

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2015



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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, 2015

Board of Commissioners

Donna King, President

Vernon McKinley
Vice-President/Treasurer

Jimmy Baldwin
Commissioner

Susan Dixon
Commissioner

Bernard Semasko
Commissioner

Kari Cowart
Executive Director of Parks and Recreation

Angela Smith
Superintendent of Recreation

Robert Winter
Superintendent of Grounds/Maintenance

Bradley Skof
Business Manager

Gabriel Monroe
Golf Course Manager

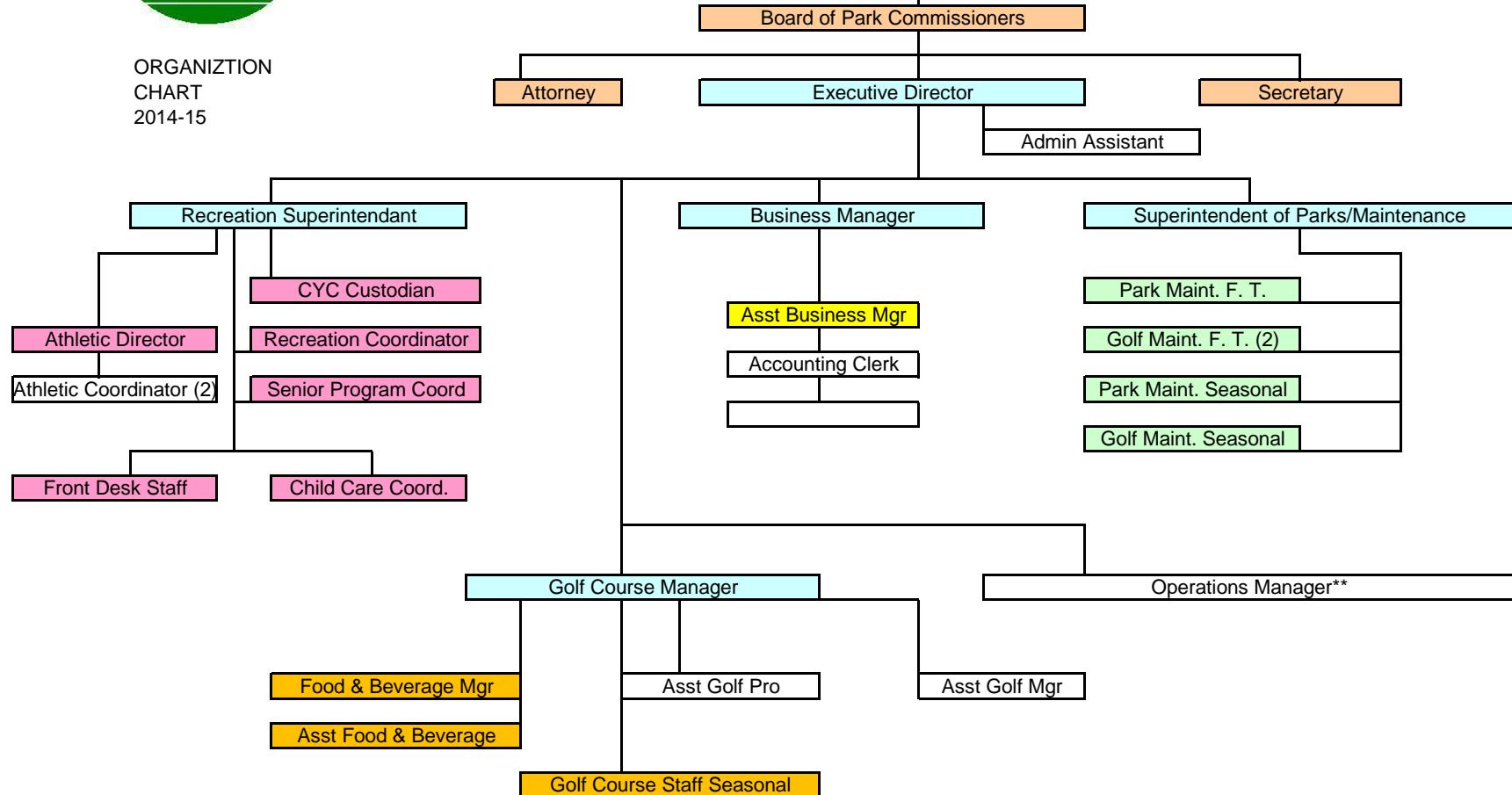
Michael Herring
Food & Beverage Manager



ORGANIZATION
CHART
2014-15

2015

Residents of the Foss Park District



FINANCIAL SECTION



262.754.9400 // www.sikich.com

13400 Bishops Lane, Suite 300
Brookfield, Wisconsin 53005

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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, 2015, 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.

Auditor's Responsibility (continued)

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

Basis for Modified Opinions

The District was unable to reconcile the results of its physical inventory counts to its perpetual records during the year ended April 30, 2014, and was unable to produce an accurate extended inventory detail, as of the statement of net position date. It was not practicable to extend our auditing procedures sufficiently to satisfy ourselves as to the fairness of this inventory in the April 30, 2014 financial statements. An adjustment was made in the April 30, 2015 financial statements to the District's Golf Course operations to fairly state the inventory amount in accordance with the physical inventory performed on that date. Therefore, we are unable to express an opinion on the fair statement of the District's Golf Course operating expenses paid, valued at \$1,872,514, in the accompanying April 30, 2015 financial statements.

