



**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2019



SIKICH.COM

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NORTH CHICAGO, ILLINOIS
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NORTH CHICAGO, ILLINOIS
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INTRODUCTORY SECTION

Foss Park District

LIST OF PRINCIPAL OFFICIALS

April 30, 2019

Board of Commissioners

Johnny Johnson, President

**Kenneth Robinson
Commissioner**

**Jimmy Baldwin
Vice-President/Treasurer**

**Bernard Semasko
Commissioner**

**Anthony Coleman
Commissioner**

**Kari Cowart
Executive Director of Parks and Recreation**

**Pamela Johnson
Superintendent of Recreation**

**Robert Winter
Superintendent of Grounds/Maintenance**

**Bradley Skof
Business Manager**

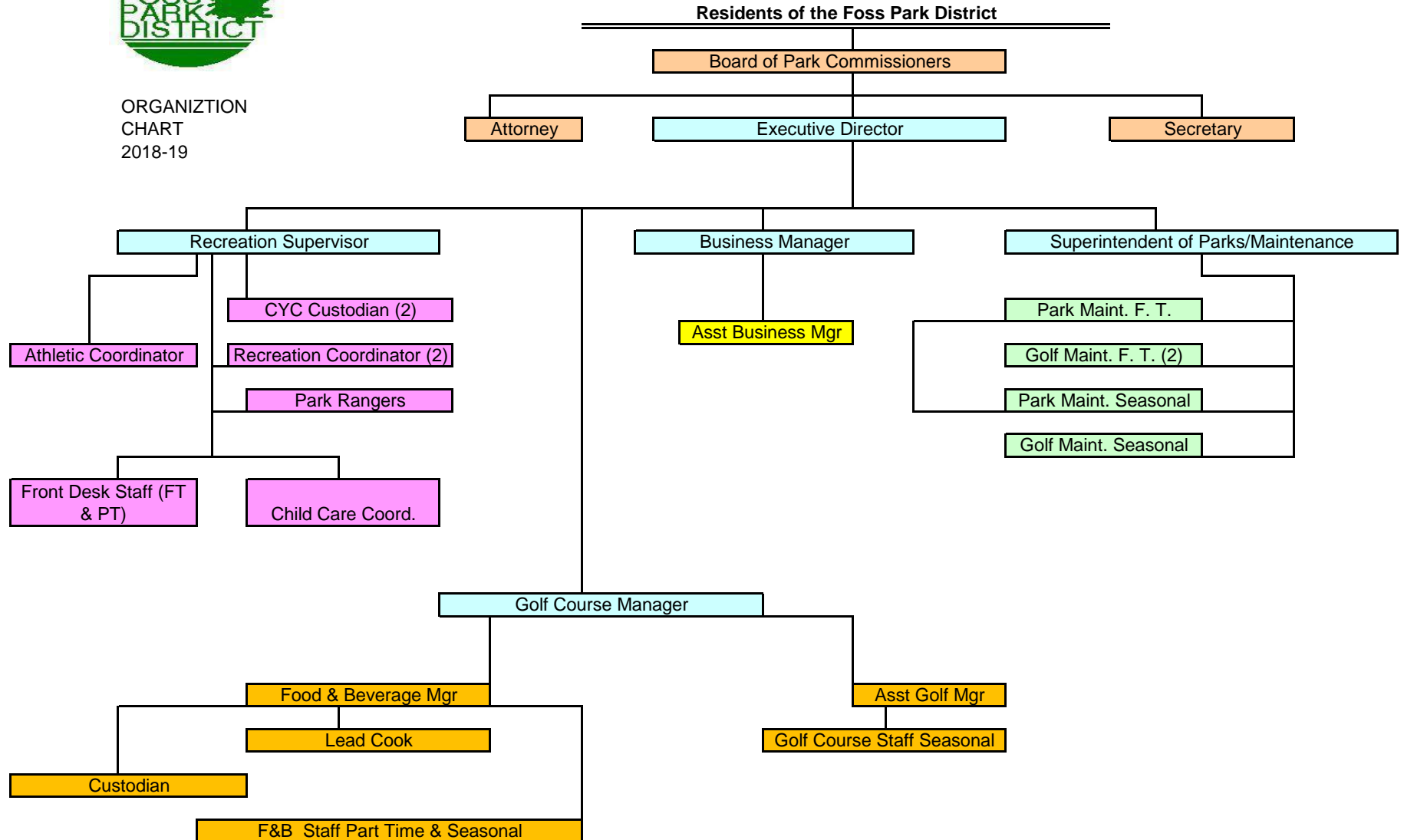
**Gabriel Monroe
Golf Course Manager**

**Michael Herring
Food & Beverage Manager**



ORGANIZATION
CHART
2018-19

2019



FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
Foss Park District
North Chicago, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Foss Park District (the District), as of and for the year ended April 30, 2019, and the related notes to financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting for the governmental activities and the business-type activities and cash basis of accounting for the major governmental fund and the aggregate remaining fund described in Note 1; this includes determining that the modified cash basis of accounting and cash basis of accounting are acceptable bases 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information as of April 30, 2019, and the respective changes in financial position - modified cash basis, and, where applicable, cash flows thereof for the year then ended on the bases of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 in the notes to financial statements, which describes the bases of accounting. The government-wide financial statements and the enterprise fund statements are prepared on a modified cash basis of accounting and the governmental fund financial statements are presented on the cash basis of accounting, which are comprehensive bases of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis, supplementary information, and the other supplementary information schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The management's discussion and analysis and supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Sikich LLP

Naperville, Illinois
October 2, 2019

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

Foss Park District Management's Discussion and Analysis April 30, 2019

The Foss Park District (the "District") Management's Discussion and Analysis is designed to: (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is an element of the governmental reporting model adopted by the Governmental Accounting Standards Board (GASB). Certain comparative information between the current year and the prior year is required to be presented in the MD&A. Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the District's modified cash basis financial statements (beginning on page 4).

Financial Highlights

- The District's financial status remains stable, as the District concluded the fiscal year with a positive net position balance. Overall revenues for all governmental and business-type activities this past year were \$3,093,973 with expenses being \$2,895,628, for an increase in net position of \$198,348.
- Real estate and replacement taxes collected were \$1,807,903 and \$138,602 respectively, a decrease of \$11,433 and an increase of \$3,997, respectively, over the previous year.
- Recreation program receipts were \$136,571, and expenses were \$121,268. Recreation program expenses include \$87,010 of depreciation expense. Depreciation expense charged to general government and park maintenance activities totaled \$26,397 and \$17,207, respectively.
- Golf course charges for services revenues were \$790,084 for the year, which is a decrease of \$128,613. Other golf revenues included \$370,937 in transfers from governmental activities. Golf course expenses were \$1,326,227, which included \$212,667 of depreciation expense.
- The District continues to commit resources toward maintaining and improving parks, playgrounds, and facilities. In fiscal year 2019, \$163,201 was spent on capital outlay for the District's facilities and equipment.
- The District's outstanding long-term debt was \$1,606,360 at April 30, 2019, which is a decrease from last year's balances of existing debt.

Overview of the Financial Statements

The Management's Discussion and Analysis introduces the District's basic modified cash basis financial statements. The basic financial statements include: (1) government-wide financial statements, (2) enterprise fund financial statements, and (3) notes to the financial statements. The District also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The District's annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector, with its basis in a modified cash basis accounting and elimination or reclassification of internal activities.

Foss Park District

Management's Discussion and Analysis

April 30, 2019

The first of these government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors, such as diversification of the taxpayer base or the condition of the District's capital assets, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included based on being collected or paid in the fiscal year (i.e. modified cash basis). An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general administration, park maintenance, and recreational programs. The government-wide financial statements are presented on pages 3 through 5 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined in a single aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The District has two types of funds:

Governmental funds are reported in the modified cash basis fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different, with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of available resources and balances of resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of available resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental funds statement of assets and liabilities arising from cash transactions and the governmental funds statement of revenues collected, expenditures paid, and changes in fund balances (deficits) provide a reconciliation to assist in understanding the differences between these two perspectives.

