

**VILLAGE OF KENILWORTH, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended  
April 30, 2008**

VILLAGE OF KENILWORTH, ILLINOIS  
TABLE OF CONTENTS

---

	<u>Page(s)</u>
Principal Officials.....	i
INDEPENDENT AUDITOR'S REPORT .....	1-2
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management's Discussion and Analysis.....	MD&A 1-8
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets.....	3
Statement of Activities.....	4-5
Governmental Funds	
Balance Sheet .....	6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets .....	7
Statement of Revenues, Expenditures and Changes in Fund Balances .....	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	9
Proprietary Funds	
Statement of Net Assets.....	10
Statement of Revenues, Expenses and Changes in Net Assets.....	11
Statement of Cash Flows.....	12
Fiduciary Funds	
Statement of Net Assets.....	13
Statement of Changes in Fiduciary Net Assets.....	14
Notes to Financial Statements.....	15-43

VILLAGE OF KENILWORTH, ILLINOIS  
 TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)</b>	
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual- General Fund .....	44
Schedule of Funding Progress	
Illinois Municipal Retirement Fund .....	45
Police Pension Fund .....	46
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund .....	47
Police Pension Fund .....	48
Notes to Required Supplementary Information.....	49-50
 <b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</b>	
<b>MAJOR GOVERNMENTAL FUNDS</b>	
Schedule of Revenues - Budget and Actual - General Fund.....	51-52
Schedule of Detailed Expenditures - Budget and Actual - General Fund.....	53-58
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Funds.....	59-60
 <b>NONMAJOR GOVERNMENTAL FUNDS</b>	
Combining Balance Sheet .....	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	62
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Sewer Service Fund .....	63
Motor Fuel Tax Fund.....	64
E-911 Fund.....	65
 <b>MAJOR ENTERPRISE FUNDS</b>	
Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual - Waterworks System Fund.....	66-67
 <b>FIDUCIARY FUNDS</b>	
Schedule of Changes in Net Assets - Budget and Actual Police Pension Fund.....	68

VILLAGE OF KENILWORTH, ILLINOIS  
TABLE OF CONTENTS (Continued)

---

	<u>Page(s)</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Continued)	
SUPPLEMENTAL DATA	
Long-Term Debt Requirements	
Schedule of General Obligation Refunding Bonds, Alternate Revenue Source, Series 2006B.....	69
Schedule of General Obligation Refunding Bonds, Series 2007.....	70
Schedule of Limited General Obligation Bonds, Series 2007.....	71
OTHER INFORMATION	
Police Pension Fund	
Schedule of Employer Contributions.....	72

VILLAGE OF KENILWORTH, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2008

---

Thomas Tolbert Chisum - President

BOARD OF TRUSTEES

James Hughes

Thomas Terrill

Robert Smietana

Katherine White

Jacqueline Bossu

Cristy Laier

Barbara Adams - Village Attorney

Richard Cooper - Village Treasurer

Robert A. Hastings - Clerk

Bradly Burke  
Village Manager



998 Corporate Boulevard • Aurora, IL 60502

*Members of American Institute of  
Certified Public Accountants &  
Illinois CPA Society*

INDEPENDENT AUDITOR'S REPORT

The Honorable Village President  
Members of the Board of Trustees  
Village of Kenilworth  
Kenilworth, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Kenilworth, Illinois, as of and for the year ended April 30, 2008, which collectively comprise the Village of Kenilworth, Illinois' basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Kenilworth, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Kenilworth, Illinois, as of April 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Kenilworth, Illinois' basic financial statements. The combining and individual fund financial statements and schedules and supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and supplemental data have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The other information listed in the table of contents was not audited by us, and accordingly, we do not express an opinion thereon.

A handwritten signature in black ink, appearing to read "Schindler LLP". The signature is written in a cursive, flowing style.

Aurora, Illinois  
August 20, 2008

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2008

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,422,809	\$ 100,605	\$ 3,523,414
Cash and cash equivalents - restricted	-	50,000	50,000
Property taxes receivable	1,649,416	-	1,649,416
Receivables, net	168,451	160,119	328,570
Prepaid expenses	4,108	-	4,108
Deferred charges	43,321	79,588	122,909
Due (to) from other funds	313,462	(313,462)	-
Capital assets not being depreciated	169,931	38,648	208,579
Capital assets being depreciated, net of depreciation	2,453,289	6,086,624	8,539,913
<b>Total assets</b>	<b>8,224,787</b>	<b>6,202,122</b>	<b>14,426,909</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	152,462	13,111	165,573
Due to fiduciary fund	4,878	-	4,878
Deferred property taxes	1,417,333	-	1,417,333
Accrued interest	58,717	75,059	133,776
Deposits	252,660	455	253,115
Due to other governments	29,259	-	29,259
Noncurrent liabilities			
Due within one year	498,556	124,673	623,229
Due in more than one year	3,776,203	4,251,428	8,027,631
<b>Total liabilities</b>	<b>6,190,068</b>	<b>4,464,726</b>	<b>10,654,794</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	(1,443,172)	1,780,323	337,151
Restricted for			
Debt service	870,181	-	870,181
Public safety	133,158	-	133,158
Public works	266,236	-	266,236
Highways and streets	316,227	-	316,227
Bond ordinance	-	50,000	50,000
Unrestricted	1,892,089	(92,927)	1,799,162
<b>TOTAL NET ASSETS</b>	<b>\$ 2,034,719</b>	<b>\$ 1,737,396</b>	<b>\$ 3,772,115</b>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2008

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 622,264	\$ 731,705	\$ -	\$ 70,849
Public safety	2,255,523	150,570	-	-
Public works	777,399	242,773	-	-
Highways and streets	460,657	41,262	69,970	37,908
Culture and recreation	29,188	21,515	-	-
Interest	168,435	-	-	-
Total governmental activities	4,313,466	1,187,825	69,970	108,757
Business-Type Activities				
Water	985,482	888,297	-	-
Total business-type activities	985,482	888,297	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 5,298,948</b>	<b>\$ 2,076,122</b>	<b>\$ 69,970</b>	<b>\$ 108,757</b>

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
	\$ 180,290	\$ -	\$ 180,290
	(2,104,953)	-	(2,104,953)
	(534,626)	-	(534,626)
	(311,517)	-	(311,517)
	(7,673)	-	(7,673)
	(168,435)	-	(168,435)
	(2,946,914)	-	(2,946,914)
	-	(97,185)	(97,185)
	-	(97,185)	(97,185)
	(2,946,914)	(97,185)	(3,044,099)
General Revenues			
Taxes			
Property	2,749,493	-	2,749,493
Replacement	39,654	-	39,654
Utility	347,681	-	347,681
Local use	35,065	-	35,065
Income	229,631	-	229,631
Sales	43,211	-	43,211
Other	11,407	-	11,407
Investment income	131,898	9,696	141,594
Miscellaneous	35,291	-	35,291
Total general revenues	3,623,331	9,696	3,633,027
CHANGE IN NET ASSETS	676,417	(87,489)	588,928
NET ASSETS, MAY 1	1,416,139	1,824,885	3,241,024
Prior period adjustment	(57,837)	-	(57,837)
NET ASSETS, MAY 1, RESTATED	1,358,302	1,824,885	3,183,187
NET ASSETS, APRIL 30	\$ 2,034,719	\$ 1,737,396	\$ 3,772,115

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

April 30, 2008

	General	Debt Service	Nonmajor	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,226,286	\$ 302,978	\$ 893,545	\$ 3,422,809
Property taxes receivable	1,225,984	423,432	-	1,649,416
Accounts receivable				
Sewer maintenance charges	-	-	14,178	14,178
Other	154,273	-	-	154,273
Due from other funds	57,964	247,623	7,875	313,462
Prepaid items	4,108	-	-	4,108
Deposits	71,649	-	-	71,649
<b>Total assets</b>	<b>\$ 3,740,264</b>	<b>\$ 974,033</b>	<b>\$ 915,598</b>	<b>\$ 5,629,895</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 109,449	\$ -	\$ 43,013	\$ 152,462
Due to fiduciary fund	4,878	-	-	4,878
Due to other governments	29,259	-	-	29,259
Deferred property taxes	1,053,481	363,852	-	1,417,333
Deposits	252,660	-	-	252,660
Other deferred revenue	71,649	-	-	71,649
<b>Total liabilities</b>	<b>1,521,376</b>	<b>363,852</b>	<b>43,013</b>	<b>1,928,241</b>
<b>FUND BALANCES</b>				
Reserved for prepaid items	4,108	-	-	4,108
Reserved for debt service	-	610,181	-	610,181
Reserved for public safety	-	-	133,158	133,158
Reserved for public works	-	-	423,200	423,200
Reserved for highways and streets	-	-	316,227	316,227
Unreserved - undesignated (deficit)				
General Fund	2,214,780	-	-	2,214,780
<b>Total fund balances</b>	<b>2,218,888</b>	<b>610,181</b>	<b>872,585</b>	<b>3,701,654</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,740,264</b>	<b>\$ 974,033</b>	<b>\$ 915,598</b>	<b>\$ 5,629,895</b>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

April 30, 2008

---

FUND BALANCES OF GOVERNMENT FUNDS	\$ 3,701,654
Amounts reported for governmental activities in the statement activities are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	2,623,220
Deferred charges in governmental activities are not financial resources and, therefore, are not reported in governmental funds	43,321
Long-term liabilities including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(4,040,000)
Capital lease	(26,392)
Compensated absences payable	(208,367)
Interest payable	<u>(58,717)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,034,719</u>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

