

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended
May 31, 2006

A Sikich LLP

Certified Public Accountants & Advisors

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KENILWORTH, ILLINOIS
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KENILWORTH, ILLINOIS
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**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

PRINCIPAL OFFICIALS

May 31, 2006

Thomas Feeney - President

BOARD OF COMMISSIONERS

Jane Drexler

Heidi Higgins

Richmond Kenyon

Richard Peterson

Richard Cooper - Treasurer

Max L. Slankard
Secretary through June 13, 2006

Bradly Burke
Secretary as of June 26, 2006

ADMINISTRATIVE OFFICES

419 Richmond Road
Kenilworth, Illinois 60043

(847) 251-1666



998 Corporate Boulevard • Aurora, IL 60502

*Members of American Institute of
Certified Public Accountants &
Illinois CPA Society*

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
Kenilworth Park District
Kenilworth, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of the Kenilworth Park District, Illinois, as of and for the year ended May 31, 2006, which collectively comprise the Kenilworth Park District, Illinois' basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Kenilworth Park District, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Kenilworth Park District, Illinois, as of May 31, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kenilworth Park District, Illinois' basic financial statements. The individual fund schedules and supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund schedules and supplemental data have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

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

A handwritten signature in cursive script, appearing to read "Sibich CP".

Aurora, Illinois
September 22, 2006

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

Kenilworth Park District
Management's Discussion and Analysis
May 31, 2006

This narrative is offered as a means to allow the reader a better understanding of the accompanying financial statements. It highlights several important aspects of the Kenilworth Park District's financial condition, whether the financial condition is improving or worsening, and reviews the relationship between the different financial statements being presented.

Financial Statement Structure

The Kenilworth Park District's basic financial statements are comprised of four components:

(1) government-wide financial statements, (2) governmental fund financial statements, (3) notes to the financial statements, and (4) required supplementary information.

The government-wide financial statements, found on pages 3 and 4, are designed to provide readers a broad perspective of the Park District's finances. This is done by consolidating all of the Park District's financial activity into one set of financial statements. The *statement of net assets* (page 3) presents information on all of the Park District's assets and liabilities. The *statement of activities* (page 4) presents information showing the sources and uses of District's monies that changed the Park District's net asset position during the most recent fiscal year. Both of these statements separate activities that are principally supported by taxes from those that are principally supported by user fees. The latter category for the Kenilworth Park District, described as "charges for services" includes the provision of recreation services.

The governmental fund financial statements begin on page 5 and run through page 8. A *fund* is a group of accounts used to maintain control over resources that have been segregated for specific purposes. The Kenilworth Park District uses fund accounting because it represents generally accepted accounting principles for governmental organizations and compliance with legal requirements. The District uses a general fund, the recreation fund (a special revenue fund), the working cash fund and the Marguerite L. Storch Memorial Garden fund (both of which are permanent funds).

The notes to the financial statements provide information necessary for the understanding of the statements. These notes begin on page 9 of this Audit Report.

Government-wide Financial Analysis

The Kenilworth Park District's assets exceeded its liabilities by \$1,730,723 as of May 31, 2006. This number includes assets reserved and restricted in a formal trustee agreement for beautification projects in the amount of \$1,057,583. The two largest components of the Park District's unreserved assets are its pooled cash and investments of \$493,531, and its capital assets which stand at \$285,515. Non-current liabilities as of the year end are \$18,756. These non-current liabilities include compensated absences earned by employees.

(See independent auditor's report.)

Fund Financial Statement Analysis

The Kenilworth Park District has four governmental funds. These funds are displayed on the balance sheet, found on page 5. Governmental funds use a modified accrual basis of accounting designed to measure current financial resources. Consequently, the reader will notice the balance sheet does not show fixed assets or long-term liabilities. The related income statements (statement of revenues, expenditures and changes in fund balance) are found on page 7.

The General Fund (first column) is used to account for most of the Park District's general operating activity. This includes activity for primarily park maintenance and administration. Including the effect of operating transfers, the General Fund's revenues were less than expenditures in the amount of \$4,512. This result is favorable in comparison to last year's (when expenditures exceeded revenues by \$9,773), and has diminished the General Fund's financial position resulting in an restated fund balance from \$42,829 on June 1, 2005 to \$38,317 on May 31, 2006. While revenues were up by nearly 4% (\$182,377 versus \$175,398), expenditures increase by just under 1.0% (\$186,889 this year versus \$185,171 last year).

The Recreation Fund is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. It is within this fund that one finds revenues and expenses associated with the District's recreation programs, including special recreation. The Recreation Fund's revenues exceeded its expenditures by \$37,175. This result exceeds that of last year (where revenues exceeded expenditures by \$27,645). This has enhanced the Recreation Fund's financial position, resulting in an increase in fund balance from \$243,720 on June 1, 2005 to \$280,895 on May 31, 2006.

