

WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
Year Ended April 30, 2017

Prepared By:
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Finance Manager
Washington Park District

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STEVEN D.
GREIM & COMPANY P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the District Board of Commissioners
Washington Park District
Tazewell County, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Washington Park District, Tazewell County, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statement which, collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Washington Park District, Tazewell County, Illinois, as of April 30, 2017, and the respective changes in modified cash basis financial position for the year then ended in accordance with modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting that other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplemental Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2018, on our consideration of the Washington Park District, Washington, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Park District's internal control over financial reporting and compliance.

Steven D. Greim + Company, P.C.

Steven D. Greim & Company, P.C.

Peoria, Illinois

January 17, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Washington Park District's financial performance provides a narrative overview and analysis of the District's financial activities for the year ended April 30, 2017. Please read it in conjunction with the District's financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Washington Park District's basic financial statements. The basic financial statements are comprised of four primary components: 1) government-wide financial statements, 2) a discretely presented component unit, 3) fund financial statements, and 4) notes to the financial statements. The basic financial statements include two kinds of statements that present different views of the District.

Government-Wide Financial Statements

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status, which is similar to the accounting used by most private-sector companies.

In the government-wide financial statements, we report governmental activities and a discretely presented component unit:

Governmental activities – Most of the District's basic services are reported here, including general administration, recreational activities, and concessions. Property taxes, state replacement taxes, and charges for services finance most of these activities.

Discretely presented component unit – The District is the only beneficiary for various park district projects of the Washington Park District Foundation, which is a 501(c)3 Organization, whose mission is to support the Washington Park District.

The Statement of Net Position and the Statement of Activities report information about the District and its activities as a whole. These statements include all assets and liabilities using the modified cash basis of accounting, which is a special purpose framework.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base and the condition of the District's buildings, shelters, equipment, parks and trails to assess the overall health of the District.

Fund Financial Statements

The fund financial statements begin on page 10 and provide detailed information about the District's funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law and by bond covenants.

Governmental funds – Most of the District's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified cash basis of accounting, a special purpose framework, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in reconciliation at the bottom of the fund financial statements.

As of April 30, 2017, the Washington Park District's Corporate fund reported an ending fund balance of \$56,079, an increase of \$4,538 in comparison with the prior year, \$51,541. This amount constitutes unassigned fund balance, which is available to spend at the District's discretion. Other governmental funds combined fund balances totaled \$816,930.

General Fund Budget Highlights

The District budgets conservatively. Revenues are budgeted based on historic trends. Expenditures are budgeted based on the previously adopted levy.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator over time of the District's financial position. As of April 30, 2017, assets exceeded liabilities by \$2,463,327 up from the prior year by \$420,536. The District's largest net position group is invested in capital assets, net of debt, \$2,015,228 (81.8%). These assets are used to provide services to the citizens and therefore are not available for future spending. The unrestricted net position of (\$240,349) in 2017 and (\$460,410) in 2016 was primarily due to the annual general obligation bond that was used for operating purposes and not to procure capital assets. Therefore, it was included in unrestricted net position instead of in the capital assets, net of debt component.

Net assets are summarized in the table below:

Condensed Statement of Net Position as of April 30, 2017 and 2016

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Assets:		
Current and other assets	\$ 875,250	\$ 799,317
Capital Assets	4,113,711	3,975,650
Total Assets	<u>4,988,961</u>	<u>4,774,967</u>
Liabilities:		
Current Liabilities	658,180	645,389
Non-current Liabilities	1,867,544	2,086,877
Total liabilities	<u>2,525,724</u>	<u>2,732,266</u>
Net Position:		
Investments in capital assets, net of debt	2,015,228	1,666,309
Restricted	688,358	836,802
Unrestricted	(240,349)	(460,410)
Total Net Position	<u>\$ 2,463,237</u>	<u>\$ 2,042,701</u>

Current assets consist of cash and concession stand inventory.

The District's largest asset group is its capital assets. This includes buildings, equipment, vehicles, land, and trails.

Current liabilities consist of current portion of long-term debt and payroll taxes and IMRF withholding not yet remitted.

General obligation bonds and capital lease obligations constitute the District's long-term liabilities.

The discretely presented component unit is not included in the above totals.

Governmental activities increased the Washington Park District's net position by \$420,536. Revenues, expenses, and changes in net position are summarized in the table below:

**Condensed Statement of Activities
For Fiscal Years Ending April 30, 2017 and 2016**

	Governmental Activities	
	2017	2016
Revenues:		
Program:		
Charges for services	\$ 1,289,918	\$ 1,116,480
Grants & Contributions	212,016	96,451
General:		
Property & other taxes	1,324,022	1,214,903
Other	63,477	11,309
Total Revenues	2,889,433	2,439,143
Expenses:		
General government	703,297	659,669
Recreational Activities	1,645,223	1,457,823
Concessions	32,946	26,609
Other	87,431	91,892
Total expenses	2,468,897	2,235,993
Change in net position	\$ 420,536	\$ 203,150

Major sources of operating revenues for the District include property and state taxes and charges for services. Property taxes, \$1,309,738 (45.3%), comprised the majority of the total governmental revenues.

Total revenues from governmental activities increased by \$420,536, due to an increase in revenue from charges for services as well as an increase in contributions and property tax revenue.

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the District's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues for each function are:

Recreational Activities	Charges for recreational activities and child care services
Concessions	Sale of food and beverage items

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Capital Asset and Debt Administration

Capital Assets

As of April 30, 2017, the District maintained \$4,113,711 in capital assets (net of depreciation) representing a 3.47% increase in net capital assets over the prior year for governmental activities. The District's capital assets include buildings, shelters, equipment, vehicles, parks and trails.

Washington Park District's Capital Assets, Net of Depreciation

	Governmental Activities	
	2017	2016
Land	\$ 812,199	\$ 812,199
Buildings	1,938,977	1,993,691
Trails & parks	1,074,610	848,349
Property, plant & equipment	287,925	321,411
Total	<u>\$ 4,113,711</u>	<u>\$ 3,975,650</u>

Additional information regarding the District's capital assets is located in Note 5 on page 21 of this report.