For the Year Ended April 30, 2008

	General	Debt Service	Nonmajor	Total
<b>REVENUES</b>				
Taxes	\$ 2,855,047	\$ 603,537	\$ -	\$ 3,458,584
Fines	56,656	-	-	56,656
Licenses	612,586	-	-	612,586
Service charges	310,242	-	157,506	467,748
Intergovernmental	70,849	-	69,970	140,819
Investment income	66,893	31,639	33,366	131,898
Miscellaneous income	112,474	-	-	112,474
<b>Total revenues</b>	<b>4,084,747</b>	<b>635,176</b>	<b>260,842</b>	<b>4,980,765</b>
<b>EXPENDITURES</b>				
Current				
General government	626,454	-	-	626,454
Public safety	2,190,365	-	30,975	2,221,340
Public works	606,021	-	1,489	607,510
Highways and streets	495,839	-	-	495,839
Culture and recreation	29,188	-	-	29,188
Capital outlay	-	-	346,365	346,365
Debt service				
Principal	11,659	425,000	-	436,659
Interest	1,759	140,359	-	142,118
Bond issuance costs	-	11,214	-	11,214
<b>Total expenditures</b>	<b>3,961,285</b>	<b>576,573</b>	<b>378,829</b>	<b>4,916,687</b>
<b>EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES</b>	<b>123,462</b>	<b>58,603</b>	<b>(117,987)</b>	<b>64,078</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	103,036	15,000	156,964	275,000
Proceeds from sale of equipment	9,118	-	-	9,118
Transfers in	4,500	-	-	4,500
Transfers (out)	-	-	(4,500)	(4,500)
<b>Total other financing sources (uses)</b>	<b>116,654</b>	<b>15,000</b>	<b>152,464</b>	<b>284,118</b>
<b>CHANGE IN FUND BALANCES</b>	<b>240,116</b>	<b>73,603</b>	<b>34,477</b>	<b>348,196</b>
<b>FUND BALANCE, MAY 1</b>	<b>2,011,408</b>	<b>561,779</b>	<b>838,108</b>	<b>3,411,295</b>
Prior period adjustment	(32,636)	(25,201)	-	(57,837)
<b>FUND BALANCE, MAY 1, RESTATED</b>	<b>1,978,772</b>	<b>536,578</b>	<b>838,108</b>	<b>3,353,458</b>
<b>FUND BALANCE, APRIL 30</b>	<b>\$ 2,218,888</b>	<b>\$ 610,181</b>	<b>\$ 872,585</b>	<b>\$ 3,701,654</b>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2008

---

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 348,196
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	388,244
The issuance and refunding of long-term debt is reported as other financing sources/uses in governmental funds but as an increase of principal outstanding in the statement of activities: Limited general obligation bonds	(275,000)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	436,659
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	(10,289)
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(193,661)
The change in the compensated absences liability is reported as an expense on the statement of activities	(12,918)
Governmental funds report bond issuance costs as expenditures; however, they are reported as deferred charges and amortized over the term of the bonds in the statement of activities	<u>(4,814)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 676,417</u>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

April 30, 2008

---

<b>CURRENT ASSETS</b>	
Cash and investments	\$ 100,605
Cash and investments - restricted	50,000
Accounts receivable - water consumers - billed	72,293
Accounts receivable - water consumers - unbilled	87,826
Deferred charges	<u>79,588</u>
Total current assets	<u>390,312</u>
<b>NONCURRENT ASSETS</b>	
Capital assets not being depreciated	38,648
Capital assets being depreciated	<u>6,086,624</u>
Total noncurrent assets	<u>6,125,272</u>
Total assets	<u>6,515,584</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	13,111
Accrued interest	75,059
Deposits	455
Due to other funds	313,462
Compensated absences payable	4,673
Bonds payable	<u>120,000</u>
Total current liabilities	<u>526,760</u>
<b>NONCURRENT LIABILITIES</b>	
Compensated absences payable	26,479
Bonds payable	4,220,723
Unamortized bond premium	<u>4,226</u>
Total noncurrent liabilities	<u>4,251,428</u>
Total liabilities	<u>4,778,188</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,780,323
Restricted - bond ordinance	50,000
Unrestricted	<u>(92,927)</u>
TOTAL NET ASSETS	<u>\$ 1,737,396</u>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS

For the Year Ended April 30, 2008

---

OPERATING REVENUES	
Charges for services	\$ 887,565
Miscellaneous	<u>732</u>
Total operating revenues	<u>888,297</u>
OPERATING EXPENSES	
Personnel	458,219
Contractual services	72,833
Commodities	56,041
Other	22,487
Depreciation	<u>179,143</u>
Total operating expenses	<u>788,723</u>
OPERATING INCOME	<u>99,574</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	9,696
Interest and fiscal charges	<u>(196,759)</u>
Total nonoperating revenues (expenses)	<u>(187,063)</u>
CHANGE IN NET ASSETS	(87,489)
NET ASSETS, MAY 1	<u>1,824,885</u>
NET ASSETS, APRIL 30	<u>\$ 1,737,396</u>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2008

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 904,738
Payments to suppliers	(158,524)
Payments to employees	<u>(448,817)</u>
Net cash from operating activities	<u>297,397</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Due (to) from other funds	<u>(31,472)</u>
Net cash from noncapital and related financing activities	<u>(31,472)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Payment on water revenue bonds	(115,000)
Purchase of capital assets	(7,400)
Interest and fiscal charges paid	<u>(186,868)</u>
Net cash from capital and related financing activities	<u>(309,268)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>9,696</u>
Net cash from investing activities	<u>9,696</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(33,647)</b>
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	<b><u>184,252</u></b>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b><u>\$ 150,605</u></b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 99,574
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	179,143
Changes in net assets	
Receivables	16,186
Accounts payable	(7,164)
Deposits payable	255
Compensated absences	<u>9,402</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><u>\$ 297,396</u></b>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

PENSION TRUST FUND

STATEMENT OF NET ASSETS

April 30, 2008

---

ASSETS	
Cash	\$ 33,706
Investments	
Illinois Funds	209,211
U.S. agency obligations	2,086,789
Money market mutual funds	9,610
Equities	1,865,442
Certificates of deposit	1,042,405
Accrued interest	25,542
Due from general fund	<u>4,878</u>
Total assets	<u>5,277,583</u>
LIABILITIES	
Accounts payable and accrued expenses	<u>3,898</u>
Total liabilities	<u>3,898</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 5,273,685</u></u>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

PENSION TRUST FUND

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended April 30, 2008

---

ADDITIONS	
Contributions	
Employer	\$ 165,440
Participants	84,839
Other	625
	<hr/>
Total contributions	250,904
	<hr/>
INVESTMENT INCOME	
Net appreciation (depreciation) in fair value of investments	(88,754)
Investment income	171,034
	<hr/>
	82,280
Less investment expense	(6,546)
	<hr/>
Net investment income	75,734
	<hr/>
Total additions	326,638
	<hr/>
DEDUCTIONS	
Administrative	5,343
Pension benefits and refunds	363,996
	<hr/>
Total deductions	369,339
	<hr/>
NET INCREASE	(42,701)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
MAY 1	5,316,386
	<hr/>
APRIL 30	\$ 5,273,685
	<hr/>

See accompanying notes to financial statements.

# VILLAGE OF KENILWORTH, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2008

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Kenilworth, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

#### a. Reporting Entity

The Village is a municipal corporation governed by an elected board. As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government.

The Village's financial statements include one pension trust fund:

#### Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, the PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. The PPERS is reported as a pension trust fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Solid Waste Agency of Northern Cook County (SWANCC)

SWANCC is a municipal corporation empowered to plan, finance, construct and operate a solid waste disposal system to serve its member municipalities. Management consists of a Board of Directors comprised of one appointed representative from each member. The Village does not exercise any control over the activities of SWANCC beyond its representation on the Board of Directors. SWANCC is reported as a non-equity proprietary joint venture.

b. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for substantially all of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in fiduciary capacity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Village. The effect of material interfund activity has been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the servicing of general long-term debt not being financed by proprietary funds.

The Village reports the following major proprietary funds:

The Waterworks System Fund accounts for the provision of potable water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including but not limited to: administration, operations, maintenance, financing and related debt service, and billing and collection.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following fiduciary fund:

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund.

The Village reports the following nonmajor governmental funds:

The Sewer Service Fund is used to account for the activities of sewer service operations.

The Motor Fuel Tax Fund is used to account for the activities involved with street maintenance and construction. Financing is provided by the Village's share of state gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.

The E-911 Fund is used to account for the activity of the 911 emergency service system.

d. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Nonoperating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90 day period. The Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible-to-accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

The Village reports deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” or earned criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village’s proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

VILLAGE OF KENILWORTH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Investments

All Village investments and all pension fund investments are stated at fair value in accordance with GASB Statements No. 25 and 31.

