

VILLAGE OF KENILWORTH,
ILLINOIS

ANNUAL
FINANCIAL REPORT

YEAR ENDED
APRIL 30, 2010

VILLAGE OF KENILWORTH, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED APRIL 30, 2010

Prepared by:
Finance Department

VILLAGE OF KENILWORTH, ILLINOIS

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INTRODUCTORY SECTION

VILLAGE OF KENILWORTH, ILLINOIS

List of Principal Officials

April 30, 2010

PRESIDENT

Fred G. Steingraber

BOARD OF TRUSTEES

Robert A. Hastings
James Hughes
Thomas Nahrwold

Robert Smietana
Thomas Terrill
Michael Thomas

CLERK

Scott Lein

VILLAGE ATTORNEY

Barbara A. Adams

TREASURER

Stephen D. Hoopes

VILLAGE MANAGER

Bradly Burke

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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

INDEPENDENT AUDITORS' REPORT

July 16, 2010

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

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Kenilworth, Illinois as of and for the year ended April 30, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Kenilworth, Illinois' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

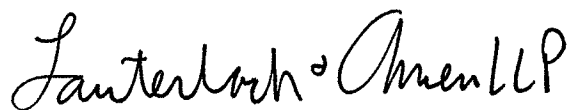
In our opinion, the basic financial statements referred to above present fairly, in all material respects, respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Village of Kenilworth, Illinois as of April 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund statements and schedules, as well as the information listed as supplemental schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Kenilworth, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Village of Kenilworth, Illinois
July 16, 2010
Page 2

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

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

A handwritten signature in cursive script that reads "Lauterbach & Amen LLP".

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2010

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 April 30, 2010. Please read it in conjunction with the Village's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village's beginning net assets were restated from \$2,192,080 to \$2,301,735, an increase of \$109,655 due to correcting errors in recognition of receivables and prepaids.
- The Village's net assets increased as a result of this year's operations. While net assets of business-type activities decreased by \$129,895, or 8.1 percent, net assets of the governmental activities increased by \$193,283, or 8.4 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$5,436,385 while expenses totaled \$5,372,997, resulting in an increase to net assets of \$63,388.
- The Village's net assets totaled \$3,965,540 on April 30, 2010, which includes \$935,542 invested in capital assets, net of related debt, \$1,771,562 subject to external restrictions, and \$1,258,436 unrestricted net assets that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$65,912, resulting in ending fund balance of \$1,984,373, an increase of 3.4 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 3 - 6) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3 - 6 of this report.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis

April 30, 2010

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

The Statement of Net Assets reports information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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 two categories: governmental funds and proprietary funds.

Governmental Funds

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

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2010

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The Village maintains five 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 and Debt Service Funds, both of which are considered major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 7 - 10 of this report.

Proprietary Funds

The Village maintains one proprietary fund type: enterprise funds. 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 funds to account for its waterworks system operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks System Fund, which is considered to be a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 11 - 14 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Kenilworth's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 15 - 16 of this report.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2010

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 - 51 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 and disclosures regarding the Village's Illinois Municipal Retirement Fund. Required supplementary information can be found on pages 52 - 58 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 59 - 79 of this report.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets 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 exceeded liabilities by \$3,965,540.

	Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 5,474,940	5,292,819	(354,758)	(198,784)	5,120,182	5,094,035
Capital Assets	2,259,118	2,455,070	6,064,636	6,219,051	8,323,754	8,674,121
Total Assets	7,734,058	7,747,889	5,709,878	6,020,267	13,443,936	13,768,156
Long-Term Debt	3,149,314	3,829,150	4,010,081	4,266,685	7,159,395	8,095,835
Other Liabilities	2,089,726	1,726,659	229,275	153,165	2,319,001	1,879,824
Total Liabilities	5,239,040	5,555,809	4,239,356	4,419,850	9,478,396	9,975,659
Net Assets						
Invested in Capital Assets, Net of Related Debt	(1,016,995)	(1,144,021)	1,952,537	1,905,127	935,542	761,106
Restricted	1,771,562	1,769,825	-	50,000	1,771,562	1,819,825
Unrestricted (Deficit)	1,740,451	1,566,276	(482,015)	(354,710)	1,258,436	1,211,566
Total Net Assets	2,495,018	2,192,080	1,470,522	1,600,417	3,965,540	3,792,497

A portion of the Village's net assets, \$935,542 or 23.6 percent, 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, \$1,771,562 or 44.7 percent, of the Village's net assets represents resources that are subject to external restrictions on how they may be used, specifically for debt service requirements. The remaining \$1,258,436 represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Services	\$ 1,087,218	1,004,096	837,033	818,773	1,924,251	1,822,869
Operating Grants/Contrib.	65,776	65,684	-	-	65,776	65,684
Capital Grants/Contrib.	-	38,854	-	-	-	38,854
General Revenues						
Taxes						
Property	2,704,140	2,775,249	-	-	2,704,140	2,775,249
Replacement	32,138	36,308	-	-	32,138	36,308
State Income	203,833	262,487	-	-	203,833	262,487
State Sales	41,968	34,461	-	-	41,968	34,461
Utility	304,768	337,490	-	-	304,768	337,490
Other	43,403	11,251	-	-	43,403	11,251
Investment Income	16,714	48,275	274	2,024	16,988	50,299
Miscellaneous	99,120	30,796	-	-	99,120	30,796
Total Revenues	4,599,078	4,644,951	837,307	820,797	5,436,385	5,465,748
Expenses						
General Government	574,324	662,775	-	-	574,324	662,775
Public Works	711,110	797,824	-	-	711,110	797,824
Public Safety	2,521,177	2,360,853	-	-	2,521,177	2,360,853
Highways and Streets	431,561	474,938	-	-	431,561	474,938
Culture and Recreation	32,372	31,194	-	-	32,372	31,194
Interest on Long-Term Debt	135,251	160,006	-	-	135,251	160,006
Waterworks System	-	-	967,202	957,776	967,202	957,776
Total Expenses	4,405,795	4,487,590	967,202	957,776	5,372,997	5,445,366
Change in Net Assets						
Before Transfers	193,283	157,361	(129,895)	(136,979)	63,388	20,382
Transfers	-	-	-	-	-	-
Change in Net Assets	193,283	157,361	(129,895)	(136,979)	63,388	20,382
Net Assets - Beginning as Restated	2,301,735	2,034,719	1,600,417	1,737,396	3,902,152	3,772,115
Net Assets-Ending	2,495,018	2,192,080	1,470,522	1,600,417	3,965,540	3,792,497

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

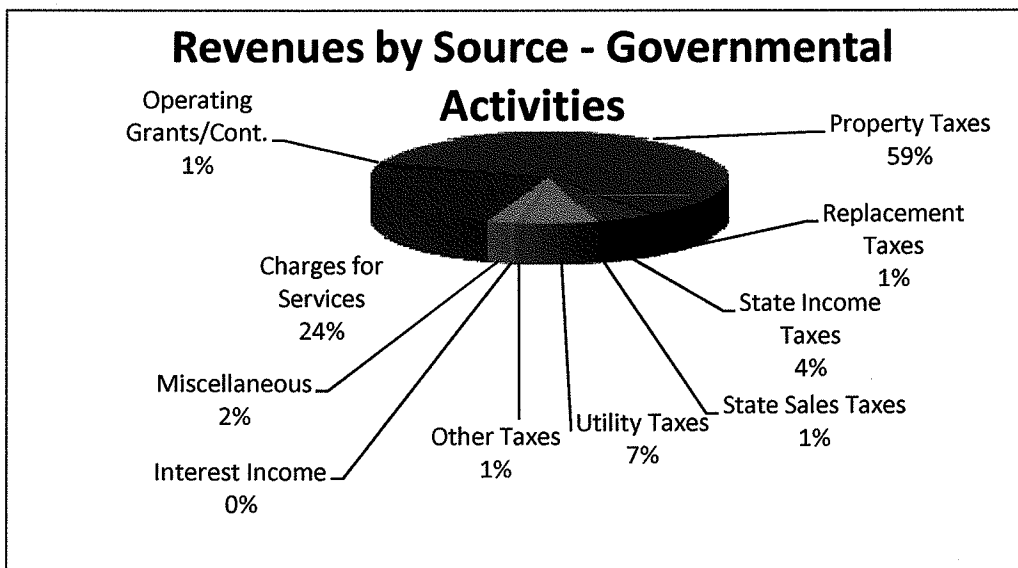
Net assets of the Village's governmental activities increased by 8.4 percent (\$2,495,018 in 2010, after restatement, compared to \$2,192,080 in 2009). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints, totaled \$1,740,451 at April 30, 2010, and represents 69.8 percent of total governmental activities expenses.

Net assets of business-type activities decreased by 8.1 percent (\$1,470,522 in 2010, compared to \$1,600,417 in 2009).

Governmental Activities

Revenues for governmental activities totaled \$4,599,078, while the cost of all governmental functions totaled \$4,405,795. This results in a surplus of \$193,283. In 2009, revenues of \$4,644,951 exceeded expenses of \$4,487,590, resulting in a surplus of \$157,361. State shared revenues declined from 2009 to 2010. In 2010, state shared revenues totaled \$245,801, while in 2009 state shared revenues totaled \$296,948, a decrease of 17.2 percent due in large part to the slumping economy and its effect on income and sales taxes.

