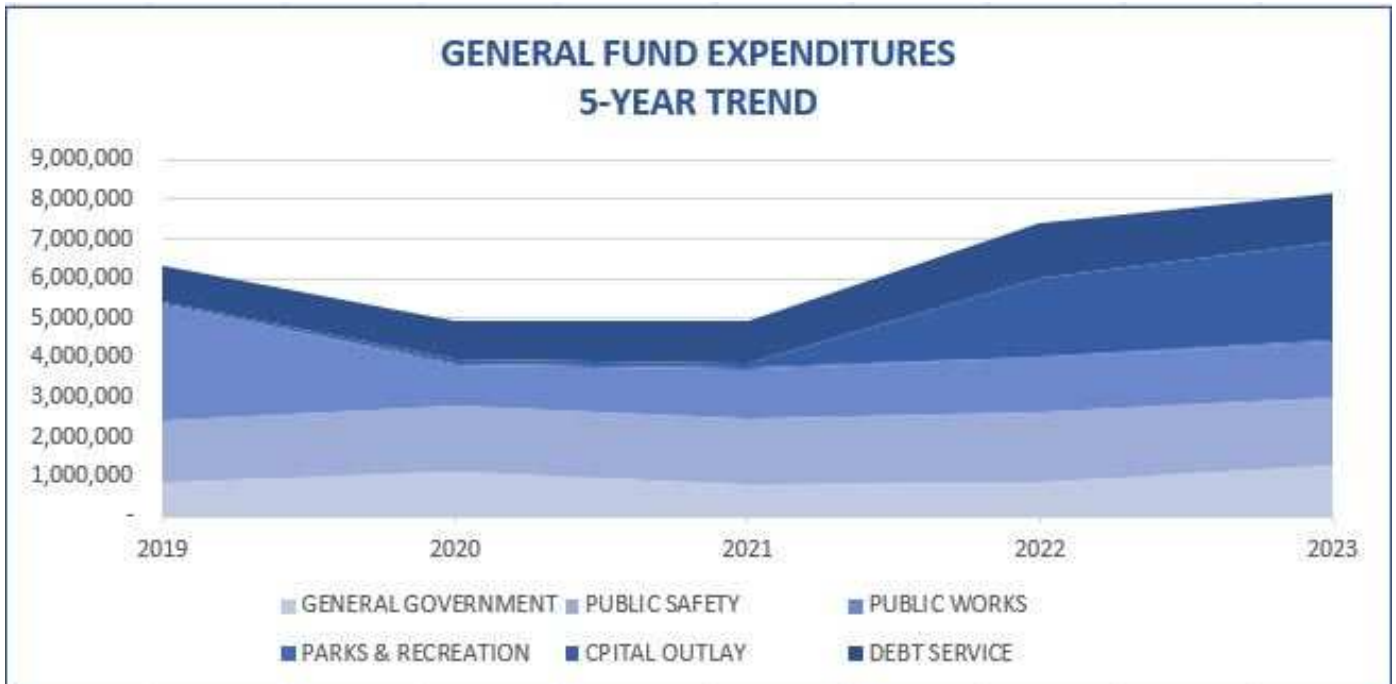
Garbage Services

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.

