



VILLAGE OF KENILWORTH, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2020



SIKICH.COM

VILLAGE OF KENILWORTH, ILLINOIS
TABLE OF CONTENTS

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

VILLAGE OF KENILWORTH, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)	
Basic Financial Statements (Continued)	
Fund Financial Statements (Continued)	
Fiduciary Fund	
Statement of Fiduciary Net Position	15
Statement of Changes in Fiduciary Net Position	16
Notes to Financial Statements	17-54
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	55
Illinois Municipal Retirement Fund	
Schedule of Employer Contributions	56
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	57-58
Police Pension Fund	
Schedule of Employer Contributions	59
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	60-61
Schedule of Investment Returns	62
Other Postemployment Benefit Plan	
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	63
Notes to Required Supplementary Information	64-65
 COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
 MAJOR GOVERNMENTAL FUNDS	
Schedule of Revenues - Budget and Actual - General Fund	66-67
Schedule of Expenditures - Budget and Actual - General Fund	68-75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Debt Service Fund	76
Capital Projects Fund	77

VILLAGE OF KENILWORTH, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
COMBINING AND INDIVIDUAL FUND	
FINANCIAL STATEMENTS AND SCHEDULES (Continued)	
NONMAJOR GOVERNMENTAL FUNDS	
Combining Balance Sheet	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	79
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Sewer Service Fund	80
Motor Fuel Tax Fund	81
Green Bay Road TIF Fund	82
2023 Capital Infrastructure Improvement	83
ENTERPRISE FUND	
Waterworks System Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	84
Schedule of Operating Expenses - Budget and Actual.....	85
FIDUCIARY FUND	
Schedule of Changes in Plan Net Position - Budget and Actual	
Police Pension Fund	86
SUPPLEMENTAL INFORMATION	
Long-Term Debt Requirements	
General Obligation Taxable Bonds of 2013.....	87
General Obligation (Alternative Revenue Source) Refunding Bonds of 2015A.....	88
General Obligation Refunding Bonds of 2020	89

INTRODUCTORY SECTION

VILLAGE OF KENILWORTH, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2020

PRESIDENT

Ann Potter

BOARD OF TRUSTEES

Jeff Bedwell
Cecily Kaz
Scott Lien

Tim Ransford
Peter Shadek
Alison Winslow

DEPUTY CLERK

Patrick Brennan

VILLAGE ATTORNEY

Ben Schuster

TREASURER

Patrick Garvey

VILLAGE MANAGER

Patrick Brennan

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable 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 (the Village), as of and for the year ended December 31, 2020, and the related notes to 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 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 from 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Kenilworth, Illinois as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The accompanying combining and individual fund financial statements and schedules, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The 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 information is 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.

Sikich LLP

Naperville, Illinois
June 10, 2021

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2020

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, 2020. Please read it in conjunction with the Village's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village's net position increased as a result of this year's operations. Net position of business-type activities increased by \$195,449, or 2.4 percent, and net position of the governmental activities increased by \$1,833,955, or 77.8 percent.
- During the year, government-wide revenues for the primary government totaled \$8,154,433 while expenses totaled \$6,125,029 resulting in an increase to net position of \$2,029,404.
- The Village's net position totaled \$7,795,195 on December 31, 2020, which includes \$9,965,783 net investment in capital assets, \$1,401,322 subject to external restrictions, and (\$3,571,910) unrestricted net position.
- The Village's governmental funds for the year ending December 31, 2020 reported combined ending fund balances of \$8,405,955, which is an increase of \$996,063, over last fiscal year's total of \$7,135,546. Of the \$8,405,955 total, \$2,904,671, or 34.6 percent of the fund balance constitutes unassigned fund balance, a decrease of 2.2 percent from the prior year.
- The General Fund reported a fund balance increase for the year ending December 31, 2020 of \$389,829, resulting in ending fund balance of \$4,378,365, an increase of 9.8%. This increase was due to revenues that came in stronger than anticipated and overall cost controlling measures implemented during the year.

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 3-6) 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 7. 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, 2020

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 3 - 6 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, 2020

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 seven 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, and Capital Projects Funds, all of which are considered major funds. Data from the other four 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 7 - 10 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, 2020

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 11 - 14 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 15 - 16 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 17 - 54 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 55 - 65 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 66- 86 of this report.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2020

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 \$7,795,195.

	Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 14,218,063	12,176,707	1,357,084	1,122,661	15,575,147	13,299,368
Capital Assets	7,545,541	7,673,729	9,458,742	9,721,852	17,004,283	17,395,581
Total Assets	21,763,604	19,850,436	10,815,826	10,844,513	32,579,430	30,694,949
Deferred Outflows	189,433	304,449	15,053	12,983	204,486	317,432
Total Assets/Deferred Outflows	21,953,037	20,154,885	10,830,879	10,857,496	32,783,916	31,012,381
Long-Term Debt	14,776,934	15,451,701	2,154,841	2,356,256	16,931,775	17,807,957
Other Liabilities	2,153,603	1,950,522	259,219	333,032	2,412,822	2,283,554
Total Liabilities	16,930,537	17,402,223	2,414,060	2,689,288	19,344,597	20,091,511
Deferred Inflows	5,545,122	5,109,239	99,002	45,840	5,644,124	5,155,079
Total Liabilities/Deferred Inflows	22,475,659	22,511,462	2,513,062	2,735,128	24,988,721	25,246,590
Net Position						
Net Investment in						
Capital Assets	507,041	212,229	9,458,742	7,216,852	9,965,783	7,429,081
Restricted	1,401,322	811,908	-	-	1,401,322	811,908
Unrestricted (Deficit)	(2,430,985)	(3,380,714)	(1,140,925)	905,516	(3,571,910)	(2,475,198)
Total Net Position	(522,622)	(2,356,577)	8,317,817	8,122,368	7,795,195	5,765,791

A portion of the Village's net position, \$9,965,783, 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, \$1,401,322, 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 (\$3,571,910) 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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2020	2019
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	\$ 1,115,790	1,051,403	1,080,622	943,414	2,196,412	1,994,817
Operating Grants/Contrib.	185,560	83,605	-	-	185,560	83,605
Capital Grants/Contrib.	32,704	-	20,662	1,101,488	53,366	1,101,488
General Revenues						
Taxes						
Property	4,619,185	4,329,653	-	-	4,619,185	4,329,653
Replacement	35,897	40,166	-	-	35,897	40,166
State Income	273,085	267,482	-	-	273,085	267,482
State Sales	65,499	52,425	-	-	65,499	52,425
Utility	190,249	209,330	-	-	190,249	209,330
Other	136,951	100,899	-	-	136,951	100,899
Investment Income	52,090	157,951	6,313	17,783	58,403	175,734
Miscellaneous	332,978	194,532	6,848	-	339,826	194,532
Total Revenues	7,039,988	6,487,446	1,114,445	2,062,685	8,154,433	8,550,131
Expenses						
General Government	820,790	893,806	-	-	820,790	893,806
Public Works	427,552	1,822,751	-	-	427,552	1,822,751
Public Safety	2,839,370	3,041,507	-	-	2,839,370	3,041,507
Highways and Streets	752,892	485,196	-	-	752,892	485,196
Culture and Recreation	71,082	42,356	-	-	71,082	42,356
Interest on Long-Term Debt	294,347	309,043	-	-	294,347	309,043
Waterworks System	-	-	918,996	946,667	918,996	946,667
Total Expenses	5,206,033	6,594,659	918,996	946,667	6,125,029	7,541,326
Change in Net Position	1,833,955	(107,213)	195,449	1,116,018	2,029,404	1,008,805
Net Position - Beginning	(2,356,577)	(2,249,364)	8,122,368	7,006,350	5,765,791	4,756,986
Net Position-Ending	(522,622)	(2,356,577)	8,317,817	8,122,368	7,795,195	5,765,791

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

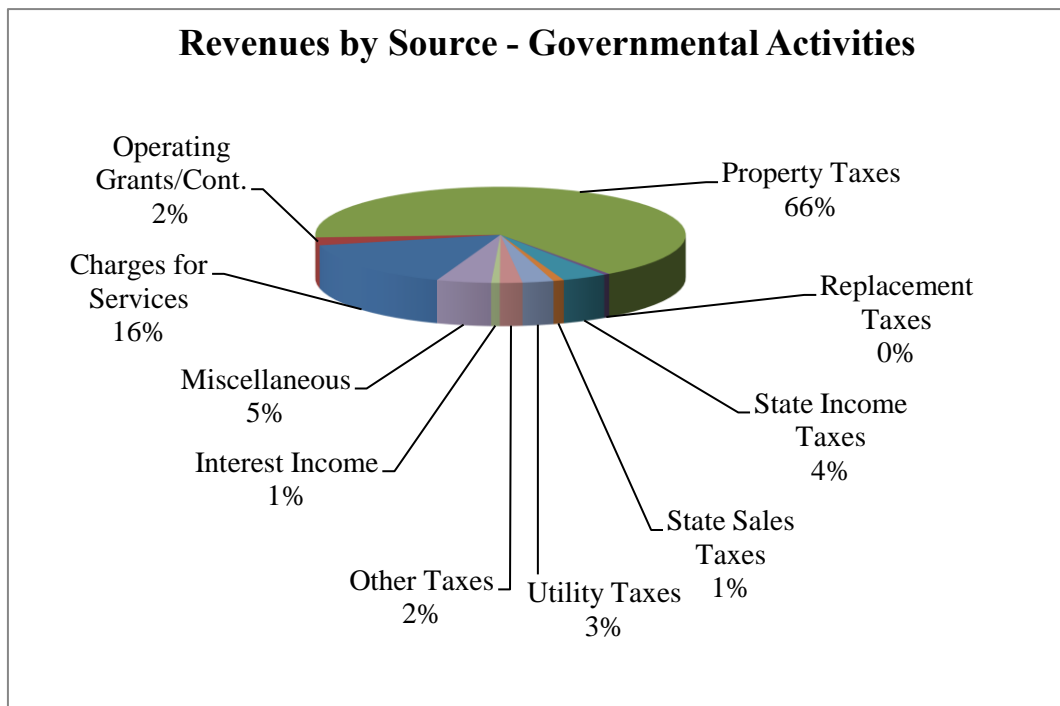
Net position of the Village's governmental activities increased by 77.8 percent (a deficit of \$2,356,577 at December 31, 2019 compared to a deficit of \$522,622 at December 31, 2020). Unrestricted net position, the part of net position used to finance day-to-day operations without constraints, totaled a deficit of \$2,430,985 at December 31, 2020.

Net position of business-type activities increased by 2.4 percent (\$8,122,368 at December 31, 2019 compared to \$8,317,817 at December 31, 2020).

Governmental Activities

Revenues for governmental activities totaled \$7,039,988, while the cost of all governmental functions totaled \$5,206,033, resulting in a surplus of \$1,833,955 for the year ended December 31, 2020. This surplus is attributable to an increase in property taxes and state shared revenues compared with 2019, in addition to a decrease in total expenses for 2020 in comparison to the prior year.

The following table graphically depicts the major revenue sources of the Village. It depicts the Village's reliance upon property taxes and state shared revenues to fund governmental activities. It also shows the less significant percentage of revenue 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, 2020

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, 2020 reported total revenues of \$1,114,445, while the cost of all business-type activities totaled \$918,996, resulting in an increase of \$195,449. The decrease in comparison to prior year is primarily due to the \$1,101,488 in capital contribution for the Sterling Road watermain project during 2019.

