

VILLAGE OF KENILWORTH,
ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2018

VILLAGE OF KENILWORTH, ILLINOIS

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INTRODUCTORY SECTION

VILLAGE OF KENILWORTH, ILLINOIS

**List of Principal Officials
December 31, 2018**

PRESIDENT

Ann Potter

BOARD OF TRUSTEES

Jeff Bedwell
Cecily Kaz
Scott Lien

James R. McClamroch, Jr.
Peter Shadek
Alison Winslow

CLERK

Tim Ransford

VILLAGE ATTORNEY

Hart Passman

TREASURER

Patrick Garvey

VILLAGE MANAGER

Patrick Brennan

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

May 1, 2019

The Honorable Village President
Members of the Board of Trustees
Village of 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 December 31, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 introductory section, combining and individual fund financial statements and budgetary comparison schedules, and supplemental schedules 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 budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2018

Our discussion and analysis of the Village of Kenilworth's financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2018. Please read it in conjunction with the Village's financial statements, which begin on page 17.

FINANCIAL HIGHLIGHTS

- The Village's net position increased as a result of this year's operations. Net position of business-type activities increased by \$6,026, or less than one percent, and net position of the governmental activities increased by \$1,468,256, or 39.5 percent.
- During the year, government-wide revenues for the primary government totaled \$7,761,463 while expenses totaled \$6,287,181 resulting in an increase to net position of \$1,474,282.
- The Village's net position totaled \$4,756,986 on December 31, 2018, which includes \$6,372,879 net investment in capital assets, \$734,564 subject to external restrictions, and (\$2,350,457) unrestricted net position.
- The Village's governmental funds for the year ending December 31, 2018 reported combined ending fund balances of \$7,715,178, which is an increase of \$993,025, over last fiscal year's total of \$6,722,153. Of the \$7,715,178 total, \$2,670,581, or 34.6 percent of the fund balance constitutes unassigned fund balance.
- The General Fund reported a fund balance decrease for the year ending December 31, 2018 of \$126,826 resulting in ending fund balance of \$4,015,325, a decrease of 3.1 percent. This decrease was due to a number of one-time transfers including: \$96,978 to the Police Pension Fund, and \$550,000 to the Capital Improvement Fund for near future capital expenditures.
- Beginning net position was restated due to the Village implementing GASB Statement No. 75.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 17 - 20) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 21. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2018

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 21 - 32 of this report.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's capital assets, is needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and charges for services (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 include general government, highways and streets, police protection, planning and zoning, and economic development. The business-type activities of the Village include waterworks system operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into one of three categories: governmental funds, proprietary funds, and fiduciary funds.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2018

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 evaluating the Village'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 the 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 the comparison between governmental funds and governmental activities.

The Village maintains six individual governmental 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, Debt Service, Capital Projects, and 2023 Capital Infrastructure Improvement Fund, all of which are considered major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. 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 all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21 - 26 of this report.

Proprietary Funds

The Village maintains one proprietary fund type: enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes one enterprise fund to account for its waterworks system operations.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2018

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Proprietary fund financial statements 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 Waterworks System Fund, which is considered to be a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 27 - 30 of this report.

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 statements because the resources of those funds are not available to support the Village of Kenilworth's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 32 - 33 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 - 74 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's General Fund budgetary comparison schedule, disclosures regarding the Village's two pension plans, and the Retiree Benefits Plan. Required supplementary information can be found on pages 75 - 83 of this report. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 84- 106 of this report.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village, assets/deferred outflows exceeded liabilities/deferred inflows by \$4,756,986.

	Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 12,685,207	11,632,750	933,787	813,908	13,618,994	12,446,658
Capital Assets	7,523,848	7,376,636	8,930,356	9,226,232	16,454,204	16,602,868
Total Assets	20,209,055	19,009,386	9,864,143	10,040,140	30,073,198	29,049,526
Deferred Outflows	1,635,688	1,102,767	112,285	23,746	1,747,973	1,126,513
Total Assets/Deferred Outflows	21,844,743	20,112,153	9,976,428	10,063,886	31,821,171	30,176,039
Long-Term Debt	17,090,955	16,135,953	2,709,968	2,705,147	19,800,923	18,841,100
Other Liabilities	1,916,749	1,885,351	234,299	245,120	2,151,048	2,130,471
Total Liabilities	19,007,704	18,021,304	2,944,267	2,950,267	21,951,971	20,971,571
Deferred Inflows	5,086,403	5,498,843	25,811	78,904	5,112,214	5,577,747
Total Liabilities/Deferred Inflows	24,094,107	23,520,147	2,970,078	3,029,171	27,064,185	26,549,318
Net Position						
Net Investment in						
Capital Assets	137,523	(676,144)	6,235,356	6,346,232	6,372,879	5,670,088
Restricted	734,564	591,184	-	-	734,564	591,184
Unrestricted (Deficit)	(3,121,451)	(3,323,034)	770,994	688,483	(2,350,457)	(2,634,551)
Total Net Position	(2,249,364)	(3,407,994)	7,006,350	7,034,715	4,756,986	3,626,721

A portion of the Village's net position, \$6,372,879, reflects its investment in capital assets (for example, land, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village'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.

An additional portion, \$734,564, of the Village's net position represents resources that are subject to external restrictions on how they may be used, specifically for debt service requirements, public safety and highways and streets. The remaining (\$2,350,457) represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF KENILWORTH, ILLINOIS

**Management's Discussion and Analysis
December 31, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2018	2017
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$ 1,223,530	1,160,632	1,002,486	1,056,857	2,226,016	2,217,489
Operating Grants/Contrib.	70,595	112,363	-	-	70,595	112,363
Capital Grants/Contrib.	-	-	-	115,006	-	115,006
General Revenues						
Taxes						
Property	4,467,989	4,402,133	-	-	4,467,989	4,402,133
Replacement	32,308	35,538	-	-	32,308	35,538
State Income	240,660	230,817	-	-	240,660	230,817
State Sales	57,516	39,834	-	-	57,516	39,834
Utility	231,069	221,495	-	-	231,069	221,495
Other	87,926	77,451	-	-	87,926	77,451
Investment Income	143,655	77,951	12,860	3,088	156,515	81,039
Miscellaneous	190,869	236,858	-	-	190,869	236,858
Total Revenues	6,746,117	6,595,072	1,015,346	1,174,951	7,761,463	7,770,023
Expenses						
General Government	621,305	1,077,809	-	-	621,305	1,077,809
Public Works	971,284	698,166	-	-	971,284	698,166
Public Safety	2,780,728	3,253,291	-	-	2,780,728	3,253,291
Highways and Streets	539,696	522,776	-	-	539,696	522,776
Culture and Recreation	45,787	34,355	-	-	45,787	34,355
Interest on Long-Term Debt	319,061	334,895	-	-	319,061	334,895
Waterworks System	-	-	1,009,320	908,961	1,009,320	908,961
Total Expenses	5,277,861	5,921,292	1,009,320	908,961	6,287,181	6,830,253
Change in Net Position						
Before Transfers	1,468,256	673,780	6,026	265,990	1,474,282	939,770
Transfers	-	(324,808)	-	324,808	-	-
Change in Net Position	1,468,256	348,972	6,026	590,798	1,474,282	939,770
Net Position - Beginning as Restated	(3,717,620)	(3,756,966)	7,000,324	6,443,917	3,282,704	2,686,951
Net Position-Ending	(2,249,364)	(3,407,994)	7,006,350	7,034,715	4,756,986	3,626,721

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

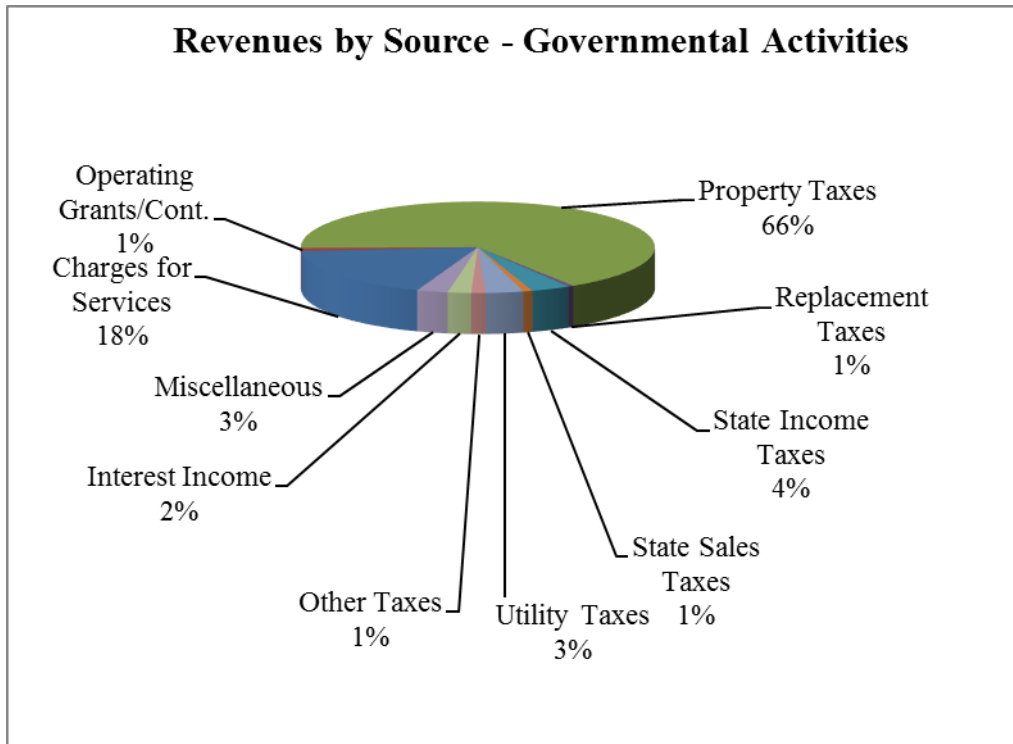
Net position of the Village's governmental activities increased by 39.5 percent (a deficit of \$2,294,364 at December 31, 2018 compared to a restated deficit of \$3,717,620 at December 31, 2017). Unrestricted net position, the part of net position used to finance day-to-day operations without constraints, totaled a deficit of \$3,121,451 at December 31, 2018.

Net position of business-type activities increased by less than one percent (\$7,006,350 at December 31, 2018 compared to \$7,000,324 at December 31, 2017).

Governmental Activities

Revenues for governmental activities totaled \$6,746,117, while the cost of all governmental functions totaled \$5,277,861, resulting in a surplus of \$1,468,256 for the year ended December 31, 2018.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes and state shared revenues to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from utility taxes and telecommunication taxes. The percentage of revenues by source has remained fairly constant from year to year.



VILLAGE OF KENILWORTH, ILLINOIS

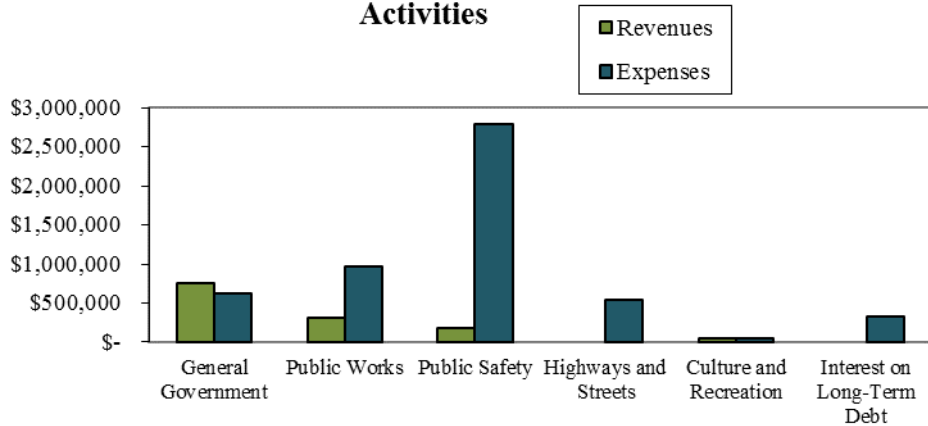
Management's Discussion and Analysis December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues generated by Charges for Services for the program.