Modified Opinions on Business-Type Activities and Golf Course Fund

In our opinion, except for the possible effects of the matter discussed in the preceding paragraph, the financial statements of the business-type activities and Golf Course Fund present fairly, in all material respects, the respective modified cash basis financial position of the business-type activities and Golf Course Fund as of April 30, 2015, and the respective changes in financial position - modified cash basis and cash flows thereof for the year then ended on the basis of accounting described in Note 1.

Opinions

In our opinion, the financial statements of the governmental activities, each major governmental fund, and the aggregate remaining fund information present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, and cash basis of each major governmental fund, and the aggregate remaining fund information as of April 30, 2015, and the respective changes in financial position - modified cash basis for the year then ended on the bases of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the bases of accounting. The government wide financial statements and 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, schedule of funding progress - Illinois Retirement Fund and the combining and individual nonmajor fund financial statements and budgetary comparison schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

The management's discussion and analysis and schedule of funding progress - Illinois Retirement Fund 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.



Naperville, Illinois
August 18, 2015

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

Foss Park District
Management's Discussion and Analysis
April 30, 2015

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 11).

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 \$3,915,624 with expenses being \$3,864,712, for an increase in net position of \$50,912.
- Real estate and replacement taxes collected were \$2,065,521 and \$143,645 respectively, an increase of \$206,700 and a decrease of \$3,580, respectively, over the previous year.
- Recreation program registration fees \$87,719, and expenses were \$74,857. Recreation program expenses include \$23,840 of depreciation expense. Depreciation expense charged to general government and park maintenance activities totaled \$46,352 and \$72,926, respectively.
- Golf course charges for services revenues were \$1,302,861 for the year, which is a decrease of \$239,269. Other golf revenues included \$477,708 in transfers from governmental activities. Golf course expenses were \$1,872,514, which included \$233,345 of depreciation expense.
- The District continues to commit resources toward maintaining and improving parks, playgrounds, and facilities. In fiscal year 2015, \$189,215 was spent on capital outlay for the District’s facilities and equipment.
- The District’s outstanding long-term debt was \$1,880,000 at April 30, 2015, a decrease of \$460,375 from last year.

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, 2015

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 11 through 13 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, 2015

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 on the cash basis of accounting. For more information on the cash basis of accounting, see notes to the financial statements starting on page 14 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 19 of this report.

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The index to notes to the financial statements begins on page 22 and the notes begin on page 24 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. Required Supplementary Information can be found on pages 41 through 46 of this report and the Notes to the Required Supplementary Information can be found on page 47.

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 55.

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, 2015

Foss Park District's Net Position – Modified Cash Basis

	<u>Governmental Activities</u>	
	<u>April 30, 2015</u>	<u>April 30, 2014</u>
<u>Assets:</u>		
Current assets	\$ 931,267	\$1,250,001
Capital assets – not being depreciated	662,220	555,829
Capital assets – net of depreciation	<u>1,589,604</u>	<u>1,692,107</u>
Total assets	<u>3,183,091</u>	<u>3,497,937</u>

Liabilities:

Current liabilities	160,330	43,482
Noncurrent liabilities	1,760,000	2,340,375
Total liabilities	<u>1,920,330</u>	<u>2,383,857</u>

Net position:

Net investment in capital assets	1,146,799	(92,439)
Restricted	3,040,953	3,667,595
Unrestricted	<u>(2,924,991)</u>	<u>(2,461,076)</u>
Total net position	<u>\$1,262,761</u>	<u>\$1,114,080</u>

	<u>Business-type Activities</u>	
	<u>April 30, 2015</u>	<u>April 30, 2014</u>

Assets:

Current assets	\$ 321,665	\$ 264,548
Capital assets – not depreciated	1,491,429	1,491,429
Capital assets – net of depreciation	<u>2,858,797</u>	<u>3,062,760</u>
Total assets	<u>4,671,891</u>	<u>4,818,737</u>

Liabilities:

Current liabilities	675	675
Noncurrent Liabilities	<u>160,338</u>	<u>209,415</u>
Total liabilities	<u>161,013</u>	<u>210,090</u>

Net position:

Net investment in capital assets	4,189,888	4,344,774
Unrestricted	<u>320,990</u>	<u>263,873</u>
Total net position	<u>\$4,510,878</u>	<u>\$4,608,647</u>