Illinois Funds, a money market mutual fund created by the Illinois State Legislature and controlled by the Illinois State Treasurer is reported at a \$1 per share value, which equals the Village's fair value in the pool.

f. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

g. Prepaid Items/Expenses

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

h. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm water), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	40-50
Machinery and equipment	10
Infrastructure	20-50
Water works system	40
Sanitary sewer system	5-10
Vehicles	5-10

i. Compensated Absences

Vested or accumulated vacation, compensatory, and holiday time are reported as expenditures and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation, compensatory, or holiday time of proprietary funds and governmental activities are recorded as an expense and liability as the benefits accrue to employees.

j. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as issuance costs and gains/losses on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and gains/loss on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the Village's net assets are restricted as a result of enabling legislation adopted by the Village. Invested in capital assets, net of related debt represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

l. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

m. Accounting 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 financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value), and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The Village's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity, and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Village or an independent third-party evidenced by a safekeeping agreement.

VILLAGE OF KENILWORTH, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the Village's securities as of April 30, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 1,204,276	\$ 1,204,276	\$ -	\$ -	\$ -
TOTAL	\$ 1,204,276	\$ 1,204,276	\$ -	\$ -	\$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by primarily investing in external investment pools. Illinois Funds are rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. The Village's investment policy does not address custodial credit risk for investments. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk by limiting commercial paper to the lesser of 20% of the cash and investment balance at the time of placement, or 25% of the cash and investment balance.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest bearing obligations of the U.S. Treasury and U.S. Agencies, interest bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. Agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value), and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity, and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by an independent third-party, and evidenced by a safekeeping agreement.

VILLAGE OF KENILWORTH, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the Police Pension Fund's securities as of April 30, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Agency obligations	\$ 2,086,789	\$ 194,444	\$ 1,487,142	\$ 405,203	\$ -
Money market mutual funds	9,610	9,610	-	-	-
Negotiable certificates of deposit	562,527	190,000	372,527	-	-
Illinois Funds	209,211	209,211	-	-	-
<b>TOTAL</b>	<b>\$ 2,868,137</b>	<b>\$ 603,265</b>	<b>\$ 1,859,669</b>	<b>\$ 405,203</b>	<b>\$ -</b>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Police Pension Fund limits its exposure to credit risk by primarily investing U.S. Treasury obligations and other obligations which are rated AA or better by a national rating agency. The U.S. Agency obligations and Illinois Funds are rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Police Pension Fund's exposure to custodial credit risk is mitigated to an extent by SIPC insurance. The Police Pension Fund's investment policy does not address custodial credit risk for investments. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk.

VILLAGE OF KENILWORTH, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Deposits and Investments (Continued)

Investments (Continued)

The following are the target allocation percentages under the policy:

Investment	Minimum	Maximum
Direct U.S. Treasury securities (includes STRIPS, CUBES)	0%	100%
Interest investments, CDs	0%	30%
Commercial paper	0%	10%
Investment pools established by the State Treasurer	0%	40%
Money market mutual funds	0%	40%
Equity investments	0%	45%
Government Agency securities	0%	80%
Government bonds and warrants	0%	20%
Municipal bonds rated "A" or better	0%	20%

3. RECEIVABLES - TAXES

Property taxes for 2007 attach as an enforceable lien on January 1, 2007, 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 issued on or about February 1, 2008 and August 1, 2008, and are payable in two installments, on or about March 1, 2008 and September 1, 2008. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience. As the 2007 tax levy is intended to fund expenditures for one-half of fiscal year 2008, one-half of the 2007 tax levy has been recognized as revenue as of April 30, 2008 and one-half of the 2007 tax levy has been deferred as of April 30, 2008.

The 2008 tax levy, which attached as an enforceable lien on property as of January 1, 2008, has not been recorded as a receivable as of April 30, 2008 as the tax has not yet been levied by the Village and will not be levied until December 2008, and, therefore, the levy is not measurable at April 30, 2008.

VILLAGE OF KENILWORTH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2008 was as follows:

	Balances May 1	Additions	Disposals	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land and rights of way	\$ 169,931	\$ -	\$ -	\$ 169,931
Total capital assets not being depreciated	169,931	-	-	169,931
Capital assets being depreciated				
Buildings and improvements	1,649,618	-	-	1,649,618
Machinery and equipment	671,454	231,280	22,186	880,548
Sanitary and sewer system	991,222	156,964	-	1,148,186
Total capital assets being depreciated	3,312,294	388,244	22,186	3,678,352
Less accumulated depreciation for				
Buildings and improvements	336,916	41,240	-	378,156
Machinery and equipment	419,306	53,299	22,186	450,419
Sanitary and sewer system	297,366	99,122	-	396,488
Total accumulated depreciation	1,053,588	193,661	22,186	1,225,063
Total capital assets being depreciated, net	2,258,706	194,583	-	2,453,289
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 2,428,637</b>	<b>\$ 194,583</b>	<b>\$ -</b>	<b>\$ 2,623,220</b>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

<b>GOVERNMENTAL ACTIVITIES</b>		
General government		\$ 842
Public safety		32,631
Public works		160,188
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>		<b>\$ 193,661</b>

VILLAGE OF KENILWORTH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land and rights of way	\$ 38,648	\$ -	\$ -	\$ 38,648
Total capital assets not being depreciated	38,648	-	-	38,648
Capital assets being depreciated				
Waterworks system	8,020,562	-	-	8,020,562
Machinery and equipment	113,802	7,400	-	121,202
Total capital assets being depreciated	8,134,364	7,400	-	8,141,764
Less accumulated depreciation for				
Waterworks system	1,762,822	178,270	-	1,941,092
Machinery and equipment	113,175	873	-	114,048
Total accumulated depreciation	1,875,997	179,143	-	2,055,140
Total capital assets being depreciated, net	6,258,367	(171,743)	-	6,086,624
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 6,297,015</b>	<b>\$ (171,743)</b>	<b>\$ -</b>	<b>\$ 6,125,272</b>

5. 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; employee health; natural disasters; and injuries to the Village's employees.

a. Intergovernmental Risk Management Agency (IRMA)

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

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

5. RISK MANAGEMENT (Continued)

a. Intergovernmental Risk Management Agency (IRMA) (Continued)

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the bylaws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village is aware of no additional contributions due to IRMA as of April 30, 2008.

b. North Suburban Employee Benefit Cooperative (NSEBC)

The Village participates in the North Suburban Employee Benefit Cooperative (NSEBC). NSEBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasigovernmental and nonprofit public service entities.

NSEBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member.

Management consists of a Board of Directors comprised of one appointed representative from each member.

The Village does not exercise any control over the activities of NSEBC beyond its representation on the Board of Directors.

For the year ended April 30, 2008, NSEBC had total equity of \$3,808,226. The Village's total payments for the year ended April 30, 2008 were \$466,743.

VILLAGE OF KENILWORTH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village.

b. Changes in Long-Term Liabilities

	Fund Debt Retired by	Balances May 1	Additions	Refundings/ Reductions	Balances April 30	Current Portion
GOVERNMENTAL ACTIVITIES						
\$425,000 General Obligation Refunding Bonds, Series 2006, due in one installment of \$425,000 at December 31, 2007 plus interest at 3.95%.	Debt Service	\$ 425,000	\$ -	\$ 425,000	\$ -	\$ -
\$3,765,000 General Obligation Refunding Bonds, Series 2007, due in annual installments of \$180,000 to \$415,000 through December 31, 2018 plus interest at 3.60% to 3.90%	Debt Service	3,765,000	-	-	3,765,000	180,000
\$275,000 Limited General Obligation, Series 2007, due in one installment of \$275,000 at December 1, 2008 plus interest at 4.00%	Debt Service	-	275,000	-	275,000	275,000
Total bonds		4,190,000	275,000	425,000	4,040,000	455,000
Capital lease	General	38,051	-	11,659	26,392	12,301
Compensated absences	General	195,449	20,657	7,739	208,367	31,255
TOTAL GOVERNMENTAL ACTIVITIES		\$ 4,423,500	\$ 295,657	\$ 444,398	\$ 4,274,759	\$ 498,556

VILLAGE OF KENILWORTH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. Changes in Long-Term Liabilities (Continued)

	Fund Debt Retired by	Balances May 1	Additions	Refundings/ Reductions	Balances April 30	Current Portion
BUSINESS-TYPE ACTIVITIES						
\$4,655,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2006B, due in annual installments of \$110,000 to \$290,000 through December 1, 2030 plus interest at 3.90% to 4.20%	Waterworks	\$ 4,545,000	\$ -	\$ 115,000	\$ 4,430,000	\$ 120,000
Total bonds		4,545,000	-	115,000	4,430,000	120,000
Unamortized accounting loss on refunding bonds	Waterworks	(95,654)	6,377	-	(89,277)	-
Unamortized bond premium	Waterworks	4,528	-	302	4,226	-
Compensated absences	Waterworks	21,750	9,402	-	31,152	4,673
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 4,475,624	\$ 15,779	\$ 115,302	\$ 4,376,101	\$ 124,673

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity on general obligation bonds are as follows:

Fiscal Year Ending April 30	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
2009	\$ 455,000	\$ 155,983	\$ 120,000	\$ 180,143
2010	310,000	134,298	125,000	175,463
2011	315,000	123,138	130,000	170,588
2012	325,000	111,798	135,000	165,518
2013	340,000	100,098	140,000	160,253
2014	350,000	87,688	145,000	154,793
2015	365,000	74,738	155,000	149,138
2016	375,000	61,050	160,000	142,938
2017	390,000	46,800	165,000	136,538
2018	400,000	31,785	170,000	129,938
2019	415,000	16,185	180,000	123,138
2020	-	-	185,000	115,938
2021	-	-	195,000	108,538
2022	-	-	200,000	100,640
2023	-	-	210,000	92,540
2024	-	-	220,000	83,930
2025	-	-	225,000	74,910

VILLAGE OF KENILWORTH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending April 30	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
2026	\$ -	\$ -	\$ 235,000	\$ 65,573
2027	-	-	245,000	55,820
2028	-	-	255,000	45,653
2029	-	-	265,000	35,070
2030	-	-	280,000	23,940
2031	-	-	290,000	12,180
TOTAL	\$ 4,040,000	\$ 943,561	\$ 4,430,000	\$ 2,503,180

Annual debt service requirements to maturity on capital lease are as follows:

Fiscal Year Ending April 30	Governmental Activities	
	Principal	Interest
2009	\$ 12,301	\$ 1,117
2010	12,978	440
2011	1,113	5
TOTAL	\$ 26,392	\$ 1,562

d. Legal Debt Margin

The Village is a non-home rule municipality.

