

VILLAGE OF KENILWORTH, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2007

A Sikich LLP

Certified Public Accountants & Advisors

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VILLAGE OF KENILWORTH, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2007

Thomas Tolbert Chisum - President

BOARD OF TRUSTEES

Craig A. Miller

John Vitt

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, 2007, 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.

The Village of Kenilworth, Illinois' did not engage the services of an actuary for the Police Pension Fund. Therefore, a net pension obligation at April 30, 2007 has not been included in the basic financial statements. The net pension obligation would indicate the cumulative effect of current and past underfunding of the annual pension cost and would be recorded in the government-wide financial statements. The amount by which this departure would affect the net assets of the government-wide statements is not reasonably determinable.

The schedule of funding progress for the police pension fund as well as the schedule of employer contributions for the police pension fund have not been included as required supplementary information as required by accounting principles generally accepted in the United States of America, because such amounts have not been calculated in accordance with the parameters required by GASB Statement 25. Instead, these schedules have been included in the other information section of the report.

In our opinion, except for the effects, if any, of not calculating the net pension obligation as described in the preceding paragraph, 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, 2007, 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.



Aurora, Illinois
August 31, 2007

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

Village of Kenilworth
Management's Discussion and Analysis
April 30, 2007

This section of the Village of Kenilworth's (the "Village") Comprehensive Financial Report (CAFR) presents Management's Discussion and Analysis (MD&A) of the Village's financial activities during the fiscal year ended April 30, 2007. It is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify fund issues or concerns. This narrative is offered as a means to allow the reader a better understanding of the accompanying financial statements.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter which can be found on pages 1 and 2 of this report.

Financial Highlights

- The assets of the Village of Kenilworth exceeded its liabilities at the close of the most recent fiscal year by \$3,241,024 (*net assets*). Of this amount, \$1,838,536 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Village's total net assets increased by \$156,690 or 5.00% during the fiscal year ending April 30, 2007. Governmental net assets increased \$282,078.
- As of the close of the current fiscal year, the Village of Kenilworth's governmental funds reported combined ending fund balances of \$3,411,295, an increase of \$238,936 in comparison with the prior year. Approximately 59% of this total amount, \$2,006,757, is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$2,006,767 or 49% of General Fund expenditures. This exceeds the Village's target of 50%.
- The Village of Kenilworth's total debt decreased by \$110,000 (1%) during the current fiscal year. The key factor in this decrease was the refunding of the Series 1999 Alternate Revenue Bonds.

Financial Statement Structure

The discussion and analysis are intended to serve as an introduction to the Village of Kenilworth's basic financial statements. The Village of Kenilworth's basic financial statements are comprised of three components:

(1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The very end of the report also contains required supplementary information regarding the funding status of our pensions.

Government-Wide Financial Statements

The government-wide financial statements, found on pages 3, 4 and 5, are designed to provide readers a broad perspective of the Village's finances, in a manner similar to a private-sector business. This is done by consolidating all of the Village's financial activity into one set of financial statements.

The *statement of net assets* (page 3) presents information on all of the Village's assets and liabilities, with the difference between the two reported as *net assets*. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village of Kenilworth is improving or deteriorating.

The *statement of activities* (pages 4 and 5) presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave) and is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the Village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities.

Both of the government-wide financial statements distinguish functions of the Village of Kenilworth that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Kenilworth include general government, public safety (police), public works, highways and streets, culture and recreation (beach) and interest. The business-type activities of the Village of Kenilworth include the water fund.

The Governmental Activities reflect the Village's basic services, including police, public works, highways and streets, culture and recreation, and general administration. Property taxes, shared state sales taxes, local telecommunications taxes, and shared state income taxes finance the majority of these activities. The Business-Type Activities reflect private sector-type operations (Water Fund), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

The fund financial statements begin on page 6 and run through page 14. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Kenilworth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on major funds, rather than fund types. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in valuing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund

statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains 6 individual governmental funds; 3 major funds and 3 nonmajor funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Debt Service Fund, both of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation referred to as Nonmajor Funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for its general fund. Budgetary comparison schedules have been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found beginning on page 6 of this report.

Proprietary Funds. The Village of Kenilworth maintains one proprietary fund. *Enterprise Funds* are used to report the same functions presented in Business-Type Activities in the Government-Wide Financial Statements. The Village has only one enterprise fund, the Water Fund.

Proprietary Fund Financial Statements (pages 10 to 12) provide the same type of information as the Government-Wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund which is considered a major fund of the Village and is presented in a separate column in the Fund Financial Statements.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village of Kenilworth's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found beginning on page 13 of this report.

Notes to the Financial Statements

The notes to the financial statements provide information essential to the full understanding of the data provided in the Government-Wide and Fund Financial Statements. These notes to the financial statements can be found immediately following the Basic Financial Statements section of this report beginning on page 15.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including the general fund and motor fuel tax fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found immediately following the notes to the financial statements beginning on **page 57**.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Kenilworth, assets exceeded liabilities by \$3,241,024 as of April 30, 2007.

By far the largest portion of the Village of Kenilworth's net assets (62.72 %) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The Village of Kenilworth uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Kenilworth's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided

from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Village of Kenilworth's Net Assets

| | Governmental Activities | | Business-Type Activities | | Total Primary Governmental | |
|-----------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------------|---------------------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| Assets: | | | | | | |
| Current and Other Assets: | \$ 5,108,392 | \$ 4,724,952 | \$ 100,897 | \$ 471 | \$ 5,209,289 | \$ 4,725,423 |
| Capital Assets: | 2,428,637 | 2,555,796 | 6,335,663 | 6,485,914 | 8,764,300 | 9,041,710 |
| Total Assets: | 7,537,029 | 7,280,748 | 6,436,560 | 6,486,385 | 13,973,589 | 13,767,133 |
| Liabilities: | | | | | | |
| Current Liabilities: | 1,697,390 | 1,644,734 | 97,403 | 97,487 | 1,794,793 | 1,742,221 |
| Non-Current Liabilities: | 4,423,500 | 4,501,954 | 4,475,624 | 4,536,291 | 8,899,124 | 9,038,245 |
| Total Liabilities: | 6,120,890 | 6,146,688 | 4,573,027 | 4,633,778 | 10,693,917 | 10,780,466 |
| Net Assets: | | | | | | |
| Invested in Capital Assets, | | | | | | |
| Net of Debt: | (1,799,414) | (1,769,204) | 1,752,015 | 1,965,914 | (47,399) | 196,710 |
| Restricted: | 1,399,887 | 1,053,186 | 50,000 | 147,590 | 1,449,887 | 1,200,776 |
| Unrestricted: | 1,815,666 | 1,850,078 | 22,870 | (163,230) | 1,838,536 | 1,686,848 |
| Total Net Assets: | \$ 1,416,139 | \$ 1,134,060 | \$ 1,824,885 | \$ 1,950,274 | \$ 3,241,024 | \$ 3,084,334 |

For more detailed information see the Statement of Net Assets on page 3.

At the end of the current fiscal year, the Village of Kenilworth is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

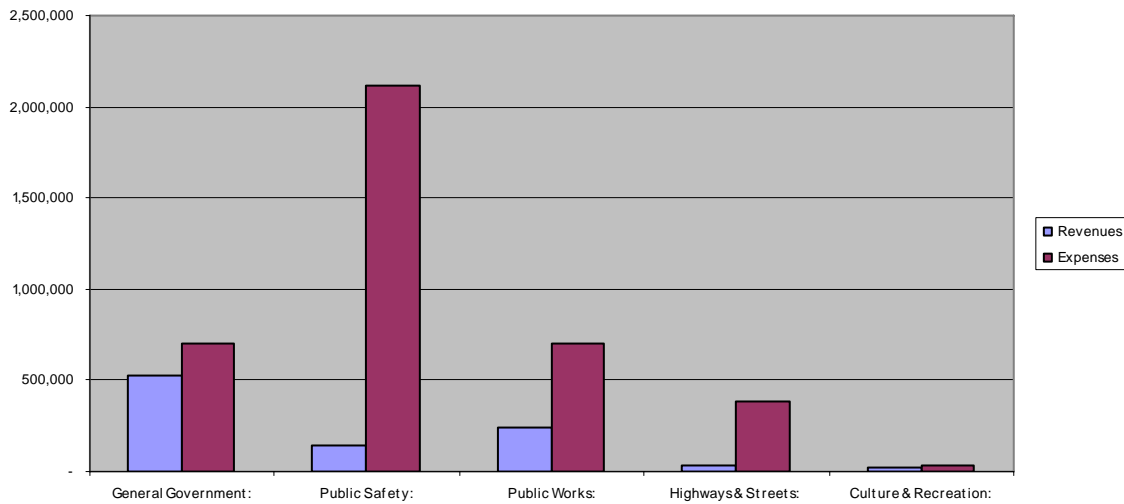
The village's total net assets increased by \$156,690 during the fiscal year. Governmental net assets increased \$282,019 primarily due to increase in cash on hand; an increase in the amount due from other funds; and an increase in accounts receivable. This is offset by a decrease in business-type net assets of \$125,389.

Governmental activities. Governmental activities increased the Village of Kenilworth's net assets by \$282,079. Conversely, business-type activities decreased the Village's net assets by \$125,389. Key elements of this net increase of \$282,079 are as follows:

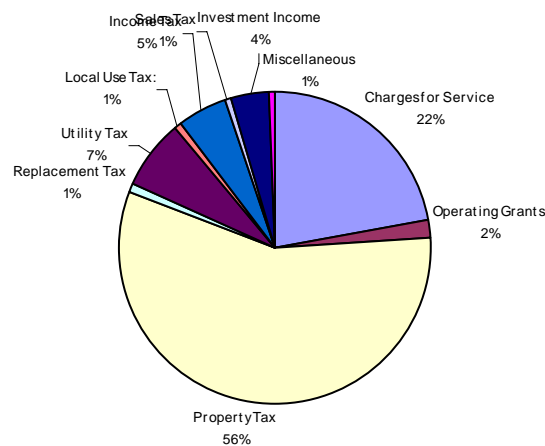
Village of Kenilworth's Changes in Net Assets

| | Governmental Activities | | Business-Type Activities | | Total Primary Governmental | |
|------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------------|---------------------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Service: | 964,732 | 1,111,966 | 898,369 | 1,051,666 | 1,863,101 | 2,163,632 |
| Operating Grants: | 66,438 | 71,905 | - | - | 66,438 | 71,905 |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property: | 2,465,714 | 2,145,857 | - | - | 2,465,714 | 2,145,857 |
| Replacement: | 34,768 | 31,997 | - | - | 34,768 | 31,997 |
| Utility: | 316,029 | 359,030 | - | - | 316,029 | 359,030 |
| Local Use: | 32,302 | 30,052 | - | - | 32,302 | 30,052 |
| Income: | 215,109 | 192,915 | - | - | 215,109 | 192,915 |
| Sales: | 46,129 | 49,526 | - | - | 46,129 | 49,526 |
| Other: | 9,453 | 9,792 | - | - | 9,453 | 9,792 |
| Investment Income: | 166,386 | 99,198 | 16,338 | 9,564 | 182,724 | 108,762 |
| Transfers: | 92,096 | - | (92,096) | - | - | - |
| Miscellaneous: | 21,904 | 16,024 | - | - | 21,904 | 16,024 |
| Total Revenues: | 4,431,060 | 4,118,262 | 822,611 | 1,061,230 | 5,253,671 | 5,179,492 |
| Expenses: | | | | | | |
| General Government: | 701,379 | 737,126 | - | - | 701,379 | 737,126 |
| Public Safety: | 2,113,567 | 1,863,341 | - | - | 2,113,567 | 1,863,341 |
| Public Works: | 699,485 | 644,697 | - | - | 699,485 | 644,697 |
| Highways & Streets: | 387,496 | 397,512 | - | - | 387,496 | 397,512 |
| Culture & Recreation: | 34,637 | 29,371 | - | - | 34,637 | 29,371 |
| Interest: | 190,989 | 213,211 | - | - | 190,989 | 213,211 |
| Water: | - | - | 923,454 | 963,526 | 923,454 | 963,526 |
| Total Expenses: | 4,127,553 | 3,885,258 | 923,454 | 963,526 | 5,051,007 | 4,848,784 |
| Change in Net Assets: | 303,507 | 233,004 | (100,843) | 97,704 | 202,664 | 330,708 |
| Net Assets May 1: | 1,134,060 | 2,439,441 | 1,950,274 | 1,827,481 | 3,084,334 | 4,266,922 |
| Prior period adjustment: | (21,428) | (1,538,385) | (24,546) | 25,089 | (45,974) | (1,513,296) |
| Net Assets May 1 Restated: | 1,112,632 | 901,056 | 1,925,728 | 1,852,570 | 3,038,360 | 2,753,626 |
| Net Assets, April 30: | \$ 1,416,139 | \$ 1,134,060 | \$ 1,824,885 | \$ 1,950,274 | \$ 3,241,024 | \$ 3,084,334 |

Expenses and Program Revenues – Governmental Activities - 2007



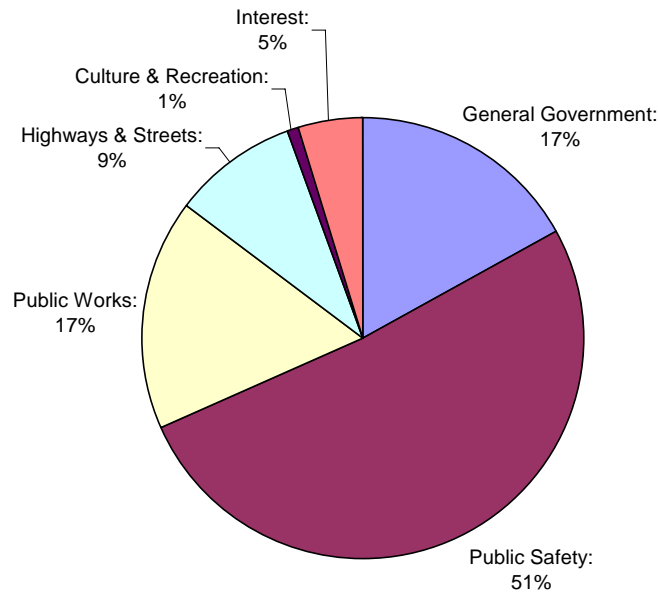
Revenues by Source – Governmental Activities - 2007



For the fiscal year ended April 30, 2007, general revenues from Governmental Activities totaled \$4,338,964. During the fiscal year, property tax continue to be the Village's largest revenue source coming in at \$2,465,714 and representing 56% of total Governmental Activity revenue.

The Village increased its property tax revenues from \$2,145,857 in Fiscal Year 2006 to \$2,465,714 in Fiscal Year 2007, an increase of \$319,857 or 14.91%. The Village experienced an increase in its equalized assessed valuation (EAV) from \$264,462,928 for the 2004 property tax year to \$281,231,892 for the 2005 property tax year, an increase of \$16,768,964 or 6.34%.

2007 Governmental Activities – Expenses by Function



For the fiscal year ended April 30, 2007, expenses from Governmental Activities totaled \$4,127,553 or an increase from FY 2006 of **\$242,295 (6.2%)**.

Fund Financial Statement Analysis

As noted earlier, the Village of Kenilworth uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village of Kenilworth has five governmental funds. These funds are displayed on the balance sheet, found on page 6.

Governmental Funds The focus of the Village of Kenilworth's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Kenilworth's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Governmental funds use a modified accrual basis of accounting designed to measure current financial resources. Consequently, the reader will notice the balance sheet does not show fixed assets or long-term liabilities. The related income statements (combined statement of revenues, expenditures and changes in fund balance) are found on page 8.

The General Fund (first column) is used to account for most of the Village's general operating activity. This includes activity for the Administration Department, Police Department, Public Works Department, and the Building Department. Including the effect of operating transfers, the General Fund's expenses exceeded its expenditures by \$89,983. The General Fund's financial position resulted in a restated fund balance from \$2,101,391 on April 30, 2006 to \$2,011,408 on April 30, 2007. While revenues were up by 5.95% (\$3,613,529 versus \$3,410,970), expenditures increased by 16.0% (\$3,770,275 this fiscal year versus \$3,250,057 last fiscal year).

Providing some detail with respect to revenues and expenses, revenues from investment income increased greater than expected. Expenditures were higher than projected due to the increase in Public Safety salaries and the accounting for the capital lease agreement for the purchase of the new Bobcat Skid Steer Loader.

Information relating to the Nonmajor Governmental Funds is on pages 58 and 59. Non-major fund assets increased over last year by \$200,792. The increase in assets was due to increasing our savings in the Motor Fuel Tax to fund future projects and receipts of ten (10) months of increased sewer rates.

Proprietary Funds

The Village of Kenilworth's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The financial statements for the proprietary fund begin on page 10. Proprietary funds use an accrual basis of accounting designed to measure total economic resources. Therefore, unlike governmental funds, the balance sheet does not show property and equipment assets and long-term bonds payable. The decrease in net assets for the Water Works System Fund is \$125,389. In the summer of 2006, the northern Illinois region experienced normal amounts of rainfall compared to the dry hot summer of 2005, revenue from metered water sales therefore, decreased from the prior fiscal year. The financial statement for the fiduciary fund is on page 13.

Capital Assets and Long-term Debt

Information relating to the Debt Service Funds is presented on page 57. The Village of Kenilworth has non-current debt liabilities of \$8,899,124. During fiscal year 2007 the Village refinanced the 2002 General Obligation Bond (alternate revenue source) into the 2006B General Obligation Bonds (alternate revenue source) with an outstanding principal of \$4,545,000. The proceeds of the original bond were used to renovate the Village's Water Plant, which is now completed and in operation. Water revenues and, if necessary, utility tax revenues, are pledged as the alternate revenue sources to pay the required principal and debt service on the 2006B General Obligation Bonds. The refinancing of the 2002 Bond provides lower annual debt service obligation for the Water Fund, which is anticipated to free up water revenue to fund other projects.

During fiscal year ended April 30, 2007, the Village issued a 2006 Series General Obligation Bond (Limited Refunding), in an amount of \$425,000, as a part of its annual limited bond issuance. This annual limited bond issuance was required to pay the annual debt service on the 1999 General Obligation Bonds (alternate revenue source). Additionally, as part of the Village Board's plan to restructure the Village's existing debt and seek savings on principal and interest payments, during fiscal year 2007 the Village refinanced the 1999 General Obligation Bonds (alternate revenue source) into the 2007 General Obligation Bond with an outstanding principal of \$3,765,000. The proceeds of the original bond were used to resurface streets and construct a new Public Works facility and required the Village to perform an annual limited bond issuance to cover the principal and interest on the 1999 General Obligation Bonds (alternate revenue source). Due to the refinancing of the 1999 Bond, this annual refunding bond will no longer be required to be issued.

Responsibility

Governmental Accounting Standards Board Statement Number 34 mandates that all local government financial statements include a Management's Discussion and Analysis section. The goal is to give readers an objective, readable overview of the government's financial statements. The Village of Kenilworth's Village Manager is responsible for preparing this section. Consequently, any questions regarding this narrative specifically, or the Village's audit report generally, may be addressed to the Village Manager, Village of Kenilworth, 419 Richmond Road, Kenilworth, Illinois 60043.

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2007

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 3,293,460 | \$ 134,252 | \$ 3,427,712 |
| Cash and cash equivalents - restricted | - | 50,000 | 50,000 |
| Property taxes receivable | 1,221,081 | - | 1,221,081 |
| Receivables, net | 196,131 | 176,305 | 372,436 |
| Prepaid expenses | 4,651 | - | 4,651 |
| Deferred charges | 48,135 | 85,274 | 133,409 |
| Due (to) from other funds | 344,934 | (344,934) | - |
| Capital assets not being depreciated | 169,931 | 38,648 | 208,579 |
| Capital assets being depreciated, net of depreciation | 2,258,706 | 6,258,367 | 8,517,073 |
| Total assets | 7,537,029 | 6,397,912 | 13,934,941 |
| LIABILITIES | | | |
| Accounts payable and other accrued expenses | 121,287 | 20,275 | 141,562 |
| Deferred property taxes | 1,190,786 | - | 1,190,786 |
| Accrued interest | 48,428 | 76,928 | 125,356 |
| Customer deposits | 289,810 | 200 | 290,010 |
| Due to other governments | 28,668 | - | 28,668 |
| Due to fiduciary funds | 18,411 | - | 18,411 |
| Noncurrent liabilities | | | |
| Due within one year | 465,976 | 118,263 | 584,239 |
| Due in more than one year | 3,957,524 | 4,357,361 | 8,314,885 |
| Total liabilities | 6,120,890 | 4,573,027 | 10,693,917 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | (1,799,414) | 1,752,015 | (47,399) |
| Restricted for | | | |
| Debt service | 561,779 | - | 561,779 |
| Public safety | 262,766 | - | 262,766 |
| Public works | 340,260 | - | 340,260 |
| Highways and streets | 235,082 | - | 235,082 |
| Bond ordinance | - | 50,000 | 50,000 |
| Unrestricted | 1,815,666 | 22,870 | 1,838,536 |
| TOTAL NET ASSETS | \$ 1,416,139 | \$ 1,824,885 | \$ 3,241,024 |