Expenses and Program Revenues - Governmental Activities



Business-Type activities

Business-Type activities for the year ended December 31, 2018, reported total revenues of \$1,015,346, while the cost of all business-type activities totaled \$1,009,320, resulting in an increase of \$6,026. The increase for the year is primarily due to the reduction of interest and fiscal charges on the bond payment and an increase to the interest earned on investments. With water now being purchased rather than produced, future expenditures should remain in line with 2018 actuals.

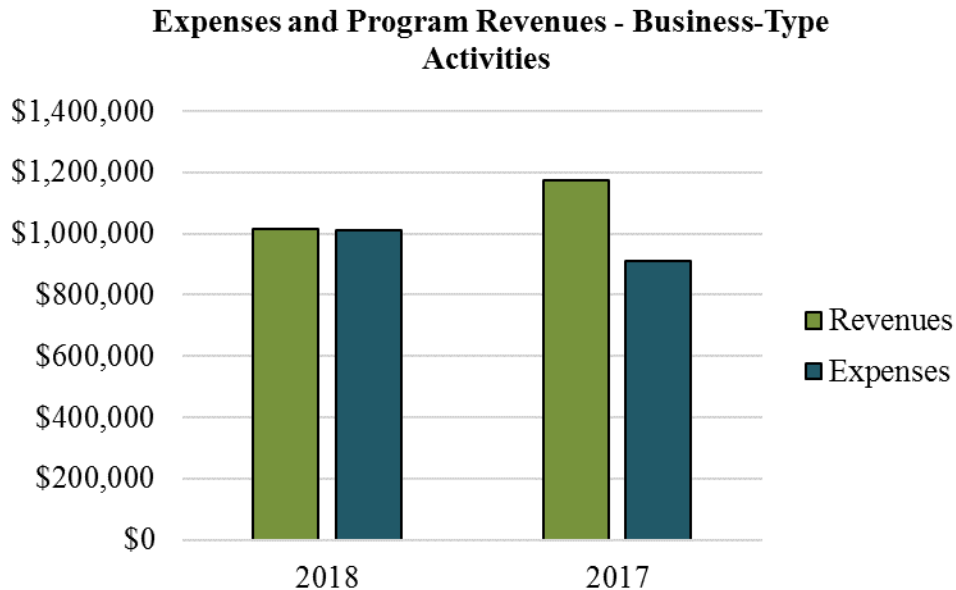
VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Business-Type Activities – Continued

The below graph compares program revenues to expenses for utility operations.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$7,715,178, which is an increase of \$993,025, from last year's total of \$6,722,153. Of the \$7,715,178 total combined fund balances, \$2,670,581, or 34.6 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported fund balance for the year of \$4,015,325, a decrease of 3.1 percent. The decrease in fund balance is primarily due to additional payments made to the Police Pension retirement funds and a transfer to the Capital Improvement Fund.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

The General Fund is the chief operating fund of the Village. At December 31, 2018, unassigned fund balance in the General Fund was \$2,670,581, which represents 66.5 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 63.8 percent of total General Fund expenditures. This is within the targeted Fund Balance of 55-70%.

The Debt Service Fund reported an increase of \$32,481, or 33.7%. The increase was due to a decrease in fiscal charges and an increase in interest income. The fund balance of \$128,864 is restricted for future debt service payments.

During the fiscal year, a General Obligation Limited Bond was issued in the amount of \$975,000. Proceeds in the amount of \$585,000 were reported in the Capital Projects Fund, resulting in ending fund balance of \$1,021,275. The \$390,000 balance of the proceeds were reported in the 2023 Capital Infrastructure Improvement Fund, resulting in ending fund balance of \$1,750,898. Proceeds from the bond are earmarked for capital improvements and other lawful expenditures. During the current year a total of \$793,855 was spent for capital improvements and other long-lived expenditures between these two capital project funds.

The Village implemented the 2023 Capital Infrastructure Improvement Program during fiscal year 2013, at which time the Village issued General Obligation Limited Bonds in the amount of \$9,590,000 to execute the first phase of this three-phase plan. Proceeds from the bond are earmarked for water, sewer, and related roadway improvements. The balance of the fund is intended to be used over the next two years for Phase II of the Kenilworth 2023 Infrastructure Improvement Program.

All other governmental funds of the Village are reported as non-major funds, including the Sewer Service Fund and Motor Fuel Tax Fund. The Sewer Service Fund reported an increase in fund balance of \$13,093 due to an increase in interest income and revenues exceeding expenditures. The Motor Fuel Tax Fund reported an increase of \$76,205, as there was minimal authorized Motor Fuel Tax expenditures for road work during the budgeted year.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Waterworks System Fund as a major proprietary fund that accounts for the provision of water services to the residents of the Village. In the current year, the Waterworks System Fund reported a surplus of \$6,026. The increase for the year is a result of a reduction of interest and fiscal charges and an increase in interest income.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board made three budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$4,802,095, compared to budgeted revenues of \$4,587,665. All areas of revenue, except for intergovernmental, came in over budget for the year ending December 31, 2018.

The General Fund actual expenditures for the year were \$4,185,422, with budgeted expenditures of \$4,238,260. Total expenditures were under budget across all of the General Fund departments with general government, public works, public safety, highways and streets, and capital outlay departments being under budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of December 31, 2018 was \$16,454,204 (net of accumulated depreciation). This investment in capital assets includes land and right of way, building and improvements, machinery and equipment, and sanitary and sewer system.

VILLAGE OF KENILWORTH, ILLINOIS

**Management’s Discussion and Analysis
December 31, 2018**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Capital Assets – Continued

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land and Right of Way	\$ 169,931	169,931	38,648	38,648	208,579	208,579
Construction in Progress	610,157	251,120	-	-	610,157	251,120
Buildings and Improvements	1,103,207	1,161,696	8,739,738	9,020,067	9,842,945	10,181,763
Machinery and Equipment	354,178	410,792	151,970	167,517	506,148	578,309
Sanitary and Sewer System	3,161,921	3,165,939	-	-	3,161,921	3,165,939
Streets	2,124,454	2,217,158	-	-	2,124,454	2,217,158
Totals	7,523,848	7,376,636	8,930,356	9,226,232	16,454,204	16,602,868

This year’s major additions included:

Construction in Progress	\$ 359,037
Macinery and Equipment	40,918
Sanitary and Sewer System	108,053
	<u>508,008</u>

Additional information on the Village’s capital assets can be found in note 3 of this report.

Debt Administration

At year end on December 31, 2018, the Village had total outstanding debt of \$11,420,000 as compared to \$12,145,000 the previous fiscal year ending on December 31, 2017, a decrease of 6.0 percent due to budgeted principal payments. During 2018, the General Obligation Refunding Bonds of 2015B, which were used to construct the Public Works facility, were retired.

The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds - Net	\$ 8,725,000	9,265,000	2,695,000	2,880,000	11,420,000	12,145,000

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration – Continued

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village is \$28,151,927.

Additional information on the Village's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2019 budget, tax rates, and fees that will be charged for its governmental activities. One of those factors is the economy, including unemployment rates, consumer price index projections, etc. Although the Village considers the economy in setting rates and fees during the budget process, the Village does not feel that these economic factors will have significant bearing on Village operations in the coming year.

The Village will continue to remain conservative in its budgeting of both revenue and expenses, until certainty arises regarding the state budget and potential changes to the existing revenue sharing methodology.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Village Manager, Village of Kenilworth, 419 Richmond Road, Kenilworth, IL 60043.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Fund

Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Net Position
December 31, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 7,685,463	741,592	8,427,055
Receivables - Net of Allowances			
Property Taxes	4,631,345	-	4,631,345
Accounts	151,789	192,195	343,984
Prepays	216,610	-	216,610
Total Current Assets	12,685,207	933,787	13,618,994
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	780,088	38,648	818,736
Depreciable Capital Assets	10,303,635	13,165,147	23,468,782
Accumulated Depreciation	(3,559,875)	(4,273,439)	(7,833,314)
Total Noncurrent Assets	7,523,848	8,930,356	16,454,204
Total Assets	20,209,055	9,864,143	30,073,198
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	481,064	112,285	593,349
Deferred Items - Police Pension	1,154,624	-	1,154,624
Total Deferred Outflows of Resources	1,635,688	112,285	1,747,973
Total Assets and Deferred Outflows of Resources	21,844,743	9,976,428	31,821,171

The notes to the financial statements are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 150,895	27,829	178,724
Accrued Interest	23,445	6,738	30,183
Deposits Payable	342,019	7,440	349,459
Current Portion of Long-Term Debt	1,400,390	192,292	1,592,682
Total Current Liabilities	1,916,749	234,299	2,151,048
Noncurrent Liabilities			
Compensated Absences Payable	61,561	9,167	70,728
Net Pension Liability - IMRF	699,251	163,213	862,464
Net Pension Liability - Police	8,579,744	-	8,579,744
Total OPEB Liability - RBP	293,399	32,588	325,987
General Obligation Bonds Payable - Net	7,457,000	2,505,000	9,962,000
Total Noncurrent Liabilities	17,090,955	2,709,968	19,800,923
Total Liabilities	19,007,704	2,944,267	21,951,971
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	4,477,115	-	4,477,115
Deferred Items - IMRF	104,710	24,440	129,150
Deferred Items - Police Pension	492,238	-	492,238
Deferred Items - RBP	12,340	1,371	13,711
Total Deferred Inflows of Resources	5,086,403	25,811	5,112,214
Total Liabilities and Deferred Inflows of Resources	24,094,107	2,970,078	27,064,185
NET POSITION			
Net Investment in Capital Assets	137,523	6,235,356	6,372,879
Restricted - Debt Service	105,419	-	105,419
Restricted - Public Safety	122,339	-	122,339
Restricted - Highways and Streets	506,806	-	506,806
Unrestricted (Deficit)	(3,121,451)	770,994	(2,350,457)
Total Net Position	(2,249,364)	7,006,350	4,756,986

The notes to the financial statements are an integral part of this statement.