ASSESSED VALUATION - 2006 (LATEST AVAILABLE)	<u>\$ 281,090,098</u>
LEGAL DEBT LIMIT - 8.625% OF ASSESSED VALUATION	\$ 24,244,020
AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT General Obligation Bonds	<u>4,040,000</u>
LEGAL DEBT MARGIN	<u>\$ 20,204,020</u>

VILLAGE OF KENILWORTH, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

---

6. LONG-TERM DEBT (Continued)

d. Legal Debt Margin (Continued)

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

e. Advance Refundings

On August 15, 2006, the Village issued \$4,655,000 General Obligation Bonds (Alternate Revenue Source), Series 2006B to advance refund the General Obligation Bonds (Alternate Revenue Source), Series 2002. The proceeds from the Series 2006B issue have been deposited into an irrevocable trust to provide for all future debt service payments on \$4,460,000 of the General Obligation Bonds (Alternate Revenue Source), Series 2002. As a result, the refunded portion of the bonds is considered defeased and the escrowed assets and liability for the bonds have been removed from these financial statements. The Village advance refunded the General Obligation Bonds (Alternate Revenue Source) to extend the debt service maturities. At April 30, 2008, \$3,860,000 of the General Obligation Bonds (Alternate Revenue Source) Series 2002 remained to be paid out of escrow.

On January 15, 2007, the Village issued \$3,765,000 General Obligation Bonds, Series 2007 to advance refund the General Obligation Bonds (Alternate Revenue Source), Series 1999. The proceeds from the Series 2007 issue have been deposited into an irrevocable trust to provide for all future debt service payments on \$3,675,000 of the General Obligation Bonds (Alternate Revenue Source), Series 1999. As a result, the refunded portion of the bonds is considered defeased and the escrowed assets and liability for the bonds have been removed from these financial statements. At April 30, 2008, \$3,440,000 of the General Obligation Bonds (Alternate Revenue Source), Series 2002 remained to be paid out of escrow.

7. RESTRICTED NET ASSETS

The amounts reported on the statement of net assets for the proprietary fund are identified as restricted are comprised of the following:

Enterprise Fund - water revenue bond accounts	
Operation and maintenance	\$ 50,000
TOTAL	<u>\$ 50,000</u>

VILLAGE OF KENILWORTH, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES

a. Interfund Transactions

Due From/To Other Funds at April 30, 2008 consist of the following:

Receivable Fund	Payable Fund	Amount
General	Waterworks System	\$ 57,964
Nonmajor Governmental	Waterworks System	7,875
Debt Service	Waterworks System	<u>247,623</u>
<b>TOTAL</b>		<u><u>\$ 313,462</u></u>

The purpose of the significant Due From/Due To Other Funds are as follows:

\$57,964 owed to the General Fund from the Waterworks System Fund is for interfund operations. Repayment is expected within one year.

\$7,875 owed to the Nonmajor Governmental Funds from the Waterworks System Fund is for interfund operations. Repayment is expected within one year.

\$247,623 owed to the Debt Service Fund from the Waterworks System Fund is for interfund operations. Repayment is expected within one year.

b. Transfers

Transfers between funds during the year were as follows:

Fund	Transfers In	Transfers Out
General	\$ 4,500	
E-911		<u>4,500</u>
<b>TOTAL ALL FUNDS</b>	<u><u>\$ 4,500</u></u>	<u><u>\$ 4,500</u></u>

\$4,500 transferred to the General Fund from the E-911 Fund was to reimburse the General Fund for the portion of a Village police officer time for services rendered to the E-911 Fund.

VILLAGE OF KENILWORTH, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

---

9. COMMITMENTS

a. Solid Waste Agency of Northern Cook County (SWANCC)

The Village has committed to make payments to the Solid Waste Agency of Northern Cook County. The Village expects to pay the following minimum amounts:

Fiscal Year Ending April 30	Amount
2009	\$ 12,411
2010	11,980
2011	11,550
2012	11,119
2013	12,368
2014	12,699
<b>TOTAL</b>	<b>\$ 72,127</b>

This amount has been calculated using the Village's current allocation percentage of .84%. In future years, this allocation percentage will be subject to change.

10. CONTINGENT LIABILITIES

a. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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.

b. Solid Waste Agency of Northern Cook County (SWANCC)

The Village's contract with the Solid Waste Agency of Northern Cook County provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

11. JOINT VENTURES

a. Solid Waste Agency of Northern Cook County (SWANCC)

The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic and corporate established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SWANCC is empowered under the Act to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members.

The members form a contiguous geographic service area which is located northwest of downtown Chicago. Under the SWANCC Agreement, additional members may join SWANCC upon the approval of all members.

SWANCC is governed by a Board of Directors which consists of the Mayor or President from each member municipality. Each Director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of Bonds or Notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the SWANCC Agreement or the by-laws.

Complete financial statements for SWANCC can be obtained from SWANCC's administrative office at 1616 East Golf Road, Des Plaines, Illinois, 60016.

SWANCC's bonds are revenue obligations. They are limited obligations of SWANCC with a claim for payment solely from and secured by a pledge of the Revenues of the System and amounts in various funds and accounts established by SWANCC resolutions. The Bonds are not a debt of any member. SWANCC has no power to levy taxes.

Revenues of the system consist of (1) all receipts derived from solid waster disposal contracts or any other contracts for the disposal of waste; (2) all income derived from the investment of monies; and (3) all income, fees, service charges and all grants, rents and receipts derived by the SWANCC from the ownership and operation of the system. The SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all the requirements.

11. JOINT VENTURES (Continued)

a. Solid Waste Agency of Northern Cook County (SWANCC) (Continued)

SWANCC has entered into solid waste disposal contracts with the member municipalities. The contracts are irrevocable and may not be terminated or amended except as provided for in the contract. Each member is obligated, on a “take or pay” basis, to deliver a minimum amount of solid waste to the system. The obligation of the Village to make all payments as required by this contract is unconditional and irrevocable, without regard to performance or nonperformance by the SWANCC of its obligations under the contract. The contract does not constitute an indebtedness of the Village within the meaning of any statutory or constitution limitation.

In accordance with the joint venture agreement, the Village remitted \$124,984 to SWANCC for 2008, which is recorded in the Village’s General Fund.

12. POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits previously described, the Village provides postemployment health care insurance benefits, in accordance with current personnel practices to all employees who meet the eligibility requirements. Currently two past employees meets those eligibility requirements. The past employees paid \$32,243 for the cost of the health care insurance premiums. During the year, costs of \$32,136 were paid for postemployment benefits. The costs are financed on a pay-as-you-go basis through the General Fund.

13. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all two plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the calendar year ended 2007 was 13.20% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At April 30, 2007, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	9
Terminated employees entitled to benefits but not yet receiving them	
Inactive members	-
Current employees	
Vested	7
Nonvested	4
	<hr/>
TOTAL	<u>20</u>

13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2008, the Village's contribution was 19.21% of covered payroll.

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

Method Used to Value Investments

Investments are reported at cost or amortized cost. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

VILLAGE OF KENILWORTH, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

---

13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Administrative Costs

Administrative costs for the Police Pension Plan are financed primarily through investment earnings.

c. Significant Investments

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for the Police Pension Plan. Information for the IMRF is not available.

d. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
	<hr/>	<hr/>
Actuarial valuation date	December 31, 2005	April 30, 2007
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	3 Year Market
Amortization method	Level Percentage of Projected Payroll - Closed Basis	Level Percentage of Projected Payroll - Closed Basis
Amortization period	25 Years	26 Years
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually

VILLAGE OF KENILWORTH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Police Pension
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	3.00% Compounded Annually
c) Additional projected Salary increases - seniority/merit	.40% to 10.00%	2.00%
d) Postretirement benefit increases	3.00%	3.00% Compounded Annually

Employer annual pension costs (APC), actual contributions and the net pension obligation (asset) (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

		Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2005	\$ 103,114	N/A
	2006	126,295	N/A
	2007	129,068	\$ 155,007
Actual contributions	2005	\$ 103,114	\$ 148,540
	2006	126,295	154,241
	2007	126,068	155,007
Percentage of APC contributed	2005	100.00%	N/A
	2006	100.00%	N/A
	2007	100.00%	100.00%
NPO (asset)	2005	\$ -	N/A
	2006	-	N/A
	2007	-	\$ -

VILLAGE OF KENILWORTH, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The net pension obligation (asset) as of April 30, 2007 has been calculated as follows:

Annual required contribution	\$ 155,007
Interest on net pension obligation	-
Adjustment to annual required contributions	<u>-</u>
Annual pension cost	155,007
Contributions made	<u>155,007</u>
(Increase) decrease in net pension obligation (asset)	-
Net pension obligation (asset) beginning of year	<u>-</u>
<b>NET PENSION OBLIGATION (ASSET) END OF YEAR</b>	<u><u>\$ -</u></u>

14. PRIOR PERIOD ADJUSTMENTS

The Village has restated net assets/fund balance of the governmental activities and fund financial statements as of May 1, 2007 as follows:

	Governmental Activities	General Fund	Debt Service Fund
NET ASSETS/FUND BALANCES, MAY 1 (as previously reported)	<u>\$ 1,416,139</u>	<u>\$ 2,011,408</u>	<u>\$ 561,779</u>
Restated for:			
a) Correct recording of revenue in prior period	(32,636)	(32,636)	-
b) Correct asset account improperly recorded and correct recording of expenditure in prior period	<u>(25,201)</u>	-	<u>(25,201)</u>
Subtotal restatements	<u>(57,837)</u>	<u>(32,636)</u>	<u>(25,201)</u>
NET ASSETS/FUND BALANCES, MAY 1 (as restated)	<u><u>\$ 1,358,302</u></u>	<u><u>\$ 1,978,772</u></u>	<u><u>\$ 536,578</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

VILLAGE OF KENILWORTH, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes	\$ 2,712,800	\$ 2,712,800	\$ 2,855,047
Licenses and permits	557,000	557,000	612,586
Fines and forfeits	50,100	50,100	56,656
Charges for services	310,226	310,226	310,242
Intergovernmental	-	-	70,849
Investment income	60,000	60,000	66,893
Miscellaneous	66,500	66,500	112,474
<b>Total revenues</b>	<b>3,756,626</b>	<b>3,756,626</b>	<b>4,084,747</b>
<b>EXPENDITURES</b>			
Current			
General government	722,404	722,404	626,454
Public safety	2,250,493	2,250,493	2,190,365
Public works	616,622	616,622	606,021
Highways and streets	512,454	512,454	495,839
Culture and recreation	36,774	36,774	29,188
Debt service			
Principal	-	-	11,659
Interest and fiscal charges	-	-	1,759
<b>Total expenditures</b>	<b>4,138,747</b>	<b>4,138,747</b>	<b>3,961,285</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(382,121)</b>	<b>(382,121)</b>	<b>123,462</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of bonds	103,036	103,036	103,036
Sale of capital assets	-	-	9,118
Transfers in	4,500	4,500	4,500
<b>Total other financing sources (uses)</b>	<b>107,536</b>	<b>107,536</b>	<b>116,654</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (274,585)</b>	<b>\$ (274,585)</b>	<b>240,116</b>
<b>FUND BALANCE, MAY 1</b>			<b>2,011,408</b>
Prior period adjustment			<u>(32,636)</u>
<b>FUND BALANCE, MAY 1, RESTATED</b>			<b>1,978,772</b>
<b>FUND BALANCE, APRIL 30</b>			<b><u>\$ 2,218,888</u></b>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS  
 SCHEDULE OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2008

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2002	\$ 2,184,574	\$ 2,602,346	83.95%	\$ 417,772	\$ 812,254	51.43%
2003	2,204,097	2,834,534	77.76%	630,437	842,983	74.79%
2004	2,338,448	3,072,344	76.11%	733,896	840,000	87.37%
2005	2,642,704	3,374,904	78.30%	732,200	793,794	92.24%
2006	2,200,957	2,978,838	73.89%	777,881	914,521	85.06%
2007	2,587,008	3,326,385	77.77%	739,377	977,784	75.62%

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND

April 30, 2008

Actuarial Valuation Date May 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2002	\$ 4,607,495	\$ 6,881,422	66.96%	\$ 2,273,927	\$ 548,223	414.78%
2003	4,444,993	6,823,508	65.14%	2,378,515	571,150	416.44%
2004	4,719,857	7,177,822	65.76%	2,457,965	596,019	412.40%
2005	4,777,859	7,397,573	64.59%	2,619,714	709,756	369.10%
2006	5,062,402	7,932,824	63.82%	2,870,422	689,926	416.05%
2007	5,316,386	7,914,378	67.17%	2,597,992	806,884	321.98%

Note: The actuarial valuations for the years 2002-2006 performed on the plan's net assets were not performed in accordance with GASB Statements No. 25 and 27.

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2008

---

Actuarial Valuation Date December 31	Annual Required Contribution (ARC)	Contribution Made	Contribution Made as a Percentage of Annual Required Contribution
2002	\$ 68,229	\$ 68,229	100.00%
2003	74,520	74,520	100.00%
2004	96,600	96,600	100.00%
2005	103,114	103,114	100.00%
2006	126,295	126,295	100.00%
2007	129,068	129,068	100.00%

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

April 30, 2008

---

Actuarial Valuation Date April 30	Annual Required Contribution (ARC)	Contribution Made	Contribution Made as a Percentage of Annual Required Contribution
2002	N/A	\$ 103,163	N/A
2003	N/A	88,745	N/A
2004	N/A	138,655	N/A
2005	N/A	148,540	N/A
2006	N/A	154,241	N/A
2007	155,007	155,007	100.00%

Note: The actuarial valuations for the years 2002-2006 performed on the plan's net assets were not performed in accordance with GASB Statements No. 25 and 27.

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2008

---

1. BUDGETS

The Budget Ordinance is prepared in tentative form by the Village Manager, reviewed and approved by the Village Board, and is made available for public inspection at least ten days prior to final Board action. A public hearing is held on the tentative Budget Ordinance to obtain taxpayer comments.

Prior to August 1, the Budget ordinance is legally enacted through the passage of an Budget ordinance. All actual expenditures contained herein have been compared to the annual operating budget.

The Board of Trustees may:

By two-thirds vote transfer, within any department, amounts budgeted for an object or purpose to another object or purpose. No object or purpose can be reduced below an amount sufficient to provide for all obligations incurred, or to be incurred, against the budgeted amount.

Adopt a supplemental budget ordinance in an amount not to exceed any additional revenue available, including unappropriated fund balances or amount estimated to be received after adoption of the annual budget ordinance.

Management cannot amend the Budget Ordinance. However, expenditures may exceed budgets at the subobject level. Expenditures that exceed individual budgets at the object level must be approved by the Board of Trustees, as outlined above.

The Village does not use the encumbrance method of accounting. Budgetary funds are controlled by an integrated budgetary accounting system, in accordance with various legal requirements which govern the Village.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General, Debt Service and Police Pension Funds.

VILLAGE OF KENILWORTH, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

---

1. BUDGETS (Continued)

The operating budget is the management control for spending and is less than, or equal to, the amounts appropriated. The manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund are done through approval of the Village Board of Trustees and are supported by additional appropriations as needed.

Operating budgets are adopted on a modified accrual basis of accounting for all governmental funds and on an accrual basis for proprietary and fiduciary funds. Budgets have been adopted for the Waterworks System, Police Pension, General, Debt Service and certain Special Revenue Funds. Budgets for the enterprise funds do not provide for depreciation; capital improvements are budgeted as expenses.

All budgets are prepared based on the annual fiscal year of the Village and lapse at year end.

Budget amounts are as originally adopted or as amended by the Village Board of Trustees.

The financial schedules report management's operating budget in the columns titled original budget and final budget for the General, Debt Service, Police Pension, Sewer Service, Motor Fuel Tax, E-911 and Waterworks Funds.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

VILLAGE OF KENILWORTH, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>TAXES</b>			
Property taxes	\$ 2,068,000	\$ 2,068,000	\$ 2,145,956
Total property taxes	2,068,000	2,068,000	2,145,956
<b>Other taxes</b>			
Replacement tax	35,000	35,000	39,654
State sales tax	55,000	55,000	43,211
State income tax	215,000	215,000	229,631
Local use tax	32,800	32,800	35,065
Utility tax	298,000	298,000	347,681
Vehicle tax	-	-	2,444
Miscellaneous tax	9,000	9,000	11,405
Total other taxes	644,800	644,800	709,091
Total taxes	2,712,800	2,712,800	2,855,047
<b>LICENSES AND PERMITS</b>			
<b>Licenses</b>			
Vehicle license	61,000	61,000	77,347
Animal license	4,000	4,000	3,268
Total licenses	65,000	65,000	80,615
<b>Permits</b>			
Building	393,500	393,500	446,559
Parking	36,000	36,000	41,262
Tree permits	2,500	2,500	4,400
Filing fees	-	-	5,250
Zoning review	-	-	5,100
Plan review	60,000	60,000	29,400
Total permits	492,000	492,000	531,971
Total licenses and permits	557,000	557,000	612,586
<b>FINES AND FORFEITS</b>			
Circuit court fines	15,000	15,000	13,414
DUI fines	1,100	1,100	1,300
Village ordinance fines	34,000	34,000	41,942
Total fines and forfeits	50,100	50,100	56,656

(This schedule is continued on the following page.)