Long-Term Debt

The District's outstanding long-term liabilities, including bonds, notes payable, and leases payable, totaled \$2,523,483 at April 30, 2017. The District's outstanding long-term liabilities decreased \$205,858 (7.54%) from the previous year.

Additional information on the District's long-term liabilities is located in Note 4 on pages 20 and 21 of this report.

CONTACTING THE DISTRICT

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District Finance Manager's Office, 105 South Spruce Street, Washington, Illinois, 61571.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2017

	Primary Government Governmental Activities	Component Unit Park District Foundation
ASSETS		
Current Assets:		
Cash in banks	\$ 865,489	\$ 33,616
Cash in banks - restricted	8,321	0
Inventory	1,440	0
Total Current Assets	875,250	33,616
Non-Current Assets		
Capital Assets		
Nondepreciable capital assets	802,390	0
Depreciable capital assets (net)	3,311,321	0
Total Capital Assets	4,113,711	0
Total Non-Current Assets	4,113,711	0
Total Assets	4,988,961	33,616
LIABILITIES		
Current Liabilities:		
Payroll liabilities	2,241	0
Long-Term Liabilities:		
Due within one year	655,939	0
Due in more than one year	1,867,544	0
Total Liabilities	2,525,724	0
NET POSITION		
Equity:		
Invested in capital assets, net of related debt	2,015,228	0
Restricted for		
Special purposes	688,358	33,616
Unrestricted	(240,349)	0
Total Net Position	\$ 2,463,237	\$ 33,616

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ending April 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)/ Revenues and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Unit</u>
					<u>Governmental Activities</u>	<u>Park District Foundation</u>
Primary Government:						
Governmental activities:						
General government:	\$ 703,297	\$ 0	\$ 0	\$ 0	\$ (703,297)	\$ 0
Total general government	703,297	0	0	0	(703,297)	0
Parks and recreational programs:						
Recreational activities	1,645,223	1,211,600	47,784	164,232	(221,607)	0
Concessions	32,946	54,221	0	0	21,275	0
Rental	0	24,097	0	0	24,097	0
Total parks and recreational programs	1,678,169	1,289,918	47,784	164,232	(176,235)	0
Interest expense	4,037	0	0	0	(4,037)	0
Interest on bonds	83,394	0	0	0	(83,394)	0
Total interest cost incurred	87,431	0	0	0	(87,431)	0
Total governmental activities	<u>\$ 2,468,897</u>	<u>\$ 1,289,918</u>	<u>\$ 47,784</u>	<u>\$ 164,232</u>	<u>\$ (966,963)</u>	
Component Unit:						
Park District Foundation	<u>\$ 173,604</u>	<u>\$ 0</u>	<u>\$ 12,136</u>	<u>\$ 0</u>		<u>\$ (161,468)</u>

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ending April 30, 2017

	Primary Government	Component Unit
	Governmental	Park District
	Activities	Foundation
Changes in Net Position:		
Net (expense)/revenue	\$ (966,963)	\$ (161,468)
General revenues:		
Taxes		
Property taxes	1,309,783	0
State replacement taxes	14,239	0
Investment income	1,297	0
Insurance proceeds	48,946	0
Miscellaneous	12,584	0
Sale of assets	650	0
Total general revenues and transfers	1,387,499	0
Changes in net position	420,536	(161,468)
Net position -- beginning	2,042,701	195,084
Net position -- ending	\$ 2,463,237	\$ 33,616

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

April 30, 2017

	Major Fund				Nonmajor	Total Governmental Funds
	Corporate Fund	Recreation Fund	Bond & Interest Fund	Capital Fund	All Other Governmental Funds	
ASSETS						
Checking accounts	\$ 58,733	\$ 202,740	\$ 1,048	\$ 432,551	\$ 170,417	\$ 865,489
Checking accounts - restricted	0	0	8,321	0	0	8,321
Inventory	0	1,440	0	0	0	1,440
Interfund receivable	0	4,219	85,339	0	35,500	125,058
Total assets	\$ 58,733	\$ 208,399	\$ 94,708	\$ 432,551	\$ 205,917	\$ 1,000,308
LIABILITIES						
Payroll liabilities	\$ 2,241	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,241
Interfund payable	413	0	0	85,339	39,306	125,058
Total liabilities	2,654	0	0	85,339	39,306	127,299
FUND BALANCES						
Nonspendable - inventory	0	1,440	0	0	0	1,440
Restricted	0	206,959	94,708	237,212	149,479	688,358
Committed	0	0	0	110,000	0	110,000
Assigned	0	0	0	0	0	0
Unassigned	56,079	0	0	0	17,132	73,211
Total fund balances	56,079	208,399	94,708	347,212	166,611	873,009
Total liabilities and fund balances	\$ 58,733	\$ 208,399	\$ 94,708	\$ 432,551	\$ 205,917	\$ 1,000,308

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

GOVERNMENTAL FUNDS

April 30, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 873,009
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$2,878,532.	4,113,711
Long-term liabilities are not reported in the governmental funds:	
Bonds payable	(2,430,000)
Capital lease obligations	(21,262)
Notes payable	(72,221)
Net position of governmental activities	<u><u>\$ 2,463,237</u></u>

