REPORT TO VILLAGE BOARD & APC

ITEM NAME: **Village of Kronenwetter Financial Statistics from Audited Financial Statements: 2020 – 2024 (last 5 audited years)**
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DATE PREPARED: **06/04/2026**

Here is a 5-year comparison of key metric statistics from the 2020-2024 audited financial statements. We will be reviewing trends for the last 5 years here. Then, after the 2025 audited financial statements are completed later this year, the 2025 statistics will be added to this chart.

General Fund Balance Amount & Percentage of Current Year Budget:
The General Fund Unassigned Fund Balance at 12/31/2024 = $931,891 (which is 16.44% of the 2024 General Fund expenditure budget). The Village's fund balance policy minimum goal = 15%. So, the 12/31/2024 number is **ABOVE** the Village's policy number. This number is projected to be above 25% by the time the 12/31/2025 financial audit has been completed in a few months. The reason for the growing fund balance is due primarily to unfilled positions in the Village's budget for 2024 and 2025, which is adding to the Village's annual budget surplus.

This chart shows that the Village began to "loan" funds to TID #1 in the amount of $1,587,383 in 2020, and that this loan amount has grown to $2,659,669 as of 12/31/2024, and will continue to grow in size, until TID #1 generates additional tax revenue (after economic development has occurred in TID #1 in the near foreseeable future) hopefully within the next 2 years. This TID #1 loan from the Village is predicted to be paid back in full before 2044, if the proposed economic development project in TID #1 moves forward in the next 2 years or sooner.

Cash & Investments Balance (All Village Funds):
The total cash & investments balance for all Village funds at 12/31/2024 = $18,019,611. However, the majority of the increase in cash balance in 2024 when compared to 2023, is due to the $7,855,000 General Obligation Promissory Notes that were issued on 10/30/2024, where none of the proceeds were begun to be spent until 2025 (after the construction contracts had been approved). A portion of the note proceeds will be spent down in both 2025 and 2026, which will result in a 2-year drop in the cash balance in both years.

Debt Service Fund Balance:
The debt service fund balance at 12/31/2024 = $128,654, and will continue to drop to about $75,000 in 2025, and then to about $36,000 in 2026. The decisions made by the Village Board in budget years 2024 and 2025, to not levy $1.2 million tax dollars (to match funding levels with actual debt service payments) caused this significant reduction in Debt Service Fund Balance since 2023.

The debt service tax levy for the budget 2026 was established at the correct level, so that funding levels would now again match the actual debt service payments in this fund. All future budget years will also have tax levy amounts set to match all future years' debt obligations.

Outstanding Debt Balance:
The total general obligation debt outstanding at 12/31/2024 = $13,586,029, includes the issuance of $7,855,000 of 2024 general obligation debt (which is primarily allocated to TID #2 projects). This amount represents 28.17% of the Village's maximum general obligation debt limit allowed by the State.

The Village's total outstanding debt at 12/31/2024 = $17,558,502, which includes the $3,091,551 State Safe Drinking Water Loan (at a low 2.145% interest rate) and was used to finance the Water Treatment Plant for the Village, which came online in January 2025. The Water Utility Fund will be making all of the payments for this loan thru 2043. No property taxes will be used to payoff this loan.

TID #1 Fund Balance or (Deficit):
The TID #1 unassigned fund balance (deficit) at 12/31/2024 = ($2,787,282). This deficit balance will continue to grow in size about $125,000 annually, until the TID #1 area collects more property taxes. Once the TID #1 annual property taxes collected exceed the annual debt service payments, then the Village can begin to receive annual reimbursement payments from TID #1, which would reverse the annual cash flow advances from the Village to TID #1.

Other TID Fund Balances or (Deficits):
Other TID fund balances are shown here for 2020-2024. The 2024 TID #2 fund balance of $7,804,530 includes the revenue from the $7,855,000 debt issued in late 2024, of which $6,390,000 was exclusively for TID #2. As we continue through 2025-2026 years, this TID #2 fund balance will be spent down, as the construction projects are completed in TID #2.

It is interesting to note that there were (deficit) balances that occurred in 2021 and 2022 for TID #2.

Remember that we have closed TID #3 in February 2026, and that an estimated balance of $200,000 will be distributed between the four different taxing jurisdictions sometime by October 2026. The Village's share will be about $43,000 to retain.

Miscellaneous Other Fund Balances:
The balances for other special revenue and capital projects funds are shown here for 2020-2024. The 12/31/2024 fund balance of $1,929,106 in the Capital Projects Fund includes revenue from the $7,855,000 debt issued in late 2024, of which $1,465,000 was exclusively for Kronenwetter Drive North project (which was outside the TID #2 boundary area). None of those borrowed proceeds were spent during 2024; rather, they will be expended during the 2025-2026 budget years on that road project.

Utility Net Position:
The Sewer Utility had a 12/31/2024 Unrestricted Net Position = $1,038,865 and a Capital Replacement Fund Balance of $633,441. However, there was no adjustment for depreciation reserves added or sewer capital projects removed from the Capital Replacement Fund Balance during 2024.

The Water Utility had a 12/31/2024 Unrestricted Net Position = $2,969,712 which is slightly overstated compared to the 2023 balance, since there were over $725,000 in water treatment invoices incurred in 2024, but not paid until 2025. Therefore, the 2025 balance will be lower than the 2024 balance, after the completion of the Water Treatment Plant in 2025. However, there is no Capital Replacement Fund setup for the Water Utility during 2020-2024.