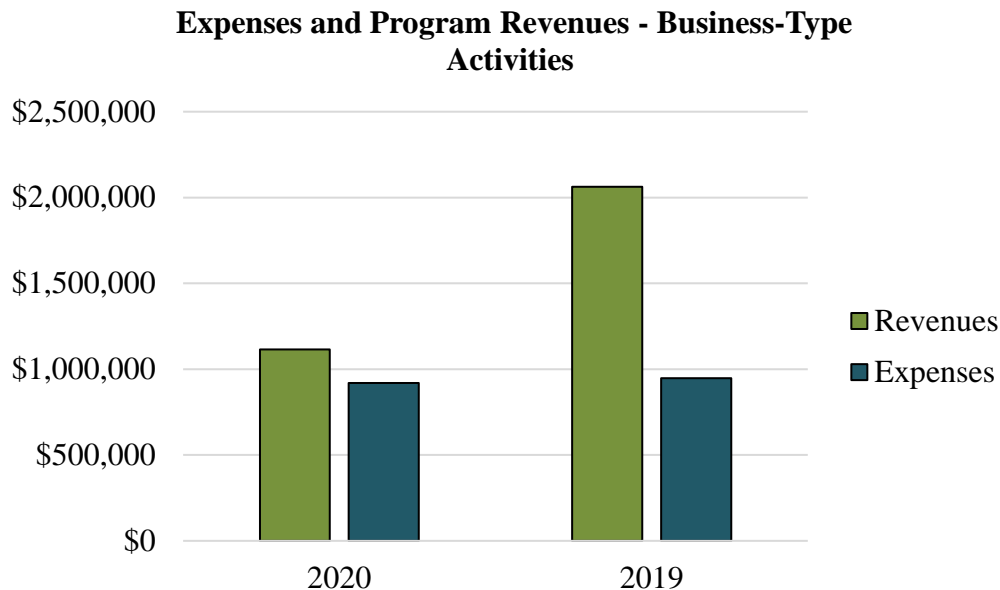
VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2020

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 for the year ending December 31, 2020 reported combined ending fund balances of \$8,405,955, which is an increase of \$996,063, over last fiscal year's total of \$7,135,546. Of the \$8,405,955 total, \$2,904,671, or 34.6 percent of the fund balance constitutes unassigned fund balance, a decrease of 2.2 percent from the prior year.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2020

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, 2020, unassigned fund balance in the General Fund was \$2,904,671, which represents 66.3 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 64.8 percent of total General Fund expenditures. This is within the targeted Fund Balance of 55-70%.

The Debt Service Fund reported a decrease in fund balance of \$9,254, or 6.3 percent. The decrease was due to property tax and interest income revenues being slightly less than principal and interest costs for the year. The fund balance of \$137,022 is restricted for future debt service payments.

During the fiscal year, a General Obligation Limited Bond was issued in the amount of \$990,000. Proceeds in the amount of \$593,000 were reported in the Capital Projects Fund, resulting in ending fund balance of \$1,600,091. The \$397,000 balance of the proceeds were reported in the 2023 Capital Infrastructure Improvement Fund, a nonmajor fund, resulting in ending fund balance of \$1,114,125. Proceeds from the bond are earmarked for capital improvements and other lawful expenditures. During the current year a total of \$479,495 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 were earmarked for water, sewer, and related roadway improvements. The fund is now supported by revenue from an annual capital bond.

All other governmental funds of the Village are reported as non-major funds, including the Sewer Service Fund, Motor Fuel Tax Fund, Green Bay Road Tax Increment Financing Fund, and the 2023 Capital Infrastructure Improvement Fund, which is discussed above. The Sewer Service Fund reported an increase in fund balance of \$30,987 due to sewer charges exceeding budgetary expectations and expenditures coming in under budget for the year. The Motor Fuel Tax Fund reported an increase in fund balance of \$75,574, as there were minimal authorized Motor Fuel Tax expenditures for road work during the budgeted year.

During the current fiscal year, the Village established the Green Bay Road Tax Increment Financing (TIF) Fund to account for incremental revenues and related expenditures within the Green Bay Road TIF District. There were no expenditures during the fiscal year and incremental revenues and interest income totaled \$118,044, which also represents the total increase in fund balance for the fund.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2020

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 \$195,449. The increase for the year is a result of charges for services exceeding budgetary expectations and expenses coming in under budget for the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board amended the General Fund budget during the year. General Fund actual revenues for the year totaled \$4,809,790, compared to budgeted revenues of \$4,480,273. All revenue categories, except for charges for services, fines and forfeitures and miscellaneous revenue, came in over budget for the year ending December 31, 2020.

The General Fund actual expenditures for the year were \$4,480,866, with budgeted expenditures of \$4,497,746. Total expenditures were under budget across all of the General Fund departments with except general government and public safety due to impact from the pandemic.

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, 2020 was \$17,004,283 (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, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Capital Assets – Continued

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land and Right of Way	\$ 780,088	780,088	38,648	38,648	818,736	818,736
Construction in Progress	223,657	127,629	150,748	85,086	374,405	212,715
Buildings and Improvements	1,017,405	1,064,399	9,147,486	9,461,695	10,164,891	10,526,094
Machinery and Equipment	286,869	258,265	121,860	136,423	408,729	394,688
Sanitary and Sewer System	3,079,375	3,192,498	-	-	3,079,375	3,192,498
Streets	2,158,147	2,250,850	-	-	2,158,147	2,250,850
Totals	7,545,541	7,673,729	9,458,742	9,721,852	17,004,283	17,395,581

This year’s major additions included:

Construction in Progress	\$ 161,690
Building and Improvements	12,650
Machinery and Equipment	<u>139,872</u>
	<u>314,212</u>

Additional information on the Village’s capital assets can be found in note 4 of this report.

Debt Administration

At year end on December 31, 2020, the Village had total outstanding debt of \$10,225,000 as compared to \$10,830,000 the previous fiscal year ending on December 31, 2019, a decrease of 5.6 percent due to budgeted principal payments. During 2020, the General Obligation Limited Bonds of 2020 were issued.

The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds - Net	\$ 7,915,000	8,325,000	2,310,000	2,505,000	10,225,000	10,830,000

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2020

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 \$27,930,248.

Additional information on the Village's long-term debt can be found in Note 6 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 2021 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, and the impact from the global pandemic, 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.

The World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

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

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 8,478,656	\$ 1,018,625	\$ 9,497,281
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	4,583,898	-	4,583,898
Accounts	196,246	251,303	447,549
Prepaid items	385,746	700	386,446
Net pension asset - IMRF	573,517	86,456	659,973
Capital assets not being depreciated	1,003,745	189,396	1,193,141
Capital assets (net of accumulated depreciation)	6,541,796	9,269,346	15,811,142
Total assets	21,763,604	10,815,826	32,579,430
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	99,859	15,053	114,912
Pension items - Police Pension	89,574	-	89,574
Total deferred outflows of resources	189,433	15,053	204,486
Total assets and deferred outflows of resources	21,953,037	10,830,879	32,783,916
LIABILITIES			
Accounts payable	353,049	34,090	387,139
Accrued interest payable	21,963	5,775	27,738
Accrued payroll	17,665	1,703	19,368
Deposits payable	271,242	11,475	282,717
Due to fiduciary component units	12,737	-	12,737
Noncurrent liabilities			
Due within one year	1,476,947	206,176	1,683,123
Due in more than one year	14,776,934	2,154,841	16,931,775
Total liabilities	16,930,537	2,414,060	19,344,597

(This statement is continued on the following page.)

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2020

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	\$ 4,583,898	\$ -	\$ 4,583,898
Pension items - IMRF	656,735	99,002	755,737
Pension items - Police Pension	304,489	-	304,489
Total deferred inflows of resources	5,545,122	99,002	5,644,124
Total liabilities and deferred inflows of resources	22,475,659	2,513,062	24,988,721
NET POSITION			
Net investment in capital assets	507,041	7,148,742	7,655,783
Restricted for			
Public safety	87,116	-	87,116
Highways and streets	705,507	-	705,507
Economic development	118,044	-	118,044
Debt service	137,022	-	137,022
Unrestricted (deficit)	(2,077,352)	1,169,075	(908,277)
TOTAL NET POSITION (DEFICIT)	\$ (522,622)	\$ 8,317,817	\$ 7,795,195

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 820,790	\$ 789,862	\$ 36,476	\$ -
Public works	427,552	180,431	-	-
Public safety	2,839,370	117,857	2,427	-
Highways and streets	752,892	-	146,657	32,704
Culture and recreation	71,082	27,640	-	-
Interest on long-term debt	294,347	-	-	-
Total governmental activities	5,206,033	1,115,790	185,560	32,704
Business-Type Activities				
Waterworks system	918,996	1,080,622	-	20,662
Total business-type activities	918,996	1,080,622	-	20,662
TOTAL PRIMARY GOVERNMENT	\$ 6,125,029	\$ 2,196,412	\$ 185,560	\$ 53,366

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
	\$ 5,548	\$ -	\$ 5,548
	(247,121)	-	(247,121)
	(2,719,086)	-	(2,719,086)
	(573,531)	-	(573,531)
	(43,442)	-	(43,442)
	(294,347)	-	(294,347)
	(3,871,979)	-	(3,871,979)
	-	182,288	182,288
	-	182,288	182,288
	(3,871,979)	182,288	(3,689,691)
General Revenues			
Taxes			
Property	4,619,186	-	4,619,186
Replacement	35,897	-	35,897
State sales	65,499	-	65,499
Utility	190,249	-	190,249
Other	136,951	-	136,951
Unrestricted			
Income tax	273,085	-	273,085
Investment income	52,090	6,313	58,403
Miscellaneous	332,977	6,848	339,825
Total	5,705,934	13,161	5,719,095
CHANGE IN NET POSITION	1,833,955	195,449	2,029,404
NET POSITION (DEFICIT), JANUARY 1	(2,356,577)	8,122,368	5,765,791
NET POSITION (DEFICIT), DECEMBER 31	\$ (522,622)	\$ 8,317,817	\$ 7,795,195

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2020

	Major Funds			Nonmajor Governmental	Total
	General	Debt Service	Capital Projects		
ASSETS					
Cash and cash equivalents	\$ 4,372,952	\$ 137,495	\$ 1,679,004	\$ 2,289,205	\$ 8,478,656
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	2,911,986	1,671,912	-	-	4,583,898
Accounts	130,341	-	-	65,905	196,246
Prepaid items	385,746	-	-	-	385,746
TOTAL ASSETS	\$ 7,801,025	\$ 1,809,407	\$ 1,679,004	\$ 2,355,110	\$ 13,644,546
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 209,030	\$ 473	\$ 78,913	\$ 64,633	\$ 353,049
Accrued payroll	17,665	-	-	-	17,665
Deposits payable	271,242	-	-	-	271,242
Due to fiduciary component units	12,737	-	-	-	12,737
Unearned revenue	-	-	-	-	-
Total liabilities	510,674	473	78,913	64,633	654,693
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	2,911,986	1,671,912	-	-	4,583,898
Total deferred inflows of resources	2,911,986	1,671,912	-	-	4,583,898
Total liabilities and deferred inflows of resources	3,422,660	1,672,385	78,913	64,633	5,238,591
FUND BALANCES					
Nonspendable in form - prepaid items	385,746	-	-	-	385,746
Restricted for public safety	87,116	-	-	-	87,116
Restricted for debt service	-	137,022	-	-	137,022
Restricted for capital improvements	-	-	977,500	-	977,500
Restricted for highway and streets	-	-	-	705,507	705,507
Restricted for economic development	-	-	-	118,044	118,044
Committed for tree replacement	832	-	-	-	832
Committed for sewer service	-	-	-	352,801	352,801
Unrestricted					
Assigned for capital improvements	1,000,000	-	622,591	1,114,125	2,736,716
Unassigned - General Fund	2,904,671	-	-	-	2,904,671
Total fund balances	4,378,365	137,022	1,600,091	2,290,477	8,405,955
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,801,025	\$ 1,809,407	\$ 1,679,004	\$ 2,355,110	\$ 13,644,546