Foss Park District Management's Discussion and Analysis April 30, 2019

Budgetary comparison statements are included in the required supplementary information for the General Fund and major special revenue funds. Budgetary comparison schedules for the other funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the District's adopted annual appropriated budget.

The basic governmental fund financial statements are presented starting on page 6 of this report.

Proprietary funds are reported in the modified cash basis fund financial statements and are used to account for activities similar to those provided in the private sector. Goods or services from these activities are provided to outside parties or customers. The District charges these customers fees to offset the cost of providing the respective service. The District's only proprietary fund is the Golf Course Fund.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more details.

The basic proprietary fund financial statements are presented starting on page 11 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 15 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees, and budgetary comparisons. Supplementary Information can be found on pages 37 and 38 of this report.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 50.

Government-wide Financial Analysis

Over time, changes in net position may be observed and used to discuss the changing financial position of the District as a whole. Approximately seventy-four percent of the District's total net position reflects its investment in capital assets (e.g. land, buildings, vehicles, and equipment), net of related debt. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Foss Park District
Management's Discussion and Analysis
April 30, 2019

Foss Park District's Net Position – Modified Cash Basis

	<u>Governmental Activities</u>	
	<u>April 30, 2019</u>	<u>April 30, 2018</u>
<u>Assets:</u>		
Current assets	\$1,853,462	\$1,580,093
Capital assets – not being depreciated	610,106	610,106
Capital assets – net of depreciation	<u>1,349,996</u>	<u>1,396,446</u>
Total assets	<u>3,813,564</u>	<u>3,586,645</u>
<u>Liabilities:</u>		
Current liabilities	527,642	529,277
Noncurrent liabilities	<u>1,240,000</u>	<u>1,375,000</u>
Total liabilities	<u>1,767,642</u>	<u>1,904,277</u>
<u>Net position:</u>		
Net investment in capital assets	896,594	790,752
Restricted	1,213,505	1,495,860
Unrestricted	<u>(64,177)</u>	<u>(604,244)</u>
Total net position	<u>\$2,045,922</u>	<u>\$1,682,368</u>

	<u>Business-type Activities</u>	
	<u>April 30, 2019</u>	<u>April 30, 2018</u>
<u>Assets:</u>		
Current assets	\$ 112,447	\$ 132,120
Capital assets – not depreciated	1,491,429	1,491,429
Capital assets – net of depreciation	<u>2,098,690</u>	<u>2,243,994</u>
Total assets	<u>3,702,566</u>	<u>3,867,543</u>
<u>Liabilities:</u>		
Current liabilities	2,046	1,817
Noncurrent Liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>2,046</u>	<u>1,817</u>
<u>Net position:</u>		
Net investment in capital assets	3,590,119	3,735,423
Unrestricted	<u>110,401</u>	<u>130,303</u>
Total net position	<u>\$3,700,520</u>	<u>\$3,865,726</u>

**Foss Park District
Management's Discussion and Analysis
April 30, 2019**

Statement of Activities – Modified Cash Basis

	<u>Governmental Activities</u>	
	<u>April 30, 2019</u>	<u>April 30, 2018</u>
<u>Revenues:</u>		
Real estate taxes	\$1,807,902	\$1,819,336
Replacement taxes	138,602	124,605
Charges for services	135,504	96,442
Grants and contributions	3,542	3,600
Interest	36,554	16,535
Miscellaneous	<u>181,788</u>	<u>194,864</u>
Total	<u>2,303,892</u>	<u>2,265,382</u>
<u>Expenses:</u>		
General administration	1,142,134	1,210,945
Park maintenance	245,960	253,041
Recreation programs	121,268	112,802
Interest	60,039	63,597
Transfers	<u>370,937</u>	<u>526,450</u>
Total	<u>1,940,338</u>	<u>2,166,835</u>
Change in net position	363,554	98,547
Net position - beginning of year, restated	<u>1,682,368</u>	<u>1,583,821</u>
Net position - end of year	<u>\$2,045,922</u>	<u>\$ 1,672,368</u>

	<u>Business-type Activities</u>	
	<u>April 30, 2019</u>	<u>April 30, 2018</u>
<u>Revenues:</u>		
Charges for services	\$790,084	\$918,697
Grants and contributions	-0-	700
Transfers in	<u>370,937</u>	<u>526,450</u>
Total	<u>1,161,021</u>	<u>1,445,847</u>
<u>Expenses:</u>		
Golf course	<u>1,326,227</u>	<u>1,370,122</u>
Change in net position	(165,206)	75,725
Net position-beginning of year	<u>3,865,426</u>	<u>3,790,001</u>
Net position - end of year	<u>\$3,700,520</u>	<u>\$3,865,426</u>

Foss Park District Management's Discussion and Analysis April 30, 2019

Financial Highlights

Revenues for governmental and business-type activities, excluding capital contributions, decreased by approximately 3% in fiscal year 2019 primarily due to an decrease in receipts from business-type activities (golf course) this fiscal year. In addition, due to the planned increase in property taxes collected in the General Corporate fund, with no property taxes levied for Illinois Municipal Retirement Fund and Public Liability Fund Insurance purposes, the Park District was able to repay advances by the Illinois Municipal Retirement, Capital and Public Liability Insurance funds to the General Corporate fund, in the amount of \$412,760.

Budgetary Highlights

The Foss Park District's Business Office requests that various Department heads submit fiscal year budget for revenue and planned expenditures be submitted before the fiscal year begins on May 1st. This information is compiled and presented to the Executive Director, prior to presentation to the Board of Commissioners. The proposed budget for the fiscal year is then made available for public viewing thirty days prior to approval at the Board meeting. The budget is voted on by the full Board of Commissioners after the Budget and Appropriation hearing. The approved budget is then filed with the County Clerk.

General Fund:

Total revenues in the General Corporate Fund were 1.3% under the budgeted total of \$1,047,600. A decrease in both property taxes received, and in receipts from video gaming were factors in the reduction of income.

General administration expenses were \$85,000 below budget as the District continues to utilize in-house expertise to reduce reliance on outsourcing services, with better managed increases in employee health-related costs as well. The District has also seen significant savings in communication and utility costs by "shopping" for better service agreements.

Park maintenance expenses were over budget by \$3,610. Savings were in the maintenance areas, where the District was able to find means of using existing assets to complete the necessary maintenance of buildings and parks - even as costs of herbicides and chemicals exceeded budgeted estimates. Overall expenses for both areas were about 8% below budget.

Recreation Fund:

Revenues for programs and rentals were over budget expectations by \$7,121. This was a result of an increase in attendance in the Latchkey program and a grant from a local township for Senior Programming. In addition, the total revenue for this fund was about 12% over budget.

Expenditures were under budget by 7%, due to the careful use of District assets when providing programming options to the public.

Foss Park District Management's Discussion and Analysis April 30, 2019

Financial Analysis of the District's Funds

Governmental Funds

Governmental funds as reported in the statements are displayed to assess the spendable resources for current and future Park District operations. Governmental funds reported an ending total fund balance of \$1,822,180, which represents an increase over last year of \$284,079. Primarily, this was due to the increase of property tax levy and also higher interest returns on assets.

Major Governmental Funds

The General Corporate, Recreation, Special Recreation, Capital Improvements, and Bond and Interest funds are the major governmental funds of the Park District.

The General Corporate Fund had a deficit fund balance at the end of the fiscal year of \$202,324, which was a decrease in the deficit of \$482,231, resulting from a planned excess of revenues collected over expenses paid. This was due to an increase in the property tax levy.

The Recreation Fund had a fund balance at the end of the fiscal year of \$138,146, which was an increase of \$57,836. This was due to a more controlled cost/income plan.

The Special Recreation Fund had a fund balance of \$694,436 at the end of the fiscal year, which was an increase of \$1,116. This was due to a fewer expenditures than anticipated in the budget.

The Capital Improvements Fund's fund balance at the end of the fiscal year was \$672,852, which was an increase of \$24,366. This was due to a bond sold.

The Bond and Interest Fund's fund balance at the end of the fiscal year was \$2,968, which was an increase of \$1,141. This was due to the timing of payments vs. receipts in the fiscal year.