VILLAGE OF KENILWORTH, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>CHARGES FOR SERVICES</b>			
Ambulance user fees	\$ 12,000	\$ 12,000	\$ 11,980
Elevator user fees	200	200	-
Beach fees	20,000	20,000	21,515
Fire and burglar alarm fees	9,500	9,500	8,425
Sales of yard waste bags and stickers	9,000	9,000	6,721
State highway maintenance	6,100	6,100	-
Special duty detail	3,500	3,500	8,070
Waste collection	156,000	156,000	158,777
Antenna lease fee	91,426	91,426	91,792
Miscellaneous fees	2,500	2,500	2,962
Total charges for services	310,226	310,226	310,242
<b>INTERGOVERNMENTAL</b>			
Federal grants	-	-	70,849
Total intergovernmental	-	-	70,849
Investment income	60,000	60,000	66,893
Total investment income	60,000	60,000	66,893
Miscellaneous			
Cable television franchise fees	38,000	38,000	42,110
Telephone franchise fees	6,000	6,000	6,283
Other income	22,500	22,500	64,081
Total miscellaneous	66,500	66,500	112,474
<b>TOTAL REVENUES</b>	<b>\$ 3,756,626</b>	<b>\$ 3,756,626</b>	<b>\$ 4,084,747</b>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT</b>			
Administrative			
Personnel			
Salaries			
Regular	\$ 213,588	\$ 213,588	\$ 191,127
Overtime	4,300	4,300	5,357
Part-time	40,200	40,200	32,814
Officials	100	100	-
Employee benefits			
Medical	24,325	24,325	21,590
Dental	1,703	1,703	1,702
Life	550	550	628
Other benefits	43,938	43,938	44,481
Total personnel	328,704	328,704	297,699
Contractual services			
Auditing	17,150	17,150	17,297
J.U.L.I.E. fees	850	850	819
Plan review and inspection	21,000	21,000	11,791
Park District services	4,000	4,000	4,000
Printing and publishing	8,000	8,000	6,403
Telephone	5,000	5,000	3,424
Cell phone	700	700	487
Miscellaneous	2,000	2,000	2,472
Professional fees	68,000	68,000	29,733
Postage	6,100	6,100	4,888
Dues, membership and subscriptions	8,200	8,200	7,368
Repair and maintenance of vehicles and equipment	500	500	1,950
Total contractual services	141,500	141,500	90,632
Commodities			
Office supplies	4,250	4,250	3,724
Other supplies	1,000	1,000	908
Total commodities	5,250	5,250	4,632
Other expenditures			
Fuel	400	400	791
Recruitment and training	3,500	3,500	1,198
Miscellaneous	5,000	5,000	5,995
Auto allowance	4,800	4,800	4,800
Total other expenditures	13,700	13,700	12,784
Capital outlay			
Software	5,000	5,000	6,870
Machinery and equipment	6,300	6,300	9,071
Office furniture	1,000	1,000	746
Total capital outlay	12,300	12,300	16,687

(This schedule is continued on the following pages.)

VILLAGE OF KENILWORTH, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT (Continued)</b>			
Support services			
Insurance - liability and workers' compensation	\$ 132,300	\$ 132,300	\$ 114,716
Village attorney	80,500	80,500	83,766
Village prosecutor	4,650	4,650	3,675
Maintenance of office equipment	2,250	2,250	1,050
Internet service	1,250	1,250	813
	<u>220,950</u>	<u>220,950</u>	<u>204,020</u>
Total support services			
	<u>220,950</u>	<u>220,950</u>	<u>204,020</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 722,404</b>	<b>\$ 722,404</b>	<b>\$ 626,454</b>
<b>PUBLIC SAFETY</b>			
Police department			
Personnel			
Salaries			
Regular	\$ 1,073,272	\$ 1,073,272	\$ 1,027,874
Police pension contribution	165,440	165,440	165,440
Overtime	80,940	80,940	83,184
Part-time	47,000	47,000	48,216
Employee benefits			
Medical	189,649	189,649	193,701
Dental	14,120	14,120	14,418
Life	1,800	1,800	1,952
Other benefits	51,325	51,325	53,399
	<u>1,623,546</u>	<u>1,623,546</u>	<u>1,588,184</u>
Total personnel			
	<u>1,623,546</u>	<u>1,623,546</u>	<u>1,588,184</u>
Contractual services			
Maintenance - office equipment	-	-	139
Maintenance - outside services	2,400	2,400	2,385
Printing and publishing	1,600	1,600	884
Telephone	13,000	13,000	7,231
Cellular service	4,000	4,000	3,995
LEADS teletype	5,300	5,300	1,851
Animal control and health official	5,040	5,040	5,040
Postage	1,000	1,000	1,105
Dues, memberships and subscriptions	21,000	21,000	20,642
Repair and maintenance of vehicles and equipment	21,000	21,000	18,289
	<u>74,340</u>	<u>74,340</u>	<u>61,561</u>
Total contractual services			
	<u>74,340</u>	<u>74,340</u>	<u>61,561</u>
Commodities			
Office supplies	2,500	2,500	2,478
Other supplies	10,000	10,000	7,743
Uniforms	17,000	17,000	12,600
	<u>29,500</u>	<u>29,500</u>	<u>22,821</u>
Total commodities			
	<u>29,500</u>	<u>29,500</u>	<u>22,821</u>

(This schedule is continued on the following pages.)

VILLAGE OF KENILWORTH, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>PUBLIC SAFETY (Continued)</b>			
Police department (Continued)			
Contractual services (Continued)			
Other expenditures			
Auto allowance	\$ 4,800	\$ 4,800	\$ 4,800
Fuel	13,650	13,650	17,919
Recruitment and training	24,400	24,400	15,558
Community service	2,600	2,600	2,502
Miscellaneous expenditure	1,800	1,800	1,801
DUI fund expenditures	-	-	546
<b>Total other expenditures</b>	<b>47,250</b>	<b>47,250</b>	<b>43,126</b>
Capital outlay			
Machinery and equipment	6,000	6,000	5,240
Software	1,800	1,800	1,126
Computer equipment	2,000	2,000	1,582
Vehicles	23,500	23,500	23,332
<b>Total capital outlay</b>	<b>33,300</b>	<b>33,300</b>	<b>31,280</b>
<b>Total police department</b>	<b>1,807,936</b>	<b>1,807,936</b>	<b>1,746,972</b>
Fire department			
Personnel - salaries - regular	10,901	10,901	10,902
Other benefits	1,686	1,686	1,684
Contractual services - fire protection	423,970	423,970	425,193
Capital outlay - fire hydrants	6,000	6,000	5,614
<b>Total fire department</b>	<b>442,557</b>	<b>442,557</b>	<b>443,393</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 2,250,493</b>	<b>\$ 2,250,493</b>	<b>\$ 2,190,365</b>
<b>PUBLIC WORKS</b>			
Building and grounds			
Personnel - maintenance salaries	\$ 5,543	\$ 5,543	\$ 5,671
Other benefits	2,250	2,250	2,185
Contractual services - outside maintenance	16,000	16,000	14,993
Contractual services - professional services	30,000	30,000	-
Commodities			
Building repairs - village hall	15,000	15,000	13,260
Building repairs - public works	5,000	5,000	5,668
Maintenance and other supplies	2,700	2,700	1,719
Heating, electric and water utilities	125	125	-
<b>Total building and grounds</b>	<b>76,618</b>	<b>76,618</b>	<b>43,496</b>

(This schedule is continued on the following pages.)

VILLAGE OF KENILWORTH, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>PUBLIC WORKS (Continued)</b>			
Waste removal			
Personnel - salaries - regular	\$ 70,459	\$ 70,459	\$ 70,497
Personnel - salaries - overtime	2,300	2,300	1,382
Medical benefits	8,349	8,349	6,532
Dental benefits	576	576	575
Other benefits	15,170	15,170	14,756
Insurance	2,200	2,200	2,130
Contractual services			
Recycling	6,000	6,000	6,000
Waste removal - regular	136,950	136,950	138,280
Waste removal - extra	5,700	5,700	6,208
Yard waste disposal	190,000	190,000	150,540
Leaf pickup	6,000	6,000	6,000
Commodities			
Other supplies	10,300	10,300	10,163
Total waste removal	<u>454,004</u>	<u>454,004</u>	<u>413,063</u>
Forestry			
Contractual services			
Tree planting	15,000	15,000	22,431
Tree trimming	20,000	20,000	20,000
Tree removal	50,000	50,000	107,031
Other professional services	1,000	1,000	-
Total forestry	<u>86,000</u>	<u>86,000</u>	<u>149,462</u>
<b>TOTAL PUBLIC WORKS</b>	<u>\$ 616,622</u>	<u>\$ 616,622</u>	<u>\$ 606,021</u>
<b>HIGHWAY AND STREETS</b>			
Street department			
Personnel - salaries			
Regular	\$ 188,420	\$ 188,420	\$ 188,547
Overtime	8,000	8,000	19,120
Employee benefits			
Medical	36,573	36,573	36,553
Dental	2,571	2,571	2,570
Life	400	400	367
Other benefits	41,042	41,042	43,561
Total street department	<u>277,006</u>	<u>277,006</u>	<u>290,718</u>
Contractual services			
Telephone	900	900	836
Cellular service	575	575	482
Outside maintenance	4,000	4,000	1,600
Repair and maintenance of vehicles and equipment	12,000	12,000	20,558
Engineering services	-	-	-

(This schedule is continued on the following pages.)

