

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended
May 31, 2009

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, 2009

Thomas Feeney - President

BOARD OF COMMISSIONERS

Jason Hanold

Heidi Higgins

Richmond Kenyon

Richard Peterson

Richard Cooper - Treasurer

Bradly Burke - Secretary

ADMINISTRATIVE OFFICES

419 Richmond Road
Kenilworth, Illinois 60043

(847) 251-1666



998 Corporate Boulevard • Aurora, IL 60502

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, Kenilworth Illinois, as of and for the year ended May 31, 2009, which collectively comprise the Kenilworth Park District, Kenilworth Illinois' basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Kenilworth Park District, Kenilworth 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, Kenilworth Illinois, as of May 31, 2009, 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, Kenilworth Illinois' basic financial statements. The individual fund schedules 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 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 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 "Schibler".

Aurora, Illinois
October 9, 2009

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

Kenilworth Park District

Management's Discussion and Analysis

May 31, 2009

This section of the Kenilworth Park District's (the "Park District") Annual Financial Report (AFR) presents Management's Discussion and Analysis (MD&A) of the Park District's financial activities during the fiscal year ended May 31, 2009. It is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Park District's financial activity, (3) identify changes in the Park District's financial position (its ability to address subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify fund issues or concerns. This narrative is offered as a means to allow the reader a better understanding of the accompanying financial statements.

Financial Highlights

- The assets of the Kenilworth Park District exceeded its liabilities at the close of the most recent fiscal year by \$1,964,680 (*net assets*). Of this amount, \$409,574 (*unrestricted net assets*) may be used to meet the Park District's ongoing obligations to citizens and creditors.
- The Park District's total net assets decreased by \$6,856 or .35% during the fiscal year ending May 31, 2009. This is primarily due to the reduction of the valuation of the investments held in the Marguerite L. Storch Memorial Garden fund.

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 Statements

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, in a manner similar to a private-sector business. This is done by consolidating all of the Park District's financial activity into one set of financial statements.

(See independent auditors report)

The *statement of net assets* (page 3) presents information on all of the Park District's assets and liabilities, with the difference between the two reported as *net assets*. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Park District governmental activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Kenilworth Park District is improving or deteriorating.

The *statement of activities* (page 4) presents information showing how the Park District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave) and is focused on both the gross and net cost of various activities, which are supported by the Park District's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services.

Governmental Activities reflect the Park District's basic services, including recreation, and general administration. Property taxes finance the majority of these activities for general administration. Property taxes and charges for recreation services finance the recreation fund.

Fund Financial Statements

The fund financial statements begin on page 5 and run through page 8. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Kenilworth Park District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on major funds, rather than fund types.

Governmental Funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, 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 a government'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 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 this comparison between *governmental funds* and *governmental activities*.

Notes to the Financial Statements

The notes to the financial statements provide information essential to the full understanding of the data provided in the Government-Wide and Fund Financial Statements. These notes to the financial statements can be found immediately following the Basic Financial Statements section of this report beginning on page 9.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including the budgetary information and a schedule reporting the appropriation, operating budgets and actual expenditures/expenses by fund. Required supplementary information can be found immediately following the notes to the financial statements beginning on page 24. Supplemental Schedules begin on page 30.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Kenilworth Park District's assets exceeded its liabilities by \$1,964,680 as of May 31, 2009.

By far the largest portion of the Kenilworth Park District's net assets (79.15%) reflects its reserve and restricted funds. This number includes assets reserved and restricted in a formal trustee agreement (Marguerite L. Storch Memorial Garden Trust Fund) for beautification projects in the amount of \$1,160,323.

The two largest components of the Park District's unreserved assets are its pooled cash of \$600,601, and its capital assets which stand at \$300,092.

The Kenilworth Park District uses the capital assets (15.27%) to provide services to citizens; consequently, these assets are not available for future spending. Non-current liabilities as of the year end are \$25,950. These non-current liabilities include compensated absences earned by employees.

