

**FOSS PARK DISTRICT  
NORTH CHICAGO, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

For the Year Ended  
April 30, 2017



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NORTH CHICAGO, ILLINOIS  
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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 OFFICERS  
April 30, 2017

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Board of Commissioners

Vance Wyatt, President

Johnny Johnson Sr.  
Vice-President

Anthony Jones  
Commissioner

Donna E King  
Commissioner

Jimmy Baldwin  
Commissioner/Treasurer

\*\*\*\*\*

Kari Cowart  
Executive Director of Parks and Recreation

Superintendent of Recreation

Robert Winter  
Superintendent of Grounds/Maintenance

Bradley Skof  
Business Manager

Gabriel Monroe  
Golf Course Manager

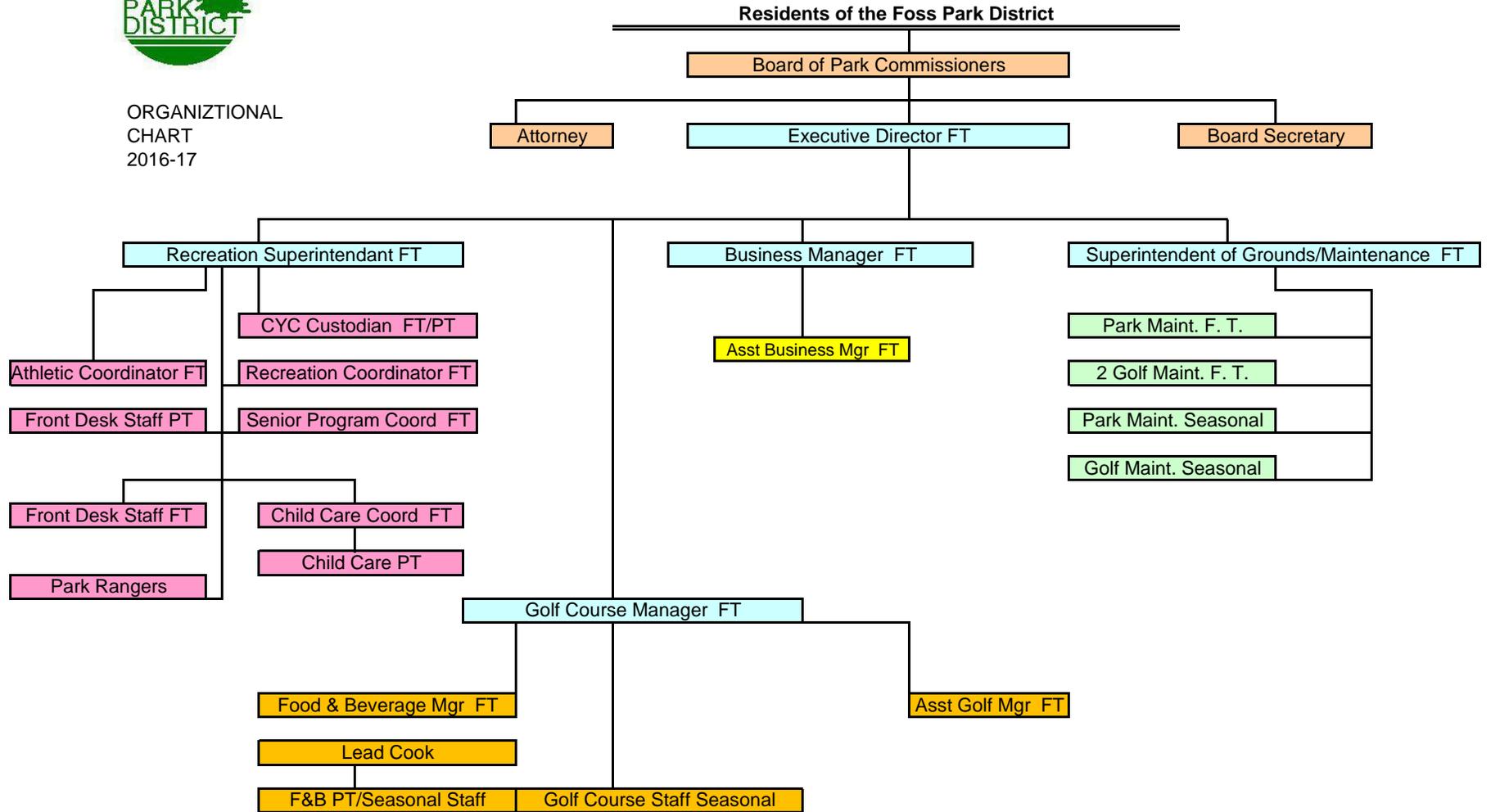
Michael Herring  
Food & Beverage Manager

Theresa Stowers  
Assistant Golf Manager



ORGANIZATIONAL  
CHART  
2016-17

2017



## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying modified cash basis 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, 2017, 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 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, 2017, 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 as other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information are 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 are 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  
September 20, 2017

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# **Foss Park District**

## **Management's Discussion and Analysis**

### **April 30, 2017**

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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 \$3,367,690 with expenses being \$3,059,525, for an increase in net position of \$308,165.
- Real estate and replacement taxes collected were \$1,435,234 and \$152,872 respectively, a decrease of \$230,889 and an increase of \$7,344, respectively, over the previous year.
- Recreation program registration fees \$96,416, and expenses were \$102,033. Recreation program expenses include \$68,493 of depreciation expense. Depreciation expense charged to general government and park maintenance activities totaled \$41,546 and \$29,407, respectively.
- Golf course charges for services revenues were \$1,022,487 for the year, which is a decrease of \$106,676. Other golf revenues included \$436,305 in transfers from governmental activities. Golf course expenses were \$1,582,254, which included \$217,351 of depreciation expense.
- The District continues to commit resources toward maintaining and improving parks, playgrounds, and facilities. In fiscal year 2017, \$141,311 was spent on capital outlay for the District's facilities and equipment.
- The District's outstanding long-term debt was \$1,984,495 at April 30, 2017, which is an increase 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, 2017

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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 4 through 6 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, 2017**

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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 4 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 12 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 16 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, 2017**

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**Foss Park District's Net Position – Modified Cash Basis**

Governmental Activities

	<u>April 30, 2017</u>	<u>April 30, 2016</u>
<b><u>Assets:</u></b>		
Current assets	\$1,369,454	\$1,180,236
Capital assets – not being depreciated	610,106	610,106
Capital assets – net of depreciation	<u>1,371,020</u>	<u>1,510,467</u>
Total assets	<u>3,350,580</u>	<u>3,300,809</u>
<b><u>Liabilities:</u></b>		
Current liabilities	653,084	197,263
Noncurrent liabilities	<u>1,375,000</u>	<u>1,635,000</u>
Total liabilities	<u>2,028,084</u>	<u>1,832,263</u>
<b><u>Net position:</u></b>		
Net investment in capital assets	773,796	1,136,648
Restricted	2,537,041	2,814,886
Unrestricted	<u>(1,727,016)</u>	<u>(2,221,662)</u>
Total net position	<u>\$1,583,821</u>	<u>\$1,729,872</u>