VILLAGE OF KENILWORTH, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2018

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 621,305	750,123	-	-
Public Works	971,284	249,058	64,322	-
Public Safety	2,780,728	173,055	6,273	-
Highways and Streets	539,696	-	-	-
Culture and Recreation	45,787	51,294	-	-
Interest on Long-Term Debt	319,061	-	-	-
Total Governmental Activities	5,277,861	1,223,530	70,595	-
Business-Type Activities				
Waterworks System	1,009,320	1,002,486	-	-
Total Primary Government	6,287,181	2,226,016	70,595	-

General Revenues

Taxes

Property Taxes

Replacement Taxes

State Income Taxes

State Sales Taxes

Utility Taxes

Other

Interest Income

Miscellaneous

Change in Net Position

Net Position - Beginning as Restated*

Net Position - Ending

*Restated due to the implementation of GASB Statement No. 75

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
128,818	-	128,818
(657,904)	-	(657,904)
(2,601,400)	-	(2,601,400)
(539,696)	-	(539,696)
5,507	-	5,507
(319,061)	-	(319,061)
(3,983,736)	-	(3,983,736)
-	(6,834)	(6,834)
(3,983,736)	(6,834)	(3,990,570)
4,467,989	-	4,467,989
32,308	-	32,308
240,660	-	240,660
57,516	-	57,516
231,069	-	231,069
87,926	-	87,926
143,655	12,860	156,515
190,869	-	190,869
5,451,992	12,860	5,464,852
1,468,256	6,026	1,474,282
(3,717,620)	7,000,324	3,282,704
(2,249,364)	7,006,350	4,756,986

The notes to the financial statements are an integral part of this statement.

VILLAGE OF KENILWORTH, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2018**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 3,947,502
Receivables - Net of Allowances	
Property Taxes	2,956,920
Accounts	119,438
Prepays	<u>216,610</u>
 Total Assets	 <u><u>7,240,470</u></u>
LIABILITIES	
Accounts Payable	74,820
Due to Other Funds	5,616
Deposits Payable	<u>342,019</u>
Total Liabilities	422,455
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>2,802,690</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>3,225,145</u></u>
FUND BALANCE	
Nonspendable	216,610
Restricted	122,339
Committed	5,795
Assigned	1,000,000
Unassigned	<u>2,670,581</u>
Total Fund Balances	<u><u>4,015,325</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>7,240,470</u></u>

The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Projects		Nonmajor	Totals
	Capital Projects	2023 Capital Infrastructure Improvement		
128,759	1,028,715	1,810,455	770,032	7,685,463
1,674,425	-	-	-	4,631,345
105	827	2,635	28,784	151,789
-	-	-	-	216,610
<u>1,803,289</u>	<u>1,029,542</u>	<u>1,813,090</u>	<u>798,816</u>	<u>12,685,207</u>
-	8,267	62,192	-	145,279
-	-	-	-	5,616
-	-	-	-	342,019
-	8,267	62,192	-	492,914
1,674,425	-	-	-	4,477,115
<u>1,674,425</u>	<u>8,267</u>	<u>62,192</u>	<u>-</u>	<u>4,970,029</u>
-	-	-	-	216,610
128,864	-	-	506,806	758,009
-	-	-	292,010	297,805
-	1,021,275	1,750,898	-	3,772,173
-	-	-	-	2,670,581
<u>128,864</u>	<u>1,021,275</u>	<u>1,750,898</u>	<u>798,816</u>	<u>7,715,178</u>
<u>1,803,289</u>	<u>1,029,542</u>	<u>1,813,090</u>	<u>798,816</u>	<u>12,685,207</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF KENILWORTH, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position - Governmental Activities**

December 31, 2018

Total Governmental Fund Balances \$ 7,715,178

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. 7,523,848

Deferred outflows (inflows) of resources related to the pensions not
reported in the funds.

Deferred Items - IMRF	376,354
Deferred Items - Police Pension	662,386
Deferred Items - RBP	(12,340)

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Compensated Absences Payable	(76,951)
Net Pension Liability - IMRF	(699,251)
Net Pension Liability - Police Pension	(8,579,744)
Total OPEB Liability - RBP	(293,399)
General Obligation Bonds Payable - Net	(8,842,000)
Accrued Interest Payable	(23,445)

Net Position of Governmental Activities (2,249,364)

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2018**

See Following Page

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2018**

	<u>General</u>
Revenues	
Taxes	\$ 3,395,417
Intergovernmental	6,273
Charges for Services	502,900
Licenses and Permits	602,988
Fines and Forfeitures	23,218
Interest Income	80,523
Miscellaneous	190,776
Total Revenues	<u>4,802,095</u>
Expenditures	
Current	
General Government	720,675
Public Works	208,541
Public Safety	2,746,815
Highways and Streets	436,613
Culture and Recreation	45,787
Capital Outlay	26,991
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>4,185,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>616,673</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	3,420
Debt Issuance	-
Transfers In	53,799
Transfers Out	(800,718)
	<u>(743,499)</u>
Net Change in Fund Balances	(126,826)
Fund Balances - Beginning	<u>4,142,151</u>
Fund Balances - Ending	<u><u>4,015,325</u></u>

The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Projects		Nonmajor	Totals
	Capital Projects	2023 Capital Infrastructure Improvement		
1,722,051	-	-	-	5,117,468
-	-	-	64,322	70,595
-	-	-	94,424	597,324
-	-	-	-	602,988
-	-	-	-	23,218
16,991	823	27,793	17,525	143,655
-	90	3	-	190,869
1,739,042	913	27,796	176,271	6,746,117
-	-	-	-	720,675
-	-	-	30,447	238,988
-	-	-	-	2,746,815
-	-	-	427	437,040
-	-	-	-	45,787
-	652,310	141,545	2,300	823,146
1,390,000	-	-	-	1,390,000
316,561	7,500	5,000	-	329,061
1,706,561	659,810	146,545	33,174	6,731,512
32,481	(658,897)	(118,749)	143,097	14,605
-	-	-	-	3,420
-	585,000	390,000	-	975,000
-	800,718	-	-	854,517
-	-	-	(53,799)	(854,517)
-	1,385,718	390,000	(53,799)	978,420
32,481	726,821	271,251	89,298	993,025
96,383	294,454	1,479,647	709,518	6,722,153
128,864	1,021,275	1,750,898	798,816	7,715,178

The notes to the financial statements are an integral part of this statement.

VILLAGE OF KENILWORTH, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities**

For the Fiscal Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 993,025

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	508,008
Depreciation Expense	(360,796)

Deferred outflows (inflows) of resources related to the pensions not
reported in the funds.

Change in Deferred Items - IMRF	881,367
Change in Deferred Items - Police Pension	145,637
Change in Deferred Items - RBP	(12,340)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Decrease in Compensated Absences Payable	10,371
Increase to Net Pension Liability - IMRF	(749,594)
Increase to Net Pension Liability - Police Pension	(388,649)
Decrease in Total OPEB Liability - RBP	16,227
Issuance of Debt	(975,000)
Retirement of Debt	1,390,000
Amortization of Premium on Debt Issuance	8,000

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

2,000

Changes in Net Position of Governmental Activities

1,468,256

The notes to the financial statements are an integral part of this statement.

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2018**

See Following Page

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2018**

	<u>Business-Type Activities Waterworks System</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 741,592
Receivables - Net of Allowances	
Accounts - Billed	91,777
Accounts - Unbilled	<u>100,418</u>
Total Current Assets	<u>933,787</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	38,648
Depreciable Capital Assets	13,165,147
Accumulated Depreciation	<u>(4,273,439)</u>
Total Noncurrent Assets	<u>8,930,356</u>
Total Assets	9,864,143
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>112,285</u>
Total Assets and Deferred Outflows of Resources	<u>9,976,428</u>

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities <u>Waterworks System</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 27,829
Accrued Interest	6,738
Deposits Payable	7,440
Compensated Absences Payable	2,292
General Obligation Bonds Payable	190,000
Total Current Liabilities	<u>234,299</u>
Noncurrent Liabilities	
Compensated Absences Payable	9,167
Net Pension Liability - IMRF	163,213
Total OPEB Liability - RBP	32,588
General Obligation Bonds Payable	2,505,000
Total Noncurrent Liabilities	<u>2,709,968</u>
Total Liabilities	<u>2,944,267</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	24,440
Deferred Items - RBP	1,371
Total Deferred Inflows of Resources	<u>25,811</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,970,078</u>
NET POSITION	
Net Investment in Capital Assets	6,235,356
Unrestricted	770,994
Total Net Position	<u><u>7,006,350</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2018**

	<u>Business-Type Activities Waterworks System</u>
Operating Revenues	
Charges for Services	\$ 994,890
Miscellaneous	7,596
Total Operating Revenues	<u>1,002,486</u>
Operating Expenses	
Operations	627,032
Depreciation	295,876
Total Operating Expenses	<u>922,908</u>
Operating Income	<u>79,578</u>
Nonoperating Revenues (Expenses)	
Interest Income	12,860
Interest and Fiscal Charges	(86,412)
	<u>(73,552)</u>
Change in Net Position	6,026
Net Position - Beginning as Restated	<u>7,000,324</u>
Net Position - Ending	<u><u>7,006,350</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2018**

	<u>Business-Type Activities Waterworks System</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 945,191
Payments to Employees	(160,299)
Payments to Suppliers	(375,217)
	<u>409,675</u>
Cash Flows from Capital and Related Financing Activities	
Interest on Capital Debt	(86,412)
Principal on Capital Debt	(185,000)
	<u>(271,412)</u>
Cash Flows from Investing Activities	
Interest Received	<u>12,860</u>
Net Change in Cash and Cash Equivalents	151,123
Cash and Cash Equivalents - Beginning	<u>590,469</u>
Cash and Cash Equivalents - Ending	<u><u>741,592</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	79,578
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization Expense	295,876
(Increase) Decrease in Current Assets	(57,295)
Increase (Decrease) in Current Liabilities	91,516
Net Cash Provided by Operating Activities	<u><u>409,675</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2018**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 539,820
Investments	
U.S. Treasuries	1,105,664
U.S. Agencies	288,604
Corporate Bonds	2,577,276
State and Local Obligations	73,940
Mutual Funds	2,900,930
Receivables	
Accrued Interest	30,521
Accounts	659
Due to Other Funds	<u>5,616</u>
Total Assets	7,523,030
LIABILITIES	
Accounts Payable	<u>1,028</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>7,522,002</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2018**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 802,000
Contributions - Employee	72,440
Contributions - Other	420
Total Contributions	<u>874,860</u>
Investment Income	
Interest Income	298,472
Net Change in Fair Value	<u>(469,338)</u>
	(170,866)
Less Investment Expenses	<u>(26,045)</u>
Net Investment Income	<u>(196,911)</u>
Total Additions	<u>677,949</u>
Deductions	
Administration	11,826
Benefits and Refunds	<u>699,470</u>
Total Deductions	<u>711,296</u>
Change in Fiduciary Net Position	(33,347)
Net Position Restricted for Pensions	
Beginning	<u>7,555,349</u>
Ending	<u><u>7,522,002</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Kenilworth (Village), Illinois, is a Village in Cook County. The Village is a non home-rule municipality under the 1970 Illinois Constitution. The Village is a municipal corporation governed by an elected board. The Village President and Board of Trustees are elected representatives of the citizens of the Village. The Village's major operations include police and fire safety, highway and street maintenance, building code enforcement, water services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Kenilworth
---------------------	-----------------------

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The Village's sworn 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 elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Financial Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water service is classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public works, public safety, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, income taxes, interest income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains two nonmajor special revenue funds, the Sewer Service Fund and the Motor Fuel Tax Fund.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains two Capital Projects Funds. The Capital Projects Fund is treated as a major fund and accounts for revenues and expenditures relative to the construction of capital improvements. The 2023 Capital Infrastructure Improvement Fund, also a major fund, is used to account for revenues and expenditures related to the Village's 2023 Infrastructure Improvement Program.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Waterworks System Fund. 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 collections.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force.

