

VILLAGE OF



ILLINOIS

ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2013

VILLAGE OF KENILWORTH, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2013**

Prepared by:
Finance Department

VILLAGE OF KENILWORTH, ILLINOIS

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INTRODUCTORY SECTION

VILLAGE OF KENILWORTH, ILLINOIS

**List of Principal Officials
December 31, 2013**

PRESIDENT

William E. Russell

BOARD OF TRUSTEES

James Hughes
Kevin Lennon
Scott Lien

James R. McClamroch, Jr.
Ann Potter
Michael Thomas

CLERK

James Van Metre

VILLAGE ATTORNEY

Barbara A. Adams

TREASURER

Patrick Garvey

VILLAGE MANAGER

Patrick Brennan

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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

INDEPENDENT AUDITORS' REPORT

April 9, 2014

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kenilworth, Illinois, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kenilworth, Illinois, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Kenilworth, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2013

Our discussion and analysis of the Village of Kenilworth's financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the Village's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- During fiscal year 2013 the Village implemented the 2023 Capital Infrastructure Improvement Program. To fund the improvements the Village issued General Obligation Limited Bonds in the amount of \$9,590,000 to execute the first phase of this three-year project.
- The Village's net position increased as a result of this year's operations. Net position of business-type activities increased by \$173,333, or 9.9 percent, and net position of the governmental activities increased by \$1,340,957, or 35.8 percent.
- During the year, government-wide revenues for the primary government totaled \$7,190,884 while expenses totaled \$5,676,594 resulting in an increase to net position of \$1,514,290.
- The increase in net position is largely due to a \$561,234 increase in the net investment in capital assets and an \$826,927 increase in unrestricted net position.
- The Village's net position totaled \$7,010,232 on December 31, 2013, which includes \$2,128,286 net investment in capital assets, \$918,067 subject to external restrictions, and \$3,963,879 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The Village's governmental funds for the year ending December 31, 2013 reported combining ending fund balances of \$14,915,649, which is an increase of \$10,176,892, over last fiscal year's total of \$4,738,757. Of the \$14,915,649 total, \$3,666,674, or approximately 24.6 percent, of the fund balance constitutes unassigned fund balance and \$9,573,385, or approximately 64.2 percent is attributed to the creation of the 2023 Capital Infrastructure Improvement fund and the issuance of the General Obligation Limited Bonds to fund this project.
- The General Fund reported an increase for the year ending December 31, 2013 of \$548,904 resulting in ending fund balance of \$3,748,597, an increase of 17.2 percent.

USING THIS ANNUAL REPORT

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

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2013

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements

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

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, highways and streets, police protection, planning and zoning, and economic development. The business-type activities of the Village include waterworks system operations.

Fund Financial Statements

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

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2013

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds

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

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

The Village maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, Capital Projects, and 2023 Capital Infrastructure Improvement Funds, all 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 - 12 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 fund 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 13 - 16 of this report.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2013

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

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 17 - 18 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 - 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 two pension plans. Required supplementary information can be found on pages 52 - 54 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 55 - 77 of this report.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village, assets/deferred outflows exceeded liabilities/deferred inflows by \$7,010,232.

	Governmental		Net Position		Total	
	Activities		Business-type			
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 19,987,672	8,759,607	149,647	(79,634)	20,137,319	8,679,973
Capital Assets	2,171,235	2,013,387	5,410,239	5,605,801	7,581,474	7,619,188
Total Assets	22,158,907	10,772,994	5,559,886	5,526,167	27,718,793	16,299,161
Long-Term Debt	11,122,258	2,042,451	3,440,163	3,589,004	14,562,421	5,631,455
Other Liabilities/Def. Inflows	5,955,022	4,989,873	191,118	181,891	6,146,140	5,171,764
Total Liabilities/ Def. Inflows	17,077,280	7,032,324	3,631,281	3,770,895	20,708,561	10,803,219
Net Position						
Net Investment in						
Capital Assets	302,422	(315,450)	1,825,864	1,882,502	2,128,286	1,567,052
Restricted	918,067	791,938	-	-	918,067	791,938
Unrestricted (Deficit)	3,861,138	3,264,182	102,741	(127,230)	3,963,879	3,136,952
Total Net Position	5,081,627	3,740,670	1,928,605	1,755,272	7,010,232	5,495,942

A portion of the Village's net position, \$2,128,2786 or 30.4 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, \$918,067 or 13.1 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used, specifically for debt service requirements, public safety and highways and streets. The remaining \$3,963,879 represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis
December 31, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for Services	\$ 1,696,896	1,208,764	1,073,725	877,981	2,770,621	2,086,745
Operating Grants/Contrib.	94,234	64,125	-	-	94,234	64,125
General Revenues						
Taxes						
Property	3,537,070	1,736,965	-	-	3,537,070	1,736,965
Replacement	34,612	18,147	-	-	34,612	18,147
State Income	239,440	146,464	-	-	239,440	146,464
State Sales	55,163	48,678	-	-	55,163	48,678
Utility	274,844	162,083	-	-	274,844	162,083
Other	57,221	38,975	-	-	57,221	38,975
Investment Income	27,150	13,587	236	228	27,386	13,815
Miscellaneous	100,293	77,268	-	-	100,293	77,268
Total Revenues	6,116,923	3,515,056	1,073,961	878,209	7,190,884	4,393,265
Expenses						
General Government	663,398	455,735	-	-	663,398	455,735
Public Works	878,489	616,248	-	-	878,489	616,248
Public Safety	2,375,060	1,549,138	-	-	2,375,060	1,549,138
Highways and Streets	739,918	847,845	-	-	739,918	847,845
Culture and Recreation	24,092	26,391	-	-	24,092	26,391
Interest on Long-Term Debt	95,009	82,569	-	-	95,009	82,569
Waterworks System	-	-	900,628	663,943	900,628	663,943
Total Expenses	4,775,966	3,577,926	900,628	663,943	5,676,594	4,241,869
Change in Net Position	1,340,957	(62,870)	173,333	214,266	1,514,290	151,396
Net Position - Beginning	3,740,670	3,803,540	1,755,272	1,541,006	5,495,942	5,344,546
Net Position-Ending	5,081,627	3,740,670	1,928,605	1,755,272	7,010,232	5,495,942

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

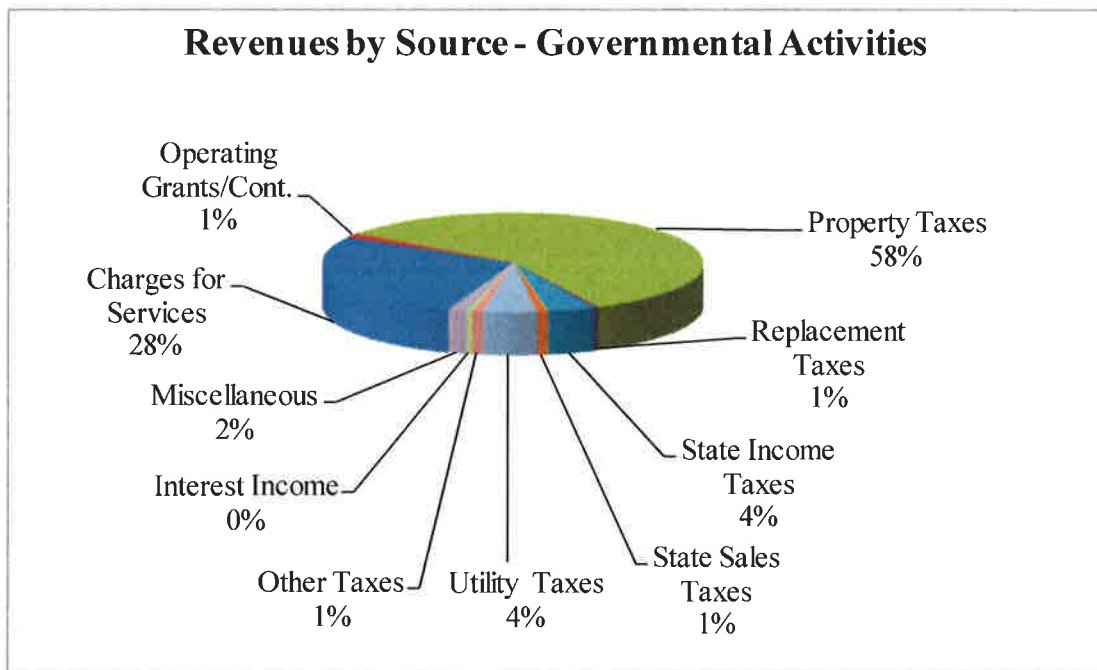
Net position of the Village's governmental activities increased by 35.8 percent (\$5,081,627 at December 31, 2013 compared \$3,740,670 at December 31, 2012). Unrestricted net position, the part of net position used to finance day-to-day operations without constraints, totaled \$3,861,138 at December 31, 2013, and represents 76.0 percent of total governmental activities expenses.

Net position of business-type activities increased by 9.9 percent (\$1,928,605 at December 31, 2013 compared to \$1,755,272 at December 31, 2012).

Governmental Activities

Revenues for governmental activities totaled \$6,116,923, while the cost of all governmental functions totaled \$4,775,966, resulting in a surplus of \$1,340,957 for the year ended December 31, 2013. The percentage of revenues by source remains fairly constant.