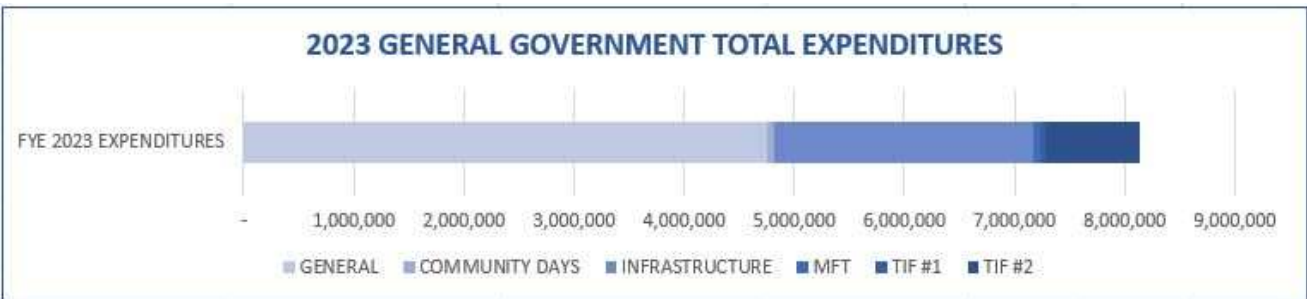


Statement of Revenues & Expenditures For Governmental Funds

2023 GENERAL GOVERNMENT TOTAL REVENUES



2023 GENERAL GOVERNMENT TOTAL EXPENDITURES



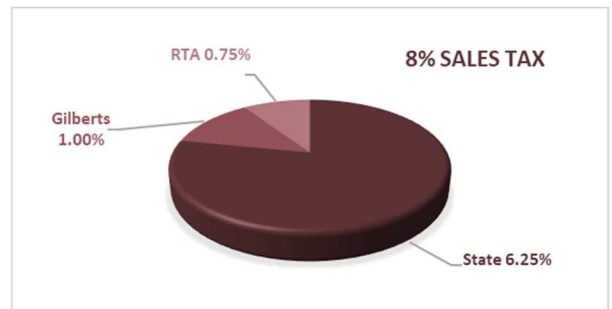
TOTAL REVENUES \$8,825,172

TOTAL EXPENDITURES \$8,131,614

The Village of Gilberts General Governmental Funds consists of four Major Funds: General, Tax Increment Financing (TIF) #2, Motor Fuel Tax (MFT) and Road Improvement (also called Infrastructure) and two Nonmajor Funds: Community Days & TIF #1. Consistent prudent budgeting and planning helps keep the Revenues and Expenditures in balance. Though unexpected expenses can occur the Village