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



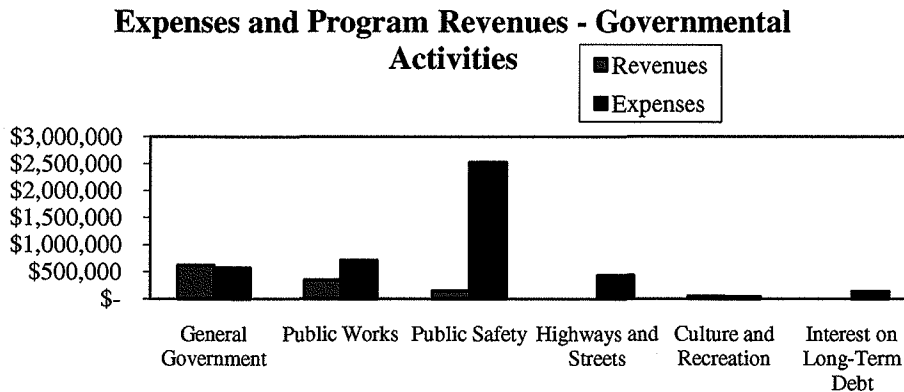
VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis
April 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

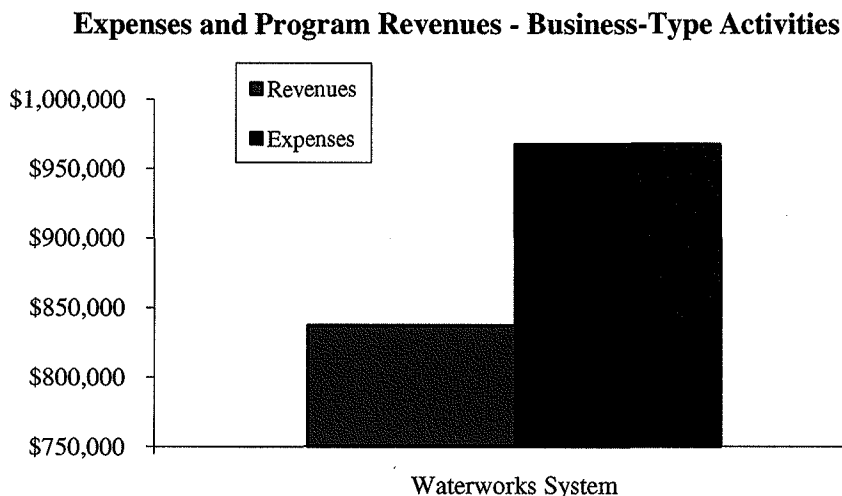
Governmental Activities – Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



Business-Type activities

Business-Type activities reported total revenues of \$837,307, while the cost of all business-type activities totaled \$967,202, resulting in a deficit of \$129,895. In 2009, expenses of \$957,776 exceed revenues of \$820,797, resulting in a deficit of \$136,979. The deficit in the current year is due to interest expense on long-term debt and depreciation expense on capital assets.



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

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis

April 30, 2010

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$3,807,242, after restatement, which is \$113,976, or 3.1 percent, higher than last year's total of \$3,693,266. Of the \$3,807,242 total, \$1,875,939, or approximately 49.3 percent, of the fund balance constitutes unreserved fund balance.

The General Fund reported fund balance for the year of \$1,984,373, after restatement, an increase of 3.4 percent. This was due in large part to tax revenues budgeted at \$2,913,578 with collections of \$2,869,035 during the year. Furthermore, interest income was budgeted at \$25,000 and due to the current economic environment, actual interest earnings for the year only totaled \$7,856.

The General Fund is the chief operating fund of the Village. At April 30, 2010, unreserved fund balance in the General Fund was \$1,875,939, which represents 94.5 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance in the General Fund represents approximately 47.8 percent of total General Fund expenditures.

The Debt Service Fund reported an increase of \$18,569, or 2.6%. The fund balance of \$733,741 is reserved for future debt service payments.

All other governmental funds of the Village are reported as nonmajor funds, including the Sewer Service Fund, Motor Fuel Tax Fund, and E-911 Fund. The Sewer Service Fund reported a deficit of \$51,970 due to engineering and outside maintenance service costs increasing in the current year. The Motor Fuel Tax Fund reported an increase of \$61,177 due to the Village not expending any monies for capital outlay in the current year. The E-911 Fund reported an increase of \$15,288 due to surcharge revenue and investment income decreasing in the current year.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2010

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 account for the provision of water services to the residents of the Village. In the current year, the Waterworks System Fund reported a deficit of \$129,895 that is the result of depreciation and amortization of \$204,030.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$3,923,265, compared to budgeted revenues of \$3,795,498. The primary difference between budgeted and actual revenues for the year was primarily due to licenses and permits revenues being approximately \$138,000 higher than budgeted.

The General Fund actual expenditures for the year were \$3,922,453, with budgeted expenditures of \$4,073,867. The Village had budgeted for \$2,324,773 in public safety, with actual expenditures of only \$2,260,979.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2010 was \$8,323,754 (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.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land and Right of Way	\$ 169,931	169,931	38,648	38,648	208,579	208,579
Buildings and Improvements	1,217,682	1,259,659	5,755,385	5,902,387	6,973,067	7,162,046
Machinery and Equipment	349,445	388,601	270,603	278,016	620,048	666,617
Sanitary and Sewer System	522,060	636,879	-	-	522,060	636,879
Total	2,259,118	2,455,070	6,064,636	6,219,051	8,323,754	8,674,121

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis April 30, 2010

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Capital Assets – Continued

This year's major additions included:

Police Lockers	\$	16,640
Generator		31,187
Meter Upgrades		<u>27,123</u>
		<u><u>74,950</u></u>

Additional information on the Village's capital assets can be found in note 3 on pages 34 - 35 of this report.

Debt Administration

At year-end, the Village had total outstanding debt of \$7,388,212 as compared to \$7,830,115 the previous year, a decrease of 5.6 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 3,275,000	3,585,000	4,112,099	4,231,024	7,387,099	7,816,024
Notes Payable	1,113	14,091	-	-	1,113	14,091
Total	<u>3,276,113</u>	<u>3,599,091</u>	<u>4,112,099</u>	<u>4,231,024</u>	<u>7,388,212</u>	<u>7,830,115</u>

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 \$33,399,266.

Additional information on the Village's long-term debt can be found in Note 3 on pages 36 - 39 of this report.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis

April 30, 2010

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The downturn in the economy has affected the Village most notably in the slowdown of building permits and housing sales that in turn generate building permits.

Furthermore, the slumping economy has caused a sharp decline in interest rates and interest earnings. Until the economy improves, interest rates are expected to remain flat.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds

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

VILLAGE OF KENILWORTH, ILLINOIS

Statement of Net Assets
April 30, 2010

See Following Page

VILLAGE OF KENILWORTH, ILLINOIS

Statement of Net Assets

April 30, 2010

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 3,216,513	50,000	3,266,513
Receivables - Net of Allowances			
Property Taxes	1,249,651	-	1,249,651
Accounts	214,547	179,125	393,672
Internal Balances	652,102	(652,102)	-
Prepays	108,434	-	108,434
Total Current Assets	5,441,247	(422,977)	5,018,270
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	169,931	38,648	208,579
Depreciable Capital Assets	3,735,326	8,451,458	12,186,784
Accumulated Depreciation	(1,646,139)	(2,425,470)	(4,071,609)
	2,259,118	6,064,636	8,323,754
Other Assets			
Deferred Charges	33,693	68,219	101,912
Total Noncurrent Assets	2,292,811	6,132,855	8,425,666
Total Assets	7,734,058	5,709,878	13,443,936

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

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	140,467	17,708	158,175
Accrued Interest	51,307	71,636	122,943
Deposits Payable	177,403	2,935	180,338
Unearned/Deferred Revenues	1,316,135	-	1,316,135
Current Portion of Long-Term Debt	404,414	136,996	541,410
Total Current Liabilities	2,089,726	229,275	2,319,001
Noncurrent Liabilities			
Compensated Absences Payable	129,030	27,982	157,012
Net Pension Obligation	58,240	-	58,240
Net Other Post-Employment Benefit Obligation Payable	2,044	-	2,044
General Obligation Bonds Payable - Net	2,960,000	3,982,099	6,942,099
Total Noncurrent Liabilities	3,149,314	4,010,081	7,159,395
Total Liabilities	5,239,040	4,239,356	9,478,396
NET ASSETS			
Invested in Capital Assets -			
Net of Related Debt	(1,016,995)	1,952,537	935,542
Restricted - Debt Service	682,434	-	682,434
Restricted - Public Safety	200,108	-	200,108
Restricted - Public Works	434,058	-	434,058
Restricted - Highways and Streets	454,962	-	454,962
Unrestricted	1,740,451	(482,015)	1,258,436
Total Net Assets	2,495,018	1,470,522	3,965,540

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

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Activities
Year Ended April 30, 2010**

	Expenses	Program Revenues	
		Charges for Services	Operating Grants/ Contributions
Governmental Activities			
General Government	\$ 574,324	620,853	-
Public Works	711,110	278,751	62,942
Public Safety	2,521,177	142,739	2,834
Highways and Streets	431,561	-	-
Culture and Recreation	32,372	44,875	-
Interest on Long-Term Debt	135,251	-	-
Total Governmental Activities	4,405,795	1,087,218	65,776
Business-Type Activities			
Waterworks System	967,202	837,033	-
	5,372,997	1,924,251	65,776
		General Revenues	
		Taxes	
		Property Taxes	
		Replacement Taxes	
		State Income Taxes	
		State Sales Taxes	
		Utility Taxes	
		Other	
		Interest Income	
		Miscellaneous	
		Change in Net Assets	
		Net Assets - Beginning as Restated	
		Net Assets - Ending	

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

Net Expense/Revenue		
	Primary	
Governmental Activities	Business-Type Activities	Total
46,529	-	46,529
(369,417)	-	(369,417)
(2,375,604)	-	(2,375,604)
(431,561)	-	(431,561)
12,503	-	12,503
(135,251)	-	(135,251)
(3,252,801)	-	(3,252,801)
-	(130,169)	(130,169)
(3,252,801)	(130,169)	(3,382,970)
2,704,140	-	2,704,140
32,138	-	32,138
203,833	-	203,833
41,968	-	41,968
304,768	-	304,768
43,403	-	43,403
16,714	274	16,988
99,120	-	99,120
3,446,084	274	3,446,358
193,283	(129,895)	63,388
2,301,735	1,600,417	3,902,152
2,495,018	1,470,522	3,965,540