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

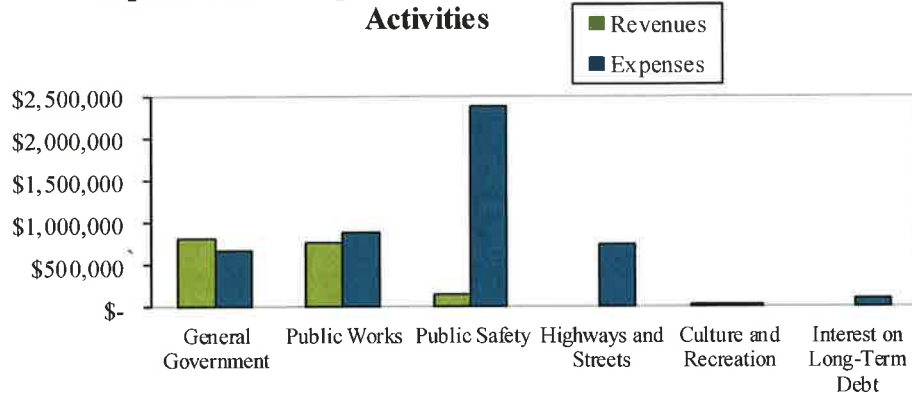
Management's Discussion and Analysis December 31, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

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

Expenses and Program Revenues - Governmental Activities

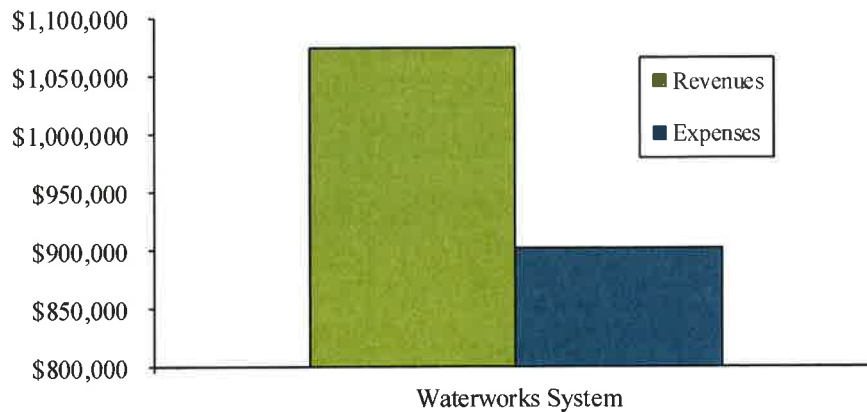


Business-Type activities

Business-Type activities for the year ended December 31, 2013, reported total revenues of \$1,073,961, while the cost of all business-type activities totaled \$900,628, resulting in a surplus of \$173,333. The surplus in the current year is due to an increase in water rates and an overall reduction in expenses. Significant expense reduction in personnel costs incurred due to an employee retirement. Another area of expense reduction occurred in the area of contractual services for engineering and repair and maintenance services.

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

Expenses and Program Revenues - Business-Type Activities



VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The Village's governmental funds reported combining ending fund balances of \$14,915,649, which is an increase of \$10,176,892, from last year's total of \$4,738,757. Not including the newly created 2023 Capital Infrastructure Improvement Fund, the Village's governmental fund had an increase of \$603,507, or 12.7 percent, from last year's total of \$4,738,757.

Of the \$14,915,649 total combined fund balances, \$3,666,674, or approximately 24.6 percent, of the fund balance constitutes unassigned fund balance and \$9,573,385, or approximately 64.2 percent is attributed to the creation of the 2023 Capital Infrastructure Improvement Fund and the issuance of the General Obligation Limited Bonds to fund this project.

The General Fund reported fund balance for the year of \$3,748,597, an increase of 17.1 percent. The increase in fund balance is partially due to an increase in building permit revenues and charges for service with a decrease in Public Works and Public Safety expenses.

The General Fund is the chief operating fund of the Village. At December 31, 2013, unassigned fund balance in the General Fund was \$3,666,674, which represents 97.8 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 84.3 percent of total General Fund expenditures. This exceeds the targeted Fund Balance of 55-70%, but the decision has been made to maintain a higher fund balance due to both state revenue uncertainties and anticipated future capital improvement expenditures.

The Debt Service Fund reported an increase of \$41,477, or 13.4%. The fund balance of \$350,437 is restricted for future debt service payments.

During the fiscal year a General Obligation Limited Bond was issued in the amount of \$400,000 and the proceeds were reported in the Capital Projects Fund, resulting in ending fund balance of \$479,517. Proceeds from the bond are earmarked for capital improvements. The total proceeds from the bond must be spent within three years of issuance. During the current year \$485,792 was spent, the balance to be used during fiscal year 2014.

The Village implemented the 2023 Capital Infrastructure Improvement Program during fiscal year 2013. To fund the improvements, the Village issued General Obligation Limited Bonds in the amount of \$9,590,000 to execute the first phase of this three-phase plan. Proceeds from the bond are earmarked for water, sewer, and related roadway improvements.

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2013

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

During the current year \$192,492 was spent, the balance to be used during fiscal year 2014.

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 an increase in fund balance of \$25,418 due to the increase in sewer service fees. The Motor Fuel Tax Fund reported an increase of \$73,112, as there were no Motor Fuel Tax expenditures budgeted during the year. The E-911 Fund reported a decrease of \$1,092, due to a decrease in E-911 surcharge revenue.

Proprietary Funds

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

The Village reports the Waterworks System Fund as a major proprietary fund that accounts for the provision of water services to the residents of the Village. In the current year, the Waterworks System Fund reported a surplus of \$173,333. The surplus in the current year is due to an increase in water rates and an overall reduction in expenses. Expenditure reductions were primarily due to personnel changes, and reductions in contractual services.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board made one budget amendment to the General Fund during the year to account for expenditures related to the receipt of two grants. One grant was from the Illinois Department of Commerce and Economic Opportunity in the amount of \$11,264 and the other from the Illinois Clean Energy Community Foundation in the amount of \$7,812 both were for the purchase and installation of energy efficient lighting upgrades. General Fund actual revenues for the year totaled \$4,792,189, compared to budgeted revenues of \$4,554,858. The primary difference between budgeted and actual revenues for the year ending December 31, 2013 was due to building permit revenues exceeding anticipated projections.

The General Fund actual expenditures for the year were \$4,351,381, with budgeted expenditures of \$4,546,614. Total expenditures were under budget across all of the General Fund departments with general government and public safety having the largest percentage of total expenditures under budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of December 31, 2013 was \$7,581,477 (net of accumulated depreciation). This investment in capital assets includes land and right of way, building and improvements, machinery and equipment, and sanitary and sewer system.

VILLAGE OF KENILWORTH, ILLINOIS

**Management's Discussion and Analysis
December 31, 2013**

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and Right of Way	\$ 169,931	169,931	38,648	38,648	208,579	208,579
Buildings and Improvements	1,395,653	1,174,915	5,134,105	5,312,431	6,529,758	6,487,346
Machinery and Equipment	336,870	275,284	237,486	254,722	574,356	530,006
Sanitary and Sewer System	268,781	393,257	-	-	268,781	393,257
Total	2,171,235	2,013,387	5,410,239	5,605,801	7,581,474	7,619,188

This year's major additions included:

Building	\$ 267,619
Machinery and Equipment	126,895
Sanitary and Sewer System	13,131
	<u>407,645</u>

Additional information on the Village's capital assets can be found in note 3 on pages 33 - 34 of this report.

Debt Administration

At year end on December 31, 2013, the Village had total outstanding debt of \$15,676,375 as compared to \$6,611,299 the previous fiscal year ending on December 31, 2012, an increase of 57.8 percent. The increase was due to the Village issuing General Obligation Limited Bonds in the amount of \$9,590,000 to execute the first phase of the 2023 Capital Infrastructure Improvement program. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds - Net	\$ 12,092,000	2,888,000	3,584,375	3,723,299	15,676,375	6,611,299

VILLAGE OF KENILWORTH, ILLINOIS

Management's Discussion and Analysis December 31, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village is \$25,264,350.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the current year, the Village reported an increase to the number and value of building permits being issued and an increase in State Income Taxes from State shared tax revenues. The Village will continue to remain conservative in its budgeting of both revenue and expenses, until certainty arises regarding the state revenue sharing program is realized.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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

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

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

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Net Position
December 31, 2013**

See Following Page

VILLAGE OF KENILWORTH, ILLINOIS

Statement of Net Position
December 31, 2013

	Primary Government		
	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 15,056,150	96,274	15,152,424
Receivables - Net of Allowances			
Property Taxes	4,179,087	-	4,179,087
Accounts	338,843	232,144	570,987
Internal Balances	178,792	(178,792)	-
Prepays	47,703	21	47,724
Total Current Assets	19,800,575	149,647	19,950,222
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	169,931	38,648	208,579
Depreciable Capital Assets	4,462,400	8,513,650	12,976,050
Accumulated Depreciation	(2,461,096)	(3,142,059)	(5,603,155)
Total Noncurrent Assets	2,171,235	5,410,239	7,581,474
Other Assets			
Net Pension Asset	187,097	-	187,097
Total Noncurrent Assets	2,358,332	5,410,239	7,768,571
Total Assets	22,158,907	5,559,886	27,718,793

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

	Primary Government		Totals
	Governmental Activities	Business- Type Activities	
LIABILITIES			
Current Liabilities			
Accounts Payable	445,378	15,103	460,481
Accrued Interest	6,282	12,428	18,710
Deposits Payable	347,124	5,890	353,014
Other Payables	6,415	-	6,415
Current Portion of Long-Term Debt	1,063,814	157,697	1,221,511
Total Current Liabilities	<u>1,869,013</u>	<u>191,118</u>	<u>2,060,131</u>
Noncurrent Liabilities			
Compensated Absences Payable	75,258	10,788	86,046
General Obligation Bonds Payable - Net	11,047,000	3,429,375	14,476,375
Total Noncurrent Liabilities	<u>11,122,258</u>	<u>3,440,163</u>	<u>14,562,421</u>
Total Liabilities	<u>12,991,271</u>	<u>3,631,281</u>	<u>16,622,552</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	4,086,009	-	4,086,009
Total Liabilities and Deferred Inflows of Resources	<u>17,077,280</u>	<u>3,631,281</u>	<u>20,708,561</u>
NET POSITION			
Net Investment in Capital Assets	302,422	1,825,864	2,128,286
Restricted - Debt Service	344,155	-	344,155
Restricted - Public Safety	255,574	-	255,574
Restricted - Highways and Streets	318,338	-	318,338
Unrestricted	3,861,138	102,741	3,963,879
Total Net Position	<u>5,081,627</u>	<u>1,928,605</u>	<u>7,010,232</u>

