

WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
Year Ended April 30, 2018

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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, 2018, 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.

Governmental activities increased the Washington Park District's net position by \$147,102. Revenues, expenses, and changes in net position are summarized in the table below:

**Condensed Statement of Activities
For Fiscal Years Ending April 30, 2018 and 2017**

	Governmental Activities	
	2018	2017
Revenues:		
Program:		
Charges for services	\$ 1,437,911	\$ 1,289,918
Grants & Contributions	11,113	212,016
General:		
Property & other taxes	1,377,002	1,324,022
Other	34,163	63,477
	2,860,189	2,889,433
Expenses:		
General government	777,482	703,297
Recreational Activities	1,801,076	1,645,223
Concessions	53,918	32,946
Other	80,611	87,431
	2,713,087	2,468,897
Change in net position	\$ 147,102	\$ 420,536

Major sources of operating revenues for the District include property and state taxes and charges for services. Property taxes, \$1,357,242 (47.5%), comprised the majority of the total governmental revenues.

Total revenues from governmental activities increased by \$147,102, due to an increase in revenue from charges for services as well as an increase in 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
Concessions

Charges for recreational activities and child care services
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.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2018

	Primary Government Governmental Activities	Component Unit Park District Foundation
ASSETS		
Current Assets:		
Cash in banks	\$ 733,456	\$ 37,546
Cash in banks - restricted	0	0
Inventory	1,053	0
Total Current Assets	734,509	37,546
Non-Current Assets		
Capital Assets		
Nondepreciable capital assets	812,198	0
Depreciable capital assets (net)	3,398,624	0
Total Capital Assets	4,210,822	0
Total Non-Current Assets	4,210,822	0
Total Assets	4,945,331	37,546
LIABILITIES		
Current Liabilities:		
Payroll liabilities	2,315	0
Long-Term Liabilities:		
Due within one year	689,782	0
Due in more than one year	1,642,895	0
Total Liabilities	2,334,992	0
NET POSITION		
Equity:		
Invested in capital assets, net of related debt	2,308,145	0
Restricted for		
Special purposes	600,313	37,546
Unrestricted	(298,119)	0
Total Net Position	\$ 2,610,339	\$ 37,546

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, 2018

<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</u>	<u>Component</u>
					<u>Governmental</u>	<u>Unit</u>
					<u>Governmental</u>	<u>Park District</u>
					<u>Activities</u>	<u>Foundation</u>
Primary Government:						
Governmental activities:						
General government:	\$ 777,482	\$ 0	\$ 0	\$ 0	\$ (777,482)	\$ 0
Total general government	777,482	0	0	0	(777,482)	0
Parks and recreational programs:						
Recreational activities	1,801,076	1,315,778	1,250	9,863	(474,185)	0
Concessions	53,918	102,630	0	0	48,712	0
Rental	0	19,503	0	0	19,503	0
Total parks and recreational programs	1,854,994	1,437,911	1,250	9,863	(405,970)	0
Interest expense	2,759	0	0	0	(2,759)	0
Interest on bonds	77,852	0	0	0	(77,852)	0
Total interest cost incurred	80,611	0	0	0	(80,611)	0
Total governmental activities	<u>\$ 2,713,087</u>	<u>\$ 1,437,911</u>	<u>\$ 1,250</u>	<u>\$ 9,863</u>	<u>\$ (1,264,063)</u>	
Component Unit:						
Park District Foundation	<u>\$ 10,941</u>	<u>\$ 0</u>	<u>\$ 14,871</u>	<u>\$ 0</u>		<u>\$ 3,930</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, 2018

	Primary Government	Component Unit
	Governmental	Park District
	Activities	Foundation
Changes in Net Position:		
Net (expense)/revenue	\$ (1,264,063)	\$ 3,930
General revenues:		
Taxes		
Property taxes	1,357,242	0
State replacement taxes	19,760	0
Investment income	2,737	0
Insurance proceeds	0	0
Miscellaneous	31,426	0
Sale of assets	0	0
Total general revenues and transfers	1,411,165	0
Changes in net position	147,102	3,930
Net position -- beginning	2,463,237	33,616
Net position -- ending	\$ 2,610,339	\$ 37,546