Business-type Activities

	<u>April 30, 2017</u>	<u>April 30, 2016</u>
<b><u>Assets:</u></b>		
Current assets	\$ (101,546)	\$ (84,084)
Capital assets – not depreciated	1,491,429	1,491,429
Capital assets – net of depreciation	<u>2,455,842</u>	<u>2,618,251</u>
Total assets	<u>3,845,725</u>	<u>4,025,596</u>
<b><u>Liabilities:</u></b>		
Current liabilities	55,724	53,414
Noncurrent Liabilities	<u>-</u>	<u>55,724</u>
Total liabilities	<u>55,724</u>	<u>109,138</u>
<b><u>Net position:</u></b>		
Net investment in capital assets	3,891,548	4,000,542
Unrestricted	<u>(101,547)</u>	<u>(84,084)</u>
Total net position	<u>\$3,790,001</u>	<u>\$3,916,458</u>

**Foss Park District  
Management's Discussion and Analysis  
April 30, 2017**

**Statement of Activities – Modified Cash Basis**

	<u>Governmental Activities</u>	
	<u>April 30, 2017</u>	<u>April 30, 2016</u>
<b><u>Revenues:</u></b>		
Real estate taxes	\$1,435,234	\$1,666,123
Replacement taxes	152,872	145,528
Charges for services	98,516	106,950
Grants and contributions	1,150	1,850
Interest	4,072	21,274
Miscellaneous	<u>(91,111)</u>	<u>303,548</u>
Total	<u>1,600,733</u>	<u>2,245,273</u>
<b><u>Expenses:</u></b>		
General administration	1,466,212	1,344,896
Park maintenance	222,919	257,726
Recreation programs	33,540	113,370
Interest	59,770	62,170
Transfers	<u>-0-</u>	<u>-0-</u>
Total	<u>1,782,441</u>	<u>1,778,162</u>
Change in net position	(181,708)	467,111
Net position - beginning of year, restated	<u>1,765,529</u>	<u>1,262,781</u>
Net position - end of year	<u>\$1,583,821</u>	<u>\$ 1,729,872</u>
	<u>Business-type Activities</u>	
	<u>April 30, 2017</u>	<u>April 30, 2016</u>
<b><u>Revenues:</u></b>		
Charges for services	\$1,022,487	\$ 1,129,163
Grants and contributions	-	875
Transfers in	<u>436,305</u>	<u>167,469</u>
Total	<u>1,458,792</u>	<u>1,297,507</u>
<b><u>Expenses:</u></b>		
Golf course	<u>1,585,249</u>	<u>1,891,927</u>
Change in net position	(126,457)	(594,420)
Net position-beginning of year	<u>3,916,458</u>	<u>4,510,878</u>
Net position - end of year	<u>\$3,790,001</u>	<u>\$3,916,458</u>

**Foss Park District  
Management's Discussion and Analysis  
April 30, 2017**

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**Financial Highlights**

Revenues for governmental and business-type activities, excluding capital contributions, decreased by approximately 28% in fiscal year 2017 primarily due to a decrease in receipts from real estate taxes as well as no sale of bonds during this fiscal year. In addition, due to the planned increase in property taxes collected in the General Corporate and Recreation funds, 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 Fund and Public Liability Insurance funds to the General Corporate and Recreation funds, in the amount of \$328,247.

**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 1<sup>st</sup>. 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% over the budgeted total of \$1,026,012. An increase in expected Replacement taxes, as well as better interest income. In addition the District received a reimbursed expense larger than expected. All this made for the increase.

General administration expenses were approximately \$306,500 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 under budget by approximately \$11,368. 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 within the District's boundaries. Overall expenses for both areas were about 69% below budget.

Recreation Fund:

Revenues for programs and rentals were over \$10,569 of budget expectations. This was a result of an unexpected reimbursement expense received from an insurance claim. The total revenue for this fund was about 1.2% over budget.

Expenditures were under 15% of budget, 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, 2017**

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**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 \$1,587,190, which represents an increase over last year of \$217,891. Primarily, this was due to the increase of property tax levy and also a concentrated effort at reducing expenses.

**Major Governmental Funds**

The General Corporate, Recreation, Special Recreation, Illinois Municipal Retirement, Public Liability Insurance, 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 \$803,190, which was a decrease in the deficit of \$367,307, 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 \$35,886, which was an increase of \$133,494. This was due to a decrease in expenses along with an increase in the property tax levy.

The Special Recreation Fund had a fund balance of \$686,286 at the end of the fiscal year, which was an increase of \$5,167. This was due to a fewer expenditures than anticipated in the budget.

The Illinois Municipal Retirement Fund's fund balance at the end of the fiscal year was \$535,612, which was a decrease of \$160,830. This was due to a halt in collecting property taxes for this fund.

The Public Liability Insurance Fund's fund balance at the end of the fiscal year was \$575,353 which was a decrease of \$167,417. This was due to a halt in collecting property taxes for this fund.

The Capital Improvements Fund's fund balance at the end of the fiscal year was \$614,064, which was an increase of \$233,933. This was due to State of Illinois grant money received and a payback of borrowed funds by the Corporate fund.

The Bond and Interest Fund's fund balance at the end of the fiscal year was \$58,421, which was a decrease of \$193,763. This was due to no tax levy issued in the fiscal year.

Several 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 \$2,432,168 as of April 30, 2017. The detail of the advances is shown on pages 30 through 31 of this report.

**Capital Assets**

Net capital assets decreased approximately \$301,856 in the current year. This was a result primarily of depreciation expense.

**Foss Park District  
Management's Discussion and Analysis  
April 30, 2017**

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**Debt Administration**

As of April 30, 2017, the Park District has an outstanding general obligation bonds issue of \$349,495. This obligation is due and payable within one year. In addition there is outstanding an alternate revenue bond of \$2,000,000. The Bond and Interest Fund had a fund balance of \$58,421. 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, 2017

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 470,421	\$ 2,998	\$ 473,419
Investments	899,033	-	899,033
Receivables	-	10,499	10,499
Inventory	-	146,282	146,282
Internal balances	261,325	(261,325)	-
Land and other capital assets not being depreciated	610,106	1,491,429	2,101,535
Capital assets being depreciated (net of accumulated depreciation)	1,371,020	2,455,842	3,826,862
Total assets	3,611,905	3,845,725	7,457,630
<b>LIABILITIES</b>			
Deposits	10,000	-	10,000
Payroll withholdings	33,589	-	33,589
Noncurrent liabilities			
Due within one year	609,495	55,724	665,219
Due in more than one year	1,375,000	-	1,375,000
Total liabilities	2,028,084	55,724	2,083,808
<b>NET POSITION</b>			
Net investment in capital assets	(3,369)	3,891,547	3,888,178
Restricted for			
Special needs	686,286	-	686,286
Pension payments	535,612	-	535,612
Liability	575,353	-	575,353
Debt service	58,421	-	58,421
Unrestricted (deficit)	(268,482)	(101,546)	(370,028)
<b>TOTAL NET POSITION</b>	<b>\$ 1,583,821</b>	<b>\$ 3,790,001</b>	<b>\$ 5,373,822</b>

See accompanying notes to financial statements.