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

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

December 31, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 8,405,955
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 governmental funds	7,545,541
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund	
G.O. Bonds payable - net	(7,915,000)
Bond premiums	(101,000)
Compensated absences payable	(105,936)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(21,963)
The net pension liability of the Police Pension Fund is shown as a liability on the statement of net position	(7,736,309)
Net pension liability/asset for the Illinois Municipal Retirement Fund is shown as a liability/asset on the statement of net position	573,517
Total OPEB liability is shown as a liability on the statement of net position	(395,636)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings are recognized as deferred outflows and inflows of resources in the statement of net position	
IMRF	(556,876)
Police Pension	(214,915)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (522,622)</u></u>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2020

	Major Funds			Nonmajor Governmental	Total
	General	Debt Service	Capital Projects		
REVENUES					
Property taxes	\$ 2,824,602	\$ 1,676,655	\$ -	\$ 117,929	\$ 4,619,186
Other taxes	701,681	-	-	-	701,681
Licenses, permits and fees	599,765	-	-	-	599,765
Fines and forfeitures	7,622	-	-	-	7,622
Charges for services	397,784	-	-	110,618	508,402
Intergovernmental	38,903	-	-	179,361	218,264
Investment income	28,925	4,737	7,263	11,165	52,090
Miscellaneous	210,508	-	122,400	(5,993)	326,915
Total revenues	4,809,790	1,681,392	129,663	413,080	7,033,925
EXPENDITURES					
Current					
General government	966,398	-	-	-	966,398
Public works	202,225	-	-	17,134	219,359
Public safety	2,823,289	-	-	-	2,823,289
Highways and streets	423,535	-	-	75,047	498,582
Culture and recreation	41,257	-	-	-	41,257
Debt service					
Principal retirement	-	1,400,000	-	-	1,400,000
Interest and fiscal charges	-	290,646	7,500	5,000	303,146
Capital outlay	24,162	-	443,153	40,233	507,548
Total expenditures	4,480,866	1,690,646	450,653	137,414	6,759,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	328,924	(9,254)	(320,990)	275,666	274,346
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	6,063	-	-	-	6,063
Transfers in	54,842	-	-	-	54,842
Transfers (out)	-	-	-	(54,842)	(54,842)
Bonds issued, at par	-	-	593,000	397,000	990,000
Total other financing sources (uses)	60,905	-	593,000	342,158	996,063
NET CHANGE IN FUND BALANCES	389,829	(9,254)	272,010	617,824	1,270,409
FUND BALANCES, JANUARY 1	3,988,536	146,276	1,328,081	1,672,653	7,135,546
FUND BALANCES, DECEMBER 31	\$ 4,378,365	\$ 137,022	\$ 1,600,091	\$ 2,290,477	\$ 8,405,955

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

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

For the Year Ended December 31, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,270,409
Amounts reported for governmental activities in the statement of activities are different different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	
Capital expenditures capitalized	245,550
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation of capital assets	(373,738)
The issuance of bonds is reported as an other financing source in governmental funds, but as an increase in principal outstanding on the statement of activities	(990,000)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Bonds payable	1,400,000
The change in interest payable is reported as an expense on the statement of activities	799
The change in certain liabilities are reported as expenses on the statement of activities	
Compensated absences	(32,716)
OPEB	(72,009)
Amortization is recorded as interest expense on the statement of activities including unamortized discount, unamortized premium and unamortized	
Unamortized bond premium	8,000
The change in net pension liability/asset is reported only on the statement of activities	
Illinois Municipal Retirement Fund	607,604
Police Pension	265,102
The changes in deferred outflows and deferred inflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund	(325,952)
Police Pension	(169,094)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,833,955</u>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2020

	<u>Business-Type Activities Waterworks System</u>
CURRENT ASSETS	
Cash and investments	\$ 1,018,625
Receivables	
Accounts - billed	138,703
Accounts - unbilled	112,600
Prepaid items	<u>700</u>
Total current assets	<u>1,270,628</u>
NONCURRENT ASSETS	
Net pension asset - IMRF	86,456
Capital assets	
Nondepreciable capital assets	189,396
Depreciable capital assets	14,181,549
Accumulated depreciation	<u>(4,912,203)</u>
Net capital assets	<u>9,458,742</u>
Total noncurrent assets	<u>9,545,198</u>
Total assets	<u>10,815,826</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	<u>15,053</u>
Total deferred outflows of resources	<u>15,053</u>
CURRENT LIABILITIES	
Accounts payable	34,090
Accrued interest	5,775
Accrued payroll	1,703
Deposits payable	11,475
Compensated absences payable	1,897
Total OPEB liability	4,279
General obligation bonds payable	<u>200,000</u>
Total current liabilities	<u>259,219</u>
LONG-TERM LIABILITIES	
Compensated absences payable	7,589
Total OPEB liability - RBP	37,252
General obligation bonds payable	<u>2,110,000</u>
Total long-term liabilities	<u>2,154,841</u>
Total liabilities	<u>2,414,060</u>
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	<u>99,002</u>
Total deferred inflows of resources	<u>99,002</u>
NET POSITION	
Net investment in capital assets	7,148,742
Unrestricted	<u>1,169,075</u>
TOTAL NET POSITION	<u>\$ 8,317,817</u>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended December 31, 2020

	Business-Type Activities Waterworks System
OPERATING REVENUES	
Charges for services	\$ 1,080,622
Miscellaneous	6,848
	<hr/>
Total operating revenues	1,087,470
	<hr/>
OPERATING EXPENSES	
Operations	515,562
	<hr/>
Total operating expenses	515,562
	<hr/>
OPERATING INCOME BEFORE DEPRECIATION	571,908
	<hr/>
Depreciation	328,772
	<hr/>
OPERATING INCOME	243,136
	<hr/>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	6,313
Interest and fiscal charges	(74,662)
	<hr/>
Total non-operating revenues (expenses)	(68,349)
	<hr/>
INCOME BEFORE CAPITAL CONTRIBUTIONS	174,787
	<hr/>
Capital contributions	20,662
	<hr/>
CHANGE IN NET POSITION	195,449
	<hr/>
NET POSITION, JANUARY 1	8,122,368
	<hr/>
NET POSITION, DECEMBER 31	\$ 8,317,817
	<hr/> <hr/>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2020

	<u>Business-Type Activities</u> <u>Waterworks System</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,031,772
Payments to suppliers	(406,815)
Payments to employees	(221,992)
Miscellaneous	<u>6,848</u>
Net cash from operating activities	<u>409,813</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on capital debt	(195,000)
Interest payments on capital debt	(75,150)
Capital assets purchased	<u>(45,000)</u>
Net cash from capital and related financing activities	<u>(315,150)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>6,313</u>
Net cash from investing activities	<u>6,313</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	100,976
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>917,649</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 1,018,625</u></u>

This statement is continued on the following page.

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2020

	<u>Business-Type Activities</u> <u>Waterworks System</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 243,136
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	328,772
(Increase) decrease in	
Receivables	(48,850)
Prepaid items	1,858
Increase (decrease) in	
Accounts payable	(87,902)
Accrued payroll	1,703
Deposits payable	3,260
Compensated absences payable	1,679
Pension items	(40,215)
OPEB items	6,372
	<hr/>
NET CASH FROM OPERATING ACTIVITIES	\$ 409,813 <hr/>
NONCASH TRANSACTIONS	
Capital asset contributions	\$ 20,662 <hr/>
Total noncash transactions	\$ 20,662 <hr/>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
POLICE PENSION FUND**

December 31, 2020

ASSETS	
Cash and cash equivalents	\$ 636,934
Investments	
U.S. Treasuries	1,607,945
U.S. agencies	205,657
Corporate bonds	2,478,216
State and local obligations	406,618
Mutual funds	3,931,629
Receivables	
Accrued interest	35,222
Due from Village	<u>12,737</u>
Total assets	<u>9,314,958</u>
LIABILITIES	
None	<u>-</u>
Total liabilities	<u>-</u>
NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 9,314,958</u></u>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION FUND**

For the Year Ended December 31, 2020

ADDITIONS

Contributions

Contributions - employer	\$ 749,000
Contributions - employee	69,409
Contributions - other	<u>2,226</u>

Total contributions	<u>820,635</u>
---------------------	----------------

Investment income

Net appreciation in fair value of investments	530,814
Interest earned on investments	<u>197,505</u>

Total investment income	728,319
-------------------------	---------

Less investment expense	<u>(27,651)</u>
-------------------------	-----------------

Net investment income	<u>700,668</u>
-----------------------	----------------

Total additions	<u>1,521,303</u>
-----------------	------------------

DEDUCTIONS

Benefits	769,470
Administrative	<u>12,406</u>

Total deductions	<u>781,876</u>
------------------	----------------

NET INCREASE	739,427
--------------	---------

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>8,575,531</u>
-----------	------------------

December 31	<u><u>\$ 9,314,958</u></u>
-------------	----------------------------

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The Village of Kenilworth 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. As required by GAAP, these financial statements present the Village (the primary government) and its component units, entities for which the government is considered to be financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village.

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, 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. However, management has determined that there is one fiduciary component unit that is required to be included in the financial statements of the Village as a pension trust fund.

Police Pension Employees Retirement System

The Village's financial statements include the Police Pension Employees Retirement System (PPERS) as a fiduciary component unit reported as a pension trust fund. The Village's sworn police employees participate in the 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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Police Pension Employees Retirement System (Continued)

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 the Village's contribution levels. Accordingly, the PPERS is fiscally dependent on the Village. PPERS is reported as a pension trust fund. PPERS does not issue a stand-alone financial report.

b. Fund Accounting

The Village uses funds to report on its financial position, changes in its financial position and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. A minimum number of funds are maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the Village's general activities, including the accounting for revenue sources that are legally restricted or committed for specific purposes (special revenue funds), accounting for funds that are restricted, committed or assigned to the acquisition of capital assets or construction of major capital projects not financed by another fund (capital projects funds) and accounting for the servicing of bonded general long-term debt using funds restricted, committed or assigned for debt service (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the Village Board of Trustees has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability and other purposes.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The statement of net position and the statement of activities display information about the Village as a whole. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for the fiduciary activities. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-type activities. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges paid by the recipient for the goods or services offered by the program and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each government function or segment is self-financing or draws from the general revenues of the Village.

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

The Village reports the following major governmental funds:

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

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

The Capital Projects Fund accounts for revenue and expenditures relative to the construction of capital improvements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major proprietary funds:

The Waterworks System Fund which accounts for the operating activities of the Village's water utilities services.

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

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

The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present additions (revenues) and deductions (expenses) in total net position. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing the day-to-day enterprise fund services. Incidental revenues/expenses, such as property taxes and investment income, are reported as non-operating.