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, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 732,194
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.	4,210,822
Long-term liabilities are not reported in the governmental funds:	
Bonds payable	(2,240,000)
Capital lease obligations	(41,101)
Notes payable	(51,576)
	<hr/>
Net position of governmental activities	<u><u>\$ 2,610,339</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, Continued**

GOVERNMENTAL FUNDS

For the year ending April 30, 2018

	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	430,000	0	0	430,000
Bank loan proceeds	0	0	0	41,617	0	41,617
Insurance proceeds	0	0	0	0	0	0
Proceeds from sale of assets	0	0	0	0	0	0
Transfers in (out)	20,413	(37,694)	(245,339)	245,339	17,281	0
Total other financing sources	20,413	(37,694)	184,661	286,956	17,281	471,617
Net revenue over (under) expenditures & other uses	7,320	68,447	(94,414)	(149,913)	27,745	(140,815)
Fund balances - May 1, 2017	56,079	208,399	94,708	347,212	166,611	873,009
Fund balances - April 30, 2018	\$ 63,399	\$ 276,846	\$ 294	\$ 197,299	\$ 194,356	\$ 732,194

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 \$ (140,815)

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	440,455
Depreciation expense	(226,630)
Proceeds from a capital lease	(41,617)
Capital lease payments	21,778
Bank loan payments	20,645

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	(430,000)
Bond payments	620,000

Change in net position of governmental activities \$ 263,816

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018**

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.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

B. Basis of Presentation, continued

Fund Financial Statements, continued:

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

Major:

Brief Description

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.

Fund

Nonmajor:

Brief Description

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.

WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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, 2018 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.

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.

WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

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.

G. Implementation of New Accounting Principles

The District did not implement any new accounting principles during its fiscal year.

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 Insurance	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 Fund	State law

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018**

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.

At April 30, 2018, the carrying balance of the Park District's deposits with financial institutions was \$707,228, 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, 2018. The categories of credit risk are defined below the table:

	Category #1	Category #2	Carrying Amount Category #3	Bank Balance
Operating accounts	\$ 733,456	\$ 0	\$ 0	\$ 770,511
Certificates of Deposit	0	0	0	0
	<u>\$ 733,456</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 770,511</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.

4. CAPITAL ASSETS:

Capital asset activity, resulting from modified cash basis transactions, for the year ended April 30, 2018, was as follows:

	Balance May 1, 2017	Additions	Disposals	Balance April 30, 2018
Governmental activities:				
Depreciable assets:				
Building & shelters	\$ 3,210,886	\$ 146,360	\$ 0	\$ 3,357,246
Equipment	343,254	22,151	0	365,405
Playground equipment	338,485	0	0	338,485
Vehicles	186,975	41,617	0	228,592
Trails & Parks	1,983,731	230,327	0	2,214,058
Construction in progress	116,714	0	116,714	0
Total depreciable assets at historical cost:	6,180,045	<u>\$ 440,455</u>	<u>\$ 116,714</u>	6,503,786
Less: accumulated depreciation	2,878,532			3,105,162
Depreciable capital assets, net	3,301,513			3,398,624
Non-depreciable assets:				
Land	812,198			812,198
Governmental activities capital assets, net	<u>\$ 4,113,711</u>			<u>\$ 4,210,822</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	\$ 226,630		
Total culture and recreation		226,630	
Total District depreciation		<u>\$ 226,630</u>	

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018**

5. LONG-TERM LIABILITIES, continued:

B. Notes Payable:

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

Year Ending April 30,	Morton Community Bank		Caterpillar Financial Services Corp.		Morton Community Bank	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 11,438	\$ 298	\$ 29,736	\$ 232	\$ 4,235	\$ 172
2020	2,910	96	0	0	3,257	48
Total	\$ 14,348	\$ 394	\$ 29,736	\$ 232	\$ 7,492	\$ 220

Year Ending April 30,	Total	
	Principal	Interest
2019	\$ 45,409	\$ 702
2020	6,167	144
Total	\$ 51,576	\$ 846