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**

GOVERNMENTAL TYPES

For the year ending April 30, 2017

	Major Fund				Nonmajor	Total Governmental Funds
	Corporate Fund	Recreation Fund	Bond & Interest Fund	Capital Fund	All Other Governmental Funds	
REVENUES						
Taxes	\$ 352,325	\$ 257,248	\$ 423,144	\$ 0	\$ 291,305	\$ 1,324,022
Concessions	0	20,131	0	0	34,090	54,221
Recreational activities	0	1,076,066	0	0	135,534	1,211,600
Rental fees	0	16,397	0	0	7,700	24,097
Interest income	42	181	206	747	121	1,297
Grants	0	1,580	0	0	0	1,580
Donations	0	47,784	0	162,652	0	210,436
Miscellaneous	8,006	2,988	0	1,500	90	12,584
Total revenue	360,373	1,422,375	423,350	164,899	468,840	2,839,837
EXPENDITURES						
General government	355,106	0	0	66,379	281,812	703,297
Culture and recreation						
Parks / recreational activities	10,532	1,260,348	0	11,003	184,284	1,466,167
Total culture and recreation	10,532	1,260,348	0	11,003	184,284	1,466,167
Debt service						
Principal	0	0	610,000	33,475	0	643,475
Interest expense	0	0	83,394	4,037	0	87,431
Cost of issuance and other	0	0	4,297	0	0	4,297
Total debt service	0	0	697,691	37,512	0	735,203
Capital outlay						
Buildings / recreational facilities	0	0	0	345,766	0	345,766
Total capital outlay	0	0	0	345,766	0	345,766
Total expenditures	365,638	1,260,348	697,691	460,660	466,096	3,250,433
Excess (deficiency) revenue received over (under) expenditures disbursed	(5,265)	162,027	(274,341)	(295,761)	2,744	(410,596)

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS, Continued**

GOVERNMENTAL TYPES

For the year ending April 30, 2017

	Major Fund				Nonmajor	Total
	Corporate Fund	Recreation Fund	Bond & Interest Fund	Capital Fund	All Other Governmental Funds	
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance	0	0	425,000	0	0	425,000
Bank loan proceeds	0	0	0	12,617	0	12,617
Insurance proceeds	0	0	0	48,946	0	48,946
Proceeds from sale of assets	0	0	0	650	0	650
Transfers in (out)	9,803	(343,660)	(290,425)	594,273	30,009	0
Total other financing sources	9,803	(343,660)	134,575	656,486	30,009	487,213
Net revenue over (under) expenditures & other uses	4,538	(181,633)	(139,766)	360,725	32,753	76,617
Fund balances - May 1, 2016	51,541	390,032	234,474	(13,513)	133,858	796,392
Fund balances - April 30, 2017	\$ 56,079	\$ 208,399	\$ 94,708	\$ 347,212	\$ 166,611	\$ 873,009

Reconciliation of the change in fund balances -- total governmental funds to the change in net position of governmental activities:

Net change in fund balances -- total governmental funds \$ 76,617

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	345,766
Depreciation expense	(207,705)
Proceeds from a bank loan	(12,617)
Capital lease payments	13,685
Bank loan payments	19,790

The payment of bonds is an expenditure in the bond and interest fund, but in the statement of net position, the payment is a reduction of the bond liability

Bond receipts	(425,000)
Bond payments	610,000

Change in net position of governmental activities \$ 420,536

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Washington Park District was created for the purpose of developing, maintaining, and operating parks within the legal boundaries prescribed by law.

The government-wide, governmental fund level and the discretely presented component unit financial statements are presented on a modified cash basis of accounting, which is a special purpose framework of accounting that differs from accounting principals generally accepted in the United States of America (GAAP) established by Governmental Accounting Standards Board (GASB). These modified cash-basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

A. Principles Used to Determine the Scope of the Reporting Entity

The Park District's reporting entity includes the Park District's governing board and all related organizations for which the District exercises oversight responsibility.

The Park District has developed criteria to determine whether outside agencies with activities that benefit the citizens of the Park District should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the Park District exercised oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

Based on these criteria, The District has included the Washington Park District Foundation as a discretely presented component unit in the government-wide financial statements. The Foundation is a non-profit organization that collects and remits donations for the Park District. Although the Foundation operates on a calendar fiscal year for the purpose of filing the appropriate tax forms, it is presented in the financial statements as having an April 30th fiscal year to allow for comparability to the primary government.

B. Basis of Presentation

Government-Wide Financial Statements:

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) display information about the activities of the government as a whole. They include all funds of the reporting entity and the discretely presented component unit. The effect of any interfund activity, within or between the individual funds, has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenditures of a given function or identifiable activity are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific function or identifiable activity. 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 identifiable activity and (2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, cash receipts, and cash disbursements. Park District resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the financial statements. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Park District or meets one of the following criteria:

- 1.) Total assets, liabilities, cash receipts, or cash disbursements of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- 2.) Total assets, liabilities, cash receipts, or cash disbursements of that individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The various funds of the Park District are described below:

Governmental Funds

Governmental funds are those through which most governmental functions of the Park District are financed. The acquisition, use and balances of the Park District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through the governmental funds. The Park District has presented the following governmental funds, which are classified as major or nonmajor:

Fund	Brief Description
<u>Major:</u>	
Corporate	See above description
Recreation	Accounts for property taxes, activity fees and concessions collected and payments of related program expenses.
Bond and Interest	Accounts for property taxes collected for and repayment of the bonds and payment of the interest.
Capital	Accounts for the purchase of major capital assets.

This information is an integral part of the accompanying financial statements

WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

B. Basis of Presentation, continued

Fund Financial Statements, continued:

Fund	Brief Description
<u>Nonmajor:</u>	
Working Cash	Accounts for working cash.
Pool	Accounts for activity fees and concessions collected and payments of related program expenses.
Liability Insurance	Accounts for property taxes collected and payment for insurance coverage.
Audit	Accounts for property taxes collected and payment of audit fees.
IMRF	Accounts for property taxes collected and payments to the Illinois Municipal Retirement Fund.
Social Security	Accounts for property taxes collected and payment for Social Security taxes.
Unemployment	Accounts for property taxes collected and payment for unemployment taxes.
Handicapped	Accounts for property taxes collected and payment for handicapped programs administered by the HISRA.
Paving and Lighting	Accounts for property taxes collected for paving and lighting expenses. This fund was closed during the current fiscal year.

C. Measurement Focus and Basis of Accounting

Measurement Focus

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities and the discretely presented component unit are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting, as defined below.

In the governmental fund financial statements, all of the funds utilize a "current financial resources" measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their statements of assets, liabilities, and fund balances. Their operating statements present sources and uses of available spendable resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

The government-wide financial statements and the fund financial statements are presented using a modified cash basis of accounting. This basis recognized assets, liabilities, net position, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation and long-term debt payables only in the government-wide statements. There is a provision for investments and payroll liabilities in the government-wide financial statements and the fund financial statements. This basis is a special purpose framework of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

If the Park District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the government-wide financial statements would be presented on the full accrual basis of accounting.