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2007

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | |
|---------------------------------|---------------------|-------------------------|---------------------|-------------------|
| | | Charges for Services | Operating Grants | Capital Grants |
| PRIMARY GOVERNMENT | | | | |
| Governmental Activities | | | | |
| General government | \$ 701,379 | \$ 523,856 | \$ - | \$ - |
| Public safety | 2,113,567 | 143,154 | - | - |
| Public works | 699,485 | 243,548 | - | - |
| Highways and streets | 387,496 | 34,605 | 66,438 | - |
| Culture and recreation | 34,637 | 19,569 | - | - |
| Interest | 190,989 | - | - | - |
| Total governmental activities | 4,127,553 | 964,732 | 66,438 | - |
| Business-Type Activities | | | | |
| Water | 923,454 | 898,369 | - | - |
| Total business-type activities | 923,454 | 898,369 | - | - |
| TOTAL PRIMARY GOVERNMENT | \$ 5,051,007 | \$ 1,863,101 | \$ 66,438 | \$ - |

| | Net (Expense) Revenue and Change in Net Assets | | |
|-----------------------------|--|-----------------------------|--------------|
| | Primary Government | | |
| | Governmental Activities | Business-Type Activities | Total |
| | \$ (177,523) | \$ - | \$ (177,523) |
| | (1,970,413) | - | (1,970,413) |
| | (455,937) | - | (455,937) |
| | (286,453) | - | (286,453) |
| | (15,068) | - | (15,068) |
| | (190,989) | - | (190,989) |
| | (3,096,383) | - | (3,096,383) |
| | - | (25,085) | (25,085) |
| | - | (25,085) | (25,085) |
| | (3,096,383) | (25,085) | (3,121,468) |
| General Revenues | | | |
| Taxes | | | |
| Property | 2,465,714 | - | 2,465,714 |
| Replacement | 34,768 | - | 34,768 |
| Utility | 316,029 | - | 316,029 |
| Local use | 32,302 | - | 32,302 |
| Income | 215,109 | - | 215,109 |
| Sales | 46,129 | - | 46,129 |
| Other | 9,453 | - | 9,453 |
| Investment income | 166,386 | 16,338 | 182,724 |
| Transfers | 92,096 | (92,096) | - |
| Miscellaneous | 21,904 | - | 21,904 |
| Total general revenues | 3,399,890 | (75,758) | 3,324,132 |
| CHANGE IN NET ASSETS | 303,507 | (100,843) | 202,664 |
| NET ASSETS, MAY 1 | 1,134,060 | 1,950,274 | 3,084,334 |
| Prior period adjustment | (21,428) | (24,546) | (45,974) |
| NET ASSETS, MAY 1, RESTATED | 1,112,632 | 1,925,728 | 3,038,360 |
| NET ASSETS, APRIL 30 | \$ 1,416,139 | \$ 1,824,885 | \$ 3,241,024 |

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

April 30, 2007

| | General | Debt Service | Nonmajor | Total |
|--|---------------------|---------------------|-------------------|---------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,124,311 | \$ 343,611 | \$ 825,538 | \$ 3,293,460 |
| Property taxes receivable | 992,548 | 228,533 | - | 1,221,081 |
| Accounts receivable | | | | |
| Sewer maintenance charges | - | - | 15,756 | 15,756 |
| Other | 180,375 | - | - | 180,375 |
| Due from other funds | 868,664 | 736,044 | 11,204 | 1,615,912 |
| Prepaid items | 4,651 | - | - | 4,651 |
| Deposits | 3,103 | - | - | 3,103 |
| | <hr/> | | | |
| Total assets | \$ 4,173,652 | \$ 1,308,188 | \$ 852,498 | \$ 6,334,338 |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable and accrued expenses | \$ 107,081 | \$ - | \$ 14,206 | \$ 121,287 |
| Due to other funds | 747,248 | 523,546 | 184 | 1,270,978 |
| Due to fiduciary funds | 18,411 | - | - | 18,411 |
| Due to other governments | 28,668 | - | - | 28,668 |
| Deferred property taxes | 967,923 | 222,863 | - | 1,190,786 |
| Customer deposits | 289,810 | - | - | 289,810 |
| Other deferred revenue | 3,103 | - | - | 3,103 |
| | <hr/> | | | |
| Total liabilities | 2,162,244 | 746,409 | 14,390 | 2,923,043 |
| FUND BALANCES | | | | |
| Reserved for prepaid items | 4,651 | - | - | 4,651 |
| Reserved for debt service | - | 561,779 | - | 561,779 |
| Reserved for public safety | - | - | 262,766 | 262,766 |
| Reserved for public works | - | - | 340,260 | 340,260 |
| Reserved for highways and streets | - | - | 235,082 | 235,082 |
| Unreserved - undesignated (deficit) | | | | |
| General Fund | 2,006,757 | - | - | 2,006,757 |
| | <hr/> | | | |
| Total fund balances | 2,011,408 | 561,779 | 838,108 | 3,411,295 |
| | <hr/> | | | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 4,173,652 | \$ 1,308,188 | \$ 852,498 | \$ 6,334,338 |

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, 2007

| | |
|--|----------------------------|
| NET CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 3,411,295 |
| 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 | 2,428,637 |
| Deferred charges in governmental activities are not financial resources and, therefore, are not reported in governmental funds | 48,135 |
| 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 | (4,190,000) |
| Capital lease | (38,051) |
| Compensated absences payable | (195,449) |
| Interest payable | <u>(48,428)</u> |
| CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 1,416,139</u></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, 2007

| | General | Debt Service | Nonmajor | Total |
|---|---------------------|-------------------|-------------------|---------------------|
| REVENUES | | | | |
| Taxes | \$ 2,668,492 | \$ 451,012 | \$ - | \$ 3,119,504 |
| Fines | 48,804 | - | - | 48,804 |
| Licenses | 418,966 | - | - | 418,966 |
| Service charges | 303,482 | - | 158,650 | 462,132 |
| Intergovernmental | - | - | 66,438 | 66,438 |
| Investment income | 117,051 | 12,952 | 36,383 | 166,386 |
| Miscellaneous income | 56,734 | - | - | 56,734 |
| Total revenues | 3,613,529 | 463,964 | 261,471 | 4,338,964 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 696,494 | - | - | 696,494 |
| Public safety | 2,069,623 | - | 32,117 | 2,101,740 |
| Public works | 521,522 | - | - | 521,522 |
| Highways and streets | 435,699 | - | - | 435,699 |
| Culture and recreation | 34,637 | - | - | 34,637 |
| Capital outlay | - | - | 14,878 | 14,878 |
| Debt service | | | | |
| Principal | 10,152 | 650,000 | - | 660,152 |
| Interest | 2,148 | 255,261 | - | 257,409 |
| Bond issuance costs | - | 25,428 | - | 25,428 |
| Total expenditures | 3,770,275 | 930,689 | 46,995 | 4,747,959 |
| EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES | (156,746) | (466,725) | 214,476 | (408,995) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of bonds | - | 4,190,000 | - | 4,190,000 |
| Capital lease | 48,203 | - | - | 48,203 |
| Proceeds from sale of equipment | 14,060 | - | - | 14,060 |
| Payments to escrow agent | - | (3,675,000) | - | (3,675,000) |
| Transfers in | 4,500 | 92,096 | - | 96,596 |
| Transfers (out) | - | - | (4,500) | (4,500) |
| Total other financing sources (uses) | 66,763 | 607,096 | (4,500) | 669,359 |
| CHANGES IN NET ASSETS | (89,983) | 140,371 | 209,976 | 260,364 |
| FUND BALANCE, MAY 1 | 2,119,173 | 421,408 | 631,778 | 3,172,359 |
| Prior period adjustment | (17,782) | - | (3,646) | (21,428) |
| FUND BALANCE, MAY 1, RESTATED | 2,101,391 | 421,408 | 628,132 | 3,150,931 |
| FUND BALANCE, APRIL 30 | \$ 2,011,408 | \$ 561,779 | \$ 838,108 | \$ 3,411,295 |

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, 2007

| | |
|--|--------------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ 260,364 |
| 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 | 82,100 |
| 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: | |
| General obligation refunding bonds | (4,190,000) |
| Capital lease | (48,203) |
| Payment to escrow agent | 3,675,000 |
| 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 | 660,152 |
| The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities | 43,713 |
| 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 | (209,259) |
| The change in the compensated absences liability is reported as an expense on the statement of activities | (18,495) |
| 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>48,135</u> |
| CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 303,507</u></u> |

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

April 30, 2007

| | |
|--|--------------|
| CURRENT ASSETS | |
| Cash and investments | \$ 134,252 |
| Cash and investments - restricted | 50,000 |
| Accounts receivable - water consumers - billed | 81,232 |
| Accounts receivable - water consumers - unbilled | 95,073 |
| Deferred charges | 85,274 |
| | <hr/> |
| Total current assets | 445,831 |
| NONCURRENT ASSETS | |
| Capital assets not being depreciated | 38,648 |
| Capital assets being depreciated | 6,258,367 |
| | <hr/> |
| Total noncurrent assets | 6,297,015 |
| | <hr/> |
| Total assets | 6,742,846 |
| CURRENT LIABILITIES | |
| Accounts payable | 20,275 |
| Accrued interest | 76,928 |
| Customer deposits | 200 |
| Due to other funds | 344,934 |
| Compensated absences payable | 3,263 |
| Bonds payable | 115,000 |
| | <hr/> |
| Total current liabilities | 560,600 |
| NONCURRENT LIABILITIES | |
| Compensated absences payable | 18,487 |
| Bonds payable | 4,334,346 |
| Unamortized bond premium | 4,528 |
| | <hr/> |
| Total noncurrent liabilities | 4,357,361 |
| | <hr/> |
| Total liabilities | 4,917,961 |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 1,752,015 |
| Restricted - bond ordinance | 50,000 |
| Unrestricted | 22,870 |
| | <hr/> |
| TOTAL NET ASSETS | \$ 1,824,885 |

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, 2007

| | |
|---|---------------------|
| OPERATING REVENUES | |
| Charges for services | \$ 898,025 |
| Miscellaneous | <u>344</u> |
| Total operating revenues | <u>898,369</u> |
| OPERATING EXPENSES | |
| Personnel | 430,307 |
| Contractual services | 76,343 |
| Commodities | 53,091 |
| Other | 7,773 |
| Capital outlay | 11,593 |
| Depreciation | <u>188,899</u> |
| Total operating expenses | <u>768,006</u> |
| OPERATING INCOME | <u>130,363</u> |
| NONOPERATING REVENUES (EXPENSES) | |
| Investment income | 16,338 |
| Interest and fiscal charges | <u>(155,448)</u> |
| Total nonoperating revenues (expenses) | <u>(139,110)</u> |
| NET INCOME (LOSS) BEFORE TRANSFERS | (8,747) |
| TRANSFERS | |
| Transfers (out) | <u>(92,096)</u> |
| CHANGE IN NET ASSETS | <u>(100,843)</u> |
| NET ASSETS, MAY 1 | 1,950,274 |
| Prior period adjustment | <u>(24,546)</u> |
| NET ASSETS, MAY 1, RESTATED | <u>1,925,728</u> |
| NET ASSETS, APRIL 30 | <u>\$ 1,824,885</u> |