Kenilworth Park District's Net Assets

	Governmental Activities	
	Fiscal Year 2009	Fiscal Year 2008
Assets:		
Current and Other Assets:	1,979,403	1,987,762
Capital Assets:	300,092	320,355
Total Assets:	2,279,495	2,308,117
Liabilities:		
Current Liabilities:	288,865	314,447
Non-Current Liabilities:	25,950	22,134
Total Liabilities:	314,815	336,581
Net Assets:		
Invested in Capital Assets,	300,092	320,355
Restricted:	1,255,014	1,265,099
Unrestricted:	409,574	386,082
Total Net Assets:	1,964,680	1,971,536

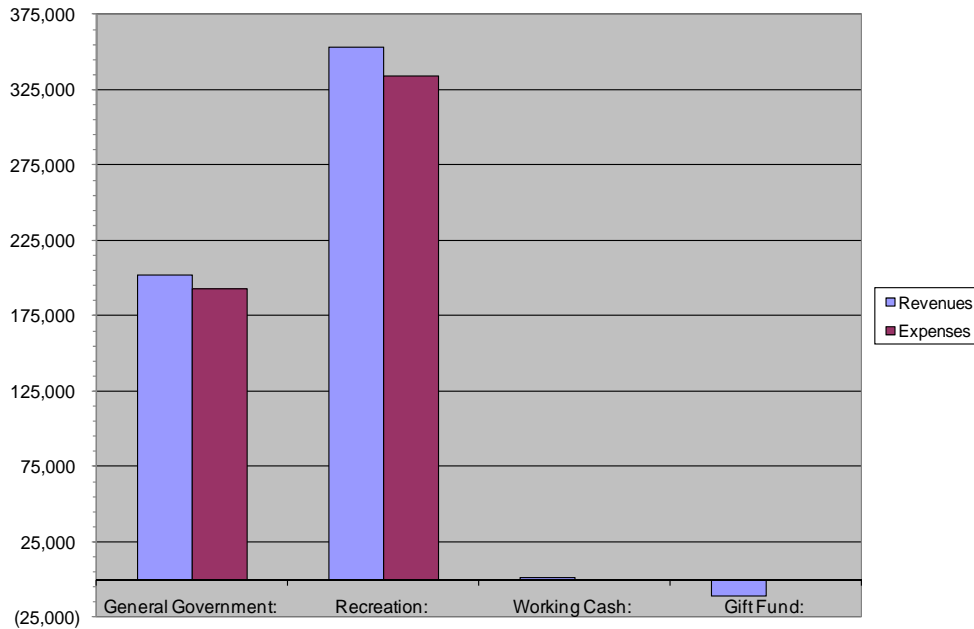
(See independent auditors report)

Governmental activities: Governmental activities decreased the Kenilworth Park District's net assets by \$6,856. While property tax revenue did increase, other revenue sources showed a greater decrease for fiscal year 2009 resulting in a reduction in net assets. Key elements of this net decrease of \$6,856 are as follows:

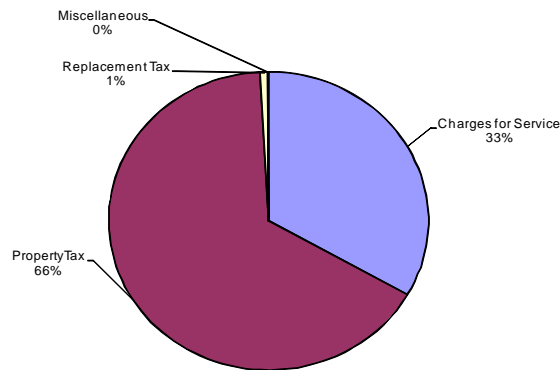
Kenilworth Park District's Change in Net Assets

		Governmental Activities	
		Fiscal Year 2009	Fiscal Year 2008
Revenues:			
Charges for Service:	183,151	191,168	
Property Taxes:	362,473	336,221	
Replacement Tax:	4,414	5,035	
Investment Income:	(5,704)	77,638	
Miscellaneous:	592	2,342	
Grants & Contributions:	0	7,829	
Total Revenues:	544,926	620,233	
Expenses:			
General Government:	184,982	215,974	
Recreation:	366,800	319,505	
Total Expenses:	551,782	535,479	
Change in Net Assets:	(6,856)	84,754	
Net Assets June 1:	1,971,536	1,886,782	
Net Assets, May 31:	1,964,680	1,971,536	