Foss Park District
Management's Discussion and Analysis
April 30, 2015

Statement of Activities – Modified Cash Basis

	<u>Governmental Activities</u>	
	<u>April 30, 2015</u>	<u>April 30, 2014</u>
<u>Revenues:</u>		
Real estate taxes	\$2,065,521	\$1,858,821
Replacement taxes	143,645	147,225
Charges for services	90,542	91,754
Grants and contributions	27,703	21,226
Interest	1,668	2,380
Miscellaneous	<u>282,184</u>	<u>195,819</u>
Total	<u>2,611,263</u>	<u>2,317,225</u>
<u>Expenses:</u>		
General administration	1,523,835	1,971,253
Park maintenance	246,872	243,365
Recreation programs	148,189	20,835
Interest	65,978	81,127
Transfers	<u>477,708</u>	<u>687,127</u>
Total	<u>2,462,582</u>	<u>3,004,262</u>
Change in net position	148,681	(687,037)
Net position - beginning of year	1,114,080	2,236,172
Prior period adjustment	<u>-0-</u>	<u>(435.055)</u>
Net position - end of year	<u>\$1,262,761</u>	<u>\$1,114,080</u>
<u>Business-type Activities</u>		
	<u>April 30, 2015</u>	<u>April 30, 2014</u>
<u>Revenues:</u>		
Charges for services	\$1,302,861	\$ 1,542,130
Capital contributions	477,708	687,127
Operating grants and contributions	<u>1,500</u>	<u>-0-</u>
Total	<u>1,782,069</u>	<u>2,229,257</u>
<u>Expenses:</u>		
Golf course	<u>1,879,838</u>	<u>2,397,384</u>
Change in net position	(97,769)	(168,127)
Prior period adjustment	-0-	524,239
Net position-beginning of year	<u>4,608,647</u>	<u>4,252,535</u>
Net position - end of year	<u>\$4,510,878</u>	<u>\$4,608,647</u>

Foss Park District
Management's Discussion and Analysis
April 30, 2015

Financial Highlights

Revenues for governmental and business-type activities, excluding capital contributions, decreased by approximately 1% in fiscal year 2015 primarily due to a decrease in charges for services from the Golf Course (Enterprise Fund). 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 \$369,554.

Budgetary Highlights

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

General Fund:

Total revenues in the General Corporate Fund were within 1% of the budgeted total of \$1,169,730. A slightly larger decrease in expected other income receipts with an increase in expected Intergovernmental revenues is the reason for this occurrence.

General administration expenses were approximately \$649,000 below budget as the District continues to utilize in-house expertise to reduce reliance on outsourcing services, with lower than expected increases in employee health-related costs. 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 \$132,000. Savings were in the personnel and 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 53% below budget.

Recreation Fund:

Revenues for programs and rentals were over \$15,000 under budget expectations. This was a result of lack of participation of certain programs, even though contributions from outside sources increased from the previous year. The total revenue for this fund was about 2% under budget.

Expenditures were under 49% of budget, due to the lack of participants attending programs being offered by the District's recreation staff.

Foss Park District
Management's Discussion and Analysis
April 30, 2015

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 \$890,937, which represents a decrease over last year of \$315,582. This arose primarily as a result of transfers of bond proceeds to the business-type activities.

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 \$1,575,480, which was a decrease in the deficit of \$303,686, 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 deficit fund balance at the end of the fiscal year of \$391,989, which was an increase in the deficit by \$15,008. This was due to an excess of expenses over revenues collected despite an increase in the property tax levy.

The Special Recreation Fund had a fund balance of \$671,641 at the end of the fiscal year, which was an increase of \$6,378. 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 \$887,648, which was a decrease of \$202,925. 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 \$935,611 which was a decrease of \$158,995. 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 \$393,172, which was an decrease of \$199,653. This was due to spending bond proceeds on capital projects.

The Bond and Interest Fund's fund balance at the end of the fiscal year was \$71,180, which was an increase of \$3,188. This was due to the funds received but not yet paid on debt.

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 \$3,316,073 as of April 30, 2015. The detail of the advances is shown on pages 35 through 36 of this report.

Foss Park District
Management's Discussion and Analysis
April 30, 2015

Capital Assets

Net capital assets increased approximately \$40,615 in the current year. This was a result primarily of depreciation expense.

Debt Administration

As of April 30, 2015, the Park District has an outstanding alternate revenue bonds of \$1,880,000. The Bond and Interest Fund had a fund balance of \$71,180. The remainder of bonds outstanding will be paid through future real estate tax collections.

Factors Bearing on the District's Future

The General Corporate and Recreation funds have significant deficit fund balances, having incurred operating deficits for several years. The District has restructured its real estate tax levy to allow these deficits to be reduced over time.

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, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 167,380	\$ -	\$ 167,380
Investments	835,078	-	835,078
Inventory	-	250,474	250,474
Internal balances	(71,191)	71,191	-
Land and other capital assets not being depreciated	662,220	1,491,429	2,153,649
Capital assets being depreciated (net of accumulated depreciation)	1,589,604	2,858,797	4,448,401
 Total assets	3,183,091	4,671,891	7,854,982
LIABILITIES			
Deposits	10,242	-	10,242
Payroll withholdings	30,088	675	30,763
Noncurrent liabilities			
Due within one year	120,000	51,200	171,200
Due in more than one year	1,760,000	109,138	1,869,138
 Total liabilities	1,920,330	161,013	2,081,343
NET POSITION			
Net investment in capital assets	1,146,799	4,189,888	5,336,687
Restricted for			
Special needs	671,641	-	671,641
Pension payments	894,790	-	894,790
Liability	995,774	-	995,774
Debt service	71,180	-	71,180
Police	14,396	-	14,396
Unrestricted (deficit)	(2,531,819)	320,990	(2,210,829)
 TOTAL NET POSITION	\$ 1,262,761	\$ 4,510,878	\$ 5,773,639