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

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended December 31, 2013**

	Expenses	Program Revenues	
		Charges for Services	Operating Grants/Contributions
Governmental Activities			
General Government	\$ 663,398	828,088	-
Public Works	878,489	703,817	72,318
Public Safety	2,375,060	130,509	21,916
Highways and Streets	739,918	-	-
Culture and Recreation	24,092	34,482	-
Interest on Long-Term Debt	95,009	-	-
Total Governmental Activities	4,775,966	1,696,896	94,234
Business-Type Activities			
Waterworks System	900,628	1,073,725	-
Total Primary Government	5,676,594	2,770,621	94,234

- General Revenues
- Taxes
- Property Taxes
- Replacement Taxes
- State Income Taxes
- State Sales Taxes
- Utility Taxes
- Other
- Interest Income
- Miscellaneous

- Change in Net Position
- Net Position - Beginning
- Net Position - Ending

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

Net Expense/Revenue		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
164,690	-	164,690
(102,354)	-	(102,354)
(2,222,635)	-	(2,222,635)
(739,918)	-	(739,918)
10,390	-	10,390
(95,009)	-	(95,009)
(2,984,836)	-	(2,984,836)
-	173,097	173,097
(2,984,836)	173,097	(2,811,739)
3,537,070	-	3,537,070
34,612	-	34,612
239,440	-	239,440
55,163	-	55,163
274,844	-	274,844
57,221	-	57,221
27,150	236	27,386
100,293	-	100,293
4,325,793	236	4,326,029
1,340,957	173,333	1,514,290
3,740,670	1,755,272	5,495,942
5,081,627	1,928,605	7,010,232

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

VILLAGE OF KENILWORTH, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2013**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 3,738,770
Receivables - Net of Allowances	
Property Taxes	2,662,853
Accounts	307,695
Due from Other Funds	37,649
Prepays	<u>47,703</u>
Total Assets	<u><u>6,794,670</u></u>
LIABILITIES	
Accounts Payable	116,413
Deposits Payable	347,124
Due to Other Funds	6,346
Other Payables	6,415
Total Liabilities	<u>476,298</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>2,569,775</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>3,046,073</u></u>
FUND BALANCE	
Nonspendable	47,703
Restricted	28,001
Committed	6,219
Assigned	-
Unassigned	<u>3,666,674</u>
Total Fund Balances	<u><u>3,748,597</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>6,794,670</u></u>

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

Debt Service	Capital Projects		Nonmajor	Totals
	Capital Projects	2023 Capital Infrastructure Improvement		
208,757	729,477	9,641,196	737,950	15,056,150
1,516,234	-	-	-	4,179,087
-	-	4,915	26,233	338,843
141,680	-	-	-	179,329
-	-	-	-	47,703
<u>1,866,671</u>	<u>729,477</u>	<u>9,646,111</u>	<u>764,183</u>	<u>19,801,112</u>
-	249,960	72,189	470	439,032
-	-	-	-	347,124
-	-	537	-	6,883
-	-	-	-	6,415
-	249,960	72,726	470	799,454
1,516,234	-	-	-	4,086,009
<u>1,516,234</u>	<u>249,960</u>	<u>72,726</u>	<u>470</u>	<u>4,885,463</u>
-	-	-	-	47,703
350,437	-	-	545,911	924,349
-	-	-	217,802	224,021
-	479,517	9,573,385	-	10,052,902
-	-	-	-	3,666,674
<u>350,437</u>	<u>479,517</u>	<u>9,573,385</u>	<u>763,713</u>	<u>14,915,649</u>
<u>1,866,671</u>	<u>729,477</u>	<u>9,646,111</u>	<u>764,183</u>	<u>19,801,112</u>

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

VILLAGE OF KENILWORTH, ILLINOIS

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

December 31, 2013

Total Governmental Fund Balances	\$ 14,915,649
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	2,171,235
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	187,097
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(94,072)
General Obligation Bonds Payable - Net	(12,092,000)
Accrued Interest Payable	<u>(6,282)</u>
 Net Position of Governmental Activities	 <u>5,081,627</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
For the Fiscal Year Ended December 31, 2013**

See Following Page

VILLAGE OF KENILWORTH, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2013

	<u>General</u>
Revenues	
Taxes	\$ 3,120,471
Intergovernmental	21,916
Charges for Services	818,698
Licenses and Permits	682,757
Fines and Forfeitures	36,968
Interest Income	11,086
Miscellaneous	100,293
Total Revenues	<u>4,792,189</u>
Expenditures	
Current	
General Government	673,596
Public Works	676,285
Public Safety	2,507,344
Highways and Streets	417,566
Culture and Recreation	24,092
Capital Outlay	52,498
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>4,351,381</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>440,808</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	18,643
Debt Issuance	-
Premium on Debt Issuance	-
Transfers In	89,453
Transfers Out	-
	<u>108,096</u>
Net Change in Fund Balances	548,904
Fund Balances - Beginning	<u>3,199,693</u>
Fund Balances - Ending	<u><u>3,748,597</u></u>

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

Debt Service	Capital Projects		Nonmajor	Totals
	Capital Projects	2023 Capital Infrastructure Improvement		
1,077,879	-	-	-	4,198,350
-	-	-	72,318	94,234
-	-	-	158,473	977,171
-	-	-	-	682,757
-	-	-	-	36,968
1,547	1,480	10,962	2,075	27,150
-	-	-	-	100,293
1,079,426	1,480	10,962	232,866	6,116,923
-	-	-	-	673,596
-	-	-	9,213	685,498
-	-	-	28,547	2,535,891
-	-	-	-	417,566
-	-	-	-	24,092
-	476,792	192,492	8,215	729,997
943,000	-	-	-	943,000
94,949	9,000	-	-	103,949
1,037,949	485,792	192,492	45,975	6,113,589
41,477	(484,312)	(181,530)	186,891	3,334
-	-	-	-	18,643
-	400,000	9,590,000	-	9,990,000
-	-	164,915	-	164,915
-	-	-	-	89,453
-	-	-	(89,453)	(89,453)
-	400,000	9,754,915	(89,453)	10,173,558
41,477	(84,312)	9,573,385	97,438	10,176,892
308,960	563,829	-	666,275	4,738,757
350,437	479,517	9,573,385	763,713	14,915,649

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

VILLAGE OF KENILWORTH, ILLINOIS

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

For the Fiscal Year Ended December 31, 2013

Net Change in Fund Balances - Total Governmental Funds \$ 10,176,892

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	407,645
Depreciation Expense	(249,797)

An addition to a net pension asset is not considered to be an increase in a
financial asset in the governmental funds.

Increase in Net Pension Asset	193,647
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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.

Increase in Compensated Absences Payable	(490)
Decrease in Net Other Post-Employment Benefit Obligation Payable	16,035
Issuance of Debt	(9,990,000)
Premium on Debt Issuance	(160,000)
Retirement of Debt	943,000
Amortization of Premium on Debt Issuance	3,000

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>1,025</u>
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Changes in Net Position of Governmental Activities

	<u><u>1,340,957</u></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 Position - Proprietary Funds
December 31, 2013**

See Following Page

VILLAGE OF KENILWORTH, ILLINOIS

Statement of Net Position - Proprietary Funds
December 31, 2013

	<u>Business-Type Activities</u> <u>Waterworks System</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 96,274
Receivables - Net of Allowances	
Accounts - Billed	118,806
Accounts - Unbilled	113,338
Prepays	<u>21</u>
Total Current Assets	<u>328,439</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	38,648
Depreciable Capital Assets	8,513,650
Accumulated Depreciation	<u>(3,142,059)</u>
Total Noncurrent Assets	<u>5,410,239</u>
Total Assets	<u>5,738,678</u>

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

	<u>Business-Type Activities Waterworks System</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 15,103
Accrued Interest	12,428
Deposits Payable	5,890
Due to Other Funds	178,792
Compensated Absences Payable	2,697
General Obligation Bonds Payable	<u>155,000</u>
Total Current Liabilities	<u>369,910</u>
Noncurrent Liabilities	
Compensated Absences Payable	10,788
General Obligation Bonds Payable - Net	<u>3,429,375</u>
Total Noncurrent Liabilities	<u>3,440,163</u>
Total Liabilities	<u>3,810,073</u>
NET POSITION	
Net Investment in Capital Assets	1,825,864
Unrestricted	<u>102,741</u>
Total Net Position	<u><u>1,928,605</u></u>

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

VILLAGE OF KENILWORTH, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2013

	Business-Type Activities <u>Waterworks System</u>
Operating Revenues	
Charges for Services	\$ 1,072,630
Miscellaneous	1,095
Total Operating Revenues	<u>1,073,725</u>
Operating Expenses	
Operations	543,029
Depreciation and Amortization	201,637
Total Operating Expenses	<u>744,666</u>
Operating Income	<u>329,059</u>
Nonoperating Revenues (Expenses)	
Interest Income	236
Interest and Fiscal Charges	<u>(155,962)</u>
	<u>(155,726)</u>
Change in Net Position	173,333
Net Position - Beginning	<u>1,755,272</u>
Net Position - Ending	<u><u>1,928,605</u></u>