Expenses and Program Revenues – FY 2009



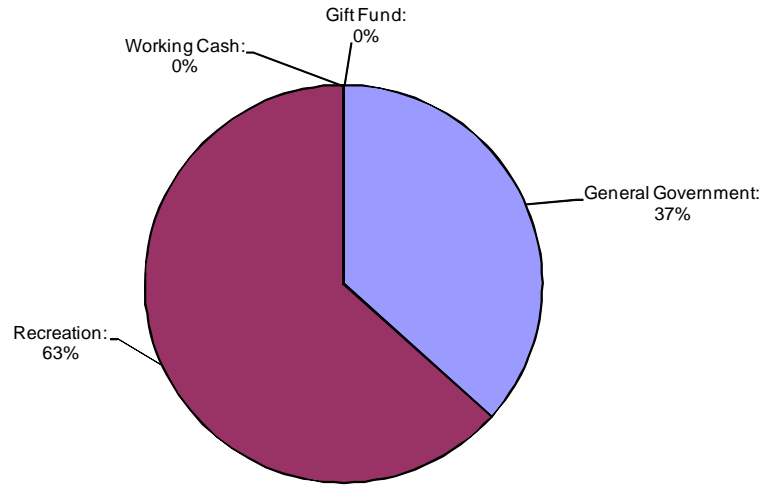
Revenue by Source– FY 2009



For the fiscal year ended May 31, 2009, revenues from Governmental Activities totaled \$544,926. During the fiscal year, property tax continued to be the Park District's largest revenue source coming in at \$362,473 and representing 66.52% of total Governmental Activity revenue.

The Park District increased its property tax revenues from \$336,221 in Fiscal Year 2008 to \$362,473 in Fiscal Year 2009, an increase of \$26,252 or 7.81%. The Park District experienced an increase in its equalized assessed valuation (EAV) from \$361,536,274 for the 2007 property tax year to \$374,813,452 for the 2008 property tax year, an increase of \$13,277,178 or 3.67%. The majority of this increase can be attributed to Cook County's triennial reassessment in 2007.

Expenses by Function – 2009



For the fiscal year ended May 31, 2009, expenses from Governmental Activities totaled \$551,782 or an increase from FY 2008 of \$16,303 (3.04%).

Fund Financial Statement Analysis

As noted earlier, the Kenilworth Park District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Kenilworth Park District has four governmental funds. These funds are displayed on the balance sheet, found on page 5.

Governmental Funds: The focus of the Kenilworth Park District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Kenilworth Park District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. 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 more than expenditures in the amount of \$8,530. While revenues were up by nearly .66% (\$201,751 this year versus \$200,434 last year), expenditures also increased by 4.39% (\$193,221 this year versus \$185,103 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 were greater than expenditures in the amount of \$19,202. While revenues were up by nearly .27% (\$353,260 versus \$352,326), expenditures decreased by 5.82% (\$334,058 versus \$354,695).

(See independent auditors report)

Providing some detail with respect to revenues and expenditures, total revenues from all funds were below budgeted levels by 3.55%, which is due in large part to the unrealized loss from investments in the Gift Fund. Revenues for the General Fund and Recreation Fund each exceeded the budgeted levels by 17.28% and .65% respectively. Total expenditures for all funds were below budget by .07%. Expenses for the General Fund were 4.26% below budgeted levels. The Recreation Fund exceeded budgeted levels by 6.05%, which is due in large part to higher than expected expenses for the Basketball and Football program.

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 \$1,099 from \$93,592 at June 1, 2008 to \$94,691 at May 31, 2009. 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 decreased by \$11,184 from \$1,171,507 at June 1, 2008 to \$1,160,323 at May 31, 2009. This decrease was due to an unrealized loss on investments.

Capital Assets

Governmental Capital Asset activity information is presented in Note 4. Net governmental capital assets decreased by \$20,263 due to the depreciation of current assets. The depreciation of current assets for the fiscal year was more than the amount of new capital added over the same period.

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 Secretary is responsible for preparing this section. Consequently, any questions regarding this narrative specifically, or the Park District's Annual Financial Report generally, may be addressed to the Park District Secretary/Park District Manager, Kenilworth Park District, 419 Richmond Road, Kenilworth, Illinois 60043.

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KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

STATEMENT OF NET ASSETS

May 31, 2009

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 600,601
Investments	1,142,926
Receivables (net, where applicable, of allowances for uncollectibles)	
Property taxes	200,245
Other	33,467
Prepaid expenses	2,164
Capital assets not being depreciated	107,557
Capital assets being depreciated, net of accumulated depreciation	<u>192,535</u>
 Total assets	 <u>2,279,495</u>
LIABILITIES	
Accounts payable	26,140
Deferred property taxes	182,367
Unearned revenue	77,475
Noncurrent liabilities - compensated absences	
Due within one year	2,883
Due in more than one year	<u>25,950</u>
 Total liabilities	 <u>314,815</u>
NET ASSETS	
Invested in capital assets	300,092
Restricted for	
Beautification projects	1,160,323
Working cash	94,691
Unrestricted	<u>409,574</u>
 TOTAL NET ASSETS	 <u><u>\$ 1,964,680</u></u>

See accompanying notes to financial statements.