**FOSS PARK DISTRICT  
NORTH CHICAGO, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2017

<b>FUNCTIONS/PROGRAMS</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 1,368,312	\$ 2,100	\$ -	\$ -
Park maintenance	197,393	-	-	-
Recreation programs	102,033	96,416	1,150	-
Interest	59,770	-	-	-
Total governmental activities	1,727,508	98,516	1,150	-
Business-Type Activities				
Golf Course	1,585,249	1,022,487	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 3,312,757</b>	<b>\$ 1,121,003</b>	<b>\$ 1,150</b>	<b>\$ -</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (1,366,212)	\$ -	\$ (1,366,212)
	(197,393)	-	(197,393)
	(4,467)	-	(4,467)
	(59,770)	-	(59,770)
	(1,627,842)	-	(1,627,842)
	-	(562,762)	(562,762)
	(1,627,842)	(562,762)	(2,190,604)
General Revenues			
Taxes			
Real estate taxes	1,435,234	-	1,435,234
Replacement taxes	152,872	-	152,872
Interest	4,072	-	4,072
Miscellaneous	290,261	-	290,261
Transfers	(436,305)	436,305	-
Total general revenues	1,446,134	436,305	1,882,439
CHANGE IN NET POSITION	(181,708)	(126,457)	(308,165)
NET POSITION, MAY 1	1,729,872	3,916,458	5,646,330
Prior period adjustment	35,657	-	35,657
NET POSITION, MAY 1, RESTATED	1,765,529	3,916,458	5,681,987
<b>NET POSITION, APRIL 30</b>	<b>\$ 1,583,821</b>	<b>\$ 3,790,001</b>	<b>\$ 5,373,822</b>

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, 2017

	<b>General Corporate</b>	<b>Recreation</b>	<b>Special Recreation</b>	<b>Illinois Municipal Retirement</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 59,897	\$ 14,859	\$ 38,102	\$ -
Investments	121,868	-	-	-
Advances to other funds	297,432	21,027	648,184	542,754
<b>TOTAL ASSETS</b>	<b>\$ 479,197</b>	<b>\$ 35,886</b>	<b>\$ 686,286</b>	<b>\$ 542,754</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Deposits	\$ 10,000	\$ -	\$ -	\$ -
Payroll withholdings	33,589	-	-	-
Advances from other funds	1,238,798	-	-	7,142
Total liabilities	1,282,387	-	-	7,142
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	297,432	-	-	-
Restricted	-	-	686,286	535,612
Assigned	-	35,886	-	-
Unassigned (deficit)	(1,100,622)	-	-	-
Total fund balances (deficit)	(803,190)	35,886	686,286	535,612
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 479,197</b>	<b>\$ 35,886</b>	<b>\$ 686,286</b>	<b>\$ 542,754</b>

<b>Public Liability Insurance</b>	<b>Capital Improvements</b>	<b>Bond and Interest</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental Funds</b>
\$ -	\$ 299,142	\$ 58,421	\$ -	\$ 470,421
-	777,165	-	-	899,033
635,516	287,255	-	-	2,432,168
<b>\$ 635,516</b>	<b>\$ 1,363,562</b>	<b>\$ 58,421</b>	<b>\$ -</b>	<b>\$ 3,801,622</b>
\$ -	\$ -	\$ -	\$ -	\$ 10,000
-	-	-	-	33,589
60,163	749,498	-	115,242	2,170,843
60,163	749,498	-	115,242	2,214,432
-	-	-	-	297,432
575,353	614,064	58,421	-	2,469,736
-	-	-	-	35,886
-	-	-	(115,242)	(1,215,864)
575,353	614,064	58,421	(115,242)	1,587,190
<b>\$ 635,516</b>	<b>\$ 1,363,562</b>	<b>\$ 58,421</b>	<b>\$ -</b>	

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 1,981,126

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds (1,984,495)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 1,583,821

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, 2017

	<b>General Corporate</b>	<b>Recreation</b>	<b>Special Recreation</b>	<b>Illinois Municipal Retirement</b>
<b>REVENUES COLLECTED</b>				
Real estate taxes	\$ 714,356	\$ 686,623	\$ 8,150	\$ -
Personal property replacement taxes	152,872	-	-	-
Charges for services	2,100	96,416	-	-
Contributions and donations	-	1,150	-	-
Other income	168,218	53,390	-	-
Interest income	2,176	165	-	-
Total revenues collected	1,039,722	837,744	8,150	-
<b>EXPENDITURES PAID</b>				
Current				
General administration	369,104	399,975	2,983	130,867
Park maintenance	193,278	-	-	29,641
Recreation programs	-	33,218	-	322
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures paid	562,382	433,193	2,983	160,830
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	477,340	404,551	5,167	(160,830)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(145,690)	(271,057)	-	-
Total other financing sources (uses)	(145,690)	(271,057)	-	-
NET CHANGE IN FUND BALANCES	331,650	133,494	5,167	(160,830)
FUND BALANCES (DEFICIT), MAY 1	(1,170,497)	(97,608)	681,119	696,442
Prior period adjustment	35,657	-	-	-
FUND BALANCES (DEFICIT), MAY 1 RESTATED	(1,134,840)	(97,608)	681,119	696,442
<b>FUND BALANCES (DEFICIT), APRIL 30</b>	<b>\$ (803,190)</b>	<b>\$ 35,886</b>	<b>\$ 686,286</b>	<b>\$ 535,612</b>

	<b>Public Liability Insurance</b>	<b>Capital Improvements</b>	<b>Bond and Interest</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental Funds</b>
\$	-	\$ -	\$ -	\$ 26,105	\$ 1,435,234
	-	-	-	-	152,872
	-	-	-	-	98,516
	-	-	-	-	1,150
	20,853	47,800	-	-	290,261
	-	1,646	85	-	4,072
	20,853	49,446	85	26,105	1,982,105
	188,270	23,697	9,078	61,480	1,185,454
	-	-	-	-	222,919
	-	-	-	-	33,540
	-	-	125,000	-	125,000
	-	-	59,770	-	59,770
	-	141,311	-	-	141,311
	188,270	165,008	193,848	61,480	1,767,994
	(167,417)	(115,562)	(193,763)	(35,375)	214,111
	-	349,495	-	-	349,495
	-	-	-	35,375	35,375
	-	-	-	-	(416,747)
	-	349,495	-	35,375	(31,877)
	(167,417)	233,933	(193,763)	-	182,234
	742,770	380,131	252,184	(115,242)	1,369,299
	-	-	-	-	35,657
	742,770	380,131	252,184	(115,242)	1,404,956
\$	575,353	\$ 614,064	\$ 58,421	\$ (115,242)	\$ 1,587,190

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, 2017

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	\$ 182,234
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation on capital assets is reported as an expense in the statement of activities	(139,447)
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	(349,495)
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>125,000</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (181,708)</u></u>

See accompanying notes to financial statements.