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2015

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			
	Expenses	Operating Charges for Services	Capital Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,523,835	\$ 2,823	\$ -	\$ -
Park maintenance	246,872	-	-	-
Recreation programs	148,189	87,719	27,703	-
Interest	65,978	-	-	-
Total governmental activities	1,984,874	90,542	27,703	-
Business-Type Activities				
Golf Course	1,879,838	1,302,861	1,500	-
TOTAL PRIMARY GOVERNMENT	\$ 3,864,712	\$ 1,393,403	\$ 29,203	\$ -

Net (Expense) Revenue and Change in Net Position
Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (1,521,012)	\$ -	\$ (1,521,012)
(246,872)	-	(246,872)
(32,767)	-	(32,767)
(65,978)	-	(65,978)
(1,866,629)	-	(1,866,629)
-	(575,477)	(575,477)
(1,866,629)	(575,477)	(2,442,106)

General Revenues

Taxes

Real estate taxes	2,065,521	-	2,065,521
Replacement taxes	143,645	-	143,645
Interest	1,668	-	1,668
Miscellaneous	282,184	-	282,184
Transfers	(477,708)	477,708	-
Total general revenues	2,015,310	477,708	2,493,018

CHANGE IN NET POSITION

NET POSITION, MAY 1	1,114,080	4,608,647	5,722,727
NET POSITION, APRIL 30	\$ 1,262,761	\$ 4,510,878	\$ 5,773,639

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, 2015

	General Corporate	Recreation	Special Recreation	Illinois Municipal Retirement
ASSETS				
Cash and cash equivalents	\$ -	\$ 68,364	\$ 13,440	\$ -
Investments	60,103	-	-	-
Advances to other funds	307,394	21,028	658,201	894,790
TOTAL ASSETS	\$ 367,497	\$ 89,392	\$ 671,641	\$ 894,790
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Deposits	\$ 10,000	\$ 242	\$ -	\$ -
Payroll withholdings	29,738	350	-	-
Advances from other funds	1,903,239	480,789	-	7,142
Total liabilities	1,942,977	481,381	-	7,142
FUND BALANCES				
Nonspendable	307,394	-	-	-
Restricted	-	-	671,641	894,790
Assigned	-	89,392	-	-
Unassigned (deficit)	(1,882,874)	(481,381)	-	(7,142)
Total fund balances (deficit)	(1,575,480)	(391,989)	671,641	887,648
TOTAL LIABILITIES AND FUND BALANCES	\$ 367,497	\$ 89,392	\$ 671,641	\$ 894,790

Public Liability Insurance	Capital Improvements	Bond and Interest	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ 71,180	\$ 14,396	\$ 167,380
-	774,975	-	-	835,078
995,774	367,695	-	-	3,244,882
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 995,774	\$ 1,142,670	\$ 71,180	\$ 14,396	\$ 4,247,340
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ -	\$ 10,242
-	-	-	-	30,088
60,163	749,498	-	115,242	3,316,073
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
60,163	749,498	-	115,242	3,356,403
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	307,394
995,774	393,172	71,180	14,396	3,040,953
-	-	-	-	89,392
(60,163)	-	-	(115,242)	(2,546,802)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
935,611	393,172	71,180	(100,846)	890,937
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 995,774	\$ 1,142,670	\$ 71,180	\$ 14,396	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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	2,251,824
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	(1,880,000)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,262,761

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, 2015

	General Corporate	Recreation	Special Recreation	Illinois Municipal Retirement
REVENUES COLLECTED				
Real estate taxes	\$ 830,468	\$ 664,294	\$ 11,863	\$ -
Personal property replacement taxes	143,645	-	-	-
Charges for services	2,823	87,719	-	-
Contributions and donations	-	27,703	-	-
Other income	191,755	27,463	-	-
Interest income	26	3	-	-
Total revenues collected	<u>1,168,717</u>	<u>807,182</u>	<u>11,863</u>	<u>-</u>
EXPENDITURES PAID				
Current				
General administration	471,925	476,464	5,485	165,120
Park maintenance	185,633	-	-	37,399
Recreation programs	-	74,857	-	406
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures paid	<u>657,558</u>	<u>551,321</u>	<u>5,485</u>	<u>202,925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>511,159</u>	<u>255,861</u>	<u>6,378</u>	<u>(202,925)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(207,473)	(240,853)	-	-
Total other financing sources (uses)	<u>(207,473)</u>	<u>(240,853)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>303,686</u>	<u>15,008</u>	<u>6,378</u>	<u>(202,925)</u>
FUND BALANCES (DEFICIT), MAY 1	<u>(1,879,166)</u>	<u>(406,997)</u>	<u>665,263</u>	<u>1,090,573</u>
FUND BALANCES (DEFICIT), APRIL 30	\$ (1,575,480)	\$ (391,989)	\$ 671,641	\$ 887,648