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

VILLAGE OF KENILWORTH, ILLINOIS

**Balance Sheet - Governmental Funds
April 30, 2010**

	General	Debt Service	Nonmajor Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 1,659,802	496,757	1,059,954	3,216,513
Receivables - Net of Allowances				
Property Taxes	1,049,686	199,965	-	1,249,651
Accounts	193,042	-	21,505	214,547
Due from Other Funds	396,094	247,623	8,385	652,102
Prepays	108,434	-	-	108,434
Total Assets	3,407,058	944,345	1,089,844	5,441,247
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	111,501	-	716	112,217
Deposits Payable	177,403	-	-	177,403
Due to Other Governments	28,250	-	-	28,250
Unearned/Deferred Revenues	1,105,531	210,604	-	1,316,135
Total Liabilities	1,422,685	210,604	716	1,634,005
Fund Balances				
Reserved - Prepays	108,434	-	-	108,434
Reserved - Debt Service	-	733,741	-	733,741
Reserved - Public Safety	-	-	200,108	200,108
Reserved - Public Works	-	-	434,058	434,058
Reserved - Highways and Streets	-	-	454,962	454,962
Unreserved - General	1,875,939	-	-	1,875,939
Total Fund Balances	1,984,373	733,741	1,089,128	3,807,242
Total Liabilities and Fund Balances	3,407,058	944,345	1,089,844	5,441,247

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

VILLAGE OF KENILWORTH, ILLINOIS

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

April 30, 2010

Total Governmental Fund Balances	\$ 3,807,242
 Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	2,259,118
Deferred charges are not considered to represent a financial resource and therefore, are not reported in the funds.	33,693
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(217,331)
Net Pension Obligation	(58,240)
Net Other Post-Employment Benefit Obligation Payable	(2,044)
Notes Payable	(1,113)
General Obligation Bonds Payable	(3,275,000)
Accrued Interest Payable	<u>(51,307)</u>
 Net Assets of Governmental Activities	 <u>2,495,018</u>

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

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2010**

	General	Debt Service	Nonmajor Governmental Funds	Total
Revenues				
Taxes	\$ 2,869,035	461,215	-	3,330,250
Intergovernmental	2,834	-	62,942	65,776
Charges for Services	380,670	-	142,798	523,468
Licenses and Permits	518,732	-	-	518,732
Fines and Forfeitures	45,018	-	-	45,018
Interest Income	7,856	2,002	6,856	16,714
Miscellaneous	99,120	-	-	99,120
Total Revenues	3,923,265	463,217	212,596	4,599,078
Expenditures				
Current				
General Government	574,522	-	-	574,522
Public Works	537,054	-	87,983	625,037
Public Safety	2,260,979	-	30,018	2,290,997
Highways and Streets	405,840	-	-	405,840
Culture and Recreation	31,745	-	-	31,745
Capital Outlay	98,895	-	-	98,895
Debt Service				
Principal Retirement	12,978	310,000	-	322,978
Interest and Fiscal Charges	440	134,648	-	135,088
Total Expenditures	3,922,453	444,648	118,001	4,485,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	812	18,569	94,595	113,976
Other Financing Sources (Uses)				
Transfers In	65,100	-	-	65,100
Transfers Out	-	-	(65,100)	(65,100)
	65,100	-	(65,100)	-
Net Change in Fund Balances	65,912	18,569	29,495	113,976
Fund Balances - Beginning as Restated	1,918,461	715,172	1,059,633	3,693,266
Fund Balances - Ending	1,984,373	733,741	1,089,128	3,807,242

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

VILLAGE OF KENILWORTH, ILLINOIS

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

Year Ended April 30, 2010

Net Change in Fund Balances - Total Governmental Funds	\$ 113,976
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Amounts reported for governmental activities in the Statement of Activities
are different because:

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

Capital Outlays	37,095
Depreciation Expense	(233,047)

The repayment of deferred charges consumes the current financial
resources of the governmental funds.

	(4,814)
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The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Reduction of Compensated Absences Payable	12,728
Increase in Net Pension Obligation Payable	(58,240)
Increase in Net Other Postemployment Benefit Obligation Payable	(2,044)
Retirement of Notes Payable	12,978
Retirement of General Obligation Bonds	310,000

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

	<u>4,651</u>
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Changes in Net Assets of Governmental Activities	<u>193,283</u>
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The notes to the financial statements are an integral part of this statement.

VILLAGE OF KENILWORTH, ILLINOIS

Statement of Net Assets - Proprietary Funds
April 30, 2010

	<u>Business-Type Activities Waterworks System</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 50,000
Receivables - Net of Allowances	
Accounts - Billed	86,573
Accounts - Unbilled	<u>92,552</u>
Total Current Assets	<u>229,125</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	38,648
Depreciable Capital Assets	8,451,458
Accumulated Depreciation	<u>(2,425,470)</u>
	6,064,636
Other Assets	
Deferred Charges	<u>68,219</u>
Total Noncurrent Assets	<u>6,132,855</u>
Total Assets	<u>6,361,980</u>

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

	Business-Type Activities <u>Waterworks System</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 17,708
Accrued Interest	71,636
Deposits Payable	2,935
Due to Other Funds	652,102
Compensated Absences Payable	6,996
General Obligation Bonds Payable	<u>130,000</u>
Total Current Liabilities	<u>881,377</u>
Noncurrent Liabilities	
Compensated Absences Payable	27,982
General Obligation Bonds Payable - Net	<u>3,982,099</u>
Total Noncurrent Liabilities	<u>4,010,081</u>
Total Liabilities	<u>4,891,458</u>
NET ASSETS	
Invested in Capital Assets - Net of Related Debt	1,952,537
Unrestricted	<u>(482,015)</u>
Total Net Assets	<u><u>1,470,522</u></u>

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

VILLAGE OF KENILWORTH, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended April 30, 2010

	Business-Type Activities Waterworks System
Operating Revenues	
Charges for Services	\$ 837,033
Operating Expenses	
Operations	588,101
Depreciation and Amortization	204,030
Total Operating Expenses	792,131
Operating Income	44,902
Nonoperating Revenues (Expenses)	
Interest Income	274
Interest and Fiscal Charges	(175,071)
	(174,797)
Change in Net Assets	(129,895)
Net Assets - Beginning	1,600,417
Net Assets - Ending	1,470,522

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

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
Year Ended April 30, 2010**

	Business-Type Activities <u>Waterworks System</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 833,634
Payments to Employees	(315,482)
Payments to Suppliers	(180,594)
	<u>337,558</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(37,855)
Interest on Capital Debt	(175,071)
Principal on Capital Debt	(125,000)
	<u>(337,926)</u>
Cash Flows from Investing Activities	
Interest Received	<u>274</u>
Net Change in Cash and Cash Equivalents	(94)
Cash and Cash Equivalents - Beginning	<u>50,094</u>
Cash and Cash Equivalents - Ending	<u><u>50,000</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>44,902</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	204,030
(Increase) Decrease in Current Assets	(3,399)
Increase (Decrease) in Current Liabilities	<u>92,025</u>
Net Cash Provided by Operating Activities	<u><u>337,558</u></u>

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

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Net Assets - Fiduciary Funds
April 30, 2010**

	<u>Police Pension</u>
ASSETS	
Cash and Cash Equivalents	\$ 905,708
Investments	
U.S. Government Obligations	2,435,554
Mutual Funds	1,834,791
Receivables	
Accrued Interest	<u>19,417</u>
Total Assets	5,195,470
LIABILITIES	
Accounts Payable	<u>6,967</u>
NET ASSETS	
Net Plan Assets Held in Trust for Pension Benefits	<u><u>5,188,503</u></u>

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

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Changes in Net Assets - Fiduciary Funds
Year Ended April 30, 2010**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 276,258
Contributions - Employee	86,555
Total Contributions	<u>362,813</u>
Investment Income	
Interest Income	139,732
Net Change in Fair Value	<u>500,282</u>
	640,014
Less Investment Expenses	<u>(17,624)</u>
Net Investment Income	<u>622,390</u>
Total Additions	<u>985,203</u>
Deductions	
Administration	6,405
Benefits and Refunds	<u>383,670</u>
Total Deductions	<u>390,075</u>
Change in Net Assets	595,128
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	<u>4,593,375</u>
Ending	<u>5,188,503</u>

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Kenilworth
Blended Component Units:	Police Pension Employees Retirement System

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units that have a significant operational or financial relationship with the Village.

Blended Component Units – Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Village Board or the component unit provides services entirely to the Village. These component units' funds are blended into those of the Village's by appropriate activity type to compose the primary government presentation.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Blended Component Unit

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

BASIS OF PRESENTATION

Government-Wide Financial Statements

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

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Financial Statements – Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public works, public safety, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

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

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

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

April 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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

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

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

Governmental Funds

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

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

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains three nonmajor special revenue funds, the Sewer Service Fund, the Motor Fuel Tax Fund and the E-911 Fund.

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

Proprietary Funds

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

April 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Waterworks System Fund. The Waterworks System Fund accounts for the provision of portable water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collections.

Fiduciary Funds

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus

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

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

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

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

Basis of Accounting

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

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

April 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

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

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

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

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

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Interfund Receivables, Payables and Activity

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

Prepays

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

Receivables

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

Capital Assets

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

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

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

April 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Capital Assets – Continued

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

Buildings and Improvements	40 – 50 Years
Machinery and Equipment	10 Years
Infrastructure	20 – 50 Years
Waterworks System	40 Years
Sanitary Sewer System	5 – 10 Years
Vehicles	5 – 10 Years

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.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Unearned/Deferred Revenue

Governmental funds report unearned/deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Fund Equity

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

Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

Prior to May 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.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

The Board of Trustees may:

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

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

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

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

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

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

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

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

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

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

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget for the fiscal year.