works diligently to mitigate them. The charts above show the FYE 2023 Revenues & Expenditures for all of the Primary Government while the below chart shows the 5-year trend for just the General Fund.

Major Governmental Funds
 General
 Road Improvement / Infrastructure
 MFT
 TIF 2

Nonmajor Governmental Funds
 Community Days
 TIF 1



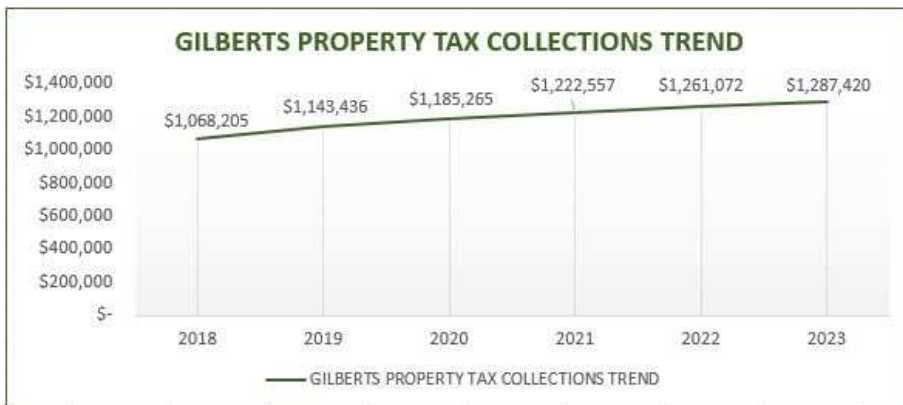
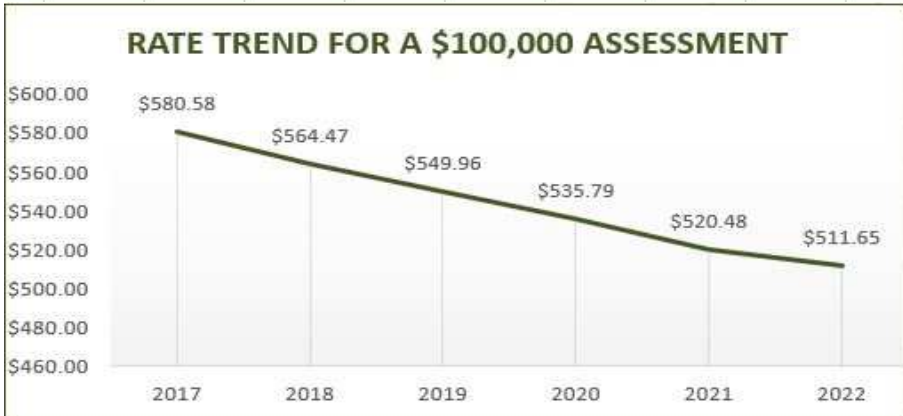
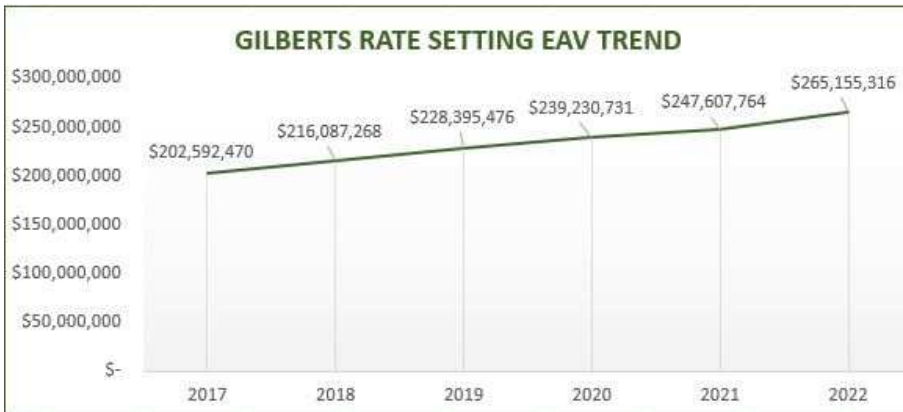
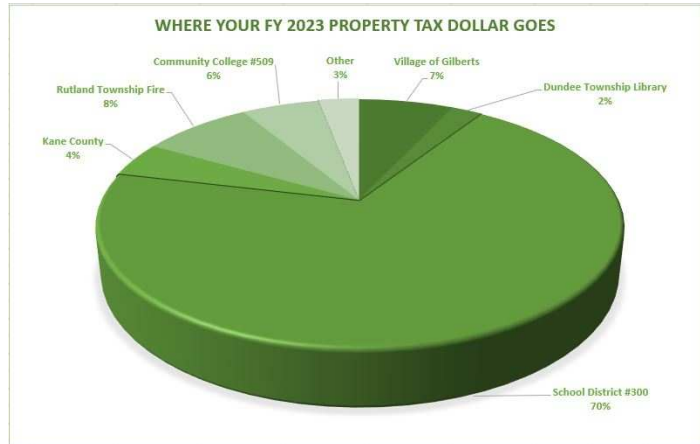
The 8% sales tax in Gilberts on general merchandise is distributed as follows:
 State of Illinois: 6.25%
 Gilberts Non-Home Rule: 1.00%
 Regional Transportation Authority: 0.75%