Some of the District's funds have been operating with advances from other funds in order to maintain services to the general public. Advances from the other funds totaled \$968,415 as of April 30, 2019. The detail of the advances is shown on pages 27 through 28 of this report.

Capital Assets

Net capital assets decreased approximately \$191,754 in the current year. This was a result primarily of depreciation expense.

Foss Park District Management's Discussion and Analysis April 30, 2019

Debt Administration

As of April 30, 2019, the Park District has an outstanding general obligation bonds issue of \$361,360. This obligation is due and payable within one year. In addition there is outstanding an alternate revenue bond of \$2,000,000. The current balance being \$1,245,000 The Bond and Interest Fund had a fund balance of \$2,968. The remainder will be paid through future real estate tax collections.

Factors Bearing on the District's Future

The General Corporate fund has a significant deficit fund balance, having incurred operating deficits for several years. The District has restructured its real estate tax levy to allow this deficit to be reduced over time. The Recreation was able to repay all borrowed funds and is now in a positive operating position.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report, or would like to request additional information, please contact the Executive Director, Business Manager or Board President, Foss Park District, 1730 Lewis Avenue, North Chicago, Illinois 60064.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2019

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 835,280	\$ 2,600	\$ 837,880
Investments	1,018,182	-	1,018,182
Inventory	-	109,847	109,847
Land and other capital assets not being depreciated	610,106	1,491,429	2,101,535
Capital assets being depreciated (net of accumulated depreciation)	1,349,996	2,098,690	3,448,686
Total assets	3,813,564	3,702,566	7,516,130
LIABILITIES			
Deposits	10,000	2,046	12,046
Payroll withholdings	21,282	-	21,282
Noncurrent liabilities			
Due within one year	496,360	-	496,360
Due in more than one year	1,240,000	-	1,240,000
Total liabilities	1,767,642	2,046	1,769,688
NET POSITION			
Net investment in capital assets	896,594	3,590,119	4,486,713
Restricted for			
Special needs	694,436	-	694,436
Pension payments	248,333	-	248,333
Liability	257,870	-	257,870
Debt service	2,968	-	2,968
Police	9,898	-	9,898
Unrestricted (deficit)	(64,177)	110,401	46,224
TOTAL NET POSITION	\$ 2,045,922	\$ 3,700,520	\$ 5,746,442

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2019

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,142,134	\$ 2,475	\$ -	\$ -
Park maintenance	245,960	-	-	-
Recreation programs	121,268	133,029	3,542	-
Interest	60,039	-	-	-
Total governmental activities	1,569,401	135,504	3,542	-
Business-Type Activities				
Golf course	1,326,227	790,084	-	-
TOTAL PRIMARY GOVERNMENT	\$ 2,895,628	\$ 925,588	\$ 3,542	\$ -

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (1,139,659)	\$ -	\$ (1,139,659)
	(245,960)	-	(245,960)
	15,303	-	15,303
	(60,039)	-	(60,039)
	(1,430,355)	-	(1,430,355)
	-	(536,143)	(536,143)
	(1,430,355)	(536,143)	(1,966,498)
General Revenues			
Taxes			
Real estate taxes	1,807,902	-	1,807,902
Replacement taxes	138,602	-	138,602
Investment income	36,554	-	36,554
Miscellaneous	181,788	-	181,788
Transfers	(370,937)	370,937	-
Total	1,793,909	370,937	2,164,846
CHANGE IN NET POSITION	363,554	(165,206)	198,348
NET POSITION, MAY 1	1,682,368	3,865,726	5,548,094
NET POSITION, APRIL 30	\$ 2,045,922	\$ 3,700,520	\$ 5,746,442

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS

April 30, 2019

	General Corporate	Recreation	Special Recreation	Capital Improvements	Bond and Interest	Nonmajor Governmental	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 104,639	\$ 138,146	\$ 232,193	\$ 347,436	\$ 2,968	\$ 9,898	\$ 835,280
Investments	230,522	-	-	787,660	-	-	1,018,182
Advances to other funds	-	-	462,243	-	-	506,203	968,446
TOTAL ASSETS	\$ 335,161	\$ 138,146	\$ 694,436	\$ 1,135,096	\$ 2,968	\$ 516,101	\$ 2,821,908
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Deposits	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Payroll withholdings	21,282	-	-	-	-	-	21,282
Advances from other funds	506,203	-	-	462,243	-	-	968,446
Total liabilities	537,485	-	-	462,243	-	-	999,728
FUND BALANCES (DEFICIT)							
Restricted	-	-	694,436	672,853	2,968	516,101	1,886,358
Assigned	-	138,146	-	-	-	-	138,146
Unassigned (deficit)	(202,324)	-	-	-	-	-	(202,324)
Total fund balances (deficit)	(202,324)	138,146	694,436	672,853	2,968	516,101	1,822,180
TOTAL LIABILITIES AND FUND BALANCES	\$ 335,161	\$ 138,146	\$ 694,436	\$ 1,135,096	\$ 2,968	\$ 516,101	

Amounts reported for governmental activities in the statement of net position - modified cash basis are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds 1,960,102

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds (1,736,360)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,045,922

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

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

For the Year Ended April 30, 2019

	General Corporate	Recreation	Special Recreation	Capital Improvements	Bond and Interest	Nonmajor Governmental	Total Governmental Funds
REVENUES COLLECTED							
Real estate taxes	\$ 747,317	\$ 635,804	\$ 2,913	\$ -	\$ 356,742	\$ 65,126	\$ 1,807,902
Personal property replacement taxes	128,602	10,000	-	-	-	-	138,602
Charges for services	2,475	133,029	-	-	-	-	135,504
Contributions and donations	-	3,542	-	-	-	-	3,542
Other income	139,852	19,689	-	12,350	-	9,897	181,788
Investment income	17,489	2,105	93	14,576	2,284	7	36,554
Total revenues collected	1,035,735	804,169	3,006	26,926	359,026	75,030	2,303,892
EXPENDITURES PAID							
Current							
General administration	349,745	396,750	1,890	-	9,279	346,399	1,104,063
Park maintenance	203,759	-	-	-	-	24,994	228,753
Recreation programs	-	33,987	-	-	-	271	34,258
Debt service							
Principal	-	-	-	198,718	288,567	-	487,285
Interest	-	-	-	-	60,039	-	60,039
Capital outlay	-	-	-	163,201	-	-	163,201
Total expenditures paid	553,504	430,737	1,890	361,919	357,885	371,664	2,077,599
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	482,231	373,432	1,116	(334,993)	1,141	(296,634)	226,293
OTHER FINANCING SOURCES (USES)							
Proceeds from bond issuance	-	-	-	361,360	-	-	361,360
Transfers in	-	-	-	-	-	12,022	12,022
Transfers (out)	-	(315,596)	-	-	-	-	(315,596)
Total other financing sources (uses)	-	(315,596)	-	361,360	-	12,022	57,786
NET CHANGE IN FUND BALANCES	482,231	57,836	1,116	26,367	1,141	(284,612)	284,079
FUND BALANCES (DEFICIT), MAY 1	(684,555)	80,310	693,320	646,486	1,827	800,713	1,538,101
FUND BALANCES (DEFICIT), APRIL 30	\$ (202,324)	\$ 138,146	\$ 694,436	\$ 672,853	\$ 2,968	\$ 516,101	\$ 1,822,180

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

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

For the Year Ended April 30, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 284,079
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	84,164
Depreciation on capital assets is reported as an expense in the statement of activities	(130,614)
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities General obligation bonds	(361,360)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	<u>487,285</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 363,554</u>

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS
ENTERPRISE FUND**

April 30, 2019

	Business-Type Activities Golf Course
CURRENT ASSETS	
Cash and cash equivalents	\$ 2,600
Inventory	109,847
Total current assets	112,447
NONCURRENT ASSETS	
Land and other capital assets not being depreciated	1,491,429
Capital assets, net of accumulated depreciation	2,098,690
Total noncurrent assets	3,590,119
Total assets	3,702,566
CURRENT LIABILITIES	
Deposits payable	2,046
Total current liabilities	2,046
LONG-TERM LIABILITIES	
None	-
Total long-term liabilities	-
Total liabilities	2,046
NET POSITION	
Net investment in capital assets	3,590,119
Unrestricted	110,401
TOTAL NET POSITION	\$ 3,700,520