D. Assets, Liabilities, and Equity

Cash, Cash Equivalents and Investments

For the purpose of financial reporting, "cash, including time deposits" includes all demand, savings accounts, and certificates of deposits of the District. The District is allowed to invest in securities as authorized by the Illinois Investment of Public Funds Act. Investments are recorded at fair value. During the fiscal year ended April 30, 2017 the Park District did not have any investments.

Inventories

Inventories are valued at cost using the first in/first out (FIFO) method. Inventories consist of concession stand items.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

D. Assets, Liabilities, and Equity, continued

Capital Assets

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, with the exception of donated capital assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to April 30, 2003. Capital assets acquired by the District through noncash transactions have not been recorded in the government-wide financial statements.

The Park District has adopted a capitalization policy with a capitalization threshold of \$2,500. Assets purchased for less than this amount are not capitalized.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Description</u>	<u>Estimated life</u>
Buildings and shelters	20 - 50 years
Equipment	7 - 20 years
Playground equipment	20 years
Vehicles	5 - 10 years
Trails	20 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term Debt

All long-term debt arising from cash transactions to be repaid from governmental fund resources is reported as liabilities in the government-wide financial statements.

Long-term debt arising from cash transactions in governmental funds is not reported as a liability in the individual fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a.) Invested in capital assets, net of related debt -- Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b.) Restricted -- Consists of restricted assets with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c.) Unrestricted -- Net amount of assets that are not included in the determination of the net investment in capital assets or the restricted component of net position.

WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

D. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Governmental Fund

According to Government Accounting Standards, the difference among assets and liabilities of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

- a.) **Nonspendable fund balance** - The nonspendable fund balance cannot be spent because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. The concession inventory is included in the nonspendable fund balance.
- b.) **Restricted Fund Balance** - The restricted fund balance classification refers to amounts that are subject to outside restrictions not controlled by the Park District. Things such as restrictions imposed by creditors, grantors, or contributors, or by enabling legislation or constitutional provisions. The Park District has the following fund balances that fall into these categories:

Major Funds

The Recreation Fund, Bond & Interest Fund, and Capital Fund are all restricted.

Non-Major Funds

Working Cash - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Working Cash Fund. Revenues received have exceeded expenditures disbursed for this purpose, resulting in a restricted balance of \$62,589.

Pool - Cash receipts and the related cash disbursements for this restricted program are accounted for in the pool fund, which is by definition a special revenue fund. Revenues received have exceeded expenditures disbursed for this purpose, resulting in a restricted balance of \$55,109.

Liability Insurance - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Liability Insurance Fund. Revenues received have exceeded expenditures for this purpose, resulting in a restricted balance of \$31,781.

Audit - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Audit Fund. Expenditures exceeded revenue received for this purpose, resulting in no restricted balance.

IMRF - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the IMRF Fund. There is now restricted fund balance for this account for the current fiscal year.

Social Security - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the IMRF Fund. There is no restricted fund balance for the current fiscal year.

Unemployment - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the IMRF Fund. Expenditures exceeded revenue received for this purpose, resulting in no restricted balance.

Paving & Lighting - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Paving and Lighting Fund. Expenditures exceeded revenue received for this purpose, resulting in no restricted balance.

Handicapped - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the handicapped fund. Expenditures exceed revenue received for this purpose, resulting in no restricted balance.

- c.) **Committed Fund Balance** - The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the District Board of Commissioners). Those committed amounts cannot be used for any other purpose unless the Park District removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. The Park District Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual agreements.

- d.) **Assigned Fund Balance** - The assigned fund balance classification refers to amounts that are constrained by the Park District's intent to be used for a specific purpose, but have not been restricted or committed.

- e.) **Unassigned Fund Balance** - The unassigned fund balance classification is the residual classification for amounts in the Park District's funds that have not been restricted, committed, or assigned to specific purposes within the governmental funds.

- f.) **Expenditures of Fund Balance** - Unless specifically identified, expenditures act to first reduce restricted balances, then committed balances, next assigned balances, and finally to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specified classification of fund balance that is identified.

E. Revenues, Expenditures, and Expenses

Property Tax

Under state law, municipalities are limited in their ability to levy a property tax.

Property taxes are levied each year in December and attach as an enforceable lien on property as of the preceding January 1. Tax bills are prepared by the County and issued on or about May 1 of the following year, and are due and collectible on or about June 1 and September 1. The County collects the taxes and remits them periodically to the District.

WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

E. Revenues, Expenditures, and Expenses, continued

Personal Property Replacement Tax

The personal property replacement tax is collected by the Illinois Department of Revenue and remitted to the District in the month after collection. The personal property replacement tax is recorded in the Corporate Fund.

Program Revenues

Program revenues consist of fees paid to participate in various recreational activities provided by the Park District. These activities include athletics, tumbling and dancing programs, admission to the pool, and early childhood programs. Also included in program revenues are receipts from selling concessions and rental fees for the use of Park District facilities.

Expenditures / Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities, but not designated as direct vs. indirect.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds -- By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

F. Accounting Estimates

The preparation of financial statements in conformity with the special purpose framework of accounting used by the Park District requires management to make estimates and assumptions that affect the reported amounts and disclosures (such as estimated useful lives in determining depreciation expense). Actual amounts could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

By its nature as a local government unit, the Park District is subject to various federal and state laws and contractual regulations. An analysis of the Park District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows:

Fund Accounting Requirements

The Park District complies with all state and local laws and regulations requiring the use of separate funds. These legally required funds used by the Park District include the following:

<u>Fund</u>	<u>Required By</u>
Corporate Fund	State law
Recreation Fund	State law
Liability	State law
Audit Fund	State law
IMRF Fund	State law
Social Security	State law
Unemployment	State law
Working Cash	State law
Paving and Lighting Fund	State law
Bond and Interest	State law
Handicapped	State law

3. CASH AND INVESTMENTS:

The District is allowed to invest in securities as authorized by the Illinois Investment of Public Funds Act (30 ILCS 235).