**FOSS PARK DISTRICT  
NORTH CHICAGO, ILLINOIS**

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

April 30, 2017

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	<b>Business-Type Activities <u>Golf Course</u></b>
<b>CURRENT ASSETS</b>	
Cash	\$ 2,998
Receivables	10,499
Inventory	<u>146,282</u>
Total current assets	<u>159,779</u>
<b>NONCURRENT ASSETS</b>	
Land and other capital assets not being depreciated	1,491,429
Capital assets, net of accumulated depreciation	<u>2,455,842</u>
Total noncurrent assets	<u>3,947,271</u>
Total assets	<u>4,107,050</u>
<b>CURRENT LIABILITIES</b>	
Capital lease obligations	<u>55,724</u>
Total current liabilities	<u>55,724</u>
<b>LONG-TERM LIABILITIES</b>	
Advance from other funds	<u>261,325</u>
Total long-term liabilities	<u>261,325</u>
Total liabilities	<u>317,049</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,891,547
Unrestricted (deficit)	<u>(101,546)</u>
<b>TOTAL NET POSITION</b>	<b><u><u>\$ 3,790,001</u></u></b>

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, 2017

	<b>Business-Type Activities</b>
	<b>Golf Course</b>
<b>OPERATING REVENUES COLLECTED</b>	
Charges for services	\$ 803,278
Rental	192,027
Other receipts	27,182
Total operating revenues collected	1,022,487
<b>OPERATING EXPENSES</b>	
Golf course operations	916,009
Golf course maintenance	448,894
Depreciation	217,351
Total operating expenses	1,582,254
<b>OPERATING INCOME (LOSS)</b>	<b>(559,767)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest income	6
Interest expense	(3,001)
Total non-operating revenues (expenses)	(2,995)
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(562,762)</b>
Capital contributions from governmental activities	54,942
Transfers (out)	(5,000)
Transfers in	386,363
<b>CHANGE IN NET POSITION</b>	<b>(126,457)</b>
<b>NET POSITION, MAY 1</b>	<b>3,916,458</b>
<b>NET POSITION, APRIL 30</b>	<b>\$ 3,790,001</b>

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, 2017

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	<b>Business-Type Activities</b>
	<b><u>Golf Course</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,011,988
Cash paid to suppliers	(721,998)
Cash paid to employees	<u>(611,947)</u>
Net cash from operating activities	<u>(321,957)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in from other funds	386,363
Transfers out to other funds	<u>(5,000)</u>
Net cash from noncapital financing activities	<u>381,363</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Interest paid on capital lease	(3,001)
Principal paid on capital lease	<u>(53,413)</u>
Net cash from capital and related financing activities	<u>(56,414)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>6</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,998
CASH AND CASH EQUIVALENTS, MAY 1	<u>-</u>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b><u><u>\$ 2,998</u></u></b>

(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, 2017

---

	<b>Business-Type Activities</b>
	<b><u>Golf Course</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (559,767)
Adjustments to reconcile operating income (loss) to net cash used in operating activities	
Depreciation	217,351
Changes in assets and liabilities	
Increase in receivables	(10,501)
Decrease in inventory	<u>30,960</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><u><u>\$ (321,957)</u></u></b>
<b>NONCASH TRANSACTIONS</b>	
Capital contributions from governmental activities	<u>\$ 54,942</u>
<b>TOTAL NONCASH TRANSACTIONS</b>	<b><u><u>\$ 54,942</u></u></b>

See accompanying notes to financial statements.

**FOSS PARK DISTRICT  
NORTH CHICAGO, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

April 30, 2017

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**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 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)

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**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 nonfiduciary 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 Illinois Municipal Retirement Fund accounts for the collection and use of real estate taxes for the purpose of funding the retirement fund for the District's employees.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Public Liability Insurance Fund accounts for the collection and use of real estate taxes for public liability insurance.

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

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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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.

d. 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. 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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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)

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**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 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, 2017:

Fund	Balance
General Corporate	\$ (803,190)
Audit	(115,242)

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)

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**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.

The District does not have an investment policy. 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 Illinois Funds (a money market fund created by the State Legislature under the control of the State Treasurer that maintains a \$1 share value) 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 District invests solely in certificates of deposit. At April 30, 2017, the District's deposits and investments consisted of the following:

Cash and cash equivalents	\$ 473,419
Investments	<u>899,033</u>
<b>TOTAL</b>	<b><u>\$ 1,372,452</u></b>

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>1,369,297</u>
<b>TOTAL</b>	<b><u>\$ 1,372,452</u></b>

The District's bank balances totaled \$1,369,638 at April 30, 2017.

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

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**4. DEPOSITS AND INVESTMENTS (Continued)**

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. As of April 30, 2017, the District had bank balance deposits of \$207,041 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.

**5. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
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	1,343,675	-	30,000	1,313,675
Buildings and equipment	1,683,307	-	-	1,683,307
Land improvements	958,427	-	-	958,427
Total capital assets being depreciated	3,985,409	-	30,000	3,955,409

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

**5. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
(Continued)				
Less accumulated depreciation for				
Machinery and equipment	\$ 1,015,214	\$ 87,847	\$ 30,000	\$ 1,073,061
Buildings and improvements	1,136,551	32,016	-	1,168,567
Land improvements	323,177	19,584	-	342,761
Total accumulated depreciation	<u>2,474,942</u>	<u>139,447</u>	<u>30,000</u>	<u>2,584,389</u>
 Total capital assets being depreciated, net	 <u>1,510,467</u>	 <u>(139,447)</u>	 <u>-</u>	 <u>1,371,020</u>
 <b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 2,120,573</b>	<b>\$ (139,447)</b>	<b>\$ -</b>	<b>\$ 1,981,126</b>
 <b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 1,491,429	\$ -	\$ -	\$ 1,491,429
Total capital assets not being depreciated	<u>1,491,429</u>	<u>-</u>	<u>-</u>	<u>1,491,429</u>
 Capital assets being depreciated				
Machinery and equipment	950,867	54,942	-	1,005,809
Buildings and equipment	2,354,784	-	-	2,354,784
Land improvements	1,021,905	-	-	1,021,905
Total capital assets being depreciated	<u>4,327,556</u>	<u>54,942</u>	<u>-</u>	<u>4,382,498</u>
 Less accumulated depreciation for				
Machinery and equipment	608,547	100,193	-	708,740
Buildings and improvements	491,158	48,392	-	539,550
Land improvements	609,600	68,766	-	678,366
Total accumulated depreciation	<u>1,709,305</u>	<u>217,351</u>	<u>-</u>	<u>1,926,656</u>
 Total capital assets being depreciated, net	 <u>2,618,251</u>	 <u>(162,409)</u>	 <u>-</u>	 <u>2,455,842</u>
 <b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 4,109,680</b>	<b>\$ (162,409)</b>	<b>\$ -</b>	<b>\$ 3,947,271</b>