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The Village recognizes property taxes when they become both measurable and available in the period intended to finance, within 60 days of year end. A 90 day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, sales taxes, use taxes, income taxes, utility 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

e. Cash and Investments

Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand, cash deposited in interest-bearing and non-interest-bearing checking accounts, cash with fiscal agent and investments in certificates of deposit with original maturities of three months or less. For the purposes of the statement of cash flows, the Village considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

f. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. The Village and pension fund categorize the fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs. The Police Pension Fund held investments measured at fair value at December 31, 2020 using Level 1 and 2 inputs.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans, if any, are classified as “interfund receivables/payables.” Any residual balances between governmental activities and business-type activities are reported in the Village-wide financial statements as “internal balances.”

h. Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances between funds in the fund financial statements. The advances are offset equally by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

i. Prepaid Items/Expenses

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

j. 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 receivable 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.

k. Capital Assets

Capital assets, which include property, plant, equipment, water and sewer system, intangible assets and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of \$10,000 or more and a useful life of more than one year.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Capital Assets (Continued)

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	10-50
Machinery and equipment	7-10
Sanitary and sewer system	40-50
Streets	40-50

l. Compensated Absences

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

m. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as gains/losses on refundings, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. The gain/loss on refunding is reported as a deferred inflow/outflow of resources. Bond issuance costs are expensed in the year of issuance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Long-Term Obligations (Continued)

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

n. Fund Equity/Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All other net position balances that do not meet the definition of restricted or net investment in capital assets are unrestricted.

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions are ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The Board of Trustees may delegate the authority to the Village Manager or Budget Officer. Any residual fund balance in the General Fund and deficit fund balances in other governmental funds are reported as unassigned.

If an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned or unassigned fund balance classifications could be used, then the Village will consider committed fund balance be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Fund Equity/Net Position (Continued)

The Village has established a fund balance policy in its General Fund to have unrestricted fund balance of between 55% to 70% (6.6 to 8.4 months) of operating expenditures. Special Revenue Funds, after restricting fund balance derived from property taxes, should have a minimum remaining fund balance of 25% of annual budgeted expenditures. Debt Service Funds, after restricting fund balance derived from property taxes, should have a maximum remaining fund balance of the amount of the next principal and interest payment due. Enterprise Fund's restricted net position targets should represent between 33% to 42% (four to five months) of operating expenses (excluding debt service and capitalized asset expenses). The Village has not adopted specific policies for the Capital Projects Funds and Internal Service Funds.

o. Interfund Transactions

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

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

p. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

r. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Village has delayed the implementation of GASB Statement No. 87, *Leases*, to December 31, 2022.

2. DEPOSITS AND INVESTMENTS

The Village and pension funds categorizes the fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

a. Village

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

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village (Continued)

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

b. Village Deposits with Financial Institutions

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.

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.

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.

Custodial credit risk for deposits 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 December 31, 2020, the Village had no uncollateralized deposits.

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Deposits with Financial Institutions (Continued)

Concentration of credit 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% 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).

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased. The Illinois Funds are not subject to custodial credit risk.

The Village had no investments measured at fair value at December 31, 2020.

3. RECEIVABLES - TAXES

Property taxes for 2019 attach as an enforceable lien on January 1, 2019. Taxes are levied in December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and July 1 and are payable in two installments, on or about March 1 and August 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.

For governmental fund types and governmental activities, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year end are recorded as revenue.

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

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land and right of way	\$ 780,088	\$ -	\$ -	\$ 780,088
Construction in progress	127,629	96,028	-	223,657
Total capital assets not being depreciated	907,717	96,028	-	1,003,745
Capital assets being depreciated				
Buildings and improvements	2,039,064	12,650	-	2,051,714
Machinery and equipment	1,284,284	136,872	-	1,421,156
Sanitary and sewer systems	4,825,325	-	-	4,825,325
Streets	2,536,685	-	-	2,536,685
Total capital assets being depreciated	10,685,358	149,522	-	10,834,880
Less accumulated depreciation for				
Buildings and improvements	974,665	59,644	-	1,034,309
Machinery and equipment	1,026,019	108,268	-	1,134,287
Sanitary and sewer systems	1,632,827	113,123	-	1,745,950
Streets	285,835	92,703	-	378,538
Total accumulated depreciation	3,919,346	373,738	-	4,293,084
Total capital assets being depreciated, net	6,766,012	(224,216)	-	6,541,796
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 7,673,729	\$ (128,188)	\$ -	\$ 7,545,541
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land and right of way	\$ 38,648	\$ -	\$ -	\$ 38,648
Construction in progress	85,086	65,662	-	150,748
Total capital assets not being depreciated	123,734	65,662	-	189,396
Capital assets being depreciated				
Buildings	13,835,743	-	-	13,835,743
Machinery and equipment	345,806	-	-	345,806
Total capital assets being depreciated	14,181,549	-	-	14,181,549
Less accumulated depreciation for				
Buildings	4,374,048	314,209	-	4,688,257
Machinery and equipment	209,383	14,563	-	223,946
Total accumulated depreciation	4,583,431	328,772	-	4,912,203
Total capital assets being depreciated, net	9,598,118	(328,772)	-	9,269,346
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 9,721,852	\$ (263,110)	\$ -	\$ 9,458,742

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

4. CAPITAL ASSETS (Continued)

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 14,105
Public safety	41,072
Public works	<u>318,561</u>

DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 373,738

BUSINESS-TYPE ACTIVITIES

Waterworks system	<u>\$ 328,772</u>
-------------------	-------------------

DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES \$ 328,772

5. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Village currently reports all of its risk management activities in its General Fund.

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

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

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Each member assumes the first \$10,000 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village's payments to IRMA are displayed on the financial statements as expenditures in the appropriate fund. The coverages provided by IRMA are generally consistent with the coverages in the prior year.

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

5. RISK MANAGEMENT (Continued)

Health Insurance

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 of Directors 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 of Directors. 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, 2020 were \$371,533.

6. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in governmental and business-type activities long-term liabilities:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 8,325,000	\$ 990,000	\$ 1,400,000	\$ 7,915,000	\$ 1,415,000
Unamortized bond premium	109,000	-	8,000	101,000	-
Net pension liability -					
Police Pension	8,001,411	-	265,102	7,736,309	-
Net pension liability - IMRF	34,087	-	34,087	-	-
Compensated absences	73,220	47,360	14,644	105,936	21,187
Total OPEB liability	323,627	72,009	-	395,636	40,760
TOTAL GOVERNMENTAL ACTIVITIES	\$ 16,866,345	\$ 1,109,369	\$ 1,721,833	\$ 16,253,881	\$ 1,476,947
BUSINESS-TYPE ACTIVITIES					
General obligation bonds	\$ 2,505,000	\$ -	\$ 195,000	\$ 2,310,000	\$ 200,000
Net pension liability - IMRF	4,851	-	4,851	-	-
Compensated absences	7,807	3,240	1,561	9,486	1,897
Total OPEB liability	35,159	6,372	-	41,531	4,279
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 2,552,817	\$ 9,612	\$ 201,412	\$ 2,361,017	\$ 206,176

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

6. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

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, the total OPEB liability and the general obligations bonds are liquidated by the Waterworks System Fund.

b. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, refunding prior issuances and providing working capital for the Village.

General obligation bonds are direct obligations and pledge the full faith and credit of the Village and are payable from governmental activities/funds. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
General Obligation Bonds of 2013 - due in annual installments of \$280,000 to \$670,000 plus interest at 2% to 4% through August 15, 2033.	Debt Service Fund	\$ 7,340,000	\$ -	\$ 415,000	\$ 6,925,000	\$ 425,000
General Obligation (Alternate Revenue Source) Refunding Bonds of 2015A - due in annual installments of \$165,000 to \$265,000 plus interest at 3% through December 1, 2030.	Waterworks System Fund	2,505,000	-	195,000	2,310,000	200,000
General Obligation Limited Bonds of 2019 - due in one installment of \$985,000 plus interest at 1.70% on December 1, 2020.	Debt Service Fund	985,000	-	985,000	-	-
General Obligation Limited Bonds of 2020 - due in one installment of \$990,000 plus interest at 0.72% on December 1, 2021.	Debt Service Fund	-	990,000	-	990,000	990,000
TOTAL GENERAL OBLIGATION BONDS		\$ 10,830,000	\$ 990,000	\$ 1,595,000	\$ 10,225,000	\$ 1,615,000

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

6. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	General Obligation Bonds					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,415,000	\$ 270,888	\$ 1,685,888	\$ 200,000	\$ 69,300	\$ 269,300
2022	440,000	251,050	691,050	205,000	63,300	268,300
2023	455,000	237,850	692,850	215,000	57,150	272,150
2024	465,000	224,200	689,200	220,000	50,700	270,700
2025	485,000	205,600	690,600	225,000	44,100	269,100
2026	505,000	186,200	691,200	235,000	37,350	272,350
2027	525,000	166,000	691,000	240,000	30,300	270,300
2028	545,000	145,000	690,000	250,000	23,100	273,100
2029	565,000	123,200	688,200	255,000	15,600	270,600
2030	590,000	100,600	690,600	265,000	7,950	272,950
2031	615,000	77,000	692,000	-	-	-
2032	640,000	52,400	692,400	-	-	-
2033	670,000	18,909	688,909	-	-	-
TOTAL	\$ 7,915,000	\$ 2,058,897	\$ 9,973,897	\$ 2,310,000	\$ 398,850	\$ 2,708,850

d. Pledged Revenues – 2015A General Obligation Refunding Bonds (Alternate Revenue Source)

The Village has pledged the net revenues (operating income before depreciation) of the Waterworks System Fund and taxes imposed by the Village upon public utilities pursuant to Section 8-11-2 of the Illinois Municipal Code, as amended (gas and electric utility taxes) to the Series 2015A bonds.

For the year ended December 31, 2020, the total pledge (principal and interest) of \$270,150 was 37.75% of the total pledged revenues of \$715,560 (as defined above). The remaining pledge at December 31, 2020 was \$2,708,850.

e. 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

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

6. LONG-TERM DEBT (Continued)

e. Legal Debt Margin (Continued)

produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.”

2019 equalized assessed valuation	<u>\$ 323,828,968</u>
Debt limitation - 8.625% of assessed valuation	\$ 27,930,248
Amount of debt applicable to debt limit	<u>10,225,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 17,705,248</u></u>

7. INDIVIDUAL FUND DISCLOSURES

a. Transfers In/Out

Interfund transfers during the year ended December 31, 2020 consisted of the following:

Fund	Transfers In	Transfers Out
Major Governmental		
General Fund	\$ 54,842	\$ -
Total Major Governmental	<u>54,842</u>	<u>-</u>
Nonmajor Governmental		
Sewer Service Fund	<u>-</u>	54,842
Total Nonmajor Governmental	<u>-</u>	<u>54,842</u>
TOTAL	<u><u>\$ 54,842</u></u>	<u><u>\$ 54,842</u></u>

The purpose of significant transfers is as follows:

- \$54,842 transfer from the Sewer Service Fund to the General Fund for budgetary purposes. These amounts will not be repaid.

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Due From/To Other Funds

Due from/to other funds at December 31, 2020 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
Major Governmental		
General Fund	\$ -	\$ 12,737
Total Major Governmental	-	12,737
Fiduciary		
Police Pension Fund	12,737	-
Total Fiduciary	12,737	-
TOTAL	\$ 12,737	\$ 12,737

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All interfund payables are expected to be repaid in the next fiscal year.

8. CONTINGENT LIABILITIES

a. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Village's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the Village.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

8. CONTINGENT LIABILITIES (Continued)

c. Solid Waste Agency of Northern Cook County

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.

9. JOINT VENTURE

The Village is a member of SWANCC which consists of 23 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.

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, services 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 of 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.

9. JOINT VENTURE (Continued)

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 \$41,634 to SWANCC for the year ended December 31, 2020, which is recorded in the Village's General Fund.

10. EMPLOYEE RETIREMENT SYSTEMS

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

The aggregate total net pension asset, net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense for all pension plans was \$659,973, \$7,736,309, \$204,486, \$1,060,226 and \$464,488 at December 31, 2020.