Custodial Credit Risk Related to Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a bank failure, the Park District's deposits may not be returned to it. The Park District's general investment policy requires all amounts deposited with financial institutions in excess of any insurance limit shall be collateralized by securities eligible for Park District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's, or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017**

3. CASH AND INVESTMENTS, continued:

Custodial Credit Risk Related to Deposits with Financial Institutions, continued

At April 30, 2017, the carrying balance of the Park District's deposits with financial institutions was \$873,810, and the bank balance was \$940,464. The balances of the deposits were exposed to custodial credit risk as follows:

The table presented below is designed to disclose the level of custody credit risk assumed by the District based on how its deposits were insured or secured with collateral at April 30, 2017. The categories of credit risk are defined below the table:

	<u>Carrying Amount</u>			Bank Balance
	Category #1	Category #2	Category #3	
Operating accounts	\$ 873,810	\$ 0	\$ 0	\$ 940,464
Certificates of Deposit	0	0	0	0
	<u>\$ 873,810</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 940,464</u>

Category 1 – Insured by FDIC or collateralized with securities held by the Park District or its agent in the Park District's name.

Category 2 – Uninsured but collateralized by securities held by the pledging financial institution's trust department or agent in the Park District's name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the District's name; or collateralized with no written or approved collateral agreement.

The District has restricted \$8,321 for future capital projects.

4. LONG-TERM LIABILITIES:

A. Bonds Outstanding:

Bond principal and interest payments are paid out of the Bond & Interest Fund.

The following is a summary of bond transactions of the District for the fiscal year ended April 30, 2017:

General Obligation Bonds	Balance May 1, 2016	Additions	Reductions	Balance April 30, 2017	Current Portion
Park Bond - annual - 1.20% interest **	\$ 420,000	\$ 425,000	\$ 420,000	\$ 425,000	\$ 425,000
Park Bonds - long term - variable interest *	2,195,000	0	190,000	2,005,000	195,000
Total Bond Obligations	<u>\$ 2,615,000</u>	<u>\$ 425,000</u>	<u>\$ 610,000</u>	<u>\$ 2,430,000</u>	<u>\$ 620,000</u>

Description of issues:

Amount of issue	\$425,000	\$1,745,000	\$1,435,000
Date of issue	February 1, 2017	September 27, 2012	October 1, 2006
Dates interest payable	December 1, 2017	March 1st	March 1st
Date principal payable	December 1, 2017	March 1st	March 1st
Interest rates	1.20%	2.0% to 3.45%	4.00% to 4.80%

Year Ending April 30,	General Obligation Bonds		General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	425,000	4,250	130,000	33,770	65,000	40,098
2019	0	0	130,000	30,520	70,000	37,270
2020	0	0	135,000	27,270	70,000	34,225
2021	0	0	140,000	23,625	75,000	31,180
2022	0	0	140,000	19,425	80,000	27,918
2023 - 2037	0	0	450,000	30,805	520,000	73,420
Total	<u>\$ 425,000</u>	<u>\$ 4,250</u>	<u>\$ 1,125,000</u>	<u>\$ 165,415</u>	<u>\$ 880,000</u>	<u>\$ 244,111</u>

* The variable rate is a set rate, predetermined by bond agreement and not any other factor, scheduled to increase each year.

** The short term bond is issued annually for operational purposes.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017**

4. LONG-TERM LIABILITIES, continued:

B. Notes Payable:

Washington Park district has the following note payable outstanding:

	Balance May 1, 2016	Additions	Subtractions	Balance April 30, 2017	Due within 1 year
Note payable, Morton Community Bank, payable in 20 quarterly installments of \$2,934, including interest of 2.95%. Collateralized by Toro tractor.	\$ 33,575	\$ 0	\$ 10,866	\$ 22,709	\$ 11,189
Note payable, Caterpillar Financial Services Corporation, payable in 35 monthly installments of \$772.01 and a balloon payment of \$27,652, including interest of 3.20%. Collateralized by skid-steer.	45,819	0	7,913	37,906	8,170
Note payable, Morton Community Bank, payable in 12 quarterly installments of \$1,101.69, including interest of 2.87%. Collateralized by Toro mower.	0	12,617	1,011	11,606	4,114
	<u>\$ 79,394</u>	<u>\$ 12,617</u>	<u>\$ 19,790</u>	<u>72,221</u>	<u>\$ 23,473</u>
Current Portion of L.T. Debt				23,473	
Total Long-Term Debt				<u>\$ 48,748</u>	

Future annual principal maturing required by the above agreement is as follows:

Year Ending April 30,	Morton Community Bank		Caterpillar Financial Services		Morton Community Bank	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 11,189	\$ 547	\$ 8,170	\$ 1,094	\$ 4,114	\$ 1,933
2019	11,520	216	29,736	232	4,234	693
2020	0	0	0	0	3,258	47
Total	<u>\$ 22,709</u>	<u>\$ 763</u>	<u>\$ 37,906</u>	<u>\$ 1,326</u>	<u>\$ 11,606</u>	<u>\$ 2,673</u>
	Total					
Year Ending April 30,	Principal	Interest				
2018	\$ 23,473	\$ 3,574				
2019	45,490	1,141				
2020	3,258	47				
Total	<u>\$ 72,221</u>	<u>\$ 4,762</u>				

C. Capital Leases:

Two trucks, carried at approximately \$28,755 and \$26,389 with accumulated depreciation of \$8,866 and \$8,796, respectively, in the governmental activities were acquired under capital lease arrangements. The capital lease for the 2014 Ford F-150 was executed on March 18, 2014, with Ford Motor Credit Company for a period of four years with quarterly payments of \$2,014.65. The capital lease for the 2015 Ford F-150 4WD XL was executed on August 27, 2015 with Ford Motor Credit Company for a period of four years with quarterly payments of \$1,838.20. Both leases have a buyout option at the end of the lease, which the District plans on exercising. Capital lease principal and interest payments are paid out of the Capital Fund.