The Village's pension trust fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the Village, this fund is not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, income taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows,” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays

Prepays are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, and grants. Business-type activities report utility charges as their major receivables.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more (depending on asset class) and an estimated useful life in excess of two years are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings Improvements	10 - 50 Years
Building	40 - 50 Years
Machinery and Equipment	7 - 10 Years
Sanitary and Sewer System	40 - 50 Years
Streets	40 - 50 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Compensated Absences – Continued

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types 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 debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

The Board of Trustees may:

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

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

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

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

The operating budget is the management control for spending. 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 budget amendments 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 General, Debt Service, Capital Projects, Special Revenue, Waterworks System and Police Pension Funds. Capital improvements are budgeted as expenses.

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

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

The financial schedules report management's operating budget in the columns titled original budget and final budget for the General, Debt Service, Capital Projects, 2023 Capital Infrastructure Improvement, Sewer Service, Motor Fuel Tax, Waterworks System and Police Pension Funds.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund type'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.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds. The Village's investment policy limits deposits to financial institutions that are members of the FDIC system are capable of posting collateral for amounts in excess of FDIC insurance.

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits and Investments. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$8,427,034 and the bank balances totaled \$8,396,393. The Village also has \$21 invested in the Illinois Funds at year-end, which is measured at the net asset value per share as determined by the pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy limits its exposure 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. At year-end, the investment in the Illinois Funds has an average maturity of less than one year.

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 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, safety of principal, liquidity and rate of return.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the Village's investment policy further limits investment choices to external investment pools. At year-end, the Village's investment in the Illinois Funds is rated AAAM by Standard & Poor's.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. 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. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk - Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a 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. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not mitigate custodial credit risk for investments. At year-end, the Village's investment in the Illinois Funds is not subject to custodial credit risk.

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$539,820 and the bank balances totaled \$539,282.

Investments. The Fund has the following investment fair values and maturities:

Investment Instrument	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 1,105,664	499,023	606,641	-	-
U.S. Agencies	288,604	-	28,276	214,276	46,052
Corporate Bonds	2,577,276	878,351	1,633,009	65,916	-
State and Local Obligations	73,940	73,940	-	-	-
	4,045,484	1,451,314	2,267,926	280,192	46,052

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk - Continued

The Fund has the following recurring fair value measurements as of December 31, 2018:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
U.S. Treasuries	\$ 1,105,664	1,105,664	-	-
U.S. Agencies	288,604	-	288,604	-
Corporate Bonds	2,577,276	-	2,577,276	-
State and Local Obligations	73,940	-	73,940	-
Equity Securities				
Mutual Funds	2,900,930	2,900,930	-	-
Total Investments by Fair Value Level	6,946,414	4,006,594	2,939,820	-

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund's investment policy limits its exposure 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. It is the policy of the 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 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.

Custodial Credit Risk. The Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by an independent third-party and evidenced by a safekeeping agreement. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Fund's investment policy mitigates custodial credit risk for investments to an extent by SIPC insurance.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. Besides investing in investment instruments authorized under State Statute, the Fund's investment policy further limits credit risk by primarily investing in U.S. Treasury obligations and other obligations which are rated AA or better by a national rating agency. At year-end, the Fund's investment in the U.S. Agencies ratings are not available, the State and Local Obligations are rated A2 through Baa1, and the Corporate Bonds are rated A2 through Baa3, by Moody's Investor Service.

Concentration Risk. The Fund's investment policy requires diversification of investments to avoid unreasonable risk. In addition to the securities and fair values listed above, the Fund also has \$2,900,930 invested in mutual funds. At year-end, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

The following are the target allocation percentages under the policy:

Investment	Minimum	Maximum
Direct U.S. Treasury Securities (Includes STRIPS, CUBES)	0.00 %	100.00 %
Interest Investments, CDs	0.00	30.00
Commercial Paper	0.00	10.00
Investment Pools Established by the State Treasurer	0.00	40.00
Money Market Mutual Funds	0.00	40.00
Equity Investments	0.00	45.00
Government Agency Securities	0.00	80.00
Government Bonds and Warrants	0.00	20.00
Municipal Bonds Rates "A" or Better	0.00	20.00

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	54.00%	3.86%
Equity	44.00%	8.32%
Cash and Cash Equivalents	2.00%	1.05%

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration Risk – Continued. Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in April of 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are listed in the table on the previous page.

Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (2.30%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, 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 are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 2% of the tax levy to reflect actual collection experience.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land and Right of Way	\$ 169,931	-	-	169,931
Construction in Progress	251,120	359,037	-	610,157
	<u>421,051</u>	<u>359,037</u>	<u>-</u>	<u>780,088</u>
Depreciable Capital Assets				
Buildings and Improvements	2,019,134	-	-	2,019,134
Machinery and Equipment	1,243,366	40,918	-	1,284,284
Sanitary and Sewer System	4,574,578	108,053	-	4,682,631
Streets	2,317,586	-	-	2,317,586
	<u>10,154,664</u>	<u>148,971</u>	<u>-</u>	<u>10,303,635</u>
Less Accumulated Depreciation				
Buildings and Improvements	857,438	58,489	-	915,927
Machinery and Equipment	832,574	97,532	-	930,106
Sanitary and Sewer System	1,408,639	112,071	-	1,520,710
Streets	100,428	92,704	-	193,132
	<u>3,199,079</u>	<u>360,796</u>	<u>-</u>	<u>3,559,875</u>
Total Net Depreciable Capital Assets	<u>6,955,585</u>	<u>(211,825)</u>	<u>-</u>	<u>6,743,760</u>
Total Net Capital Assets	<u>7,376,636</u>	<u>147,212</u>	<u>-</u>	<u>7,523,848</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 25,325
Public Works	298,138
Public Safety	<u>37,333</u>
	<u>360,796</u>

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land and Right of Way	\$ 38,648	-	-	38,648
Depreciable Capital Assets				
Building	12,819,341	-	-	12,819,341
Machinery and Equipment	345,806	-	-	345,806
	<u>13,165,147</u>	<u>-</u>	<u>-</u>	<u>13,165,147</u>
Less Accumulated Depreciation				
Building	3,799,274	280,329	-	4,079,603
Machinery and Equipment	178,289	15,547	-	193,836
	<u>3,977,563</u>	<u>295,876</u>	<u>-</u>	<u>4,273,439</u>
Total Net Depreciable Capital Assets	<u>9,187,584</u>	<u>(295,876)</u>	<u>-</u>	<u>8,891,708</u>
Total Net Capital Assets	<u>9,226,232</u>	<u>(295,876)</u>	<u>-</u>	<u>8,930,356</u>

Depreciation expense was charged to business-type as follows:

Waterworks System \$ 295,876

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Police Pension	General	<u>\$ 5,616</u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 53,799 (1)
Capital Projects	General	<u>800,718 (2)</u>
		<u>854,517</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Purpose	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2013 - Due in annual installments of \$280,000 to \$670,000 plus interest at 2.00% to 4.00% through August 15, 2033.	KW2023 Infrastructure Improvement Bond	Debt Service	\$ 8,150,000	-	400,000	7,750,000
General Obligation (Alternate Revenue Source) Refunding Bonds of 2015A - Due in annual installments of \$165,000 to \$265,000 plus interest at 3.00% through December 1, 2030.	Water Plant and Beach Improvements	Waterworks System	2,880,000	-	185,000	2,695,000
General Obligation Refunding Bonds of 2015B - Due in annual installments of \$370,000 to \$400,000 plus interest at 4.00% through December 1, 2018.	Public Works Facility Construction	Debt Service	400,000	-	400,000	-
General Obligation Limited Bonds of 2017 - Due in one installment of \$590,000 plus interest at 1.95% on December 1, 2018.	Annual Capital Bond of 2017	Debt Service	590,000	-	590,000	-
General Obligation Limited Bonds of 2018 - Due in one installment of \$590,000 plus interest at 2.47% on June 1, 2019.	Annual Capital Bond of 2018 and KW 2023 Infrastructure Improvement	Debt Service	-	975,000	-	975,000
			<u>12,020,000</u>	<u>975,000</u>	<u>1,575,000</u>	<u>11,420,000</u>

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 87,322	10,371	20,742	76,951	15,390
Net Pension Liability/(Asset)					
IMRF	(50,343)	749,594	-	699,251	-
Police	8,191,095	388,649	-	8,579,744	-
Total OPEB Liability - RBP	309,626	-	16,227	293,399	
General Obligation Bonds	9,140,000	975,000	1,390,000	8,725,000	1,385,000
Plus: Unamortized Bond Premium	125,000	-	8,000	117,000	-
	<u>17,802,700</u>	<u>2,123,614</u>	<u>1,434,969</u>	<u>18,491,345</u>	<u>1,400,390</u>
Business-Type Activities					
Compensated Absences	12,684	1,225	2,450	11,459	2,292
Net Pension Liability					
IMRF	(5,499)	-	(168,712)	163,213	-
Total OPEB Liability - RBP	34,391	-	1,803	32,588	
General Obligation Bonds	2,880,000	-	185,000	2,695,000	190,000
	<u>2,921,576</u>	<u>1,225</u>	<u>20,541</u>	<u>2,902,260</u>	<u>192,292</u>

For governmental activities, the compensated absences, the net pension liabilities, and the total OPEB liability are liquidated by the General Fund. The general obligation bonds are being liquidated by the Debt Service Fund. For the business-type activities, the compensated absences, the net pension liability, and the total OPEB liability, and the general obligations bonds are liquidated by the Waterworks System Fund.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	General		General	
	Obligation Bonds		Obligation Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 1,385,000	304,751	190,000	80,850
2020	415,000	273,136	195,000	75,150
2021	425,000	263,800	200,000	69,300
2022	440,000	251,050	205,000	63,300
2023	455,000	237,850	215,000	57,150
2024	465,000	224,200	220,000	50,700
2025	485,000	205,600	225,000	44,100
2026	505,000	186,200	235,000	37,350
2027	525,000	166,000	240,000	30,300
2028	545,000	145,000	250,000	23,100
2029	565,000	123,200	255,000	15,600
2030	590,000	100,600	265,000	7,950
2031	615,000	77,000	-	-
2032	640,000	52,400	-	-
2033	670,000	18,909	-	-
	<u>8,725,000</u>	<u>2,629,696</u>	<u>2,695,000</u>	<u>554,850</u>

Legal Debt Margin

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."

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin – Continued

Assessed Valuation - 2017	<u>\$ 326,399,157</u>
Bonded Debt Limit - 8.625% of Assessed Value	28,151,927
Amount of Debt Applicable to Limit	<u>11,420,000</u>
Legal Debt Margin	<u>16,731,927</u>

FUND BALANCE/NET POSITION CLASSIFICATIONS

Fund Balance Classifications

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION CLASSIFICATIONS – Continued

Fund Balance Classifications – Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village’s policy manual states that the General Fund should maintain target fund balance between 55 and 70 percent (6.6 to 8.4 months) of operating expenditures. For the current fiscal year, unassigned fund balance in the General Fund represents approximately 63.8 percent of total General Fund expenditures. Excess fund balance should generally be used for one-time expenditures such as capital projects, abating debt service, or to pay down outstanding obligations such as pension costs, or Other Post-Employment Benefits (OPEB).