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2009

		Program Revenues			Net (Expense) Revenue and Change in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
FUNCTIONS/PROGRAMS					
PRIMARY GOVERNMENT					
Governmental Activities					
General government	\$ 184,982	\$ 5,711	\$ -	\$ -	\$ (179,271)
Recreation	366,800	177,440	-	-	(189,360)
Total governmental activities	551,782	183,151	-	-	(368,631)
TOTAL PRIMARY GOVERNMENT	\$ 551,782	\$ 183,151	\$ -	\$ -	(368,631)
General Revenues					
Taxes					
Property					
					362,473
Replacement					
					4,414
Investment income					
					(5,704)
Miscellaneous					
					592
Total					361,775
CHANGE IN NET ASSETS					(6,856)
NET ASSETS, JUNE 1					1,971,536
NET ASSETS, MAY 31					\$ 1,964,680

See accompanying notes to financial statements.

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

May 31, 2009

	General	Recreation	Working Cash	Marguerite L. Storch Memorial Garden	Total
ASSETS					
Cash	\$ 36,627	\$ 451,886	\$ 94,691	\$ 17,397	\$ 600,601
Investments	-	-	-	1,142,926	1,142,926
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	105,730	94,515	-	-	200,245
Due from other funds	191	-	-	-	191
Due from nonprofit organization	5,007	-	-	-	5,007
Other receivables	28,460	-	-	-	28,460
Prepaid items	-	2,164	-	-	2,164
TOTAL ASSETS	\$ 176,015	\$ 548,565	\$ 94,691	\$ 1,160,323	\$ 1,979,594
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 6,245	\$ 19,895	\$ -	\$ -	\$ 26,140
Due to other funds	-	191	-	-	191
Deferred property taxes	96,290	86,077	-	-	182,367
Deferred revenue	-	77,475	-	-	77,475
Total liabilities	102,535	183,638	-	-	286,173
FUND BALANCES					
Reserved for prepaid items	-	2,164	-	-	2,164
Reserved for working cash	-	-	94,691	-	94,691
Reserved for beautification projects	-	-	-	1,160,323	1,160,323
Unreserved					
General Fund	73,480	-	-	-	73,480
Special Revenue Fund	-	362,763	-	-	362,763
Total fund balances	73,480	364,927	94,691	1,160,323	1,693,421
TOTAL LIABILITIES AND FUND BALANCES	\$ 176,015	\$ 548,565	\$ 94,691	\$ 1,160,323	\$ 1,979,594

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, 2009

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,693,421
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	300,092
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>(28,833)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,964,680</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, 2009

	General	Recreation	Working Cash	Marguerite L. Storch Memorial Garden	Total
REVENUES					
Taxes	\$ 195,218	\$ 171,670	\$ -	\$ -	\$ 366,888
Charges for services	5,710	177,440	-	-	183,150
Investment income	231	4,150	1,099	(11,184)	(5,704)
Other	592	-	-	-	592
Total revenues	201,751	353,260	1,099	(11,184)	544,926
EXPENDITURES					
Current					
General government	181,292	-	-	-	181,292
Recreation	-	328,939	-	-	328,939
Capital outlay	11,929	5,119	-	-	17,048
Total expenditures	193,221	334,058	-	-	527,279
NET CHANGE IN FUND BALANCES	8,530	19,202	1,099	(11,184)	17,647
FUND BALANCES, JUNE 1	64,950	345,725	93,592	1,171,507	1,675,774
FUND BALANCES, MAY 31	\$ 73,480	\$ 364,927	\$ 94,691	\$ 1,160,323	\$ 1,693,421

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, 2009

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 17,647
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	9,484
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	(29,747)
The change in compensated absences liability is reported as an expense on the statement of activities	<u>(4,240)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (6,856)</u></u>

See accompanying notes to financial statements.

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

May 31, 2009

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 interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The 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 is a special revenue fund that 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 a permanent fund that 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 a permanent fund that 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.

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” 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 financial statements 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 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 noncurrent 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.

Vested or accumulated vacation, compensatory and holiday time leave are reported as expenditures and fund liabilities of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation, compensatory and holiday time leave of governmental activities are recorded as an expense and liability of those funds as the benefits accrue to employees.