C. Capital Leases:

Three trucks, carried at approximately \$28,755; \$26,389 and \$41,617 with accumulated depreciation of \$11,741.63; \$14,074.13 and \$7,629.78, 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 2014 Ford F-150 was paid off on December 8, 2017. 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. The capital lease for the 2017 Ford F-450 Dump Truck was executed on June 8, 2017, with Ford Motor Credit Company for a period of five years with annual payments of \$9,312.22. Each lease has 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, 2018:

Capital Lease	Balance May 1, 2017	Additions	Reductions	Balance April 30, 2018	Current Portion
Ford Motor Credit - 2014 Ford F-150	\$ 5,883	\$ 0	\$ 5,883	\$ 0	\$ 0
Ford Motor Credit - 2015 Ford F-150	15,379	0	6,583	8,796	6,983
Ford Motor Credit - 2017 Ford F-450	0	41,617	9,312	32,305	7,390
	\$ 21,262	\$ 41,617	\$ 21,778	\$ 41,101	\$ 14,373

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,	2015 Ford F-150	2017 Ford F-450
2019	\$ 7,353	\$ 9,312
2020	1,838	9,312
2021	0	9,312
2022	0	9,313
Total minimum lease payments	9,191	37,249
Less interest	395	4,944
Present value of minimum payments	\$ 8,796	\$ 32,305

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, 2018 were \$3,170. These payments are made out of the Recreation Fund.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018**

7. INTERFUND TRANSACTIONS AND BALANCES:

The following interfund transfers were made during the year ended April 30, 2018 to make interfund receivables and payables resulting from transactions in prior fiscal years permanent, to transfer Bond proceeds to the Capital Replacement Fund.

	<u>Transfers In</u>	<u>Transfers Out</u>
Operating transfers		
Corporate	\$ 20,413	\$ 0
Recreation	0	37,694
Pool	1,255	0
Insurance	215	0
IMRF	33,500	0
Bond & interest	0	245,339
Capital replacement	245,339	0
Handicapped	611	0
Working cash	0	20,500
Audit	2,200	0
Total	<u>\$ 303,533</u>	<u>\$ 303,533</u>

8. ACCOUNTABILITY:

The were no funds with a deficit fund balance as of April 30, 2018.

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, 2018:

Working Cash Fund owes Liability Fund	<u>\$ 26,000</u>
Total interfund receivables / payables	<u>\$ 26,000</u>

10. 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 2017 was 10.14%. 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.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018**

10. DEFINED BENEFIT PENSION PLAN, Continued:

Annual Pension Cost. The required contribution for calendar year 2017 was \$50,958.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2017	\$ 50,958	100%	\$ 0
12/31/2016	\$ 49,919	100%	\$ 0
12/31/2015	\$ 44,563	100%	\$ 0

The required contribution for 2017 was determined as part of the December 31, 2015, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2015, 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, 2015 is being amortized as a level percentage of projected payroll on an open 26 year basis.

Funded Status and Funding Progress. As of December 31, 2017, the most recent actuarial valuation date, the Regular plan was 93.96% funded. The actuarial accrued liability for benefits was \$1,577,688 and the actuarial value of assets was \$1,482,444, resulting in an underfunded actuarial accrued liability (UAAL) of \$95,244. The covered payroll for calendar year 2017 (annual payroll of active employees covered by the plan) was \$502,547 and the ratio of the UAAL to the covered payroll was 19 percent.

The schedule of funding progress, presented as required supplemental information (RSI) 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.

11. 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. RELATED PARTY TRANSACTIONS:

There were no significant related party transactions during the year ended April 30, 2018.