The following is a summary of capital lease transactions of the Park District for the fiscal year ended April 30, 2017:

Capital Lease	Balance May 1, 2016	Additions	Reductions	Balance April 30, 2017	Current Portion
Ford Motor Credit - 2014 Ford F-150	\$ 13,364	\$ 0	\$ 7,481	\$ 5,883	\$ 5,883
Ford Motor Credit - Ford F-150 4WD XL	21,583	0	6,204	15,379	6,583
	<u>\$ 34,947</u>	<u>\$ 0</u>	<u>\$ 13,685</u>	<u>\$ 21,262</u>	<u>\$ 12,466</u>

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017**

4. LONG-TERM LIABILITIES, continued:

C. Capital Leases, continued:

The District is obligated under capital lease contracts to make the following aggregate annual lease payments during the years ending April 30:

Year Ending April 30,	2014	2015
	Ford F-150	Ford F-150
2018	\$ 6,044	\$ 7,353
2019	0	7,353
2020	0	1,838
Total minimum lease payments	\$ 6,044	\$ 16,544
Less interest	161	1,166
Present value of minimum payments	<u>\$ 5,883</u>	<u>\$ 15,378</u>

5. CAPITAL ASSETS:

Capital asset activity, resulting from modified cash basis transactions, for the year ended April 30, 2017, was as follows:

	Balance May 1, 2016	Additions	Disposals	Balance April 30, 2017
Governmental activities:				
Depreciable assets:				
Building & shelters	\$ 3,191,015	\$ 19,871	\$ 0	\$ 3,210,886
Equipment	335,051	12,617	4,414	343,254
Playground equipment	338,485	0	0	338,485
Vehicles	216,975	0	30,000	186,975
Trails & Parks	1,787,167	196,564	0	1,983,731
Construction in progress	0	116,714	0	116,714
Total depreciable assets at historical cost:	<u>5,868,693</u>	<u>\$ 345,766</u>	<u>\$ 34,414</u>	<u>6,180,045</u>
Less: accumulated depreciation	<u>2,705,241</u>			<u>2,878,532</u>
Depreciable capital assets, net	3,163,452			3,301,513
Non-depreciable assets:				
Land	812,198			812,198
Governmental activities capital assets, net	<u>\$ 3,975,650</u>			<u>\$ 4,113,711</u>

Depreciation expense was charged to governmental activities as follows:

General government:		
General government	\$ 0	
Total general government		\$ 0
Culture and recreation		
Parks / recreational activities	\$ 207,705	
Total culture and recreation		<u>207,705</u>
Total District depreciation		<u>\$ 207,705</u>

6. OPERATING LEASES:

On February 24, 2016, the District executed a lease agreement with CDS Office Technologies for a copier with minimum monthly payments of \$185. The term of the lease is one year and will renew annually. Total lease payments for the year ending April 30, 2017 were \$3,149. These payments are made out of the Recreation Fund.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017**

7. INTERFUND TRANSACTIONS AND BALANCES:

The following interfund transfers were made during the year ended April 30, 2017 to make interfund receivables and payables resulting from transactions in prior fiscal years permanent, to transfer bond proceeds to the capital replacement fund, and to transfer paving and lighting funds to the capital fund.

Operating transfers	Transfers In	Transfers Out
	In	Out
Corporate	\$ 13,247	\$ 3,444
Recreation	1,648	345,308
Pool	1,061	1,343
Insurance	57,000	0
IMRF	43,444	0
Bond & interest	0	290,425
Paving and lighting	0	3,848
Capital replacement	594,273	0
Handicapped	0	305
Audit	18,000	0
Working cash	0	84,000
Total governmental funds	\$ 728,673	\$ 728,673

8. ACCOUNTABILITY:

The following funds have a deficit fund balance as of April 30, 2017:

Funds	Deficit Fund Balance
Handicapped	\$ (662)
Audit	\$ (117)

9. INTERFUND RECEIVABLES / PAYABLES:

During the course of operations numerous transactions occur between individual funds for operational expenses that may result in amounts owed between the funds. Short-term interfund loans are reported as "interfund receivables and payables".

As of April 30, 2017:

Handicapped Fund owes Recreation Fund	\$ 662
Corporate Fund owes Recreation Fund	413
Liability Fund owes Working Cash Fund	5,000
IMRF Fund owes Working Cash Fund	30,000
Audit Fund owes Working Cash Fund	500
Capital Fund owes Bond & Interest Fund	85,339
Pool Fund owes Recreation Fund	3,144
Total interfund receivables / payables	\$ 125,058

10. WASHINGTON RECREATION ASSOCIATION

In February 2017, the Washington Park District Recreation Fund absorbed the operations of the Washington Recreation Association, because the District has the resources necessary to effectively operate the expanding youth athletic programs. During the merger the Park District received \$46,284 in cash, which is shown as donation income in the financial statements. The Park District also received supplies and equipment with an estimated value of \$2,000. Because the Park District's financial statements are prepared in accordance with the modified cash basis of accounting, the donated supplies and equipment are not recognized in the financial statements.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017**

11. DEFINED BENEFIT PENSION PLAN:

Plan Description. The employer's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2016 was 10.76%. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2016 was \$99,837.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2016	\$ 99,837	100%	\$ 0
12/31/2015	\$ 44,563	100%	\$ 0
12/31/2014	\$ 48,516	100%	\$ 0

The required contribution for 2016 was determined as part of the December 31, 2014 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2014, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2014 is being amortized as a level percentage of projected payroll on an open 27 year basis.

Funded Status and Funding Progress. As of December 31, 2016, the most recent actuarial valuation date, the Regular plan was 90.16% funded. The actuarial accrued liability for benefits was \$1,408,421 and the actuarial value of assets was \$1,269,886, resulting in an underfunded actuarial liability (UAAL) of \$138,535. The covered payroll for calendar year 2016 (annual payroll of active employees covered by the plan) was \$463,928 and the ratio of the UAAL to the covered payroll was 30 percent.