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service	Capital Projects		Nonmajor	Totals
			Capital Projects	2023 Capital Infrastructure Improvement		
Fund Balances						
Nonspendable						
Prepays	\$ 216,610	-	-	-	-	216,610
Restricted						
Public Safety	122,339	-	-	-	-	122,339
Debt Service	-	128,864	-	-	-	128,864
Highways and Streets	-	-	-	-	506,806	506,806
	122,339	128,864	-	-	506,806	758,009
Committed						
Tree Replacement	5,795	-	-	-	-	5,795
Sewer Service	-	-	-	-	292,010	292,010
	5,795	-	-	-	292,010	297,805
Assigned						
Capital Projects	1,000,000	-	1,021,275	1,750,898	-	3,772,173
Unassigned	2,670,581	-	-	-	-	2,670,581
Total Fund Balances	4,015,325	128,864	1,021,275	1,750,898	798,816	7,715,178

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION CLASSIFICATIONS – Continued

Net Position Classifications

Net investment in capital assets was comprised of the following as of the fiscal year-end:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 7,523,848
Plus: Unspent Bond Proceeds	1,455,675
Less Capital Related Debt:	
General Obligation Bonds of 2013	(7,750,000)
General Obligation Limited Bonds of 2018	(975,000)
Unamortized Bond Premium	<u>(117,000)</u>
Net Investment in Capital Assets	<u><u>137,523</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	8,930,356
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2015A	<u>(2,695,000)</u>
Net Investment in Capital Assets	<u><u>6,235,356</u></u>

Net Position Restatements

Beginning net position was restated due to the implementation of GASB Statement No. 75. The following is a summary of the net position as originally reported and as restated:

<u>Net Position</u>	<u>As Reported</u>	<u>As Restated</u>	<u>(Decrease)</u>
Governmental Activities	\$ (3,407,994)	(3,717,620)	(309,626)
Business-Type Activities/Water	7,034,715	7,000,324	(34,391)

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

Intergovernmental Risk Management Agency (IRMA)

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through a limited self-insurance program and private insurance coverage. The Village currently reports all its risk management activities in its self-insurance fund.

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

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

North Suburban Employee's Benefit Cooperative (NSEBC)

The Village participates in the North Suburban Employee's Benefit Cooperative (NSEBC), an agency of governmental entities created to finance and administer medical and dental care benefits to employees of its member organizations. Each municipality appoints one representative to serve on the Board of Directors. The Board determines the general policies, which includes approval of the annual budget. Members are contractually obligated to make all monthly payments and to fund any deficit upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Board. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years. The Village reports insurance activities within the General Fund and Waterworks System Fund. The Village's total payments for the year ended December 31, 2018 were \$379,445.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

The Village is currently not a defendant in any lawsuits.

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.

Solid Waste Agency of Northern Cook County (SWANCC)

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

JOINT VENTURES

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 twenty-three municipalities. SWANCC is a municipal corporation and public body politic established pursuant to the Constitution Act of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended.

SWANCC is empowered to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. SWANCC is governed by a Board of Directors which consists of one appointed representative 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. Separate audited financial statements are available at 77 W. Hintz Road, Suite 200 Wheeling, IL 60090.

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. SWANCC has no power to levy taxes.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Solid Waste Agency of Northern Cook County (SWANCC) – Continued

Revenues of the system consist of: (a) all receipts derived from Solid Waste Disposal Contracts or any other contracts for the disposal of waste; (b) all income derived from the investment of monies; and (c) all income, fees, service charges, and all grants, rents, and receipts derived by SWANCC from the ownership and operation of the system.

SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

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 in the Contract. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual cost of 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 SWANCC of its obligations under this Contract.

The payments required to be made by the Village under this Contract are required to be made solely from revenues to be derived by the Village from the operation of the refuse collection system. The Village is not prohibited by the Contract from using any other funds to make the payments required by the Contract. The Contract shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the joint venture agreement, the Village remitted \$27,337 to SWANCC for the year ended December 31, 2018, which is recorded in the Village’s General Fund.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. Separate reports are issued for the Police Pension Plan and can be obtained by writing the Village at 419 Richmond Road, Kenilworth, Illinois 60043. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Eligible employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Eligible employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	17
Inactive Plan Members Entitled to but not yet Receiving Benefits	19
Active Plan Members	<u>10</u>
Total	<u><u>46</u></u>

Contributions. As set by statute, the Village’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2018, the Village’s contribution was 12.97% of covered payroll.

Net Pension Liability. The Village’s net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.39% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.25% and prior valuation used a rate of 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 1,725,916	862,424	135,239

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2017	\$ 7,567,753	7,623,595	(55,842)
Changes for the Year:			
Service Cost	86,244	-	86,244
Interest on the Total Pension Liability	553,396	-	553,396
Difference Between Expected and Actual Experience of the Total Pension Liability	(52,747)	-	(52,747)
Changes of Assumptions	193,520	-	193,520
Contributions - Employer	-	105,802	(105,802)
Contributions - Employees	-	36,709	(36,709)
Net Investment Income	-	(461,808)	461,808
Benefit Payments, including Refunds of Employee Contributions	(464,536)	(464,536)	-
Other (Net Transfer)	-	181,404	(181,404)
Net Changes	315,877	(602,429)	918,306
Balances at December 31, 2018	7,883,630	7,021,166	862,464

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2018, the Village recognized pension revenue of \$261. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 2,691	(41,238)	(38,547)
Change in Assumptions	111,269	(87,912)	23,357
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	479,389	-	479,389
Total Deferred Amounts Related to IMRF	593,349	(129,150)	464,199

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2019	\$ 118,898
2020	83,875
2021	55,766
2022	205,660
2023	-
Thereafter	-
Total	464,199

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum 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 Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At December 31, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	12
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>7</u>
Total	<u><u>19</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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 be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required 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 and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2018, the Village's contribution was 119.28% of covered payroll.

Concentrations. At year-end, the Pension Plan does not have any investments over 5 percent of net position restricted for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.00%
Salary Increases	3.50% - 11.00%
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates are based on the RP-2000 combined healthy mortality projected to the valuation date using scale BB.

Discount Rate

The discount rate used to measure the total pension liability was 6.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liabilities calculated using the discount rate as well as what the net pension liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability	\$ 11,019,038	8,579,744	6,609,916

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 15,746,444	7,555,349	8,191,095
Changes for the Year:			
Service Cost	245,832	-	245,832
Interest on the Total Pension Liability	938,554	-	938,554
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(383,605)	-	(383,605)
Changes of Assumptions	253,991	-	253,991
Contributions - Employer	-	802,000	(802,000)
Contributions - Employees	-	72,440	(72,440)
Contributions - Other	-	420	(420)
Net Investment Income	-	(196,911)	196,911
Benefit Payments, including Refunds of Employee Contributions	(699,470)	(699,470)	-
Administrative Expense	-	(11,826)	11,826
Net Changes	355,302	(33,347)	388,649
Balances at December 31, 2018	16,101,746	7,522,002	8,579,744

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2018, the Village recognized pension expense of \$1,045,012. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 153,360	(329,132)	(175,772)
Change in Assumptions	438,851	(163,106)	275,745
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	562,413	-	562,413
Total Deferred Amounts Related to Police Pension	<u>1,154,624</u>	<u>(492,238)</u>	<u>662,386</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2019	\$ 349,214
2020	117,608
2021	64,538
2022	131,026
2023	-
Thereafter	-
Total	<u>662,386</u>

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village’s defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare, dental and vision benefits for retirees and their dependents. The Retiree is responsible for the full cost of coverage. Retirees may continue Employer sponsored insurance in retirement past Medicare eligibility.

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	3
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>17</u>
Total	<u><u>20</u></u>

Total OPEB Liability

The Village’s total OPEB liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	3.44% to 4.10%
Healthcare Cost Trend Rates	10.31% for 2019 decreasing to an ultimate rate of 5.00% for 2029 and later years
Retirees' Share of Benefit-Related Costs	100% of all benefit-related costs

The discount rate was based on the current reporting valuation date and beginning of year assumptions.

Mortality rates were based on the Sex Distinct Raw Rates and developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2017	<u>\$ 344,017</u>
Changes for the Year:	
Service Cost	6,240
Interest on the Total Pension Liability	11,489
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(15,194)
Benefit Payments	<u>(20,565)</u>
Net Changes	<u>(18,030)</u>
Balance at December 31, 2018	<u><u>325,987</u></u>

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 4.10%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB Liability	\$ 349,660	325,987	304,873

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a Healthcare Trend Rate that varies as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 298,030	325,987	357,681

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Village recognized a OPEB expense of \$16,246. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	-	(13,711)	(13,711)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>-</u>	<u>(13,711)</u>	<u>(13,711)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2019	\$ (1,483)
2020	(1,483)
2021	(1,483)
2022	(1,483)
2023	(1,483)
Thereafter	<u>(6,296)</u>
Total	<u><u>(13,711)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 Police Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
 Illinois Municipal Retirement Fund
 Police Pension Fund

- Schedule of Investment Returns
 Police Pension Fund

- Schedule of Changes in the Employer's Total OPEB Liability
 Retiree Benefits Plan

- Budgetary Comparison Schedule
 General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF KENILWORTH, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2018**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 131,241	\$ 131,241	\$ -	\$ 995,754	13.18%
2016	130,995	130,995	-	960,374	13.64%
2017	106,021	206,021	100,000	817,438	25.20%
2018	105,802	105,802	-	815,749	12.97%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF KENILWORTH, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2018

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 365,391	\$ 355,989	\$ (9,402)	\$ 795,925	44.73%
2015	396,908	800,144	403,236	866,420	92.35%
2016	623,421	705,980	82,559	818,112	86.29%
2017	701,151	940,230	239,079	753,126	124.84%
2018	675,667	802,000	126,333	672,366	119.28%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.50% - 11.00%
Investment Rate of Return	6.00%
Retirement Age	50-70+
Mortality	RP-2000 Combined Healthy Mortality, sex distinct, projected to the valuation date with Scale BB and RP-2000 Disabled Retiree Mortality, sex distinct, projected to the valuation date with Scale BB

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF KENILWORTH, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2018**

See Following Page

VILLAGE OF KENILWORTH, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2018**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 108,893
Interest	525,468
Differences Between Expected and Actual Experience	83,440
Change of Assumptions	8,517
Benefit Payments, Including Refunds of Member Contributions	<u>(389,108)</u>
Net Change in Total Pension Liability	337,210
Total Pension Liability - Beginning	<u>7,165,076</u>
 Total Pension Liability - Ending	 <u><u>7,502,286</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 131,241
Contributions - Members	44,809
Net Investment Income	31,947
Benefit Payments, Including Refunds of Member Contributions	(389,108)
Other (Net Transfer)	<u>171,024</u>
Net Change in Plan Fiduciary Net Position	(10,087)
Plan Net Position - Beginning	<u>6,495,876</u>
 Plan Net Position - Ending	 <u><u>6,485,789</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 1,016,497</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 86.45%
 Covered Payroll	 \$ 995,754
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 102.08%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018
106,764	97,329	86,244
546,105	561,036	553,396
26,778	(32,536)	(52,747)
(24,894)	(254,726)	193,520
(490,052)	(470,337)	(464,536)
164,701	(99,234)	315,877
7,502,286	7,666,987	7,567,753
7,666,987	7,567,753	7,883,630
130,995	206,021	105,802
43,217	36,785	36,709
440,195	1,241,516	(461,808)
(490,052)	(470,337)	(464,536)
128,981	(129,515)	181,404
253,336	884,470	(602,429)
6,485,789	6,739,125	7,623,595
6,739,125	7,623,595	7,021,166
927,862	(55,842)	862,464
87.90%	100.74%	89.06%
960,374	817,438	815,749
96.61%	(6.83%)	105.73%

VILLAGE OF KENILWORTH, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2018**