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

VILLAGE OF KENILWORTH, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2013

	Business-Type Activities <u>Waterworks System</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 1,048,614
Payments to Employees	(250,670)
Payments to Suppliers	(497,699)
	<u>300,245</u>
Cash Flows from Capital and Related Financing Activities	
Interest on Capital Debt	(155,962)
Principal on Capital Debt	(145,000)
	<u>(300,962)</u>
Cash Flows from Investing Activities	
Interest Received	<u>236</u>
Net Change in Cash and Cash Equivalents	(481)
Cash and Cash Equivalents - Beginning	<u>96,755</u>
Cash and Cash Equivalents - Ending	<u><u>96,274</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>329,059</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization Expense	201,637
(Increase) Decrease in Current Assets	(25,111)
Increase (Decrease) in Current Liabilities	<u>(205,340)</u>
Net Cash Provided by Operating Activities	<u><u>300,245</u></u>

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

VILLAGE OF KENILWORTH, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2013**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,706,705
Investments	
U.S. Government Obligations	943,713
Mutual Funds	2,488,371
Receivables	
Accrued Interest	10,843
Due from Other Funds	<u>6,346</u>
Total Assets	6,155,978
LIABILITIES	
Accounts Payable	<u>1,008</u>
NET POSITION	
Net Position Held in Trust for Pension Benefits	<u><u>6,154,970</u></u>

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

VILLAGE OF KENILWORTH, ILLINOIS

Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended December 31, 2013

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 527,109
Contributions - Employee	74,315
Total Contributions	<u>601,424</u>
Investment Income	
Interest Income	256,155
Net Change in Fair Value	316,770
	<u>572,925</u>
Less Investment Expenses	(21,968)
Net Investment Income	<u>550,957</u>
Total Additions	<u>1,152,381</u>
Deductions	
Administration	7,843
Benefits and Refunds	578,794
	<u>586,637</u>
Total Deductions	<u>586,637</u>
Change in Net Position	565,744
Net Position Held in Trust for Pension Benefits	
Beginning	<u>5,589,226</u>
Ending	<u>6,154,970</u>

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

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

Police Pension Employees Retirement System

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Financial Statements

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

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

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

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

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

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

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

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

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

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

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

Governmental Funds

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements

December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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.

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

Proprietary Funds

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

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-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/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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

Basis of Accounting

In the government-wide Statement of Net Position 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/deferred inflows is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

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

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

Cash and Investments

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

Investments are 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.

Interfund Receivables, Payables and Activity

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

Prepays

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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.

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures/expenses at the time of issuance.

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

Net Position

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

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

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

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

The Board of Trustees may:

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

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

Management cannot amend the Budget Ordinance. However, expenditures may exceed budgets at the 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.

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

Operating budgets are adopted on a modified accrual basis of accounting for all governmental funds and on an accrual basis for proprietary and fiduciary funds. Budgets have been adopted for the General, Debt Service, Capital Projects, Special Revenue, Waterworks System and Police Pension Funds. 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.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

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

The financial schedules report management's operating budget in the columns titled original budget and final budget for the General, Debt Service, Capital Projects, 2023 Capital Infrastructure Improvement, Sewer Service, Motor Fuel Tax, E-911, Waterworks and Police Pension Funds.

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 life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net position. 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 position in common and preferred stocks that meet specific restrictions.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. 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 \$15,152,410 and the bank balances totaled \$15,184,216. In addition, the Village has \$14 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 AAAM 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. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

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

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

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 \$2,706,678 and the bank balances totaled \$2,706,220.

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. Agencies	\$ 943,713	374,921	568,792	-	-
Illinois Funds	27	27	-	-	-
	<u>943,740</u>	<u>374,948</u>	<u>568,792</u>	<u>-</u>	<u>-</u>

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

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

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 AAAM by Standard & Poor’s and investments in debt securities ranged from A+ to AAA.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements
December 31, 2013

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

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

The Fund’s investment policy mitigates custodial credit risk for investments to an extent by SIPC insurance. 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. In addition to the securities and fair values listed above, the Fund also has \$2,488,371 invested in mutual funds. At year-end, the Fund has over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Vanguard 500 Index Signal Mutual Fund of \$887,121.

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 2012 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 2% of the tax levy, to reflect actual collection experience.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

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	1,751,515	267,619	-	2,019,134
Machinery and Equipment	930,996	126,895	-	1,057,891
Sanitary and Sewer System	1,372,244	13,131	-	1,385,375
	<u>4,054,755</u>	<u>407,645</u>	-	<u>4,462,400</u>
Less Accumulated Depreciation				
Buildings and Improvements	576,600	46,881	-	623,481
Machinery and Equipment	655,712	65,309	-	721,021
Sanitary and Sewer System	978,987	137,607	-	1,116,594
	<u>2,211,299</u>	<u>249,797</u>	-	<u>2,461,096</u>
Total Net Depreciable Capital Assets	<u>1,843,456</u>	<u>157,848</u>	-	<u>2,001,304</u>
Total Net Capital Assets	<u>2,013,387</u>	<u>157,848</u>	-	<u>2,171,235</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 5,347
Public Works	192,991
Public Safety	<u>51,459</u>
	<u>249,797</u>

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

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	8,082,754	-	-	8,082,754
Machinery and Equipment	430,896	-	-	430,896
	<u>8,513,650</u>	-	-	<u>8,513,650</u>
Less Accumulated Depreciation				
Building	2,770,323	178,326	-	2,948,649
Machinery and Equipment	176,174	17,236	-	193,410
	<u>2,946,497</u>	<u>195,562</u>	-	<u>3,142,059</u>
Total Net Depreciable Capital Assets	<u>5,567,153</u>	<u>(195,562)</u>	-	<u>5,371,591</u>
Total Net Capital Assets	<u>5,605,801</u>	<u>(195,562)</u>	-	<u>5,410,239</u>

Depreciation expense was charged to business-type as follows:

Waterworks System \$ 195,562

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Waterworks System	\$ 37,112
General	2023 Capital Infrastructure Improvement	537
Debt Service	Waterworks System	141,680
Police Pension	General	<u>6,346</u>
		<u>185,675</u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Nonmajor Governmental	<u>\$ 89,453</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) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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 System	\$ 3,780,000	-	145,000	3,635,000
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	2,295,000	-	350,000	1,945,000
General Obligation Limited Bonds of 2012 - Due in one installment of \$593,000 plus interest at 0.80% on December 1, 2013.	Debt Service	593,000	-	593,000	-
General Obligation Bonds of 2013 - Due in annual installments of \$280,000 to \$670,000 plus interest at 2.00% to 4.00% through August 15, 2033.	Debt Service	-	9,590,000	-	9,590,000
Taxable General Obligation Limited Bonds of 2013 - Due in one installment of \$400,000 plus interest at 0.85% on December 1, 2014.	Debt Service	-	400,000	-	400,000
		<u>6,668,000</u>	<u>9,990,000</u>	<u>1,088,000</u>	<u>15,570,000</u>

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements
December 31, 2013

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	\$ 93,582	980	490	94,072	18,814
Net Other Post-Employment Benefit Obligation	16,035	-	16,035	-	-
General Obligation Bonds	2,888,000	9,990,000	943,000	11,935,000	1,045,000
Plus: Unamortized Bond Premium	-	160,000	3,000	157,000	-
	<u>2,997,617</u>	<u>10,150,980</u>	<u>962,525</u>	<u>12,186,072</u>	<u>1,063,814</u>
Business-Type Activities					
Compensated Absences	13,381	208	104	13,485	2,697
General Obligation Bonds	3,780,000	-	145,000	3,635,000	155,000
Less: Accounting Loss on Refunding Bonds	(59,518)	-	(6,377)	(53,141)	-
Plus: Unamortized Bond Premium	2,817	-	301	2,516	-
	<u>3,736,680</u>	<u>208</u>	<u>139,028</u>	<u>3,597,860</u>	<u>157,697</u>

For governmental activities compensated absences are generally liquidated by the General Fund. The general obligation bonds are being liquidated by the Debt Service Fund. For the business-type activities compensated absences and general obligations bonds are liquidated by the Waterworks System Fund.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities		Business-Type Activities	
	General		General	
	Obligation Bonds		Obligation Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 1,045,000	489,780	155,000	149,138
2015	755,000	373,588	160,000	142,938
2016	775,000	351,738	165,000	136,538
2017	795,000	329,023	170,000	129,938
2018	815,000	305,521	180,000	123,138
2019	410,000	281,338	185,000	115,938
2020	415,000	273,136	195,000	108,538
2021	425,000	263,800	200,000	100,640
2022	440,000	251,050	210,000	92,540
2023	455,000	237,850	220,000	83,930
2024	465,000	224,200	225,000	74,910
2025	485,000	205,600	235,000	65,573
2026	505,000	186,200	245,000	55,820
2027	525,000	166,000	255,000	45,653
2028	545,000	145,000	265,000	35,070
2029	565,000	123,200	280,000	23,940
2030	590,000	100,600	290,000	12,180
2031	615,000	77,000	-	-
2032	640,000	52,400	-	-
2033	670,000	18,909	-	-
	<u>11,935,000</u>	<u>4,455,933</u>	<u>3,635,000</u>	<u>1,496,422</u>

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements
December 31, 2013

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 - 2012	<u>\$ 292,920,004</u>
Bonded Debt Limit - 8.625% of Assessed Value	25,264,350
Amount of Debt Applicable to Limit	<u>11,935,000</u>
Legal Debt Margin	<u>13,329,350</u>

FUND BALANCE/NET POSITION CLASSIFICATIONS

Fund Balance Classifications

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

Committed Fund Balance. The Village reports committed fund balance in the General and Sewer Service Funds. The Village Board, through formal board action dated October 11, 2005, has committed funds in the General Fund for the purpose of the planting of trees on public parkways or other public properties in the Village. The Village Board, through formal board action dated October 10, 1983, has committed the fund balance in the Sewer Fund for the purpose of sewer operation, maintenance and replacement of sewer lines in the Sewer Service Fund.

