



VILLAGE OF KENILWORTH, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2021



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VILLAGE OF KENILWORTH, ILLINOIS
TABLE OF CONTENTS

INTRODUCTORY SECTION

List of Principal Officials..... i

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT 1-3

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 4-5

Statement of Activities 6-7

Fund Financial Statements

Governmental Funds

Balance Sheet 8

Reconciliation of Fund Balances of Governmental Funds to
the Governmental Activities in the Statement of Net Position 9

Statement of Revenues, Expenditures and Changes in Fund Balances 10

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Governmental
Activities in the Statement of Activities..... 11

Proprietary Funds

Statement of Net Position..... 12

Statement of Revenues, Expenses and Changes in Net Position..... 13

Statement of Cash Flows 14-15

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	16
Statement of Changes in Fiduciary Net Position	17
Notes to Financial Statements	18-55
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	56
Illinois Municipal Retirement Fund	
Schedule of Employer Contributions	57
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	58-59
Police Pension Fund	
Schedule of Employer Contributions	60
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	61-62
Schedule of Investment Returns	63
Other Postemployment Benefit Plan	
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	64
Notes to Required Supplementary Information	65-66
 COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
 MAJOR GOVERNMENTAL FUNDS	
Schedule of Revenues - Budget and Actual - General Fund	67-68
Schedule of Expenditures - Budget and Actual - General Fund	69-76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Debt Service Fund	77
Capital Projects Fund	78

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	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	80
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Sewer Service Fund	81
Motor Fuel Tax Fund.....	82
Green Bay Road Tax Increment Financing (TIF) Fund	83
2023 Capital Infrastructure Improvement Fund	84
ENTERPRISE FUND	
Waterworks System Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	85
Schedule of Operating Expenses - Budget and Actual.....	86
FIDUCIARY FUND	
Schedule of Changes in Plan Net Position - Budget and Actual	
Police Pension Fund	87
SUPPLEMENTAL INFORMATION	
Long-Term Debt Requirements	
General Obligation Taxable Bonds of 2013.....	88
General Obligation (Alternative Revenue Source) Refunding Bonds of 2015A.....	89
General Obligation Limited Bonds of 2021	90

INTRODUCTORY SECTION

VILLAGE OF KENILWORTH, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2021

PRESIDENT

Cecily Kaz

BOARD OF TRUSTEES

Christopher Ottsen
Amy Hannus
Walter Kelly

Tim Ransford
Peter Shadek
Alison Winslow

VILLAGE CLERK

Michael Gagnon

VILLAGE ATTORNEY

Ben Schuster

TREASURER

Jaramee Finn

VILLAGE MANAGER

Patrick Brennan

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
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INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2021, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Sikich LLP

Naperville, Illinois
June 17, 2022

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2021

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, 2021. Please read it in conjunction with the Village's financial statements, which begin on page 4.

FINANCIAL HIGHLIGHTS

- The Village's net position increased as a result of this year's operations. Net position of business-type activities increased by \$242,741, or 2.9 percent, and net position of the governmental activities increased by \$2,299,540, or 440.0 percent.
- During the year, government-wide revenues for the primary government totaled \$8,932,859 while expenses totaled \$6,390,578 resulting in an increase to net position of \$2,542,281.
- The Village's net position totaled \$10,337,476 on December 31, 2021, which includes \$8,116,344 net investment in capital assets, \$1,082,649 subject to external restrictions, and 1,138,483 unrestricted net position.
- The Village's governmental funds for the year ending December 31, 2021 reported combined ending fund balances of \$9,916,239, which is an increase of \$1,510,284, over last fiscal year's total of \$8,405,955. Of the \$9,916,239 total, \$2,039,046, or 20.6 percent of the fund balance constitutes unassigned fund balance, a decrease of 15 percent from the prior year.
- The General Fund reported a fund balance increase for the year ending December 31, 2021 of \$531,898, resulting in ending fund balance of \$4,910,263, an increase of 12.2 percent. This slight 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 4 - 7) 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 8. 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, 2021

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 4 - 7 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, 2021

USING THIS ANNUAL REPORT – 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 non-major 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 8 - 11 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, 2021

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 12 - 15 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 16 - 17 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 18 - 55 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 56 - 66 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 67- 87 of this report.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2021

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 \$10,337,476.

	Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 16,790,250	14,218,063	1,503,373	1,357,084	18,293,623	15,575,147
Capital Assets	7,279,022	7,545,541	9,552,822	9,458,742	16,831,844	17,004,283
Total Assets	24,069,272	21,763,604	11,056,195	10,815,826	35,125,467	32,579,430
Deferred Outflows	84,448	189,433	5,507	15,053	89,955	204,486
Total Assets/Deferred Outflows	24,153,720	21,953,037	11,061,702	10,830,879	35,215,422	32,783,916
Long-Term Debt	14,041,042	14,776,934	1,951,917	2,154,841	15,992,959	16,931,775
Other Liabilities	2,363,215	2,153,603	268,317	259,219	2,631,532	2,412,822
Total Liabilities	16,404,257	16,930,537	2,220,234	2,414,060	18,624,491	19,344,597
Deferred Inflows	5,972,545	5,545,122	280,910	99,002	6,253,455	5,644,124
Total Liabilities/Deferred Inflows	22,376,802	22,475,659	2,501,144	2,513,062	24,877,946	24,988,721
Net Position						
Net Investment in						
Capital Assets	673,522	507,041	7,442,822	9,458,742	8,116,344	9,965,783
Restricted	1,082,649	1,401,322	-	-	1,082,649	1,401,322
Unrestricted (Deficit)	20,747	(2,430,985)	1,117,736	(1,140,925)	1,138,483	(3,571,910)
Total Net Position	1,776,918	(522,622)	8,560,558	8,317,817	10,337,476	7,795,195

A portion of the Village's net position, \$8,116,344, 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, \$1,082,649, 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 \$1,138,483 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, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2021	2020
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 1,293,396	1,115,790	1,090,934	1,080,622	2,384,330	2,196,412
Operating Grants/Contrib.	154,679	185,560	-	-	154,679	185,560
Capital Grants/Contrib.	77,689	32,704	421,653	20,662	499,342	53,366
General Revenues						
Taxes						
Property	4,656,986	4,619,185	-	-	4,656,986	4,619,185
Replacement	63,019	35,897	-	-	63,019	35,897
State Income	331,951	273,085	-	-	331,951	273,085
State Sales	132,942	65,499	-	-	132,942	65,499
Utility	203,729	190,249	-	-	203,729	190,249
Other	118,718	136,951	-	-	118,718	136,951
Investment Income	9,599	52,090	1,253	6,313	10,852	58,403
Miscellaneous	366,890	332,978	9,421	6,848	376,311	339,826
Total Revenues	7,409,598	7,039,988	1,523,261	1,114,445	8,932,859	8,154,433
Expenses						
General Government	737,975	820,790	-	-	737,975	820,790
Public Works	669,217	427,552	-	-	669,217	427,552
Public Safety	2,741,781	2,839,370	-	-	2,741,781	2,839,370
Highways and Streets	646,759	752,892	-	-	646,759	752,892
Culture and Recreation	39,019	71,082	-	-	39,019	71,082
Interest on Long-Term Debt	275,307	294,347	-	-	275,307	294,347
Waterworks System	-	-	1,280,520	918,996	1,280,520	918,996
Total Expenses	5,110,058	5,206,033	1,280,520	918,996	6,390,578	6,125,029
Change in Net Position	2,299,540	1,833,955	242,741	195,449	2,542,281	2,029,404
Net Position - Beginning	(522,622)	(2,356,577)	8,317,817	8,122,368	7,795,195	5,765,791
Net Position-Ending	1,776,918	(522,622)	8,560,558	8,317,817	10,337,476	7,795,195

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

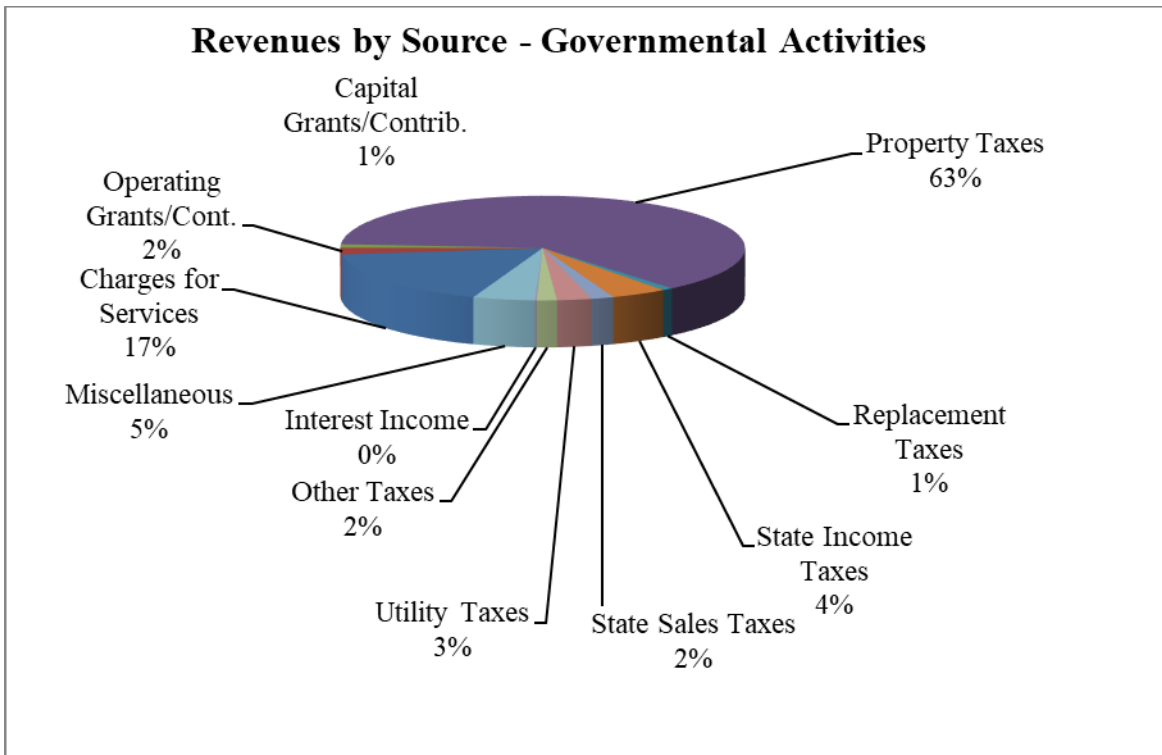
Net position of the Village's governmental activities increased by 440 percent (a deficit of \$522,622 at December 31, 2020 compared to a positive \$1,776,918 at December 31, 2021). Unrestricted net position, the part of net position used to finance day-to-day operations without constraints, totaled a positive \$20,747 at December 31, 2021.