	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 214,682
Interest	738,778
Differences Between Expected and Actual Experience	521,142
Change of Assumptions	810,192
Benefit Payments, Including Refunds of Member Contributions	(737,524)
Net Change in Total Pension Liability	<u>1,547,270</u>
Total Pension Liability - Beginning	<u>11,734,580</u>
 Total Pension Liability - Ending	 <u><u>13,281,850</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 355,989
Contributions - Members	123,705
Contributions - Other	-
Net Investment Income	238,390
Benefit Payments, Including Refunds of Member Contributions	(737,524)
Administrative Expense	(6,514)
Net Change in Plan Fiduciary Net Position	<u>(25,954)</u>
Plan Net Position - Beginning	<u>6,154,970</u>
 Plan Net Position - Ending	 <u><u>6,129,016</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 7,152,834</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 46.15%
 Covered Payroll	 \$ 795,925
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 898.68%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2015	2016	2017	2018
222,015	281,164	292,789	245,832
777,621	905,465	906,432	938,554
150,138	(165,716)	251,572	(383,605)
1,352,185	(328,672)	(161,876)	253,991
(643,012)	(661,739)	(713,772)	(699,470)
1,858,947	30,502	575,145	355,302
13,281,850	15,140,797	15,171,299	15,746,444
15,140,797	15,171,299	15,746,444	16,101,746
800,144	705,980	940,230	802,000
79,967	81,078	78,082	72,440
-	-	-	420
(21,806)	230,299	580,104	(196,911)
(643,012)	(661,739)	(713,772)	(699,470)
(9,940)	(9,702)	(9,580)	(11,826)
205,353	345,916	875,064	(33,347)
6,129,016	6,334,369	6,680,285	7,555,349
6,334,369	6,680,285	7,555,349	7,522,002
8,806,428	8,491,014	8,191,095	8,579,744
41.84%	44.03%	47.98%	46.72%
866,420	818,112	753,126	672,366
1016.42%	1037.88%	1087.61%	1276.05%

VILLAGE OF KENILWORTH, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2018**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	4.24%
2015	(0.03%)
2016	4.13%
2017	9.20%
2018	(2.30%)

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF KENILWORTH, ILLINOIS

Retiree Benefits Plan

**Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
December 31, 2018**

	2018
Total OPEB Liability	
Service Cost	\$ 6,240
Interest	11,489
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions or Other Inputs	(15,194)
Benefit Payments	(20,565)
Net Change in Total OPEB Liability	(18,030)
Total OPEB Liability - Beginning	344,017
Total OPEB Liability - Ending	325,987
Covered Payroll	\$ 1,578,466
Total OPEB Liability as a Percentage of Covered Payroll	20.65%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	PP0-500	PP0-HDHP
2019	10.31%	10.41%
2020	7.10%	7.20%
2021	6.87%	6.96%
2022	6.63%	6.71%
2023	6.40%	6.47%
2024	6.17%	6.22%
2025	5.93%	5.98%
2026	5.70%	5.73%
2027	5.47%	5.49%
2028	5.23%	5.24%
Ultimate	5.00%	5.00%

In 2018, there was no change in the healthcare trend rates from the prior year.

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 3,313,000	3,299,000	3,395,417
Intergovernmental	1,200	6,273	6,273
Charges for Services	412,550	476,376	502,900
Licenses and Permits	517,200	571,700	602,988
Fines and Forfeitures	33,900	22,900	23,218
Interest Income	30,000	68,500	80,523
Miscellaneous	67,500	142,916	190,776
Total Revenues	<u>4,375,350</u>	<u>4,587,665</u>	<u>4,802,095</u>
Expenditures			
Current			
General Government	833,639	746,139	720,675
Public Works	215,738	212,438	208,541
Public Safety	2,765,627	2,756,827	2,746,815
Highways and Streets	466,916	446,816	436,613
Culture and Recreation	35,591	42,890	45,787
Capital Outlay	29,850	33,150	26,991
Total Expenditures	<u>4,347,361</u>	<u>4,238,260</u>	<u>4,185,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>27,989</u>	<u>349,405</u>	<u>616,673</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	-	3,420
Transfers In	52,915	52,915	53,799
Transfers Out	-	(800,718)	(800,718)
	<u>52,915</u>	<u>(747,803)</u>	<u>(743,499)</u>
Net Change in Fund Balance	<u>80,904</u>	<u>(398,398)</u>	(126,826)
Fund Balance - Beginning			<u>4,142,151</u>
Fund Balance - Ending			<u>4,015,325</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
 - General
 - Debt Service
 - Capital Projects
 - 2023 Capital Infrastructure Improvement - Capital Projects Fund
- Combining Statements – Nonmajor Governmental Special Revenue Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Special Revenue Funds
 - Sewer Service
 - Motor Fuel Tax
- Budgetary Comparison Schedule – Enterprise Fund
 - Waterworks System
- Budgetary Comparison Schedule – Pension Trust Fund
 - Police Pension

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund, a major fund, is used to account for all financial resources except those required to be accounted for in another fund.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Sewer Service Fund

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

Motor Fuel Tax Fund

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.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Capital Projects Fund

The Capital Projects Fund is used to account for revenues and expenditures relative to the construction of capital improvements..

2023 Capital Infrastructure Improvement

The 2023 Capital Infrastructure Improvement Fund is used to account for revenues and expenditures related to the Village's 2023 Infrastructure Improvement Program.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose. The Village's enterprise fund is a major fund.

Waterworks System Fund

The Waterworks System Fund is used to account for the provision of portable water services to 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.

TRUST FUND

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 2,744,500	2,704,500	2,745,938
Other Taxes			
Replacement Taxes	26,000	31,000	32,308
State Sales Taxes	40,000	40,000	57,516
State Income Taxes	237,000	230,000	240,660
Local Use Tax	45,000	65,000	73,821
Utility Tax	210,000	218,000	231,069
Vehicle Tax	500	500	260
Miscellaneous Tax	10,000	10,000	13,845
	568,500	594,500	649,479
Total Taxes	3,313,000	3,299,000	3,395,417
Intergovernmental			
State Grants	1,200	6,273	6,273
Charges for Services			
Ambulance User Fees	28,000	50,000	52,522
Elevator User Fees	250	250	393
Beach Fees	34,000	51,294	51,294
Fire and Burglar Alarm Fees	9,500	5,000	4,875
Yard Waste Stickers	12,000	12,000	10,523
Special Duty Detail	4,200	9,000	9,246
Waste Collections	120,000	120,000	144,111
Antenna Lease Fee	133,500	139,000	139,859
Kenilworth Park District Fees	10,000	3,732	3,732
Surcharge	60,000	85,000	83,194
Miscellaneous Fees	1,100	1,100	3,151
Total Charges for Services	412,550	476,376	502,900

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Licenses and Permits			
Licenses			
Vehicle License	\$ 124,000	124,000	123,856
Animal License	2,000	2,000	2,527
Liquor License	500	500	500
	<u>126,500</u>	<u>126,500</u>	<u>126,883</u>
Permits			
Building	316,000	358,000	371,175
Parking	41,000	46,000	58,143
Tree Permits	500	500	2,825
Filing Fees	2,700	2,700	5,550
Zoning Review	5,500	5,500	5,875
Plan Review	25,000	32,500	32,537
	<u>390,700</u>	<u>445,200</u>	<u>476,105</u>
Total Licenses and Permits	<u>517,200</u>	<u>571,700</u>	<u>602,988</u>
Fines and Forfeitures			
Circuit Court Fees	2,500	2,500	2,392
DUI Fines	400	400	334
Village Ordinance Fines	31,000	20,000	20,492
	<u>33,900</u>	<u>22,900</u>	<u>23,218</u>
Total Fines and Forfeitures	<u>33,900</u>	<u>22,900</u>	<u>23,218</u>
Interest Income	<u>30,000</u>	<u>68,500</u>	<u>80,523</u>
Miscellaneous			
Cable Television Franchise Fees	52,000	52,000	52,695
IRMA Insurance Proceeds	5,000	25,000	67,725
Other Income	10,500	65,916	70,356
	<u>67,500</u>	<u>142,916</u>	<u>190,776</u>
Total Miscellaneous	<u>67,500</u>	<u>142,916</u>	<u>190,776</u>
Total Revenues	<u>4,375,350</u>	<u>4,587,665</u>	<u>4,802,095</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
General Government			
Administrative			
Personnel			
Salaries			
Regular	\$ 292,600	298,600	297,654
Merit - Vacation Buy Back	25,000	25,000	20,215
Employee Benefits			
Medical	34,878	34,878	34,752
Dental	2,869	2,869	2,824
Life	831	831	812
Other Benefits	66,215	66,215	63,626
	<u>422,393</u>	<u>428,393</u>	<u>419,883</u>
Contractual Services			
Auditing	19,000	17,500	17,500
J.U.L.I.E. Fees	1,500	1,500	1,397
Plan Review and Inspections	47,800	47,800	43,240
Printing and Publishing	6,600	6,600	6,273
Telephone	4,000	4,000	3,861
Cell Phone	1,000	1,000	791
Miscellaneous	2,640	2,640	2,655
Professional Fees	94,950	47,450	41,113
Postage	3,600	3,600	2,701
Dues, Memberships and Subscriptions	9,631	9,631	8,985
Repair and Maintenance - Computer Equipment	800	800	59
Repair and Maintenance - Vehicles/Equipment	350	350	278
	<u>191,871</u>	<u>142,871</u>	<u>128,853</u>
Commodities			
Office Supplies	2,500	2,500	2,044
Other Supplies	1,250	1,250	899
	<u>3,750</u>	<u>3,750</u>	<u>2,943</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative - Continued			
Other Expenditures			
Recruitment and Training	\$ 400	400	635
Miscellaneous	4,045	4,045	5,604
Auto Allowance	4,800	4,800	4,800
	<u>9,245</u>	<u>9,245</u>	<u>11,039</u>
Total Administrative	<u>627,259</u>	<u>584,259</u>	<u>562,718</u>
Support Services			
Insurance - Liability and Workers' Compensation	138,000	104,300	104,043
Village Attorney	60,000	51,200	48,180
Village Prosecutor	5,700	3,700	3,762
Maintenance of Office Equipment	1,080	1,080	795
Internet Service	1,600	1,600	1,177
	<u>206,380</u>	<u>161,880</u>	<u>157,957</u>
Total Support Services	<u>206,380</u>	<u>161,880</u>	<u>157,957</u>
Total General Government	<u>833,639</u>	<u>746,139</u>	<u>720,675</u>
Public Works			
Building and Grounds			
Personnel			
Salaries			
Maintenance	13,899	13,899	13,884
Overtime	500	500	462
Merit - Vacation Buy Back	200	200	98
Employee Benefits			
Medical	3,628	3,628	3,628
Dental	300	300	300
Other Benefits	2,998	2,998	2,932
	<u>21,525</u>	<u>21,525</u>	<u>21,304</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Public Works - Continued			
Building and Grounds - Continued			
Contractual Services			
Outside Maintenance	\$ 22,580	22,580	25,606
Commodities			
Building Repairs - Village Hall	6,250	6,250	6,175
Building Repairs - Public Works	5,000	5,000	5,531
Janitorial Supplies	1,800	1,800	1,592
Maintenance and Other Supplies	1,500	1,500	1,518
Heating, Electric and Water Utilities	2,250	2,250	2,882
	16,800	16,800	17,698
Total Building and Grounds	60,905	60,905	64,608
Waste Removal			
Personnel			
Salaries			
Regular	48,197	48,197	47,053
Merit - Vacation Buy Back	4,000	4,000	3,110
Employee Benefits			
Medical	5,199	5,199	4,889
Dental	446	446	419
Other Benefits	10,763	10,763	9,892
	68,605	68,605	65,363
Contractual Services			
Waste Dumping	32,808	32,808	27,337
Leaf Pickup	11,620	8,320	8,300
	44,428	41,128	35,637
Total Waste Removal	113,033	109,733	101,000