**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		\$ 41,547
Recreation programs		68,493
Park maintenance		<u>29,407</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES		<u>\$ 139,447</u>
BUSINESS-TYPE ACTIVITIES		
Golf Course		<u>\$ 217,351</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES		<u>\$ 217,351</u>

**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	\$ 1,760,000	\$ -	\$ 125,000	\$ 1,635,000	\$ 130,000
General Obligation Limited Tax Park Bonds, Series 2016	-	349,495	-	349,495	349,495
<hr/>					
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,760,000	\$ 349,495	\$ 125,000	\$ 1,984,495	\$ 479,495
<hr/>					
BUSINESS-TYPE ACTIVITIES					
Capital lease	\$ 109,137	-	\$ 53,413	\$ 55,724	\$ 55,724
<hr/>					
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 109,137	-	\$ 53,413	\$ 55,724	\$ 55,724
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**FOSS PARK DISTRICT**  
**NORTH CHICAGO, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**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 2.0% to 3.9%. 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 January 2017, the District issued \$349,495 of General Obligation Limited Tax Park Bonds, Series 2016 (the 2016 Series Bonds), with an interest rate of 2.1%. The proceeds of the 2016 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.

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

Year Ending April 30,	Principal	Interest	Total
2018	\$ 479,495	\$ 62,238	\$ 541,733
2019	130,000	53,395	183,395
2020	135,000	49,495	184,495
2021	140,000	45,445	185,445
2022	140,000	41,105	181,105
2023-2027	785,000	127,175	912,175
2028-2029	175,000	6,825	181,825
<b>TOTAL</b>	<b>\$ 1,984,495</b>	<b>\$ 385,678</b>	<b>\$ 2,370,173</b>

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, 2017 was \$2,015,085. The commitment ends on December 15, 2027.

The District did not collect pledge revenues during the year ended April 30, 2017. Principal and interest retired during the same period totaled \$184,770, which represents approximately 0% of the pledged revenues collected.

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

**6. LONG-TERM DEBT (Continued)**

d. Capital Lease Obligations

On January 30, 2013, the District entered into a noncancellable capital lease agreement for 70 new golf carts. The lease requires monthly installments of \$9,402, including interest at 4.24%, from May 1 through October 1 of each year, for five years beginning on May 1, 2013. At April 30, 2017, the District is obligated for future payments under this lease, as follows:

Year Ending April 30,	Business-Type Activities		
	Principal	Interest	Total
2018	\$ 55,724	\$ 691	\$ 56,415
<b>TOTAL</b>	<b>\$ 55,724</b>	<b>\$ 691</b>	<b>\$ 56,415</b>

**7. INTERFUND ADVANCES/INTERNAL 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
<b>MAJOR GOVERNMENTAL</b>		
General Corporate		
Audit	\$ 49,608	\$ -
Golf Course	247,824	-
Illinois Municipal Retirement	-	420,797
Public Liability Insurance	-	530,747
Capital Improvements	-	287,254
Total General Corporate	297,432	1,238,798

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

**7. INTERFUND ADVANCES/INTERNAL ADVANCES (Continued)**

	Advances To	Advances From
<b>MAJOR GOVERNMENTAL (Continued)</b>		
Recreation		
Public Liability Insurance	\$ 13,394	\$ -
Audit	7,633	-
Total Recreation	<u>21,027</u>	<u>-</u>
Special Recreation		
Illinois Municipal Retirement	7,142	-
Public Liability Insurance	46,769	-
Capital Improvements	580,772	-
Golf Course	13,501	-
Total Special Recreation	<u>648,184</u>	<u>-</u>
Illinois Municipal Retirement		
General Corporate	420,797	-
Special Recreation	-	7,142
Capital Improvements	121,957	-
Total Illinois Municipal Retirement	<u>542,754</u>	<u>7,142</u>
Public Liability Insurance		
General Corporate	530,747	-
Recreation	-	13,394
Special Recreation	-	46,769
Capital Improvements	46,769	-
Audit	58,000	-
Total Public Liability Insurance	<u>635,516</u>	<u>60,163</u>
Capital Improvements		
General Corporate	287,255	-
Special Recreation	-	580,772
Illinois Municipal Retirement	-	121,957
Public Liability Insurance	-	46,769
Total Capital Improvements	<u>287,255</u>	<u>749,498</u>
<b>NONMAJOR GOVERNMENTAL</b>		
Audit		
General Corporate	-	49,608
Recreation	-	7,634
Public Liability Insurance	-	58,000
Total Audit	<u>-</u>	<u>115,242</u>
Total Governmental	<u>2,432,168</u>	<u>2,170,843</u>

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

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**7. INTERFUND ADVANCES/INTERNAL ADVANCES (Continued)**

	Advances To	Advances From
MAJOR BUSINESS-TYPE		
Golf Course		
General Corporate	\$ -	\$ 247,824
Special Recreation	-	13,501
Total Golf Course	-	261,325
 TOTAL INTERFUND ADVANCES	\$ 2,432,168	\$ 2,432,168

**8. FUND BALANCE REPORTING**

As defined in Note 1, the District had \$297,432 of nonspendable fund balance in the General Corporate Fund at April 30, 2017, which represented advances to other funds.

**9. RESTRICTED FUND BALANCE/NET POSITION**

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

Special Recreation	\$ 686,286
Illinois Municipal Retirement	535,612
Public Liability Insurance	575,353
Capital Projects	614,064
Bond and Interest	58,421
 TOTAL RESTRICTED FUND BALANCE	 \$ 2,537,041

The government-wide statement of net position - modified cash basis reports \$2,537,041 of restricted net position which consists of the following:

Special Recreation	\$ 686,286
Illinois Municipal Retirement	535,612
Public Liability Insurance	575,353
Capital Projects	614,064
Bond and Interest	58,421
 TOTAL RESTRICTIONS	 \$ 2,537,041

**10. 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.

**11. 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](http://www.imrf.org).

a. Plan Description

*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.

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

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**11. DEFINED BENEFIT PENSION PLAN (Continued)**

a. Plan Description (Continued)

*Plan Membership*

At December 31, 2016, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	88
Active employees	<u>39</u>
 TOTAL	 <u><u>146</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.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

*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, 2016 was 6.14% of covered payroll. The employer contribution for the year ending December 31, 2017 is 6.33% of covered payroll.