My goal for 2026 is to create a Capital Replacement Fund for the Water Utility, and to update the Capital Replacement Fund Balance for the Sewer Utility. I might go back to 2020 and track all depreciation reserves added to the utility fund balances, and then subtract any "reserves" that were utilized to finance capital improvement projects in both utility funds. This would then create a more correct balance in the Net Operating Position for each Utility Fund, similarly to the Unassigned Fund Balance ("Operating Reserve") in the General Fund.

VILLAGE OF KRONENWETTER
Financial Statistics from Audited Financial Statements
2020 - 2024 (last 5 audited years)

General Fund Balance Amount & Percentage of Current Year Budget:

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Nonspendable Fund Balance:					
Advances to TID #1	$ -	$ 2,477,196	$ 2,471,902	$ 2,551,634	$ 2,659,669
Advances to Park Fund	$ 34,750				
Prepaid Items	$ 108,218	$ 52,096	$ 13,911	$ 111,765	$ 132,238
	$ 142,968	$ 2,529,292	$ 2,485,813	$ 2,663,399	$ 2,791,907
Assigned Fund Balance - Carryforward to Next Budget Year	$ 200,000	$ 7,875	$ 292,875	$ 580,604	$ -
Assigned Fund Balance - Reserve for TID #1 Debt Payoff	$ 1,587,383	$ -	$ -	$ -	$ -
Unassigned Fund Balance	$ 1,214,971	$ 936,352	$ 873,453	$ 182,212	$ 931,891
Grand Total General Fund Balance	$ 3,145,322	$ 3,473,519	$ 3,652,141	$ 3,426,215	$ 3,723,798

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
General Fund Budgeted Expenditures (excluding transfers out)	$ 3,847,017	$ 4,199,581	$ 4,230,718	$ 5,176,292	$ 5,668,112
Minimum General Fund Balance Policy % (15%) 15%	$ 577,053	$ 629,937	$ 634,608	$ 776,444	$ 850,217
	15.00%	15.00%	15.00%	15.00%	15.00%
Actual Fund Balance Policy Amount	$ 1,214,971	$ 936,352	$ 873,453	$ 182,212	$ 931,891
Actual Fund Balance Policy %	31.58%	22.30%	20.65%	3.52%	16.44%

Cash & Investments Balance - (All Funds):

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Unrestricted	$ 6,773,438	$ 7,054,646	$ 7,245,588	$ 5,885,214	$ 8,624,100
Restricted	$ 3,355,331	$ 3,074,123	$ 1,540,860	$ 2,334,796	$ 9,395,511
Grand Total	$ 10,128,769	$ 10,128,769	$ 8,786,448	$ 8,220,010	$ 18,019,611

Debt Service Fund Balance:

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Debt Service Fund Balance	$ 81,510	$ 500,084	$ 560,097	$ 595,895	$ 128,654

Outstanding Debt Balance:

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Total Outstanding Debt	$ 17,100,000	$ 9,885,000	$ 8,860,000	$ 8,522,208	$ 17,558,502
General Obligation Debt Outstanding	$ 13,455,000	$ 7,845,000	$ 6,935,000	$ 6,712,208	$ 13,586,029
Debt Limitation Percentage for G.O. Debt	$ 34,564,760	$ 37,084,510	$ 40,890,295	$ 44,788,260	$ 48,226,630
General Obligation Debt Limit	38.93%	21.15%	16.96%	14.99%	28.17%
Equalized Valuation	$ 691,295,200	$ 741,690,200	$ 817,805,900	$ 895,765,200	$ 964,532,600

TID #1 Fund Balance or (Deficit):

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Advance from General Fund	$ -	$ (2,477,196)	$ (2,471,902)	$ (2,551,634)	$ (2,659,669)
Net Balance of Property Taxes to collect in subsequent year	$ -	$ (100,918)	$ (120,243)	$ (123,644)	$ (127,613)
Unassigned Fund Balance/Deficit	$ -	$ (2,578,114)	$ (2,592,145)	$ (2,675,278)	$ (2,787,282)

Other TID Fund Balances or (Deficit):

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
TID #1	$ 528,032	N/A	N/A	N/A	N/A
TID #2	$ 1,574,062	$ (1,190,955)	$ (423,813)	$ 509,567	$ 7,804,530
TID #3	$ 60,013	$ 73,969	$ 85,324	$ 98,711	$ 132,760
TID #4	$ 105,440	$ 214,776	$ 142,512	$ 132,806	$ 88,214

Miscellaneous Other Fund Balances:

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Park Fund	$ 110,136	$ 137,850	$ 139,143	$ 71,158	$ 74,857
Fire Dept. Donations Fund	$ 13,005	$ 30,405	$ 24,924	$ 19,713	$ 22,402
Fire Dues Fund	$ 44,149	$ 65,332	$ 75,313	$ 65,693	$ 81,989
Capital Projects Fund	$ 181,500	$ 338,230	$ 538,964	$ 524,673	$ 1,929,106
Equipment Replacement Fund	$ 308,191	$ 402,649	$ 283,411	$ 295,100	$ 297,039

Utility Net Position:

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Water Utility Unrestricted Net Position	$ 1,147,562	$ 1,530,335	$ 1,921,707	$ 1,931,853	$ 2,969,712
Sewer Utility Unrestricted Net Position	$ 1,318,332	$ 1,144,961	$ 1,152,832	$ 836,047	$ 1,038,865
Sewer Utility Capital Replacement Balance	$ -	$ 281,783	$ 283,428	$ 601,278	$ 633,441