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2007

| | |
|---|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers | \$ 907,108 |
| Payments to suppliers | (221,040) |
| Payments to employees | <u>(424,849)</u> |
| Net cash from operating activities | <u>261,219</u> |
| CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES | |
| Due (to) from other funds | <u>165,932</u> |
| Net cash from noncapital and related financing activities | <u>165,932</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Payment on water revenue bonds | (170,000) |
| Bonds issued | 4,655,000 |
| Bonds refunded | (4,460,000) |
| Interest and fiscal charges paid | <u>(284,237)</u> |
| Net cash from capital and related financing activities | <u>(259,237)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest received | <u>16,338</u> |
| Net cash from investing activities | <u>16,338</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 184,252 |
| CASH AND CASH EQUIVALENTS, MAY 1 | <u>-</u> |
| CASH AND CASH EQUIVALENTS, APRIL 30 | <u><u>\$ 184,252</u></u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES | |
| Operating income | \$ 130,363 |
| Adjustments to reconcile operating income to net cash from operating activities: | |
| Depreciation | 188,899 |
| Changes in net assets | |
| Receivables | 8,739 |
| Accounts payable | 8,355 |
| Deferred charges | (80,746) |
| Deposits payable | 150 |
| Compensated absences | <u>5,459</u> |
| NET CASH FROM OPERATING ACTIVITIES | <u><u>\$ 261,219</u></u> |

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

PENSION TRUST FUND

STATEMENT OF NET ASSETS

April 30, 2007

| ASSETS | |
|--|----------------------------|
| Cash | \$ 343,780 |
| Investments | |
| U.S. agency securities | 1,739,708 |
| Money market mutual funds | 349,990 |
| Equities | 2,107,163 |
| Certificates of deposit | 743,905 |
| Accrued interest | 18,522 |
| Due from general fund | <u>18,411</u> |
| Total assets | <u>5,321,479</u> |
| | |
| LIABILITIES | |
| Accounts payable and accrued expenses | <u>5,093</u> |
| Total liabilities | <u>5,093</u> |
| | |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS | <u><u>\$ 5,316,386</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, 2007

| | |
|---|--------------|
| ADDITIONS | |
| Contributions | |
| Employer | \$ 155,007 |
| Participants | 79,481 |
| Other | 602 |
| | <hr/> |
| Total contributions | 235,090 |
| | <hr/> |
| INVESTMENT INCOME | |
| Net appreciation (depreciation) in fair value of investments | 292,203 |
| Investment income | 133,561 |
| | <hr/> |
| | 425,764 |
| Less investment expense | (2,831) |
| | <hr/> |
| Net investment income | 422,933 |
| | <hr/> |
| Total additions | 658,023 |
| | <hr/> |
| DEDUCTIONS | |
| Administrative | 5,437 |
| Pension benefits and refunds | 354,586 |
| | <hr/> |
| Total deductions | 360,023 |
| | <hr/> |
| NET INCREASE | 298,000 |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS | |
| MAY 1 | 5,018,386 |
| | <hr/> |
| APRIL 30 | \$ 5,316,386 |
| | <hr/> |

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2007

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)), except as disclosed in Note 13d. 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.

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

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 and is reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation 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.

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.

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

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.

Investments

The following table presents the investments and maturities of the Village's securities as of April 30, 2007:

| Investment Type | Fair Value | Investment Maturities in Years | | | |
|-----------------|---------------------|--------------------------------|-------------|-------------|-----------------|
| | | Less than 1 | 1-5 | 6-10 | Greater than 10 |
| Illinois Funds | \$ 2,115,381 | \$ 2,115,381 | \$ - | \$ - | \$ - |
| TOTAL | \$ 2,115,381 | \$ 2,115,381 | \$ - | \$ - | \$ - |

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments (Continued)

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.

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

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 the an independent third-party, and evidenced by a safekeeping agreement.

Investments

The following table presents the investments and maturities of the Police Pension Fund’s securities as of April 30, 2007:

| Investment Type | Fair Value | Investment Maturities in Years | | | |
|------------------------------------|---------------------|--------------------------------|---------------------|-------------|-----------------|
| | | Less than 1 | 1-5 | 6-10 | Greater than 10 |
| U.S. agency securities | \$ 1,739,708 | \$ 496,136 | \$ 1,243,572 | \$ - | \$ - |
| Money market mutual funds | 349,990 | 349,990 | - | - | - |
| Negotiable certificates of deposit | 743,905 | 648,905 | 95,000 | - | - |
| Illinois Funds | 259,017 | 259,017 | - | - | - |
| TOTAL | \$ 3,092,620 | \$ 1,754,048 | \$ 1,338,572 | \$ - | \$ - |

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Deposits and Investments (Continued)

Investments (Continued)

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 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.

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% |

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

3. RECEIVABLES - TAXES

Property taxes for 2006 attach as an enforceable lien on January 1, 2006, 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, 2007 and August 1, 2007, and are payable in two installments, on or about March 1, 2007 and September 1, 2007. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1 percent of the tax levy, to reflect actual collection experience. As the 2006 tax levy is intended to fund expenditures for one-half of fiscal year 2007, one-half of the 2006 tax levy has been recognized as revenue as of April 30, 2007 and one-half of the 2006 tax levy has been deferred as of April 30, 2007.

The 2007 tax levy, which attached as an enforceable lien on property as of January 1, 2007, has not been recorded as a receivable as of April 30, 2007 as the tax has not yet been levied by the Village and will not be levied until December 2007, and, therefore, the levy is not measurable at April 30, 2007.

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2007 was as follows:

| | Balances May 1 | Additions | Disposals | Balances April 30 |
|---|---------------------|---------------------|-------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| 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 | 608,250 | 82,100 | 18,896 | 671,454 |
| Sanitary and sewer system | 991,222 | - | - | 991,222 |
| Total capital assets being depreciated | 3,249,090 | 82,100 | 18,896 | 3,312,294 |
| Less accumulated depreciation for | | | | |
| Buildings and improvements | 295,676 | 41,240 | - | 336,916 |
| Machinery and equipment | 369,305 | 68,897 | 18,896 | 419,306 |
| Sanitary and sewer system | 198,244 | 99,122 | - | 297,366 |
| Total accumulated depreciation | 863,225 | 209,259 | 18,896 | 1,053,589 |
| Total capital assets being depreciated, net | 2,385,865 | (127,159) | - | 2,258,706 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 2,555,796 | \$ (127,159) | \$ - | \$ 2,428,637 |

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

4. CAPITAL ASSETS (Continued)

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

| | |
|--|-------------------|
| GOVERNMENTAL ACTIVITIES | |
| General government | \$ 843 |
| Public safety | 28,425 |
| Public works | 12,472 |
| Highways and streets | <u>167,519</u> |
| TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES | <u>\$ 209,259</u> |

| | Balances May 1 | Increases | Decreases | Balances April 30 |
|---|---------------------|---------------------|-------------|----------------------|
| BUSINESS-TYPE ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land and rights of way | \$ 38,648 | \$ - | \$ - | \$ 38,648 |
| Total capital assets not being depreciated | <u>38,648</u> | - | - | <u>38,648</u> |
| Capital assets being depreciated | | | | |
| Waterworks system | 8,020,562 | - | - | 8,020,562 |
| Machinery and equipment | 113,802 | - | - | 113,802 |
| Total capital assets being depreciated | <u>8,134,364</u> | - | - | <u>8,134,364</u> |
| Less accumulated depreciation for | | | | |
| Waterworks system | 1,581,095 | 181,727 | - | 1,762,822 |
| Machinery and equipment | 106,003 | 7,172 | - | 113,175 |
| Total accumulated depreciation | <u>1,687,098</u> | <u>188,899</u> | - | <u>1,875,997</u> |
| Total capital assets being depreciated, net | <u>6,447,266</u> | <u>(188,899)</u> | - | <u>6,258,367</u> |
| BUSINESS-TYPE ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | <u>\$ 6,485,914</u> | <u>\$ (188,899)</u> | <u>\$ -</u> | <u>\$ 6,297,015</u> |

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.

5. RISK MANAGEMENT (Continued)

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

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.

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, 2007.

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, 2006, NSEBC had total equity of \$1,822,036. The Village's total payments for the year ended April 30, 2007 were \$402,809.

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 | | | | | | |
| \$5,000,000 General Obligation (Alternate Revenue) Bonds, Series 1999, due in annual installments of \$220,000 to \$390,000 through December 1, 2018 plus interest at 4.65% to 5.00%. | Debt Service | \$ 3,900,000 | \$ - | \$ 3,900,000 | \$ - | \$ - |
| \$425,000 General Obligation Refunding Bonds, Series 2005, due in one installment of \$425,000 at December 1, 2006 plus interest at 2.95%. | Debt Service | 425,000 | - | 425,000 | - | - |
| \$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 | 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 | - |
| Total bonds | | 4,325,000 | 4,190,000 | 4,325,000 | 4,190,000 | 425,000 |
| Capital lease | General | - | 48,203 | 10,152 | 38,051 | 11,659 |
| Compensated absences | General | 176,954 | 195,449 | 176,954 | 195,449 | 29,317 |
| TOTAL GOVERNMENTAL ACTIVITIES | | \$ 4,501,954 | \$4,433,652 | \$ 4,512,106 | \$ 4,423,500 | \$ 465,976 |

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 | | | | | | |
| \$600,000 Water Revenue Bonds, Series 1996, due in annual installments of \$60,000 through July 1, 2006 plus interest at 4.95%. | Waterworks | \$ 60,000 | \$ - | \$ 60,000 | \$ - | \$ - |
| \$5,000,000 General Obligation (Alternate Revenue) Refunding Bonds, Series 2002, due in annual installments of \$185,000 to \$395,000 through December 1, 2022 plus interest at 4.20% to 4.80%. | Waterworks | 4,460,000 | - | 4,460,000 | - | - |
| \$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 | - | 4,655,000 | 110,000 | 4,545,000 | 115,000 |
| Total bonds | | 4,520,000 | 4,655,000 | 4,630,000 | 4,545,000 | 115,000 |
| Unamortized accounting loss on refunding bonds | Waterworks | - | (102,031) | (6,377) | (95,654) | - |
| Unamortized bond premium | Waterworks | - | 4,830 | (302) | 4,528 | - |
| Compensated absences | Waterworks | 16,291 | 21,750 | 16,291 | 21,750 | 3,263 |
| TOTAL BUSINESS-TYPE ACTIVITIES | | \$ 4,536,291 | \$ 4,579,549 | \$ 4,639,612 | \$ 4,475,624 | \$ 118,263 |

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 |
| 2008 | \$ 425,000 | \$ 25,228 | \$ 115,000 | \$ 184,628 |
| 2009 | 180,000 | 264,349 | 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 |

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 |
| 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 |
| 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 | \$ 4,190,000 | \$ 1,077,155 | \$ 4,545,000 | \$ 2,687,808 |

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

| Fiscal Year Ending April 30 | Governmental Activities | |
|-----------------------------------|-------------------------|----------|
| | Principal | Interest |
| 2008 | \$ 11,659 | \$ 1,759 |
| 2009 | 12,301 | 1,117 |
| 2010 | 12,978 | 440 |
| 2011 | 1,113 | 5 |
| TOTAL | \$ 38,051 | \$ 3,321 |

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

6. LONG-TERM DEBT (Continued)

d. Legal Debt Margin

The Village is a non-home rule municipality.

| | |
|---|-----------------------|
| ASSESSED VALUATION - 2005 (LATEST AVAILABLE) | <u>\$ 281,231,892</u> |
| LEGAL DEBT LIMIT - 8.625% OF ASSESSED VALUATION | \$ 24,256,251 |
| AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT | |
| General Obligation Bonds | <u>4,190,000</u> |
| LEGAL DEBT MARGIN | <u>\$ 20,066,251</u> |

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. The Village will have additional cash flows for debt service of approximately \$1,041,698. The economic loss over the course of the extended maturities is \$39,940. At April 30, 2007, \$4,460,000 of the General Obligation Bonds (Alternate Revenue Source) Series 2002 remained to be paid out of escrow.