Compensated absences were \$24,593 at June 1, 2008 and increased \$4,240 to \$28,833 at May 31, 2009; \$2,883 is considered current at May 31, 2009.

Compensated absences have historically been retired by the General Fund.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Long-Term Obligations (Continued)

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

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. None of the District's net assets are restricted as a result of enabling legislation adopted by the District. 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.

l. Accounting Estimates

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

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

The District's investment policy authorizes the District to invest 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 and 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 participant's fair value). The District's investment policy does limit 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.

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'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 evidenced by a safekeeping agreement. At May 31, 2009, 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, 2009:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 91,927	\$ 91,927	\$ -	\$ -	\$ -
Negotiable CDs	1,033,704	466,861	566,843	-	-
TOTAL	\$ 1,125,631	\$ 558,788	\$ 566,843	\$ -	\$ -

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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 are rated AAA.

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 are not subject to custodial credit risk. The District's investment policy does not address 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's investment policy requires diversification of investments to avoid unreasonable risk.

3. PROPERTY TAXES

Property taxes for 2008 attach as an enforceable lien on January 1, 2008, 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, 2009 and August 1, 2009, and are payable in two installments, on or about March 1, 2009 and September 1, 2009. 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 2008 tax levy is intended to fund expenditures for one-half of fiscal year 2009, one-half of the 2008 tax levy has been recognized as revenue as of May 31, 2009 and one-half of the 2008 tax levy has been deferred as of May 31, 2009.

The 2009 tax levy, which attached as an enforceable lien on property as of January 1, 2009, has not been recorded as a receivable as of May 31, 2009 as the tax has not yet been levied by the District and will not be levied until December 2009 and, therefore, the levy is not measurable at May 31, 2009.

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

4. CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2009 was as follows:

	Balances June 1	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	168,401	-	-	168,401
Buildings and constructed assets	116,058	-	-	116,058
Machinery and equipment	100,319	9,484	-	109,803
Total capital assets being depreciated	384,778	9,484	-	394,262
Less accumulated depreciation for				
Land improvements	56,459	15,627	-	72,086
Buildings and constructed assets	60,568	1,796	-	62,364
Machinery and equipment	54,953	12,324	-	67,277
Total accumulated depreciation	171,980	29,747	-	201,727
Total capital assets being depreciated, net	212,798	(20,263)	-	192,535
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 320,355	\$ (20,263)	\$ -	\$ 300,092

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 1,245
Recreation	28,502
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 29,747</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, 2009 through January 1, 2010:

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company	Policy Number
Property/building/contents				PDRMA	PO70108
All losses per occurrence	\$ 1,000	\$ 1,000,000	\$1,000,000,000/all members	Reinsurers:	
All losses annual aggregate		\$ 3,000,000		Government	
Flood/except Zones A&V	\$ 1,000	\$ 100,000	\$250,000,000/occurrence/annual aggregate	Entities Mutual, Allied World Assurance Corp and others	
Flood, Zones A&V	\$ 1,000	\$ 250,000	\$200,000,000/occurrence/annual aggregate		
Earthquake shock	\$ 1,000	\$ 100,000	\$100,000,000/occurrence/annual aggregate		
Auto physical damage					
On/off premises comp.	\$ 1,000	\$ 250,000	Included		
On/off premises collision	\$ 1,000	\$ 1,000,000	Included		
Course of Construction/builders risk	\$ 1,000	Included	\$25,000,000		
Business interruption, Rental					
Income, tax income Combined	\$ 1,000		\$100,000,000/reported values \$500,000/\$2,500,000/non-reported values		
Service interruption	24 hours	N/A	\$10,000,000 Other sub-limits apply		
Boiler and machinery	\$ 1,000	\$ 9,000	\$100,000,000 equipment breakdown	Travelers Indemnity Co. of Illinois	BM210525L48
Property damage	48 hours	N/A	Property damage included		
Business income			Included Other sub-limits apply		
Fidelity/crime/surety	\$ 1,000	\$ 24,000	\$2,000,000	National Union	14236983
Seasonal employees	\$ 1,000	\$ 9,000	\$1,000,000	Fire Insurance Co.	
Blanket bond	\$ 1,000	\$ 24,000	\$2,000,000		
Workers' compensation	N/A	\$ 500,000 \$ 500,000	Statutory \$3,500,000 employers' liability	PDRMA Reinsurers: Government Entities Mutual, Safety National Casualty Corp	WC010109 GEM-0003- A09001 SP-2T75-IL