VILLAGE OF KENILWORTH, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>HIGHWAY AND STREETS (Continued)</b>			
Contractual services (Continued)			
Signs - traffic and streets	\$ 2,500	\$ 2,500	\$ 1,109
Maintenance - outside service	500	500	-
Dues, memberships and subscriptions	500	500	-
<b>Total contractual services</b>	<b>20,975</b>	<b>20,975</b>	<b>24,585</b>
Commodities			
Office supplies	425	425	393
Other supplies	3,500	3,500	1,064
Maintenance supplies	15,000	15,000	27,414
Equipment rental	1,000	1,000	340
Uniforms	1,000	1,000	741
<b>Total commodities</b>	<b>20,925</b>	<b>20,925</b>	<b>29,952</b>
Other expenditures			
Auto allowance	4,800	4,800	4,800
Recruitment and training	500	500	10
Fuel	7,500	7,500	12,253
<b>Total other expenditures</b>	<b>12,800</b>	<b>12,800</b>	<b>17,063</b>
Capital outlay			
Machinery and equipment	14,000	14,000	8,941
Computer equipment	500	500	149
Vehicles	40,420	40,420	30,390
Street and sidewalk improvement	42,000	42,000	26,623
Storm water improvements	20,000	20,000	-
<b>Total capital outlay</b>	<b>116,920</b>	<b>116,920</b>	<b>66,103</b>
Street lighting			
Personnel - salaries - regular	23,516	23,516	23,623
Personnel - salaries - overtime	2,000	2,000	2,401
Other benefits	12,062	12,062	12,109
Contractual services			
Repairs and maintenance	3,250	3,250	3,147
Commodities			
Other supplies	3,500	3,500	3,595
Heating, electric and water utilities	16,500	16,500	19,601
Other expenses - cabling, posts and lanterns	3,000	3,000	2,942
<b>Total street lighting</b>	<b>63,828</b>	<b>63,828</b>	<b>67,418</b>
<b>TOTAL HIGHWAY AND STREETS</b>	<b>\$ 512,454</b>	<b>\$ 512,454</b>	<b>\$ 495,839</b>

(This schedule is continued on the following page.)

VILLAGE OF KENILWORTH, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>CULTURE AND RECREATION</b>			
Beach			
Personnel			
Salaries			
Part-time	\$ 27,000	\$ 27,000	\$ 22,861
Other benefits	2,444	2,444	2,068
Contractual services			
Printing and publishing	500	500	-
Telephone	280	280	213
Miscellaneous	1,200	1,200	822
Laboratory services	650	650	566
Commodities			
Other supplies	2,800	2,800	2,022
Other - recruitment and training	400	400	-
Capital outlay	1,500	1,500	636
Total beach	<u>36,774</u>	<u>36,774</u>	<u>29,188</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>\$ 36,774</u>	<u>\$ 36,774</u>	<u>\$ 29,188</u>
<b>DEBT SERVICE</b>			
Principal	\$ -	\$ -	\$ 11,659
Interest	-	-	1,759
<b>TOTAL DEBT SERVICE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,418</u>
<b>TOTAL EXPENDITURES</b>	<u>4,138,747</u>	<u>4,138,747</u>	<u>3,961,285</u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2008

	Original Budget	Final Budget
<b>REVENUES</b>		
Property taxes	\$ 573,359	\$ 573,359
Investment income	-	-
Total revenues	<u>573,359</u>	<u>573,359</u>
<b>EXPENDITURES</b>		
Debt Service		
Principal	425,000	425,000
Interest	144,859	144,859
Bond issuance costs	3,500	3,500
Total expenditures	<u>573,359</u>	<u>573,359</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of bonds	<u>15,000</u>	<u>15,000</u>
Total other financing sources (uses)	<u>15,000</u>	<u>15,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
<b>FUND BALANCE, MAY 1</b>		
Prior period adjustment		
<b>FUND BALANCE, MAY 1, RESTATED</b>		
<b>FUND BALANCE, APRIL 30</b>		

(See independent auditor's report.)

Alternate Bond and Interest Series 1999	Refunding Bond and Interest Series 2006	Refunding Bond and Interest Series 2007	Limited General Obligation Series 2007	Total
\$ -	\$ 603,537	\$ -	\$ -	\$ 603,537
20,276	5,892	-	5,471	31,639
20,276	609,429	-	5,471	635,176
-	425,000	-	-	425,000
-	16,788	123,571	-	140,359
-	-	-	11,214	11,214
-	441,788	123,571	11,214	576,573
20,276	167,641	(123,571)	(5,743)	58,603
-	-	-	15,000	15,000
-	-	-	15,000	15,000
20,276	167,641	(123,571)	9,257	73,603
231,866	294,892	35,021	-	561,779
-	-	(25,201)	-	(25,201)
231,866	294,892	9,820	-	536,578
\$ 252,142	\$ 462,533	\$ (113,751)	\$ 9,257	\$ 610,181

**NONMAJOR GOVERNMENTAL FUNDS**

VILLAGE OF KENILWORTH, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2008

	Special Revenue			Total
	Sewer Service	Motor Fuel Tax	E-911	
<b>ASSETS</b>				
Cash	\$ 401,147	\$ 316,227	\$ 176,171	\$ 893,545
Accounts receivable				
Sewer maintenance charges	14,178	-	-	14,178
Due from other funds	7,875	-	-	7,875
<b>TOTAL ASSETS</b>	<b>\$ 423,200</b>	<b>\$ 316,227</b>	<b>\$ 176,171</b>	<b>\$ 915,598</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 43,013	\$ 43,013
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>43,013</b>	<b>43,013</b>
<b>FUND BALANCES</b>				
Reserved	423,200	316,227	133,158	872,585
<b>TOTAL LIABILITIES AND AND FUND BALANCES</b>	<b>\$ 423,200</b>	<b>\$ 316,227</b>	<b>\$ 176,171</b>	<b>\$ 915,598</b>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

For the Year Ended April 30, 2008

	Special Revenue			Total
	Sewer Service	Motor Fuel Tax	E-911	
<b>REVENUES</b>				
Surcharge revenue	\$ -	\$ -	\$ 73,510	\$ 73,510
Sewer charges	83,996	-	-	83,996
Intergovernmental	-	69,970	-	69,970
Investment income	12,840	11,175	9,351	33,366
Total revenues	96,836	81,145	82,861	260,842
<b>EXPENDITURES</b>				
Current				
Public works	1,489	-	-	1,489
Public safety	-	-	30,975	30,975
Capital outlay	169,371	-	176,994	346,365
Total expenditures	170,860	-	207,969	378,829
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(74,024)	81,145	(125,108)	(117,987)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	156,964	-	-	156,964
Transfers (out)	-	-	(4,500)	(4,500)
Total other financing sources (uses)	156,964	-	(4,500)	152,464
<b>NET CHANGE IN FUND BALNCE</b>	82,940	81,145	(129,608)	34,477
<b>FUND BALANCES, MAY 1</b>	340,260	235,082	262,766	838,108
<b>FUND BALANCES, APRIL 30</b>	\$ 423,200	\$ 316,227	\$ 133,158	\$ 872,585

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

SEWER SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Sewer charges	\$ 85,000	\$ 85,000	\$ 83,996
Investment income	8,500	8,500	12,840
Total revenues	<u>93,500</u>	<u>93,500</u>	<u>96,836</u>
<b>EXPENDITURES</b>			
Current			
Engineering	15,000	15,000	1,489
Capital outlay	189,500	189,500	169,371
Total expenditures	<u>204,500</u>	<u>204,500</u>	<u>170,860</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (111,000)</b>	<b>\$ (111,000)</b>	<b>(74,024)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bond proceeds	<u>156,964</u>	<u>156,964</u>	<u>156,964</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>45,964</u></u>	<u><u>45,964</u></u>	<u>82,940</u>
FUND BALANCE, MAY 1			<u>340,260</u>
FUND BALANCE, APRIL 30			<u><u>\$ 423,200</u></u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

MOTOR FUEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental	\$ 65,000	\$ 65,000	\$ 69,970
Investment income	8,500	8,500	11,175
Total revenues	<u>73,500</u>	<u>73,500</u>	<u>81,145</u>
<b>EXPENDITURES</b>			
Engineering services	<u>50,000</u>	<u>50,000</u>	-
Total expenditures	<u>50,000</u>	<u>50,000</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ 23,500</u>	<u>\$ 23,500</u>	81,145
FUND BALANCE, MAY 1			<u>235,082</u>
FUND BALANCE, APRIL 30			<u>\$ 316,227</u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

E-911 FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Surcharge revenue	\$ 69,400	\$ 69,400	\$ 73,510
Investment income	7,000	7,000	9,351
Total revenues	<u>76,400</u>	<u>76,400</u>	<u>82,861</u>
<b>EXPENDITURES</b>			
Current			
Public safety	25,750	25,750	30,975
Capital outlay	173,000	183,000	176,994
Total expenditures	<u>198,750</u>	<u>208,750</u>	<u>207,969</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(122,350)	(132,350)	(125,108)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(4,500)	(4,500)	(4,500)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (126,850)</u>	<u>\$ (136,850)</u>	(129,608)
FUND BALANCE, MAY 1			<u>262,766</u>
FUND BALANCE, APRIL 30			<u>\$ 133,158</u>