Assigned Fund Balance. The Village reports assigned fund balance in the Capital Projects and the 2023 Capital Infrastructure Improvement Funds, both major funds. The Village's management has assigned the funds in this fund to future improvement projects and equipment and vehicle purchases based on approved management expenditures as determined through the annual budget process.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements
December 31, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION CLASSIFICATIONS – Continued

Fund Balance Classifications – Continued

Minimum Fund Balance Policy. The Village’s policy manual states that the Corporate Fund should maintain target fund balance between 55 and 70 percent (6.6 to 8.4 months) of operating expenditures. Fund balances in excess of said levels may be transferred to the Capital Projects Fund at the discretion of the Board.

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

	General	Debt Service	Capital Projects		Nonmajor	Totals
			Capital Projects	2023 Capital Infrastructure Improvement		
Fund Balances						
Nonspendable						
Prepays	\$ 47,703	-	-	-	-	47,703
Restricted						
Public Safety	28,001	-	-	-	-	28,001
Debt Service	-	350,437	-	-	-	350,437
Motor Fuel Tax	-	-	-	-	318,338	318,338
E-911	-	-	-	-	227,573	227,573
	28,001	350,437	-	-	545,911	924,349
Committed						
Tree Replacement	6,219	-	-	-	-	6,219
Sewer Service	-	-	-	-	217,802	217,802
	6,219	-	-	-	217,802	224,021
Assigned						
Capital Projects	-	-	479,517	9,573,385	-	10,052,902
Unassigned	3,666,674	-	-	-	-	3,666,674
Total Fund Balances	3,748,597	350,437	479,517	9,573,385	763,713	14,915,649

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION CLASSIFICATIONS – Continued

Net Position Classifications

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

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 2,171,235
Plus: Unspent Bond Proceeds	10,223,180
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2007	(1,945,000)
General Obligation Bonds of 2013 - Net	(9,747,000)
Taxable General Obligation Limited Bonds of 2013	<u>(400,000)</u>
Net Investment in Capital Assets	<u>302,415</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	5,410,239
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2006B - Net	<u>(3,584,375)</u>
Net Investment in Capital Assets	<u>1,825,864</u>

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

Intergovernmental Risk Management Agency (IRMA)

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

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

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

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

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

North Suburban Employee's Benefit Cooperative (NSEBC)

The Village participates in the North Suburban Employee's Benefit Cooperative (NSEBC), an agency of 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 December 31, 2012, NSEBC had total equity of \$4,730,540. The Village's total payments for the year ended December 31, 2013 were \$357,975.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

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.

JOINT VENTURES

Solid Waste Agency of Northern Cook County (SWANCC)

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

SWANCC is empowered to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. SWANCC is governed by a Board of Directors which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of SWANCC are appointed by the Board of Directors.

The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the SWANCC agreement or the by-laws. Separate audited financial statements are available at 2700 Patriot Blvd., Suite 110, Glenview, Illinois 60026.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

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

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 \$118,497 to SWANCC for the year ended December 31, 2013, which is recorded in the Village's General Fund.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

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

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

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. Participating members hired before January 1, 2011 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. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 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 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit.

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 2013 was 15.55 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
December 31, 2013

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – 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.	12
Current Employees	
Vested	6
Nonvested	3
	<u>21</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 hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The 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. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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 2040 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

VILLAGE OF KENILWORTH, ILLINOIS

Notes to the Financial Statements December 31, 2013

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

At year-end, the Police Pension Fund had over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Vanguard 500 Index Signal Mutual Fund of \$887,121. 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 (Asset)

There was no net pension obligation for the IMRF Plan at year-end. The net pension obligation (asset) for the Police Pension Plan is as follows:

Annual Required Contribution	\$ 333,321
Interest on the NPO (NPA)	426
Adjustment to the ARC	<u>(285)</u>
Annual Pension Cost	333,462
Actual Contribution	<u>527,109</u>
Change in the NPO (NPA)	(193,647)
NPO (NPA) - Beginning	<u>6,550</u>
NPO (NPA) - Ending	<u><u>(187,097)</u></u>

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

The Village’s actuarial assumptions and related information for each plan is as follows:

	IMRF	Police Pension
Contribution Rates		
Employer	15.55%	70.31%
Employee	4.50%	9.91%
Actuarial Valuation Date	12/31/2013	12/31/13
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	30 Years	27 Years
Asset Valuation Method	5-Year Smoothed Market	Market
Actuarial Assumptions		
Investment Rate of Return	7.50% Compounded Annually	6.50% Compounded Annually
Projected Salary Increases	.4% to 10.0%	5.00%
Inflation Rate Included	4.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

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	IMRF	Police Pension
Annual Pension Cost (APC)	2012	\$ 133,660	\$ 339,248
	2012*	165,061	211,544
	2013	168,333	333,462
Actual Contributions	2012	133,660	327,258
	2012*	165,061	156,418
	2013	168,333	527,109
Percentage of APC Contributed	2012	100.00%	96.47%
	2012*	100.00%	73.94%
	2013	100.00%	158.07%
Net Pension Obligation (Asset)	2012	-	(48,576)
	2012*	-	6,550
	2013	-	(187,097)

*For the eight months ended December 31, 2012.

VILLAGE OF KENILWORTH, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

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:

	<u>IMRF</u>	<u>Police Pension</u>
Actuarial Valuation Date	12/31/13	12/31/13
Percent Funded	64.76%	52.45%
Actuarial Accrued Liability for Benefits	\$2,669,212	\$11,734,580
Actuarial Value of Assets	\$1,728,710	\$6,154,970
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$940,502)	(\$5,579,610)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$1,082,530	\$749,723
Ratio of UAAL to Covered Payroll	86.88%	744.22%

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
December 31, 2013

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. A basic calculation on the number of potential members in the plan was performed. As the explicit cost of these 1-2 retirees paying 100% of the premium is immaterial, there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Therefore, the Village has not recorded any post-employment benefit liability as of December 31, 2013.

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of December 31, 2013, was calculated as follows:

Annual Required Contribution	\$ -
Interest on the NOPEBO	802
Adjustment to the ARC	<u>7,171</u>
Annual OPEB Cost	7,973
Actual Contribution	<u>24,008</u>
Change in the NOPEBO	(16,035)
NOPEBO - Beginning	<u>16,035</u>
NOPEBO - Ending	<u><u>-</u></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
2012	\$ 21,635	\$ 15,135	69.96%	\$ 13,665
2012*	15,503	13,133	84.71%	16,035
2013	7,973	24,008	301.12%	-

* For the eight months ended December 31, 2013.

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 and Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund

- 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 and Employer Contributions
December 31, 2013**

Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
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%
2010	1,328,467	2,544,842	52.20%	1,216,375	1,048,130	116.05%
2011	1,000,504	2,340,884	42.74%	1,340,380	1,017,200	131.77%
2012	1,211,279	2,394,814	50.58%	1,183,535	1,093,118	108.27%
2013	1,728,710	2,669,212	64.76%	940,502	1,082,530	86.88%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2009	\$ 141,882	\$ 141,882	100.00%
2010	132,558	132,558	100.00%
2011	136,781	136,781	100.00%
2012	133,660	133,660	100.00%
2012*	165,061	165,061	100.00%
2013	168,333	168,333	100.00%

* For the eight months ended December 31, 2012.

VILLAGE OF KENILWORTH, ILLINOIS

Police Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 December 31, 2013

Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
4/30/09	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
4/30/10	4,593,375	8,941,378	51.37%	4,348,003	873,680	497.67%
4/30/11	5,188,502	9,253,525	56.07%	4,065,023	873,680	465.28%
4/30/12	5,657,815	10,690,595	52.92%	5,032,780	760,061	662.15%
12/31/12 *	5,589,226	11,130,940	50.21%	5,541,714	775,439	714.66%
12/31/13	6,154,970	11,734,580	52.45%	5,579,610	749,723	744.22%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
4/30/09	\$ 248,335	\$ 233,991	106.13%
4/30/10	276,258	334,498	82.59%
4/30/11	352,642	349,846	100.80%
4/30/12	327,258	340,689	96.06%
12/31/12 *	156,418	212,643	73.56%
12/31/13	527,109	333,321	158.14%

N/A - Not Available

* For the eight months ended December 31, 2012.

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2013**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 3,124,574	3,124,574	3,120,471
Intergovernmental	-	19,076	21,916
Charges for Services	815,158	815,158	818,698
Licenses and Permits	452,350	452,350	682,757
Fines and Forfeitures	47,500	47,500	36,968
Interest Income	6,500	6,500	11,086
Miscellaneous	89,700	89,700	100,293
Total Revenues	4,535,782	4,554,858	4,792,189
Expenditures			
Current			
General Government	744,930	727,130	673,596
Public Works	735,757	715,257	676,285
Public Safety	2,490,435	2,567,435	2,507,344
Highways and Streets	488,964	450,264	417,566
Culture and Recreation	33,370	33,370	24,092
Capital Outlay	30,750	53,158	52,498
Total Expenditures	4,524,206	4,546,614	4,351,381
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,576	8,244	440,808
Other Financing Sources			
Disposal of Capital Assets	7,500	7,500	18,643
Transfers In	89,453	89,453	89,453
	96,953	96,953	108,096
Net Change in Fund Balance	108,529	105,197	548,904
Fund Balance - Beginning			3,199,693
Fund Balance - Ending			3,748,597

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
 - General
 - Debt Service
 - Capital Projects
 - 2023 Capital Infrastructure Improvement – Capital Projects
- Combining Statements – Nonmajor Governmental Special Revenue Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Special Revenue Funds
 - Sewer Service
 - Motor Fuel Tax
 - E-911
- Budgetary Comparison Schedule – Enterprise Fund
 - Waterworks System
- Budgetary Comparison Schedule – Pension Trust Fund
 - Police Pension