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

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**11. DEFINED BENEFIT PENSION PLAN (Continued)**

a. Plan Description (Continued)

*Actuarial Assumptions*

The District's net pension liability was measured as of December 31, 2016 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, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). 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)

**11. DEFINED BENEFIT PENSION PLAN (Continued)**

a. Plan Description (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. 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, 2016	\$ 3,365,071	\$ 3,533,989	\$ (168,918)
Changes for the period			
Service cost	123,511	-	123,511
Interest	252,767	-	252,767
Difference between expected and actual experience	(319,209)	-	(319,209)
Changes in assumptions	-	-	-
Employer contributions	-	71,355	(71,355)
Employee contributions	-	57,435	(57,435)
Net investment income	-	242,140	(242,140)
Benefit payments and refunds	(113,204)	(113,204)	-
Other (net transfer)	-	(250,182)	250,182
Net changes	(56,135)	7,544	(63,679)
BALANCES AT DECEMBER 31, 2016	\$ 3,308,936	\$ 3,541,533	\$ (232,597)

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

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**11. DEFINED BENEFIT PENSION PLAN (Continued)**

a. Plan Description (Continued)

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

For the year ended April 30, 2017, the District recognized pension expense of \$480.

At April 30, 2017, 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	\$ -	\$ 158,147
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	165,759	-
Contributions made subsequent to the measurement date	19,723	-
<b>TOTAL</b>	<b>\$ 185,482</b>	<b>\$ 158,147</b>

\$19,723 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending April 30,	
2018	\$ (103,836)
2019	54,311
2020	54,313
2021	2,824
2022	-
Thereafter	-
<b>TOTAL</b>	<b>\$ 7,612</b>

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

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**11. DEFINED BENEFIT PENSION PLAN (Continued)**

a. Plan Description (Continued)

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.50% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 238,575	\$ (232,597)	\$ (617,158)

**12. OTHER POSTEMPLOYMENT BENEFITS**

The District provides postemployment medical insurance benefits (OPEB) for retired employees as required by state regulations. No formal postemployment benefit plan has been established. As of April 30, 2017, there were no retirees receiving benefits and 10 employees who were eligible to receive benefits upon retirement. Total monthly medical insurance premium costs were approximately \$9,700.

The District's implicit cost is equal to the difference between current premium levels and what those premiums would be if retirees were not included. The implicit cost cannot presently be determined; however, management believes that this amount is immaterial.

**13. 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.

**14. PRIOR PERIOD ADJUSTMENTS**

During the fiscal year, the District recorded a prior period adjustment in the governmental activities and general fund portion of its financial statements in the amount of \$35,657, to correct the beginning balance of a direct deposit liability that had been paid in fiscal year 2016.

**SUPPLEMENTARY INFORMATION**  
**(UNAUDITED)**

**FOSS PARK DISTRICT  
NORTH CHICAGO ILLINOIS**

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

April 30, 2017

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2017</b>	<b>2016</b>
Actuarially determined contribution	\$ 69,401	\$ 86,312
Contributions in relation to the actuarially determined contribution	69,401	86,312
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered-employee payroll	\$ 1,162,145	\$ 1,198,398
Contributions as a percentage of covered-employee payroll	5.97%	7.20%

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 27 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually, and postretirement benefit increases of 2.75% 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, 2017

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2016</b>	<b>2015</b>
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 123,511	\$ 123,838
Interest	252,767	253,182
Differences between expected and actual experience	(319,209)	(260,967)
Changes in assumptions	-	-
Benefit payments, including refunds of member contributions	(113,204)	(129,647)
Net change in total pension liability	(56,135)	(13,594)
Total pension liability - beginning	3,365,071	3,378,665
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 3,308,936</b>	<b>\$ 3,365,071</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 71,355	\$ 87,483
Contributions - member	57,435	68,268
Net investment income	242,140	19,406
Benefit payments, including refunds of member contributions	(113,204)	(129,647)
Administrative expense	(250,182)	(379,672)
Net change in plan fiduciary net position	7,544	(334,162)
Plan fiduciary net position - beginning	3,533,989	3,868,151
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 3,541,533</b>	<b>\$ 3,533,989</b>
<b>EMPLOYER'S NET PENSION ASSET</b>		
Plan fiduciary net position as a percentage of the total pension asset	107.03%	105.02%
Covered-employee payroll	\$ 1,162,145	\$ 1,198,398
Employer's net pension asset as a percentage of covered-employee payroll	(20.01%)	(14.10%)

Information presented as of December 31.

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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES COLLECTED</b>			
Real estate taxes	\$ 718,912	\$ 714,356	\$ (4,556)
Intergovernmental revenues	125,000	152,872	27,872
Charges for services	3,000	2,100	(900)
Other income	179,000	168,218	(10,782)
Interest income	100	2,176	2,076
	<hr/>		
Total revenues collected	1,026,012	1,039,722	13,710
<hr/>			
<b>EXPENDITURES PAID</b>			
Current			
General administration	1,060,000	369,104	(690,896)
Park maintenance	333,000	193,278	(139,722)
	<hr/>		
Total expenditures paid	1,393,000	562,382	(830,618)
<hr/>			
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(366,988)	477,340	844,328
<hr/>			
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	(145,690)	(145,690)
	<hr/>		
Total other financing sources (uses)	-	(145,690)	(145,690)
<hr/>			
NET CHANGE IN FUND BALANCE	<u>\$ (366,988)</u>	331,650	<u>\$ 698,638</u>
FUND BALANCE (DEFICIT), MAY 1		(1,170,497)	
Prior period adjustment		<u>35,657</u>	
FUND BALANCE (DEFICIT), MAY 1, RESTATED		<u>(1,134,840)</u>	
FUND BALANCE (DEFICIT), APRIL 30		<u><u>\$ (803,190)</u></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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES COLLECTED</b>			
Real estate taxes	\$ 718,912	\$ 714,356	\$ (4,556)
Intergovernmental revenues			
Replacement taxes	125,000	152,872	27,872
Charges for services			
Rentals	3,000	2,100	(900)
Other income			
Expense reimbursement	-	6,112	6,112
Contributions and donations	-	3,006	3,006
Other	179,000	159,100	(19,900)
Total other income	179,000	168,218	(10,782)
Interest income	100	2,176	2,076
<b>TOTAL REVENUES COLLECTED</b>	<b>\$ 1,026,012</b>	<b>\$ 1,039,722</b>	<b>\$ 13,710</b>