Providing some detail with respect to revenues and expenditures, revenues exceeded budgeted levels by 13.3%, which is due in large part to summer recreation program fees and property taxes received 28.1% over the budgeted amount. Expenditures, inclusive of capital outlay, were below budget by 4.1%. It is noted, however, that Park Board decisions regarding capital spending are made based upon the strength of revenue performance from summer programs. The supplemental capital outlay involved the installation of new playground equipment to replace dated playground equipment at Townley Field. The purchase of the new playground equipment was made in the prior fiscal year.

The Park District has two permanent funds that have restrictions. The working cash fund is used to account for monies provided by a tax levy for the purposes of advancing working cash to other funds. Expenditures are prohibited by state statute. Fund balance in the working cash fund increased by \$2,466 from \$84,703 at June 1, 2005 to \$87,169 at May 31, 2006. The Marguerite L. Storch Memorial Garden fund is used to account for assets of which the principal may not be spent. The income earned on the fund's assets can be expended on beautification projects on District property. Fund balance in this fund increased by \$4,889 from \$1,052,694 at June 1, 2005 to \$1,057,583 at May 31, 2006.

(See independent auditor's report.)

Responsibility

Governmental Accounting Standards Board Statement Number 34 mandates that all local government financial statements include a Management's Discussion and Analysis section. The goal is to give readers an objective, readable overview of the government's financial statements. The Kenilworth Park District's Park District Secretary is responsible for preparing this section. Consequently, any questions regarding this narrative specifically, or the Park District's Audit Report generally, may be addressed to the Park District Secretary/Village Manager, Kenilworth Park District, 419 Richmond Road, Kenilworth, Illinois 60043.

(See independent auditor's report.)

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

STATEMENT OF NET ASSETS

May 31, 2006

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 493,531
Investments	1,076,565
Receivables (net, where applicable, of allowances for uncollectibles)	
Property taxes	166,625
Other	8,793
Prepaid expenses	790
Capital assets not being depreciated	107,557
Capital assets being depreciated, net of accumulated depreciation	<u>177,958</u>
Total assets	<u>2,031,819</u>
LIABILITIES	
Deferred property taxes	156,858
Deferred revenue	124,650
Other accrued liabilities	832
Noncurrent liabilities - compensated absences	
Due within one year	2,813
Due in more than one year	<u>15,943</u>
Total liabilities	<u>301,096</u>
NET ASSETS	
Invested in capital assets	285,515
Restricted for	
Beautification projects	1,057,583
Working cash	87,169
Unrestricted	<u>300,456</u>
TOTAL NET ASSETS	<u><u>\$ 1,730,723</u></u>

See accompanying notes to financial statements.

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2006

			Program Revenues				Net (Expense) Revenue and Change in Net Assets
			Charges	Operating	Capital		Primary
FUNCTIONS/PROGRAMS	Expenses	for Services	Grants and	Contributions	Grants and	Contributions	Governmental
PRIMARY GOVERNMENT							Activities
Governmental Activities							
General government	\$ 200,136	\$ 5,050	\$ -	\$ -	\$ -	\$ -	\$ (195,086)
Recreation	252,620	131,890	-	-	-	-	(120,730)
Total governmental activities	452,756	136,940	-	-	-	-	(315,816)
TOTAL PRIMARY GOVERNMENT	\$ 452,756	\$ 136,940	\$ -	\$ -	\$ -	\$ -	(315,816)
General Revenues							
Taxes							
Property							310,045
Replacement							4,892
Investment income							38,349
Miscellaneous							1,232
Total							354,518
CHANGE IN NET ASSETS							38,702
NET ASSETS, JUNE 1, PREVIOUSLY REPORTED							1,715,457
Prior period adjustments							(23,436)
NET ASSETS, JUNE 1, RESTATED							1,692,021
NET ASSETS, MAY 31							\$ 1,730,723

See accompanying notes to financial statements.

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

May 31, 2006

	General	Recreation	Working Cash	Marguerite L. Storch Memorial Garden	Total
ASSETS					
Cash	\$ 95,906	\$ 186,587	\$ 84,703	\$ 126,335	\$ 493,531
Investments	-	-	-	1,076,565	1,076,565
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	89,184	77,441	-	-	166,625
Due from other funds	22,085	220,871	2,466	-	245,422
Intergovernmental receivable	4,007	-	-	-	4,007
Other receivables	4,786	-	-	-	4,786
Prepaid items	-	790	-	-	790
TOTAL ASSETS	\$ 215,968	\$ 485,689	\$ 87,169	\$ 1,202,900	\$ 1,991,726
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ 92,863	\$ 7,242	\$ -	\$ 145,317	\$ 245,422
Deferred property taxes	83,956	72,902	-	-	156,858
Deferred revenue	-	124,650	-	-	124,650
Other accrued liabilities	832	-	-	-	832
Total liabilities	177,651	204,794	-	145,317	527,762
FUND BALANCES					
Reserved for prepaid items	-	790	-	-	790
Reserved for working cash	-	-	87,169	-	87,169
Reserved for beautification projects	-	-	-	1,057,583	1,057,583
Unreserved					
General Fund	38,317	-	-	-	38,317
Special Revenue Fund	-	280,105	-	-	280,105
Total fund balances	38,317	280,895	87,169	1,057,583	1,463,964
TOTAL LIABILITIES AND FUND BALANCES	\$ 215,968	\$ 485,689	\$ 87,169	\$ 1,202,900	\$ 1,991,726

See accompanying notes to financial statements.