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**STATEMENT OF REVENUES COLLECTED, EXPENSES, AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
ENTERPRISE FUND**

For the Year Ended April 30, 2019

	Business-Type Activities Golf Course
OPERATING REVENUES COLLECTED	
Charges for services	\$ 608,558
Rental	133,302
Other receipts	<u>48,224</u>
Total operating revenues collected	<u>790,084</u>
OPERATING EXPENSES	
Golf course operations	680,550
Golf course maintenance	433,010
Depreciation	<u>212,667</u>
Total operating expenses	<u>1,326,227</u>
OPERATING INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(536,143)
Capital contributions from governmental activities	67,363
Transfers in	<u>303,574</u>
CHANGE IN NET POSITION	(165,206)
NET POSITION, MAY 1	<u>3,865,726</u>
NET POSITION, APRIL 30	<u><u>\$ 3,700,520</u></u>

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
ENTERPRISE FUND**

For the Year Ended April 30, 2019

	<u>Business-Type Activities Golf Course</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 790,084
Cash paid to suppliers	(582,036)
Cash paid to employees	<u>(512,020)</u>
Net cash from operating activities	<u>(303,972)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in from other funds	<u>303,574</u>
Net cash from noncapital financing activities	<u>303,574</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
None	<u>-</u>
Net cash from capital and related financing activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
None	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(398)
CASH AND CASH EQUIVALENTS, MAY 1	<u>2,998</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 2,600</u></u>

(This statement is continued on the following page.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
ENTERPRISE FUND**

For the Year Ended April 30, 2019

	<u>Business-Type Activities Golf Course</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (536,143)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation	212,667
Changes in assets and liabilities	
Decrease in inventory	19,275
Deposits payable	<u>229</u>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ (303,972)</u></u>
NONCASH TRANSACTIONS	
Capital contributions from governmental activities	<u>\$ 67,363</u>
TOTAL NONCASH TRANSACTIONS	
None	<u><u>\$ 67,363</u></u>

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Foss Park District, North Chicago, Illinois (the District) have been prepared using the modified cash basis and cash basis of accounting, which is a comprehensive basis of accounting, but which is not in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

The District was created in 1907 as a body corporate and politic and is now operating under the provisions of The Park District Code of the State of Illinois. It provides the following services as authorized by its charter: recreational programs, the maintenance of parks and recreational facilities, and a golf course facility. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is based upon the significance of the potential component unit's operational or financial relationships with the primary government. No entities met the requirements to be reported as a component unit.

b. Government-Wide and Fund Financial Statements

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary, and fiduciary. The District does not have any fiduciary funds.

Governmental funds are used to account for the District's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed, or assigned for the acquisition or construction of capital assets (capital projects funds), and the funds restricted, committed, or assigned for the servicing of general long-term debt (debt service funds). The General Corporate Fund is used to account for all activities of the general government not accounted for in some other fund.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Government-Wide and Fund Financial Statements (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties or to other departments or agencies primarily within the District (internal service funds).

The government-wide financial statements (i.e., the modified cash basis statements of net position and activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, fees, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The District reports the following major governmental funds:

The General Corporate Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Recreation Fund accounts for the collection of resources and expenditures related to providing recreational programs.

The Special Recreation Fund is used to account for special revenues collected for providing recreational services to district residents with special needs.

The Capital Improvements Fund is used to account for the construction cost of major improvements in the District.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Government-Wide and Fund Financial Statements (Continued)

The Bond and Interest Fund is used to account for the collection and use of real estate taxes for the payment of general long-term debt principal and interest. Management has elected to present the Bond and Interest Fund as major for year-over-year comparison purposes.

The District reports the following major enterprise fund:

The Golf Course Fund accounts for the provision of golfing recreation and the maintenance of the course. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and financing. The golf course also operates video gaming machines which are maintained at the golf course club house.

Enterprise funds distinguish operating revenues collected and expenses paid from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operation. The principal operating revenues of the Golf Course Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition (except depreciation on capital assets) are reported as non-operating revenues and expenses.

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

The government-wide and proprietary fund financial statements are prepared using the modified cash basis of accounting. The modified cash basis of accounting omits recognition of certain revenues and the related assets, such as taxes receivable, until received, rather than when earned. Also, certain expenditures and the related liabilities, such as accounts payable and accrued items, are recognized when paid, rather than when the obligation is incurred. The financial statements reflect assets and liabilities arising from cash transactions, revenues collected, inventory on hand, and expenditures/expenses paid. The modified cash basis also includes depreciation expense as well as long-term capital assets and capital related liabilities. The modified cash basis of accounting is a comprehensive basis of accounting other than GAAP.

The governmental fund financial statements are prepared using the cash basis of accounting. The cash basis of accounting recognizes revenues when received instead of when earned or when measurable and available, and expenditures when paid instead of when incurred. The cash basis of accounting is a comprehensive basis of accounting other than GAAP.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Cash and Cash Equivalents

For purposes of reporting cash flows, the District considers all cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

e. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments consist of certificates of deposit with a maturity of greater than three months, at the purchase date, and are carried at cost.

f. Advances to Other Funds

Noncurrent portions of interfund loan receivables are reported as advances and are offset in the governmental funds equally by a nonspendable fund balance account in the General Corporate Fund, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. Other funds' advances are offset by either restricted or assigned fund balance, indicating that the use of the proceeds from the collection of the advance is restricted or assigned.

g. Inventory

Inventory is maintained for goods held for resale at the golf course. It is valued at average cost.

h. Capital Assets

Capital assets, which include land, land improvements, construction in progress, machinery and equipment, and buildings and improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost in excess of a certain threshold, as shown below, and an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of the donation.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The following capitalization thresholds and estimated useful lives are used:

Assets	Threshold Value	Useful Life Years
Machinery and equipment	\$ 5,000	3-20
Buildings and improvements	15,000	25-50
Land improvements		
Golf course	15,000	10-60
Other	15,000	10-50
Land	15,000	N/A

i. Long-Term Obligations

In the government-wide financial statements and the enterprise fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position.

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

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Balance/Net Position

In accordance with the GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the governmental funds report up to five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as inventories.

Restricted - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws, and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds are, by definition, restricted or committed for those specified purposes.

Committed - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Park Commissioners). The Board of Park Commissioners commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds.

Assigned - refers to amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. Intent may be expressed by the Board of Park Commissioners or the individual Board of Park Commissioners delegates the authority to assign amounts to be used for specific purposes. Currently, the Assistant Business Manager has the authority to assign fund balances.

Unassigned - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Corporate Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. See Note 8 for detail of fund balance classifications.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Real Estate Taxes

The District's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk no later than the last Tuesday in December of each year. Taxes are due and collectible one-half on June 1 and one-half on September 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1. Real estate tax revenues are recognized when distributions are received from the County Treasurer/Collector.

l. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. INTERFUND ADVANCES

Due to the magnitude of the interfund balances and the District's inability to repay these balances within the next fiscal year, all interfund balances are classified as advances. The management of the District believes that all advances will eventually be repaid in full. Various funds have incurred operating deficits for several years. Those deficits have been funded with the interfund advances.

3. LEGAL COMPLIANCE AND ACCOUNTABILITY - DEFICIT FUND BALANCES

The General Corporate, Recreation, and Audit Funds of the District incurred operating deficits for several years. The District's management has been assessing the District's financial condition, has implemented new revenue sources, and is seeking additional potential revenue sources.

The following funds had a deficit in fund balance as of April 30, 2019:

Fund	Balance
General Corporate	\$ (202,324)

The District has restructured its real estate tax levy to allow these deficits to be reduced over time. The District also is expanding its operations to generate new revenue sources.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. DEPOSITS AND INVESTMENTS

The District maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position - modified cash basis as "cash and cash equivalents." In addition, investments are separately held by several of the District's funds, which consist of certificates of deposit with maturities greater than 90 days.