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees 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.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2020, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	22
Active employees	<u>9</u>
TOTAL	<u><u>52</u></u>

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. 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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2020 was 18.14% of covered payroll.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate (Continued)

Based on those assumptions, the Village's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2020	\$ 8,182,342	\$ 8,143,404	\$ 38,938
Changes for the period			
Service cost	81,024	-	81,024
Interest	576,844	-	576,844
Difference between expected and actual experience	211,898	-	211,898
Changes in assumptions	(37,241)	-	(37,241)
Employer contributions	-	133,365	(133,365)
Employee contributions	-	64,257	(64,257)
Net investment income	-	1,190,774	(1,190,774)
Benefit payments and refunds	(532,761)	(532,761)	-
Administrative expense	-	-	-
Other (net transfer)	-	143,040	(143,040)
Net changes	299,764	998,675	(698,911)
BALANCES AT DECEMBER 31, 2020	\$ 8,482,106	\$ 9,142,079	\$ (659,973)

During 2020, there were changes in assumptions with respect to change in inflation, salary increases and mortality tables used.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2020, the Village recognized pension expense of \$(188,503). At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 114,912	\$ -
Changes in assumption	-	18,083
Net difference between projected and actual earnings on pension plan investments	-	737,654
TOTAL	<u>\$ 114,912</u>	<u>\$ 755,737</u>

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

<u>Year Ending December 31,</u>	
2021	\$ (139,942)
2022	(86,877)
2023	(292,537)
2024	(121,469)
2025	-
Thereafter	-
TOTAL	<u>\$ (640,825)</u>

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 205,608	\$ (659,973)	\$ (1,367,374)

Police Pension Plan

Plan Administration

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

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

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.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2020, the Police Pension Plan's membership consisted of:

Inactive plan members currently receiving benefits	12
Inactive plan members entitled to benefits but not yet receiving them	-
Active plan members	<u>7</u>
TOTAL	<u><u>19</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% 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 May 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or 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 officers' salary for pension purposes is capped at

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

\$106,800, plus the amount automatically increases by the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the May 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% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has chosen to fund 100% of the past service cost for the Police Pension Plan by 2040. The employer contribution for the fiscal year ended December 31, 2020 was 106.63% of covered payroll.

Investment Policy

The Police Pension Fund (the Fund) requires investments to be made in accordance with ILCS and the Fund's investment policy, which allows the Fund to invest in bonds, notes and other obligations of the United States Government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; and other investment vehicles as set forth in the ILCS.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The Fund's investment manager establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	58%	4.80%
Equity	40%	8.70%
Cash and cash equivalents	2%	1.20%

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 which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets 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 expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are listed in the table above.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2020:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasuries	\$ 1,607,945	\$ 471,779	\$ 1,136,166	\$ -	\$ -
U.S. agencies	205,657	-	99,399	106,258	-
Corporate bonds	2,478,216	681,960	1,724,622	71,634	-
State and local obligations	406,618	76,078	259,881	70,659	-
TOTAL	\$ 4,698,436	\$ 1,229,817	\$ 3,220,068	\$ 248,551	\$ -

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.

All investments in the plan are stated at fair value and are recorded as of the trade date. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

The Fund has the following recurring fair value measurements as of December 31, 2020: U.S. Treasuries and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, the corporate bonds and state and local obligations are valued using quoted matrix pricing models (Level 2 inputs).

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Concentrations

Concentration of credit risk is the risk that the Fund has a high percentage of its investments invested in one type of investment. The Fund's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle. There were no investments (other than United States Government guaranteed obligations and mutual funds) in any one organization that represent 5% or more of plan net position for the Police Pension Plan.

Investment Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.97%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and corporate bonds and state and local obligations that are rated BBB- (investment grade) or better by a national rating agency. The U.S. agencies are rated AA+, corporate bonds are rated BBB+ through A and municipal bonds are rated BBB+ through AA as of December 31, 2020.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund's policy requires reporting and monitoring of investment managers and custodians. To additionally limit its exposure, the Fund prepares all transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2020 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.50% to 11.00%
Interest rate	6.00%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010 Mortality Tables projected five years past the valuation date with Scale MP-2019.

Discount Rate

The discount rate used to measure the total pension liability was 6%. The projection of cash flows used to determine the discount rate assumed that plan members contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution related and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2020	\$ 16,576,942	\$ 8,575,530	\$ 8,001,412
Changes for the period			
Service cost	241,963	-	241,963
Interest	986,050	-	986,050
Changes of benefit terms	-	-	-
Difference between expected and actual experience	15,782	-	15,782
Changes in assumptions	-	-	-
Employer contributions	-	749,000	(749,000)
Employee contributions	-	69,409	(69,409)
Net investment income	-	702,895	(702,895)
Benefit payments and refunds	(769,470)	(769,470)	-
Administrative expense	-	(12,406)	12,406
Other (net transfer)	-	-	-
Net changes	474,325	739,428	(265,103)
BALANCES AT DECEMBER 31, 2020	\$ 17,051,267	\$ 9,314,958	\$ 7,736,309

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 liability of the Village calculated using the discount rate of 6% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5%) or 1 percentage point higher (7%) than the current rate:

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity (Continued)

	1% Decrease (5%)	Current Discount Rate (6%)	1% Increase (7%)
Net pension liability	\$ 10,231,553	\$ 7,736,309	\$ 5,708,956

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2020, the Village recognized pension expense of \$652,991. At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 26,076	\$ 95,901
Changes in assumption	63,498	-
Net difference between projected and actual earnings on pension plan investments	-	208,588
TOTAL	\$ 89,574	\$ 304,489

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2021	\$ (55,458)
2022	11,030
2023	(133,034)
2024	(37,453)
TOTAL	\$ (214,915)

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village’s governmental activities.

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.

b. Benefits Provided

The Village provides postretirement health insurance to its eligible employees until the age of 65 (enrolled at time of employee’s retirement). To be eligible for benefits, the employee must qualify for retirement under IMRF or meet COBRA requirements. The liability is based on an implicit subsidy; the Village had no explicit subsidies. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

c. Membership

At December 31, 2020, membership consisted of:

Inactive fund members or beneficiaries currently receiving benefit payments	1
Inactive fund members entitled to but not yet receiving benefit payments	-
Active fund members	<u>17</u>
 TOTAL	 <u>18</u>
 Participating employers	 <u>1</u>

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Total OPEB Liability

The Village's total OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date

The total OPEB liability at December 31, 2020, as determined by an actuarial valuation as of January 1, 2021 using the alternative measurement method, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled back by the actuary using updating procedures to December 31, 2020, including updating the discount rate at December 31, 2020.

Actuarial valuation date	January 1, 2021
Measurement date	December 31, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Discount rate	2.12%
Healthcare cost trend rates	7.70% Initial 5.00% Ultimate
Asset valuation method	N/A

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.

e. Discount Rate

The discount rate used to measure the total OPEB liability was 2.12%. The discount rate was based on the S&P Municipal Bond 20-year high-grade rate index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2020.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	(a) Total OPEB Liability
	<u> </u>
BALANCES AT JANUARY 1, 2020	\$ 358,786
Changes for the period	
Service cost	7,463
Interest	9,532
Changes of benefit terms	-
Difference between expected and actual experience	50,097
Changes in assumptions	33,145
Net investment income	-
Benefit payments and refunds	(21,856)
Administrative expense	-
	<u> </u>
Net changes	78,381
	<u> </u>
BALANCES AT DECEMBER 31, 2020	\$ 437,167

During 2020, there were changes in assumptions with respect to the change in discount rate from 2.74% to 2.12%.

g. Rate Sensitivity

The following is a sensitive analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 2.12% as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB liability	\$ 476,476	\$ 437,167	\$ 402,771

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 7.70% decreasing to 5.00% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6.70% decreasing to 4.00%) or 1 percentage point higher (8.70% decreasing to 6.00%) than the current rate:

	1% Decrease (6.70% to 4.00%)	Current Healthcare Rate (7.70% to 5.00%)	1% Increase (8.70% to 6.00%)
Total OPEB liability	\$ 399,279	\$ 437,167	\$ 480,391

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

For the year ended December 31, 2020, the Village recognized OPEB expense of \$78,381.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF KENILWORTH, ILLINOIS

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

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 2,882,444	\$ 2,814,944	\$ 2,824,602
Other taxes	600,700	614,200	701,681
Licenses, permits and fees	466,000	466,000	599,765
Fines and forfeitures	16,200	16,200	7,622
Charges for services	410,400	410,400	397,784
Intergovernmental	2,500	36,529	38,903
Investment income	55,000	28,500	28,925
Miscellaneous	73,500	93,500	210,508
Total revenues	4,506,744	4,480,273	4,809,790
EXPENDITURES			
Current			
General government	900,673	952,223	966,398
Public works	212,025	206,525	202,225
Public safety	2,809,538	2,813,368	2,823,289
Highways and streets	453,579	438,079	423,535
Culture and recreation	48,341	41,941	41,257
Capital outlay	59,110	45,610	24,162
Total expenditures	4,483,266	4,497,746	4,480,866
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	23,478	(17,473)	328,924
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	6,063
Transfers in	54,842	54,842	54,842
Total other financing sources (uses)	54,842	54,842	60,905
NET CHANGE IN FUND BALANCE	\$ 78,320	\$ 37,369	389,829
FUND BALANCE, JANUARY 1			3,988,536
FUND BALANCE, DECEMBER 31			\$ 4,378,365

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 131,241	\$ 130,995	\$ 106,021	\$ 105,802	\$ 73,875	\$ 83,365
Contributions in relation to the actuarially determined contribution	131,241	130,995	106,021	105,802	73,875	83,365
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Contributions	\$ -	\$ -	\$ 100,000	\$ -	\$ 50,000	\$ 50,000
Covered payroll	\$ 995,754	\$ 960,374	\$ 817,438	\$ 815,749	\$ 805,616	\$ 735,132
Contributions as a percentage of covered payroll	13.18%	13.64%	25.20%	12.97%	15.38%	18.14%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percentage of pay, closed and the amortization period was 23 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7.25% annually, projected salary increases assumption of 3.35% to 14.25%, compounded annually and postretirement benefit increases of 3.25% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	\$ 108,893	\$ 106,764	\$ 97,329
Interest	525,468	546,105	561,036
Changes in benefit terms	-	-	-
Differences between expected and actual experience	83,440	26,778	(32,536)
Changes of assumptions	8,517	(24,894)	(254,726)
Benefit payments, including refunds of member contributions	(389,108)	(490,052)	(470,337)
Net change in total pension liability	337,210	164,701	(99,234)
Total pension liability - beginning	7,165,076	7,502,286	7,666,987
TOTAL PENSION LIABILITY - ENDING	\$ 7,502,286	\$ 7,666,987	\$ 7,567,753
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 131,241	\$ 130,995	\$ 206,021
Contributions - member	44,809	43,217	36,785
Net investment income	31,947	440,195	1,241,516
Benefit payments, including refunds of member contributions	(389,108)	(490,052)	(470,337)
Administrative expense	171,024	128,981	(129,515)
Net change in plan fiduciary net position	(10,087)	253,336	884,470
Plan fiduciary net position - beginning	6,495,876	6,485,789	6,739,125
PLAN FIDUCIARY NET POSITION - ENDING	\$ 6,485,789	\$ 6,739,125	\$ 7,623,595
EMPLOYER'S NET PENSION LIABILITY	\$ 1,016,497	\$ 927,862	\$ (55,842)
Plan fiduciary net position as a percentage of total pension liability	86.45%	87.90%	100.74%
Covered payroll	\$ 995,754	\$ 960,374	\$ 817,438
Employer's net pension liability as a percentage of covered payroll	102.08%	96.61%	(6.83%)

During 2020, there were changes in assumptions with respect to change in inflation, salary increases and mortality tables used.