15. 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, 2017 was \$364,573,622. As of April 30, 2018, the Park District's legal debt limit was \$10,481,492. Qualifying outstanding debt as of April 30, 2018, totaled \$2,332,676 leaving a debt margin of \$8,148,816.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018**

16. 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, 2018 was passed by the Board at the December 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:

	Maximum Percent	Actual Percent		
	2017	2017 Levy	2016 Levy	2015 Levy
General Corporate	0.1000	0.10000	0.10000	0.10000
Bonds and Interest	0.0000	0.12148	0.12163	0.12437
IMRF	0.0000	0.01994	0.01965	0.01916
Audit	0.0050	0.00500	0.00500	0.00500
Liability	0.0000	0.02021	0.01965	0.02032
Social Security	0.0000	0.02021	0.01965	0.02032
Unemployment Insurance	0.0900	0.00244	0.00239	0.00088
Recreation	0.1200	0.07572	0.07495	0.07606
Rec Programs Handicapped	0.0400	0.02049	0.01994	0.02032
Totals		<u>0.38548</u>	<u>0.38286</u>	<u>0.38643</u>

17. 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.

Coverage	Limits
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

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.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

For the year ending April 30, 2018

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)
12/31/2017	1,482,444	1,577,688	95,244	93.96%	502,547	18.95%
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%

On a market basis, the actuarial value of assets as of December 31, 2017 is \$1,599,585. On a market basis, the funded ratio would be 101.39%.

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, 2018

	Original / Final	Actual Amounts	Over / Under
Beginning budgetary fund balance:	\$ 58,098	\$ 56,079	\$ (2,019)
REVENUE			
Taxes	371,000	374,177	3,177
Interest income	50	43	(7)
Miscellaneous	12,960	7,889	(5,071)
Total revenue	384,010	382,109	(1,901)
EXPENDITURES			
General government	402,290	387,401	(14,889)
Culture & recreation	-	7,801	7,801
Total expenditures	402,290	395,202	(7,088)
Net revenue over (under) expenditures	(18,280)	(13,093)	5,187
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	20,000	20,413	413
Total other financing sources (uses)	20,000	20,413	413
Ending budgetary fund balance:	\$ 59,818	\$ 63,399	\$ 3,581

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, 2018

	<u>Original / Final</u>	<u>Actual Amounts</u>	<u>Over / Under</u>
Beginning budgetary fund balance:	\$ 194,549	\$ 208,399	\$ 13,850
REVENUE			
Taxes	267,000	265,798	(1,202)
Concessions	65,000	68,846	3,846
Recreational activities	1,093,449	1,183,600	90,151
Rental fees	30,705	12,631	(18,074)
Interest Income	200	135	(65)
Grants	0	0	0
Donations	36,000	1,250	(34,750)
Miscellaneous	2,000	10,159	8,159
Total revenue	1,494,354	1,542,419	48,065
EXPENDITURES			
Culture & recreation	1,424,666	1,425,276	610
Capital outlay	41,500	11,002	(30,498)
Total expenditures	1,466,166	1,436,278	(29,888)
Net revenue over (under) expenditures	28,188	106,141	77,953
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	0	(37,694)	(37,694)
Total other financing sources (uses)	0	(37,694)	(37,694)
Ending budgetary fund balance:	\$ 222,737	\$ 276,846	\$ 54,109

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, 2018

	Original / Final	Actual Amounts	Over / Under
Beginning budgetary fund balance:	\$ 432,551	\$ 347,212	\$ (85,339)
REVENUE			
Interest Income	100	2,313	2,213
Donations	0	9,863	9,863
Miscellaneous	1,500	11,825	10,325
Total revenue	1,600	24,001	22,401
EXPENDITURES			
General government	0	92,661	92,661
Culture & recreation	0	10,288	10,288
Debt service	0	45,182	45,182
Capital outlay	410,870	312,739	(98,131)
Total expenditures	410,870	460,870	50,000
Net revenue over (under) expenditures	(409,270)	(436,869)	(27,599)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issuance	165,000	0	(165,000)
Note payable proceeds	0	41,617	41,617
Insurance proceeds	0	0	0
Proceeds from sale of asset	0	0	0
Alternate revenue bond fund balance	0	0	0
Transfers in (out)	0	245,339	245,339
Total other financing sources (uses)	165,000	286,956	121,956
Ending budgetary fund balance:	\$ 188,281	\$ 197,299	\$ 9,018

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, 2018**

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, 2018, 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 September 7, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses may exist that were not identified.

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.

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.