Net position of business-type activities increased by 2.9 percent (\$8,317,817 at December 31, 2020 compared to \$8,560,558 at December 31, 2021).

Governmental Activities

Revenues for governmental activities totaled \$7,409,598, while the cost of all governmental functions totaled \$5,110,058, resulting in a surplus of \$2,299,540 for the year ended December 31, 2021. This surplus is attributable to increased state shared revenues and charges for services compared with 2020, in addition to a decrease in total expenses for 2021 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 charges for services 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.



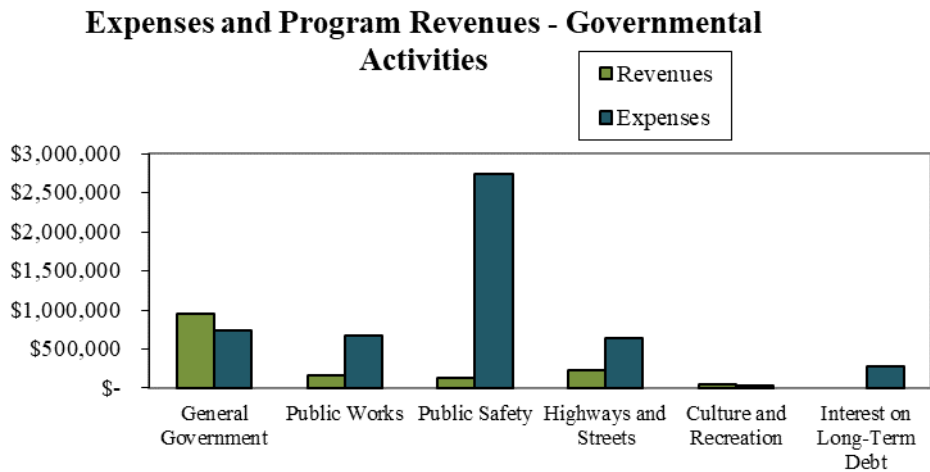
VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2021

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.



Business-Type activities

Business-Type activities for the year ended December 31, 2021 reported total revenues of \$1,523,261, while the cost of all business-type activities totaled \$1,280,520, resulting in an increase of \$242,741. The increase in comparison to prior year is primarily due to the \$421,653 in capital contributions.

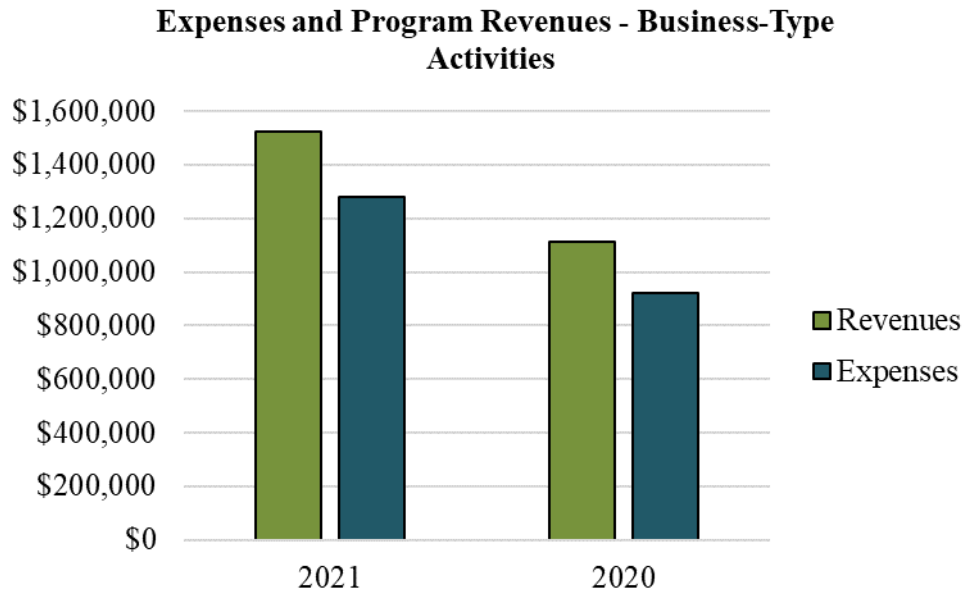
VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Business-Type Activities – Continued

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



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The Village's governmental funds reported combining ending fund balances of \$9,916,239, which is an increase of \$1,510,284, from last year's total of \$8,405,955. Of the \$9,916,239 total combined fund balances, \$2,039,046, or 21 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported fund balance for the year of \$4,910,263, an increase of 12.2 percent. The increase is due to better than anticipated revenue performance and expenditures that were monitored closely during the year.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2021

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, 2021, unassigned fund balance in the General Fund was \$2,992,429, which represents 60.9 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 66.6 percent [\$2,992,429 of \$4,490,396] of total General Fund expenditures. The Village fund balance policy targets unrestricted fund balance of 55-70%.

The Debt Service Fund reported a decrease in fund balance of \$31,921, or 23 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 \$105,101 is restricted for future debt service payments.

During the fiscal year, a General Obligation Limited Bond was issued in the amount of \$995,000. Proceeds in the amount of \$597,000 were reported in the Capital Projects Fund, resulting in ending fund balance of \$2,235,182. The \$398,000 balance of the proceeds were reported in the 2023 Capital Infrastructure Improvement Fund, a nonmajor fund, resulting in ending fund balance of \$1,390,490. Proceeds from the bond are earmarked for capital improvements and other lawful expenditures. During the current year a total of \$336,526 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 \$50,714 due to sewer charges exceeding budgetary expectations and expenditures coming in under budget for the year. The Motor Fuel Tax Fund reported a decrease in fund balance of \$89,301, as the Village increased expenditures for the Kenilworth Avenue east resurfacing project during the budgeted year.

During the previous 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 \$137,438, which also represents the total increase in fund balance for the fund.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2021

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 an operating income of \$217,937 before calculating depreciation. The increase for the year is a result of revenues exceeding budgetary expectations 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 \$5,211,446, compared to budgeted revenues of \$4,909,024. All revenue categories, except for Intergovernmental, and Investment Income came in over budget for the year ending December 31, 2021.

The General Fund actual expenditures for the year were \$4,490,396, with budgeted expenditures of \$4,596,291. Total expenditures were under budget across all of the General Fund departments with exception of public works and highways and streets due to increase in maintenance and repairs.

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, 2021 was \$16,831,844 (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, 2021**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Capital Assets – Continued

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land and Right of Way	\$ 780,088	780,088	38,648	38,648	818,736	818,736
Construction in Progress	201,057	223,657	201,401	150,748	402,458	374,405
Buildings and Improvements	1,055,478	1,017,405	9,205,387	9,147,486	10,260,865	10,164,891
Machinery and Equipment	198,929	286,869	107,386	121,860	306,315	408,729
Sanitary and Sewer System	2,986,790	3,079,375	-	-	2,986,790	3,079,375
Streets	2,056,680	2,158,147	-	-	2,056,680	2,158,147
Totals	7,279,022	7,545,541	9,552,822	9,458,742	16,831,844	17,004,283

This year’s major additions included:

Construction in Progress	77,044
Building and Improvements	99,644
Machinery and equipment	<u>35,749</u>
	<u><u>212,437</u></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, 2021, the Village had total outstanding debt of \$9,605,000 as compared to \$10,225,000 the previous fiscal year ending on December 31, 2020, a decrease of 6.5 percent due to budgeted principal payments. During 2021, the General Obligation Limited Bonds of 2021 were issued.

The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
General Obligation Bonds - Net	\$ 7,495,000	7,915,000	2,110,000	2,310,000	9,605,000	10,225,000

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2021

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 \$27,519,261.

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 long-term financial impacts of COVID-19 and potential changes to the existing revenue sharing methodology are known. The Village's primary reliance upon stable revenue sources such as property taxes is anticipated to shelter the Village from state and federal economic factors in the short-term.

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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 9,979,823	\$ 902,042	\$ 10,881,865
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	4,693,795	-	4,693,795
Accounts	230,379	220,413	450,792
Prepaid items	576,614	700	577,314
Net pension asset - IMRF	1,309,639	380,218	1,689,857
Capital assets not being depreciated	981,145	240,049	1,221,194
Capital assets (net of accumulated depreciation)	6,297,877	9,312,773	15,610,650
Total assets	24,069,272	11,056,195	35,125,467
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	18,970	5,507	24,477
Pension items - Police Pension	65,478	-	65,478
Total deferred outflows of resources	84,448	5,507	89,955
Total assets and deferred outflows of resources	24,153,720	11,061,702	35,215,422
LIABILITIES			
Accounts payable	240,956	39,840	280,796
Accrued interest payable	20,921	5,275	26,196
Accrued payroll	22,405	2,512	24,917
Deposits payable	417,534	12,250	429,784
Unearned revenue	176,945	-	176,945
Due to fiduciary component units	12,737	-	12,737
Noncurrent liabilities			
Due within one year	1,471,717	208,440	1,680,157
Due in more than one year	14,041,042	1,951,917	15,992,959
Total liabilities	16,404,257	2,220,234	18,624,491

(This statement is continued on the following page.)