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Public Works - Continued			
Forestry			
Contractual Services			
Professional Services	\$ 1,000	1,000	771
Dues, Memberships and Subscriptions	-	-	575
Tree Planting Program	10,000	10,000	11,029
Tree Removal and Trimming	30,000	30,000	29,848
	<u>41,000</u>	<u>41,000</u>	<u>42,223</u>
Commodities			
Maintenance & Construction Supplies	800	800	710
	<u>800</u>	<u>800</u>	<u>710</u>
Total Forestry	<u>41,800</u>	<u>41,800</u>	<u>42,933</u>
Total Public Works	<u>215,738</u>	<u>212,438</u>	<u>208,541</u>
Public Safety			
Police Department			
Personnel			
Salaries			
Regular	790,662	782,662	782,264
Police Pension Contributions	802,000	802,000	802,000
Overtime	45,000	45,000	46,060
Merit - Vacation Buy Back	5,000	16,400	16,286
Part-Time	106,855	106,855	103,264
Employee Benefits			
Medical	154,545	154,545	151,792
Dental	13,071	13,071	11,661
Life	1,494	1,494	1,467
Other Benefits	30,331	30,331	31,637
	<u>1,948,958</u>	<u>1,952,358</u>	<u>1,946,431</u>
Contractual Services			
Maintenance - Office Equipment	200	200	574
Printing and Publishing	500	500	520
Telephone	10,756	10,756	10,736

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Cell Phone	\$ 3,600	3,600	3,266
Outside Maintenance Service	9,308	7,608	6,835
Criminal Justice Connectivity	5,600	5,600	4,949
Animal Control and Health Official	500	500	-
Postage	600	600	291
Dues, Memberships and Subscriptions	8,392	8,392	7,944
Municipal Partnerships	18,265	18,265	18,215
Professional Services - Dispatch	164,672	164,672	164,672
Repair and Maintenance - Computer Equipment	1,000	1,000	771
Repair and Maintenance - Vehicles/Equipment	13,655	13,655	13,280
	<u>237,048</u>	<u>235,348</u>	<u>232,053</u>
Commodities			
Office Supplies	2,954	1,954	1,782
Other Supplies	9,300	6,300	5,057
Uniforms	7,000	7,000	6,337
	<u>19,254</u>	<u>15,254</u>	<u>13,176</u>
Other Expenditures			
Fuel	14,000	12,500	11,986
Recruitment and Training	9,500	9,500	10,567
Miscellaneous	7,200	2,200	1,053
Auto Allowance	4,800	4,800	4,800
Community Service	3,000	3,000	2,165
	<u>38,500</u>	<u>32,000</u>	<u>30,571</u>
Total Police Department	<u>2,243,760</u>	<u>2,234,960</u>	<u>2,222,231</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department			
Personnel			
Salaries			
Regular	\$ 12,704	12,704	12,935
Merit - Vacation Buy Back	-	-	80
Employee Benefits			
Medical	2,119	2,119	2,119
Dental	180	180	180
Other Benefits	184	184	184
	<u>15,187</u>	<u>15,187</u>	<u>15,498</u>
Contractual Services			
Miscellaneous Services	1,200	1,200	1,165
Fire Protection	505,480	505,480	507,921
	<u>506,680</u>	<u>506,680</u>	<u>509,086</u>
Total Fire Department	<u>521,867</u>	<u>521,867</u>	<u>524,584</u>
Total Public Safety	<u>2,765,627</u>	<u>2,756,827</u>	<u>2,746,815</u>
Highways and Streets			
Street Department			
Personnel			
Salaries			
Regular	195,786	195,786	196,616
Overtime	6,500	6,500	6,012
Merit - Vacation Buy Back	2,000	2,000	1,276
Employee Benefits			
Medical	49,203	49,203	49,202
Dental	4,079	4,079	4,079
Life	402	402	401
Other Benefits	42,339	42,339	41,626
	<u>300,309</u>	<u>300,309</u>	<u>299,212</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Street Department - Continued			
Contractual Services			
Telephone	\$ 1,260	1,260	1,364
Cell Phone	1,560	1,560	1,591
Maintenance - Office Equipment	500	500	-
Outside Maintenance	51,500	40,500	34,600
Repair and Maintenance - Vehicles/Equipment	13,500	12,500	10,965
Signs - Traffic and Streets	3,000	3,000	2,141
Equipment Rental	400	400	3,900
Dues, Memberships and Subscriptions	300	300	320
	<u>72,020</u>	<u>60,020</u>	<u>54,881</u>
Commodities			
Office Supplies	300	300	141
Other Supplies	2,000	2,000	204
Heating, Electric and Water Utilities	1,300	1,300	1,579
Maintenance Supplies	13,000	13,000	11,076
Snow Removal Supplies	22,000	22,000	22,830
Uniforms	1,000	1,000	1,449
Safety Equipment	200	200	1,799
	<u>39,800</u>	<u>39,800</u>	<u>39,078</u>
Other Expenditures			
Fuel	6,000	6,000	6,439
Recruitment and Training	2,000	2,000	674
Miscellaneous Expenditure	-	-	17
	<u>8,000</u>	<u>8,000</u>	<u>7,130</u>
Total Street Department	<u>420,129</u>	<u>408,129</u>	<u>400,301</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Street Lighting			
Personnel			
Salaries			
Regular	\$ 13,899	13,899	13,885
Overtime	500	500	462
Merit - Vacation Buy Back	200	200	98
Employee Benefits			
Medical	3,628	3,628	3,628
Dental	300	300	300
Other Benefits	3,010	3,010	2,932
	<u>21,537</u>	<u>21,537</u>	<u>21,305</u>
Contractual Services			
Repairs and Maintenance	6,300	3,800	2,686
Equipment Rental	1,700	1,700	1,374
	<u>8,000</u>	<u>5,500</u>	<u>4,060</u>
Commodities			
Other Supplies	7,000	4,200	3,819
Heating, Electric and Water Utilities	10,000	7,200	6,862
	<u>17,000</u>	<u>11,400</u>	<u>10,681</u>
Other Expenditures			
Fuel	250	250	266
	<u>46,787</u>	<u>38,687</u>	<u>36,312</u>
Total Street Lighting			
	<u>46,787</u>	<u>38,687</u>	<u>36,312</u>
Total Highways and Streets	<u>466,916</u>	<u>446,816</u>	<u>436,613</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Culture and Recreation			
Beach			
Personnel			
Salaries			
Part-Time	\$ 25,000	31,000	32,657
Employee Benefits			
Other Benefits	2,051	2,550	2,669
	<u>27,051</u>	<u>33,550</u>	<u>35,326</u>
Contractual Services			
Printing and Publishing	650	650	681
Telephone	540	540	560
Miscellaneous	5,750	5,750	3,969
Laboratory Services	-	-	490
Equipment Rental	200	200	353
	<u>7,140</u>	<u>7,140</u>	<u>6,053</u>
Commodities			
Other Supplies	1,100	1,100	3,463
Other Expenditures			
Recruitment and Training	300	1,100	945
Total Culture and Recreation	<u>35,591</u>	<u>42,890</u>	<u>45,787</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Capital Outlay			
General Government			
Software	\$ 19,300	19,300	13,953
Computer Equipment	3,550	3,550	5,036
Office Furniture	500	500	100
Machinery and Equipment	-	-	456
	<u>23,350</u>	<u>23,350</u>	<u>19,545</u>
Public Works			
Building and Grounds			
Machinery and Equipment	-	-	1,131
Public Safety			
Police Department			
Vehicle Fund Expense	1,800	-	-
Office Furniture	500	500	-
Machinery and Equipment	1,000	1,000	883
Software	500	500	-
Computer Equipment	500	500	309
	<u>4,300</u>	<u>2,500</u>	<u>1,192</u>
Highways and Streets			
Street Department			
Machinery and Equipment	500	500	-
Software	350	350	-
Computer Equipment	1,200	1,200	80
	<u>2,050</u>	<u>2,050</u>	<u>80</u>
Culture and Recreation			
Beach			
Facilities Improvements	150	150	-
Machinery and Equipment	-	5,100	5,043
	<u>150</u>	<u>5,250</u>	<u>5,043</u>
Total Capital Outlay	<u>29,850</u>	<u>33,150</u>	<u>26,991</u>
Total Expenditures	<u>4,347,361</u>	<u>4,238,260</u>	<u>4,185,422</u>

VILLAGE OF KENILWORTH, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 1,704,336	1,721,336	1,722,051
Interest Income	5,000	17,000	16,991
Total Revenues	<u>1,709,336</u>	<u>1,738,336</u>	<u>1,739,042</u>
Expenditures			
Debt Service			
Principal Retirement	1,395,000	1,390,000	1,390,000
Interest and Fiscal Charges	312,136	317,136	316,561
Total Expenditures	<u>1,707,136</u>	<u>1,707,136</u>	<u>1,706,561</u>
Net Change in Fund Balance	<u>2,200</u>	<u>31,200</u>	32,481
Fund Balance - Beginning			<u>96,383</u>
Fund Balance - Ending			<u>128,864</u>

VILLAGE OF KENILWORTH, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 750	750	823
Miscellaneous	-	-	90
Total Revenues	<u>750</u>	<u>750</u>	<u>913</u>
Expenditures			
Capital Outlay	761,450	1,012,168	652,310
Debt Service			
Interest and Fiscal Charges	-	-	7,500
Total Expenditures	<u>761,450</u>	<u>1,012,168</u>	<u>659,810</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(760,700)</u>	<u>(1,011,418)</u>	<u>(658,897)</u>
Other Financing Sources			
Debt Issuance	594,000	577,500	585,000
Transfers In	-	800,718	800,718
	<u>594,000</u>	<u>1,378,218</u>	<u>1,385,718</u>
Net Change in Fund Balance	<u>(166,700)</u>	<u>366,800</u>	726,821
Fund Balance - Beginning			<u>294,454</u>
Fund Balance - Ending			<u><u>1,021,275</u></u>

VILLAGE OF KENILWORTH, ILLINOIS

2023 Capital Infrastructure Improvement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	7,000	20,600	27,793
Miscellaneous	-	-	3
Total Revenues	<u>7,000</u>	<u>20,600</u>	<u>27,796</u>
Expenditures			
Capital Outlay	241,500	241,500	141,545
Debt Service			
Interest and Fiscal Charges	-	-	5,000
Total Expenditures	<u>241,500</u>	<u>241,500</u>	<u>146,545</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(234,500)	(220,900)	(118,749)
Other Financing Sources			
Debt Issuance	-	385,000	390,000
Net Change in Fund Balance	<u>(234,500)</u>	<u>164,100</u>	271,251
Fund Balance - Beginning			<u>1,479,647</u>
Fund Balance - Ending			<u>1,750,898</u>

VILLAGE OF KENILWORTH, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Balance Sheet
December 31, 2018**