Public Liability Insurance	Capital Improvements	Bond and Interest	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ 530,426	\$ 28,470	\$ 2,065,521
-	-	-	-	143,645
-	-	-	-	90,542
-	-	-	-	27,703
500	62,466	-	-	282,184
-	1,129	510	-	1,668
500	63,595	530,936	28,470	2,611,263
159,495	82,675	1,395	110,739	1,473,298
-	-	-	-	223,032
-	-	-	-	75,263
-	-	460,375	-	460,375
-	-	65,978	-	65,978
-	151,191	-	-	151,191
159,495	233,866	527,748	110,739	2,449,137
(158,995)	(170,271)	3,188	(82,269)	162,126
-	(29,382)	-	-	(477,708)
-	(29,382)	-	-	(477,708)
(158,995)	(199,653)	3,188	(82,269)	(315,582)
1,094,606	592,825	67,992	(18,577)	1,206,519
\$ 935,611	\$ 393,172	\$ 71,180	\$ (100,846)	\$ 890,937

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, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (315,582)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	147,006
Depreciation on capital assets is reported as an expense in the statement of activities	(143,118)
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>460,375</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 148,681</u>

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

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

April 30, 2015

	<u>Business-Type Activities</u>
	<u>Golf Course</u>
CURRENT ASSETS	
Inventory	\$ 250,474
Total current assets	<u>250,474</u>
NONCURRENT ASSETS	
Advances to other funds	332,516
Land and other capital assets not being depreciated	1,491,429
Capital assets, net of accumulated depreciation	<u>2,858,797</u>
Total noncurrent assets	<u>4,682,742</u>
Total assets	<u>4,933,216</u>
CURRENT LIABILITIES	
Payroll withholdings	675
Capital lease obligations	<u>51,200</u>
Total current liabilities	<u>51,875</u>
LONG-TERM LIABILITIES	
Advance from other funds	261,325
Capital lease obligations	<u>109,138</u>
Total long-term liabilities	<u>370,463</u>
Total liabilities	<u>422,338</u>
NET POSITION	
Net investment in capital assets	4,189,888
Unrestricted (deficit)	<u>320,990</u>
TOTAL NET POSITION	<u>\$ 4,510,878</u>

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

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

For the Year Ended April 30, 2015

	Business-Type Activities
	Golf Course
OPERATING REVENUES COLLECTED	
Charges for services	\$ 1,041,798
Rental	203,331
Other receipts	<u>57,732</u>
Total operating revenues	<u>1,302,861</u>
OPERATING EXPENSES PAID	
Golf course operations	1,221,823
Golf course maintenance	417,346
Depreciation	<u>233,345</u>
Total operating expenses	<u>1,872,514</u>
OPERATING INCOME (LOSS)	<u>(569,653)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	12
Contributions	1,500
Interest expense	<u>(7,336)</u>
Total non-operating revenues (expenses)	<u>(5,824)</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(575,477)</u>
Transfers in	448,326
Capital contributions from other funds	<u>29,382</u>
CHANGE IN NET POSITION	<u>(97,769)</u>
NET POSITION, MAY 1	<u>4,608,647</u>
NET POSITION, APRIL 30	<u>\$ 4,510,878</u>

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

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

For the Year Ended April 30, 2015

	Business-Type Activities
	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,302,861
Cash paid to suppliers	(1,015,655)
Cash paid to employees	<u>(680,631)</u>
Net cash from operating activities	<u>(393,425)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in from other funds	448,326
Other revenues	<u>1,500</u>
Net cash from noncapital financing activities	<u>449,826</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	-
Interest paid on capital lease	(7,336)
Principal paid on capital lease	<u>(49,077)</u>
Net cash from capital and related financing activities	<u>(56,413)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>12</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
CASH AND CASH EQUIVALENTS, MAY 1	-
CASH AND CASH EQUIVALENTS, APRIL 30	\$ -

(This statement is continued on the following page.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS (Continued)
ENTERPRISE FUND**

For the Year Ended April 30, 2015

	Business-Type Activities
	Golf Course
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	
Adjustments to reconcile operating income (loss)	\$ (569,653)
to net cash used in operating activities	
Depreciation	233,345
Changes in assets and liabilities	
Increase in inventory	<u>(57,117)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (393,425)</u>

See accompanying notes to financial statements.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

April 30, 2015

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 allowed by state statutes, but which is not in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to government units. 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 earmarked monies (special revenue funds), acquisition or construction of capital assets (capital projects funds), and the payment of principal and interest on long-term debt (debt service funds). The General Corporate Fund is used to account for all activities of the general government not accounted for in some other fund.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The government-wide financial statements (i.e., the modified cash basis statements of net position and activities) report information on all of the 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 required to be 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The 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.

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.

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 of accounting is a comprehensive basis of accounting other than GAAP.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 measureable 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 consist of certificates of deposit with a maturity of greater than three months, at the purchase date, and are carried at cost.

f. Advances to Other Funds

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

g. Inventory

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

h. Capital Assets

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

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

The following capitalization thresholds and estimated useful lives are used:

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

i. Long-Term Obligations

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

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

j. Fund Balance

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Balance (Continued)

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.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. 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 and Recreation 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, 2015:

Fund	Balance
General Corporate	\$ (1,575,874)
Recreation	(391,989)
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.

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.

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

4. DEPOSITS AND INVESTMENTS (Continued)

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, 2015, the District's deposits and investments consisted of the following:

Cash and cash equivalents	\$ 167,380
Investments	<u>835,078</u>
TOTAL	<u>\$ 1,002,458</u>

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 institutes	<u>999,303</u>
TOTAL	<u>\$ 1,002,458</u>

The District's bank balances totaled \$992,316 at April 30, 2015.