Certain of the funds participating in the cash pool incur overdrafts (deficits) in the account. Such overdrafts, in effect, constitute cash borrowed from other district funds and are, therefore, interfund advances which have not been authorized by Board action. Such loans are included in Note 7 as advances to/from other funds.

Illinois Compiled Statutes (ILCS) authorizes the District to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois District Liquid Asset Fund (a money market fund created by the State Legislature under the control of the Illinois Association of Parks that maintains a \$1 share value).

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The District invests solely in certificates of deposit. At April 30, 2019, the District's deposits and investments consisted of the following:

Cash and cash equivalents	\$ 837,880
Investments	<u>1,018,182</u>
TOTAL	<u>\$ 1,856,062</u>

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. DEPOSITS AND INVESTMENTS (Continued)

For disclosure purposes, the total above is segregated into two components: (1) cash on hand and (2) deposits with financial institutions, as follows:

Cash on hand	\$ 3,155
Deposits with financial institutions	<u>1,852,907</u>
TOTAL	<u>\$ 1,856,062</u>

The District's bank balances totaled \$1,852,907 at April 30, 2019.

a. Interest Rate Risk

The District generally limits investment maturities to a maximum of three years as a means of managing its exposure to fair value losses arising from increased interest rates. The objective is to maintain a core portfolio with maturities of less than one year.

b. Credit Risk

State law limits investments in commercial paper and mutual bond funds to the three top ratings issued by nationally recognized statistical rating organizations. The District does not impose further limits on investment choices.

c. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its deposits or collateral securities that are in the possession of an outside party. The District's collateral is held in the name of the District by the District's agent. As of April 30, 2019, the District had bank balance deposits of \$0 that was exposed to custodial credit risk, as it is uninsured and uncollateralized.

d. Concentration of Credit Risk

The District prefers that its investments are diversified to eliminate the risk of loss resulting in an overconcentration in a security, maturity, issuer, or class of securities.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 448,707	\$ -	\$ -	\$ 448,707
Construction in progress	161,399	-	-	161,399
Total capital assets not being depreciated	610,106	-	-	610,106
Capital assets being depreciated				
Machinery and equipment	1,253,175	39,880	-	1,293,055
Buildings and equipment	1,727,591	44,284	-	1,771,875
Land improvements	1,083,387	-	-	1,083,387
Total capital assets being depreciated	4,064,153	84,164	-	4,148,317
Less accumulated depreciation for				
Machinery and equipment	1,096,760	69,223	-	1,165,983
Buildings and improvements	1,202,354	35,559	-	1,237,913
Land improvements	368,593	25,832	-	394,425
Total accumulated depreciation	2,667,707	130,614	-	2,798,321
Total capital assets being depreciated, net	1,396,446	(46,450)	-	1,349,996
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 2,006,552	\$ (46,450)	\$ -	\$ 1,960,102
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,491,429	\$ -	\$ -	\$ 1,491,429
Total capital assets not being depreciated	1,491,429	-	-	1,491,429
Capital assets being depreciated				
Machinery and equipment	1,005,809	67,363	-	1,073,172
Buildings and equipment	2,354,784	-	-	2,354,784
Land improvements	1,021,905	-	-	1,021,905
Total capital assets being depreciated	4,382,498	67,363	-	4,449,861
Less accumulated depreciation for				
Machinery and equipment	803,430	95,509	-	898,939
Buildings and improvements	587,942	48,392	-	636,334
Land improvements	747,132	68,766	-	815,898
Total accumulated depreciation	2,138,504	212,667	-	2,351,171
Total capital assets being depreciated, net	2,243,994	(145,304)	-	2,098,690
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 3,735,423	\$ (145,304)	\$ -	\$ 3,590,119

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General government	\$ 26,397
Recreation programs	87,010
Park maintenance	<u>17,207</u>

**TOTAL DEPRECIATION EXPENSE -
GOVERNMENTAL ACTIVITIES**

\$ 130,614

BUSINESS-TYPE ACTIVITIES

Golf course	<u>\$ 212,667</u>
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**TOTAL DEPRECIATION EXPENSE -
BUSINESS-TYPE ACTIVITIES**

\$ 212,667

6. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

The following is a summary of long-term debt activity for the District during the fiscal year:

	Balances May 1	Additions	Retirements	Balances April 30	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General Obligation Park Bonds (Alternative Revenue Source), Series 2012A	\$ 1,505,000	\$ -	\$ 130,000	\$ 1,375,000	\$ 135,000
General Obligation Limited Tax Park Bonds, Series 2017	357,285	-	357,285	-	-
General Obligation Limited Tax Park Bonds, Series 2018	-	361,360	-	361,360	361,360
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,862,285</u>	<u>\$ 361,360</u>	<u>\$ 487,285</u>	<u>\$ 1,736,360</u>	<u>\$ 496,360</u>

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. General Obligation Bonds Payable

In May 2012, the District issued \$2,000,000 of General Obligation Park Bonds (Alternate Revenue Source), Series 2012A (the 2012A Series Bonds), with an interest rate ranging from 2.00% to 3.90%. The proceeds of the 2012A Series Bonds can be used for the payment of land condemned or purchased for parks and for building, maintaining, improving, and protecting the existing land and facilities of the District.

In November 2018, the District issued \$361,360 of General Obligation Limited Tax Park Bonds, Series 2018 (the 2018 Series Bonds), with an interest rate of 2.72%. The proceeds of the 2018 Series Bonds can be used for the payment of land for parks, for the building, maintaining, improving and protecting of the same and the existing land and facilities of the District, and to provide the revenue source for the payment of outstanding obligations of the District.

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending April 30,	Principal	Interest	Total
2020	\$ 496,360	\$ 59,324	\$ 555,684
2021	140,000	45,445	185,445
2022	140,000	41,105	181,105
2023	145,000	36,485	181,485
2024	150,000	31,410	181,410
2025-2028	665,000	66,105	731,105
TOTAL	\$ 1,736,360	\$ 279,874	\$ 2,016,234

c. Revenues Pledged for Debt Service

The 2012A Series Bonds are to be paid through bond proceeds and pledged property tax revenues. This pledge will remain until all of the bonds are retired. The amount of the pledge remaining at April 30, 2019 was \$1,645,045. The commitment ends on December 15, 2027.

The District collected pledged revenues totaling \$356,742 during the year ended April 30, 2019. Principal and interest retired during the same period totaled \$183,395, which represents approximately 52% of the pledged revenues collected.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INTERFUND ADVANCES AND TRANSFERS

a. Interfund Advances

Interfund advances arise when interfund receivables and payables exist which management does not intend to reimburse within a period of one year. The District has restructured its real estate tax levy to allow it to remedy and repay these unauthorized advances of approximately \$2.8 million over time. Management believes that the District will have the time and resources necessary to allow it to repay these amounts. No contingencies related to these advances are known at this time; however, the District believes that the amount, if any, will not be material to the financial statements. The details of the reported internal balances are as follows:

	Advances To	Advances From
MAJOR GOVERNMENTAL		
General Corporate		
Illinois Municipal Retirement	\$ -	\$ 248,333
Public Liability Insurance	-	257,870
Total General Corporate	-	506,203
Special Recreation		
Capital Improvements	462,243	-
Total Special Recreation	462,243	-
Illinois Municipal Retirement		
General Corporate	248,333	-
Total Illinois Municipal Retirement	248,333	-
Public Liability Insurance		
General Corporate	257,870	-
Total Public Liability Insurance	257,870	-
Capital Improvements		
Special Recreation	-	462,243
Total Capital Improvements	-	462,243
TOTAL INTERFUND ADVANCES	\$ 968,446	\$ 968,446

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INTERFUND ADVANCES AND TRANSFERS (Continued)

b. Interfund Transfers

Individual interfund transfers are as follows:

	Transfers In	Transfers Out
Recreation	\$ -	\$ 315,596
Golf Course	303,574	-
Nonmajor - Audit	12,022	-
Government Activities	55,341	-
Business-type activities	-	55,341
TOTAL	\$ 370,937	\$ 370,937

The purpose of the interfund transfers are as follows:

- Funds transferred from the Capital Fund to the Golf Course Fund were in the form of contributed equipment. Funds transferred from the Recreation Fund to the Golf Course and Audit Funds were done to subsidize ongoing operating expenses. The amounts will not be repaid.