During 2018, there were changes in assumptions related to the discount rate.

During 2017, there were changes in assumptions related to inflation and salary increases.

During 2016, the discount rate assumption was changed from 7.49% to 7.50%.

During 2015, the discount rate assumption was changed from 7.48% to 7.49%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

	2018	2019	2020
\$	86,244	\$ 89,780	\$ 81,024
	553,396	557,178	576,844
	-	-	-
	(52,747)	138,367	211,898
	193,520	-	(37,241)
	(464,536)	(486,613)	(532,761)
	315,877	298,712	299,764
	7,567,753	7,883,630	8,182,342
\$	<u>7,883,630</u>	<u>\$ 8,182,342</u>	<u>\$ 8,482,106</u>
\$	105,802	\$ 123,876	\$ 133,365
	36,709	36,253	64,257
	(461,808)	1,355,909	1,190,774
	(464,536)	(486,613)	(532,761)
	181,404	92,813	143,040
	(602,429)	1,122,238	998,675
	7,623,595	7,021,166	8,143,404
\$	<u>7,021,166</u>	<u>\$ 8,143,404</u>	<u>\$ 9,142,079</u>
\$	<u>862,464</u>	<u>\$ 38,938</u>	<u>\$ (659,973)</u>
	89.06%	99.52%	107.78%
\$	815,749	\$ 805,616	\$ 735,132
	105.73%	4.83%	(89.78%)

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Seven Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 365,391	\$ 396,908	\$ 623,421	\$ 701,151	\$ 675,667	\$ 694,335	\$ 704,783
Contribution in relation to the actuarially determined contribution	355,989	800,144	705,980	940,230	802,000	816,085	749,000
CONTRIBUTION DEFICIENCY (Excess)	\$ 9,402	\$ (403,236)	\$ (82,559)	\$ (239,079)	\$ (126,333)	\$ (121,750)	\$ (44,217)
Covered payroll	\$ 795,925	\$ 866,420	\$ 818,112	\$ 753,126	\$ 672,366	\$ 688,000	\$ 702,416
Contributions as a percentage of covered payroll	44.73%	92.35%	86.29%	124.84%	119.28%	118.62%	106.63%

The information presented was determined as part of the actuarial valuations as of December 31, 2020. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 20 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 6.00% (7.00% prior to 2016) annually, projected salary increases assumption of 3.50% to 11.00%, varying by service, including inflation, compounded annually and postretirement benefit increases of 3.00% compounded annually (1.25% for those hired on or after January 1, 2011).

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND**

Last Seven Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017
TOTAL PENSION LIABILITY				
Service cost	\$ 214,682	\$ 222,015	\$ 281,164	\$ 292,789
Interest	738,778	777,621	905,465	906,432
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	521,142	150,138	(165,716)	251,572
Changes of assumptions	810,192	1,352,185	(328,672)	(161,876)
Benefit payments, including refunds of member contributions	(737,524)	(643,012)	(661,739)	(713,772)
Net change in total pension liability	1,547,270	1,858,947	30,502	575,145
Total pension liability - beginning	11,734,580	13,281,850	15,140,797	15,171,299
TOTAL PENSION LIABILITY - ENDING	\$ 13,281,850	\$ 15,140,797	\$ 15,171,299	\$ 15,746,444
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 355,989	\$ 800,144	\$ 705,980	\$ 940,230
Contributions - member	123,705	79,967	81,078	78,082
Contributions - other	-	-	-	-
Net investment income	238,390	(21,806)	230,299	580,104
Benefit payments, including refunds of member contributions	(737,524)	(643,012)	(661,739)	(713,772)
Administrative expense	(6,514)	(9,940)	(9,702)	(9,580)
Net change in plan fiduciary net position	(25,954)	205,353	345,916	875,064
Plan fiduciary net position - beginning	6,154,970	6,129,016	6,334,369	6,680,285
PLAN FIDUCIARY NET POSITION - ENDING	\$ 6,129,016	\$ 6,334,369	\$ 6,680,285	\$ 7,555,349
EMPLOYER'S NET PENSION LIABILITY	\$ 7,152,834	\$ 8,806,428	\$ 8,491,014	\$ 8,191,095
Plan fiduciary net position as a percentage of the total pension liability	46.15%	41.84%	44.03%	47.98%
Covered payroll	\$ 795,925	\$ 866,420	\$ 818,112	\$ 753,126
Employer's net pension liability as a percentage of covered payroll	898.68%	1,016.42%	1,037.88%	1,087.61%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

2018	2019	2020
\$ 245,832	\$ 237,371	\$ 241,963
938,554	957,815	986,050
-	-	-
(383,605)	31,106	15,782
253,991	-	-
<u>(699,470)</u>	<u>(751,096)</u>	<u>(769,470)</u>
355,302	475,196	474,325
<u>15,746,444</u>	<u>16,101,746</u>	<u>16,576,942</u>
<u>\$ 16,101,746</u>	<u>\$ 16,576,942</u>	<u>\$ 17,051,267</u>
\$ 802,000	\$ 816,085	\$ 749,000
72,440	67,938	69,409
420	-	2,226
(196,911)	932,855	700,669
(699,470)	(751,096)	(769,470)
<u>(11,826)</u>	<u>(12,254)</u>	<u>(12,406)</u>
(33,347)	1,053,528	739,428
<u>7,555,349</u>	<u>7,522,002</u>	<u>8,575,530</u>
<u>\$ 7,522,002</u>	<u>\$ 8,575,530</u>	<u>\$ 9,314,958</u>
<u>\$ 8,579,744</u>	<u>\$ 8,001,412</u>	<u>\$ 7,736,309</u>
46.72%	51.73%	54.63%
\$ 672,366	\$ 688,000	\$ 702,416
1,276.05%	1,163.00%	1,101.39%

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Seven Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	4.24%	(0.03%)	4.13%	9.20%	(2.30%)	12.82%	8.97%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020
TOTAL OPEB LIABILITY			
Service cost	\$ 6,240	\$ 5,913	\$ 7,463
Interest	11,489	12,944	9,532
Changes in benefit terms	-	-	-
Changes of assumptions	(15,194)	34,343	33,145
Differences between expected and actual experience	-	-	50,097
Benefit payments, including refunds of member contributions	(20,565)	(20,401)	(21,856)
Net change in total OPEB liability	(18,030)	32,799	78,381
Total OPEB liability - beginning	344,017	325,987	358,786
TOTAL OPEB LIABILITY - ENDING	\$ 325,987	\$ 358,786	\$ 437,167
Covered payroll	\$ 1,578,466	\$ 1,682,638	\$ 1,509,914
Employer's total OPEB liability as a percentage of covered payroll	20.65%	21.32%	28.95%

During 2020, there were changes in assumptions with respect to the change in discount rate from 2.74% to 2.12%.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

BUDGETS

The Budget Ordinance is prepared in tentative form by the Village Manager, reviewed and approved by the Village Board of Trustees, 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. Expenditures may not legally exceed the budget at the fund level, the Village's legal level of budgetary control. 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.

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. 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. 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, Green Bay Road TIF, Waterworks System and Police Pension Funds.

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

BUDGETS (Continued)

The following funds had expenditures greater than the budget for the year ended December 31, 2020:

Fund	Actual Expenditures	Final Budget
Capital Projects Fund	\$ 450,653	\$ 436,862
Motor Fuel Tax Fund	75,047	55,448

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
PROPERTY TAXES	\$ 2,882,444	\$ 2,814,944	\$ 2,824,602
OTHER TAXES			
Replacement taxes	39,500	39,500	35,897
State sales taxes	40,000	45,000	65,499
State income taxes	240,000	256,500	273,085
Local use tax	50,000	82,000	112,214
Utility tax	216,000	176,000	190,249
Vehicle tax	200	200	(351)
Miscellaneous tax	15,000	15,000	25,088
Total other taxes	600,700	614,200	701,681
INTERGOVERNMENTAL			
Federal grants	-	-	1,811
State grants	2,500	2,500	2,427
Other grants	-	34,029	34,665
Total intergovernmental	2,500	36,529	38,903
CHARGES FOR SERVICES			
Ambulance user fees	35,000	35,000	17,766
Elevator user fees	400	400	-
Beach fees	47,000	47,000	27,640
Fire and burglar alarm fees	5,500	5,500	10,625
Yard waste stickers	10,500	10,500	12,559
Special duty detail	4,500	4,500	2,329
Waste collections	96,000	96,000	96,000
Antenna lease fees	145,400	145,400	151,218
Surcharge	65,000	65,000	79,515
Miscellaneous fees	1,100	1,100	132
Total charges for services	410,400	410,400	397,784
LICENSES AND PERMITS			
Licenses			
Vehicle license	117,000	117,000	107,132
Animal license	1,950	1,950	2,222
Liquor license	1,000	1,000	1,500
Total licenses	119,950	119,950	110,854
Permits			
Building	270,000	270,000	414,836
Parking	43,600	43,600	24,813
Tree permits	700	700	1,125
Filing fees	3,250	3,250	700
Zoning review	3,500	3,500	3,300
Plan review	25,000	25,000	44,137
Total permits	346,050	346,050	488,911
Total licenses and permits	466,000	466,000	599,765

(This schedule is continued on the following page.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
FINES AND FORFEITURES			
Circuit court fees	\$ 900	\$ 900	\$ 1,047
DUI fines	300	300	-
Village ordinance fines	15,000	15,000	6,575
Total fines and forfeitures	16,200	16,200	7,622
INVESTMENT INCOME	55,000	28,500	28,925
MISCELLANEOUS			
Cable television franchise fees	52,500	52,500	49,943
IRMA insurance proceeds	5,000	5,000	148,484
Other income	16,000	36,000	12,081
Total miscellaneous	73,500	93,500	210,508
TOTAL REVENUES	\$ 4,506,744	\$ 4,480,273	\$ 4,809,790

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Administrative			
Personnel			
Salaries			
Regular	\$ 305,755	\$ 305,755	\$ 277,952
Merit - vacation buy back	25,000	25,000	20,800
Employee benefits			
Medical	33,821	33,821	37,519
Dental	2,410	2,410	2,450
Life	830	830	692
Other benefits	113,487	113,487	102,370
Total personnel	481,303	481,303	441,783
Contractual services			
Auditing	18,500	13,500	26,155
J.U.L.I.E fees	1,250	1,250	1,098
Plan review and inspections	47,200	47,200	38,781
Printing and publishing	9,450	9,450	8,301
Telephone	4,000	4,000	3,295
Cell phone	900	900	849
Miscellaneous	3,100	3,100	2,016
Professional fees	103,450	138,000	128,580
Litigation settlement	-	-	63,750
Postage	4,650	4,650	2,189
Dues, memberships and subscriptions	10,250	10,250	9,009
Repair and maintenance - computer equipment	1,000	1,000	-
Repair and maintenance - vehicles/equipment	150	150	-
Total contractual services	203,900	233,450	284,023
Commodities			
Office supplies	2,500	2,500	633
Other supplies	1,000	1,000	1,702
Total commodities	3,500	3,500	2,335
Other expenditures			
Recruitment and training	1,050	1,050	1,255
Miscellaneous	11,420	11,420	24,266
Auto allowance	4,800	4,800	4,800
Other expenditures	17,270	17,270	30,321
Total administrative	705,973	735,523	758,462