GENERAL FUND REVENUE vs. EXPENDITURES 5-YEAR TREND



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 70%; Rutland Dundee Fire District comes in second at 8%; and the Village of Gilberts with 7% is third on the list. The remaining 15% 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.

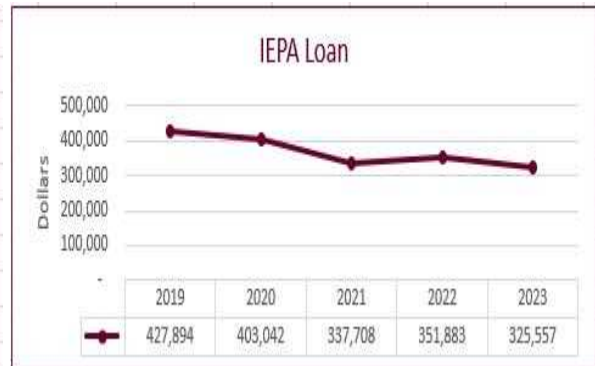
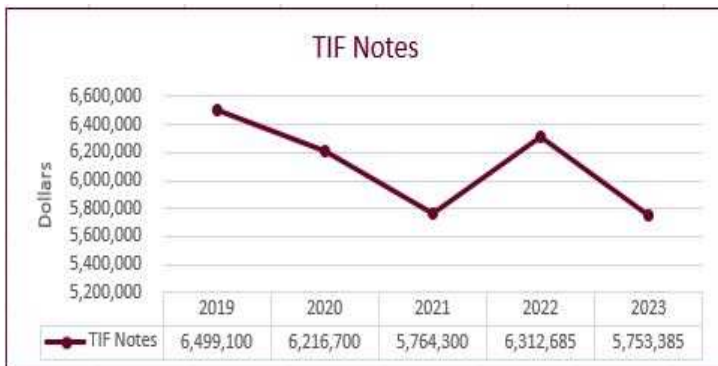
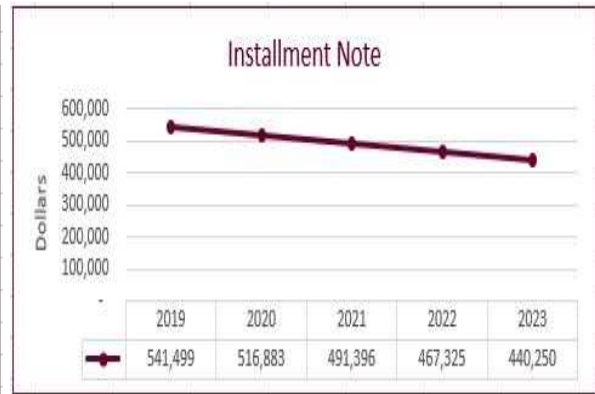
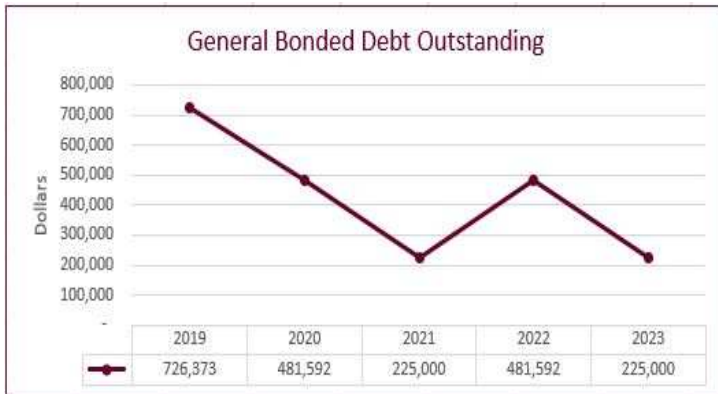
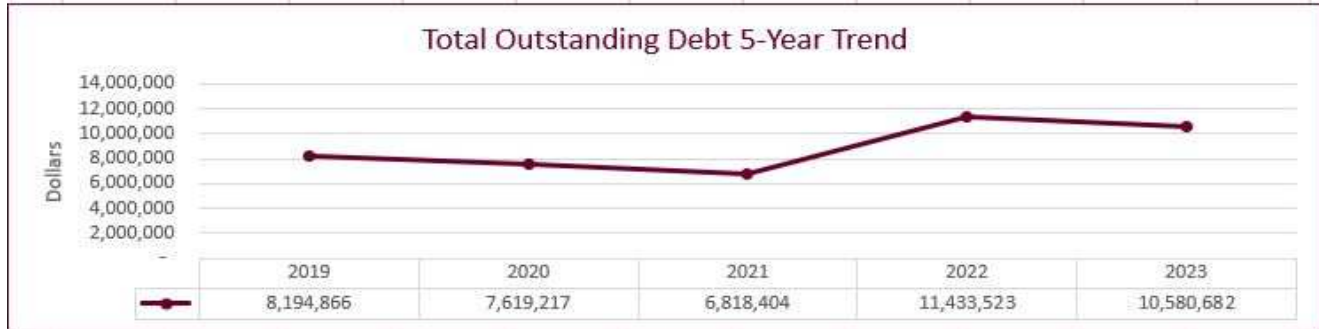
As the Village's overall EAV grows the rates assessed on individual properties trend lower, but dollars collected by the Village tend to grow due to the increased valuation.

Between 2017 and 2023 the rate for Gilberts' residents has decreased from \$580.58 per \$100,000 to \$511.65 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. 5-Year trends are shown below.