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	\$ 4,693,795	\$ -	\$ 4,693,795
Pension items - IMRF	967,579	280,910	1,248,489
Pension items - Police Pension	311,171	-	311,171
Total deferred inflows of resources	5,972,545	280,910	6,253,455
Total liabilities and deferred inflows of resources	22,376,802	2,501,144	24,877,946
NET POSITION			
Net investment in capital assets	673,522	7,442,822	8,116,344
Restricted for			
Public safety	105,860	-	105,860
Highways and streets	616,206	-	616,206
Economic development	255,482	-	255,482
Debt service	105,101	-	105,101
Unrestricted	20,747	1,117,736	1,138,483
TOTAL NET POSITION	\$ 1,776,918	\$ 8,560,558	\$ 10,337,476

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 737,975	\$ 953,742	\$ 174	\$ -
Public works	669,217	166,596	-	-
Public safety	2,741,781	129,153	835	-
Highways and streets	646,759	-	153,670	77,689
Culture and recreation	39,019	43,905	-	-
Interest on long-term debt	275,307	-	-	-
Total governmental activities	5,110,058	1,293,396	154,679	77,689
Business-Type Activities				
Waterworks system	1,280,520	1,090,934	-	421,653
Total business-type activities	1,280,520	1,090,934	-	421,653
TOTAL PRIMARY GOVERNMENT	\$ 6,390,578	\$ 2,384,330	\$ 154,679	\$ 499,342

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ 215,941	\$ -	\$ 215,941
	(502,621)	-	(502,621)
	(2,611,793)	-	(2,611,793)
	(415,400)	-	(415,400)
	4,886	-	4,886
	(275,307)	-	(275,307)
	(3,584,294)	-	(3,584,294)
	-	232,067	232,067
	-	232,067	232,067
	(3,584,294)	232,067	(3,352,227)
General Revenues			
Taxes			
Property	4,656,986	-	4,656,986
Replacement	63,019	-	63,019
State sales	132,942	-	132,942
Utility	203,729	-	203,729
Other	118,718	-	118,718
Unrestricted			
Income tax	331,951	-	331,951
Investment income	9,599	1,253	10,852
Miscellaneous	366,890	9,421	376,311
Total	5,883,834	10,674	5,894,508
CHANGE IN NET POSITION	2,299,540	242,741	2,542,281
NET POSITION (DEFICIT), JANUARY 1	(522,622)	8,317,817	7,795,195
NET POSITION, DECEMBER 31	\$ 1,776,918	\$ 8,560,558	\$ 10,337,476

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2021

	Major Funds			Nonmajor Governmental	Total
	General	Debt Service	Capital Projects		
ASSETS					
Cash and cash equivalents	\$ 4,882,335	\$ 105,109	\$ 2,400,690	\$ 2,591,689	\$ 9,979,823
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	3,033,608	1,660,187	-	-	4,693,795
Accounts	154,475	-	-	75,904	230,379
Prepaid items	571,114	-	5,500	-	576,614
TOTAL ASSETS	\$ 8,641,532	\$ 1,765,296	\$ 2,406,190	\$ 2,667,593	\$ 15,480,611
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 236,852	\$ 8	\$ 2,808	\$ 1,288	\$ 240,956
Accrued payroll	21,793	-	-	612	22,405
Deposits payable	417,534	-	-	-	417,534
Due to fiduciary component units	12,737	-	-	-	12,737
Unearned revenue	8,745	-	168,200	-	176,945
Total liabilities	697,661	8	171,008	1,900	870,577
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	3,033,608	1,660,187	-	-	4,693,795
Total deferred inflows of resources	3,033,608	1,660,187	-	-	4,693,795
Total liabilities and deferred inflows of resources	3,731,269	1,660,195	171,008	1,900	5,564,372
FUND BALANCES					
Nonspendable in form - prepaid items	571,114	-	5,500	-	576,614
Restricted for public safety	105,860	-	-	-	105,860
Restricted for debt service	-	105,101	-	-	105,101
Restricted for capital improvements	-	-	589,500	393,000	982,500
Restricted for highway and streets	-	-	-	616,206	616,206
Restricted for economic development	-	-	-	255,482	255,482
Committed for tree replacement	40,860	-	-	-	40,860
Committed for sewer service	-	-	-	403,515	403,515
Unrestricted					
Assigned for capital improvements	1,200,000	-	1,640,182	997,490	3,837,672
Unassigned - General Fund	2,992,429	-	-	-	2,992,429
Total fund balances	4,910,263	105,101	2,235,182	2,665,693	9,916,239
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,641,532	\$ 1,765,296	\$ 2,406,190	\$ 2,667,593	\$ 15,480,611

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, 2021

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 9,916,239
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	7,279,022
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	(7,495,000)
Bond premiums	(93,000)
Compensated absences payable	(105,820)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(20,921)
The net pension liability of the Police Pension Fund is shown as a liability on the statement of net position	(7,432,505)
Net pension liability/asset for the Illinois Municipal Retirement Fund is shown as a liability/asset on the statement of net position	1,309,639
Total OPEB liability is shown as a liability on the statement of net position	(386,434)
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	(948,609)
Police Pension	(245,693)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,776,918</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, 2021

	Major Funds			Nonmajor Governmental	Total
	General	Debt Service	Capital Projects		
REVENUES					
Property taxes	\$ 2,865,487	\$ 1,654,240	\$ -	\$ 137,259	\$ 4,656,986
Other taxes	850,359	-	-	-	850,359
Licenses, permits and fees	758,806	-	-	-	758,806
Fines and forfeitures	19,054	-	-	-	19,054
Charges for services	406,297	-	-	109,238	515,535
Intergovernmental	1,009	-	-	231,359	232,368
Investment income	4,699	688	1,759	2,453	9,599
Miscellaneous	305,735	-	-	308	306,043
Total revenues	5,211,446	1,654,928	1,759	480,617	7,348,750
EXPENDITURES					
Current					
General government	825,541	-	-	-	825,541
Public works	220,690	-	-	54,005	274,695
Public safety	2,951,283	-	-	-	2,951,283
Highways and streets	434,483	-	-	321,325	755,808
Culture and recreation	34,075	-	-	-	34,075
Debt service					
Principal retirement	-	1,415,000	-	-	1,415,000
Interest and fiscal charges	-	271,849	7,500	5,000	284,349
Capital outlay	24,324	-	206,168	123,071	353,563
Total expenditures	4,490,396	1,686,849	213,668	503,401	6,894,314
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	721,050	(31,921)	(211,909)	(22,784)	454,436
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	60,848	-	-	-	60,848
Transfers in	-	-	250,000	-	250,000
Transfers (out)	(250,000)	-	-	-	(250,000)
Bonds issued, at par	-	-	597,000	398,000	995,000
Total other financing sources (uses)	(189,152)	-	847,000	398,000	1,055,848
NET CHANGE IN FUND BALANCES	531,898	(31,921)	635,091	375,216	1,510,284
FUND BALANCES, JANUARY 1	4,378,365	137,022	1,600,091	2,290,477	8,405,955
FUND BALANCES, DECEMBER 31	\$ 4,910,263	\$ 105,101	\$ 2,235,182	\$ 2,665,693	\$ 9,916,239

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, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,510,284
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	112,793
Sales of capital assets are reported as a proceed in governmental funds but as a gain (loss) from sale on the statement of activities	(25,304)
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	(354,008)
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	(995,000)
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	1,415,000
The change in interest payable is reported as an expense on the statement of activities	1,042
The change in certain liabilities are reported as expenses on the statement of activities	
Compensated absences	116
OPEB	9,202
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	736,122
Police Pension	303,804
The changes in deferred outflows and deferred inflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund	(391,733)
Police Pension	(30,778)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 2,299,540

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2021

	<u>Business-Type Activities Waterworks System</u>
CURRENT ASSETS	
Cash and investments	\$ 902,042
Receivables	
Accounts - billed	92,548
Accounts - unbilled	127,865
Prepaid items	<u>700</u>
Total current assets	<u>1,123,155</u>
NONCURRENT ASSETS	
Net pension asset - IMRF	380,218
Capital assets	
Nondepreciable capital assets	240,049
Depreciable capital assets	14,554,277
Accumulated depreciation	<u>(5,241,504)</u>
Net capital assets	<u>9,552,822</u>
Total noncurrent assets	<u>9,933,040</u>
Total assets	<u>11,056,195</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	<u>5,507</u>
Total deferred outflows of resources	<u>5,507</u>
CURRENT LIABILITIES	
Accounts payable	39,840
Accrued interest	5,275
Accrued payroll	2,512
Deposits payable	12,250
Compensated absences payable	1,769
Total OPEB liability	1,671
General obligation bonds payable	<u>205,000</u>
Total current liabilities	<u>268,317</u>
LONG-TERM LIABILITIES	
Compensated absences payable	7,077
Total OPEB liability - RBP	39,840
General obligation bonds payable	<u>1,905,000</u>
Total long-term liabilities	<u>1,951,917</u>
Total liabilities	<u>2,220,234</u>
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	<u>280,910</u>
Total deferred inflows of resources	<u>280,910</u>
NET POSITION	
Net investment in capital assets	7,442,822
Unrestricted	<u>1,117,736</u>
TOTAL NET POSITION	<u><u>\$ 8,560,558</u></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, 2021