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

5. RISK MANAGEMENT (Continued)

a. Property, Casualty and Liability (Continued)

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company	Policy Number
General liability	None	\$ 500,000	\$16,500,000 per occurrence, annual aggregate	PDRMA	
Auto liability	None	Included	Included	Reinsurers: Government Entities Mutual,	L010109 GEM-003- A09001
Employment practices	None	Included	\$16,500,000 per occurrence, annual aggregate		926659(Binder#)
Public officials' liability	None	Included	Annual aggregate per member	Everest	71RE200001-
Law enforcement liability	None	Included	Included	Reinsurance Co.	091
Uninsured/underinsured Motorists	None	Included	\$1,000,000 per occurrence		
Pollution liability					
Liability - third party	None	\$ 25,000	\$5,000,000 per occurrence	XL	PEC 0025358
Property - first party	\$ 1,000	\$ 24,000	\$10,000,000 general aggregate	Environmental Insurance	

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the Kenilworth Park District.

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.

5. RISK MANAGEMENT (Continued)

a. Property, Casualty and Liability (Continued)

Since 91% 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 P.O. Box 4320, Wheaton, Illinois 60187.

b. Health Care

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

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, quasi governmental 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. While the District does not have its own appointed member on the Board, it is represented by the Village's representative. Each member is entitled to one vote.

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

For the year ended April 30, 2009, NSEBC had total equity of \$5,265,511. The District's total payments for the year ended May 31, 2009 were \$34,042.

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 \$32,717 to the NSSRA during the current fiscal year.

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

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.

Separate financial statements for the NSSRA can be obtained from the NSSRA's administrative offices located at 3105 MacArthur Boulevard, Northbrook, Illinois 60062.

7. RETIREMENT FUND COMMITMENTS

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 2008 was 9.40% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

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

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

For December 31, 2008, the District's annual pension cost of \$15,345 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2006 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, 2006 was 24 years.

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
2006	\$ 16,020	100.00%	\$ -
2007	15,924	100.00%	-
2008	15,345	100.00%	-

Funded Status and Funding Progress

The funded status and funding progress of the plan as of May 31, 2009 was as follows:

Actuarial accrued liability (AAL)	\$ 678,295
Actuarial value of plan assets	474,189
Unfunded actuarial accrued liability (UAAL)	204,106
Funded ratio (actuarial value of plan assets/AAL)	69.91%
Covered payroll (active plan members)	\$ 163,243
UAAL as a percentage of covered payroll	125.03%

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

8. INDIVIDUAL FUND DISCLOSURES

Due from/to Other Funds

Receivable Fund	Payable Fund	Amount
General	Recreation	\$ 191
All amounts are expected to be repaid within one year		<u>\$ 191</u>

9. 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.

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, 2009

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 162,219	\$ 190,804
Replacement taxes	4,000	4,414
Village house rentals	1,200	1,710
Village property maintenance	4,000	4,000
Investment income	600	231
Miscellaneous	-	592
Total revenues	172,019	201,751
EXPENDITURES		
General government		
Personnel	88,150	89,318
Benefits	28,760	30,347
Contractual services	45,775	38,448
Commodities	26,720	23,179
Capital outlay	12,410	11,929
Total expenditures	201,815	193,221
NET CHANGE IN FUND BALANCE	\$ (29,796)	8,530
FUND BALANCE, JUNE 1		64,950
FUND BALANCE, MAY 31		\$ 73,480

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 184,474	\$ 171,670
Recreation program fees	159,000	177,440
Investment income	7,500	4,150
	350,974	353,260
EXPENDITURES		
Recreation		
Personnel	181,800	181,289
Benefits	35,535	36,492
Contractual services	38,350	41,938
Commodities	5,300	5,032
Other	43,100	64,188
Capital outlay	11,000	5,119
	315,085	334,058
NET CHANGE IN FUND BALANCE	\$ 35,889	19,202
FUND BALANCE, JUNE 1		345,725
FUND BALANCE, MAY 31		\$ 364,927

(See independent auditor's report.)

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

May 31, 2009

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)
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%
2006	515,957	545,735	94.54%	29,778	148,201	20.09%
2007	585,154	614,866	95.17%	29,712	157,974	18.81%
2008	474,189	678,295	69.91%	204,106	163,243	125.03%

(See independent auditor's report.)

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

May 31, 2009

<u>Calendar Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2003	\$ 22,922	100%
2004	17,221	100%
2005	13,840	100%
2006	16,020	100%
2007	15,924	100%
2008	15,345	100%

(See independent auditor's report.)