<u>Fund</u>	<u>Excess</u>
Debt Service	\$ 350

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets. Pension funds of at least \$5 million that have appointed an investment advisor may, through that investment advisor, invest up to forty-five percent of the plan's net assets in common and preferred stocks that meet specific restrictions.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$3,172,036 and the bank balances totaled \$3,215,356. In addition, the Village has \$94,477 invested in the Illinois Funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy limits its exposure by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. Illinois Funds have an average maturity of less than one year.

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

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

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

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

April 30, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village’s investment in a single issuer. The Village’s investment policy requires diversification of investments to avoid unreasonable risk by limiting commercial paper to the lesser of 20% of the cash and investment balance at the time of placement, or 25% of the cash and investment balance. At year-end, the Village had no investments over 5 percent of the total cash and investment portfolio.

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

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$905,481 and the bank balances totaled \$905,481.

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

Investment Instrument	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Bonds	\$ 2,435,554	453,246	1,715,583	266,725	-
Mutual Funds	1,834,791	1,834,791	-	-	-
Illinois Funds	227	227	-	-	-
	4,270,572	2,288,264	1,715,583	266,725	-

Interest Rate Risk. The Fund’s investment policy limits its exposure by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. Illinois Funds have an average maturity of less than one year.

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.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

April 30, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Credit Risk. Besides investing in investment instruments authorized under State Statute, the Fund's investment policy further limits credit risk by primarily investing in U.S. Treasury obligations and other obligations which are rated AA or better by a national rating agency. At year-end, the Fund's investment in the Illinois Funds is rated AAA by Standard & Poor's.

Custodial Credit Risk. The Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by an independent third-party and evidenced by a safekeeping agreement.

The Fund's investment policy mitigates custodial credit risk for investments to an extent by SIPC insurance. At year-end, the Fund's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. The Fund's investment policy requires diversification of investments to avoid unreasonable risk. At year-end, the Fund no investments over 5 percent of the total cash and investment portfolio.

The following are the target allocation percentages under the policy:

Investment	Minimum	Maximum
Direct U.S. Treasury Securities (Includes STRIPS, CUBES)	0 %	100 %
Interest Investments, CDs	0	30
Commercial Paper	0	10
Investment Pools Established by the State Treasurer	0	40
Money Market Mutual Funds	0	40
Equity Investments	0	45
Government Agency Securities	0	80
Government Bonds and Warrants	0	20
Municipal Bonds Rates "A" or Better	0	20

PROPERTY TAXES

Property taxes for 2009 attach as an enforceable lien on January 1, 2009, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1, 2010, and September 1, 2010. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3% of the tax levy, to reflect actual collection experience.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land and Right of Way	\$ 169,931	-	-	169,931
Depreciable Capital Assets				
Buildings and Improvements	1,679,055	-	-	1,679,055
Machinery and Equipment	870,990	37,095	-	908,085
Sanitary and Sewer System	1,148,186	-	-	1,148,186
	<u>3,698,231</u>	<u>37,095</u>	<u>-</u>	<u>3,735,326</u>
Less Accumulated Depreciation				
Buildings and Improvements	419,396	41,977	-	461,373
Machinery and Equipment	482,389	76,251	-	558,640
Sanitary and Sewer System	511,307	114,819	-	626,126
	<u>1,413,092</u>	<u>233,047</u>	<u>-</u>	<u>1,646,139</u>
Total Net Depreciable Capital Assets	<u>2,285,139</u>	<u>(195,952)</u>	<u>-</u>	<u>2,089,187</u>
Total Net Capital Assets	<u>2,455,070</u>	<u>(195,952)</u>	<u>-</u>	<u>2,259,118</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 1,796
Public Works	47,580
Public Safety	<u>183,671</u>
	<u>233,047</u>

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land and Right of Way	\$ 38,648	-	-	38,648
Depreciable Capital Assets				
Building	8,020,562	-	-	8,020,562
Machinery and Equipment	393,041	37,855	-	430,896
	<u>8,413,603</u>	<u>37,855</u>	<u>-</u>	<u>8,451,458</u>
Less Accumulated Depreciation				
Building	2,118,175	147,002	-	2,265,177
Machinery and Equipment	115,025	45,268	-	160,293
	<u>2,233,200</u>	<u>192,270</u>	<u>-</u>	<u>2,425,470</u>
Total Net Depreciable Capital Assets	<u>6,180,403</u>	<u>(154,415)</u>	<u>-</u>	<u>6,025,988</u>
Total Net Capital Assets	<u>6,219,051</u>	<u>(154,415)</u>	<u>-</u>	<u>6,064,636</u>

Depreciation expense was charged to business-type as follows:

Waterworks System	<u>\$ 192,270</u>
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INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

Receivable Fund	Payable Fund	Amount
General	Waterworks System	\$ 396,094
Debt Service	Waterworks System	247,623
Nonmajor Governmental	Waterworks System	8,385
		<u>652,102</u>

Interfund balances are advances in anticipation of receipts.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Transfers

Transfer In	Transfer Out	Amount
General	Nonmajor	<u>\$ 65,100</u>

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

LONG-TERM DEBT

General Obligation Bonds

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

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation (Alternate Revenue Source) Refunding Bonds of 2006B - due in annual installments of \$110,000 to \$290,000 plus interest at 3.90% to 4.20% through December 1, 2030.	Waterworks	\$ 4,310,000	-	125,000	4,185,000
General Obligation Refunding Bonds of 2007 - due in annual installments of \$180,000 to \$415,000 plus interest at 3.60% to 3.90% through December 1, 2018.	Debt Service	3,585,000	-	310,000	3,275,000
		<u>7,895,000</u>	-	435,000	<u>7,460,000</u>

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 230,059	12,728	25,456	217,331	88,301
Net Pension Obligation	-	334,498	276,258	58,240	-
General Obligation Bonds	3,585,000	-	310,000	3,275,000	315,000
Notes Payable	14,091	-	12,978	1,113	1,113
Net Other Post-Employment Benefit Obligation	-	6,930	4,886	2,044	-
	<u>3,829,150</u>	<u>354,156</u>	<u>629,578</u>	<u>3,553,728</u>	<u>404,414</u>
Business-Type Activities					
Compensated Absences	35,661	683	1,366	34,978	6,996
General Obligation Bonds	4,310,000	-	125,000	4,185,000	130,000
Less: Accounting Loss on Refunding Bonds	(82,900)	6,377	-	(76,523)	-
Plus: Unamortized Bond Premium	3,924	-	302	3,622	-
	<u>4,266,685</u>	<u>7,060</u>	<u>126,668</u>	<u>4,147,077</u>	<u>136,996</u>

Compensated absences for governmental activities are generally liquidated by the general fund. The Debt Service and Waterworks System Funds make payments on the general obligation bonds. Notes payable are being liquidated by the General Fund. Compensated absences for business-type activities are liquidated by the Waterworks System Fund. In fiscal year 2010, the Village implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*. This pronouncement required the Village to calculate and record a net other post-employment benefit obligation (NOPEBO) at April 30, 2010. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since May 1, 2009.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

Fiscal Year Ending April 30	Governmental Activities				Business-Type Activities	
	Notes Payable		General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,113	5	315,000	123,138	130,000	170,588
2012	-	-	325,000	111,798	135,000	165,518
2013	-	-	340,000	100,098	140,000	160,253
2014	-	-	350,000	87,688	145,000	154,793
2015	-	-	365,000	74,738	155,000	149,138
2016	-	-	375,000	61,050	160,000	142,938
2017	-	-	390,000	46,800	165,000	136,538
2018	-	-	400,000	31,785	170,000	129,938
2019	-	-	415,000	16,185	180,000	123,138
2020	-	-	-	-	185,000	115,938
2021	-	-	-	-	195,000	108,538
2022	-	-	-	-	200,000	100,640
2023	-	-	-	-	210,000	92,540
2024	-	-	-	-	220,000	83,930
2025	-	-	-	-	225,000	74,910
2026	-	-	-	-	235,000	65,573
2027	-	-	-	-	245,000	55,820
2028	-	-	-	-	255,000	45,653
2029	-	-	-	-	265,000	35,070
2030	-	-	-	-	280,000	23,940
2031	-	-	-	-	290,000	12,180
	1,113	5	3,275,000	653,280	4,185,000	2,147,574

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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".

Assessed Valuation - 2008	<u>\$ 387,237,866</u>
Bonded Debt Limit - 8.625% of Assessed Value	33,399,266
Amount of Debt Applicable to Limit	<u>3,275,000</u>
Legal Debt Margin	<u>30,124,266</u>

Defeased Debt

On August 15, 2006 the Village issued \$4,655,000 General Obligation (Alternate Revenue Source) Bonds of 2006B to advance refund the General Obligation (Alternate Revenue Source) Bonds of 2002. The proceeds from the 2006B issue have been deposited into an irrevocable trust to provide for all future debt service payments on \$4,460,000 of the General Obligation (Alternate Revenue Source) Bonds of 2002. As a result, the refunded portion of the bonds is considered defeased and the escrowed assets and liability for the bonds have been removed from these financial statements. The Village advance refunded the General Obligation (Alternate Revenue Source) Bonds to extend the debt service maturities. At April 30, 2010, \$3,640,000 of the General Obligation (Alternate Revenue Source) Bonds of 2002 remained to be paid out of escrow.