AA Credit Rating

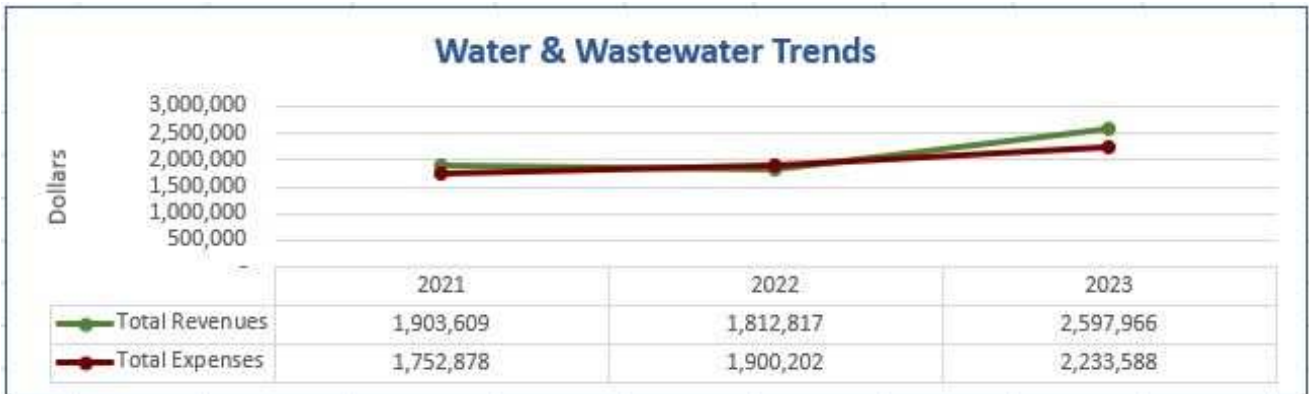
The Village prides itself on continued prudent practices, which has enabled Gilberts to maintain a rating of 'AA' with Standard & Poor's. This rating demonstrates our creditworthiness and enables the Village to obtain lower interest rates on loans and bonds.

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	2021	2022	2023
Revenues			
Operating Revenues	1,872,530	1,799,538	1,776,786
Non-Operating Revenues	31,079	13,279	821,180
Total Revenues	1,903,609	1,812,817	2,597,966
Expenses			
Operating Expenses	1,744,855	1,900,202	2,233,588
Non-Operating Expenses	8,023	-	-
Total Expenses	1,752,878	1,900,202	2,233,588
Net Position			
Net Income	150,731	(87,385)	364,378
Net Position May 1	20,060,065	20,210,796	20,123,411
Net Position April 30	20,210,796	20,123,411	20,487,789



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 25%, or \$5.2 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?

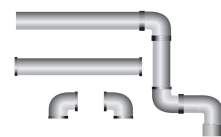
Much like a private business, an Enterprise Fund is designed to be self-sustaining. The Village delivers water and wastewater (sewer) services to residents and then provides an accounting for those services within this enterprise fund. All repairs or improvements to the water and sewer infrastructure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



2,134
Metered
Accounts



423,224
Gallons of water
supplied per day



384,781
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.

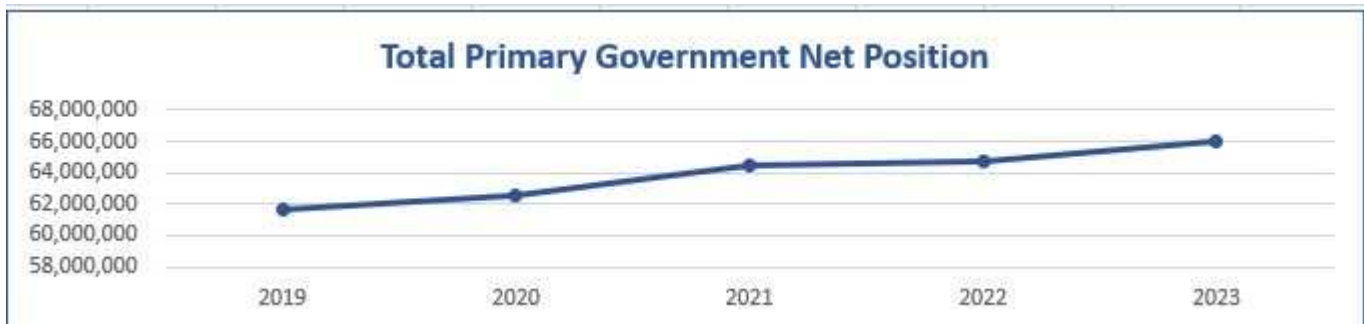
Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

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

Governmental Activities	2019	2020	2021	2022	2023
Net Investment in Capital Assets	38,228,679	37,692,010	37,440,886	42,280,415	39,541,181
Restricted	4,405,457	1,745,896	2,834,658	3,224,056	4,584,096
Unrestricted	(989,826)	2,922,880	3,917,323	(849,131)	1,437,928
Total Governmental Activities Net Position	41,644,310	42,360,786	44,192,867	44,655,340	45,563,205
Business-Type Activities	2019	2020	2021	2022	2023
Net Investment in Capital Assets	15,558,480	15,101,878	14,730,145	14,630,124	15,219,058
Unrestricted	4,494,833	5,048,260	5,493,065	5,493,287	5,268,731
Total Business-Type Activities Net Position	20,053,313	20,150,138	20,223,210	20,123,411	20,487,789
Primary Government	2019	2020	2021	2022	2023
Net Investment in Capital Assets	53,787,159	52,793,888	52,171,031	56,910,539	54,760,239
Restricted	4,405,457	1,745,896	2,834,658	3,224,056	4,584,096
Unrestricted	3,505,007	7,971,140	9,410,388	4,644,156	6,706,659
Total Primary Government Net Position	61,697,623	62,510,924	64,416,077	64,778,751	66,050,994