	Business-Type Activities Waterworks System
OPERATING REVENUES	
Charges for services	\$ 1,090,934
Miscellaneous	9,421
Total operating revenues	<u>1,100,355</u>
OPERATING EXPENSES	
Operations	<u>882,418</u>
Total operating expenses	<u>882,418</u>
OPERATING INCOME BEFORE DEPRECIATION	217,937
Depreciation	<u>329,301</u>
OPERATING INCOME (LOSS)	<u>(111,364)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	1,253
Interest and fiscal charges	<u>(68,801)</u>
Total non-operating revenues (expenses)	<u>(67,548)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(178,912)
Capital contributions	<u>421,653</u>
CHANGE IN NET POSITION	242,741
NET POSITION, JANUARY 1	<u>8,317,817</u>
NET POSITION, DECEMBER 31	<u><u>\$ 8,560,558</u></u>

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2021

	Business-Type Activities
	Waterworks System
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,121,824
Payments to suppliers	(749,565)
Payments to employees	(228,486)
Miscellaneous	9,421
	<hr/>
Net cash from operating activities	153,194
	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	-
	<hr/>
Net cash from noncapital financing activities	-
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on capital debt	(200,000)
Interest payments on capital debt	(69,302)
Capital assets purchased	(1,728)
	<hr/>
Net cash from capital and related financing activities	(271,030)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,253
	<hr/>
Net cash from investing activities	1,253
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(116,583)
	<hr/>
CASH AND CASH EQUIVALENTS, JANUARY 1	1,018,625
	<hr/>
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 902,042
	<hr/> <hr/>

(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, 2021

	Business-Type Activities
	Waterworks System
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (111,364)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation	329,301
Increase in	
Receivables	30,890
Increase (decrease) in	
Accounts payable	5,751
Accrued payroll	809
Deposits payable	775
Compensated absences payable	(640)
Pension items	(102,308)
OPEB items	(20)
NET CASH FROM OPERATING ACTIVITIES	\$ 153,194
NONCASH TRANSACTIONS	
Capital asset contributions	\$ 421,653
 Total noncash transactions	 \$ 421,653

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

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

December 31, 2021

ASSETS

Cash and cash equivalents	\$ 594,134
Investments	
U.S. Treasuries	1,277,472
U.S. agencies	203,076
Corporate bonds	2,709,961
State and local obligations	511,728
Mutual funds	4,844,702
Receivables	
Accrued interest	36,057
Due from Village	<u>12,737</u>
Total assets	<u>10,189,867</u>

LIABILITIES

None	<u>-</u>
Total liabilities	<u>-</u>

**NET POSITION RESTRICTED
FOR PENSIONS**

\$ 10,189,867

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, 2021

ADDITIONS

Contributions

Contributions - employer \$ 843,836

Contributions - employee 72,985

Total contributions 916,821

Investment income

Net appreciation in fair value of investments 585,073

Interest earned on investments 181,960

Total investment income 767,033

Less investment expense (30,633)

Net investment income 736,400

Total additions 1,653,221

DEDUCTIONS

Benefits 767,867

Administrative 10,445

Total deductions 778,312

NET INCREASE 874,909

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1 9,314,958

December 31 \$ 10,189,867

See accompanying notes to financial statements.

VILLAGE OF KENILWORTH, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021 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, 2021, 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, 2021.

3. RECEIVABLES - TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, 2020. 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, 2021 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	223,657	77,044	99,644	201,057
Total capital assets not being depreciated	1,003,745	77,044	99,644	981,145
Capital assets being depreciated				
Buildings and improvements	2,051,714	99,644	-	2,151,358
Machinery and equipment	1,421,156	35,749	141,495	1,315,410
Sanitary and sewer systems	4,825,325	-	-	4,825,325
Streets	2,536,685	-	-	2,536,685
Total capital assets being depreciated	10,834,880	135,393	141,495	10,828,778
Less accumulated depreciation for				
Buildings and improvements	1,034,309	61,571	-	1,095,880
Machinery and equipment	1,134,287	98,385	116,191	1,116,481
Sanitary and sewer systems	1,745,950	92,585	-	1,838,535
Streets	378,538	101,467	-	480,005
Total accumulated depreciation	4,293,084	354,008	116,191	4,530,901
Total capital assets being depreciated, net	6,541,796	(218,615)	25,304	6,297,877
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 7,545,541	\$ (141,571)	\$ 124,948	\$ 7,279,022
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land and right of way	\$ 38,648	\$ -	\$ -	\$ 38,648
Construction in progress	150,748	50,653	-	201,401
Total capital assets not being depreciated	189,396	50,653	-	240,049
Capital assets being depreciated				
Buildings	13,835,743	372,728	-	14,208,471
Machinery and equipment	345,806	-	-	345,806
Total capital assets being depreciated	14,181,549	372,728	-	14,554,277
Less accumulated depreciation for				
Buildings	4,688,257	314,827	-	5,003,084
Machinery and equipment	223,946	14,474	-	238,420
Total accumulated depreciation	4,912,203	329,301	-	5,241,504
Total capital assets being depreciated, net	9,269,346	43,427	-	9,312,773
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 9,458,742	\$ 94,080	\$ -	\$ 9,552,822

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	41,223
Public works	<u>298,680</u>

DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 354,008

BUSINESS-TYPE ACTIVITIES

Waterworks system	<u>\$ 329,301</u>
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DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES \$ 329,301

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, 2021 were \$335,198.

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	\$ 7,915,000	\$ 995,000	\$ 1,415,000	\$ 7,495,000	\$ 1,435,000
Unamortized bond premium	101,000	-	8,000	93,000	-
Net pension liability - Police Pension	7,736,309	-	303,804	7,432,505	-
Compensated absences	105,936	21,071	21,187	105,820	21,164
Total OPEB liability	395,636	-	9,202	386,434	15,553
TOTAL GOVERNMENTAL ACTIVITIES	\$ 16,253,881	\$ 1,016,071	\$ 1,757,193	\$ 15,512,759	\$ 1,471,717
BUSINESS-TYPE ACTIVITIES					
General obligation bonds	\$ 2,310,000	\$ -	\$ 200,000	\$ 2,110,000	\$ 205,000
Compensated absences	9,486	1,257	1,897	8,846	1,769
Total OPEB liability	41,531	-	20	41,511	1,671
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 2,361,017	\$ 1,257	\$ 201,917	\$ 2,160,357	\$ 208,440

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	\$ 6,925,000	\$ -	\$ 425,000	\$ 6,500,000	\$ 440,000
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	2,310,000	-	200,000	2,110,000	205,000
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	-	-
General Obligation Limited Bonds of 2021 - due in one installment of \$990,000 plus interest at 0.57% on December 1, 2022.	Debt Service Fund	-	995,000	-	995,000	995,000
TOTAL GENERAL OBLIGATION BONDS		\$ 10,225,000	\$ 995,000	\$ 1,615,000	\$ 9,605,000	\$ 1,640,000

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
2022	\$ 1,435,000	\$ 256,706	\$ 1,691,706	\$ 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	\$ 7,495,000	\$ 1,793,665	\$ 9,288,665	\$ 2,110,000	\$ 329,550	\$ 2,439,550

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, 2021, the total pledge (principal and interest) of \$269,300 was 24.47% of the total pledged revenues of \$1,100,355 (as defined above). The remaining pledge at December 31, 2021 was \$2,439,550.

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

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

6. LONG-TERM DEBT (Continued)

e. Legal Debt Margin (Continued)

2020 equalized assessed valuation	<u>\$ 319,063,896</u>
Debt limitation - 8.625% of assessed valuation	\$ 27,519,261
Amount of debt applicable to debt limit	<u>9,605,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 17,914,261</u></u>

7. INDIVIDUAL FUND DISCLOSURES

a. Transfers In/Out

Interfund transfers during the year ended December 31, 2021 consisted of the following:

Fund	Transfers In	Transfers Out
Major Governmental		
General Fund	\$ -	\$ 250,000
Capital Projects Fund	250,000	-
Total Major Governmental	<u>250,000</u>	<u>250,000</u>
TOTAL	<u><u>\$ 250,000</u></u>	<u><u>\$ 250,000</u></u>

The purpose of significant transfers is as follows:

- \$250,000 transfer from the General Fund to the Capital Projects Fund for budgetary purposes. These amounts will not be repaid.

b. Due From/To Other Funds

Due from/to other funds at December 31, 2021 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
Major Governmental		
General Fund	\$ -	\$ 12,737
Total Major Governmental	<u>-</u>	<u>12,737</u>

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Due From/To Other Funds (Continued)

Fund	Due From Other Funds	Due To Other Funds
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.

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.

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

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.

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 \$44,844 to SWANCC for the year ended December 31, 2021, which is recorded in the Village’s General Fund.

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

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 table below is a summary for all pension plans as of and for the year ended December 31, 2021:

	IMRF	Police Pension	Total
Net pension liability (asset)	\$ (1,689,857)	\$ 7,432,505	\$ 5,742,648
Deferred outflows of resources	24,477	65,478	89,955
Deferred inflows of resources	1,248,489	311,171	1,559,660
Pension expense (income)	(368,164)	570,810	202,646

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, 2021, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	24
Active employees	<u>9</u>
TOTAL	<u><u>55</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, 2021 was 10.70% 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, 2021 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, 2021
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, 2021	\$ 8,482,106	\$ 9,142,079	\$ (659,973)
Changes for the period			
Service cost	70,966	-	70,966
Interest	597,599	-	597,599
Difference between expected and actual experience	48,585	-	48,585
Changes in assumptions	-	-	-
Employer contributions	-	79,813	(79,813)
Employee contributions	-	33,566	(33,566)
Net investment income	-	1,583,317	(1,583,317)
Benefit payments and refunds	(549,677)	(549,677)	-
Administrative expense	-	-	-
Other (net transfer)	-	50,338	(50,338)
Net changes	167,473	1,197,357	(1,029,884)
BALANCES AT DECEMBER 31, 2021	\$ 8,649,579	\$ 10,339,436	\$ (1,689,857)

During 2021, there were no changes in assumptions.