(This schedule is continued on the following pages.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Support Services			
Insurance - Liability and workers' compensation	\$ 130,000	\$ 130,000	\$ 124,282
Village attorney	57,000	79,000	77,851
Village prosecutor	5,000	5,000	3,343
Maintenance of office equipment	800	800	707
Internet service	1,900	1,900	1,753
	<hr/>	<hr/>	<hr/>
Total support services	194,700	216,700	207,936
	<hr/>	<hr/>	<hr/>
Total general government	900,673	952,223	966,398
	<hr/>	<hr/>	<hr/>
PUBLIC WORKS			
Building and Grounds			
Personnel			
Salaries			
Maintenance	14,273	14,273	13,826
Overtime	500	500	206
Merit - vacation buy back	200	200	-
Employee benefits			
Medical	3,840	3,840	4,139
Dental	269	269	275
Other benefits	2,843	2,843	2,582
	<hr/>	<hr/>	<hr/>
Total personnel	21,925	21,925	21,028
	<hr/>	<hr/>	<hr/>
Contractual services			
Outside maintenance	26,775	26,775	27,223
	<hr/>	<hr/>	<hr/>
Commodities			
Building repairs - Village Hall	8,000	8,000	4,438
Building repairs - Public Works	6,000	500	458
Janitorial supplies	1,500	1,500	2,847
Maintenance and other supplies	2,000	2,000	530
Heating, electric and water utilities	3,000	3,000	2,399
	<hr/>	<hr/>	<hr/>
Total commodities	20,500	15,000	10,672
	<hr/>	<hr/>	<hr/>
Total building and grounds	69,200	63,700	58,923
	<hr/>	<hr/>	<hr/>
Waste Removal			
Personnel			
Salaries			
Regular	31,143	31,143	28,919
Merit - vacation buy back	4,000	4,000	3,200

(This schedule is continued on the following pages.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
PUBLIC WORKS (Continued)			
Waste Removal (Continued)			
Personnel (Continued)			
Employee benefits			
Medical	\$ 3,932	\$ 3,932	\$ 5,320
Dental	277	277	252
Other benefits	6,673	6,673	5,481
Total personnel	<u>46,025</u>	<u>46,025</u>	<u>43,172</u>
Contractual services			
Waste dumping	37,800	37,800	41,634
Leaf pickup	9,750	9,750	13,720
Total contractual services	<u>47,550</u>	<u>47,550</u>	<u>55,354</u>
Total waste removal	<u>93,575</u>	<u>93,575</u>	<u>98,526</u>
Forestry			
Contractual services			
Professional services	500	500	-
Dues, memberships and subscriptions	-	-	1,150
Tree planting program	12,000	12,000	8,095
Tree removal and trimming	36,000	36,000	33,980
Total contractual services	<u>48,500</u>	<u>48,500</u>	<u>43,225</u>
Commodities			
Maintenance and construction supplies	750	750	1,551
Total forestry	<u>49,250</u>	<u>49,250</u>	<u>44,776</u>
Total public works	<u>212,025</u>	<u>206,525</u>	<u>202,225</u>
PUBLIC SAFETY			
Police Department			
Personnel			
Salaries			
Regular	810,323	810,323	822,433
Police pension contributions	749,000	749,000	749,000
Overtime	45,000	45,000	46,119
Merit - vacation buy back	5,000	5,000	3,000
Part-time	108,002	108,002	106,870

(This schedule is continued on the following pages.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police Department (Continued)			
Personnel (Continued)			
Employee benefits			
Medical	\$ 186,709	\$ 186,709	\$ 192,329
Dental	13,042	13,042	12,393
Life	1,532	1,532	1,501
Other benefits	34,780	34,780	34,773
Total personnel	1,953,388	1,953,388	1,968,418
Contractual services			
Maintenance - office equipment	150	150	16
Printing and publishing	500	500	674
Telephone	3,600	3,600	2,688
Cell phone	3,360	3,360	3,446
Outside maintenance service	1,100	1,100	850
Criminal justice connectivity	3,800	3,800	3,579
Radio system air time	5,520	5,520	5,520
Postage	400	400	68
Dues, memberships and subscriptions	9,425	9,425	9,448
Municipal partnerships	19,465	19,465	17,808
Professional services - dispatch	183,621	183,621	183,152
Repair and maintenance - computer equipment	500	500	-
Repair and maintenance - vehicles/equipment	8,200	8,200	9,881
Total contractual services	239,641	239,641	237,130
Commodities			
Office supplies	2,200	2,200	1,972
Other supplies	7,550	4,050	3,685
Uniforms	7,000	7,000	7,674
Total commodities	16,750	13,250	13,331
Other expenditures			
Fuel	12,000	12,000	9,647
Recruitment and training	9,500	9,500	9,594
Miscellaneous	4,200	4,200	553
Auto allowance	4,800	4,800	4,800
Community service	3,000	3,000	2,532
Total other expenditures	33,500	33,500	27,126
Total police department	2,243,279	2,239,779	2,246,005

(This schedule is continued on the following pages.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire Department			
Personnel			
Salaries			
Regular	\$ 13,468	\$ 13,468	\$ 14,282
Employee benefits			
Medical	2,537	2,537	2,758
Dental	180	180	180
Other benefits	195	195	199
Total personnel	<u>16,380</u>	<u>16,380</u>	<u>17,419</u>
Contractual services			
Miscellaneous services	1,400	1,400	1,465
Fire protection	548,479	555,809	558,400
Total contractual services	<u>549,879</u>	<u>557,209</u>	<u>559,865</u>
Total fire department	<u>566,259</u>	<u>573,589</u>	<u>577,284</u>
Total public safety	<u>2,809,538</u>	<u>2,813,368</u>	<u>2,823,289</u>
HIGHWAYS AND STREETS			
Street Department			
Personnel			
Salaries			
Regular	200,751	200,751	195,378
Overtime	6,500	6,500	2,678
Merit - vacation buy back	2,000	2,000	-
Employee benefits			
Medical	52,409	52,409	57,144
Dental	3,683	3,683	3,718
Life	414	414	349
Other benefits	39,922	39,922	36,782
Total personnel	<u>305,679</u>	<u>305,679</u>	<u>296,049</u>
Contractual services			
Telephone	800	800	781
Cell phone	1,200	1,200	1,523
Outside maintenance	37,000	27,000	33,807
Repair and maintenance - vehicles/equipment	10,150	10,150	7,478
Signs - traffic and streets	1,500	1,500	1,273
Equipment rental	4,000	4,000	2,630
Dues, memberships and subscriptions	350	350	360
Total contractual services	<u>55,000</u>	<u>45,000</u>	<u>47,852</u>

(This schedule is continued on the following pages.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Street Department (Continued)			
Personnel (Continued)			
Commodities			
Office supplies	\$ 200	\$ 200	\$ 16
Other supplies	1,000	1,000	1,408
Heating, electric and water utilities	1,400	1,400	1,624
Maintenance supplies	11,000	11,000	11,755
Snow removal supplies	26,000	20,500	21,117
Uniforms	2,100	2,100	2,068
Safety equipment	300	300	1,140
Total commodities	42,000	36,500	39,128
Other expenditures			
Fuel	6,000	6,000	4,675
Recruitment and training	1,500	1,500	10
Miscellaneous expense	75	75	-
Total other expenditures	7,575	7,575	4,685
Total street department	410,254	394,754	387,714
Street Lighting			
Personnel			
Salaries			
Regular	14,273	14,273	13,827
Overtime	500	500	206
Merit - vacation buy back	200	200	-
Employee benefits			
Medical	3,840	3,840	4,145
Dental	269	269	274
Other benefits	2,843	2,843	2,583
Total personnel	21,925	21,925	21,035
Contractual services			
Repairs and maintenance	6,750	6,750	3,557
Equipment rental	1,500	1,500	1,345
Total contractual services	8,250	8,250	4,902
Commodities			
Other supplies	6,000	6,000	2,434
Heating, electric and water utilities	6,800	6,800	7,177
Total commodities	12,800	12,800	9,611

(This schedule is continued on the following pages.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Street Lighting (Continued)			
Other expenditures			
Fuel	\$ 350	\$ 350	\$ 273
Total street lighting	43,325	43,325	35,821
Total highways and streets	453,579	438,079	423,535
CULTURE AND RECREATION			
Beach			
Personnel			
Salaries			
Part-time	37,000	30,600	30,572
Employee benefits			
Other benefits	3,041	3,041	2,689
Total personnel	40,041	33,641	33,261
Contractual services			
Printing and publishing	750	750	685
Telephone	500	500	654
Miscellaneous	4,300	4,300	2,456
Laboratory services	950	950	(894)
Equipment rental	500	500	1,829
Total contractual services	7,000	7,000	4,730
Commodities			
Other supplies	1,000	1,000	3,116
Other expenditures			
Recruitment and training	300	300	150
Total culture and recreation	48,341	41,941	41,257
CAPITAL OUTLAY			
General Government			
Software	34,895	29,895	14,259
Computer equipment	4,600	4,600	2,528
Total general government	39,495	34,495	16,787
Public Works			
Building and grounds			
Machinery and equipment	-	-	263
Total public works	-	-	263

(This schedule is continued on the following page.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
CAPITAL OUTLAY (Continued)			
Public Safety			
Police Department			
Office furniture	\$ 500	\$ 500	\$ -
Machinery and equipment	1,000	1,000	-
Software	6,115	6,115	1,297
Computer equipment	500	500	-
Total public safety	<u>8,115</u>	<u>8,115</u>	<u>1,297</u>
Highways and Streets			
Street Department			
Software	10,000	1,500	1,297
Total highways and streets	<u>10,000</u>	<u>1,500</u>	<u>1,297</u>
Culture and Recreation			
Beach			
Facilities improvements	500	500	3,998
Machinery and equipment	1,000	1,000	520
Total culture and recreation	<u>1,500</u>	<u>1,500</u>	<u>4,518</u>
Total capital outlay	<u>59,110</u>	<u>45,610</u>	<u>24,162</u>
TOTAL EXPENDITURES	<u>\$ 4,483,266</u>	<u>\$ 4,497,746</u>	<u>\$ 4,480,866</u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

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

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 1,691,338	\$ 1,680,338	\$ 1,676,655
Investment income	8,500	4,250	4,737
Total revenues	1,699,838	1,684,588	1,681,392
EXPENDITURES			
Debt service			
Principal retirement	1,405,000	1,400,000	1,400,000
Interest and fiscal charges	298,686	290,686	290,646
Total expenditures	1,703,686	1,690,686	1,690,646
NET CHANGE IN FUND BALANCE	\$ (3,848)	\$ (6,098)	(9,254)
FUND BALANCE, JANUARY 1			146,276
FUND BALANCE, DECEMBER 31			\$ 137,022

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

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

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 6,500	\$ 6,500	\$ 7,263
Miscellaneous	-	122,400	122,400
Total revenues	6,500	128,900	129,663
EXPENDITURES			
Capital outlay	695,700	436,862	443,153
Debt service			
Interest and fiscal charges	-	-	7,500
Total expenditures	695,700	436,862	450,653
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(689,200)	(307,962)	(320,990)
OTHER FINANCING SOURCES (USES)			
Bonds issued, at par	590,000	590,000	593,000
Total other financing sources (uses)	590,000	590,000	593,000
NET CHANGE IN FUND BALANCE	\$ (99,200)	\$ 282,038	272,010
FUND BALANCE, JANUARY 1			1,328,081
FUND BALANCE, DECEMBER 31			\$ 1,600,091

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF KENILWORTH, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2020