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

May 31, 2009

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 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, Working Cash 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. COMPARISON OF ACTUAL EXPENDITURES TO BUDGET/APPROPRIATIONS IN INDIVIDUAL FUNDS

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

Fund	Final Appropriations	Final Operating Budget	Actual
General	\$ 206,815	\$ 201,815	\$ 193,221
Recreation	320,085	315,085	334,058
Working Cash	-	-	-
Marguerite L. Storch Memorial Garden	-	10,000	-

MAJOR GOVERNMENTAL FUNDS

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended May 31, 2009

	Original and Final Budget	Actual
GENERAL GOVERNMENT		
Personnel		
Salaries - regular	\$ 81,300	\$ 83,029
Overtime	1,000	645
Part-time salaries	5,850	5,644
Total personnel	<u>88,150</u>	<u>89,318</u>
BENEFITS		
Medical	13,900	14,137
Dental	960	984
Life insurance	175	153
Other	13,725	15,073
Total benefits	<u>28,760</u>	<u>30,347</u>
CONTRACTUAL SERVICES		
Insurance	12,700	13,090
Utilities	7,200	7,071
Audit	5,400	5,450
Legal	1,500	580
Printing and publishing	800	558
Telephone	950	959
Cellular phone service	1,125	1,118
Internet services	650	549
Outside maintenance services	700	618
Postage	200	97
Professional services	5,600	-
Repairs and maintenance	3,000	2,534
Equipment rental	350	160
Waste removal	600	639
Tree removal	5,000	5,025
Total contractual services	<u>45,775</u>	<u>38,448</u>
COMMODITIES		
Office supplies	250	238
Other supplies	6,000	4,591
Building repairs	750	688
Building supplies	1,000	749
Uniforms	500	610
Auto allowance	4,800	4,800
Garden and landscaping supplies	6,000	4,236
Chemicals and fertilizers	700	687
Fuel	5,500	4,505
Recruitment and training	600	189
Other	620	1,886
Total commodities	<u>26,720</u>	<u>23,179</u>
CAPITAL OUTLAY		
	<u>12,410</u>	<u>11,929</u>
TOTAL EXPENDITURES	<u>\$ 201,815</u>	<u>\$ 193,221</u>

(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, 2009

	Original and Final Budget	Actual
GENERAL GOVERNMENT		
Personnel		
Salaries - regular	\$ 81,300	\$ 81,306
Overtime	1,200	645
Part-time salaries	99,300	99,338
Total personnel	181,800	181,289
BENEFITS		
Medical	13,900	14,137
Dental	960	984
Life insurance	175	152
Other	20,500	21,219
Total benefits	35,535	36,492
CONTRACTUAL SERVICES		
Insurance	900	821
Utilities	1,000	470
Legal	1,000	58
Printing and publishing	200	-
Postage	250	200
Dues, memberships and subscriptions	25,000	32,717
Professional services	10,000	7,644
Miscellaneous services	-	28
Total contractual services	38,350	41,938
COMMODITIES		
Other supplies	2,000	1,951
Uniforms	500	462
Recruitment and training	100	20
Chemicals and fertilizers	700	700
Miscellaneous	2,000	1,899
Total commodities	5,300	5,032
OTHER		
Basketball league expense	6,500	30,585
Summer program expense	12,500	11,978
Football program expense	5,500	9,200
Lacrosse program expense	18,000	12,052
T-ball program expense	600	373
Total other	43,100	64,188
CAPITAL OUTLAY	11,000	5,119
TOTAL EXPENDITURES	\$ 315,085	\$ 334,058

(See independent auditor's report.)

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

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

For the Year Ended May 31, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES		
Investment income	\$ 2,000	\$ 1,099
Total revenues	<u>2,000</u>	<u>1,099</u>
EXPENDITURES		
None	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,000</u>	<u>1,099</u>
OTHER FINANCING SOURCES (USES)		
Transfers (Out)	<u>(25,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (23,000)</u></u>	1,099
FUND BALANCE, JUNE 1		<u>93,592</u>
FUND BALANCE, MAY 31		<u><u>\$ 94,691</u></u>

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Investment income	\$ 40,000	\$ (11,184)
Total revenues	<u>40,000</u>	<u>(11,184)</u>
EXPENDITURES		
Capital outlay		
Beautification projects	<u>10,000</u>	<u>-</u>
Total expenditures	<u>10,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 30,000</u>	(11,184)
FUND BALANCE, JUNE 1		<u>1,171,507</u>
FUND BALANCE, MAY 31		<u>\$ 1,160,323</u>

(See independent auditor's report.)