On January 15, 2007 the Village issued \$3,765,000 General Obligation (Alternate Revenue Source) Bonds of 2007 to advance refund the General Obligation (Alternate Revenue Source) Bonds of 1999. The proceeds from the 2007 issue have been deposited into an irrevocable trust to provide for all future debt service payments on \$3,675,000 of the General Obligation (Alternate Revenue Source) Bonds of 1999. As a result, the refunded portion of the bonds is considered defeased and the escrowed assets and liability for the bonds have been removed from these financial statements. The Village advance refunded the General Obligation (Alternate Revenue Source) Bonds to extend the debt service maturities. At April 30, 2010, \$2,935,000 of the General Obligation (Alternate Revenue Source) Bonds of 1999 remained to be paid out of escrow.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET ASSET CLASSIFICATIONS

Investment in capital assets – net of related debt, was comprised of the following as of the fiscal year-end:

Governmental Activities			
Capital Assets - Net of Accumulated Depreciation		\$	2,259,118
Less Capital Related Debt:			
General Obligation Bonds of 2007 - Net	(3,275,000)		
Notes Payable	(1,113)		<u>(3,276,113)</u>
Investment in Capital Assets - Net of Related Debt			<u><u>(1,016,995)</u></u>
 Business-Type Activities			
Capital Assets - Net of Accumulated Depreciation		\$	6,064,636
Less Capital Related Debt:			
General Obligation Bonds of 2006B - Net	(4,112,099)		<u>(4,112,099)</u>
Investment in Capital Assets - Net of Related Debt			<u><u>1,952,537</u></u>

FUND EQUITY RESTATEMENT

Beginning fund balance was restated in the General Fund to correct an error in recognition of prior year prepaids and in the Motor Fuel Tax Fund to correct an error in recognition of prior year receivables. The following is a summary of the fund balances as originally reported and as restated:

Fund Equity	As Reported	As Restated	Increase (Decrease)
General	\$ 1,813,786	1,918,461	104,675
Motor Fuel Tax	383,805	388,785	4,980

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Intergovernmental Risk Management Agency (IRMA)

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

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

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

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

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

North Suburban Employee's Benefit Cooperative (NSEBC)

The Village participates in the North Suburban Employee's Benefit Cooperative (NSEBC), an agency of municipalities created to finance and administer health and life insurance benefits for its members. Each municipality appoints one representative to serve on the Board of Directors. The Board determines the general government policies which include approval of the annual budget. For the year ended April 30, 2010, NSEBC had total equity of \$5,519,804. The Village's total payments for the year ended April 30, 2010 were \$295,429.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

April 30, 2010

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

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

Grants

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

Solid Waste Agency of Northern Cook County (SWANCC)

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

COMMITMENTS

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

April 30	Amount
2011	\$ 11,550
2012	11,119
2013	12,368
2014	12,699
	<u>47,736</u>

JOINT VENTURES

Solid Waste Agency of Northern Cook County (SWANCC)

The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which consists of twenty-three municipalities. SWANCC is a municipal corporation and public body politic established pursuant to the Constitution Act of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

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

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 2700 Patriot Blvd., Suite 110, Glenview, Illinois 60026.

SWANCC's bonds are revenue obligations. They are limited obligations of SWANCC, with a claim for payment solely from and secured by a pledge of the revenues of the system, and amounts in various funds and accounts established by SWANCC resolutions. SWANCC has no power to levy taxes.

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

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

SWANCC has entered into Solid Waste Disposal Contracts with the member municipalities. The Contracts are irrevocable, and may not be terminated or amended, except as provided in the Contract. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual cost of the system.

The obligation of the Village to make all payments as required by this Contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under this Contract.

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

In accordance with the joint venture agreement, the Village remitted \$106,446 to SWANCC for the year ended April 30, 2010, which is recorded in the Village's General Fund.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. Separate reports are issued for the Police Pension Plan and can be obtained by writing the Village at 419 Richmond Road, Kenilworth, Illinois 60043. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System

All employees (other than those covered by the Police Pension plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2009 was 12.79 percent.

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

At fiscal year-end the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	9
Current Employees	
Vested	7
Nonvested	<u>4</u>
	<u>20</u>

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% 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 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Significant Investments

There are no investments in any one organization that represent 5 percent or more of net assets available for benefits for the Police Pension Plan. Information for IMRF is not available.

Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets.

Annual Pension Cost and Net Pension Obligation

The pension liability as determined in accordance with GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers." The IMRF plan does not have a net pension obligation. The pension obligation for the Police Pension Plan is as follows:

Annual Required Contribution	\$ 349,846
Interest on the NPO	(1,004)
Adjustment to the ARC	<u>(14,344)</u>
Annual Pension Cost	334,498
Actual Contribution	<u>276,258</u>
Increase in the NPO	58,240
NPO Beginning of Year	<u>-</u>
NPO End of Year	<u><u>58,240</u></u>

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

The Village annual required contribution for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension
Contribution Rates		
Employer	12.79%	28.42%
Employee	4.50%	9.91%
Annual Required Contribution	\$132,558	\$349,846
Contributions Made	\$132,558	\$276,258
Actuarial Valuation Date	12/31/2007	4/30/2010
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	23 Years	25 Years
Asset Valuation Method	5-Year Smoothed Market	Market
Actuarial Assumptions		
Investment Rate of Return	7.50% Compounded Annually	7.00% Compounded Annually
Projected Salary Increases	.4 to 10.0%	2.50%
Inflation Rate Included	4.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

The Village's annual required contribution for the current year and related information for each plan is as follows:

	Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual Pension Cost (APC)	2008	\$ 129,068	\$ 155,007
	2009	141,882	233,991
	2010	132,558	334,498
Actual Contributions	2008	129,068	155,007
	2009	141,882	248,335
	2010	132,558	276,258
Percentage of APC Contributed	2008	100.00%	100.00%
	2009	100.00%	106.13%
	2010	100.00%	82.59%
Net Pension Obligation	2008	-	-
	2009	-	(14,344)
	2010	-	58,240

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

The Village's funded status for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	12/31/09	4/30/2009
Percent Funded	71.18%	51.37%
Actuarial Accrued Liability for Benefits	\$3,306,657	\$8,941,378
Actuarial Value of Assets	\$2,353,531	\$4,593,375
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$953,126)	(\$4,348,003)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$1,036,419	\$873,680
Ratio of UAAL to Covered Payroll	91.96%	497.67%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit 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 and union contracts. 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 General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans.

All health care benefits are provided through the Village's health insurance plan and HMO plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2010, retirees contributed \$13,416. Active employees do not contribute to the plan in anticipation of future participation in the Village's retiree health care insurance benefit at retirement. Contributions in the plan begin only at retirement.

At April 30, 2010, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	1
Active Employees	<u>25</u>
Total	<u>26</u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the plan as of April 30, 2010 to determine the funded status of the plan as of that date as well as the employer’s annual required contribution (ARC) for the fiscal year ended April 30, 2010.

The net OPEB obligation (NOPEBO) as of April 30, 2010, was calculated as follows:

Annual Required Contribution	\$ 6,930
Interest on the NOPEBO	-
Adjustment to the ARC	-
	<hr/>
Annual OPEB Cost	6,930
Actual Contribution	4,886
	<hr/>
Change in the NOPEBO	2,044
NOPEBO - Beginning of Year	-
	<hr/>
NOPEBO - End of Year	<u>2,044</u>

Trend Information

The Village’s annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2008	\$ N/A	\$ N/A	N/A	\$ N/A
2009	N/A	N/A	N/A	N/A
2010	6,930	4,886	70.51%	2,044

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements April 30, 2010

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2010, was as follows:

Actuarial Accrued Liability (AAL)	\$	89,954
Actuarial Value of Plan Assets		-
Unfunded Actuarial Accrued Liability (UAAL)		89,954
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0%
Covered Payroll (Active Plan Members)		N/A
UAAL as a Percentage of Covered Payroll		N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2010 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return, including a 3.0% inflation assumption and an initial annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2010, was 30 years.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
April 30, 2010**

NOTE 4 – OTHER INFORMATION – Continued

SUBSEQUENT EVENTS

On July 15, 2010 the Village issued \$593,000 General Obligation Limited Bond Series. The Series 2010 Bonds are due in one payment on December 1, 2011 plus semi-annual interest payments on June 1, 2011 and December 1, 2011. Proceeds of the Bonds will be used to pay for various Village-wide capital improvements.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Other Post-Employment Benefit Plan

- Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Other Post-Employment Benefit Plan

- Budgetary Comparison Schedule
 - General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF KENILWORTH, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Funding Progress

April 30, 2010

Actuarial Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2004	\$ 2,338,448	\$ 3,072,344	76.11%	\$ 733,896	\$ 840,000	87.37%
2005	2,642,704	3,374,904	78.30%	732,200	793,794	92.24%
2006	2,200,957	2,978,838	73.89%	777,881	914,521	85.06%
2007	2,587,008	3,326,385	77.77%	739,377	977,784	75.62%
2008	2,340,996	3,285,125	71.26%	944,129	1,065,977	88.57%
2009	2,353,531	3,306,657	71.18%	953,126	1,036,419	91.96%

VILLAGE OF KENILWORTH, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Funding Progress

April 30, 2010

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2005	\$ 4,777,859	\$ 7,397,573	64.59%	\$ 2,619,714	\$ 709,756	369.10%
2006	5,062,402	7,932,824	63.82%	2,870,422	689,926	416.05%
2007	5,316,386	7,914,378	67.17%	2,597,992	806,884	321.98%
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	4,593,375	8,941,378	51.37%	4,348,003	873,680	497.67%
2010	N/A	N/A	N/A	N/A	N/A	N/A

Note: The actuarial valuations for the years 2005-2006 performed on the plan's net assets were not performed in accordance with GASB Statement No. 25 and 27.