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

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

May 31, 2006

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,463,964
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	285,515
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds	<u>(18,756)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,730,723</u></u>

See accompanying notes to financial statements.

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

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

For the Year Ended May 31, 2006

	General	Recreation	Working Cash	Marguerite L. Storch Memorial Garden	Total
REVENUES					
Taxes	\$ 173,608	\$ 141,329	\$ -	\$ -	\$ 314,937
Charges for services	5,050	131,890	-	-	136,940
Investment income	2,512	9,235	2,466	24,136	38,349
Contributions	300	-	-	-	300
Other	907	25	-	-	932
Total revenues	182,377	282,479	2,466	24,136	491,458
EXPENDITURES					
Current					
General government	165,590	-	-	-	165,590
Recreation	-	231,409	-	-	231,409
Capital outlay	21,299	13,895	-	19,247	54,441
Total expenditures	186,889	245,304	-	19,247	451,440
NET CHANGE IN FUND BALANCES	(4,512)	37,175	2,466	4,889	40,018
FUND BALANCES, JUNE 1, PREVIOUSLY REPORTED	32,829	243,720	84,703	1,052,694	1,413,946
Prior period adjustments	10,000	-	-	-	10,000
FUND BALANCES, JUNE 1, RESTATED	42,829	243,720	84,703	1,052,694	1,423,946
FUND BALANCES, MAY 31	\$ 38,317	\$ 280,895	\$ 87,169	\$ 1,057,583	\$ 1,463,964

See accompanying notes to financial statements.

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

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

For the Year Ended May 31, 2006

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 40,018
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities	30,331
Some expenses in the statement of activities (e.g. depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in the government funds	(22,891)
The change in compensated absences liability is reported as an expense on the statement of activities	<u>(8,756)</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 38,702</u></u>

See accompanying notes to financial statements.

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

May 31, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The District is duly organized and existing under the provisions of the laws of the State of Illinois and is operating under the provisions of the Park District Code of the State of Illinois, approved July 8, 1947, and all laws amendatory thereto. The District is governed by an elected Board of five District Commissioners. The District (the primary government) includes all funds of its governmental operations and its component units, entities for which the District is considered to be financially accountable. Financial accountability includes appointment of the District's governing body, imposition of will and fiscal dependency. There are no component units for which the District has financial accountability.

b. Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following category: governmental.

Governmental funds are used to account for all or most of a District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), the servicing of general long-term debt (debt service funds), and the management of funds held in trust that can be used for governmental services (permanent fund). The general fund is used to account for all activities of the general government not accounted for in some other fund.

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of material inter-fund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

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

The Recreation Fund accounts for the operation of the District's recreation programs and is financed by a specific annual property tax levy to the extent user charges are not sufficient.

The Working Cash Fund is used to account for monies provided by a tax levy for the purpose of advancing working cash to other funds. These funds repay the Working Cash Fund from their tax levies, as collected. Expenditures are prohibited by State statute.

The Marguerite L. Storch Memorial Garden Fund is used to account for assets of which the principal may not be spent. The District may expend the income earned on the assets for beautification projects on District property.

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period, usually 60 days. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, interest revenue, and charges for services.

In applying the susceptible-to-accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

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

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

The District's considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

In accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all other investments are recorded at fair value.

f. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

g. Prepaid Items/Expenses

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

h. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

Land improvements	10-15 years
Buildings and constructed assets	40 years
Vehicles	5-10 years
Machinery and equipment	7-10 years

i. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation benefits. Upon separation or retirement, employees do not receive any payment for unused sick time; therefore, no liability is recorded for these amounts.

Vested or accumulated vacation leave is reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation leave of governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees.

Compensated absences were \$10,000 at June 1, 2005 and increased \$8,756 to \$18,756 at May 31, 2006.

j. Long-Term Obligations

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

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

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

2. DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the District's funds.

Deposits and Investments

The District does not have a formal investment policy. The District invests in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value), and the Illinois Parks District Liquid Asset Fund (IPDLAF) is an investment pool managed by Ambac Securities, Inc. and sponsored by the Illinois Association of Park Districts (IAPD) and the Illinois Park and Recreation Association (IPRA), which allows Illinois park and forest preserve districts and special recreation programs to pool their funds or investment purposes. IPDLAF is not registered with the SEC as an investment company. Investments in IPDLAF are valued at IPDLAF's share price, the price for which the investment could be sold. The District limits its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Deposits and Investments (Continued)

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District 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, legality, safety of principal, liquidity, and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District’s deposits may not be returned to it. The District does not have an investment policy that addresses custodial credit risk related to deposits with financial institutions. At May 31, 2006, all bank balances in excess of FDIC were collateralized by funds secured at the Federal Reserve Bank of Chicago.