(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, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>EXPENDITURES PAID</b>			
General administration			
Personal services			
Salaries	\$ 275,000	\$ 234,126	\$ (40,874)
Fringe benefits	50,000	23,144	(26,856)
Total personal services	<u>325,000</u>	<u>257,270</u>	<u>(67,730)</u>
Contractual services			
Professional services	150,000	27,767	(122,233)
Utilities and cleaning	5,000	408	(4,592)
Maintenance, repairs, and insurance	15,000	10,373	(4,627)
Communications	40,000	24,930	(15,070)
Other	500,000	45,953	(454,047)
Total contractual services	<u>710,000</u>	<u>109,431</u>	<u>(600,569)</u>
Commodities	15,000	2,403	(12,597)
Total general administration before capital outlay and debt service	1,050,000	369,104	(680,896)
Capital outlay	10,000	-	(10,000)
Total general administration	<u>1,060,000</u>	<u>369,104</u>	<u>(690,896)</u>
Park maintenance			
Personal services			
Salaries	175,000	146,329	(28,671)
Fringe benefits	20,000	430	(19,570)
Total personal services	<u>195,000</u>	<u>146,759</u>	<u>(48,241)</u>
Contractual services			
Professional services	4,000	-	(4,000)
Utilities and cleaning	20,000	10,076	(9,924)
Maintenance, repairs, and insurance	50,000	13,518	(36,482)
Communications	9,000	857	(8,143)
Other expenditures	5,000	-	(5,000)
Total contractual services	<u>88,000</u>	<u>24,451</u>	<u>(63,549)</u>
Commodities	40,000	22,068	(17,932)
Total park maintenance before capital outlay and debt service	323,000	193,278	(129,722)
Capital outlay	10,000	-	(10,000)
Total park maintenance	<u>333,000</u>	<u>193,278</u>	<u>(139,722)</u>
<b>TOTAL EXPENDITURES PAID</b>	<u>\$ 1,393,000</u>	<u>\$ 562,382</u>	<u>\$ (830,618)</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  
RECREATION FUND**

For the Year Ended April 30, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES COLLECTED</b>			
Real estate taxes	\$ 691,002	\$ 686,623	\$ (4,379)
Charges for services	109,600	96,416	(13,184)
Contributions and donations	1,000	1,150	150
Other income	25,000	53,390	28,390
Interest income	-	165	165
Total revenues collected	<u>826,602</u>	<u>837,744</u>	<u>11,142</u>
<b>EXPENDITURES PAID</b>			
General administration	1,111,500	399,975	(711,525)
Recreation programs	120,000	33,218	(86,782)
Total expenditures paid	<u>1,231,500</u>	<u>433,193</u>	<u>(798,307)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID</b>	<u>(404,898)</u>	<u>404,551</u>	<u>809,449</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	(271,057)	(271,057)
Total other financing sources (uses)	<u>-</u>	<u>(271,057)</u>	<u>(271,057)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (404,898)</u>	<u>133,494</u>	<u>\$ 538,392</u>
<b>FUND BALANCE (DEFICIT), MAY 1</b>		<u>(97,608)</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 35,886</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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES COLLECTED</b>			
Real estate taxes	\$ 691,002	\$ 686,623	\$ (4,379)
Charges for services			
Fees	87,100	68,238	(18,862)
Rentals	22,500	28,178	5,678
Total charges for services	109,600	96,416	(13,184)
Contributions and donations	1,000	1,150	150
Other income	25,000	53,390	28,390
Interest income	-	165	165
<b>TOTAL REVENUES COLLECTED</b>	<b>\$ 826,602</b>	<b>\$ 837,744</b>	<b>\$ 11,142</b>

(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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>EXPENDITURES PAID</b>			
General administration			
Personal services			
Salaries	\$ 400,000	\$ 258,006	\$ (141,994)
Fringe benefits	60,000	32,587	(27,413)
Total personal services	460,000	290,593	(169,407)
Contractual services			
Professional services	9,000	6,047	(2,953)
Utilities and cleaning	80,000	32,748	(47,252)
Maintenance, repairs, and insurance	50,000	16,260	(33,740)
Communications	50,000	27,731	(22,269)
Total contractual services	189,000	82,786	(106,214)
Other expenditures			
Commodities	50,000	26,596	(23,404)
Other expenditures	2,500	-	(2,500)
Capital outlay	10,000	-	(10,000)
Transfers out	400,000	-	(400,000)
Total other expenditures	462,500	26,596	(435,904)
Total general administration	1,111,500	399,975	(711,525)
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	43	(4,957)
Communications	30,000	11,083	(18,917)
Total contractual services	45,000	11,126	(33,874)
Other expenditures			
Commodities	40,000	-	(40,000)
Capital outlay	10,000	22,092	12,092
Total recreation programs	120,000	33,218	(86,782)
<b>TOTAL EXPENDITURES PAID</b>	<b>\$ 1,231,500</b>	<b>\$ 433,193</b>	<b>\$ (798,307)</b>

(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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES COLLECTED</b>			
Real estate taxes	\$ 8,202	\$ 8,150	\$ (52)
Total revenues collected	8,202	8,150	(52)
<b>EXPENDITURES PAID</b>			
Current			
General administration			
Professional services	6,000	-	(6,000)
Maintenance, repairs, and insurance	25,000	196	(24,804)
Communications	12,000	2,787	(9,213)
Commodities	8,000	-	(8,000)
Capital outlay	50,000	-	(50,000)
Total general administration	101,000	2,983	(98,017)
Total expenditures paid	101,000	2,983	(98,017)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (92,798)</b>	<b>5,167</b>	<b>\$ 97,965</b>
<b>FUND BALANCE, MAY 1</b>		<b>681,119</b>	
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 686,286</b>	

(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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES COLLECTED</b>			
None	\$ -	\$ -	\$ -
Total revenues collected	-	-	-
<b>EXPENDITURES PAID</b>			
Current			
General administration	223,768	130,867	(92,901)
Park maintenance	50,683	29,641	(21,042)
Recreation programs	550	322	(228)
Total expenditures paid	275,001	160,830	(114,171)
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID</b>	(275,001)	(160,830)	114,171
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	210,000	-	(210,000)
Total other financing sources (uses)	210,000	-	(210,000)
<b>NET CHANGE IN FUND BALANCE</b>	\$ (65,001)	(160,830)	\$ (95,829)
<b>FUND BALANCE, MAY 1</b>		696,442	
<b>FUND BALANCE, APRIL 30</b>		\$ 535,612	

(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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES COLLECTED</b>			
Other income	\$ 214,400	\$ 20,853	\$ (193,547)
Total revenues collected	214,400	20,853	(193,547)
<b>EXPENDITURES PAID</b>			
Current			
General administration			
Personnel services			
Workers' compensation and unemployment insurance	150,000	94,125	(55,875)
Professional services	45,000	11,667	(33,333)
Liability insurance	100,000	70,093	(29,907)
Communications	30,000	9,469	(20,531)
Commodities	20,000	2,916	(17,084)
Total general administration	345,000	188,270	(156,730)
Capital outlay	60,000	-	(60,000)
Total expenditures paid	405,000	188,270	(216,730)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (190,600)</b>	<b>(167,417)</b>	<b>\$ 23,183</b>
<b>FUND BALANCE, MAY 1</b>		<b>742,770</b>	
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 575,353</b>	