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUNDS**

VILLAGE OF KENILWORTH, ILLINOIS

WATERWORKS SYSTEM FUND  
 SCHEDULE OF REVENUES, EXPENSES, AND  
 CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services	\$ 976,700	\$ 976,700	\$ 887,565
Miscellaneous	500	500	732
<b>Total operating revenues</b>	<b>977,200</b>	<b>977,200</b>	<b>888,297</b>
<b>Personnel</b>			
<b>Salaries</b>			
Regular	285,353	285,353	288,918
Overtime	15,000	15,000	23,401
Compensated absences	-	-	9,402
<b>Employee benefits</b>			
Medical	67,535	67,535	65,985
Dental	4,789	4,789	4,789
Life	425	425	451
Other benefits	62,521	62,521	65,273
<b>Total personnel expenses</b>	<b>435,623</b>	<b>435,623</b>	<b>458,219</b>
<b>Contractual services</b>			
Village Attorney	13,000	13,000	15,704
Engineering and professional fees			
Printing and publishing	1,000	1,000	1,381
Telephone and internet	9,500	9,500	10,144
Outside maintenance	9,000	9,000	5,748
Professional services	5,000	5,000	872
Postage	2,000	2,000	1,900
Dues, memberships and subscriptions	300	300	308
Equipment rental	300	300	114
Repairs and maintenance	211,800	211,800	36,662
<b>Total contractual services</b>	<b>251,900</b>	<b>251,900</b>	<b>72,833</b>
<b>Commodities</b>			
Office supplies	300	300	265
Maintenance supplies	4,500	4,500	4,822
Heating, electric and water utilities	24,000	24,000	38,233
Uniforms	1,200	1,200	682
Chemicals	12,000	12,000	10,513
Sewer use charge	2,500	2,500	1,526
<b>Total commodities</b>	<b>44,500</b>	<b>44,500</b>	<b>56,041</b>

(This schedule is continued on the following page.)

VILLAGE OF KENILWORTH, ILLINOIS

WATERWORKS SYSTEM FUND  
 SCHEDULE OF REVENUES, EXPENSES, AND  
 CHANGES IN NET ASSETS - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
OPERATING EXPENSES (Continued)			
Other expenses			
Auto allowance	\$ 4,800	\$ 4,800	\$ 4,800
Fuel	3,300	3,300	5,398
Recruitment and training	1,000	1,000	422
Miscellaneous	20,600	20,600	11,867
Total other expenses	29,700	29,700	22,487
Depreciation	-	-	179,143
Total operating expenses	761,723	761,723	788,723
OPERATING INCOME	215,477	215,477	99,574
NONOPERATING REVENUES (EXPENSES)			
Investment income	11,000	11,000	9,696
Bond interest and fiscal charges	(184,628)	(184,628)	(196,759)
Bond principal	(115,000)	(115,000)	(115,000)
Total nonoperating expenses (expenses)	(288,628)	(288,628)	(302,063)
ADJUSTMENT TO GAAP			
Bond principal	115,000	115,000	115,000
CHANGE IN NET ASSETS	\$ 41,849	\$ 41,849	(87,489)
NET ASSETS, MAY 1			1,824,885
NET ASSETS, APRIL 30			\$ 1,737,396

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

VILLAGE OF KENILWORTH, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 165,440	\$ 165,440	\$ 165,440
Participants	83,900	83,900	84,839
Other	500	500	625
Total contributions	<u>249,840</u>	<u>249,840</u>	<u>250,904</u>
<b>INVESTMENT INCOME</b>			
Net appreciation (depreciation) in fair value of investments	202,442	202,442	(88,754)
Investment income	107,833	107,833	171,034
	<u>310,275</u>	<u>310,275</u>	<u>82,280</u>
Less investment expense	<u>(10,000)</u>	<u>(10,000)</u>	<u>(6,546)</u>
Net investment income	<u>300,275</u>	<u>300,275</u>	<u>75,734</u>
Total additions	<u>550,115</u>	<u>550,115</u>	<u>326,638</u>
<b>DEDUCTIONS</b>			
Administrative	6,400	6,400	5,343
Pension benefits and refunds	364,000	364,000	363,996
Total deductions	<u>370,400</u>	<u>370,400</u>	<u>369,339</u>
<b>NET INCREASE</b>	<u>\$ 179,715</u>	<u>\$ 179,715</u>	(42,701)
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
MAY 1			<u>5,316,386</u>
APRIL 30			<u>\$ 5,273,685</u>

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

VILLAGE OF KENILWORTH, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

SCHEDULE OF GENERAL OBLIGATION REFUNDING BONDS,  
ALTERNATE REVENUE SOURCE, SERIES 2006B

April 30, 2008

Date of Issue	August 15, 2006
Date of Maturity	December 1, 2030
Authorized Issue	\$4,655,000
Denomination of Bonds	\$5,000
Interest Rates	3.900% to 4.200%
Paying Agent	J.P. Morgan Trust Company
Purpose of Issue	To refund the General Obligation (Alternate Revenue Source), 2002
Interest Dates	June and December

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2009	\$ 120,000	\$ 180,143	\$ 300,143	2008	\$ 90,072	2008	\$ 90,071
2010	125,000	175,463	300,463	2009	87,732	2009	87,731
2011	130,000	170,588	300,588	2010	85,294	2010	85,294
2012	135,000	165,518	300,518	2011	82,759	2011	82,759
2013	140,000	160,253	300,253	2012	80,127	2012	80,126
2014	145,000	154,793	299,793	2013	77,397	2013	77,396
2015	155,000	149,138	304,138	2014	74,569	2014	74,569
2016	160,000	142,938	302,938	2015	71,469	2015	71,469
2017	165,000	136,538	301,538	2016	68,269	2016	68,269
2018	170,000	129,938	299,938	2017	64,969	2017	64,969
2019	180,000	123,138	303,138	2018	61,569	2018	61,569
2020	185,000	115,938	300,938	2019	57,969	2019	57,969
2021	195,000	108,538	303,538	2020	54,269	2020	54,269
2022	200,000	100,640	300,640	2021	50,320	2021	50,320
2023	210,000	92,540	302,540	2022	46,270	2022	46,270
2024	220,000	83,930	303,930	2023	41,965	2023	41,965
2025	225,000	74,910	299,910	2024	37,455	2024	37,455
2026	235,000	65,573	300,573	2025	32,787	2025	32,786
2027	245,000	55,820	300,820	2026	27,910	2026	27,910
2028	255,000	45,653	300,653	2027	22,827	2027	22,826
2029	265,000	35,070	300,070	2028	17,535	2028	17,535
2030	280,000	23,940	303,940	2029	11,970	2029	11,970
2031	290,000	12,180	302,180	2030	6,090	2030	6,090
	<u>\$ 4,430,000</u>	<u>\$ 2,503,180</u>	<u>\$ 6,933,180</u>		<u>\$ 1,251,593</u>		<u>\$ 1,251,587</u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

SCHEDULE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007

April 30, 2008

Date of Issue	January 15, 2007
Date of Maturity	December 1, 2018
Authorized Issue	\$3,765,000
Denomination of Bonds	\$5,000
Interest Rates	3.600% to 3.900%
Paying Agent	J.P. Morgan Trust Company
Purpose of Issue	To refund the General Obligation (Alternate Revenue Source), 1999
Interest Dates	June and December

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2009	\$ 180,000	\$ 140,777	\$ 320,777	2008	\$ 70,388	2008	\$ 70,389
2010	310,000	134,298	444,298	2009	67,149	2009	67,149
2011	315,000	123,138	438,138	2010	61,569	2010	61,569
2012	325,000	111,798	436,798	2011	55,899	2011	55,899
2013	340,000	100,098	440,098	2012	50,049	2012	50,049
2014	350,000	87,688	437,688	2013	43,844	2013	43,844
2015	365,000	74,738	439,738	2014	37,369	2014	37,369
2016	375,000	61,050	436,050	2015	30,525	2015	30,525
2017	390,000	46,800	436,800	2016	23,400	2016	23,400
2018	400,000	31,785	431,785	2017	15,893	2017	15,892
2019	415,000	16,185	431,185	2018	8,093	2018	8,092
	<u>\$ 3,765,000</u>	<u>\$ 928,355</u>	<u>\$ 4,693,355</u>		<u>\$ 464,178</u>		<u>\$ 464,177</u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

SCHEDULE OF LIMITED GENERAL OBLIGATION BONDS, SERIES 2007

April 30, 2008

---

Date of Issue	June 27, 2007
Date of Maturity	December 1, 2008
Authorized Issue	\$275,000
Denomination of Bonds	\$5,000
Interest Rates	4.00%
Paying Agent	Harris N.A.
Purpose of Issue	Capital Projects
Interest Dates	June and December

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			June 1	Interest Due on		
	Principal	Interest	Totals		Amount	Dec. 1	Amount
2009	\$ 275,000	\$ 15,206	\$ 290,206	2008	\$ 7,603	2008	\$ 7,603
	<u>\$ 275,000</u>	<u>\$ 15,206</u>	<u>\$ 290,206</u>		<u>\$ 7,603</u>		<u>\$ 7,603</u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

April 30, 2002 - April 30, 2006

---

Fiscal Year	Suggested Annual Tax Levy	Contribution Made	Contribution Made as a Percentage of Suggested Annual Tax Levy
2002	\$ 90,335	\$ 103,163	114.20%
2003	90,335	88,745	98.24%
2004	140,953	138,655	98.37%
2005	167,124	148,540	88.88%
2006	210,843	154,241	73.15%

Note: The actuarial valuation performed on the plan's net assets was not performed in accordance with GASB Statements No. 25 and 27.

(See independent auditor's report.)