The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

12. USAGE FEE:

Due to a 2007 intergovernmental agreement between the District and Washington Area Community Center, an Illinois non-for-profit organization, the District has an annual fee for the use of the facilities known as Five Points. A base usage fee of \$10,000 and a supplemental usage fee of \$15,000 are payable annually on or before September 1. The usage fees are for a period of twenty years, after which time the supplemental usage fee is terminated, but the base usage fee can be exercised for four consecutive, irrevocable options of twenty years each. Upon exercise of the options, the base use rate shall be annually adjusted based upon the municipal price index.

13. CONTINGENCIES:

The District is currently not involved in litigation for which the District's legal counsel anticipates a loss.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017**

14. RELATED PARTY TRANSACTIONS:

There were no significant related party transactions during the year ended April 30, 2017.

15. COMMITMENTS:

As of April 30, 2017, the District had commitments on contracts to finish the new maintenance building. The committed amount is \$110,000 and is shown in the Statement of Assets, Liabilities, and Fund Balances as committed fund balance in the Capital Fund.

16 LEGAL DEBT LIMIT

Under 70 ILCS 1205/6-2, the District is allowed to incur qualifying debt up to 2.875% of its latest equalized assessed value. The equalized assessed value as of January 1, 2016 was \$359,025,593. As of April 30, 2017, the Park District's legal debt limit was \$10,321,986. Qualifying outstanding debt as of April 30, 2017, totaled \$2,523,483 leaving a debt margin of \$7,798,503.

17. PROPERTY TAXES:

The District's property tax is levied each year on all real property located in the District on or before the second Tuesday in September. The levy for taxes collected during the year ended April 30, 2017 was passed by the Board at the November meeting. Property taxes attach as enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The District receives significant distributions of tax receipts approximately one month after these due dates.

The following are the tax rates applicable to the various levies per \$100,000 of assessed valuation:

	<u>Maximum Percent</u>	<u>Actual Percent</u>		
	<u>2,016</u>	<u>2016 Levy</u>	<u>2015 Levy</u>	<u>2014 Levy</u>
General Corporate	0.1000	0.10000	0.10000	0.10000
Bonds and Interest	0.0000	0.12163	0.12437	0.13914
IMRF	0.0000	0.01965	0.01916	0.01579
Audit	0.0050	0.00500	0.00500	0.00500
Liability	0.0000	0.01965	0.02032	0.02072
Social Security	0.0000	0.01965	0.02032	0.02302
Unemployment Insurance	0.0900	0.00239	0.00088	0.00000
Recreation	0.1200	0.07495	0.07606	0.07530
Rec Programs Handicapped	0.0400	0.01994	0.02032	0.01677
Totals		<u>0.38286</u>	<u>0.38643</u>	<u>0.39574</u>

18. INSURANCE:

The District is covered for work compensation insurance through Illinois Public Risk Fund.

The District is covered for liability insurance through the Illinois Association of Park Districts. There have been no instances in the past three years in which insurance claims have exceeded coverage.

<u>Coverage</u>	<u>Limits</u>
Bodily Injury & Property Damage	\$ 6,000,000
Wrongful Acts	\$ 6,000,000
Automobile Liability	\$ 6,000,000
Property	
Buildings	\$ 8,469,288
Contents	\$ 610,000
Automobile	\$ 191,500
Miscellaneous property	\$ 210,280

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017**

18. INSURANCE, continued:

PDRMA Health Program

On April 1, 2000, the Washington Park District became a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance pool of park districts, special recreation associations, and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Until January 1, 2001, the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

Members can choose to provide any combination of coverages available to their employees, and pay premiums accordingly.

As a member of the PDRMA Health Program, the Washington Park District is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the member agency and the PDRMA Health Program is governed by a contract and by-laws that have been adopted by resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

PDRMA Health Program

The following represents a summary of PDRMA's balance sheet at December 31, 2016, and the statement of revenues and expenses for the period ending December 31, 2016:

Assets	\$	19,963,703
Deferred Outflows of Resources - Pension	\$	472,756
Liabilities	\$	5,609,725
Deferred Inflows of Resources - Pension	\$	14,609
Total Net Position	\$	14,812,125
Revenues	\$	37,086,143
Expenditures	\$	34,157,556

A large percentage of PDRMA's liabilities are reserves for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred.

19. SUBSEQUENT EVENTS:

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through January 17, 2018, the date the financial statements were available to be issued, and has determined the following event to be significant:

On June 8, 2017 the District entered into capital lease to purchase a dump truck. The purchase price of the dump truck is \$41,072, and will require 5 annual payments of \$9,312.

On May 15, 2017, the Board approved Ordinance 287, which is an intergovernmental agreement between the Park District and the City of Washington to convey parcels of property. These parcels are located at South Spruce Street and Sweitzer Park.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

For the year ending April 30, 2017

Actuarial Valuation Date	Actuarial values of assets (a)	Actuarial Accrued Liability (AAL) ---Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2016	1,269,886	1,408,421	138,535	90.16%	463,928	29.86%
12/31/2015	1,129,005	1,306,417	177,412	86.42%	430,979	41.16%
12/31/2014	1,013,505	1,207,071	193,566	83.96%	412,198	46.96%

On a market basis, the actuarial value of assets as of December 31, 2016 is \$1,253,057. On a market basis, the funded ratio would be 88.97%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Washington Park District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS- BUDGET AND ACTUAL**

CORPORATE FUND

For the year ending April 30, 2017

	Original / Final	Actual Amounts	Over / Under
Beginning budgetary fund balance:	\$ 63,206	\$ 51,541	\$ (11,665)
REVENUE			
Taxes	357,000	352,325	(4,675)
Interest income	50	42	(8)
Miscellaneous	10,036	8,006	(2,030)
Total revenue	367,086	360,373	(6,713)
EXPENDITURES			
General government	391,022	355,106	(35,916)
Culture & recreation	9,000	10,532	1,532
Total expenditures	400,022	365,638	(34,384)
Net revenue over (under) expenditures	(32,936)	(5,265)	27,671
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	0	9,803	9,803
Total other financing sources (uses)	0	9,803	9,803
Ending budgetary fund balance:	\$ 30,270	\$ 56,079	\$ 25,809