Investments

The following table presents the investments and maturities of the District’s debt securities as of May 31, 2006:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 113,373	\$ 113,373	\$ -	\$ -	\$ -
TOTAL	\$ 113,373	\$ 113,373	\$ -	\$ -	\$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The District limits its exposure to credit risk by primarily investing in external investment pools. Illinois Funds and the Illinois Park District Liquid Asset Fund are rated AAA.

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Deposits and Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. Illinois Funds and Illinois Park District Liquid Asset Fund are not subject to custodial credit risk. As noted above, the District does not have an investment policy that addresses custodial credit risk for investments.

Concentration of credit risk is the risk that the District has a high percentage of its investments invested in one type of investment. The District does not have an investment policy that requires diversification of investments to avoid unreasonable risk. At May 31, 2006, the District did not have greater than 5% of its overall portfolio invested in any single investment type.

3. PROPERTY TAXES

Property taxes for 2005 attach as an enforceable lien on January 1, 2005, 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 issued on or about February 1, 2006 and August 1, 2006, and are payable in two installments, on or about March 1, 2006 and September 1, 2006. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1 percent of the tax levy, to reflect actual collection experience. As the 2005 tax levy is intended to fund expenditures for one-half of fiscal year 2006, one-half of the 2005 tax levy has been recognized as revenue as of May 31, 2006 and one-half of the 2005 tax levy has been deferred as of May 31, 2006.

The 2006 tax levy, which attached as an enforceable lien on property as of January 1, 2006, has not been recorded as a receivable as of May 31, 2006 as the tax has not yet been levied by the District and will not be levied until December 2006, and, therefore, the levy is not measurable at May 31, 2006.

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2006 was as follows:

	Balances June 1 (Restated)	Increases	Decreases	Balances May 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 107,557	\$ -	\$ -	\$ 107,557
Total capital assets not being depreciated	107,557	-	-	107,557
Capital assets being depreciated				
Land improvements	89,614	30,331	-	119,945
Buildings and constructed assets	116,058	-	-	116,058
Machinery and equipment	70,907	-	-	70,907
Total capital assets being depreciated	276,579	30,331	-	306,910
Less accumulated depreciation for				
Land improvements	31,246	9,860	-	41,106
Buildings and constructed assets	52,418	2,901	-	55,319
Machinery and equipment	22,397	10,130	-	32,527
Total accumulated depreciation	106,061	22,891	-	128,952
Total capital assets being depreciated, net	170,518	7,440	-	177,958
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 278,075	\$ 7,440	\$ -	\$ 285,515

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 13,735
Recreation	9,156
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 22,891</u>

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT

The District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health; injuries to employees; and net income losses.

a. Property, Casualty, and Liability

Since June 1, 2002, the District has been a member of the Park District Risk Management Agency (PDRMA), a risk management pool of park and forest preserve districts, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the coverage in effect for the period January 1, 2006 through December 31, 2006:

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company	Policy Number
Property/building/contents	\$ 1,000	\$ 250,000	\$750,000,000 per occurrence	PDRMA	PO70104
Auto physical damage	\$ 1,000	\$ 250,000	\$250,000,000 per occurrence annual aggregate for flood	Reinsurers: Multiple	P051503
Builders risk	\$ 1,000	\$ 250,000	\$100,000,000 per occurrence annual aggregate for earth movement		
Service interruption	24 hours	N/A	\$10,000,000 Business Income and extra expense; other sub- limits apply, refer to policy		
Boiler and machinery property damage	\$ 1,000	\$ 9,000	\$100,000,000 equipment breakdown Property damage included	Travelers Indemnity Co. of Illinois	443D815A
Fidelity/crime/surety	\$ 1,000	\$ 24,000	\$2,000,000	National Union	TBD
Seasonal employees	\$ 1,000	\$ 9,000	\$1,000,000	Fire Ins. Co.	
Blanket bond	\$ 1,000	\$ 24,000	\$2,000,000		
Workers' compensation	N/A	\$ 500,000	Statutory \$3,500,000 employers' liability	PDRMA Excess Reinsurer: Government Entities Mutual, Employers Reinsurance	WC050103 GEM-0003- AO4001 0652543
General liability	None	\$ 300,000	\$16,500,000 per occurrence		
Auto liability	None	Included	Included	PDRMA	L010105
Uninsured/underinsured motorist	None	Included	\$1,000,000 per occurrence	Government Entities Mutual	
Public officials' liability	None	Included	\$16,500,000 per occurrence	Illinois Union	G2290825A/ G22908340
Employment practices	None	Included	\$16,500,000 per occurrence	Insurance Co.,	
Law enforcement liability	None	Included	Included	Arch Specialty Insurance Co.	UXP0003948-00
Pollution liability					
Liability - third party	None	\$ 25,000	\$5,000,000 per occurrence	Gulf	GU 2827407
Property - first party	\$ 1,000	\$ 24,000	\$10,000,000 general aggregate	Underwriters Insurance Co.	
Schedule locations only					