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

DEBT SERVICE FUND

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

SPECIAL REVENUE FUNDS

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

Sewer Service Fund

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

Motor Fuel Tax Fund

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

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

CAPITAL PROJECTS FUNDS

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

Capital Projects Fund

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

2023 Capital Infrastructure Improvement

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

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 FUND

PENSION TRUST FUND

Police Pension Fund

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

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 2,506,574	2,506,574	2,459,191
Other Taxes			
Replacement Taxes	32,000	32,000	34,612
State Sales Taxes	58,000	58,000	55,163
State Income Taxes	205,000	205,000	239,440
Local Use Tax	40,000	40,000	42,351
Utility Tax	270,000	270,000	274,844
Vehicle Tax	2,500	2,500	2,644
Miscellaneous Tax	10,500	10,500	12,226
	618,000	618,000	661,280
Total Taxes	3,124,574	3,124,574	3,120,471
Intergovernmental			
Federal/State Grants	-	19,076	21,916
Charges for Services			
Ambulance User Fees	15,000	15,000	17,848
Elevator User Fees	200	200	357
Beach Fees	33,000	33,000	34,482
Fire and Burglar Alarm Fees	8,500	8,500	6,313
Special Duty Detail	4,750	4,750	4,950
Waste Collections	606,408	606,408	609,774
Antenna Lease Fee	113,500	113,500	111,307
Kenilworth Park District Fees	30,000	30,000	28,817
Miscellaneous Fees	3,800	3,800	4,850
Total Charges for Services	815,158	815,158	818,698
Licenses and Permits			
Licenses			
Vehicle License	132,500	132,500	127,681
Animal License	5,500	5,500	3,246
	138,000	138,000	130,927

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2013**

	Budget		Actual
	Original	Final	
Licenses and Permits - Continued			
Permits			
Building	\$ 250,000	250,000	457,991
Parking	38,500	38,500	44,899
Tree Permits	900	900	4,475
Filing Fees	3,250	3,250	6,250
Zoning Review	3,700	3,700	9,300
Plan Review	18,000	18,000	28,915
	<u>314,350</u>	<u>314,350</u>	<u>551,830</u>
Total Licenses and Permits	<u>452,350</u>	<u>452,350</u>	<u>682,757</u>
Fines and Forfeitures			
Circuit Court Fees	6,000	6,000	4,350
DUI Fines	2,000	2,000	2,616
Drug Seizure Fines	3,500	3,500	-
Village Ordinance Fines	36,000	36,000	30,002
	<u>47,500</u>	<u>47,500</u>	<u>36,968</u>
Total Fines and Forfeitures	<u>47,500</u>	<u>47,500</u>	<u>36,968</u>
Interest Income	<u>6,500</u>	<u>6,500</u>	<u>11,086</u>
Miscellaneous			
Cable Television Franchise Fees	43,700	43,700	47,387
IRMA Insurance Proceeds	10,000	10,000	20,000
Other Income	36,000	36,000	32,906
	<u>89,700</u>	<u>89,700</u>	<u>100,293</u>
Total Miscellaneous	<u>89,700</u>	<u>89,700</u>	<u>100,293</u>
Total Revenues	<u>4,535,782</u>	<u>4,554,858</u>	<u>4,792,189</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
General Government			
Administrative			
Personnel			
Salaries			
Regular	\$ 239,344	239,344	235,118
Overtime	2,500	2,500	-
Merit - Vacation Buy Back	2,900	7,900	7,660
Part-Time	42,515	10,515	10,150
Employee Benefits			
Medical	21,494	21,494	21,925
Dental	2,164	2,164	2,236
Life	756	756	725
Other Benefits	64,932	64,932	57,805
	<u>376,605</u>	<u>349,605</u>	<u>335,619</u>
Contractual Services			
Auditing	17,000	17,000	17,500
J.U.L.I.E. Fees	1,300	1,300	1,204
Plan Review and Inspections	11,000	29,000	27,846
Printing and Publishing	5,800	5,800	6,892
Telephone	3,200	3,200	3,142
Cell Phone	1,200	1,200	985
Miscellaneous	1,200	1,200	1,280
Professional Fees	63,400	55,000	35,908
Postage	4,700	4,700	4,687
Dues, Memberships and Subscriptions	8,600	8,600	8,631
Repair and Maintenance - Computer Equipment	1,800	1,800	3,665
Repair and Maintenance - Vehicles/Equipment	500	500	154
	<u>119,700</u>	<u>129,300</u>	<u>111,894</u>
Commodities			
Office Supplies	3,500	3,500	3,054
Other Supplies	1,200	1,200	2,090
	<u>4,700</u>	<u>4,700</u>	<u>5,144</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
General Government - Continued			
Administrative - Continued			
Other Expenditures			
Fuel	\$ 800	800	98
Recruitment and Training	900	900	1,790
Miscellaneous	5,600	5,600	5,323
Uncollectible Accounts	1,000	1,000	(651)
Auto Allowance	4,800	4,800	4,800
	<u>13,100</u>	<u>13,100</u>	<u>11,360</u>
Total Administrative	<u>514,105</u>	<u>496,705</u>	<u>464,017</u>
Support Services			
Insurance - Liability and Workers' Compensation	156,675	138,275	137,069
Village Attorney	67,500	85,500	66,127
Village Prosecutor	3,500	3,500	2,800
Maintenance of Office Equipment	1,500	1,500	2,034
Internet Service	1,650	1,650	1,549
	<u>230,825</u>	<u>230,425</u>	<u>209,579</u>
Total Support Services	<u>230,825</u>	<u>230,425</u>	<u>209,579</u>
Total General Government	<u>744,930</u>	<u>727,130</u>	<u>673,596</u>
Public Works			
Building and Grounds			
Personnel			
Salaries			
Maintenance	19,906	19,906	18,854
Overtime	1,300	1,300	821
Merit - Vacation Buy Back	150	150	466
Employee Benefits			
Medical	3,837	3,837	3,677
Dental	383	383	345
Other Benefits	4,920	4,920	4,627
	<u>30,496</u>	<u>30,496</u>	<u>28,790</u>
Contractual Services			
Outside Maintenance	28,000	18,500	15,388

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Public Works - Continued			
Building and Grounds - Continued			
Commodities			
Building Repairs - Village Hall	\$ 15,000	15,000	9,117
Building Repairs - Public Works	5,000	5,000	576
Janitorial Supplies	3,500	3,500	1,803
Maintenance and Other Supplies	2,200	2,200	1,107
Heating, Electric and Water Utilities	4,000	4,000	1,975
	<u>29,700</u>	<u>29,700</u>	<u>14,578</u>
Total Building and Grounds	<u>88,196</u>	<u>78,696</u>	<u>58,756</u>
Waste Removal			
Personnel			
Salaries			
Regular	77,521	77,521	76,167
Overtime	1,500	1,500	-
Merit - Vacation Buy Back	600	600	2,040
Employee Benefits			
Medical	4,974	4,974	3,093
Dental	530	530	473
Other Benefits	18,472	18,472	17,668
	<u>103,597</u>	<u>103,597</u>	<u>99,441</u>
Contractual Services			
Recycling	122,604	122,604	122,598
Waste Removal - Regular	237,360	237,360	239,081
Waste Removal - Extra	4,400	4,400	3,850
Yard Waste Disposal	132,000	144,500	128,709
Insurance	3,500	3,500	4,417
	<u>499,864</u>	<u>512,364</u>	<u>498,655</u>
Total Waste Removal	<u>603,461</u>	<u>615,961</u>	<u>598,096</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Public Works - Continued			
Forestry			
Contractual Services			
Professional Services	\$ 500	500	110
Dues & Subscriptions	600	600	575
Tree Planting Program	6,000	-	-
Tree Removal and Trimming	35,000	17,500	16,907
	<u>42,100</u>	<u>18,600</u>	<u>17,592</u>
Commodities			
Maintenance & Construction Supplies	2,000	2,000	1,841
	<u>44,100</u>	<u>20,600</u>	<u>19,433</u>
	<u>735,757</u>	<u>715,257</u>	<u>676,285</u>
Public Safety			
Police Department			
Personnel			
Salaries			
Regular	1,036,423	988,423	984,383
Police Pension Contributions	333,321	533,321	527,109
Overtime	85,400	65,400	56,626
Merit - Vacation Buy Back	8,500	23,000	22,630
Part-Time	105,003	102,903	94,082
Employee Benefits			
Medical	166,860	123,360	123,251
Dental	16,863	16,863	12,979
Life	1,951	1,951	1,840
Other Benefits	82,996	82,996	78,965
	<u>1,837,317</u>	<u>1,938,217</u>	<u>1,901,865</u>
Contractual Services			
Maintenance - Office Equipment	450	450	438
Printing and Publishing	1,000	1,000	860
Telephone	3,500	3,500	2,830
Cell Phone	4,500	4,500	3,195
Outside Maintenance Service	1,500	1,500	98
Criminal Justice Connectivity	5,700	5,700	5,244