See independent auditors' report

See accompanying notes to budgetary comparison information

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS- BUDGET AND ACTUAL**

RECREATIONAL FUND

For the year ending April 30, 2017

	<u>Original / Final</u>	<u>Actual Amounts</u>	<u>Over / Under</u>
Beginning budgetary fund balance:	\$ 377,131	\$ 390,032	\$ 12,901
REVENUE			
Taxes	260,000	257,248	(2,752)
Concessions	58,625	20,131	(38,494)
Recreational activities	982,308	1,076,066	93,758
Rental fees	24,780	16,397	(8,383)
Interest Income	100	181	81
Grants	0	1,580	1,580
Donations	36,000	47,784	11,784
Miscellaneous	2,000	2,988	988
Total revenue	1,363,813	1,422,375	58,562
EXPENDITURES			
Culture & recreation	1,332,103	1,260,348	(71,755)
Capital outlay	8,000	0	(8,000)
Total expenditures	1,340,103	1,260,348	(79,755)
Net revenue over (under) expenditures	23,710	162,027	138,317
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	0	(343,660)	(343,660)
Total other financing sources (uses)	0	(343,660)	(343,660)
Ending budgetary fund balance:	\$ 400,841	\$ 208,399	\$ (192,442)

See independent auditors' report

See accompanying notes to budgetary comparison information

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS- BUDGET AND ACTUAL**

BOND & INTEREST FUND

For the year ending April 30, 2017

	<u>Original / Final</u>	<u>Actual Amounts</u>	<u>Over / Under</u>
Beginning budgetary fund balance:	\$ 5,529	\$ 234,474	\$ 228,945
REVENUE			
Taxes	428,000	423,144	(4,856)
Interest Income	50	206	156
Total revenue	428,050	423,350	(4,700)
EXPENDITURES			
Debt service	688,209	697,691	9,482
Total expenditures	688,209	697,691	9,482
Net revenue over (under) expenditures	(260,159)	(274,341)	(14,182)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issuance, net	420,000	425,000	5,000
Bond issuance costs	0	0	0
Transfers in (out)	(155,000)	(290,425)	(135,425)
Receipts from sale of assets	0	0	0
Total other financing sources (uses)	265,000	134,575	(130,425)
Ending budgetary fund balance:	\$ 10,370	\$ 94,708	\$ 84,338

See independent auditors' report

See accompanying notes to budgetary comparison information

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS- BUDGET AND ACTUAL**

CAPITAL FUND

For the year ending April 30, 2017

	<u>Original / Final</u>	<u>Actual Amounts</u>	<u>Over / Under</u>
Beginning budgetary fund balance:	\$ 121,912	\$ (13,513)	\$ (135,425)
REVENUE			
Interest Income	100	747	647
Donations	0	162,652	162,652
Miscellaneous	227,500	1,500	(226,000)
Total revenue	227,600	164,899	(62,701)
EXPENDITURES			
General government	0	66,379	66,379
Culture & recreation	0	11,003	11,003
Debt service	0	37,512	37,512
Capital outlay	637,039	345,766	(291,273)
Total expenditures	637,039	460,660	(176,379)
Net revenue over (under) expenditures	(409,439)	(295,761)	113,678
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issuance	155,000	0	(155,000)
Note payable proceeds	0	12,617	12,617
Insurance proceeds	0	48,946	48,946
Proceeds from sale of asset	0	650	650
Alternate revenue bond fund balance	93,521	0	(93,521)
Transfers in (out)	0	594,273	594,273
Total other financing sources (uses)	248,521	656,486	407,965
Ending budgetary fund balance:	\$ (39,006)	\$ 347,212	\$ 386,218

See independent auditors' report

See accompanying notes to budgetary comparison information

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO BUDGETARY COMPARISON INFORMATION
For the year ending April 30, 2017**

1. Budgetary Basis of Accounting

An annual appropriated budget is prepared and adopted for all of the governmental funds on the budgetary basis of accounting and consistent with the modified cash basis of accounting. On or before the second Tuesday in September, the budget is legally enacted through the passage of a budget ordinance. The budget is amended for supplemental appropriations during the fiscal year by the Park District's Board. Interfund transfers of appropriations are done only by Board approval. Any revisions that alter total appropriations of any fund must be approved by the Board. All annual appropriations lapse at each fiscal year end.

2. Reconciliation of Budgeted and Actual Results

There is no difference between the modified cash basis and budgetary basis of accounting.

3. Excess of Expenditures Over Appropriations

None

See independent auditors' report

STEVEN D.
GREIM & COMPANY P.C.

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the District Board of Commissioners
Washington Park District
Tazewell County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington Park District, Tazewell County, Washington, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprises Washington Park District, Tazewell County, Washington, Illinois' basic financial statements and have issued our report thereon dated January 17, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Washington Park District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Washington Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington Park District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described below to be a material weakness.

Finding 2017-001:

There is an inadequate segregation of duties among personnel involved in the accounting function. Only one person completes all accounting functions.

Response:

The size of our organization and staff does not make it economically feasible to segregate accounting duties. We have hired someone to assist and be cross trained on some functions. However, additional board oversight is required.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency below to be a significant deficiency.

Finding 2017-002:

The auditor assisted the Park District in preparation of the financial statements, because the District does not employ any individuals with the necessary skills, expertise, and competencies to create full disclosure financial statements.

Response:

The Park District did possess sufficient skill, knowledge, and experience to provide the direction during the preparation of the financial statements. The Park District will continue to obtain training for personnel and board members involved.

Compliance and Other Matters

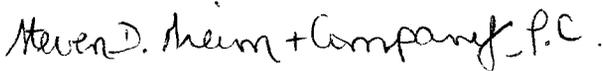
As part of obtaining reasonable assurance about whether Washington Park District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Washington Park District's Response to Findings

Washington Park District's response to the findings identified in our audit is described previously. Washington Park District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Steven D. Greim & Company, P.C.

Peoria, Illinois

January 17, 2018