N/A - Not Available

VILLAGE OF KENILWORTH, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information

Schedule of Funding Progress

April 30, 2010

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2005	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	-	89,954	-	89,954	-	N/A

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010. Information for prior years is not available. The Village is required to have an actuarial study performed triennially.

VILLAGE OF KENILWORTH, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Employer Contributions
April 30, 2010**

Calendar Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2004	\$ 96,600	\$ 96,600	100.00%
2005	103,114	103,114	100.00%
2006	126,295	126,295	100.00%
2007	129,068	129,068	100.00%
2008	141,882	141,882	100.00%
2009	132,558	132,558	100.00%

VILLAGE OF KENILWORTH, ILLINOIS

Police Pension Fund

Required Supplementary Information

Employer Contributions

April 30, 2010

Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2005	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	155,007	155,007	100.00%
2009	248,335	233,991	106.13%
2010	276,258	334,498	82.59%

Note: The actuarial valuations for the years 2005-2006 performed on the plan's net assets were not performed in accordance with GASB Statement No. 25 and 27.

VILLAGE OF KENILWORTH, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Employer Contributions
April 30, 2010**

Year Ended April 30	Employer Contributions	Annual Required Contributions	Percent Contributed
2005	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	N/A	N/A	N/A
2009	N/A	N/A	N/A
2010	4,886	6,930	70.51%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010. Information for prior years is not available.

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 2,913,578	2,913,578	2,869,035
Intergovernmental	-	-	2,834
Charges for Services	370,170	370,170	380,670
Licenses and Permits	380,250	380,250	518,732
Fines and Forfeitures	47,000	47,000	45,018
Interest Income	25,000	25,000	7,856
Miscellaneous	59,500	59,500	99,120
Total Revenues	3,795,498	3,795,498	3,923,265
Expenditures			
Current			
General Government	583,288	583,288	574,522
Public Works	600,027	590,027	537,054
Public Safety	2,324,773	2,324,773	2,260,979
Highways and Streets	413,569	413,569	405,840
Culture and Recreation	34,625	34,625	31,745
Capital Outlay	108,235	127,585	98,895
Debt Service			
Principal Retirement	-	-	12,978
Interest and Fiscal Charges	-	-	440
Total Expenditures	4,064,517	4,073,867	3,922,453
Excess (Deficiency) of Revenues Over (Under) Expenditures	(269,019)	(278,369)	812
Other Financing Sources			
Disposal of Capital Assets	3,000	3,000	-
Transfers In	65,100	65,100	65,100
	68,100	68,100	65,100
Net Change in Fund Balance	(200,919)	(210,269)	65,912
Fund Balance - Beginning as Restated			1,918,461
Fund Balance - Ending			1,984,373

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
 - General
 - Debt Service
- Combining Statements – Nonmajor Governmental Special Revenue Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Special Revenue Funds
 - Sewer Service
 - Motor Fuel Tax
 - E-911
- Budgetary Comparison Schedules – Enterprise Fund
 - Waterworks System
- Budgetary Comparison Schedule – Pension Trust Fund
 - Police Pension

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

DEBT SERVICE FUND

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

SPECIAL REVENUE FUNDS

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

Sewer Service Fund

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

Motor Fuel Tax Fund

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

E-911 Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS

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

Waterworks System Fund

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

TRUST AND AGENCY FUND

PENSION TRUST FUND

Police Pension Fund

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

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
Year Ended April 30, 2010**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 2,284,578	2,284,578	2,242,925
Other Taxes			
Replacement Taxes	32,500	32,500	32,138
State Sales Taxes	24,000	24,000	41,968
State Income Taxes	223,000	223,000	203,833
Local Use Tax	35,000	35,000	29,599
Utility Tax	298,500	298,500	304,768
Vehicle Tax	5,000	5,000	2,316
Miscellaneous Tax	11,000	11,000	11,488
	629,000	629,000	626,110
Total Taxes	2,913,578	2,913,578	2,869,035
Intergovernmental			
Federal Grants	-	-	2,834
Charges for Services			
Ambulance User Fees	16,500	16,500	14,954
Elevator User Fees	-	-	873
Beach Fees	33,300	33,300	44,875
Fire and Buglar Alarm Fees	8,600	8,600	8,080
Sales of Yard Waste Bags and Stickers	-	-	429
Special Duty Detail	4,200	4,200	4,750
Waste Collections	208,320	208,320	205,461
Antenna Lease Fee	96,500	96,500	99,673
Miscellaneous Fees	2,750	2,750	1,575
Total Charges for Services	370,170	370,170	380,670

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
Year Ended April 30, 2010**

	Budget		Actual
	Original	Final	
Licenses and Permits			
Licenses			
Vehicle License	\$ 110,500	110,500	106,165
Animal License	5,250	5,250	5,411
	<u>115,750</u>	<u>115,750</u>	<u>111,576</u>
Permits			
Building	175,000	175,000	344,598
Parking	51,000	51,000	42,063
Tree Permits	2,500	2,500	700
Filing Fees	3,000	3,000	3,500
Zoning Review	5,000	5,000	3,200
Plan Review	28,000	28,000	13,095
	<u>264,500</u>	<u>264,500</u>	<u>407,156</u>
Total Licenses and Permits	<u>380,250</u>	<u>380,250</u>	<u>518,732</u>
Fines and Forfeitures			
Circuit Court Fees	10,000	10,000	8,029
DUI Fines	1,000	1,000	800
Village Ordinance Fines	36,000	36,000	36,189
	<u>47,000</u>	<u>47,000</u>	<u>45,018</u>
Total Fines and Forfeitures	<u>47,000</u>	<u>47,000</u>	<u>45,018</u>
Interest Income	<u>25,000</u>	<u>25,000</u>	<u>7,856</u>
Miscellaneous			
Cable Television Franchise Fees	28,000	28,000	47,482
Telephone Franchise Fees	6,000	6,000	1,450
Other Income	25,500	25,500	50,188
	<u>59,500</u>	<u>59,500</u>	<u>99,120</u>
Total Miscellaneous	<u>59,500</u>	<u>59,500</u>	<u>99,120</u>
Total Revenues	<u>3,795,498</u>	<u>3,795,498</u>	<u>3,923,265</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2010**

	Budget		Actual
	Original	Final	
General Government			
Administrative			
Personnel			
Salaries			
Regular	\$ 194,254	194,254	197,208
Overtime	4,300	4,300	2,489
Part-Time	36,000	36,000	40,051
Employee Benefits			
Medical	25,616	25,616	20,677
Dental	1,994	1,994	1,844
Life	642	642	646
Other Benefits	44,407	44,407	46,996
	<u>307,213</u>	<u>307,213</u>	<u>309,911</u>
Contractual Services			
Auditing	18,525	18,525	18,525
J.U.L.I.E. Fees	1,000	1,000	811
Plan Review and Inspections	15,000	15,000	9,759
Park District Services	4,000	4,000	4,000
Printing and Publishing	7,500	7,500	4,771
Telephone	4,500	4,500	3,665
Cell Phone	1,000	1,000	859
Miscellaneous	1,200	1,200	987
Professional Fees	7,500	7,500	1,050
Postage	5,700	5,700	3,789
Dues, Memberships and Subscriptions	8,000	8,000	9,258
Repair and Maintenance - Vehicles/Equipment	500	500	267
	<u>74,425</u>	<u>74,425</u>	<u>57,741</u>
Commodities			
Office Supplies	3,700	3,700	2,775
Other Supplies	1,000	1,000	1,008
	<u>4,700</u>	<u>4,700</u>	<u>3,783</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative - Continued			
Other Expenditures			
Fuel	\$ 800	800	499
Recruitment and Training	1,500	1,500	2,181
Miscellaneous	3,000	3,000	2,211
Auto Allowance	4,800	4,800	4,800
	<u>10,100</u>	<u>10,100</u>	<u>9,691</u>
Total Administrative	<u>396,438</u>	<u>396,438</u>	<u>381,126</u>
Support Services			
Insurance - Liability and Workers' Compensation	128,300	128,300	142,452
Village Attorney	51,400	51,400	44,807
Village Prosecutor	4,200	4,200	3,500
Maintenance of Office Equipment	1,700	1,700	1,584
Internet Service	1,250	1,250	1,053
	<u>186,850</u>	<u>186,850</u>	<u>193,396</u>
Total Support Services	<u>186,850</u>	<u>186,850</u>	<u>193,396</u>
Total General Government	<u>583,288</u>	<u>583,288</u>	<u>574,522</u>
Public Works			
Building and Grounds			
Personnel			
Salaries			
Maintenance	5,737	5,737	5,871
Employee Benefits			
Other Benefits	1,941	1,941	1,937
	<u>7,678</u>	<u>7,678</u>	<u>7,808</u>
Contractual Services			
Outside Maintenance	16,000	15,000	14,273