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

a. Property, Casualty, and Liability (Continued)

The aggregate self-insured limit is \$16,500,000 for the period January 1, 2006 through December 31, 2005. In the event losses exceed this amount, the members would be liable for the excess amount. PDRMA's Board of Directors evaluates the aggregate self-insured limit annually.

As a member of PDRMA, the District is represented on the Membership Assembly and is entitled to one vote. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body.

The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. PDRMA also provides its members with risk management services, including the defense of and settlement of claims and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

Since 89% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the member balances are adjusted annually as more recent loss information becomes available.

Complete financial statements for the PDRMA can be obtained from the PDRMA's administration offices at 2033 Burlington Avenue, Lisle, Illinois.

b. Health Care

Full-time employees' health care insurance coverage is included under the Village's participation in the North Suburban Employee Benefit Cooperative (NSEBC).

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

b. Health Care (Continued)

NSEBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasigovernmental, and nonprofit public service entities.

NSEBC acts as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member.

Management consists of a Board of Directors comprised of one appointed representative from each member.

The District does not exercise any control over the activities of NSEBC beyond its representation on the Board of Directors.

For the year ended December 31, 2005, NSEBC had total equity of \$1,727,525. The District's total payments for the year ended May 31, 2006 were \$33,286.

6. JOINTLY GOVERNED ORGANIZATION - NORTHERN SUBURBAN SPECIAL RECREATION ASSOCIATION (NSSRA)

The District, along with ten other area park districts and one village, entered into a joint agreement to provide cooperative recreational programs and other activities for handicapped and impaired individuals. Each member agency shares equally in the NSSRA, and generally provides funding based on up to .0400 cents per \$100 of its equalized assessed valuation. The District contributed \$19,701 to the NSSRA during the current fiscal year.

The District does not have a direct financial interest in the NSSRA and, therefore, its investment therein is not reported within the financial statements. Upon dissolution of the NSSRA, the assets, if any, shall be divided between the members in accordance with an equitable formula, as determined by a unanimous vote of the Board of Directors of the NSSRA.

A complete separate financial statement for the NSSRA can be obtained from the NSSRA's administrative offices located at 3105 MacArthur Boulevard, Northbrook, Illinois.

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS

a. Plan Descriptions

Illinois Municipal Retirement Fund

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees participating in the IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2005 was 10.39% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

For December 31, 2005, the District's annual pension cost of \$13,840 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 0.4% to 11.6% per year, and (c) 3% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4.00%. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2005 was 27 years.

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Employer annual required contribution (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

For Calendar Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	\$ 22,922	100.00%	\$ -
2004	17,221	100.00%	-
2005	13,840	100.00%	-

b. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	Calendar Year	Amount
Annual Pension Cost (APC)	2003	\$ 22,922
	2004	17,221
	2005	13,840
Actual Contribution	2003	\$ 22,922
	2004	17,221
	2005	13,840
Percentage of APC Contributed	2003	100.00%
	2004	100.00
	2005	100.00
NPO (Asset)	2003	\$ -
	2004	-
	2005	-

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. CONTINGENT LIABILITIES

a. Litigation

The District is not aware of any potential litigation, and there is no pending litigation that the District has been advised of by legal counsel.

b. Grants

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

9. PRIOR PERIOD ADJUSTMENTS

The District has restated net assets of the governmental activities and the General Fund as of June 1, 2005 as follows:

	Governmental Activities	General Fund
NET ASSETS/FUND BALANCES, JUNE 1 (AS PREVIOUSLY REPORTED)	\$ 1,715,457	\$ 32,829
Restated for:		
a) Adjust capital assets for change in capitalization policy	(23,436)	-
b) Correct reporting of compensated absences liability	-	10,000
Subtotal restatements	(23,436)	10,000
NET ASSETS/FUND BALANCES, JUNE 1 (AS RESTATED)	\$ 1,692,021	\$ 42,829

REQUIRED SUPPLEMENTARY INFORMATION

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

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

For the Year Ended May 31, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 179,755	\$ 168,716
Replacement taxes	2,145	4,892
Investment income	150	2,512
Miscellaneous	-	907
Village house rentals	1,500	1,050
Village property maintenance	4,000	4,000
Contributions	-	300
	<hr/>	<hr/>
Total revenues	187,550	182,377
	<hr/>	<hr/>
EXPENDITURES		
General government		
Personnel	73,653	82,026
Benefits	28,639	24,692
Contractual services	35,605	38,753
Commodities	19,336	20,119
Capital outlay	24,175	21,299
	<hr/>	<hr/>
Total expenditures	181,408	186,889
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 6,142</u>	(4,512)
FUND BALANCE, JUNE 1, PREVIOUSLY REPORTED		32,829
Prior period adjustment		<hr/> 10,000
FUND BALANCE, JUNE 1, RESTATED		<hr/> 42,829
FUND BALANCE, MAY 31		<u><u>\$ 38,317</u></u>

(See independent auditor's report.)