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.

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

4. DEPOSITS AND INVESTMENTS (Continued)

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, 2015, the District had \$302,640 in deposits that were 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, 2015 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 506,254	\$ -	\$ -	\$ 506,204
Construction in progress	49,575	106,391	-	155,966
Total capital assets not being depreciated	555,829	106,391	-	662,220
Capital assets being depreciated				
Machinery and equipment	944,572	13,855	-	958,427
Buildings and equipment	1,619,023	20,000	-	1,639,023
Land improvements	1,307,532	6,760	-	1,314,292
Total capital assets being depreciated	3,871,127	40,615	-	3,911,742

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

5. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
(Continued)				
Less accumulated depreciation for				
Machinery and equipment	\$ 820,925	\$ 93,085	\$ -	\$ 914,010
Buildings and improvements	1,074,088	30,447	-	1,104,535
Land improvements	284,007	19,586	-	303,593
Total accumulated depreciation	<u>2,179,020</u>	<u>143,118</u>	-	<u>2,322,138</u>
Total capital assets being depreciated, net	<u>1,692,107</u>	<u>(102,503)</u>	-	<u>1,589,604</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 2,247,936</u>	<u>\$ 3,888</u>	-	<u>\$ 2,251,824</u>
BUSINESS-TYPE ACTIVITIES				
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>1,491,429</u>
Capital assets being depreciated				
Machinery and equipment	950,867	29,383	-	980,250
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>29,383</u>	-	<u>4,356,939</u>
Less accumulated depreciation for				
Machinery and equipment	408,280	106,261	-	514,541
Buildings and improvements	394,376	48,391	-	442,767
Land improvements	462,140	78,694	-	540,834
Total accumulated depreciation	<u>1,264,796</u>	<u>233,346</u>	-	<u>1,498,142</u>
Total capital assets being depreciated, net	<u>3,062,760</u>	<u>(203,963)</u>	-	<u>2,858,797</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 4,554,189</u>	<u>\$ (203,963)</u>	-	<u>\$ 4,350,265</u>

**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	\$	46,352		
Recreation programs		23,840		
Park maintenance				<u>72,926</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$	<u>143,118</u>		
BUSINESS-TYPE ACTIVITIES				
Golf Course	\$	<u>233,346</u>		
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$	<u>233,346</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	\$ 2,000,000	\$ -	\$ 120,000	\$ 1,880,000	\$ 120,000
General Obligation Limited Tax Park Bonds, Series 2014	340,375	-	340,375	-	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 2,340,375	\$ -	\$ 460,375	\$ 1,880,000	\$ 120,000
BUSINESS-TYPE ACTIVITIES					
Capital lease	\$ 209,415	\$ -	\$ 49,077	\$ 160,338	\$ 51,200
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 209,415	\$ -	\$ 49,077	\$ 160,338	\$ 51,200

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

6. LONG-TERM DEBT (Continued)

b. General Obligation Bonds Payable

In May 2012, the District issued \$2,000,000 of General Obligation Park Bonds (Alternate Revenue Source), Series 2012A (the 2012A Series Bonds), with an interest rate ranging from 2.0% 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 2014, the District issued \$340,375 of General Obligation Limited Tax Park Bonds, Series 2014 (the 2014 Series Bonds), with an interest rate of 1.75%. The proceeds of the 2014 Series Bonds can be used for the payment of land condemned or purchased for parks and for building, maintaining, improving, and protecting 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
2016	\$ 120,000	\$ 62,170	\$ 182,170
2017	125,000	59,770	184,770
2018	130,000	56,645	186,645
2019	130,000	53,395	183,395
2020	135,000	49,495	184,495
2021-2025	730,000	180,380	910,380
2026-2028	510,000	40,170	550,170
TOTAL	\$ 1,880,000	\$ 502,025	\$ 2,382,025

c. Revenues Pledged for Debt Service

The 2012A Series Bonds are to be paid through pledged property tax revenues. This pledge will remain until all of the bonds are retired. The amount of the pledge remaining at April 30, 2015 was \$2,382,025. The commitment ends on December 15, 2027.

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

6. LONG-TERM DEBT (Continued)

c. Revenues Pledged for Debt Service (Continued)

The District collected pledged revenues totaling \$530,426 during the year ended April 30, 2015. Principal and interest retired during the same period totaled \$184,570, which represents approximately 34.80% of the pledged revenues collected.

d. Capital Lease Obligations

On January 30, 2013, the District entered into a noncancelable 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, 2015, the District is obligated for future payments under this lease, as follows:

Year Ending April 30,	Business-Type Activities		
	Principal	Interest	Total
2016	\$ 51,200	\$ 5,214	\$ 56,414
2017	53,414	3,000	56,414
2018	55,724	690	56,414
TOTAL	\$ 160,338	\$ 8,904	\$ 169,242

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 \$3.1 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:

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

7. INTERFUND ADVANCES/INTERNAL ADVANCES (Continued)

	Advances To	Advances From
MAJOR GOVERNMENTAL		
General Corporate		
Recreation	\$ 9,962	\$ -
Audit	49,608	-
Golf Course	247,824	-
Illinois Municipal Retirement	-	710,838
Public Liability Insurance	-	891,005
Capital Improvements	-	301,396
Total General Corporate	<u>307,394</u>	<u>1,903,239</u>
Recreation		
General Corporate	-	9,962
Special Recreation	-	10,017
Illinois Municipal Retirement	-	61,995
Public Liability Insurance	13,394	-
Capital Improvement	-	66,299
Audit	7,634	-
Golf Course	-	332,516
Total Recreation	<u>21,028</u>	<u>480,789</u>
Special Recreation		
Recreation	10,017	-
Illinois Municipal Retirement	7,142	-
Public Liability Insurance	46,769	-
Capital Improvements	580,772	-
Golf Course	13,501	-
Total Special Recreation	<u>658,201</u>	-
Illinois Municipal Retirement		
General Corporate	710,838	-
Recreation	61,995	-
Special Recreation	-	7,142
Capital Improvements	121,957	-
Total Illinois Municipal Retirement	<u>894,790</u>	<u>7,142</u>
Public Liability Insurance		
General Corporation	891,005	-
Recreation	-	13,394
Special Recreation	-	46,769
Capital Improvements	46,769	-
Audit	58,000	-
Total Public Liability Insurance	<u>995,774</u>	<u>60,163</u>

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

7. INTERFUND ADVANCES/INTERNAL ADVANCES (Continued)

	Advances To	Advances From
MAJOR GOVERNMENTAL (Continued)		
Capital Improvements		
General Corporation	\$ 301,396	\$ -
Recreation	66,299	-
Special Recreation	-	580,772
Illinois Municipal Retirement	-	121,957
Public Liability Insurance	-	46,769
Total Capital Improvements	<u>367,695</u>	<u>749,498</u>
NONMAJOR GOVERNMENTAL		
Audit		
General Corporation	-	49,608
Recreation	-	7,634
Public Liability Insurance	-	58,000
Total Audit	<u>-</u>	<u>115,242</u>
Total Governmental	<u>3,244,882</u>	<u>3,316,073</u>
MAJOR BUSINESS-TYPE		
Golf Course		
General Corporation	-	247,824
Recreation	332,516	-
Special Recreation	-	13,501
Total Golf Course	<u>332,516</u>	<u>261,325</u>
Total interfund advances	<u>\$ 3,577,398</u>	<u>\$ 3,577,398</u>

8. FUND BALANCE REPORTING

As defined in Note 1, the District had \$307,394 of nonspendable fund balance in the General Corporate Fund at April 30, 2015, which represented advances to other funds.

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

9. RESTRICTED NET POSITION

The government-wide statement of net position - modified cash basis reports \$3,033,319 of restricted net position which consists of the following:

Special Recreation	\$ 671,641
Illinois Municipal Retirement	894,790
Public Liability Insurance	995,774
Bond and Interest	71,180
Police	<u>14,396</u>
 TOTAL RESTRICTIONS	 <u>\$ 2,647,781</u>

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.

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

11. DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

a. Plan Description

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

b. Funding Policy

As set by statute, plan members are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2014 was 8.52%. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

c. Annual Pension Cost

The required contribution for calendar year 2014 was \$105,399.

Three-Year Trend Information				
Calendar Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
12/31/2014	\$ 105,399	100.00%	\$	-
12/31/2013	109,820	100.00%		-
12/31/2012	90,438	100.00%		-

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry-age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary

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

11. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

c. Annual Pension Cost (Continued)

increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.40% to 10.00% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3.00% annually. The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. IMRF's overfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 29-year basis.

d. Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, IMRF was 113.23% funded. The actuarial accrued liability for benefits was \$1,898,143 and the actuarial value of assets was \$2,149,243, resulting in an overfunded actuarial accrued liability (UAAL) of \$251,100. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$1,237,076. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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

12. 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, 2015, there were no retirees receiving benefits and 11 employees who were eligible to receive benefits upon retirement. Total monthly medical insurance premium costs were approximately \$9,200.

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.

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

SUPPLEMENTARY INFORMATION (Unaudited)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND**

April 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date December 31,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry-Age (b)	Unfunded (overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2014	\$ 2,149,243	\$ 1,898,143	\$ (251,100)	113.23%	\$ 1,237,076	0.00%
2013	1,904,894	1,732,615	(172,279)	109.94%	1,179,586	0.00%
2012	1,685,068	1,726,376	41,308	97.61%	1,141,888	3.62%
2011	1,703,657	1,764,520	60,863	96.55%	949,548	6.41%
2010	1,815,060	1,684,154	(130,906)	107.77%	786,594	0.00%
2009	1,760,876	1,784,691	23,815	98.67%	821,132	2.90%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2015	\$ 105,399	\$ 105,399	100%
2014	109,820	109,820	100%
2013	90,438	90,438	100%
2012	83,940	83,940	100%
2011	66,389	66,389	100%
2010	45,655	45,655	100%