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Contractual Services - Continued			
Animal Control and Health Official	\$ 1,000	1,000	-
Postage	1,000	1,000	595
Dues, Memberships and Subscriptions	6,400	6,400	5,831
Municipal Partnerships	17,200	17,200	16,372
Repair and Maintenance - Computer Equipment	1,000	1,000	1,956
Repair and Maintenance - Vehicles/Equipment	20,000	20,000	18,824
	<u>63,250</u>	<u>63,250</u>	<u>56,243</u>
Commodities			
Office Supplies	2,500	2,500	2,236
Other Supplies	11,000	11,000	4,639
Uniforms	12,000	12,000	10,254
	<u>25,500</u>	<u>25,500</u>	<u>17,129</u>
Other Expenditures			
Fuel	22,000	22,000	16,518
Recruitment and Training	20,000	20,000	21,526
Miscellaneous	1,800	1,800	630
Auto Allowance	4,800	4,800	4,000
Community Service	2,500	2,500	2,248
	<u>51,100</u>	<u>51,100</u>	<u>44,922</u>
Total Police Department	<u>1,977,167</u>	<u>2,078,067</u>	<u>2,020,159</u>
Fire Department			
Personnel			
Salaries			
Regular	12,252	12,252	10,193
Merit - Vacation Buy Back	500	500	988
Employee Benefits			
Medical	1,604	1,604	1,066
Dental	162	162	110
Other Benefits	-	-	56
	<u>14,518</u>	<u>14,518</u>	<u>12,413</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Contractual Services			
Fire Protection	\$ 498,750	474,850	474,772
Total Fire Department	513,268	489,368	487,185
Total Public Safety	2,490,435	2,567,435	2,507,344
Highways and Streets			
Street Department			
Personnel			
Salaries			
Regular	192,842	181,842	181,703
Overtime	11,500	11,500	7,393
Merit - Vacation Buy Back	1,350	1,350	4,340
Employee Benefits			
Medical	51,110	36,610	36,198
Dental	3,627	3,627	3,384
Life	223	223	186
Other Benefits	48,431	48,431	44,748
	309,083	283,583	277,952
Contractual Services			
Telephone	1,300	1,300	1,566
Cell Phone	1,250	1,250	804
Maintenance - Office Equipment	500	500	-
Outside Maintenance	12,000	12,000	12,000
Repair and Maintenance - Computer Equipment	1,800	1,800	1,911
Repair and Maintenance - Vehicles/Equipment	12,000	12,000	10,120
Signs - Traffic and Streets	5,000	5,000	3,750
Equipment Rental	500	500	-
Engineering Services	10,000	-	-
Dues, Memberships and Subscriptions	500	500	130
	44,850	34,850	30,281

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Street Department - Continued			
Commodities			
Office Supplies	\$ 300	300	-
Other Supplies	2,000	2,000	625
Heating, Electric and Water Utilities	7,000	7,000	2,140
Maintenance Supplies	10,000	10,000	10,014
Snow Removal Supplies	25,000	30,000	27,366
Uniforms	900	900	758
Safety Equipment	600	600	123
	<u>45,800</u>	<u>50,800</u>	<u>41,026</u>
Other Expenditures			
Fuel	12,000	12,000	10,444
Recruitment and Training	500	500	-
Auto Allowance	2,400	2,400	2,400
Miscellaneous Expenditure	200	200	-
	<u>15,100</u>	<u>15,100</u>	<u>12,844</u>
Total Street Department	<u>414,833</u>	<u>384,333</u>	<u>362,103</u>
Street Lighting			
Personnel			
Salaries			
Regular	19,906	19,906	18,853
Overtime	1,300	1,300	821
Merit - Vacation Buy Back	150	150	466
Employee Benefits			
Medical	3,837	3,837	3,677
Dental	383	383	345
Other Benefits	4,955	4,955	4,627
	<u>30,531</u>	<u>30,531</u>	<u>28,789</u>
Contractual Services			
Repairs and Maintenance	11,500	11,500	7,224
Equipment Rental	500	500	-
	<u>12,000</u>	<u>12,000</u>	<u>7,224</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2013**

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Street Lighting - Continued			
Commodities			
Other Supplies	\$ 10,000	1,800	1,324
Heating, Electric and Water Utilities	21,000	21,000	17,636
	<u>31,000</u>	<u>22,800</u>	<u>18,960</u>
Other Expenditures			
Fuel	600	600	490
	<u>74,131</u>	<u>65,931</u>	<u>55,463</u>
	<u>488,964</u>	<u>450,264</u>	<u>417,566</u>
Culture and Recreation			
Beach			
Personnel			
Salaries			
Part-Time	26,000	26,000	20,408
Employee Benefits			
Other Benefits	2,320	2,320	1,673
	<u>28,320</u>	<u>28,320</u>	<u>22,081</u>
Contractual Services			
Telephone	250	250	343
Miscellaneous	2,000	2,000	275
Laboratory Services	600	600	553
	<u>2,850</u>	<u>2,850</u>	<u>1,171</u>
Commodities			
Other Supplies	2,000	2,000	750
Other Expenditures			
Recruitment and Training	200	200	90
	<u>33,370</u>	<u>33,370</u>	<u>24,092</u>

VILLAGE OF KENILWORTH, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Capital Outlay			
General Government			
Software	\$ 8,700	8,700	9,924
Computer Equipment	1,300	1,300	1,317
Office Furniture	1,500	1,500	538
Total General Government	11,500	11,500	11,779
Public Works			
Building Improvement & Alterations	-	22,408	24,148
Public Safety			
Police Department			
DUI Fund Expense	5,300	5,300	5,230
Office Furniture	500	500	506
Machinery and Equipment	9,500	9,500	7,427
Software	500	500	447
Computer Equipment	1,000	1,000	1,174
Total Public Safety	16,800	16,800	14,784
Highways and Streets			
Street Department			
Machinery and Equipment	1,000	1,000	831
Computer Equipment	1,000	1,000	-
Total Highways and Streets	2,000	2,000	831
Culture and Recreation			
Beach			
Machinery and Equipment	450	450	956
Total Capital Outlay	30,750	53,158	52,498
Total Expenditures	4,524,206	4,546,614	4,351,381

VILLAGE OF KENILWORTH, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2013**

	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 1,061,000	1,061,000	1,077,879
Interest Income	1,000	1,000	1,547
Total Revenues	<u>1,062,000</u>	<u>1,062,000</u>	<u>1,079,426</u>
Expenditures			
Debt Service			
Principal Retirement	943,000	943,000	943,000
Interest and Fiscal Charges	109,271	109,271	94,949
Total Expenditures	<u>1,052,271</u>	<u>1,052,271</u>	<u>1,037,949</u>
Net Change in Fund Balance	<u>9,729</u>	<u>9,729</u>	41,477
Fund Balance - Beginning			<u>308,960</u>
Fund Balance - Ending			<u><u>350,437</u></u>

VILLAGE OF KENILWORTH, ILLINOIS

Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2013**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 1,200	1,200	1,480
Expenditures			
Capital Outlay	570,125	570,125	476,792
Debt Service			
Interest and Fiscal Charges	-	-	9,000
Total Expenditures	570,125	570,125	485,792
Excess (Deficiency) of Revenues Over (Under) Expenditures	(568,925)	(568,925)	(484,312)
Other Financing Sources			
Debt Issuance	593,000	593,000	400,000
Net Change in Fund Balance	24,075	24,075	(84,312)
Fund Balance - Beginning			563,829
Fund Balance - Ending			479,517

VILLAGE OF KENILWORTH, ILLINOIS

2023 Capital Infrastructure Improvement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	10,962
Expenditures			
Capital Outlay	-	383,710	192,492
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(383,710)	(181,530)
Other Financing Sources			
Debt Issuance	-	-	9,590,000
Premium on Debt Issuance	-	-	164,915
	-	-	9,754,915
Net Change in Fund Balance	-	(383,710)	9,573,385
Fund Balance - Beginning			-
Fund Balance - Ending			9,573,385

VILLAGE OF KENILWORTH, ILLINOIS

Combining Balance Sheet

**Nonmajor Governmental - Special Revenue Funds
December 31, 2013**

	Sewer Service	Motor Fuel Tax	E-911	Totals
ASSETS				
Cash and Investments	\$ 198,222	312,049	227,679	737,950
Receivables - Net of Allowances Accounts	19,580	6,289	364	26,233
Total Assets	217,802	318,338	228,043	764,183
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	-	-	470	470
Fund Balances				
Restricted	-	318,338	227,573	545,911
Committed	217,802	-	-	217,802
Total Fund Balances	217,802	318,338	227,573	763,713
Total Liabilities and Fund Balances	217,802	318,338	228,043	764,183

VILLAGE OF KENILWORTH, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

**Nonmajor Governmental - Special Revenue Funds
For the Fiscal Year Ended December 31, 2013**

	Sewer Service	Motor Fuel Tax	E-911	Totals
Revenues				
Intergovernmental	\$ -	72,318	-	72,318
Charges for Services	94,043	-	64,430	158,473
Interest Income	544	794	737	2,075
Total Revenues	94,587	73,112	65,167	232,866
Expenditures				
Current				
Public Works	9,213	-	-	9,213
Public Safety	-	-	28,547	28,547
Capital Outlay	8,215	-	-	8,215
Total Expenditures	17,428	-	28,547	45,975
Excess (Deficiency) of Revenues Over (Under) Expenditures	77,159	73,112	36,620	186,891
Other Financing (Uses)				
Transfers Out	(51,741)	-	(37,712)	(89,453)
Net Change in Fund Balances	25,418	73,112	(1,092)	97,438
Fund Balances - Beginning	192,384	245,226	228,665	666,275
Fund Balances - Ending	217,802	318,338	227,573	763,713

VILLAGE OF KENILWORTH, ILLINOIS

Sewer Service - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Sewer Charges	\$ 96,332	96,332	94,043
Interest Income	800	800	544
Total Revenues	<u>97,132</u>	<u>97,132</u>	<u>94,587</u>
Expenditures			
Public Works			
Outside Maintenance Services	10,000	10,000	6,711
Repair and Maintenance - Vehicles/Equipment	6,000	6,000	-
Engineering	7,500	7,500	875
Equipment Rental	500	500	-
Other Supplies	500	500	-
Maintenance and Construction Supplies	3,000	3,000	639
Permit Fee	1,000	1,000	1,000
Miscellaneous	500	500	(12)
Capital Outlay	18,500	18,500	8,215
Total Expenditures	<u>47,500</u>	<u>47,500</u>	<u>17,428</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,632	49,632	77,159
Other Financing (Uses)			
Transfers Out	<u>(51,741)</u>	<u>(51,741)</u>	<u>(51,741)</u>
Net Change in Fund Balance	<u>(2,109)</u>	<u>(2,109)</u>	25,418
Fund Balance - Beginning			<u>192,384</u>
Fund Balance - Ending			<u><u>217,802</u></u>