(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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES COLLECTED</b>			
Intergovernmental	\$ -	\$ 47,800	\$ 47,800
Interest income	1,000	1,646	646
Other revenue	350,000	-	(350,000)
Total revenues collected	<u>351,000</u>	<u>49,446</u>	<u>(301,554)</u>
<b>EXPENDITURES PAID</b>			
General administration			
Professional services	40,000	20,134	(19,866)
Maintenance and repair	70,000	3,500	(66,500)
Communications	1,000	63	(937)
Capital outlay	300,000	141,311	(158,689)
Total expenditures paid	<u>411,000</u>	<u>165,008</u>	<u>(245,992)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID</b>	<u>(60,000)</u>	<u>(115,562)</u>	<u>(55,562)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from bond issuance	-	349,495	349,495
Total other financing sources (uses)	<u>-</u>	<u>349,495</u>	<u>349,495</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (60,000)</u>	<u>233,933</u>	<u>\$ 293,933</u>
<b>FUND BALANCE, MAY 1</b>		<u>380,131</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 614,064</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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES COLLECTED</b>			
Interest income	\$ 200	\$ 85	\$ (115)
Total revenues collected	200	85	(115)
<b>EXPENDITURES PAID</b>			
General administration			
Professional services	30,000	9,078	(20,922)
Debt service			
Principal	550,000	125,000	(425,000)
Interest and bond fees	25,000	59,770	34,770
Total expenditures paid	605,000	193,848	(411,152)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (604,800)</b>	<b>(193,763)</b>	<b>\$ 411,037</b>
<b>FUND BALANCE, MAY 1</b>		252,184	
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 58,421</b>	

(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, 2017

	<b>Special Revenue Funds</b>		<b>Total Nonmajor Funds</b>
	<b>Audit</b>	<b>Police</b>	<b>Funds</b>
<b>ASSETS</b>			
None	\$ -	\$ -	\$ -
<b>TOTAL ASSETS</b>	\$ -	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Advances from other funds	\$ 115,242	\$ -	\$ 115,242
<b>FUND BALANCES</b>			
Unassigned	(115,242)	-	(115,242)
Total fund balances (deficit)	(115,242)	-	(115,242)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ -	\$ -	\$ -

(See independent auditor's report.)

**FOSS PARK DISTRICT  
NORTH CHICAGO, ILLINOIS**

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

For the Year Ended April 30, 2017

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Funds</u>
	<u>Audit</u>	<u>Police</u>	
<b>REVENUES COLLECTED</b>			
Real estate taxes	\$ 10,205	\$ 15,900	\$ 26,105
Total revenues collected	10,205	15,900	26,105
<b>EXPENDITURES PAID</b>			
General administration	19,900	41,580	61,480
Total expenditures paid	19,900	41,580	61,480
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(9,695)	(25,680)	(35,375)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	9,695	25,680	35,375
Total other financing sources (uses)	9,695	25,680	35,375
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCE (DEFICIT), MAY 1	(115,242)	-	(115,242)
<b>FUND BALANCE (DEFICIT), APRIL 30</b>	<u>\$ (115,242)</u>	<u>\$ -</u>	<u>\$ (115,242)</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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES COLLECTED</b>			
Real estate taxes	\$ 10,270	\$ 10,205	\$ (65)
Total revenues collected	10,270	10,205	(65)
<b>EXPENDITURES PAID</b>			
General administration	30,000	19,900	(10,100)
Total expenditures paid	30,000	19,900	(10,100)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(19,730)	(9,695)	10,035
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	7,830	9,695	1,865
Total other financing sources (uses)	7,830	9,695	1,865
NET CHANGE IN FUND BALANCE	\$ (11,900)	-	\$ 11,900
FUND BALANCE (DEFICIT), MAY 1		(115,242)	
<b>FUND BALANCE (DEFICIT), APRIL 30</b>		<b>\$ (115,242)</b>	

(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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES COLLECTED</b>			
Real estate taxes	\$ 16,001	\$ 15,900	\$ (101)
Total revenues collected	<u>16,001</u>	<u>15,900</u>	<u>(101)</u>
<b>EXPENDITURES PAID</b>			
Current			
General administration			
Personnel services	100,000	35,526	(64,474)
Professional services	15,000	-	(15,000)
Utilities and cleaning	5,000	1,344	(3,656)
Maintenance and repair	10,000	1,950	(8,050)
Communications	5,000	-	(5,000)
Commodities	15,000	2,760	(12,240)
Capital outlay	50,000	-	(50,000)
Total expenditures paid	<u>200,000</u>	<u>41,580</u>	<u>(158,420)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID</b>	<u>(183,999)</u>	<u>(25,680)</u>	<u>158,319</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	25,680	25,680
Total other financing sources (uses)	<u>-</u>	<u>25,680</u>	<u>25,680</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (183,999)</u>	<u>-</u>	<u>\$ 183,999</u>
FUND BALANCE, MAY 1		<u>-</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ -</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, 2017

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES COLLECTED</b>			
Charges for services	\$ 1,414,825	\$ 803,278	\$ (611,547)
Rental	100,000	192,027	92,027
Other receipts	55,500	27,182	(28,318)
<b>TOTAL OPERATING REVENUES COLLECTED</b>	<b>\$ 1,570,325</b>	<b>\$ 1,022,487</b>	<b>\$ (547,838)</b>

(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, 2017

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING EXPENSES</b>			
Golf course operations expenses paid			
Personal			
Salaries	\$ 525,000	\$ 376,499	\$ (148,501)
Fringe benefits	60,000	32,687	(27,313)
Total personal	<u>585,000</u>	<u>409,186</u>	<u>(175,814)</u>
Contractual services			
Professional services	30,000	30	(29,970)
Utilities and cleaning	50,000	39,050	(10,950)
Maintenance, repairs, and insurance	30,000	22,204	(7,796)
Communications	100,000	70,915	(29,085)
Other expenditures	5,000	-	(5,000)
Total contractual services	<u>215,000</u>	<u>132,199</u>	<u>(82,801)</u>
Commodities	<u>600,000</u>	<u>374,624</u>	<u>(225,376)</u>
Capital outlay	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Total golf course operations expenses paid	<u>1,475,000</u>	<u>916,009</u>	<u>(558,991)</u>
Golf course maintenance expenses paid			
Personal			
Salaries	275,000	194,513	(80,487)
Fringe benefits	50,000	8,247	(41,753)
Total personal	<u>325,000</u>	<u>202,760</u>	<u>(122,240)</u>
Contractual services			
Professional services	9,000	4,829	(4,171)
Utilities and cleaning	75,000	74,381	(619)
Maintenance, repairs, and insurance	75,000	42,645	(32,355)
Communications	6,000	2,718	(3,282)
Other expenditures	10,000	-	(10,000)
Total contractual services	<u>175,000</u>	<u>124,573</u>	<u>(50,427)</u>
Commodities	<u>200,000</u>	<u>121,561</u>	<u>(78,439)</u>
Total golf course maintenance expenses paid before capital outlay	<u>700,000</u>	<u>448,894</u>	<u>(251,106)</u>
Capital outlay	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Total golf course maintenance expenses paid	<u>725,000</u>	<u>448,894</u>	<u>(276,106)</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 2,200,000</u>	<u>\$ 1,364,903</u>	<u>\$ (835,097)</u>

(See independent auditor's report.)

**FOSS PARK DISTRICT  
NORTH CHICAGO, ILLINOIS**

NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2017

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**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, 2017.