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, 2021, the Village recognized pension expense of \$(368,164). At December 31, 2021, 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	\$ 24,477	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,248,489
TOTAL	<u>\$ 24,477</u>	<u>\$ 1,248,489</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>	
2022	\$ (249,670)
2023	(479,069)
2024	(308,370)
2025	(186,903)
2026	-
Thereafter	-
TOTAL	<u>\$ (1,224,012)</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)	\$ (825,996)	\$ (1,689,857)	\$ (2,395,032)

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, 2021, 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, 2021 was 114.58% 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, 2021 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, 2021:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasuries	\$ 1,277,472	\$ 393,736	\$ 883,736	\$ -	\$ -
U.S. agencies	203,076	-	163,696	39,380	-
Corporate bonds	2,709,961	663,851	2,046,110	-	-
State and local obligations	511,728	60,310	382,981	68,437	-
TOTAL	\$ 4,702,237	\$ 1,117,897	\$ 3,476,523	\$ 107,817	\$ -

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, 2021: 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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.10%. 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 A- through AA as of December 31, 2021.

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, 2021 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2021
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-2020.

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, 2021	\$ 17,051,267	\$ 9,314,958	\$ 7,736,309
Changes for the period			
Service cost	245,539	-	245,539
Interest	1,014,772	-	1,014,772
Changes of benefit terms	-	-	-
Difference between expected and actual experience	78,661	-	78,661
Changes in assumptions	-	-	-
Employer contributions	-	843,836	(843,836)
Employee contributions	-	72,985	(72,985)
Net investment income	-	736,400	(736,400)
Benefit payments and refunds	(767,867)	(767,867)	-
Administrative expense	-	(10,445)	10,445
Other (net transfer)	-	-	-
Net changes	571,105	874,909	(303,804)
BALANCES AT DECEMBER 31, 2021	\$ 17,622,372	\$ 10,189,867	\$ 7,432,505

As of December 31, 2021, the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 57.82%.

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	\$ 9,989,155	\$ 7,432,505	\$ 5,351,800

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

For the year ended December 31, 2021, the Village recognized pension expense of \$570,810. At December 31, 2021, 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	\$ 65,478	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	-	311,171
TOTAL	\$ 65,478	\$ 311,171

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>	
2022	\$ 2,581
2023	(141,483)
2024	(72,122)
2025	(34,669)
TOTAL	\$ (245,693)

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, 2021, 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 January 1, 2021, 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, 2021, 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 forward by the actuary using updating procedures to December 31, 2021, including updating the discount rate at December 31, 2021.

Actuarial valuation date	January 1, 2021
Measurement date	December 31, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Discount rate	2.06%
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 2.06%. 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, 2021.

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, 2021	\$ 437,167
Changes for the period	
Service cost	9,609
Interest	9,085
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions	(10,692)
Net investment income	-
Benefit payments and refunds	(17,224)
Administrative expense	-
	<u> </u>
Net changes	(9,222)
BALANCES AT DECEMBER 31, 2021	\$ 427,945

During 2021, there were changes in assumptions with respect to the mortality, retirement, termination, and disability rates, as well as a change in discount rate from 2.12% to 2.06%.

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 2.06% 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 (1.06%) or 1 percentage point higher (3.06%) than the current rate:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB liability	\$ 465,123	\$ 427,945	\$ 395,314

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	\$ 388,421	\$ 427,945	\$ 473,102

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

For the year ended December 31, 2021, the Village recognized OPEB expense of \$8,002.

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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 2,785,000	\$ 2,810,000	\$ 2,865,487
Other taxes	624,875	764,875	850,359
Licenses, permits and fees	485,950	730,950	758,806
Fines and forfeitures	7,300	7,300	19,054
Charges for services	384,582	399,582	406,297
Intergovernmental	2,450	36,450	1,009
Investment income	11,000	11,000	4,699
Miscellaneous	86,317	148,867	305,735
	<hr/>		
Total revenues	4,387,474	4,909,024	5,211,446
<hr/>			
EXPENDITURES			
Current			
General government	779,467	892,967	825,541
Public works	207,979	212,979	220,690
Public safety	2,880,711	2,995,711	2,951,283
Highways and streets	401,500	429,500	434,483
Culture and recreation	45,751	35,751	34,075
Capital outlay	35,083	29,383	24,324
	<hr/>		
Total expenditures	4,350,491	4,596,291	4,490,396
<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	36,983	312,733	721,050
<hr/>			
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	10,000	56,000	60,848
Transfers out	-	(250,000)	(250,000)
	<hr/>		
Total other financing sources (uses)	10,000	(194,000)	(189,152)
<hr/>			
NET CHANGE IN FUND BALANCE	\$ 46,983	\$ 118,733	531,898
<hr/>			
FUND BALANCE, JANUARY 1			4,378,365
<hr/>			
FUND BALANCE, DECEMBER 31			\$ 4,910,263

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Seven Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 131,241	\$ 130,995	\$ 106,021	\$ 105,802	\$ 73,875	\$ 83,365	\$ 79,813
Contributions in relation to the actuarially determined contribution	131,241	130,995	106,021	105,802	73,875	83,365	79,813
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	\$ 745,910
Contributions as a percentage of covered payroll	13.18%	13.64%	25.20%	12.97%	15.38%	18.14%	10.70%

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 22 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 Seven Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY							
Service cost	\$ 108,893	\$ 106,764	\$ 97,329	\$ 86,244	\$ 89,780	\$ 81,024	\$ 70,966
Interest	525,468	546,105	561,036	553,396	557,178	576,844	597,599
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	83,440	26,778	(32,536)	(52,747)	138,367	211,898	48,585
Changes of assumptions	8,517	(24,894)	(254,726)	193,520	-	(37,241)	-
Benefit payments, including refunds of member contributions	(389,108)	(490,052)	(470,337)	(464,536)	(486,613)	(532,761)	(549,677)
Net change in total pension liability	337,210	164,701	(99,234)	315,877	298,712	299,764	167,473
Total pension liability - beginning	7,165,076	7,502,286	7,666,987	7,567,753	7,883,630	8,182,342	8,482,106
TOTAL PENSION LIABILITY - ENDING	\$ 7,502,286	\$ 7,666,987	\$ 7,567,753	\$ 7,883,630	\$ 8,182,342	\$ 8,482,106	\$ 8,649,579
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 131,241	\$ 130,995	\$ 206,021	\$ 105,802	\$ 123,876	\$ 133,365	\$ 79,813
Contributions - member	44,809	43,217	36,785	36,709	36,253	64,257	33,566
Net investment income	31,947	440,195	1,241,516	(461,808)	1,355,909	1,190,774	1,583,317
Benefit payments, including refunds of member contributions	(389,108)	(490,052)	(470,337)	(464,536)	(486,613)	(532,761)	(549,677)
Administrative expense	171,024	128,981	(129,515)	181,404	92,813	143,040	50,338
Net change in plan fiduciary net position	(10,087)	253,336	884,470	(602,429)	1,122,238	998,675	1,197,357
Plan fiduciary net position - beginning	6,495,876	6,485,789	6,739,125	7,623,595	7,021,166	8,143,404	9,142,079
PLAN FIDUCIARY NET POSITION - ENDING	\$ 6,485,789	\$ 6,739,125	\$ 7,623,595	\$ 7,021,166	\$ 8,143,404	\$ 9,142,079	\$ 10,339,436
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 1,016,497	\$ 927,862	\$ (55,842)	\$ 862,464	\$ 38,938	\$ (659,973)	\$ (1,689,857)

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of total pension liability (asset)	86.45%	87.90%	100.74%	89.06%	99.52%	107.78%	119.54%
Covered payroll	\$ 995,754	\$ 960,374	\$ 817,438	\$ 815,749	\$ 805,616	\$ 735,132	\$ 745,910
Employer's net pension liability as a percentage of covered payroll	102.08%	96.61%	(6.83%)	105.73%	4.83%	(89.78%)	(226.55%)

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.

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Eight Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 365,391	\$ 396,908	\$ 623,421	\$ 701,151	\$ 675,667	\$ 694,335	\$ 704,783	\$ 721,270
Contribution in relation to the actuarially determined contribution	355,989	800,144	705,980	940,230	802,000	816,085	749,000	843,836
CONTRIBUTION DEFICIENCY (Excess)	\$ 9,402	\$ (403,236)	\$ (82,559)	\$ (239,079)	\$ (126,333)	\$ (121,750)	\$ (44,217)	\$ (122,566)
Covered payroll	\$ 795,925	\$ 866,420	\$ 818,112	\$ 753,126	\$ 672,366	\$ 688,000	\$ 702,416	\$ 736,478
Contributions as a percentage of covered payroll	44.73%	92.35%	86.29%	124.84%	119.28%	118.62%	106.63%	114.58%