VILLAGE OF KENILWORTH, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2013**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Allotment	\$ 67,000	67,000	72,318
Interest Income	1,200	1,200	794
Total Revenues	<u>68,200</u>	<u>68,200</u>	<u>73,112</u>
Expenditures			
Highways and Streets	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>68,200</u>	<u>68,200</u>	73,112
Fund Balance - Beginning			<u>245,226</u>
Fund Balance - Ending			<u><u>318,338</u></u>

VILLAGE OF KENILWORTH, ILLINOIS

E-911 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Surcharge Revenue	\$ 66,100	66,100	64,430
Interest Income	500	500	737
Total Revenues	66,600	66,600	65,167
Expenditures			
Public Safety	30,250	30,250	28,547
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,350	36,350	36,620
Other Financing (Uses)			
Transfers Out	(37,712)	(37,712)	(37,712)
Net Change in Fund Balance	<u>(1,362)</u>	<u>(1,362)</u>	(1,092)
Fund Balance - Beginning			<u>228,665</u>
Fund Balance - Ending			<u>227,573</u>

VILLAGE OF KENILWORTH, ILLINOIS

Waterworks System - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,078,985	1,078,985	1,072,630
Miscellaneous	1,000	1,000	1,095
Total Operating Revenues	<u>1,079,985</u>	<u>1,079,985</u>	<u>1,073,725</u>
Operating Expenses			
Operations			
Personnel	384,050	384,050	357,067
Contractual Services	113,960	113,960	62,466
Commodities	72,450	72,450	58,894
Other Expenses	113,850	113,850	64,602
Depreciation and Amortization	-	-	201,637
Total Operating Expenses	<u>684,310</u>	<u>684,310</u>	<u>744,666</u>
Operating Income	<u>395,675</u>	<u>395,675</u>	<u>329,059</u>
Nonoperating Revenues (Expenses)			
Interest Income	-	-	236
Interest and Fiscal Charges	(155,093)	(155,093)	(155,962)
	<u>(155,093)</u>	<u>(155,093)</u>	<u>(155,726)</u>
Change in Net Position	<u>240,582</u>	<u>240,582</u>	173,333
Net Position - Beginning			<u>1,755,272</u>
Net Position - Ending			<u>1,928,605</u>

VILLAGE OF KENILWORTH, ILLINOIS

Waterworks System - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Operations			
Personnel			
Salaries			
Regular	\$ 255,255	255,255	243,173
Overtime	11,500	11,500	7,393
Merit - Vacation Buy Back	9,500	9,500	6,140
Compensated Absences	-	-	104
Employee Benefits			
Medical	40,057	40,057	36,905
Dental	4,039	4,039	3,637
Life	518	518	517
Other Benefits	63,181	63,181	59,198
Total Personnel	384,050	384,050	357,067
Contractual Services			
Village Attorney	12,000	12,000	11,740
Printing and Publishing	1,500	1,500	596
Telephone and Internet	9,460	9,460	10,289
Outside Maintenance	14,000	14,000	6,923
Laboratory Services	3,000	3,000	2,620
Professional Services	4,000	4,000	3,661
Postage	2,400	2,400	2,306
Dues, Memberships and Subscriptions	400	400	325
Equipment Rental	200	200	-
Miscellaneous Services	10,500	10,500	9,001
Engineering	31,000	31,000	143
Repairs and Maintenance - Computer Equipment	2,000	2,000	1,911
Repairs and Maintenance - Vehicles/Equipment	3,000	3,000	1,288
Repairs and Maintenance - Hydrant/Valve	3,000	3,000	168
Repairs and Maintenance	17,500	17,500	11,495
Total Contractual Services	113,960	113,960	62,466

VILLAGE OF KENILWORTH, ILLINOIS

Waterworks System - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2013

	Budget		Actual
	Original	Final	
Operations - Continued			
Commodities			
Janitorial Supplies	\$ 1,000	1,000	174
Office Supplies	600	600	134
Other Supplies	300	300	173
Maintenance Supplies	15,050	15,050	10,550
Heating, Electric and Water Utilities	41,000	41,000	32,149
Uniforms	750	750	326
Chemicals	13,750	13,750	15,388
Total Commodities	72,450	72,450	58,894
Other Expenses			
Auto Allowance	2,400	2,400	2,400
Fuel	6,000	6,000	5,444
Recruitment and Training	750	750	497
Machinery and Equipment	104,000	104,000	55,947
Miscellaneous	700	700	314
Total Other Expenses	113,850	113,850	64,602
Depreciation and Amortization	-	-	201,637
Debt Service			
Principal Retirement	145,000	145,000	145,000
Interest Expense	155,093	155,093	155,962
	300,093	300,093	300,962
Less Nonoperating Items			
Debt Service	(300,093)	(300,093)	(300,962)
Total Debt Service	-	-	-
Total Operating Expenses	684,310	684,310	744,666

VILLAGE OF KENILWORTH, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2013**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 333,321	333,321	527,109
Contributions - Employee	79,309	79,309	74,315
Total Contributions	412,630	412,630	601,424
Investment Income			
Interest Income	100,500	100,500	256,155
Net Change in Fair Value	-	-	316,770
	100,500	100,500	572,925
Less Investment Expenses	(20,200)	(22,000)	(21,968)
Net Investment Income	80,300	78,500	550,957
Total Additions	492,930	491,130	1,152,381
Deductions			
Administration	8,600	8,843	7,843
Benefits and Refunds	535,000	578,800	578,794
Total Deductions	543,600	587,643	586,637
Change in Net Position	(50,670)	(96,513)	565,744
Net Position Held in Trust for Pension Benefits			
Beginning			5,589,226
Ending			6,154,970

SUPPLEMENTAL SCHEDULES

VILLAGE OF KENILWORTH, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation (Alternate Revenue Source) Refunding Bonds of 2006B
December 31, 2013**

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2014	\$ 155,000	149,138	304,138	2014	74,569	2014	74,569
2015	160,000	142,938	302,938	2015	71,469	2015	71,469
2016	165,000	136,538	301,538	2016	68,269	2016	68,269
2017	170,000	129,938	299,938	2017	64,969	2017	64,969
2018	180,000	123,138	303,138	2018	61,569	2018	61,569
2019	185,000	115,938	300,938	2019	57,969	2019	57,969
2020	195,000	108,538	303,538	2020	54,269	2020	54,269
2021	200,000	100,640	300,640	2021	50,320	2021	50,320
2022	210,000	92,540	302,540	2022	46,270	2022	46,270
2023	220,000	83,930	303,930	2023	41,965	2023	41,965
2024	225,000	74,910	299,910	2024	37,455	2024	37,455
2025	235,000	65,573	300,573	2025	32,787	2025	32,786
2026	245,000	55,820	300,820	2026	27,910	2026	27,910
2027	255,000	45,653	300,653	2027	22,827	2027	22,826
2028	265,000	35,070	300,070	2028	17,535	2028	17,535
2029	280,000	23,940	303,940	2029	11,970	2029	11,970
2030	290,000	12,180	302,180	2030	6,090	2030	6,090
	<u>3,635,000</u>	<u>1,496,422</u>	<u>5,131,422</u>		<u>748,212</u>		<u>748,210</u>

VILLAGE OF KENILWORTH, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2007
December 31, 2013**

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2014	\$ 365,000	74,738	439,738	2014	37,369	2014	37,369
2015	375,000	61,050	436,050	2015	30,525	2015	30,525
2016	390,000	46,800	436,800	2016	23,400	2016	23,400
2017	400,000	31,785	431,785	2017	15,893	2017	15,892
2018	415,000	16,185	431,185	2018	8,093	2018	8,092
	<u>1,945,000</u>	<u>230,558</u>	<u>2,175,558</u>		<u>115,280</u>		<u>115,278</u>

VILLAGE OF KENILWORTH, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Bonds of 2013

December 31, 2013

Date of Issue	August 15, 2013
Date of Maturity	August 15, 2033
Authorized Issue	\$9,590,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York Mellon

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2014	\$ 280,000	411,812	691,812	2014	252,743	2014	159,069
2015	380,000	312,538	692,538	2015	156,269	2015	156,269
2016	385,000	304,938	689,938	2016	152,469	2016	152,469
2017	395,000	297,238	692,238	2017	148,619	2017	148,619
2018	400,000	289,336	689,336	2018	144,668	2018	144,668
2019	410,000	281,338	691,338	2019	140,669	2019	140,669
2020	415,000	273,136	688,136	2020	136,568	2020	136,568
2021	425,000	263,800	688,800	2021	131,900	2021	131,900
2022	440,000	251,050	691,050	2022	125,525	2022	125,525
2023	455,000	237,850	692,850	2023	118,925	2023	118,925
2024	465,000	224,200	689,200	2024	112,100	2024	112,100
2025	485,000	205,600	690,600	2025	102,800	2025	102,800
2026	505,000	186,200	691,200	2026	93,100	2026	93,100
2027	525,000	166,000	691,000	2027	83,000	2027	83,000
2028	545,000	145,000	690,000	2028	72,500	2028	72,500
2029	565,000	123,200	688,200	2029	61,600	2029	61,600
2030	590,000	100,600	690,600	2030	50,300	2030	50,300
2031	615,000	77,000	692,000	2031	38,500	2031	38,500
2032	640,000	52,400	692,400	2032	26,200	2032	26,200
2033	670,000	18,909	688,909	2033	13,400	2033	5,509
	<u>9,590,000</u>	<u>4,222,145</u>	<u>13,812,145</u>		<u>2,161,855</u>		<u>2,060,290</u>

VILLAGE OF KENILWORTH, ILLINOIS

Schedule of Long-Term Debt Requirements

**Taxable General Obligation Limited Bonds of 2013
December 31, 2013**

Date of Issue	December 9, 2013
Date of Maturity	December 1, 2014
Authorized Issue	\$400,000
Denomination of Bonds	\$5,000
Interest Rate	0.85%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	North Shore Community Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2014	\$ 400,000	3,230	403,230	2014	1,530	2014	1,700