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

6. LONG-TERM DEBT (Continued)

e. Advance Refundings (Continued)

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. The Village advance refunded the General Obligation Bonds (Alternate Revenue Source) to reduce its total debt service by approximately \$144,997 and to provide for an economic gain of approximately \$191,764.

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 | \$ 50,000 |

8. INDIVIDUAL FUND DISCLOSURES

a. Interfund Transactions

Due From/To Other Funds at April 30, 2007 consist of the following:

| Receivable Fund | Payable Fund | Amount |
|-----------------------|-----------------------|---------------------|
| General | Nonmajor Governmental | \$ 184 |
| General | Waterworks System | 344,934 |
| General | Debt Service | 523,546 |
| Debt Service | General | 736,044 |
| Police Pension | General | 18,411 |
| Nonmajor Governmental | General | 11,204 |
| TOTAL | | \$ 1,634,323 |

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

a. Interfund Transactions (Continued)

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

\$344,934 owed to the General Fund from the Waterworks System Fund is for interfund operations. Repayment is expected within one year.

\$523,546 owed to the General Fund from the Debt Service Fund is for interfund operations. Repayment is expected within one year.

\$736,044 owed to the Debt Service Fund from the General 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 | - | 4,500 |
| Debt Service | 92,096 | - |
| Waterworks System | - | 92,096 |
| TOTAL ALL FUNDS | \$ 96,596 | \$ 96,596 |

\$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.

\$92,096 transferred to the Debt Service Fund from the Waterworks System Fund to reimburse the Debt Service Fund for the financing of interfund operations.

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 |
|-----------------------------------|----------------------|
| 2008 | \$ 12,841 |
| 2009 | 12,411 |
| 2010 | 11,980 |
| 2011 | 11,550 |
| 2012 | 11,119 |
| 2013 | 12,368 |
| 2014 | <u>12,699</u> |
| TOTAL | <u>\$ 84,968</u> |

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. Litigation

The Village is not aware of any potential litigation, and there is no pending litigation that the Village has been advised of by legal counsel.

b. 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.

c. 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 \$131,906 to SWANCC for 2007, 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 the personnel policy manual, to all employees who meet the eligibility requirements. Currently two past employees meets those eligibility requirements. The past employees paid \$9,275 for the cost of the health care insurance premiums. During the year, costs of \$9,275 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 2006 was 13.81% 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, 2006, 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 | 10 |
| Nonvested | - |
| | <hr/> |
| TOTAL | <u>19</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. As of April 30, 2007, the Village has not engaged 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, 2007, the Village's contribution was 22.47% 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 |
|---|--|--|
| Actuarial valuation date | December 31, 2004 | April 30, 2006 |
| Actuarial cost method | Entry-age Normal | Entry-age Normal |
| Asset valuation method | 5 Year Smoothed Market | 3 Year Not Available |
| Amortization method | Level Percentage of Projected Payroll - Closed Basis | Level Percentage of Projected Payroll - Closed Basis |
| Amortization period | 26 Years | 27 Years |
| Significant actuarial assumptions | | |
| a) Rate of return on present and future assets | 7.50% Compounded Annually | 7.50% 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 | 5.50% Compounded Annually |
| c) Additional projected Salary increases - seniority/merit | .40 to 11.60% | Not Available |
| 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 | \$ 96,000 | N/A |
| | 2006 | 103,114 | N/A |
| | 2007 | 126,295 | N/A |
| Actual contributions | 2005 | \$ 96,000 | \$ 148,540 |
| | 2006 | 103,114 | 154,241 |
| | 2007 | 126,295 | 155,007 |
| Percentage of APC contributed | 2005 | 100.00% | N/A |
| | 2006 | 100.00% | N/A |
| | 2007 | 100.00% | N/A |
| NPO (asset) | 2005 | \$ - | N/A |
| | 2006 | - | N/A |
| | 2007 | - | N/A |

N/A - not available

A net pension obligation (asset) has not been included in the basic financial statements of the Village, the Village has not retained an independent actuary to prepare a calculation.

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

14. PRIOR PERIOD ADJUSTMENTS

The Village has restated net assets/fund balance of the governmental activities and fund financial statements as of May 1, 2006 as follows:

| | Governmental Activities | General Fund | Other Governmental Funds |
|--|----------------------------|-----------------|--------------------------------|
| NET ASSETS/FUND BALANCES, MAY 1 (as previously reported) | \$ 1,134,060 | \$ 2,119,173 | \$ 631,778 |
| Restated for: | | | |
| a) Correct recording of revenues and expenditures in prior period | (21,428) | (17,782) | (3,646) |
| Subtotal restatements | (21,428) | (17,782) | (3,646) |
| NET ASSETS/FUND BALANCES, MAY 1 (as restated) | \$ 1,112,632 | \$ 2,101,391 | \$ 628,132 |

The net assets of the Waterworks System Fund were restated as of May 1, 2006 as follows:

| | |
|--|--------------|
| NET ASSETS, MAY 1 (as previously reported) | \$ 1,950,274 |
| Restated for: | |
| a) Correct recording of revenues in prior period | (24,546) |
| Subtotal restatements | (24,546) |
| NET ASSETS, MAY 1 (as restated) | \$ 1,925,728 |

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, 2007

| | Original Budget | Final Budget | Actual |
|--|---------------------|---------------------|---------------------|
| REVENUES | | | |
| Taxes | \$ 2,504,130 | \$ 2,504,130 | \$ 2,668,492 |
| Licenses and permits | 474,900 | 474,900 | 418,966 |
| Charges for services | 315,361 | 315,361 | 303,482 |
| Fines and forfeits | 50,100 | 50,100 | 48,804 |
| Investment income | 37,500 | 37,500 | 117,051 |
| Miscellaneous | 31,500 | 31,500 | 56,734 |
| Total revenues | 3,413,491 | 3,413,491 | 3,613,529 |
| EXPENDITURES | | | |
| Current | | | |
| General government | 738,786 | 738,786 | 696,494 |
| Public safety | 1,949,938 | 1,949,938 | 2,069,623 |
| Public works | 539,723 | 539,723 | 521,522 |
| Highways and streets | 407,668 | 407,668 | 435,699 |
| Culture and recreation | 29,711 | 29,711 | 34,637 |
| Debt service | | | |
| Principal | - | - | 10,152 |
| Interest and fiscal charges | - | - | 2,148 |
| Total expenditures | 3,665,826 | 3,665,826 | 3,770,275 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (252,335) | (252,335) | (156,746) |
| OTHER FINANCING SOURCES (USES) | | | |
| Capital lease | - | - | 48,203 |
| Sale of capital assets | 3,300 | 3,300 | 14,060 |
| Transfers in | 4,500 | 4,500 | 4,500 |
| Total other financing sources (uses) | 7,800 | 7,800 | 66,763 |
| NET CHANGE IN FUND BALANCE | \$ (244,535) | \$ (244,535) | (89,983) |
| FUND BALANCE, MAY 1 | | | 2,119,173 |
| Prior period adjustment | | | (17,782) |
| FUND BALANCE, MAY 1, RESTATED | | | 2,101,391 |
| FUND BALANCE, APRIL 30 | | | <u>\$ 2,011,408</u> |

(See independent auditor's report.)

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

April 30, 2007

| Actuarial Valuation Date December 31 | (1) Actuarial Value of Assets | (2) Actuarial Accrued 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) |
|---|--|--|-------------------------------------|---|---------------------------|--|
| 2001 | \$ 2,898,635 | \$ 2,923,452 | 99.15% | \$ 24,817 | \$ 793,237 | 3.13% |
| 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% |

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2007

| Actuarial Valuation Date December 31 | Annual Required Contribution (ARC) | Contribution Made | Contribution Made as a Percentage of Annual Required Contribution |
|---|---|----------------------|--|
| 2001 | \$ 67,187 | \$ 67,187 | 100.00% |
| 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% |

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2007

1. BUDGETS

The budget and appropriation 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 and appropriation ordinance to obtain taxpayer comments.

Prior to August 1, the appropriation ordinance is legally enacted through the passage of an appropriation ordinance. All actual expenditures contained herein have been compared to the annual operating budget, which is the same as the amount appropriated, except for an appropriation for a contingency amount in the appropriations ordinance.

The Board of Trustees may:

By two-thirds vote transfer, within any department, amounts appropriated 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 appropriation.

Adopt a supplemental appropriation 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 appropriation ordinance.

No other appropriation can be adopted during the fiscal year, unless approved by a petition signed by fifty (50) percent of the number of individuals who voted for Village President at the last general municipal election, or by a majority of individuals voting on the question in a regular general election or an emergency referendum.

Management cannot amend the budget and appropriation ordinance. However, expenditures may exceed appropriations at the subobject level. Expenditures that exceed individual appropriations at the object level must be approved by the Board of Trustees, as outline 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. All annual appropriations lapse at fiscal year end.

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.

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, Police Pension Fund, Sewer Service, Motor Fuel Tax, E-911, and Waterworks Funds.

2. EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following schedule reports the appropriations, operating budgets, and actual expenditures/expenses (excluding depreciation) by fund:

| Fund | Final Appropriations | Final Operating Budget | Actual |
|-------------------|-------------------------|------------------------------|--------------|
| General | \$ 3,698,826 | \$ 3,665,826 | \$ 3,770,275 |
| Debt Service | 507,000 | 440,000 | 930,689 |
| Sewer Service | - | 44,000 | 14,878 |
| Motor Fuel Tax | - | 13,400 | - |
| E-911 | - | 34,350 | 32,117 |
| Waterworks System | - | 987,425 | 734,555 |
| Police Pension | - | 351,075 | 360,023 |

**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, 2007

| | Original Budget | Final Budget | Actual |
|-----------------------------|--------------------|-----------------|--------------|
| TAXES | | | |
| Property taxes | \$ 1,840,000 | \$ 1,840,000 | \$ 2,014,702 |
| Total property taxes | 1,840,000 | 1,840,000 | 2,014,702 |
| Other taxes | | | |
| Replacement tax | 33,530 | 33,530 | 34,768 |
| State sales tax | 51,000 | 51,000 | 46,129 |
| State income tax | 200,500 | 200,500 | 215,109 |
| Local use tax | 31,200 | 31,200 | 32,302 |
| Utility tax | 338,000 | 338,000 | 316,029 |
| Miscellaneous tax | 9,900 | 9,900 | 9,453 |
| Total other taxes | 664,130 | 664,130 | 653,790 |
| Total taxes | 2,504,130 | 2,504,130 | 2,668,492 |
| LICENSES AND PERMITS | | | |
| Licenses | | | |
| Vehicle license | 61,000 | 61,000 | 60,431 |
| Animal license | 4,400 | 4,400 | 3,420 |
| Total licenses | 65,400 | 65,400 | 63,851 |
| Permits | | | |
| Building | 325,000 | 325,000 | 277,274 |
| Parking | 35,500 | 35,500 | 34,605 |
| Tree permits | 5,000 | 5,000 | 2,650 |
| Filing fees | - | - | 5,950 |
| Zoning review | - | - | 4,650 |
| Plan review | 44,000 | 44,000 | 29,986 |
| Total permits | 409,500 | 409,500 | 355,115 |
| Total licenses and permits | 474,900 | 474,900 | 418,966 |
| FINES AND FORFEITS | | | |
| Circuit court fines | 15,000 | 15,000 | 9,767 |
| DUI fines | 1,100 | 1,100 | 2,743 |
| Village ordinance fines | 34,000 | 34,000 | 36,294 |
| Total fines and forfeits | 50,100 | 50,100 | 48,804 |

(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, 2007

| | Original Budget | Final Budget | Actual |
|---------------------------------------|---------------------|---------------------|---------------------|
| CHARGES FOR SERVICES | | | |
| Ambulance user fees | \$ 15,000 | \$ 15,000 | \$ 11,796 |
| Elevator user fees | 200 | 200 | - |
| Beach fees | 18,500 | 18,500 | 19,569 |
| Fire and burglar alarm fees | 17,000 | 17,000 | 8,581 |
| Sales of yard waste bags and stickers | 9,000 | 9,000 | 7,165 |
| State highway maintenance | 4,751 | 4,751 | - |
| Special duty detail | 3,500 | 3,500 | 7,379 |
| Waste collection | 157,500 | 157,500 | 158,871 |
| Antenna lease fee | 87,910 | 87,910 | 84,735 |
| Miscellaneous fees | 2,000 | 2,000 | 5,386 |
| | <hr/> | | |
| Total charges for services | 315,361 | 315,361 | 303,482 |
| | <hr/> | | |
| Investment income | 37,500 | 37,500 | 117,051 |
| | <hr/> | | |
| Total investment income | 37,500 | 37,500 | 117,051 |
| | <hr/> | | |
| Miscellaneous | | | |
| Cable television franchise fees | 26,500 | 26,500 | 29,030 |
| Telephone franchise fees | - | - | 5,800 |
| Other income | 5,000 | 5,000 | 21,904 |
| | <hr/> | | |
| Total miscellaneous | 31,500 | 31,500 | 56,734 |
| | <hr/> | | |
| TOTAL REVENUES | \$ 3,413,491 | \$ 3,413,491 | \$ 3,613,529 |

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2007

| | Original Budget | Final Budget | Actual |
|---|--------------------|-----------------|----------------|
| GENERAL GOVERNMENT | | | |
| Administrative | | | |
| Personnel | | | |
| Salaries | | | |
| Regular | \$ 183,874 | \$ 183,874 | \$ 185,462 |
| Overtime | 4,300 | 4,300 | 2,844 |
| Part-time | 19,937 | 19,937 | 18,942 |
| Officials | 100 | 100 | - |
| Employee benefits | | | |
| Medical | 27,183 | 27,183 | 16,666 |
| Dental | 2,027 | 2,027 | 1,546 |
| Life | 525 | 525 | 501 |
| Other benefits | 40,015 | 40,015 | 44,818 |
| Total personnel | <u>277,961</u> | <u>277,961</u> | <u>270,779</u> |
| Contractual services | | | |
| Auditing | 18,500 | 18,500 | 22,608 |
| J.U.L.I.E. fees | - | - | 882 |
| Plan review and inspection | 20,000 | 20,000 | 21,335 |
| Park District services | 4,000 | 4,000 | 4,000 |
| Printing and publishing | 7,250 | 7,250 | 7,266 |
| Telephone | 4,500 | 4,500 | 4,541 |
| Cell phone | - | - | 567 |
| Miscellaneous | 2,000 | 2,000 | 1,483 |
| Professional fees | 143,000 | 143,000 | 116,090 |
| Postage | 6,000 | 6,000 | 5,170 |
| Dues, membership and subscriptions | 5,250 | 5,250 | 7,832 |
| Repair and maintenance of vehicles and equipment | 500 | 500 | - |
| Total contractual services | <u>211,000</u> | <u>211,000</u> | <u>191,774</u> |
| Commodities | | | |
| Office supplies | 4,250 | 4,250 | 3,495 |
| Other supplies | 1,000 | 1,000 | 1,316 |
| Total commodities | <u>5,250</u> | <u>5,250</u> | <u>4,811</u> |
| Other expenses | | | |
| Fuel | 375 | 375 | 480 |
| Recruitment and training | 3,500 | 3,500 | 757 |
| Miscellaneous | 5,000 | 5,000 | 1,016 |
| Auto allowance | 3,600 | 3,600 | 4,450 |
| Total other expenses | <u>12,475</u> | <u>12,475</u> | <u>6,703</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, 2007

| | Original Budget | Final Budget | Actual |
|---|--------------------|-------------------|-------------------|
| GENERAL GOVERNMENT (Continued) | | | |
| Capital outlay | | | |
| Software | \$ 4,400 | \$ 4,400 | \$ 4,044 |
| Machinery and equipment | 2,500 | 2,500 | 1,702 |
| Office furniture | 2,000 | 2,000 | - |
| Computer equipment | 2,750 | 2,750 | 3,811 |
| Total capital outlay | 11,650 | 11,650 | 9,557 |
| Support services | | | |
| Insurance - liability and workers' compensation | 77,000 | 77,000 | 97,608 |
| Village attorney | 135,000 | 135,000 | 109,738 |
| Village prosecutor | 4,200 | 4,200 | 3,850 |
| Maintenance of office equipment | 3,000 | 3,000 | 795 |
| Internet service | 1,250 | 1,250 | 879 |
| Total support services | 220,450 | 220,450 | 212,870 |
| TOTAL GENERAL GOVERNMENT | \$ 738,786 | \$ 738,786 | \$ 696,494 |
| PUBLIC SAFETY | | | |
| Police department | | | |
| Personnel | | | |
| Salaries | | | |
| Regular | \$ 959,905 | \$ 959,905 | \$ 951,017 |
| Police pension contribution | - | - | 154,831 |
| Overtime | 76,000 | 76,000 | 72,963 |
| Part-time | 47,468 | 47,468 | 46,311 |
| Employee benefits | | | |
| Medical | 181,222 | 181,222 | 164,826 |
| Dental | 14,234 | 14,234 | 12,985 |
| Life | 1,600 | 1,600 | 1,564 |
| Other benefits | 45,872 | 45,872 | 49,611 |
| Total personnel | 1,326,301 | 1,326,301 | 1,454,108 |
| Contractual services | | | |
| Maintenance - office equipment | 600 | 600 | 486 |
| Maintenance - outside services | 1,000 | 1,000 | - |
| Printing and publishing | 1,600 | 1,600 | 1,583 |
| Telephone | 11,000 | 11,000 | 11,662 |
| Cellular service | 2,300 | 2,300 | 1,908 |
| LEADS teletype | 5,000 | 5,000 | 3,907 |
| Animal control and health official | 5,040 | 5,040 | 5,040 |

(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, 2007

| | Original Budget | Final Budget | Actual |
|---|--------------------|-----------------|--------------|
| PUBLIC SAFETY (Continued) | | | |
| Police department (Continued) | | | |
| Contractual services (Continued) | | | |
| Postage | \$ 1,000 | \$ 1,000 | \$ 555 |
| Dues, memberships and subscriptions | 20,000 | 20,000 | 16,020 |
| Repair and maintenance of vehicles and equipment | 21,000 | 21,000 | 20,616 |
| Total contractual services | 68,540 | 68,540 | 61,777 |
| Commodities | | | |
| Office supplies | 2,500 | 2,500 | 2,186 |
| Other supplies | 10,000 | 10,000 | 9,906 |
| Uniforms | 16,500 | 16,500 | 14,502 |
| Total commodities | 29,000 | 29,000 | 26,594 |
| Other expenses | | | |
| Auto allowance | 3,600 | 3,600 | 3,600 |
| Fuel | 13,000 | 13,000 | 12,550 |
| Recruitment and training | 24,400 | 24,400 | 17,828 |
| Community service | 2,600 | 2,600 | 2,415 |
| Total other expenses | 43,600 | 43,600 | 36,393 |
| Capital outlay | | | |
| Machinery and equipment | 10,600 | 10,600 | 13,548 |
| Software | 1,800 | 1,800 | 1,169 |
| Computer equipment | 2,000 | 2,000 | 1,733 |
| Vehicles | 23,500 | 23,500 | 22,097 |
| Total capital outlay | 37,900 | 37,900 | 38,547 |
| Total police department | 1,505,341 | 1,505,341 | 1,617,419 |
| Fire department | | | |
| Personnel - salaries - regular | 10,100 | 10,100 | 10,410 |
| Other benefits | 773 | 773 | - |
| Contractual services - fire protection | 433,724 | 433,724 | 433,724 |
| Capital outlay - fire hydrants | - | - | 8,070 |
| Total fire department | 444,597 | 444,597 | 452,204 |
| TOTAL PUBLIC SAFETY | \$ 1,949,938 | \$ 1,949,938 | \$ 2,069,623 |