The information presented was determined as part of the actuarial valuations as of December 31, 2021. 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 19 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 Eight Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY								
Service cost	\$ 214,682	\$ 222,015	\$ 281,164	\$ 292,789	\$ 245,832	\$ 237,371	\$ 241,963	\$ 245,539
Interest	738,778	777,621	905,465	906,432	938,554	957,815	986,050	1,014,772
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	521,142	150,138	(165,716)	251,572	(383,605)	31,106	15,782	78,661
Changes of assumptions	810,192	1,352,185	(328,672)	(161,876)	253,991	-	-	-
Benefit payments, including refunds of member contributions	(737,524)	(643,012)	(661,739)	(713,772)	(699,470)	(751,096)	(769,470)	(767,867)
Net change in total pension liability	1,547,270	1,858,947	30,502	575,145	355,302	475,196	474,325	571,105
Total pension liability - beginning	11,734,580	13,281,850	15,140,797	15,171,299	15,746,444	16,101,746	16,576,942	17,051,267
TOTAL PENSION LIABILITY - ENDING	\$ 13,281,850	\$ 15,140,797	\$ 15,171,299	\$ 15,746,444	\$ 16,101,746	\$ 16,576,942	\$ 17,051,267	\$ 17,622,372
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 355,989	\$ 800,144	\$ 705,980	\$ 940,230	\$ 802,000	\$ 816,085	\$ 749,000	\$ 843,836
Contributions - member	123,705	79,967	81,078	78,082	72,440	67,938	69,409	72,985
Contributions - other	-	-	-	-	420	-	-	-
Net investment income	238,390	(21,806)	230,299	580,104	(196,911)	932,855	702,895	736,400
Benefit payments, including refunds of member contributions	(737,524)	(643,012)	(661,739)	(713,772)	(699,470)	(751,096)	(769,470)	(767,867)
Administrative expense	(6,514)	(9,940)	(9,702)	(9,580)	(11,826)	(12,254)	(12,406)	(10,445)
Net change in plan fiduciary net position	(25,954)	205,353	345,916	875,064	(33,347)	1,053,528	739,428	874,909
Plan fiduciary net position - beginning	6,154,970	6,129,016	6,334,369	6,680,285	7,555,349	7,522,002	8,575,530	9,314,958
PLAN FIDUCIARY NET POSITION - ENDING	\$ 6,129,016	\$ 6,334,369	\$ 6,680,285	\$ 7,555,349	\$ 7,522,002	\$ 8,575,530	\$ 9,314,958	\$ 10,189,867
EMPLOYER'S NET PENSION LIABILITY	\$ 7,152,834	\$ 8,806,428	\$ 8,491,014	\$ 8,191,095	\$ 8,579,744	\$ 8,001,412	\$ 7,736,309	\$ 7,432,505

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of the total pension liability	46.15%	41.84%	44.03%	47.98%	46.72%	51.73%	54.63%	57.82%
Covered payroll	\$ 795,925	\$ 866,420	\$ 818,112	\$ 753,126	\$ 672,366	\$ 688,000	\$ 702,416	\$ 736,478
Employer's net pension liability as a percentage of covered payroll	898.68%	1,016.42%	1,037.88%	1,087.61%	1,276.05%	1,163.00%	1,101.39%	1,009.20%

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 INVESTMENT RETURNS
POLICE PENSION FUND**

Last Eight Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	4.24%	(0.03%)	4.13%	9.20%	(2.30%)	12.82%	8.97%	8.10%

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 Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021
TOTAL OPEB LIABILITY				
Service cost	\$ 6,240	\$ 5,913	\$ 7,463	\$ 9,609
Interest	11,489	12,944	9,532	9,085
Changes in benefit terms	-	-	-	-
Changes of assumptions	(15,194)	34,343	33,145	(10,692)
Differences between expected and actual experience	-	-	50,097	-
Benefit payments, including refunds of member contributions	(20,565)	(20,401)	(21,856)	(17,224)
Net change in total OPEB liability	(18,030)	32,799	78,381	(9,222)
Total OPEB liability - beginning	344,017	325,987	358,786	437,167
TOTAL OPEB LIABILITY - ENDING	\$ 325,987	\$ 358,786	\$ 437,167	\$ 427,945
Covered payroll	\$ 1,578,466	\$ 1,682,638	\$ 1,509,914	\$ 1,561,296
Employer's total OPEB liability as a percentage of covered payroll	20.65%	21.32%	28.95%	27.41%

During 2021, there were changes in assumptions with respect to the mortality, retirement, termination, and disability rates. There was also a change in discount rate from 2.12% to 2.06%.

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, 2021

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 Tax Increment Financing (TIF) Fund, 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, 2021:

Fund	Actual Expenditures	Final Budget
Debt Service Fund	\$ 1,686,849	\$ 1,686,812

**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, 2021

	Original Budget	Final Budget	Actual
PROPERTY TAXES	\$ 2,785,000	\$ 2,810,000	\$ 2,865,487
OTHER TAXES			
Replacement taxes	30,125	30,125	63,019
State sales taxes	47,000	97,000	132,942
State income taxes	230,000	320,000	331,951
Local use tax	105,000	105,000	96,379
Utility tax	190,000	190,000	203,729
Vehicle tax	100	100	-
Miscellaneous tax	22,650	22,650	22,339
Total other taxes	624,875	764,875	850,359
INTERGOVERNMENTAL			
State grants	2,450	2,450	835
Other grants	-	34,000	174
Total intergovernmental	2,450	36,450	1,009
CHARGES FOR SERVICES			
Ambulance user fees	25,000	25,000	18,181
Beach fees	35,000	35,000	43,905
Fire and burglar alarm fees	6,000	6,000	2,850
Yard waste stickers	10,250	10,250	11,137
Special duty detail	2,500	2,500	5,228
Waste collections	96,000	96,000	94,400
Antenna lease fees	144,582	144,582	142,987
Surcharge	65,000	80,000	83,841
Miscellaneous fees	250	250	3,768
Total charges for services	384,582	399,582	406,297
LICENSES AND PERMITS			
Licenses			
Vehicle license	100,000	100,000	102,507
Animal license	1,950	1,950	2,042
Liquor license	3,500	3,500	5,050
Other license	-	-	250
Total licenses	105,450	105,450	109,849

(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, 2021

	Original Budget	Final Budget	Actual
LICENSES AND PERMITS (Continued)			
Permits			
Building	\$ 315,000	\$ 560,000	\$ 559,594
Parking	25,500	25,500	8,185
Tree permits	500	500	21,651
Filing fees	3,000	3,000	4,450
Zoning review	2,500	2,500	8,695
Plan review	34,000	34,000	46,382
Total permits	<u>380,500</u>	<u>625,500</u>	<u>648,957</u>
Total licenses and permits	<u>485,950</u>	<u>730,950</u>	<u>758,806</u>
FINES AND FORFEITURES			
Circuit court fees	200	200	984
DUI fines	100	100	-
Village ordinance fines	7,000	7,000	18,070
Total fines and forfeitures	<u>7,300</u>	<u>7,300</u>	<u>19,054</u>
INVESTMENT INCOME	<u>11,000</u>	<u>11,000</u>	<u>4,699</u>
MISCELLANEOUS			
Cable television franchise fees	52,500	52,500	51,368
IRMA insurance proceeds	20,000	20,000	177,689
Other income	13,817	76,367	76,678
Total miscellaneous	<u>86,317</u>	<u>148,867</u>	<u>305,735</u>
TOTAL REVENUES	<u>\$ 4,387,474</u>	<u>\$ 4,909,024</u>	<u>\$ 5,211,446</u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Administrative			
Personnel			
Salaries			
Regular	\$ 251,904	\$ 226,904	\$ 215,048
Merit - vacation buy back	650	650	25,824
Employee benefits			
Medical	45,819	45,819	39,109
Dental	1,957	1,957	1,963
Life	689	689	699
Other benefits	47,030	72,030	42,509
Total personnel	348,049	348,049	325,152
Contractual services			
Auditing	22,800	22,800	22,450
J.U.L.I.E fees	1,099	1,099	950
Plan review and inspections	45,000	32,500	28,406
Printing and publishing	9,675	9,675	8,039
Telephone	3,350	3,350	2,824
Cell phone	791	791	625
Miscellaneous	1,914	1,914	4,617
Professional fees	121,284	221,284	214,310
Postage	4,400	4,400	4,937
Dues, memberships and subscriptions	9,500	9,500	9,004
Repair and maintenance - computer equipment	250	250	-
Repair and maintenance - vehicles/equipment	150	150	-
Total contractual services	220,213	307,713	296,162
Commodities			
Office supplies	2,500	2,500	3,504
Other supplies	500	500	1,179
Total commodities	3,000	3,000	4,683
Other expenditures			
Recruitment and training	1,050	1,050	1,884
Miscellaneous	14,935	24,935	5,784
Auto allowance	4,800	4,800	4,800
Other expenditures	20,785	30,785	12,468
Total administrative	592,047	689,547	638,465

(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, 2021

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Support Services			
Insurance - Liability and workers' compensation	\$ 130,000	\$ 143,000	\$ 129,596
Village attorney	51,000	54,000	50,508
Village prosecutor	4,000	4,000	4,043
Maintenance of office equipment	800	800	1,326
Internet service	1,620	1,620	1,603
	<hr/>	<hr/>	<hr/>
Total support services	187,420	203,420	187,076
	<hr/>	<hr/>	<hr/>
Total general government	779,467	892,967	825,541
	<hr/>	<hr/>	<hr/>
PUBLIC WORKS			
Building and Grounds			
Personnel			
Salaries			
Maintenance	14,832	14,832	14,552
Overtime	500	500	417
Merit - vacation buy back	25	25	-
Employee benefits			
Medical	4,550	4,550	3,902
Dental	300	300	281
Other benefits	2,818	2,818	2,681
	<hr/>	<hr/>	<hr/>
Total personnel	23,025	23,025	21,833
	<hr/>	<hr/>	<hr/>
Contractual services			
Outside maintenance	27,490	27,490	20,252
	<hr/>	<hr/>	<hr/>
Commodities			
Building repairs - Village Hall	4,500	9,500	17,154
Building repairs - Public Works	6,000	6,000	8,211
Janitorial supplies	2,700	2,700	1,625
Maintenance and other supplies	2,000	2,000	1,699
Heating, electric and water utilities	3,500	3,500	2,337
	<hr/>	<hr/>	<hr/>
Total commodities	18,700	23,700	31,026
	<hr/>	<hr/>	<hr/>
Total building and grounds	69,215	74,215	73,111
	<hr/>	<hr/>	<hr/>
Waste Removal			
Personnel			
Salaries			
Regular	27,846	27,846	28,726
Merit - vacation buy back	100	100	3,030