	Special Revenue			Capital Projects	Total
	Sewer Service	Motor Fuel Tax	Green Bay Road TIF	2023 Capital Infrastructure	
ASSETS					
Cash and investments	\$ 327,942	\$ 695,906	\$ 118,044	\$ 1,147,313	\$ 2,289,205
Receivables (net, where applicable, of allowances for uncollectibles)					
Accounts	24,859	41,046	-	-	65,905
TOTAL ASSETS	\$ 352,801	\$ 736,952	\$ 118,044	\$ 1,147,313	\$ 2,355,110
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 31,445	\$ -	\$ 33,188	\$ 64,633
Total liabilities	-	31,445	-	33,188	64,633
DEFERRED INFLOWS OF RESOURCES					
None	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	-	31,445	-	33,188	64,633
FUND BALANCES					
Restricted for highways and streets	-	705,507	-	-	705,507
Restricted for economic development	-	-	118,044	-	118,044
Committed for sewer service	352,801	-	-	-	352,801
Assigned for capital improvements	-	-	-	1,114,125	1,114,125
Total fund balances	352,801	705,507	118,044	1,114,125	2,290,477
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 352,801	\$ 736,952	\$ 118,044	\$ 1,147,313	\$ 2,355,110

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2020

	Special Revenue			Capital Project	Total
	Sewer Service	Motor Fuel Tax	Green Bay Road TIF	2023 Capital Infrastructure	
REVENUES					
Taxes	\$ -	\$ -	\$ 117,929	\$ -	\$ 117,929
Intergovernmental	-	179,361	-	-	179,361
Charges for services	110,618	-	-	-	110,618
Investment income	2,229	3,964	115	4,857	11,165
Miscellaneous	(5,993)	-	-	-	(5,993)
Total revenues	106,854	183,325	118,044	4,857	413,080
EXPENDITURES					
Current					
Public works	17,134	-	-	-	17,134
Highways and streets	-	75,047	-	-	75,047
Capital outlay	3,891	-	-	36,342	40,233
Debt service					
Interest and fiscal charges	-	-	-	5,000	5,000
Total expenditures	21,025	75,047	-	41,342	137,414
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	85,829	108,278	118,044	(36,485)	275,666
OTHER FINANCING SOURCES (USES)					
Transfers (out)	(54,842)	-	-	-	(54,842)
Bonds issued, at par	-	-	-	397,000	397,000
Total other financing sources (uses)	(54,842)	-	-	397,000	342,158
NET CHANGE IN FUND BALANCES	30,987	108,278	118,044	360,515	617,824
FUND BALANCES, JANUARY 1	321,814	597,229	-	753,610	1,672,653
FUND BALANCES, DECEMBER 31	\$ 352,801	\$ 705,507	\$ 118,044	\$ 1,114,125	\$ 2,290,477

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

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

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Sewer charges	\$ 90,500	\$ 105,000	\$ 110,618
Investment income	3,500	3,500	2,229
Miscellaneous	-	-	(5,993)
Total revenues	94,000	108,500	106,854
EXPENDITURES			
Public works			
Outside maintenance services	15,000	15,000	8,480
Repair and maintenance - vehicles/equipment	1,500	1,500	5,175
Maintenance and construction supplies	2,250	2,250	2,479
Permit fees	1,000	1,000	1,000
Capital outlay	4,000	4,000	3,891
Total expenditures	23,750	23,750	21,025
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	70,250	84,750	85,829
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(54,842)	(54,842)	(54,842)
Total other financing sources (uses)	(54,842)	(54,842)	(54,842)
NET CHANGE IN FUND BALANCE	<u>\$ 15,408</u>	<u>\$ 29,908</u>	30,987
FUND BALANCE, JANUARY 1			<u>321,814</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 352,801</u></u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND**

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Motor fuel tax allotment	\$ 106,000	\$ 138,000	\$ 146,657
Federal grants	36,050	36,050	32,704
Investment income	8,000	4,000	3,964
	<hr/>	<hr/>	<hr/>
Total revenues	150,050	178,050	183,325
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Highways and streets	35,448	55,448	75,047
	<hr/>	<hr/>	<hr/>
Total expenditures	35,448	55,448	75,047
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 114,602</u>	<u>\$ 122,602</u>	108,278
FUND BALANCE, JANUARY 1			<hr/> 597,229
FUND BALANCE, DECEMBER 31			<hr/> <u>\$ 705,507</u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GREEN BAY ROAD TAX INCREMENT FINANCING (TIF) FUND**

For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property	\$ 25,000	\$ 117,500	\$ 117,929
Investment income	500	500	115
	<hr/>		
Total revenues	25,500	118,000	118,044
	<hr/>		
EXPENDITURES			
Economic development	45,000	-	-
	<hr/>		
Total expenditures	45,000	-	-
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (19,500)</u>	<u>\$ 118,000</u>	118,044
FUND BALANCE, JANUARY 1			<hr/> -
FUND BALANCE, DECEMBER 31			<u><u>\$ 118,044</u></u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
2023 CAPITAL INFRASTRUCTURE IMPROVEMENT FUND**

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 6,000	\$ 6,000	\$ 4,857
Total revenues	6,000	6,000	4,857
EXPENDITURES			
Capital outlay	84,350	76,850	36,342
Debt service			
Interest and fiscal charges	-	-	5,000
Total expenditures	84,350	76,850	41,342
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(78,350)	(70,850)	(36,485)
OTHER FINANCING SOURCES (USES)			
Bonds issued, at par	390,000	390,000	397,000
Total other financing sources (uses)	390,000	390,000	397,000
NET CHANGE IN FUND BALANCE	\$ 311,650	\$ 319,150	360,515
FUND BALANCE, JANUARY 1			753,610
FUND BALANCE, DECEMBER 31			\$ 1,114,125

(See independent auditor's report.)

ENTERPRISE FUND

VILLAGE OF KENILWORTH, ILLINOIS

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

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services	\$ 950,500	\$ 1,040,500	\$ 1,080,622
Miscellaneous	4,100	4,100	6,848
Total operating revenues	<u>954,600</u>	<u>1,044,600</u>	<u>1,087,470</u>
OPERATING EXPENSES			
Operations			
Personnel	235,510	235,510	191,531
Contractual services	350,840	290,840	275,706
Commodities	30,050	22,550	25,714
Other expenses	78,000	41,000	22,611
Total operating expenses excluding depreciation	<u>694,400</u>	<u>589,900</u>	<u>515,562</u>
OPERATING INCOME BEFORE DEPRECIATION	260,200	454,700	571,908
Depreciation	-	-	<u>328,772</u>
OPERATING INCOME	<u>260,200</u>	<u>454,700</u>	<u>243,136</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	11,000	11,000	6,313
Interest and fiscal charges	<u>(75,650)</u>	<u>(75,650)</u>	<u>(74,662)</u>
Total non-operating revenues (expenses)	<u>(64,650)</u>	<u>(64,650)</u>	<u>(68,349)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	195,550	390,050	174,787
Capital contributions	100	100	<u>20,662</u>
CHANGE IN NET POSITION	<u>\$ 195,650</u>	<u>\$ 390,150</u>	195,449
NET POSITION, JANUARY 1			<u>8,122,368</u>
NET POSITION, DECEMBER 31			<u><u>\$ 8,317,817</u></u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WATERWORKS SYSTEM FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel			
Salaries			
Regular	\$ 165,425	\$ 165,425	\$ 154,020
Overtime	2,500	2,500	1,030
Merit - vacation buy back	2,000	2,000	8,000
Employee benefits			
Medical	30,956	30,956	31,685
Dental	2,180	2,180	2,094
Life	119	119	115
Other benefits	32,330	32,330	(5,413)
Total personnel	235,510	235,510	191,531
Contractual services			
Printing and publishing	300	300	806
Telephone and internet	1,900	1,900	1,833
Outside maintenance	6,000	6,000	8,564
Equipment maintenance	1,000	1,000	254
Laboratory services	1,700	1,700	1,588
Professional services	17,000	17,000	8,580
Postage	2,000	2,000	773
Miscellaneous services	1,000	1,000	1,565
Engineering	45,000	45,000	-
Repairs and maintenance - vehicles/equipment	1,500	1,500	2,782
Repairs and maintenance - hydrant/valve	5,000	-	330
Repairs and maintenance - water mains	42,000	12,000	23,398
Purchase of potable water	226,440	201,440	225,233
Total contractual services	350,840	290,840	275,706
Commodities			
Other supplies	200	200	204
Maintenance supplies	19,150	11,650	12,547
Heating, electric and water utilities	10,000	10,000	12,271
Uniforms	700	700	692
Total commodities	30,050	22,550	25,714
Other expenses			
Fuel	2,200	2,200	1,712
Recruitment and training	500	500	30
Machinery and equipment	75,300	38,300	20,832
Miscellaneous expense	-	-	37
Total other expense	78,000	41,000	22,611
Debt service			
Principal retirement	195,000	195,000	195,000
Total debt service	195,000	195,000	195,000
Total operating expenses	889,400	784,900	1,039,334
ADJUSTMENTS TO GAAP BASIS			
Depreciation	-	-	328,772
Debt service	(195,000)	(195,000)	(195,000)
Total adjustments to GAAP basis	(195,000)	(195,000)	133,772
TOTAL OPERATING EXPENSES	\$ 694,400	\$ 589,900	\$ 1,173,106

(See independent auditor's report.)

FIDUCIARY FUND

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF CHANGES IN PLAN NET POSITION - BUDGET AND ACTUAL
POLICE PENSION FUND**

For the Year Ended December 31, 2020

	Original and Final Budget	Actual
ADDITIONS		
Contributions		
Contributions - employer	\$ 749,000	\$ 749,000
Contributions - employee	69,700	69,409
Contributions - other	23,000	2,226
Total contributions	841,700	820,635
Investment income		
Net appreciation (depreciation) in fair value of investments	(48,600)	530,814
Interest earned on investments	120,000	197,505
Total investment income	71,400	728,319
Less investment expense	(29,000)	(27,651)
Net investment income	42,400	700,668
Total additions	884,100	1,521,303
DEDUCTIONS		
Benefits	769,450	769,470
Administrative	15,450	12,406
Total deductions	784,900	781,876
NET INCREASE	\$ 99,200	739,427
NET POSITION RESTRICTED FOR PENSIONS		
January 1		8,575,531
December 31		\$ 9,314,958

(See independent auditor's report.)

SUPPLEMENTAL INFORMATION

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION TAXABLE BONDS OF 2013**

December 31, 2020

Date of Issue	August 15, 2013
Date of Maturity	December 1, 2033
Purpose	KW2023 Infrastructure Improvement Bond
Authorized Issue	\$9,590,000
Denomination of Bonds	\$5,000
Interest Rates	2% - 4%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 6,925,000</u>	<u>\$ 2,051,809</u>	<u>\$ 8,976,809</u>		<u>\$ 1,029,850</u>		<u>\$ 1,021,959</u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION (ALTERNATE REVENUE SOURCE) REFUNDING BONDS OF 2015A**

December 31, 2020

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 Rates	3%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 2,310,000</u>	<u>\$ 398,850</u>	<u>\$ 2,708,850</u>		<u>\$ 199,425</u>		<u>\$ 199,425</u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION LIMITED BONDS OF 2020**

December 31, 2020

Date of Issue	December 3, 2020
Date of Maturity	December 1, 2021
Purpose	Annual Capital Bond of 2021 and KW 2023 Infrastructure Improvement
Authorized Issue	\$990,000
Denomination of Bonds	\$5,000
Interest Rates	0.72%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wintrust Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			June 1	Interest Due on		
	Principal	Interest	Total		Amount	December 1	Amount
2021	<u>\$ 990,000</u>	<u>\$ 7,088</u>	<u>\$ 997,088</u>	2021	<u>\$ 3,524</u>	2021	<u>\$ 3,564</u>

(See independent auditor's report.)