8. RESTRICTED FUND BALANCE/NET POSITION

The governmental fund statements report fund balance restricted for the following purposes:

Special Recreation	\$ 694,436
Capital Improvements	672,853
Illinois Municipal Retirement	248,333
Public Liability Insurance	257,870
Bond and Interest	2,968
Police	9,898
TOTAL RESTRICTED FUND BALANCE	\$ 1,886,358

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. RESTRICTED FUND BALANCE/NET POSITION (Continued)

The government-wide statement of net position - modified cash basis reports \$1,213,505 of restricted net position which consists of the following:

Special Recreation	\$ 694,436
Illinois Municipal Retirement	248,333
Public Liability Insurance	257,870
Bond and Interest	2,968
Police	<u>9,898</u>
 TOTAL RESTRICTIONS	 <u>\$ 1,213,505</u>

9. CONTINGENCIES

a. Grants

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

b. Litigation

The District is party to various claims and legal actions arising in the ordinary operations of the District government. While it is not possible at this time to determine the outcome of these matters, management believes that the ultimate liability, if any, will not be material to the financial statements.

10. DEFINED BENEFIT PENSION PLAN

The District's defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system, provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The benefits, benefit levels, employee contributions, and employer contributions for the plan are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2018, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	89
Active employees	<u>30</u>
 TOTAL	 <u><u>139</u></u>

Benefits Provided

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with either years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. There were no benefit changes during the year. Changes in assumptions related to the discount rate were made since the prior measurement date. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2018 was 6.18% of covered payroll. The employer contribution for the year ending December 31, 2019 is 4.44% of covered payroll.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.50%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension (Asset)
BALANCES AT JANUARY 1, 2017	\$ 3,375,585	\$ 4,135,247	\$ (759,662)
Changes for the period			
Service cost	101,106	-	101,106
Interest	252,973	-	252,973
Difference between expected and actual experience	(96,595)	-	(96,595)
Changes in assumptions	102,356	-	102,356
Employer contributions	-	60,381	(60,381)
Employee contributions	-	46,687	(46,687)
Net investment income	-	(187,821)	187,821
Benefit payments and refunds	(106,320)	(106,320)	-
Other (net transfer)	-	43,617	(43,617)
Net changes	253,520	(143,456)	396,976
BALANCES AT DECEMBER 31, 2017	\$ 3,629,105	\$ 3,991,791	\$ (362,686)

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2019, the District recognized pension expense of \$50,555.

At April 30, 2019, the District has deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 64,329
Changes in assumption	33,150	-
Net difference between projected and actual earnings on pension plan investments	252,817	-
Contributions made subsequent to the measurement date	7,708	-
	<hr/>	<hr/>
TOTAL	\$ 293,675	\$ 64,329

\$7,708 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending</u> <u>April 30,</u>	
2020	\$ 54,878
2021	34,918
2022	31,918
2023	99,924
2024	-
Thereafter	-
	<hr/>
TOTAL	\$ 221,638

The net pension liability, deferred outflows of resources and deferred inflows of resources are not reported on the District's financial statements as the District reports on the modified cash basis of accounting as discussed in Note 1c.

FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the District calculated using the discount rate of 7.25% as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 103,868	\$ (362,686)	\$ (744,080)

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the District provides postemployment health care benefits (OPEB) for retired employees as required by state regulations. No formal postemployment benefit plan has been established. The benefits, benefit levels, employee contributions and any employer contributions are governed by the District. The plan does not issue a separate report. No assets are reported in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75.

b. Benefits Provided

The District provides OPEB to its retirees. To be eligible for benefits, an employee must qualify for retirement under the District's retirement plan or meet COBRA requirements.

All health care benefits are provided through the District's health insurance plan. The benefit levels are the same as those afforded to active employees. Retirees pay the full premium to continue in the plan, which creates an implicit benefit as defined by GASB Statement No. 75.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Total OPEB Liability

Based on the size of the District, the number of active plan members, the lack of any retirees participating in the plan, and comparison of actuarial valuations for similar entities with similar benefits, the District's total OPEB liability as of April 30, 2019 is immaterial and, therefore, not recorded by the District and no further disclosure is deemed necessary.

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases coverage against such risks and against other risks of loss, including health insurance, torts, and professional liability insurance. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SUPPLEMENTARY INFORMATION
(UNAUDITED)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2019	2018	2017	2016
Actuarially determined contribution	\$ 50,555	\$ 64,400	\$ 69,401	\$ 86,312
Contributions in relation to the actuarially determined contribution	50,555	64,400	69,401	86,312
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,138,402	\$ 1,041,647	\$ 1,113,896	\$ 1,188,005
Contributions as a percentage of covered payroll	4.44%	6.18%	6.23%	7.27%

Notes to Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the preceding calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.39% to 14.25% compounded annually, and postretirement benefit increases of 3% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2019

MEASUREMENT DATE DECEMBER 31,	2018****	2017***	2016**	2015*
TOTAL PENSION LIABILITY				
Service cost	\$ 101,106	\$ 114,858	\$ 123,511	\$ 123,838
Interest	252,973	248,595	252,767	253,182
Differences between expected and actual experience	(96,595)	(82,497)	(319,209)	(260,967)
Changes in assumptions	102,356	(110,778)	-	-
Benefit payments, including refunds of member contributions	(106,320)	(103,529)	(113,204)	(129,647)
Net change in total pension liability	253,520	66,649	(56,135)	(13,594)
Total pension liability - beginning	3,375,585	3,308,936	3,365,071	3,378,665
TOTAL PENSION LIABILITY - ENDING	\$ 3,629,105	\$ 3,375,585	\$ 3,308,936	\$ 3,365,071
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 60,381	\$ 66,587	\$ 71,355	\$ 87,483
Contributions - member	46,687	47,337	57,435	68,268
Net investment income	(187,821)	605,220	242,140	19,406
Benefit payments, including refunds of member contributions	(106,320)	(103,529)	(113,204)	(129,647)
Administrative expense	43,617	(21,901)	(250,182)	(379,672)
Net change in plan fiduciary net position	(143,456)	593,714	7,544	(334,162)
Plan fiduciary net position - beginning	4,135,247	3,541,533	3,533,989	3,868,151
PLAN FIDUCIARY NET POSITION - ENDING	\$ 3,991,791	\$ 4,135,247	\$ 3,541,533	\$ 3,533,989
EMPLOYER'S NET PENSION ASSET	\$ (362,686)	\$ (759,662)	\$ (232,597)	\$ (168,918)
Plan fiduciary net position as a percentage of the total pension asset	109.99%	122.50%	107.03%	105.02%
Covered payroll	\$ 1,037,488	\$ 1,051,937	\$ 1,162,145	\$ 1,198,398
Employer's net pension asset as a percentage of covered payroll	(34.96%)	(72.22%)	(20.01%)	(14.10%)

*Changes in assumptions related to investment rate of return and retirement age and mortality were made since the prior measurement date.

**Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

***There were no benefit changes during the year. Changes in assumptions related to the discount rate were made since the prior

****There were no benefit changes during the year. Changes in assumptions related to the investment rate of return were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

OTHER SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL CORPORATE FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 770,000	\$ 747,317	\$ (22,683)
Intergovernmental revenues	115,000	128,602	13,602
Charges for services	2,100	2,475	375
Other income	155,500	139,852	(15,648)
Investment income	5,000	17,489	12,489
Total revenues collected	1,047,600	1,035,735	(11,865)
EXPENDITURES PAID			
Current			
General administration	585,000	349,745	(235,255)
Park maintenance	333,000	203,759	(129,241)
Total expenditures paid	918,000	553,504	(364,496)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID			
	129,600	482,231	352,631
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(450,000)	-	450,000
Total other financing sources (uses)	(450,000)	-	450,000
NET CHANGE IN FUND BALANCE			
	<u>\$ (320,400)</u>	482,231	<u>\$ 802,631</u>
FUND BALANCE (DEFICIT), MAY 1			
		<u>(684,555)</u>	
FUND BALANCE (DEFICIT), APRIL 30			
		<u>\$ (202,324)</u>	

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF DETAILED REVENUES COLLECTED - BUDGET AND ACTUAL
GENERAL CORPORATE FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 770,000	\$ 747,317	\$ (22,683)
Intergovernmental revenues			
Replacement taxes	115,000	128,602	13,602
Charges for services			
Rentals	2,100	2,475	375
Other income			
Expense reimbursement	-	1,883	1,883
Contributions and donations	-	500	500
Other	155,500	137,469	(18,031)
Total other income	155,500	139,852	(15,648)
Investment income	5,000	17,489	12,489
TOTAL REVENUES COLLECTED	\$ 1,047,600	\$ 1,035,735	\$ (11,865)

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF DETAILED EXPENDITURES PAID - BUDGET AND ACTUAL
GENERAL CORPORATE FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
EXPENDITURES PAID			
General administration			
Personal services			
Salaries	\$ 275,000	\$ 239,899	\$ (35,101)
Fringe benefits	50,000	31,107	(18,893)
Total personal services	325,000	271,006	(53,994)
Contractual services			
Professional services	75,000	11,347	(63,653)
Utilities and cleaning	5,000	224	(4,776)
Maintenance, repairs, and insurance	15,000	9,298	(5,702)
Communications	40,000	25,150	(14,850)
Other	100,000	29,454	(70,546)
Total contractual services	235,000	75,473	(159,527)
Commodities	15,000	3,266	(11,734)
Total general administration before capital outlay	575,000	349,745	(225,255)
Capital outlay	10,000	-	(10,000)
Total general administration	585,000	349,745	(235,255)
Park maintenance			
Personal services			
Salaries	175,000	153,152	(21,848)
Fringe benefits	20,000	666	(19,334)
Total personal services	195,000	153,818	(41,182)
Contractual services			
Professional services	4,000	1,225	(2,775)
Utilities and cleaning	20,000	12,843	(7,157)
Maintenance, repairs, and insurance	50,000	14,513	(35,487)
Communications	9,000	550	(8,450)
Other expenditures	5,000	-	(5,000)
Total contractual services	88,000	29,131	(58,869)
Commodities	40,000	20,810	(19,190)
Total park maintenance before capital outlay	323,000	203,759	(119,241)
Capital outlay	10,000	-	(10,000)
Total park maintenance	333,000	203,759	(129,241)
TOTAL EXPENDITURES PAID	\$ 918,000	\$ 553,504	\$ (364,496)

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

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

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 655,100	\$ 635,804	\$ (19,296)
Intergovernmental revenues	-	10,000	10,000
Charges for services	120,998	133,029	12,031
Contributions and donations	7,000	3,542	(3,458)
Other income	29,400	19,689	(9,711)
Investment income	600	2,105	1,505
Total revenues collected	813,098	804,169	(8,929)
EXPENDITURES PAID			
General administration	711,500	396,750	(314,750)
Recreation programs	120,000	33,987	(86,013)
Total expenditures paid	831,500	430,737	(400,763)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(18,402)	373,432	391,834
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(400,000)	(315,596)	84,404
Total other financing sources (uses)	(400,000)	(315,596)	84,404
NET CHANGE IN FUND BALANCE	<u>\$ (418,402)</u>	57,836	<u>\$ 476,238</u>
FUND BALANCE, MAY 1		<u>80,310</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 138,146</u></u>	

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF DETAILED REVENUES COLLECTED - BUDGET AND ACTUAL
RECREATION FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 655,100	\$ 635,804	\$ (19,296)
Intergovernmental	-	10,000	10,000
Charges for services			
Fees	77,998	94,984	16,986
Rentals	43,000	38,045	(4,955)
Total charges for services	120,998	133,029	12,031
Contributions and donations	7,000	3,542	(3,458)
Other income	29,400	19,689	(9,711)
Investment income	600	2,105	1,505
TOTAL REVENUES COLLECTED	\$ 813,098	\$ 804,169	\$ (8,929)

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF DETAILED EXPENDITURES PAID - BUDGET AND ACTUAL
RECREATION FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
EXPENDITURES PAID			
General administration			
Personal services			
Salaries	\$ 400,000	\$ 228,946	\$ (171,054)
Fringe benefits	60,000	25,793	(34,207)
Total personal services	460,000	254,739	(205,261)
Contractual services			
Professional services	9,000	5,402	(3,598)
Utilities and cleaning	80,000	38,183	(41,817)
Maintenance, repairs, and insurance	50,000	32,581	(17,419)
Communications	50,000	29,945	(20,055)
Total contractual services	189,000	106,111	(82,889)
Other expenditures			
Commodities	50,000	35,900	(14,100)
Other expenditures	2,500	-	(2,500)
Capital outlay	10,000	-	(10,000)
Total other expenditures	62,500	35,900	(26,600)
Total general administration	711,500	396,750	(314,750)
Recreation programs			
Personal services			
Salaries	20,000	-	(20,000)
Fringe benefits	5,000	-	(5,000)
Total personal services	25,000	-	(25,000)
Contractual services			
Professional services	5,000	-	(5,000)
Utilities/cleaning	5,000	-	(5,000)
Maintenance and repair/insurance	5,000	-	(5,000)
Communications	30,000	15,803	(14,197)
Total contractual services	45,000	15,803	(29,197)
Other expenditures			
Commodities	40,000	-	(40,000)
Capital outlay	10,000	18,184	8,184
Total recreation programs	120,000	33,987	(86,013)
TOTAL EXPENDITURES PAID	\$ 831,500	\$ 430,737	\$ (400,763)

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL RECREATION FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 3,000	\$ 2,913	\$ (87)
Investment income	-	93	93
Total revenues collected	3,000	3,006	6
EXPENDITURES PAID			
Current			
General administration			
Professional services	6,000	-	(6,000)
Maintenance, repairs, and insurance	25,000	-	(25,000)
Communications	12,000	1,890	(10,110)
Commodities	8,000	-	(8,000)
Capital outlay	50,000	-	(50,000)
Total expenditures paid	101,000	1,890	(99,110)
OTHER FINANCING SOURCES (USES)			
Transfers in	55,000	-	(55,000)
Total other financing sources (uses)	55,000	-	(55,000)
NET CHANGE IN FUND BALANCE	\$ (98,000)	1,116	\$ 99,116
FUND BALANCE, MAY 1		693,320	
FUND BALANCE, APRIL 30		\$ 694,436	

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Investment income	\$ 4,500	\$ 14,576	\$ 10,076
Other revenue	360,000	12,350	(347,650)
Total revenues collected	364,500	26,926	(337,574)
EXPENDITURES PAID			
General administration			
Professional services	40,000	-	(40,000)
Maintenance and repair	425,000	-	(425,000)
Communications	1,000	-	(1,000)
Debt service			
Principal	-	198,718	198,718
Capital outlay	150,000	163,201	13,201
Total expenditures paid	616,000	361,919	(254,081)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(251,500)	(334,993)	(83,493)
OTHER FINANCING SOURCES (USES)			
Transfers in	122,500	-	(122,500)
Proceeds from bond issuance	-	361,360	361,360
Total other financing sources (uses)	-	361,360	361,360
NET CHANGE IN FUND BALANCE	<u>\$ (251,500)</u>	26,367	<u>\$ 277,867</u>
FUND BALANCE, MAY 1		<u>646,486</u>	
FUND BALANCE, APRIL 30		<u>\$ 672,853</u>	

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND AND INTEREST FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 367,000	\$ 356,742	\$ (10,258)
Investment income	1,200	2,284	1,084
Total revenues collected	368,200	359,026	(9,174)
EXPENDITURES PAID			
General administration			
Professional services	30,000	9,279	(20,721)
Debt service			
Principal	560,000	288,567	(271,433)
Interest and bond fees	25,000	60,039	35,039
Total expenditures paid	615,000	357,885	(257,115)
NET CHANGE IN FUND BALANCE	<u>\$ (246,800)</u>	1,141	<u>\$ 247,941</u>
FUND BALANCE, MAY 1		<u>1,827</u>	
FUND BALANCE, APRIL 30		<u>\$ 2,968</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