(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, 2021

	Original Budget	Final Budget	Actual
PUBLIC WORKS (Continued)			
Waste Removal (Continued)			
Personnel (Continued)			
Employee benefits			
Medical	\$ 5,699	\$ 5,699	\$ 6,238
Dental	245	245	272
Other benefits	5,129	5,129	5,402
Total personnel	39,019	39,019	43,668
Contractual services			
Professional service - finance	2,045	2,045	1,650
Waste dumping	38,300	38,300	44,844
Leaf pickup	12,000	12,000	12,500
Total contractual services	52,345	52,345	58,994
Total waste removal	91,364	91,364	102,662
Forestry			
Contractual services			
Professional services	250	250	3,042
Dues, memberships and subscriptions	1,150	1,150	575
Tree planting program	10,000	10,000	1,059
Tree removal and trimming	35,000	35,000	39,760
Total contractual services	46,400	46,400	44,436
Commodities			
Maintenance and construction supplies	1,000	1,000	481
Total forestry	47,400	47,400	44,917
Total public works	207,979	212,979	220,690
PUBLIC SAFETY			
Police Department			
Personnel			
Salaries			
Regular	843,605	843,605	860,457
Police pension contributions	760,000	760,000	768,741
Transportation to Police - extra	-	75,000	75,000
Overtime	45,000	45,000	51,990
Merit - vacation buy back	5,000	5,000	5,300
Part-time	110,765	110,765	106,808

(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, 2021

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police Department (Continued)			
Personnel (Continued)			
Employee benefits			
Medical	\$ 195,019	\$ 195,019	\$ 195,281
Dental	13,042	13,042	12,393
Life	1,596	1,596	1,673
Other benefits	36,013	36,013	35,674
Total personnel	2,010,040	2,085,040	2,113,317
Contractual services			
Maintenance - office equipment	100	100	66
Printing and publishing	500	500	520
Telephone	3,600	3,600	1,998
Cell phone	3,360	3,360	2,104
Outside maintenance service	2,600	2,600	405
Criminal justice connectivity	3,800	3,800	3,977
Radio system air time	5,520	5,520	5,520
Postage	400	400	73
Dues, memberships and subscriptions	9,920	9,920	8,891
Municipal partnerships	22,010	22,010	21,103
Professional services - dispatch	191,304	191,304	190,836
Repair and maintenance - computer equipment	500	500	-
Repair and maintenance - vehicles/equipment	8,200	8,200	9,813
Total contractual services	251,814	251,814	245,306
Commodities			
Office supplies	2,200	2,200	1,410
Other supplies	7,500	7,500	5,534
Uniforms	7,700	7,700	5,170
Total commodities	17,400	17,400	12,114
Other expenditures			
Fuel	11,000	11,000	12,570
Recruitment and training	8,788	8,788	8,128
Miscellaneous	3,150	63,150	2,783
Auto allowance	4,800	4,800	4,800
Community service	3,000	3,000	2,381
Total other expenditures	30,738	90,738	30,662
Total police department	2,309,992	2,444,992	2,401,399

(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, 2021

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire Department			
Personnel			
Salaries			
Regular	\$ 14,307	\$ 14,307	\$ 14,325
Employee benefits			
Medical	2,674	2,674	2,690
Dental	180	180	180
Other benefits	208	208	201
Total personnel	17,369	17,369	17,396
Contractual services			
Miscellaneous services	-	-	1,419
Fire protection	553,350	533,350	531,069
Total contractual services	553,350	533,350	532,488
Total fire department	570,719	550,719	549,884
Total public safety	2,880,711	2,995,711	2,951,283
HIGHWAYS AND STREETS			
Street Department			
Personnel			
Salaries			
Regular	170,059	180,059	187,429
Overtime	6,500	6,500	5,426
Merit - vacation buy back	260	260	36
Employee benefits			
Medical	51,708	51,708	43,693
Dental	3,286	3,286	3,174
Life	552	552	421
Other benefits	32,766	32,766	39,459
Total personnel	265,131	275,131	279,638
Contractual services			
Telephone	850	850	864
Cell phone	1,250	1,250	1,517
Outside maintenance	35,000	28,000	30,954
Repair and maintenance - vehicles/equipment	6,900	16,900	16,135
Signs - traffic and streets	750	750	700
Equipment rental	2,000	2,000	5,171
Dues, memberships and subscriptions	400	400	505
Professional services - finance	2,045	2,045	1,650
Total contractual services	49,195	52,195	57,496

(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, 2021

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Street Department (Continued)			
Commodities			
Office supplies	\$ 300	\$ 300	\$ 119
Other supplies	1,000	1,000	1,046
Heating, electric and water utilities	1,400	1,400	1,042
Maintenance supplies	9,000	9,000	12,548
Snow removal supplies	23,000	38,000	30,317
Uniforms	2,300	2,300	2,337
Safety equipment	800	800	642
Total commodities	37,800	52,800	48,051
Other expenditures			
Fuel	6,000	6,000	7,698
Recruitment and training	1,000	1,000	722
Total other expenditures	7,000	7,000	8,420
Total street department	359,126	387,126	393,605
Street Lighting			
Personnel			
Salaries			
Regular	14,832	14,832	14,553
Overtime	500	500	417
Merit - vacation buy back	25	25	-
Employee benefits			
Medical	4,550	4,550	3,902
Dental	299	299	280
Other benefits	2,818	2,818	2,681
Total personnel	23,024	23,024	21,833
Contractual services			
Repairs and maintenance	5,500	5,500	5,429
Equipment rental	2,000	2,000	2,239
Total contractual services	7,500	7,500	7,668
Commodities			
Other supplies	4,000	4,000	2,601
Heating, electric and water utilities	7,500	7,500	8,326
Total commodities	11,500	11,500	10,927

(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, 2021

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Street Lighting (Continued)			
Other expenditures			
Fuel	\$ 350	\$ 350	\$ 450
Total street lighting	42,374	42,374	40,878
Total highways and streets	401,500	429,500	434,483
CULTURE AND RECREATION			
Beach			
Personnel			
Salaries			
Part-time	35,000	25,000	25,952
Employee benefits			
Other benefits	3,021	3,021	2,310
Total personnel	38,021	28,021	28,262
Contractual services			
Printing and publishing	750	750	690
Telephone	680	680	745
Miscellaneous	3,000	3,000	653
Laboratory services	900	900	1,131
Equipment rental	1,000	1,000	185
Total contractual services	6,330	6,330	3,404
Commodities			
Other supplies	1,000	1,000	2,260
Other expenditures			
Recruitment and training	400	400	149
Total culture and recreation	45,751	35,751	34,075
CAPITAL OUTLAY			
General Government			
Software	24,439	11,939	7,166
Computer equipment	3,500	3,500	1,723
Total general government	27,939	15,439	8,889

(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, 2021

	Original Budget	Final Budget	Actual
CAPITAL OUTLAY (Continued)			
Public Safety			
Police Department			
Office furniture	\$ 500	\$ 500	\$ 208
Machinery and equipment	500	7,300	7,169
Software	1,297	1,297	1,315
Computer equipment	500	500	484
Total public safety	<u>2,797</u>	<u>9,597</u>	<u>9,176</u>
Highways and Streets			
Street Department			
Software	1,297	1,297	1,315
Total highways and streets	<u>1,297</u>	<u>1,297</u>	<u>1,315</u>
Culture and Recreation			
Beach			
Facilities improvements	2,350	2,350	4,709
Machinery and equipment	700	700	235
Total culture and recreation	<u>3,050</u>	<u>3,050</u>	<u>4,944</u>
Total capital outlay	<u>35,083</u>	<u>29,383</u>	<u>24,324</u>
TOTAL EXPENDITURES	<u>\$ 4,350,491</u>	<u>\$ 4,596,291</u>	<u>\$ 4,490,396</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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 1,695,688	\$ 1,685,688	\$ 1,654,240
Investment income	4,200	700	688
	<hr/>	<hr/>	<hr/>
Total revenues	1,699,888	1,686,388	1,654,928
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Debt service			
Principal retirement	1,415,000	1,415,000	1,415,000
Interest and fiscal charges	280,812	271,812	271,849
	<hr/>	<hr/>	<hr/>
Total expenditures	1,695,812	1,686,812	1,686,849
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 4,076</u>	<u>\$ (424)</u>	(31,921)
FUND BALANCE, JANUARY 1			<hr/> 137,022
FUND BALANCE, DECEMBER 31			<u><hr/>\$ 105,101</u>

(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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ -	\$ 165,000	\$ -
Investment income	4,500	4,500	1,759
Total revenues	4,500	169,500	1,759
EXPENDITURES			
Capital outlay	322,472	287,472	206,168
Debt service			
Interest and fiscal charges	-	-	7,500
Total expenditures	322,472	287,472	213,668
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(317,972)	(117,972)	(211,909)
OTHER FINANCING SOURCES (USES)			
Bonds issued, at par	585,000	585,000	597,000
Transfer in	-	250,000	250,000
Total other financing sources (uses)	585,000	835,000	847,000
NET CHANGE IN FUND BALANCE	\$ 267,028	\$ 717,028	635,091
FUND BALANCE, JANUARY 1			1,600,091
FUND BALANCE, DECEMBER 31			\$ 2,235,182

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF KENILWORTH, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

	Special Revenue			Capital Projects	Total
	Sewer Service	Motor Fuel Tax	Green Bay Road TIF	2023 Capital Infrastructure	
ASSETS					
Cash and investments	\$ 384,250	\$ 561,433	\$ 255,482	\$ 1,390,524	\$ 2,591,689
Receivables (net, where applicable, of allowances for uncollectibles)					
Accounts	21,131	54,773	-	-	75,904
TOTAL ASSETS	\$ 405,381	\$ 616,206	\$ 255,482	\$ 1,390,524	\$ 2,667,593
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,254	\$ -	\$ -	\$ 34	\$ 1,288
Accrued payroll	612	-	-	-	612
Total liabilities	1,866	-	-	34	1,900
DEFERRED INFLOWS OF RESOURCES					
None	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	1,866	-	-	34	1,900
FUND BALANCES					
Restricted for capital improvements	-	-	-	393,000	393,000
Restricted for highways and streets	-	616,206	-	-	616,206
Restricted for economic development	-	-	255,482	-	255,482
Committed for sewer service	403,515	-	-	-	403,515
Assigned for capital improvements	-	-	-	997,490	997,490
Total fund balances	403,515	616,206	255,482	1,390,490	2,665,693
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 405,381	\$ 616,206	\$ 255,482	\$ 1,390,524	\$ 2,667,593