Analysis of Net Position

Over the past five years the Village’s Net Position has slowly climbed; specifically due to a road program that occurred in 2019, which accounts for the lower net position. Net position of the Village’s governmental activities for 2023 had an increase from the prior year due to an increase in revenues and slight decreases in expenses for the year. Net position of the business-type activities increased by less than two percent or \$364,378 from the prior year mainly due to substantial grants from the Federal Government. 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



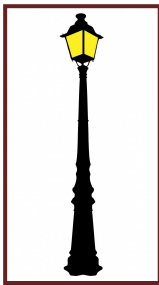
45.7%
With a Bachelor's degree or higher



32.9
Median age of Gilberts' residents



\$101,689
Median household income



184 lights
Illuminating our streets and sidewalks



28 miles
Of roadways maintained by Public Works

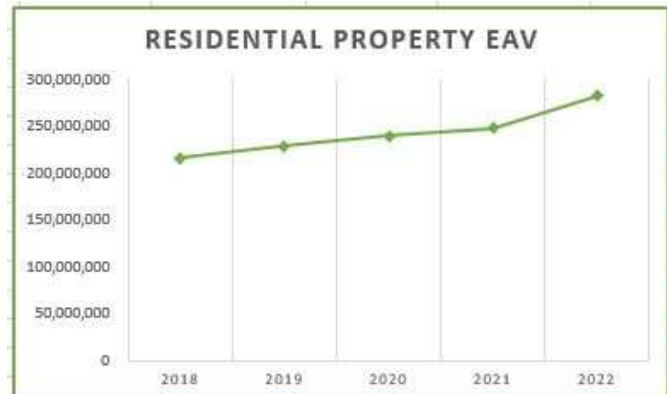
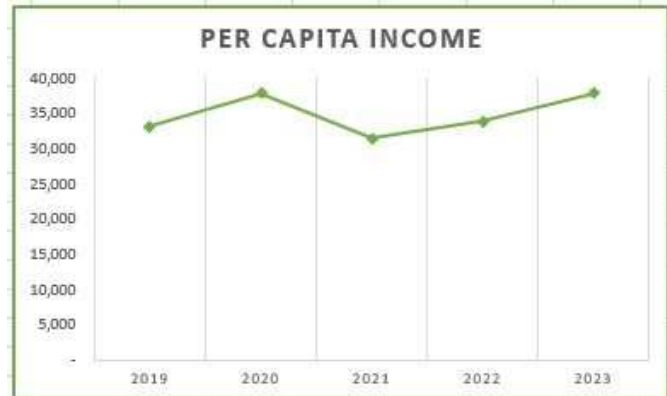
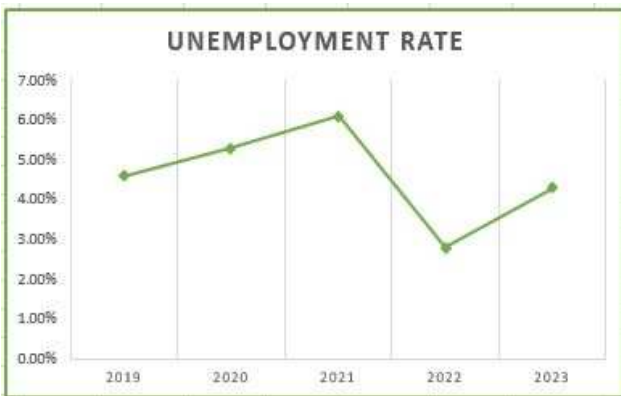


40+ acres
Of parks for our residents to enjoy



162
Business licenses registered within the village

Five-Year Trends



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.



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

Taunya Fischer, Finance Director

Phone: 847-428-4167

Email: tfischer@villageofgilberts.com



The PAFR is designed to present the Village of Gilberts' Annual Comprehensive 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 2023 Annual Comprehensive 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.