COMBINING STATEMENT OF ASSETS, LIABILITIES, AND
FUND BALANCES ARISING FROM CASH TRANSACTIONS
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2019

	Governmental		Special Revenue Funds		Total
	IMRF	Liability	Audit	Police	Nonmajor Funds
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ 9,898	\$ 9,898
Advance to other funds	248,333	257,870	-	-	506,203
TOTAL ASSETS	\$ 248,333	\$ 257,870	\$ -	\$ 9,898	\$ 516,101
LIABILITIES AND FUND BALANCES					
LIABILITIES					
None	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES					
Restricted	248,333	257,870	-	9,898	516,101
Total fund balances	248,333	257,870	-	9,898	516,101
TOTAL LIABILITIES AND FUND BALANCES	\$ 248,333	\$ 257,870	\$ -	\$ 9,898	\$ 516,101

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2019

	Governmental		Special Revenue Funds		Total
	IMRF	Liability	Audit	Police	Nonmajor Funds
REVENUES COLLECTED					
Real estate taxes	\$ -	\$ -	\$ 10,678	\$ 54,448	\$ 65,126
Investment income	-	-	-	7	7
Other income	-	9,897	-	-	9,897
Total revenues collected	-	9,897	10,678	54,455	75,030
EXPENDITURES PAID					
General administration	110,350	168,482	22,700	44,867	346,399
Park maintenance	24,994	-	-	-	24,994
Recreation programs	271	-	-	-	271
Total expenditures paid	135,615	168,482	22,700	44,867	371,664
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(135,615)	(158,585)	(12,022)	9,588	(296,634)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	12,022	-	12,022
Total other financing sources (uses)	-	-	12,022	-	12,022
NET CHANGE IN FUND BALANCES	(135,615)	(158,585)	-	9,588	(284,612)
FUND BALANCES (DEFICIT), MAY 1	383,948	416,455	-	310	800,713
FUND BALANCES, APRIL 30	\$ 248,333	\$ 257,870	\$ -	\$ 9,898	\$ 516,101

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
None	\$ -	\$ -	\$ -
Total revenues collected	-	-	-
EXPENDITURES PAID			
Current			
General administration	223,768	110,350	(113,418)
Park maintenance	50,682	24,994	(25,688)
Recreation programs	550	271	(279)
Total expenditures paid	275,000	135,615	(139,385)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(275,000)	(135,615)	139,385
OTHER FINANCING SOURCES (USES)			
Transfers in	286,209	-	(286,209)
Total other financing sources (uses)	286,209	-	(286,209)
NET CHANGE IN FUND BALANCE	<u>\$ 11,209</u>	(135,615)	<u>\$ (146,824)</u>
FUND BALANCE, MAY 1		<u>383,948</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 248,333</u></u>	

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
PUBLIC LIABILITY INSURANCE FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Other income	\$ 4,500	\$ 9,897	\$ 5,397
Total revenues collected	4,500	9,897	5,397
EXPENDITURES PAID			
Current			
General administration			
Personnel services			
Workers' compensation and unemployment insurance	150,000	76,223	(73,777)
Professional services	45,000	8,020	(36,980)
Liability insurance	100,000	72,455	(27,545)
Communications	30,000	7,657	(22,343)
Commodities	20,000	4,127	(15,873)
Total general administration	345,000	168,482	(176,518)
Capital outlay	60,000	-	(60,000)
Total expenditures paid	405,000	168,482	(236,518)
NET CHANGE IN FUND BALANCE	<u><u>\$ (400,500)</u></u>	<u>(158,585)</u>	<u><u>\$ 241,915</u></u>
FUND BALANCE, MAY 1		<u>416,455</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 257,870</u></u>	

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AUDIT FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 11,000	\$ 10,678	\$ (322)
Total revenues collected	11,000	10,678	(322)
EXPENDITURES PAID			
General administration	30,000	22,700	(7,300)
Total expenditures paid	30,000	22,700	(7,300)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(19,000)	(12,022)	6,978
OTHER FINANCING SOURCES (USES)			
Transfers in	12,000	12,022	22
Total other financing sources (uses)	12,000	12,022	22
NET CHANGE IN FUND BALANCE	<u>\$ (7,000)</u>	-	<u>\$ 7,000</u>
FUND BALANCE, MAY 1		-	
FUND BALANCE, APRIL 30		<u>\$ -</u>	

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 56,100	\$ 54,448	\$ (1,652)
Investment income	-	7	7
Total revenues collected	56,100	54,455	(1,645)
EXPENDITURES PAID			
Current			
General administration			
Personnel services	100,000	38,000	(62,000)
Professional services	15,000	-	(15,000)
Utilities and cleaning	5,000	1,689	(3,311)
Maintenance and repair	10,000	2,479	(7,521)
Communications	5,000	-	(5,000)
Commodities	15,000	2,699	(12,301)
Capital outlay	50,000	-	(50,000)
Total expenditures paid	200,000	44,867	(155,133)
NET CHANGE IN FUND BALANCE	<u>\$ (143,900)</u>	9,588	<u>\$ 153,488</u>
FUND BALANCE, MAY 1		<u>310</u>	
FUND BALANCE, APRIL 30		<u>\$ 9,898</u>	

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF DETAILED OPERATING REVENUE COLLECTED - BUDGET AND ACTUAL
GOLF COURSE FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES COLLECTED			
Charges for services	\$ 1,121,200	\$ 608,558	\$ (512,642)
Rental	82,000	133,302	51,302
Other receipts	45,100	48,224	3,124
TOTAL OPERATING REVENUES COLLECTED	\$ 1,248,300	\$ 790,084	\$ (458,216)

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**SCHEDULE OF DETAILED OPERATING EXPENSES - BUDGET AND ACTUAL
GOLF COURSE FUND**

For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Over (Under)
OPERATING EXPENSES			
Golf course operations expenses paid			
Personal			
Salaries	\$ 425,000	\$ 283,889	\$ (141,111)
Fringe benefits	60,000	24,181	(35,819)
Total personal	485,000	308,070	(176,930)
Contractual services			
Professional services	30,000	-	(30,000)
Utilities and cleaning	50,000	41,608	(8,392)
Maintenance, repairs, and insurance	30,000	28,581	(1,419)
Communications	100,000	33,971	(66,029)
Other expenditures	5,000	-	(5,000)
Total contractual services	215,000	104,160	(110,840)
Commodities	380,000	268,320	(111,680)
Capital outlay	75,000	-	(75,000)
Total golf course operations expenses paid	1,155,000	680,550	(474,450)
Golf course maintenance expenses paid			
Personal			
Salaries	275,000	194,515	(80,485)
Fringe benefits	50,000	9,436	(40,564)
Total personal	325,000	203,951	(121,049)
Contractual services			
Professional services	9,000	8,287	(713)
Utilities and cleaning	75,000	32,258	(42,742)
Maintenance, repairs, and insurance	75,000	36,986	(38,014)
Communications	6,000	2,954	(3,046)
Other expenditures	10,000	-	(10,000)
Total contractual services	175,000	80,485	(94,515)
Commodities	200,000	148,574	(51,426)
Total golf course maintenance expenses paid before capital outlay	700,000	433,010	(266,990)
Capital outlay	25,000	-	(25,000)
Total golf course maintenance expenses paid	725,000	433,010	(291,990)
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION	\$ 1,880,000	\$ 1,113,560	\$ (766,440)

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2019

BUDGETS AND BUDGETARY ACCOUNTING

Budgetary Controls

The budget for all funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. The District's budget identified revenues and expenditures in broad categories.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The District's Executive Director submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- b. A public hearing is held at the District's office to obtain taxpayer comments.
- c. The budget is legally adopted through a passage of resolution.
- d. The District's Executive Director is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenditure of any fund must be approved by the Board of Commissioners.
- e. Formal budgetary integration is employed as a management control device during the year for the General Corporate Fund, all special revenue and capital projects funds, and the Golf Course Fund.

The appropriations may be amended by the Board of Commissioners. There were no amendments to the budget for the year ended April 30, 2019.