(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, 2007

| | Original Budget | Final Budget | Actual |
|--|--------------------|-------------------|-------------------|
| PUBLIC WORKS | | | |
| Building and grounds | | | |
| Personnel - maintenance salaries | \$ 5,355 | \$ 5,355 | \$ 5,487 |
| Other benefits | 1,265 | 1,265 | 1,157 |
| Contractual services - outside maintenance | 15,000 | 15,000 | 12,652 |
| Commodities | | | |
| Building repairs - village hall | 15,000 | 15,000 | 14,384 |
| Building repairs - public works | 5,000 | 5,000 | 538 |
| Maintenance and other supplies | 2,000 | 2,000 | 2,655 |
| Heating, electric and water utilities | 125 | 125 | - |
| Total building and grounds | 43,745 | 43,745 | 36,873 |
| Waste removal | | | |
| Personnel - salaries - regular | 66,374 | 66,374 | 66,414 |
| Personnel - salaries - overtime | - | - | 2,057 |
| Medical benefits | 10,667 | 10,667 | 5,839 |
| Dental benefits | 792 | 792 | 537 |
| Other benefits | 14,111 | 14,111 | 14,613 |
| Insurance | 2,200 | 2,200 | 2,364 |
| Contractual services | | | |
| Recycling | 6,000 | 6,000 | 6,000 |
| Waste removal - regular | 125,958 | 125,958 | 128,639 |
| Waste removal - extra | 5,000 | 5,000 | 5,580 |
| Yard waste disposal | 206,876 | 206,876 | 176,665 |
| Leaf pickup | 6,000 | 6,000 | 6,000 |
| Commodities | | | |
| Other supplies | 10,000 | 10,000 | 19,426 |
| Total waste removal | 453,978 | 453,978 | 434,134 |
| Forestry | | | |
| Contractual services | | | |
| Tree planting | 2,000 | 2,000 | - |
| Tree trimming | 20,000 | 20,000 | 19,480 |
| Tree removal | 20,000 | 20,000 | 30,575 |
| Other professional services | - | - | 460 |
| Total forestry | 42,000 | 42,000 | 50,515 |
| TOTAL PUBLIC WORKS | \$ 539,723 | \$ 539,723 | \$ 521,522 |

(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, 2007

| | Original Budget | Final Budget | Actual |
|---|--------------------|-----------------|----------------|
| HIGHWAY AND STREETS | | | |
| Street department | | | |
| Personnel - salaries | | | |
| Regular | \$ 181,812 | \$ 181,812 | \$ 182,065 |
| Overtime | 8,000 | 8,000 | 9,572 |
| Employee benefits | | | |
| Medical | 35,556 | 35,556 | 32,201 |
| Dental | 2,640 | 2,640 | 2,388 |
| Life | 420 | 420 | 304 |
| Other benefits | 38,751 | 38,751 | 41,076 |
| Total street department | <u>267,179</u> | <u>267,179</u> | <u>267,606</u> |
| Contractual services | | | |
| Telephone | 700 | 700 | 784 |
| Cellular service | 500 | 500 | 520 |
| Outside maintenance | 4,000 | 4,000 | 1,600 |
| Repair and maintenance of vehicles and equipment | 10,000 | 10,000 | 10,502 |
| Engineering services | - | - | 1,495 |
| Signs - traffic and streets | 3,500 | 3,500 | 3,092 |
| Maintenance - outside service | 500 | 500 | - |
| Dues, memberships and subscriptions | 500 | 500 | 60 |
| Total contractual services | <u>19,700</u> | <u>19,700</u> | <u>18,053</u> |
| Commodities | | | |
| Office supplies | 400 | 400 | 314 |
| Other supplies | 3,000 | 3,000 | 3,098 |
| Maintenance supplies | 20,000 | 20,000 | 18,717 |
| Equipment rental | 1,000 | 1,000 | - |
| Uniforms | 1,000 | 1,000 | 969 |
| Total commodities | <u>25,400</u> | <u>25,400</u> | <u>23,098</u> |
| Other expenses | | | |
| Auto allowance | 3,600 | 3,600 | 3,600 |
| Recruitment and training | - | - | 100 |
| Fuel | 6,500 | 6,500 | 8,062 |
| Total other expenses | <u>10,100</u> | <u>10,100</u> | <u>11,762</u> |

(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, 2007

| | Original Budget | Final Budget | Actual |
|--|--------------------|-------------------|-------------------|
| HIGHWAY AND STREETS (Continued) | | | |
| Capital outlay | | | |
| Computer equipment | \$ 1,500 | \$ 1,500 | \$ 1,269 |
| Vehicles | 11,280 | 11,280 | 49,321 |
| Street and sidewalk improvement | 15,000 | 15,000 | 12,961 |
| | <hr/> | | |
| Total capital outlay | 27,780 | 27,780 | 63,551 |
| | <hr/> | | |
| Street lighting | | | |
| Personnel - salaries - regular | 22,315 | 22,315 | 22,267 |
| Personnel - salaries - overtime | 250 | 250 | 1,580 |
| Other benefits | 4,744 | 4,744 | 1,759 |
| Contractual services | | | |
| Repairs and maintenance | 1,700 | 1,700 | 2,849 |
| Engineering services | 6,000 | 6,000 | 2,344 |
| Commodities | | | |
| Other supplies | 3,500 | 3,500 | 3,528 |
| Heating, electric and water utilities | 16,500 | 16,500 | 15,424 |
| Other expenses - cabling, posts and lanterns | 2,500 | 2,500 | 1,878 |
| | <hr/> | | |
| Total street lighting | 57,509 | 57,509 | 51,629 |
| | <hr/> | | |
| TOTAL HIGHWAY AND STREETS | \$ 407,668 | \$ 407,668 | \$ 435,699 |
| | <hr/> | | |
| CULTURE AND RECREATION | | | |
| Beach | | | |
| Personnel | | | |
| Salaries | | | |
| Part-time | \$ 22,896 | \$ 22,896 | \$ 25,426 |
| Other benefits | - | - | 2,548 |
| Contractual services | | | |
| Printing and publishing | 525 | 525 | 348 |
| Telephone | 265 | 265 | 322 |
| Miscellaneous | 225 | 225 | 1,110 |
| Laboratory services | 650 | 650 | 514 |
| Commodities | | | |
| Other supplies | 3,000 | 3,000 | 2,606 |
| Other - recruitment and training | 400 | 400 | - |
| Capital outlay | 1,750 | 1,750 | 1,763 |
| | <hr/> | | |
| Total beach | 29,711 | 29,711 | 34,637 |
| | <hr/> | | |
| TOTAL CULTURE AND RECREATION | \$ 29,711 | \$ 29,711 | \$ 34,637 |
| | <hr/> | | |

(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, 2007

| | Original Budget | Final Budget | Alternate Bond and Interest Series 1999 | Refunding Bond and Interest Series 2006 | Refunding Bond and Interest Series 2007 | Total |
|--|--------------------|-----------------|--|--|--|-------------|
| REVENUES | | | | | | |
| Property taxes | \$ 445,000 | \$ 445,000 | \$ - | \$ 451,012 | \$ - | \$ 451,012 |
| Investment income | - | - | 11,827 | 1,125 | - | 12,952 |
| Total revenues | 445,000 | 445,000 | 11,827 | 452,137 | - | 463,964 |
| EXPENDITURES | | | | | | |
| Principal | 425,000 | 425,000 | 225,000 | 425,000 | - | 650,000 |
| Interest | 15,000 | 15,000 | 190,824 | 27,386 | 37,051 | 255,261 |
| Bond issuance costs | - | - | 4,000 | 3,500 | 17,928 | 25,428 |
| Total expenditures | 440,000 | 440,000 | 419,824 | 455,886 | 54,979 | 930,689 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 5,000 | 5,000 | (407,997) | (3,749) | (54,979) | (466,725) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | 92,096 | - | 92,096 |
| Issuance of bonds | - | - | 425,000 | - | 3,765,000 | 4,190,000 |
| Payments to escrow agent | - | - | - | - | (3,675,000) | (3,675,000) |
| Total other financing sources (uses) | - | - | 425,000 | 92,096 | 90,000 | 607,096 |
| NET CHANGE IN FUND BALANCE | \$ 5,000 | \$ 5,000 | 17,003 | 88,347 | 35,021 | 140,371 |
| FUND BALANCE, MAY 1 | | | 214,863 | 206,545 | - | 421,408 |
| FUND BALANCE, APRIL 30 | | | \$ 231,866 | \$ 294,892 | \$ 35,021 | \$ 561,779 |

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF KENILWORTH, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2007

| | Special Revenue | | | Total |
|--|-------------------|-------------------|-------------------|-------------------|
| | Sewer Service | Motor Fuel Tax | E-911 | |
| ASSETS | | | | |
| Cash | \$ 323,935 | \$ 235,082 | \$ 266,521 | \$ 825,538 |
| Accounts receivable | | | | |
| Sewer maintenance charges | 15,756 | - | - | 15,756 |
| Due from other funds | 11,204 | - | - | 11,204 |
| TOTAL ASSETS | \$ 350,895 | \$ 235,082 | \$ 266,521 | \$ 852,498 |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 10,635 | \$ - | \$ 3,571 | \$ 14,206 |
| Due to other funds | - | - | 184 | 184 |
| Total liabilities | 10,635 | - | 3,755 | 14,390 |
| FUND BALANCES | | | | |
| Unreserved, undesignated | 340,260 | 235,082 | 262,766 | 838,108 |
| TOTAL LIABILITIES AND AND FUND BALANCES | \$ 350,895 | \$ 235,082 | \$ 266,521 | \$ 852,498 |

(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, 2007

| | Special Revenue | | | Total |
|--|-----------------|----------------|------------|------------|
| | Sewer Service | Motor Fuel Tax | E-911 | |
| REVENUES | | | | |
| Surcharge revenue | \$ - | \$ - | \$ 73,973 | \$ 73,973 |
| Sewer charges | 84,677 | - | - | 84,677 |
| Intergovernmental | - | 66,438 | - | 66,438 |
| Investment income | 11,667 | 11,596 | 13,120 | 36,383 |
| Total revenues | 96,344 | 78,034 | 87,093 | 261,471 |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | - | - | 32,117 | 32,117 |
| Capital outlay | 14,878 | - | - | 14,878 |
| Total expenditures | 14,878 | - | 32,117 | 46,995 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 81,466 | 78,034 | 54,976 | 214,476 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (out) | - | - | (4,500) | (4,500) |
| NET CHANGE IN FUND BALNCE | 81,466 | 78,034 | 50,476 | 209,976 |
| FUND BALANCES, MAY 1 | 262,440 | 157,048 | 212,290 | 631,778 |
| Prior period adjustment | (3,646) | - | - | (3,646) |
| FUND BALANCES, MAY 1, RESTATED | 258,794 | 157,048 | 212,290 | 628,132 |
| FUND BALANCES, APRIL 30 | \$ 340,260 | \$ 235,082 | \$ 262,766 | \$ 838,108 |