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Public Works - Continued			
Building and Grounds - Continued			
Commodities			
Building Repairs - Village Hall	\$ 15,000	9,000	9,642
Building Repairs - Public Works	5,000	2,000	1,558
Maintenance and Other Supplies	2,300	2,300	1,792
Heating, Electric and Water Utilities	125	125	717
	<u>22,425</u>	<u>13,425</u>	<u>13,709</u>
Total Building and Grounds	<u>46,103</u>	<u>36,103</u>	<u>35,790</u>
Waste Removal			
Personnel			
Salaries			
Regular	73,982	73,982	74,867
Overtime	2,300	2,300	1,768
Employee Benefits			
Medical	6,972	6,972	5,081
Dental	535	535	548
Other Benefits	15,435	15,435	15,554
	<u>99,224</u>	<u>99,224</u>	<u>97,818</u>
Contractual Services			
Recycling	12,000	12,000	12,000
Waste Removal - Regular	197,000	197,000	198,942
Waste Removal - Extra	7,400	7,400	6,004
Yard Waste Disposal	185,400	170,200	115,550
Leaf Pickup	8,000	8,000	8,000
Insurance	2,400	2,400	2,003
	<u>412,200</u>	<u>397,000</u>	<u>342,499</u>
Commodities			
Other Supplies	12,000	12,000	12,020
Total Waste Removal	<u>523,424</u>	<u>508,224</u>	<u>452,337</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Public Works - Continued			
Forestry			
Contractual Services			
Tree Planting	\$ -	15,200	15,147
Tree Removal	30,000	30,000	33,780
Other Professional Services	500	500	-
Total Forestry	30,500	45,700	48,927
Total Public Works	600,027	590,027	537,054
Public Safety			
Police Department			
Personnel			
Salaries			
Regular	1,045,254	1,045,254	1,041,838
Police Pension Contributions	250,445	250,445	276,258
Overtime	83,775	83,775	75,305
Part-Time	50,820	50,820	47,844
Employee Benefits			
Medical	188,495	188,495	156,515
Dental	14,307	14,307	13,180
Life	1,957	1,957	1,964
Other Benefits	50,210	50,210	52,017
Total Personnel	1,685,263	1,685,263	1,664,921
Contractual Services			
Maintenance - Office Equipment	450	450	442
Printing and Publishing	1,400	1,400	541
Telephone	4,500	4,500	2,615
Cell Phone	4,500	4,500	4,096
LEADS Teletype	5,300	5,300	2,022
Animal Control and Health Official	2,000	2,000	126
Postage	1,000	1,000	347
Dues, Memberships and Subscriptions	23,000	23,000	22,613
Repair and Maintenance - Vehicles/Equipment	20,000	20,000	17,242
Total Contractual Services	62,150	62,150	50,044

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Commodities			
Office Supplies	\$ 2,500	2,500	2,650
Other Supplies	11,000	11,000	6,591
Uniforms	14,000	14,000	6,765
	<u>27,500</u>	<u>27,500</u>	<u>16,006</u>
Other Expenditures			
Fuel	17,000	17,000	13,537
Recruitment and Training	22,000	22,000	10,652
Miscellaneous	1,800	1,800	854
Auto Allowance	4,800	4,800	4,800
Community Service	1,500	1,500	972
DUI Fund Expenditures	600	600	-
Drug Seizure Expenses	3,000	3,000	130
	<u>50,700</u>	<u>50,700</u>	<u>30,945</u>
Total Police Department	<u>1,825,613</u>	<u>1,825,613</u>	<u>1,761,916</u>
Fire Department			
Personel			
Salaries			
Regular	11,283	11,283	11,283
Employee Benefits			
Other Benefits	1,777	1,777	1,719
	<u>13,060</u>	<u>13,060</u>	<u>13,002</u>
Contractual Services			
Fire Protection	486,100	486,100	486,061
Total Fire Department	<u>499,160</u>	<u>499,160</u>	<u>499,063</u>
Total Public Safety	<u>2,324,773</u>	<u>2,324,773</u>	<u>2,260,979</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Highways and Streets			
Street Department			
Personnel			
Salaries			
Regular	\$ 195,268	195,268	197,520
Overtime	8,000	8,000	6,676
Employee Benefits			
Medical	28,758	28,758	27,712
Dental	2,184	2,184	2,135
Life	363	363	376
Other Benefits	42,136	42,136	42,133
	<u>276,709</u>	<u>276,709</u>	<u>276,552</u>
Contractual Services			
Telephone	1,100	1,100	1,507
Cell Phone	1,500	1,500	1,320
Maintenance - Office Equipment	500	500	209
Outside Maintenance	2,000	2,000	2,646
Repair and Maintenance - Vehicles/Equipment	12,000	12,000	11,163
Signs - Traffic and Streets	2,000	2,000	1,893
Equipment Rental	500	500	
Engineering Services	-	-	897
Dues, Memberships and Subscriptions	500	500	-
	<u>20,100</u>	<u>20,100</u>	<u>19,635</u>
Commodities			
Office Supplies	425	425	251
Other Supplies	2,500	2,500	1,026
Maintenance Supplies	4,000	4,000	5,906
Snow Removal Supplies	25,000	25,000	19,117
Uniforms	750	750	454
	<u>32,675</u>	<u>32,675</u>	<u>26,754</u>
Other Expenditures			
Fuel	10,000	10,000	8,730
Recruitment and Training	500	500	359
Auto Allowance	4,800	4,800	4,800
	<u>15,300</u>	<u>15,300</u>	<u>13,889</u>
Total Street Department	<u>344,784</u>	<u>344,784</u>	<u>336,830</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Street Lighting			
Personnel			
Salaries			
Regular	\$ 24,440	24,440	24,232
Overtime	2,000	2,000	1,686
Employee Benefits			
Other Benefits	11,345	11,345	11,012
	<u>37,785</u>	<u>37,785</u>	<u>36,930</u>
Contractual Services			
Repairs and Maintenance	6,500	6,500	10,275
Commodities			
Other Supplies	4,500	4,500	4,649
Heating, Electric and Water Utilities	20,000	20,000	17,156
	<u>24,500</u>	<u>24,500</u>	<u>21,805</u>
Total Street Lighting	<u>68,785</u>	<u>68,785</u>	<u>69,010</u>
Total Highways and Streets	<u>413,569</u>	<u>413,569</u>	<u>405,840</u>
Culture and Recreation			
Beach			
Personnel			
Salaries			
Part-Time	28,000	28,000	27,955
Employee Benefits			
Other Benefits	2,425	2,425	2,307
	<u>30,425</u>	<u>30,425</u>	<u>30,262</u>
Contractual Services			
Telephone	200	200	302
Miscellaneous	1,000	1,000	86
Laboratory Services	600	600	(1,196)
	<u>1,800</u>	<u>1,800</u>	<u>(808)</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Culture and Recreation - Continued			
Beach - Continued			
Commodities			
Other Supplies	\$ 2,000	2,000	2,291
Other Expenditures			
Recruitment and Training	400	400	-
Total Culture and Recreation	34,625	34,625	31,745
Capital Outlay			
General Government			
Software	7,125	7,125	8,446
Computer Equipment	1,000	1,000	244
Office Furniture	500	500	-
Total General Government	8,625	8,625	8,690
Public Works			
Machinery and Equipment	9,350	28,700	20,498
Building Improvement and Alterations	17,340	17,340	17,995
Public Works	26,690	46,040	38,493
Public Safety			
Police Department			
Office Furniture	-	-	1,114
Machinery and Equipment	2,000	2,000	1,419
Software	500	500	504
Computer Equipment	1,000	1,000	793
Total Police Department	3,500	3,500	3,830
Fire Department			
Fire Hydrant	6,000	6,000	10,269
Total Public Safety	9,500	9,500	14,099

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2010**

	Budget		Actual
	Original	Final	
Capital Outlay - Continued			
Highways and Streets			
Street Department			
Machinery and Equipment	\$ 20,000	20,000	12,371
Computer Equipment	1,000	1,000	537
Vehicle	13,420	13,420	-
Sidewalk 50/50 Program	10,000	10,000	9,716
Streets and Sidewalk Improvements	10,000	10,000	12,690
	<u>54,420</u>	<u>54,420</u>	<u>35,314</u>
Street Lighting			
Cabling, Posts and Lanterns	8,000	8,000	1,672
	<u>8,000</u>	<u>8,000</u>	<u>1,672</u>
Total Highways and Streets	<u>62,420</u>	<u>62,420</u>	<u>36,986</u>
Culture and Recreation			
Beach			
Machinery and Equipment	1,000	1,000	627
	<u>1,000</u>	<u>1,000</u>	<u>627</u>
Total Capital Outlay	<u>108,235</u>	<u>127,585</u>	<u>98,895</u>
Debt Service			
Principal Retirement	-	-	12,978
Interest and Fiscal Charges	-	-	440
	<u>-</u>	<u>-</u>	<u>13,418</u>
Total Expenditures	<u>4,064,517</u>	<u>4,073,867</u>	<u>3,922,453</u>

VILLAGE OF KENILWORTH, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 444,298	444,298	461,215
Interest Income	-	-	2,002
Total Revenues	444,298	444,298	463,217
Expenditures			
Debt Service			
Principal Retirement	310,000	310,000	310,000
Interest and Fiscal Charges	134,298	134,298	134,648
Total Expenditures	444,298	444,298	444,648
Net Change in Fund Balance	-	-	18,569
Fund Balance - Beginning			715,172
Fund Balance - Ending			733,741

VILLAGE OF KENILWORTH, ILLINOIS

Combining Balance Sheet

**Nonmajor Governmental - Special Revenue Funds
April 30, 2010**

	Sewer Service	Motor Fuel Tax	E-911	Totals
ASSETS				
Cash and Investments	\$ 410,785	449,552	199,617	1,059,954
Receivables - Net of Allowances Accounts	15,198	5,410	897	21,505
Due from Other Funds	8,385	-	-	8,385
Total Assets	<u>434,368</u>	<u>454,962</u>	<u>200,514</u>	<u>1,089,844</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	310	-	406	716
Fund Balances				
Unreserved	<u>434,058</u>	<u>454,962</u>	<u>200,108</u>	<u>1,089,128</u>
Total Liabilities and Fund Balances	<u>434,368</u>	<u>454,962</u>	<u>200,514</u>	<u>1,089,844</u>