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

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

For the Year Ended May 31, 2006

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 110,300	\$ 141,329
Recreation program fees	135,000	131,890
Investment income	4,000	9,235
Miscellaneous	-	25
Total revenues	249,300	282,479
EXPENDITURES		
Recreation		
Personnel	159,153	159,529
Benefits	28,639	32,264
Contractual services	23,650	19,125
Commodities	3,500	2,572
Other	27,500	17,919
Capital outlay	13,000	13,895
Total expenditures	255,442	245,304
NET CHANGE IN FUND BALANCE	\$ (6,142)	37,175
FUND BALANCE, JUNE 1		243,720
FUND BALANCE, MAY 31		\$ 280,895

(See independent auditor's report.)

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

**SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND**

May 31, 2006

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL)/ (OAAL) (2) - (1)	(5) Covered Payroll	UAAL/ (OAAL) As a Percentage of Covered Payroll (4) / (5)
2000	\$ 163,051	\$ 402,967	40.46%	\$ 239,916	\$ 121,779	197.01%
2001	205,664	433,133	47.48%	227,469	126,793	179.40%
2002	245,557	345,048	71.17%	99,491	127,106	78.27%
2003	335,407	381,951	87.81%	46,544	129,067	36.06%
2004	388,095	444,678	87.28%	56,583	138,652	40.81%
2005	439,820	483,777	90.91%	43,957	133,208	33.00%

(See independent auditor's report.)

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

May 31, 2006

Actuarial Valuation Date <u>December 31</u>	Annual Required Contribution	Percentage Contributed
2000	\$ 21,859	100%
2001	21,048	100%
2002	24,522	100%
2003	22,922	100%
2004	17,221	100%
2005	13,840	100%

(See independent auditor's report.)

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

May 31, 2006

1. BUDGETS

The budget and appropriation ordinance is prepared in tentative form by the District Secretary, reviewed and approved by the District 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 and appropriation ordinance to obtain taxpayer comments.

Prior to August 31, the budget and appropriation ordinance is legally enacted and represents the legal spending limit at the fund level. All actual expenditures contained herein have been compared to the annual operating budget, which is the same as the amount appropriated, except for an appropriation for a contingency amount in the appropriations ordinance.

The Board of Commissioners may:

By two-thirds vote transfer, within any department, amounts appropriated 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 appropriation.

Adopt a supplemental appropriation 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 appropriation ordinance.

No other appropriation can be adopted during the fiscal year, unless approved by a petition signed by fifty (50) percent of the number of individuals who voted for District President at the last general municipal election, or by a majority of individuals voting on the question in a regular general election or an emergency referendum.

Management cannot amend the budget and appropriation ordinance. However, expenditures may exceed appropriations at the subobject level. Expenditures that exceed individual appropriations at the object level must be approved by the Board of Commissioners, as outlined above.

The District 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 District.

Annual operating budgets are adopted on a basis consistent with generally accepted accounting principles for the general, special revenue and permanent funds. All annual appropriations lapse at fiscal year end.

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

1. BUDGETS (Continued)

The operating budget is the management control for spending and is less than, or equal to, the amounts appropriated. The Secretary 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 District Board of Commissioners and are supported by additional appropriations as needed.

Operating budgets are adopted on a modified accrual basis of accounting for all governmental funds. Budgets have been adopted for the General, Recreation, and Marguerite L. Storch Memorial Garden Funds.

All budgets are prepared based on the annual fiscal year of the District.

Budget amounts are as originally adopted or as amended by the District Board of Commissioners.

The financial schedules report management's operating budget in the columns titled original budget and final budget for the General, Recreation, and Marguerite L. Storch Memorial Garden Funds.

2. EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following schedule reports the appropriations, operating budgets, and actual expenditures/expenses (excluding depreciation) by fund:

Fund	Final Appropriations	Final Operating Budget	Actual
General	\$ 186,408	\$ 181,408	\$ 186,889
Recreation	260,442	255,442	245,304
Marguerite L. Storch Memorial Garden	-	30,000	19,247

MAJOR GOVERNMENTAL FUNDS

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended May 31, 2006

	Original and Final Budget	Actual
GENERAL GOVERNMENT		
Personnel		
Salaries - regular	\$ 69,153	\$ 72,049
Overtime	1,000	830
Part-time salaries	3,500	9,147
Total personnel	73,653	82,026
BENEFITS		
Medical	11,879	10,164
Dental	970	486
Life insurance	125	115
Other	15,665	13,927
Total benefits	28,639	24,692
CONTRACTUAL SERVICES		
Insurance	12,675	13,339
Utilities	5,500	7,388
Audit	5,200	7,375
Legal	2,000	1,429
Printing and publishing	750	935
Telephone	700	800
Cellular phone service	550	452
Internet services	380	574
Postage	250	19
Dues, memberships, and subscriptions	200	-
Repairs and maintenance	2,500	1,893
Equipment rental	150	-
Waste removal	750	99
Tree removal	4,000	4,450
Total contractual services	35,605	38,753
COMMODITIES		
Office supplies	250	441
Other supplies	5,500	6,127
Building repairs	750	1,213
Building supplies	1,000	999
Uniforms	850	755
Garden and landscaping supplies	6,000	4,530
Chemicals and fertilizers	800	1,113
Fuel	3,486	4,100
Recruitment and training	450	181
Other	250	660
Total commodities	19,336	20,119
CAPITAL OUTLAY	24,175	21,299
TOTAL EXPENDITURES	\$ 181,408	\$ 186,889

(See independent auditor's report.)

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
RECREATION FUND

For the Year Ended May 31, 2006

	Original and Final Budget	Actual
GENERAL GOVERNMENT		
Personnel		
Salaries - regular	\$ 69,153	\$ 72,049
Overtime	500	-
Part-time salaries	89,500	87,480
Total personnel	159,153	159,529
BENEFITS		
Medical	11,879	14,110
Dental	970	486
Life insurance	125	115
Other	15,665	17,553
Total benefits	28,639	32,264
CONTRACTUAL SERVICES		
Utilities	2,500	-
Legal	1,000	-
Postage	250	-
Dues, memberships, and subscriptions	19,900	19,125
Total contractual services	23,650	19,125
COMMODITIES		
Other supplies	2,000	1,916
Uniforms	500	-
Chemicals and fertilizers	1,000	656
Total commodities	3,500	2,572
OTHER		
Basketball league expense	8,000	6,136
Summer program expense	15,000	8,242
Football program expense	2,500	3,500
T-ball program expense	-	41
Miscellaneous	2,000	-
Total other	27,500	17,919
CAPITAL OUTLAY	13,000	13,895
TOTAL EXPENDITURES	\$ 255,442	\$ 245,304

(See independent auditor's report.)

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MARGUERITE L. STORCH MEMORIAL GARDEN FUND

For the Year Ended May 31, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Investment income	\$ 37,500	\$ 24,136
Total revenues	<u>37,500</u>	<u>24,136</u>
EXPENDITURES		
Capital outlay		
Beautification projects	<u>30,000</u>	<u>19,247</u>
Total expenditures	<u>30,000</u>	<u>19,247</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 7,500</u></u>	4,889
FUND BALANCE, JUNE 1		<u>1,052,694</u>
FUND BALANCE, MAY 31		<u><u>\$ 1,057,583</u></u>

(See independent auditor's report.)

OTHER SUPPLEMENTAL INFORMATION

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

SUMMARY OF REVENUES BY SOURCE*

Last Ten Fiscal Years

Year	Total	Property Taxes	Replacement Income Tax	Village House Rentals	Village Property Maintenance	Summer Program Fees	Athletic Program Fees	Contributions	Investment Income	Miscellaneous
1997	\$ 310,284	\$ 234,677	\$ 2,800	\$ 1,200	\$ 3,996	\$ 47,862	\$ -	\$ -	\$ 11,422	\$ 8,327
1998	325,381	243,875	3,019	1,250	3,996	40,835	-	-	12,017	20,389
1999	271,516	242,378	3,089	1,000	3,996	-	-	-	9,727	11,326
2000	325,148	248,945	3,485	1,150	2,995	45,912	-	-	13,296	9,365
2001	418,215	256,871	3,248	750	4,000	67,540	8,100	45,955	15,704	16,047
2002	368,473	263,581	2,834	1,025	4,000	56,160	8,835	-	7,360	24,678
2003	406,949	267,914	2,430	1,235	4,000	99,255	9,330	-	4,521	18,264
2004	414,488	275,494	1,945	1,007	4,000	104,895	15,730	-	4,036	7,381
2005	468,090	300,903	2,084	1,148	4,000	131,920	18,215	-	7,079	2,741
2006	491,458	310,045	4,892	1,050	4,000	121,000	10,890	300	38,349	932

* General, Special Revenue, and Permanent Funds

(See independent auditor's report.)