(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, 2007

| | Original Budget | Final Budget | Actual |
|-------------------------------|--------------------|------------------|--------------------------|
| REVENUES | | | |
| Sewer charges | \$ 55,000 | \$ 55,000 | \$ 84,677 |
| Investment income | 8,750 | 8,750 | 11,667 |
| Total revenues | <u>63,750</u> | <u>63,750</u> | <u>96,344</u> |
| EXPENDITURES | | | |
| Current | | | |
| Engineering | 15,000 | 15,000 | - |
| Capital outlay | 29,000 | 29,000 | 14,878 |
| Total expenditures | <u>44,000</u> | <u>44,000</u> | <u>14,878</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 19,750</u> | <u>\$ 19,750</u> | <u>81,466</u> |
| FUND BALANCE, MAY 1 | | | 262,440 |
| Prior period adjustment | | | <u>(3,646)</u> |
| FUND BALANCE, MAY 1, RESTATED | | | <u>258,794</u> |
| FUND BALANCE, APRIL 30 | | | <u><u>\$ 340,260</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, 2007

| | Original Budget | Final Budget | Actual |
|----------------------------|--------------------|------------------|-------------------|
| REVENUES | | | |
| Intergovernmental | \$ 71,000 | \$ 71,000 | \$ 66,438 |
| Investment income | 8,500 | 8,500 | 11,596 |
| Total revenues | <u>79,500</u> | <u>79,500</u> | <u>78,034</u> |
| EXPENDITURES | | | |
| Capital outlay | | | |
| Highways and streets | <u>13,400</u> | <u>13,400</u> | - |
| Total expenditures | <u>13,400</u> | <u>13,400</u> | - |
| NET CHANGE IN FUND BALANCE | <u>\$ 66,100</u> | <u>\$ 66,100</u> | 78,034 |
| FUND BALANCE, MAY 1 | | | <u>157,048</u> |
| FUND BALANCE, APRIL 30 | | | <u>\$ 235,082</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, 2007

| | Original Budget | Final Budget | Actual |
|--|--------------------|------------------|-------------------|
| REVENUES | | | |
| Surcharge revenue | \$ 81,600 | \$ 81,600 | \$ 73,973 |
| Investment income | 6,000 | 6,000 | 13,120 |
| Total revenues | 87,600 | 87,600 | 87,093 |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | 34,350 | 34,350 | 32,117 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | |
| | 53,250 | 53,250 | 54,976 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | (4,500) | (4,500) | (4,500) |
| NET CHANGE IN FUND BALANCE | <u>\$ 48,750</u> | <u>\$ 48,750</u> | 50,476 |
| FUND BALANCE, MAY 1 | | | <u>212,290</u> |
| FUND BALANCE, APRIL 30 | | | <u>\$ 262,766</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, 2007

| | Original Budget | Final Budget | Actual |
|---------------------------------------|--------------------|-----------------|----------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 976,700 | \$ 976,700 | \$ 898,025 |
| Miscellaneous | - | - | 344 |
| Total operating revenues | <u>976,700</u> | <u>976,700</u> | <u>898,369</u> |
| OPERATING EXPENSES | | | |
| Personnel | | | |
| Salaries | | | |
| Regular | 270,638 | 270,638 | 272,630 |
| Overtime | 9,500 | 9,500 | 17,158 |
| Compensated absences | - | - | 5,459 |
| Employee benefits | | | |
| Medical | 72,260 | 72,260 | 64,947 |
| Dental | 5,417 | 5,417 | 4,577 |
| Life | 425 | 425 | 249 |
| Other benefits | 57,194 | 57,194 | 65,287 |
| Total personnel expenses | <u>415,434</u> | <u>415,434</u> | <u>430,307</u> |
| Contractual services | | | |
| Village Attorney | 15,000 | 15,000 | 14,352 |
| Engineering and professional fees | | | |
| Printing and publishing | 1,000 | 1,000 | 1,333 |
| Telephone and internet | 5,200 | 5,200 | 9,222 |
| Outside maintenance | 5,000 | 5,000 | 5,067 |
| Professional services | 5,000 | 5,000 | 5,426 |
| Postage | 2,000 | 2,000 | 1,435 |
| Dues, memberships and subscriptions | 300 | 300 | 292 |
| Equipment rental | 500 | 500 | 153 |
| Repairs and maintenance | 22,500 | 22,500 | 39,063 |
| Total contractual services | <u>56,500</u> | <u>56,500</u> | <u>76,343</u> |
| Commodities | | | |
| Office supplies | 300 | 300 | 306 |
| Other supplies | - | - | 738 |
| Maintenance supplies | 4,000 | 4,000 | 5,989 |
| Heating, electric and water utilities | 22,000 | 22,000 | 32,823 |
| Uniforms | 1,200 | 1,200 | 1,125 |
| Chemicals | 10,000 | 10,000 | 9,784 |
| Sewer use charge | 1,750 | 1,750 | 2,326 |
| Total commodities | <u>39,250</u> | <u>39,250</u> | <u>53,091</u> |

(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, 2007

| | Original Budget | Final Budget | Actual |
|---|--------------------|-------------------|----------------------------|
| OPERATING EXPENSES (Continued) | | | |
| Other expenses | | | |
| Auto allowance | \$ 3,600 | \$ 3,600 | \$ 3,600 |
| Fuel | 2,500 | 2,500 | 3,272 |
| Recruitment and training | 1,000 | 1,000 | 901 |
| Total other expenses | <u>7,100</u> | <u>7,100</u> | <u>7,773</u> |
| Capital outlay | <u>13,000</u> | <u>13,000</u> | <u>11,593</u> |
| Depreciation | <u>-</u> | <u>-</u> | <u>188,899</u> |
| Total operating expenses | <u>531,284</u> | <u>531,284</u> | <u>768,006</u> |
| OPERATING INCOME | <u>445,416</u> | <u>445,416</u> | <u>130,363</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 11,000 | 11,000 | 16,338 |
| Bond interest and fiscal charges | (206,141) | (206,141) | (155,448) |
| Bond principal | (250,000) | (250,000) | - |
| Total nonoperating expenses (expenses) | <u>(445,141)</u> | <u>(445,141)</u> | <u>(139,110)</u> |
| NET INCOME (LOSS) BEFORE TRANSFERS | <u>275</u> | <u>275</u> | <u>(8,747)</u> |
| TRANSFERS | | | |
| Transfers (out) | <u>-</u> | <u>-</u> | <u>(92,096)</u> |
| CHANGE IN NET ASSETS | <u>\$ 445,691</u> | <u>\$ 445,691</u> | <u>(100,843)</u> |
| NET ASSETS, MAY1 | | | 1,950,274 |
| Prior period adjustment | | | <u>(24,546)</u> |
| NET ASSET, MAY 1, RESTATED | | | <u>1,925,728</u> |
| NET ASSETS, APRIL 30 | | | <u><u>\$ 1,824,885</u></u> |

(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, 2007

| | Original Budget | Final Budget | Actual |
|---|--------------------|--------------------|---------------------|
| ADDITIONS | | | |
| Contributions | | | |
| Employer | \$ 160,000 | \$ 160,000 | \$ 155,007 |
| Participants | 60,000 | 60,000 | 79,481 |
| Other | 700 | 700 | 602 |
| Total contributions | <u>220,700</u> | <u>220,700</u> | <u>235,090</u> |
| INVESTMENT INCOME | | | |
| Net appreciation (depreciation) in fair value of investments | - | - | 292,203 |
| Investment income | 84,500 | 84,500 | 133,561 |
| | <u>84,500</u> | <u>84,500</u> | <u>425,764</u> |
| Less investment expense | (3,000) | (3,000) | (2,831) |
| | <u>(3,000)</u> | <u>(3,000)</u> | <u>(2,831)</u> |
| Net investment income | <u>81,500</u> | <u>81,500</u> | <u>422,933</u> |
| Total additions | <u>302,200</u> | <u>302,200</u> | <u>658,023</u> |
| DEDUCTIONS | | | |
| Administrative | 5,075 | 5,075 | 5,437 |
| Pension benefits and refunds | 343,000 | 343,000 | 354,586 |
| | <u>348,075</u> | <u>348,075</u> | <u>360,023</u> |
| Total deductions | <u>348,075</u> | <u>348,075</u> | <u>360,023</u> |
| NET INCREASE | <u>\$ (45,875)</u> | <u>\$ (45,875)</u> | 298,000 |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS | | | |
| MAY 1 | | | <u>5,018,386</u> |
| APRIL 30 | | | <u>\$ 5,316,386</u> |

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF KENILWORTH, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

SCHEDULE OF GENERAL OBLIGATION LIMITED REFUNDING BONDS, SERIES 2006

April 30, 2007

| | |
|-----------------------|---|
| Date of Issue | May 30, 2006 |
| Date of Maturity | December 1, 2007 |
| Authorized Issue | \$425,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 3.950% |
| Paying Agent | J.P. Morgan Trust Company |
| Purpose of Issue | To refund the interest due on June 1, 2006 and the principal due on December 1, 2006 on the outstanding General Obligations, Alternate Revenue Sources, Series 1999 Bonds |
| 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 |
| 2008 | \$ 425,000 | \$ 25,228 | \$ 450,228 | 2007 | \$ 12,614 | 2007 | \$ 12,614 |
| | <u>\$ 425,000</u> | <u>\$ 25,228</u> | <u>\$ 450,228</u> | | <u>\$ 12,614</u> | | <u>\$ 12,614</u> |

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

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

April 30, 2007

| | |
|-----------------------|---|
| 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 |
| 2008 | \$ 115,000 | 184,628 | \$ 299,628 | 2007 | \$ 92,314 | 2007 | \$ 92,314 |
| 2009 | 120,000 | 180,143 | 300,143 | 2008 | 90,071 | 2008 | 90,071 |
| 2010 | 125,000 | 175,463 | 300,463 | 2009 | 87,731 | 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 | 80,126 | 2012 | 80,126 |
| 2014 | 145,000 | 154,793 | 299,793 | 2013 | 77,396 | 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 | 32,786 | 2025 | 32,786 |
| 2027 | 245,000 | 55,820 | 300,820 | 2026 | 27,910 | 2026 | 27,910 |
| 2028 | 255,000 | 45,653 | 300,653 | 2027 | 22,826 | 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>\$ 4,545,000</u> | <u>\$ 2,687,808</u> | <u>\$ 7,232,808</u> | | <u>\$ 1,343,900</u> | | <u>\$ 1,343,900</u> |

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

SCHEDULE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2007

April 30, 2007

| | |
|-----------------------|---|
| 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 | \$ 264,349 | \$ 444,349 | 2008 | \$ 193,960 | 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 | 15,893 |
| 2019 | 415,000 | 16,185 | 431,185 | 2018 | 8,093 | 2018 | 8,093 |
| | <u>\$ 3,765,000</u> | <u>\$ 1,051,927</u> | <u>\$ 4,816,927</u> | | <u>\$ 587,748</u> | | <u>\$ 464,176</u> |

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

April 30, 2007

| Actuarial Valuation Date April 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) |
|---|--|--|-------------------------------------|---|---------------------------|--|
| 2001 | \$ 4,800,268 | \$ 6,512,620 | 73.71% | \$ 1,712,352 | \$ 552,521 | 309.92% |
| 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% |

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.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2007

| 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% |
| 2007 | 221,267 | 155,007 | 70.05% |

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.)