(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, 2021

	Special Revenue			Capital Project	Total
	Sewer Service	Motor Fuel Tax	Green Bay Road TIF	2023 Capital Infrastructure	
REVENUES					
Taxes	\$ -	\$ -	\$ 137,259	\$ -	\$ 137,259
Intergovernmental	-	231,359	-	-	231,359
Charges for services	109,238	-	-	-	109,238
Investment income	386	665	179	1,223	2,453
Miscellaneous	308	-	-	-	308
Total revenues	109,932	232,024	137,438	1,223	480,617
EXPENDITURES					
Current					
Public works	54,005	-	-	-	54,005
Highways and streets	-	321,325	-	-	321,325
Capital outlay	5,213	-	-	117,858	123,071
Debt service					
Interest and fiscal charges	-	-	-	5,000	5,000
Total expenditures	59,218	321,325	-	122,858	503,401
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	50,714	(89,301)	137,438	(121,635)	(22,784)
OTHER FINANCING SOURCES (USES)					
Bonds issued, at par	-	-	-	398,000	398,000
Total other financing sources (uses)	-	-	-	398,000	398,000
NET CHANGE IN FUND BALANCES	50,714	(89,301)	137,438	276,365	375,216
FUND BALANCES, JANUARY 1	352,801	705,507	118,044	1,114,125	2,290,477
FUND BALANCES, DECEMBER 31	\$ 403,515	\$ 616,206	\$ 255,482	\$ 1,390,490	\$ 2,665,693

(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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Sewer charges	\$ 91,000	\$ 115,000	\$ 109,238
Investment income	800	800	386
Miscellaneous	-	-	308
Total revenues	91,800	115,800	109,932
EXPENDITURES			
Public works			
Personnel	58,309	58,309	49,311
Outside maintenance services	19,000	19,000	400
Repair and maintenance - vehicles/equipment	4,500	4,500	2,533
Maintenance and construction supplies	2,800	2,800	750
Permit fees	1,000	1,000	1,011
Capital outlay	6,891	6,891	5,213
Total expenditures	92,500	92,500	59,218
NET CHANGE IN FUND BALANCE	\$ (700)	\$ 23,300	50,714
FUND BALANCE, JANUARY 1			352,801
FUND BALANCE, DECEMBER 31			\$ 403,515

(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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Motor fuel tax allotment	\$ 135,206	\$ 149,706	\$ 153,670
State grants	76,283	76,283	77,689
Investment income	1,750	650	665
	<hr/>	<hr/>	<hr/>
Total revenues	213,239	226,639	232,024
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Highways and streets	411,710	383,043	321,325
	<hr/>	<hr/>	<hr/>
Total expenditures	411,710	383,043	321,325
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (198,471)</u>	<u>\$ (156,404)</u>	(89,301)
FUND BALANCE, JANUARY 1			<hr/> 705,507
FUND BALANCE, DECEMBER 31			<u><u>\$ 616,206</u></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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 110,000	\$ 137,000	\$ 137,259
Investment income	180	180	179
	<hr/>		
Total revenues	110,180	137,180	137,438
	<hr/>		
EXPENDITURES			
Economic development	40,000	-	-
	<hr/>		
Total expenditures	40,000	-	-
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 70,180</u>	<u>\$ 137,180</u>	137,438
FUND BALANCE, JANUARY 1			<u>118,044</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 255,482</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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 5,000	\$ 5,000	\$ 1,223
Total revenues	5,000	5,000	1,223
EXPENDITURES			
Capital outlay	8,200,000	165,000	117,858
Debt service			
Interest and fiscal charges	-	-	5,000
Total expenditures	8,200,000	165,000	122,858
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,195,000)	(160,000)	(121,635)
OTHER FINANCING SOURCES (USES)			
Bonds issued, at par	390,000	390,000	398,000
Total other financing sources (uses)	390,000	390,000	398,000
NET CHANGE IN FUND BALANCE	\$ (7,805,000)	\$ 230,000	276,365
FUND BALANCE, JANUARY 1			1,114,125
FUND BALANCE, DECEMBER 31			\$ 1,390,490

(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, 2021

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services	\$ 955,000	\$ 1,120,000	\$ 1,090,934
Miscellaneous	4,350	4,350	9,421
Total operating revenues	959,350	1,124,350	1,100,355
OPERATING EXPENSES			
Operations			
Personnel	220,843	228,468	126,327
Contractual services	419,053	369,053	340,085
Commodities	35,520	35,520	24,785
Other expenses	423,216	368,216	391,221
Total operating expenses excluding depreciation	1,098,632	1,001,257	882,418
OPERATING INCOME (LOSS) BEFORE DEPRECIATION			
	(139,282)	123,093	217,937
Depreciation	-	-	329,301
OPERATING INCOME (LOSS)	(139,282)	123,093	(111,364)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	5,000	5,000	1,253
Interest and fiscal charges	(69,800)	(69,800)	(68,801)
Total non-operating revenues (expenses)	(64,800)	(64,800)	(67,548)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS			
	(204,082)	58,293	(178,912)
Capital contributions	-	-	421,653
CHANGE IN NET POSITION	\$ (204,082)	\$ 58,293	242,741
NET POSITION, JANUARY 1			8,317,817
NET POSITION, DECEMBER 31			\$ 8,560,558

(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, 2021

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel			
Salaries			
Regular	\$ 149,043	\$ 149,043	\$ 155,896
Overtime	2,500	2,500	2,087
Merit - vacation buy back	375	8,000	7,587
Employee benefits			
Medical	38,460	38,460	31,548
Dental	2,164	2,164	2,209
Life	277	277	122
Other benefits	28,024	28,024	(73,122)
Total personnel	220,843	228,468	126,327
Contractual services			
Village attorney	-	-	975
Printing and publishing	1,000	1,000	418
Telephone and internet	2,470	2,470	1,696
Outside maintenance	7,000	7,000	10,452
Equipment maintenance	500	500	161
Laboratory services	1,700	1,700	1,590
Professional services	122,633	72,633	56,723
Postage	1,500	1,500	954
Dues, memberships and subscriptions	-	-	665
Miscellaneous services	2,750	2,750	70
Engineering	-	-	1,700
Repairs and maintenance - vehicles/equipment	1,000	1,000	2,907
Repairs and maintenance - hydrant/valve	3,500	3,500	-
Repairs and maintenance - water mains	45,000	45,000	34,518
Purchase of potable water	230,000	230,000	227,256
Total contractual services	419,053	369,053	340,085
Commodities			
Other supplies	200	200	36
Maintenance supplies	18,500	18,500	9,359
Heating, electric and water utilities	16,120	16,120	14,998
Uniforms	700	700	392
Total commodities	35,520	35,520	24,785
Other expenses			
Fuel	2,250	2,250	2,818
Recruitment and training	300	300	165
Machinery and equipment	420,666	365,666	388,238
Total other expenses	423,216	368,216	391,221
Debt service			
Principal retirement	200,000	200,000	200,000
Total debt service	200,000	200,000	200,000
Total operating expenses	1,298,632	1,201,257	1,411,719
ADJUSTMENTS TO GAAP BASIS			
Depreciation	-	-	329,301
Debt service	(200,000)	(200,000)	(200,000)
Total adjustments to GAAP basis	(200,000)	(200,000)	129,301
TOTAL OPERATING EXPENSES	\$ 1,098,632	\$ 1,001,257	\$ 1,541,020

(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, 2021

	Original and Final Budget	Actual
ADDITIONS		
Contributions		
Contributions - employer	\$ 760,100	\$ 843,836
Contributions - employee	69,700	72,985
Total contributions	829,800	916,821
Investment income		
Net appreciation in fair value of investments	75,000	585,073
Interest earned on investments	180,000	181,960
Total investment income	255,000	767,033
Less investment expense	(30,450)	(30,633)
Net investment income	224,550	736,400
Total additions	1,054,350	1,653,221
DEDUCTIONS		
Benefits	788,395	767,867
Administrative	12,700	10,445
Total deductions	801,095	778,312
NET INCREASE	\$ 253,255	874,909
NET POSITION RESTRICTED FOR PENSIONS		
January 1		9,314,958
December 31		\$ 10,189,867

(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, 2021

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
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>\$ 6,500,000</u>	<u>\$ 1,788,009</u>	<u>\$ 8,288,009</u>		<u>\$ 897,950</u>		<u>\$ 890,059</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, 2021

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
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>\$ 2,110,000</u>	<u>\$ 329,550</u>	<u>\$ 2,439,550</u>		<u>\$ 164,775</u>		<u>\$ 164,775</u>

(See independent auditor's report.)

VILLAGE OF KENILWORTH, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION LIMITED BONDS OF 2021**

December 31, 2021

Date of Issue	December 2, 2021
Date of Maturity	December 1, 2022
Purpose	Annual Capital Bond of 2021 and KW 2023 Infrastructure Improvement
Authorized Issue	\$995,000
Denomination of Bonds	\$5,000
Interest Rates	0.57%
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
2022	<u>\$ 995,000</u>	<u>\$ 5,656</u>	<u>\$ 1,000,656</u>	2022	<u>\$ 2,820</u>	2022	<u>\$ 2,836</u>

(See independent auditor's report.)