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

SUMMARY OF EXPENDITURES BY OBJECT*

Last Ten Fiscal Years

Year	Total	Salaries and Wages	Illinois Municipal Retirement Contributions	Audit	Insurance	Special Recreation Program	Athletic Program	Skating Rink	Administrative	Capital Outlay
1997	\$ 273,291	\$ 146,210	\$ 21,949	\$ 3,756	\$ 12,300	\$ 10,103	\$ 10,099	\$ 4,419	\$ 62,490	\$ 1,965
1998	327,598	153,671	24,391	3,822	12,206	10,305	8,147	2,618	93,603	18,835
1999	282,945	124,163	26,862	3,852	12,369	15,984	7,669	766	79,708	11,572
2000	332,309	184,790	36,902	4,475	13,279	10,878	13,440	1,158	39,449	27,938
2001	390,801	183,844	34,360	4,975	14,294	11,131	6,041	-	90,026	46,130
2002	384,514	214,936	38,102	3,850	8,478	11,944	14,652	-	60,093	32,459
2003	388,599	216,089	40,237	4,450	6,353	13,933	19,888	-	53,827	33,822
2004	418,706	246,292	36,741	4,945	10,339	16,178	23,828	-	35,767	44,616
2005	450,218	228,349	36,545	4,875	11,176	19,727	26,925	-	59,593	63,028
2006	451,440	267,031	31,480	7,375	13,339	8,242	9,677	-	59,855	54,441

* General, Special Revenue, and Permanent Funds

(See independent auditor's report.)

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
ASSESSED VALUATION	\$ 273,129,153	\$ 256,846,026	\$ 201,567,586	\$ 195,696,685	\$ 182,970,392	\$ 142,378,099	\$ 144,363,406	\$ 139,972,750	\$ 123,272,827	\$ 123,554,839
TAX RATE										
Corporate Fund	0.0438	0.0439	0.0543	0.0551	0.0570	0.0710	0.0687	0.0755	0.0860	0.0813
Recreation Fund	0.0472	0.0483	0.0533	0.0460	0.0481	0.0606	0.0583	0.0602	0.0604	0.0576
Illinois Municipal Retirement Fund	0.0116	0.0128	0.0185	0.0199	0.0173	0.0210	0.0226	0.0165	0.0196	0.0183
Liability, Workmen's Compensation, and Unemployment Insurance Fund	0.0048	0.0048	0.0056	0.0085	0.0138	0.0173	0.0138	0.0148	0.0193	0.0218
Audit Fund	0.0019	0.0020	0.0024	0.0023	0.0025	0.0029	0.0027	0.0027	0.0034	0.0034
Special Recreation Fund	0.0067	0.0071	0.0074	0.0066	0.0071	0.0083	0.0080	0.0076	0.0084	0.0082
TOTAL TAX RATE	0.1160	0.1189	0.1415	0.1384	0.1458	0.1811	0.1741	0.1773	0.1971	0.1906
TAX EXTENSIONS										
Corporate Fund	\$ 119,630	\$ 112,807	\$ 109,488	\$ 107,900	\$ 104,300	\$ 101,100	\$ 99,200	\$ 105,679	\$ 106,000	\$ 100,401
Recreation Fund	128,916	124,032	107,480	90,100	88,100	86,300	84,200	84,263	74,501	71,200
Illinois Municipal Retirement Fund	31,682	32,785	37,255	39,000	31,589	29,900	32,600	23,095	24,200	22,600
Liability, Workmen's Compensation, and Unemployment Insurance Fund	13,108	12,234	11,299	16,600	25,200	24,700	19,899	20,714	23,800	26,900
Audit Fund	5,189	5,100	4,828	4,500	4,500	4,100	3,899	3,779	4,200	4,200
Special Recreation Fund	18,360	18,360	15,000	12,995	12,995	11,800	11,499	10,637	10,400	10,100
TOTAL TAX EXTENSIONS	\$ 316,885	\$ 305,318	\$ 285,350	\$ 271,095	\$ 266,684	\$ 257,900	\$ 251,297	\$ 248,167	\$ 243,101	\$ 235,401
COLLECTIONS	\$ 147,091	\$ 293,677	\$ 292,354	\$ 269,865	\$ 258,006	\$ 267,714	\$ 252,451	\$ 247,716	\$ 242,431	\$ 235,246
PERCENTAGE OF EXTENSIONS COLLECTED	46.42%	96.19%	102.45%	99.55%	96.75%	103.81%	100.46%	99.82%	99.72%	99.93%

(See independent auditor's report.)

**KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS**

COMPUTATION OF LEGAL DEBT MARGIN

May 31, 2006

	<u>Legal Debt Margin With Referendum</u>
EQUALIZED ASSESSED VALUATION 2005 - (latest available)	<u>\$ 273,129,153</u>
STATUTORY DEBT LIMITATION 2.875% of assessed valuation	<u>\$ 7,852,463</u>
LEGAL DEBT MARGIN	<u>\$ 7,852,463</u>

(See independent auditor's report.)