OTHER 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
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
2007	583,526	322,473	4,568	1,250	4,000	129,830	22,632	-	98,553	220
2008	620,233	336,221	5,035	1,150	4,000	128,700	57,318	-	77,638	10,171
2009	544,926	362,474	4,414	1,710	4,000	128,700	48,740	-	(5,704)	592

* 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
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
2007	451,709	270,323	34,744	5,000	12,323	10,751	15,520	-	70,592	32,456
2008	565,196	291,325	36,057	5,200	12,137	8,405	32,805	-	83,765	95,502
2009	527,279	301,154	36,292	5,450	13,911	11,978	52,210	-	89,236	17,048

* General, Special Revenue and Permanent Funds

(See independent auditor's report.)

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
ASSESSED VALUATION	\$ 374,813,452	\$ 361,536,274	\$ 273,102,828	\$ 273,129,153	\$ 256,846,026	\$ 201,567,586	\$ 195,696,685	\$ 182,970,392	\$ 142,378,099	\$ 144,363,406
TAX RATE										
Corporate Fund	0.0372	0.0367	0.0464	0.0438	0.0439	0.0543	0.0551	0.0570	0.0710	0.0687
Recreation Fund	0.0397	0.0392	0.0496	0.0472	0.0483	0.0533	0.0460	0.0481	0.0606	0.0583
Illinois Municipal Retirement Fund	0.0093	0.0092	0.0122	0.0116	0.0128	0.0185	0.0199	0.0173	0.0210	0.0226
Liability, Workmen's Compensation and Unemployment Insurance Fund	0.0038	0.0038	0.0050	0.0048	0.0048	0.0056	0.0085	0.0138	0.0173	0.0138
Audit Fund	0.0016	0.0015	0.0019	0.0019	0.0020	0.0024	0.0023	0.0025	0.0029	0.0027
Special Recreation Fund	0.0067	0.0065	0.0072	0.0067	0.0071	0.0074	0.0066	0.0071	0.0083	0.0080
TOTAL TAX RATE	0.0983	0.0969	0.1223	0.1160	0.1189	0.1415	0.1384	0.1458	0.1811	0.1741
TAX EXTENSIONS										
Corporate Fund	\$ 139,430	\$ 132,683	\$ 126,719	\$ 119,630	\$ 112,807	\$ 109,488	\$ 107,900	\$ 104,300	\$ 101,100	\$ 99,200
Recreation Fund	148,800	141,722	135,459	128,916	124,032	107,480	90,100	88,100	86,300	84,200
Illinois Municipal Retirement Fund	34,857	33,261	33,318	31,682	32,785	37,255	39,000	31,589	29,900	32,600
Liability, Workmen's Compensation and Unemployment Insurance Fund	14,242	13,737	13,653	13,108	12,234	11,299	16,600	25,200	24,700	19,899
Audit Fund	5,997	5,423	5,188	5,189	5,100	4,828	4,500	4,500	4,100	3,899
Special Recreation Fund	25,092	23,397	19,645	18,360	18,360	15,000	12,995	12,995	11,800	11,499
TOTAL TAX EXTENSIONS	\$ 368,418	\$ 350,223	\$ 333,982	\$ 316,885	\$ 305,318	\$ 285,350	\$ 271,095	\$ 266,684	\$ 257,900	\$ 251,297
COLLECTIONS	\$ 164,489	\$ 344,948	\$ 329,587	\$ 317,061	\$ 293,677	\$ 292,354	\$ 269,865	\$ 258,006	\$ 267,714	\$ 252,451
PERCENTAGE OF EXTENSIONS COLLECTED	44.65%	98.49%	98.68%	100.06%	96.19%	102.45%	99.55%	96.75%	103.81%	100.46%

(See independent auditor's report.)

KENILWORTH PARK DISTRICT
KENILWORTH, ILLINOIS

COMPUTATION OF LEGAL DEBT MARGIN

May 31, 2009

	<u>Legal Debt Margin With Referendum</u>
EQUALIZED ASSESSED VALUATION 2008 - (latest available)	<u>\$ 374,813,452</u>
STATUTORY DEBT LIMITATION 2.875% of assessed valuation	<u>\$ 10,775,887</u>
LEGAL DEBT MARGIN	<u>\$ 10,775,887</u>

(See independent auditor's report.)