VILLAGE OF KENILWORTH, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

**Nonmajor Governmental - Special Revenue Funds
Year Ended April 30, 2010**

	Sewer Service	Motor Fuel Tax	E-911	Totals
Revenues				
Intergovernmental	\$ -	62,942	-	62,942
Charges for Services	72,861	-	69,937	142,798
Interest Income	3,152	3,235	469	6,856
Total Revenues	76,013	66,177	70,406	212,596
Expenditures				
Public Works	87,983	-	-	87,983
Public Safety	-	-	30,018	30,018
Total Expenditures	87,983	-	30,018	118,001
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,970)	66,177	40,388	94,595
Other Financing (Uses)				
Transfers Out	(40,000)	-	(25,100)	(65,100)
Net Change in Fund Balances	(51,970)	66,177	15,288	29,495
Fund Balances - Beginning	486,028	388,785	184,820	1,059,633
Fund Balances - Ending	434,058	454,962	200,108	1,089,128

VILLAGE OF KENILWORTH, ILLINOIS

Sewer Service - Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Sewer Charges	\$ 85,500	85,500	72,861
Interest Income	5,000	5,000	3,152
Total Revenues	<u>90,500</u>	<u>90,500</u>	<u>76,013</u>
Expenditures			
Public Works			
Outside Maintenance Services	20,000	33,500	33,614
Repair and Maintenance - Vehicles/Equipment	8,500	2,500	1,641
Engineering	65,000	57,500	47,839
Equipment Rental	500	500	-
Other Supplies	3,500	3,500	229
Maintenance and Construction Supplies	3,000	3,000	3,660
Permit Fee	1,000	1,000	1,000
Capital Outlay	60,000	60,000	-
Total Expenditures	<u>161,500</u>	<u>161,500</u>	<u>87,983</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,000)	(71,000)	(11,970)
Other Financing (Uses)			
Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>
Net Change in Fund Balance	<u>(111,000)</u>	<u>(111,000)</u>	(51,970)
Fund Balance - Beginning			<u>486,028</u>
Fund Balance - Ending			<u><u>434,058</u></u>

VILLAGE OF KENILWORTH, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Allotment	\$ 65,600	65,600	62,942
Interest Income	-	-	3,235
Total Revenues	<u>65,600</u>	<u>65,600</u>	<u>66,177</u>
Expenditures			
Public Works	-	-	-
Net Change in Fund Balance	<u>65,600</u>	<u>65,600</u>	66,177
Fund Balance - Beginning			<u>388,785</u>
Fund Balance - Ending			<u><u>454,962</u></u>

VILLAGE OF KENILWORTH, ILLINOIS

E-911 - Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Surcharge Revenue	\$ 73,100	73,100	69,937
Interest Income	2,000	2,000	469
Total Revenues	<u>75,100</u>	<u>75,100</u>	<u>70,406</u>
Expenditures			
Public Safety	<u>35,700</u>	<u>35,700</u>	<u>30,018</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,400	39,400	40,388
Other Financing (Uses)			
Transfers Out	<u>(25,100)</u>	<u>(25,100)</u>	<u>(25,100)</u>
Net Change in Fund Balance	<u>14,300</u>	<u>14,300</u>	15,288
Fund Balance - Beginning			<u>184,820</u>
Fund Balance - Ending			<u>200,108</u>

VILLAGE OF KENILWORTH, ILLINOIS

Waterworks System - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 978,200	978,200	837,033
Operating Expenses			
Operations			
Personnel	440,841	440,841	440,333
Contractual Services	126,950	126,950	65,784
Commodities	65,300	65,300	70,099
Other Expenses	12,800	12,800	11,885
Depreciation and Amortization	-	-	204,030
Total Operating Expenses	645,891	645,891	792,131
Operating Income	332,309	332,309	44,902
Nonoperating Revenues (Expenses)			
Interest Income	3,000	3,000	274
Interest and Fiscal Charges	(176,100)	(176,100)	(175,071)
	(173,100)	(173,100)	(174,797)
Change in Net Assets	159,209	159,209	(129,895)
Net Assets - Beginning			1,600,417
Net Assets - Ending			1,470,522

VILLAGE OF KENILWORTH, ILLINOIS

Waterworks System - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Operations			
Personnel			
Salaries			
Regular	\$ 297,443	297,443	299,063
Overtime	15,525	15,525	17,102
Compensated Absences	-	-	(683)
Employee Benefits			
Medical	58,510	58,510	55,013
Dental	4,405	4,405	4,513
Life	455	455	458
Other Benefits	64,503	64,503	64,867
Total Personnel	440,841	440,841	440,333
Contractual Services			
Village Attorney	6,500	6,500	6,154
Printing and Publishing	1,400	1,400	1,202
Telephone and Internet	13,300	13,300	11,465
Outside Maintenance	5,000	5,000	989
Professional Services	3,000	3,000	918
Postage	2,000	2,000	2,149
Dues, Memberships and Subscriptions	400	400	325
Equipment Rental	300	300	132
Miscellaneous Services	9,500	9,500	1,889
Repairs and Maintenance - Vehicles/Equipment	5,000	5,000	2,993
Repairs and Maintenance	80,550	80,550	37,568
Total Contractual Services	126,950	126,950	65,784
Commodities			
Office Supplies	500	500	228
Other Supplies	4,600	4,600	5,147
Maintenance Supplies	5,000	5,000	9,060
Heating, Electric and Water Utilities	36,000	36,000	38,023
Uniforms	1,200	1,200	1,141
Chemicals	16,000	16,000	14,949
Sewer Use Charge	2,000	2,000	1,551
Total Commodities	65,300	65,300	70,099

VILLAGE OF KENILWORTH, ILLINOIS

Waterworks System - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Operations - Continued			
Other Expenses			
Auto Allowance	\$ 4,800	4,800	4,800
Fuel	6,000	6,000	6,235
Recruitment and Training	1,500	1,500	411
Miscellaneous	500	500	439
Total Other Expenses	12,800	12,800	11,885
Depreciation and Amortization	-	-	204,030
Debt Service			
Principal Retirement	125,000	125,000	125,000
Interest Expense	176,100	176,100	175,071
	301,100	301,100	300,071
Less Nonoperating Items			
Debt Service	(301,100)	(301,100)	(300,071)
Total Debt Service	-	-	-
Total Operating Expenses	645,891	645,891	792,131

VILLAGE OF KENILWORTH, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 250,445	250,445	276,258
Contributions - Employee	90,000	90,000	86,555
Total Contributions	340,445	340,445	362,813
Investment Income			
Interest Income	80,500	80,500	139,732
Net Change in Fair Value	-	-	500,282
	80,500	80,500	640,014
Less Investment Expenses	(16,500)	(16,500)	(17,624)
Net Investment Income	64,000	64,000	622,390
Total Additions	404,445	404,445	985,203
Deductions			
Administration	7,150	7,150	6,405
Benefits and Refunds	383,670	383,670	383,670
Total Deductions	390,820	390,820	390,075
Change in Net Assets	13,625	13,625	595,128
Net Plan Assets Held in Trust for Pension Benefits			
Beginning			4,593,375
Ending			5,188,503

SUPPLEMENTAL SECTION

VILLAGE OF KENILWORTH, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation (Alternate Revenue Source) Refunding Bonds of 2006B

April 30, 2010

Date of Issue	August 15, 2006
Date of Maturity	December 1, 2030
Authorized Issue	\$4,655,000
Denomination of Bonds	\$5,000
Interest Rate	3.90% - 4.20%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	J P Morgan Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2011	\$ 130,000	170,588	300,588	2010	85,294	2010	85,294
2012	135,000	165,518	300,518	2011	82,759	2011	82,759
2013	140,000	160,253	300,253	2012	80,127	2012	80,126
2014	145,000	154,793	299,793	2013	77,397	2013	77,396
2015	155,000	149,138	304,138	2014	74,569	2014	74,569
2016	160,000	142,938	302,938	2015	71,469	2015	71,469
2017	165,000	136,538	301,538	2016	68,269	2016	68,269
2018	170,000	129,938	299,938	2017	64,969	2017	64,969
2019	180,000	123,138	303,138	2018	61,569	2018	61,569
2020	185,000	115,938	300,938	2019	57,969	2019	57,969
2021	195,000	108,538	303,538	2020	54,269	2020	54,269
2022	200,000	100,640	300,640	2021	50,320	2021	50,320
2023	210,000	92,540	302,540	2022	46,270	2022	46,270
2024	220,000	83,930	303,930	2023	41,965	2023	41,965
2025	225,000	74,910	299,910	2024	37,455	2024	37,455
2026	235,000	65,573	300,573	2025	32,787	2025	32,786
2027	245,000	55,820	300,820	2026	27,910	2026	27,910
2028	255,000	45,653	300,653	2027	22,827	2027	22,826
2029	265,000	35,070	300,070	2028	17,535	2028	17,535
2030	280,000	23,940	303,940	2029	11,970	2029	11,970
2031	290,000	12,180	302,180	2030	6,090	2030	6,090
	<u>4,185,000</u>	<u>2,147,574</u>	<u>6,332,574</u>		<u>1,073,789</u>		<u>1,073,785</u>

VILLAGE OF KENILWORTH, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2007

April 30, 2010

Date of Issue	January 15, 2007
Date of Maturity	December 1, 2018
Authorized Issue	\$3,765,000
Denomination of Bonds	\$5,000
Interest Rate	3.60% - 3.90%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	J P Morgan Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2011	\$ 315,000	123,138	438,138	2010	61,569	2010	61,569
2012	325,000	111,798	436,798	2011	55,899	2011	55,899
2013	340,000	100,098	440,098	2012	50,049	2012	50,049
2014	350,000	87,688	437,688	2013	43,844	2013	43,844
2015	365,000	74,738	439,738	2014	37,369	2014	37,369
2016	375,000	61,050	436,050	2015	30,525	2015	30,525
2017	390,000	46,800	436,800	2016	23,400	2016	23,400
2018	400,000	31,785	431,785	2017	15,893	2017	15,892
2019	415,000	16,185	431,185	2018	8,093	2018	8,092
	<u>3,275,000</u>	<u>653,280</u>	<u>3,928,280</u>		<u>326,641</u>		<u>326,639</u>