	Sewer Service	Motor Fuel Tax	Totals
ASSETS			
Cash and Investments	\$ 269,117	500,915	770,032
Receivables - Net of Allowances Accounts	22,893	5,891	28,784
Total Assets	<u>292,010</u>	<u>506,806</u>	<u>798,816</u>
FUND BALANCES			
Restricted	-	506,806	506,806
Committed	292,010	-	292,010
Total Fund Balances	<u>292,010</u>	<u>506,806</u>	<u>798,816</u>

VILLAGE OF KENILWORTH, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2018**

	Sewer Service	Motor Fuel Tax	Totals
Revenues			
Intergovernmental	\$ -	64,322	64,322
Charges for Services	94,424	-	94,424
Interest Income	5,215	12,310	17,525
Total Revenues	<u>99,639</u>	<u>76,632</u>	<u>176,271</u>
Expenditures			
Current			
Public Works	30,447	-	30,447
Highways and Streets	-	427	427
Capital Outlay	2,300	-	2,300
Total Expenditures	<u>32,747</u>	<u>427</u>	<u>33,174</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	66,892	76,205	143,097
Other Financing (Uses)			
Transfers Out	<u>(53,799)</u>	-	<u>(53,799)</u>
Net Change in Fund Balances	13,093	76,205	89,298
Fund Balances - Beginning	<u>278,917</u>	<u>430,601</u>	<u>709,518</u>
Fund Balances - Ending	<u>292,010</u>	<u>506,806</u>	<u>798,816</u>

VILLAGE OF KENILWORTH, ILLINOIS

Sewer Service - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Sewer Charges	\$ 87,000	95,500	94,424
Interest Income	1,700	1,700	5,215
Total Revenues	<u>88,700</u>	<u>97,200</u>	<u>99,639</u>
Expenditures			
Public Works			
Outside Maintenance Services	21,000	26,000	25,305
Repair and Maintenance - Vehicles/Equipment	2,500	2,500	1,756
Engineering	8,000	3,000	-
Other Supplies	150	150	-
Maintenance and Construction Supplies	2,000	2,000	2,386
Permit Fee	1,000	1,000	1,000
Capital Outlay	7,500	7,500	2,300
Total Expenditures	<u>42,150</u>	<u>42,150</u>	<u>32,747</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	46,550	55,050	66,892
Other Financing (Uses)			
Transfers Out	<u>(53,799)</u>	<u>(53,799)</u>	<u>(53,799)</u>
Net Change in Fund Balance	<u>(7,249)</u>	<u>1,251</u>	13,093
Fund Balance - Beginning			<u>278,917</u>
Fund Balance - Ending			<u><u>292,010</u></u>

VILLAGE OF KENILWORTH, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Allotment	\$ 58,000	64,300	64,322
Interest Income	2,000	11,400	12,310
Total Revenues	60,000	75,700	76,632
Expenditures			
Highways and Streets	15,913	15,913	427
Net Change in Fund Balance	44,087	59,787	76,205
Fund Balance - Beginning			430,601
Fund Balance - Ending			506,806

VILLAGE OF KENILWORTH, ILLINOIS

Waterworks System - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,010,000	1,002,000	994,890
Miscellaneous	4,650	4,650	7,596
Total Operating Revenues	<u>1,014,650</u>	<u>1,006,650</u>	<u>1,002,486</u>
Operating Expenses			
Operations			
Personnel	229,484	229,484	257,673
Contractual Services	374,986	384,986	331,309
Commodities	54,270	44,270	30,309
Other Expenses	15,250	15,250	7,741
Depreciation	-	-	295,876
Total Operating Expenses	<u>673,990</u>	<u>673,990</u>	<u>922,908</u>
Operating Income	<u>340,660</u>	<u>332,660</u>	<u>79,578</u>
Nonoperating Revenues (Expenses)			
Interest Income	1,200	11,000	12,860
Interest and Fiscal Charges	(86,875)	(86,875)	(86,412)
	<u>(85,675)</u>	<u>(75,875)</u>	<u>(73,552)</u>
Change in Net Position	<u>254,985</u>	<u>256,785</u>	6,026
Net Position - Beginning as Restated			<u>7,000,324</u>
Net Position - Ending			<u><u>7,006,350</u></u>

VILLAGE OF KENILWORTH, ILLINOIS

Waterworks System - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Operations			
Personnel			
Salaries			
Regular	\$ 160,311	160,311	157,987
Overtime	2,500	2,500	2,312
Merit - Vacation Buy Back	2,000	2,000	8,266
Employee Benefits			
Medical	28,151	28,151	27,633
Dental	2,351	2,351	2,331
Life	115	115	114
Other Benefits	34,056	34,056	59,030
Total Personnel	229,484	229,484	257,673
Contractual Services			
Village Attorney	3,000	3,000	-
Printing and Publishing	775	775	-
Telephone and Internet	3,840	3,840	2,189
Outside Maintenance	7,700	7,700	5,616
Equipment Maintenance	2,000	2,000	924
Laboratory Services	1,500	1,500	1,642
Professional Services	2,600	2,600	4,044
Postage	1,700	1,700	1,979
Equipment Rental	250	250	61
Miscellaneous Services	731	731	1,017
Engineering	30,000	30,000	11,984
Repairs and Maintenance - Vehicles/Equipment	1,500	1,500	1,916
Repairs and Maintenance - Hydrant/Valve	4,200	9,700	7,521
Repairs and Maintenance - Water Mains	35,000	90,000	83,531
Purchase of Potable Water	280,190	229,690	208,885
Total Contractual Services	374,986	384,986	331,309

VILLAGE OF KENILWORTH, ILLINOIS

Waterworks System - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Operations - Continued			
Commodities			
Office Supplies	\$ 100	100	-
Other Supplies	1,050	1,050	286
Maintenance Supplies	29,000	24,000	16,460
Heating, Electric and Water Utilities	22,920	17,920	12,385
Uniforms	1,000	1,000	1,178
Chemicals	200	200	-
Total Commodities	54,270	44,270	30,309
Other Expenses			
Fuel	2,000	2,000	2,152
Recruitment and Training	750	750	210
Machinery and Equipment	12,500	12,500	5,379
Total Other Expenses	15,250	15,250	7,741
Depreciation	-	-	295,876
Debt Service			
Principal Retirement	185,000	185,000	185,000
Interest and Fiscal Charges	86,875	86,875	86,412
	271,875	271,875	271,412
Less Nonoperating Items			
Debt Service	(271,875)	(271,875)	(271,412)
Total Debt Service	-	-	-
Total Operating Expenses	673,990	673,990	922,908

VILLAGE OF KENILWORTH, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 802,000	802,000	802,000
Contributions - Employee	70,000	70,000	72,440
Contributions - Other	300	300	420
Total Contributions	<u>872,300</u>	<u>872,300</u>	<u>874,860</u>
Investment Income			
Interest Income	130,000	175,000	298,472
Net Change in Fair Value	100,000	91,000	(469,338)
	<u>230,000</u>	<u>266,000</u>	<u>(170,866)</u>
Less Investment Expenses	(25,000)	(25,000)	(26,045)
Net Investment Income	<u>205,000</u>	<u>241,000</u>	<u>(196,911)</u>
Total Additions	<u>1,077,300</u>	<u>1,113,300</u>	<u>677,949</u>
Deductions			
Administration	13,553	13,553	11,826
Benefits and Refunds	757,821	757,821	699,470
Total Deductions	<u>771,374</u>	<u>771,374</u>	<u>711,296</u>
Change in Fiduciary Net Position	<u>305,926</u>	<u>341,926</u>	(33,347)
Net Position Restricted for Pensions			
Beginning			<u>7,555,349</u>
Ending			<u>7,522,002</u>

VILLAGE OF KENILWORTH, ILLINOIS

Consolidated Year-End Financial Report

December 31, 2018

CSFA #	Program Name	State	Federal	Other	Total
482-00-0258	Environmental Health Beach Grant	\$ -	583	-	583
494-00-1488	Motor Fuel Tax Program	427	-	-	427
494-42-0495	Local Surface Transportation Program	995	-	-	995
	Other Grant Programs and Activities	-	-	-	-
	All Other Costs Not Allocated	-	-	6285176	6,285,176
	Totals	1,422	583	6,285,176	6,287,181

SUPPLEMENTAL SCHEDULES

VILLAGE OF KENILWORTH, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Bonds of 2013
December 31, 2018**

Date of Issue	August 15, 2013
Date of Maturity	August 15, 2033
Purpose	KW2023 Infrastructure Improvement Bond
Authorized Issue	\$9,590,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2019	\$ 410,000	281,338	691,338	2019	140,669	2019	140,669
2020	415,000	273,136	688,136	2020	136,568	2020	136,568
2021	425,000	263,800	688,800	2021	131,900	2021	131,900
2022	440,000	251,050	691,050	2022	125,525	2022	125,525
2023	455,000	237,850	692,850	2023	118,925	2023	118,925
2024	465,000	224,200	689,200	2024	112,100	2024	112,100
2025	485,000	205,600	690,600	2025	102,800	2025	102,800
2026	505,000	186,200	691,200	2026	93,100	2026	93,100
2027	525,000	166,000	691,000	2027	83,000	2027	83,000
2028	545,000	145,000	690,000	2028	72,500	2028	72,500
2029	565,000	123,200	688,200	2029	61,600	2029	61,600
2030	590,000	100,600	690,600	2030	50,300	2030	50,300
2031	615,000	77,000	692,000	2031	38,500	2031	38,500
2032	640,000	52,400	692,400	2032	26,200	2032	26,200
2033	670,000	18,909	688,909	2033	13,400	2033	5,509
	<u>7,750,000</u>	<u>2,606,283</u>	<u>10,356,283</u>		<u>1,307,087</u>		<u>1,299,196</u>

VILLAGE OF KENILWORTH, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation (Alternate Revenue Source) Refunding Bonds of 2015A
December 31, 2018**

Date of Issue	October 21, 2015
Date of Maturity	December 1, 2030
Purpose	Water Plant and Beach Improvements
Authorized Issue	\$3,225,000
Denomination of Bonds	\$5,000
Interest Rate	3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2019	\$ 190,000	80,850	270,850	2019	40,425	2019	40,425
2020	195,000	75,150	270,150	2020	37,575	2020	37,575
2021	200,000	69,300	269,300	2021	34,650	2021	34,650
2022	205,000	63,300	268,300	2022	31,650	2022	31,650
2023	215,000	57,150	272,150	2023	28,575	2023	28,575
2024	220,000	50,700	270,700	2024	25,350	2024	25,350
2025	225,000	44,100	269,100	2025	22,050	2025	22,050
2026	235,000	37,350	272,350	2026	18,675	2026	18,675
2027	240,000	30,300	270,300	2027	15,150	2027	15,150
2028	250,000	23,100	273,100	2028	11,550	2028	11,550
2029	255,000	15,600	270,600	2029	7,800	2029	7,800
2030	265,000	7,950	272,950	2030	3,975	2030	3,975
	<u>2,695,000</u>	<u>554,850</u>	<u>3,249,850</u>		<u>277,425</u>		<u>277,425</u>

VILLAGE OF KENILWORTH, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Limited Bonds of 2018
December 31, 2018**

Date of Issue	December 11, 2018
Date of Maturity	June 1, 2019
Purpose	Annual Capital Bond of 2018 and KW 2023 Infrastructure Improvement
Authorized Issue	\$975,000
Denomination of Bonds	\$5,000
Interest Rate	2.47%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	North Shore Community Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2018	<u>\$ 975,000</u>	<u>23,413</u>	<u>998,413</u>	2018	<u>11,372</u>	2018	<u>12,041</u>