(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, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 839,130	\$ 830,468	\$ (8,662)
Intergovernmental revenues	125,000	143,645	18,645
Charges for services	3,500	2,823	(677)
Other income	202,000	191,755	(10,245)
Interest income	100	26	(74)
Total revenues collected	<u>1,169,730</u>	<u>1,168,717</u>	<u>(1,013)</u>
EXPENDITURES PAID			
Current			
General administration	1,140,000	471,925	(668,075)
Park maintenance	333,000	185,633	(147,367)
Total expenditures paid	<u>1,481,000</u>	<u>657,558</u>	<u>(815,442)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(207,473)	(207,473)
Total other financing sources (uses)	<u>-</u>	<u>(207,473)</u>	<u>207,473</u>
NET CHANGE IN FUND BALANCE	<u>\$ (311,270)</u>	<u>303,686</u>	<u>\$ (608,982)</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(1,879,166)</u>	
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (1,575,480)</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, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 839,130	\$ 830,468	\$ (8,662)
Intergovernmental revenues			
Replacement taxes	125,000	143,645	18,645
Charges for services			
Rentals	3,500	2,823	(677)
Other income			
Expense reimbursement	-	5,629	5,629
Other	202,000	186,126	(15,874)
Total other income	202,000	191,755	(10,245)
Interest income	100	26	(74)
TOTAL REVENUES COLLECTED			
	<u>\$ 1,169,730</u>	<u>\$ 1,168,717</u>	<u>\$ (1,013)</u>

(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, 2015

	Original and Final Budget	Actual	Variance Over (Under)
EXPENDITURES PAID			
General administration			
Personal services			
Salaries	\$ 275,000	\$ 218,113	\$ (56,887)
Fringe benefits	50,000	25,964	(24,036)
	<hr/>	<hr/>	<hr/>
Total personal services	325,000	244,077	(80,923)
Contractual services			
Professional services	150,000	121,123	(28,877)
Utilities and cleaning	5,000	389	(4,611)
Maintenance, repairs, and insurance	15,000	12,837	(2,163)
Communications	40,000	21,843	(18,157)
Other	590,000	66,169	(523,831)
	<hr/>	<hr/>	<hr/>
Total contractual services	800,000	222,361	(577,639)
Commodities	15,000	5,487	9,513
Total general administration before capital outlay and debt service	1,140,000	471,925	(649,049)
Capital outlay	8,000	-	8,000
Total general administration	1,148,000	471,925	(649,049)
Park maintenance			
Personal services			
Salaries	175,000	135,706	(39,294)
Fringe benefits	20,000	153	(19,847)
	<hr/>	<hr/>	<hr/>
Total personal services	195,000	135,859	(59,141)
Contractual services			
Professional services	4,000	74	(3,926)
Utilities and cleaning	20,000	10,663	(9,337)
Maintenance, repairs, and insurance	50,000	15,029	(34,971)
Communications	9,000	3,034	(5,966)
Capital outlay	5,000	-	(5,000)
Other expenditures	10,000	-	(10,000)
	<hr/>	<hr/>	<hr/>
Total contractual services	98,000	28,800	(54,200)
Commodities	40,000	20,974	(19,026)
Total park maintenance	333,000	185,633	(132,367)
TOTAL EXPENDITURES PAID	\$ 1,481,000	\$ 657,558	\$ (781,416)

(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, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 671,304	\$ 664,294	\$ (7,010)
Charges for services	83,500	87,719	4,219
Contributions and donations	33,000	27,703	(5,297)
Other income	34,500	27,463	(7,037)
Interest income	-	3	3
Total revenues collected	<u>822,304</u>	<u>807,182</u>	<u>(15,122)</u>
EXPENDITURES PAID			
General administration	1,006,500	476,464	(530,036)
Recreation programs	120,000	74,857	(45,143)
Total expenditures paid	<u>1,126,500</u>	<u>551,321</u>	<u>(575,179)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(240,853)	(240,853)
Total other financing sources (uses)	<u>-</u>	<u>(240,853)</u>	<u>240,853</u>
NET CHANGE IN FUND BALANCE	<u>\$ (304,196)</u>	<u>15,008</u>	<u>\$ 319,204</u>
FUND BALANCE (DEFICIT), MAY 1			<u>(406,997)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (391,989)</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, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 671,304	\$ 664,294	\$ (7,010)
Charges for services			
Fees	65,500	71,551	6,051
Rentals	18,000	16,168	(1,832)
Total charges for services	83,500	87,719	4,219
Contributions and donations	33,000	27,703	(5,297)
Other income	34,500	27,463	(7,037)
Interest income	-	3	3
TOTAL REVENUES COLLECTED	\$ 822,304	\$ 807,182	\$ (15,122)

(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, 2015

	Original and Final Budget	Actual	Variance Over (Under)
EXPENDITURES PAID			
General administration			
Personal services			
Salaries	\$ 400,000	\$ 309,968	\$ (90,032)
Fringe benefits	60,000	19,427	(40,573)
	<hr/>	<hr/>	<hr/>
Total personal services	460,000	329,395	(130,605)
Contractual services			
Professional services	9,000	4,740	(4,260)
Utilities and cleaning	100,000	37,793	(62,207)
Maintenance, repairs, and insurance	50,000	35,547	(14,453)
Communications	50,000	40,610	(9,390)
	<hr/>	<hr/>	<hr/>
Total contractual services	209,000	118,690	(90,310)
Other expenditures			
Commodities	50,000	28,379	(21,621)
Other expenditures	2,500	-	(2,500)
Capital outlay	10,000	-	(10,000)
Transfers out	275,000	-	(275,000)
	<hr/>	<hr/>	<hr/>
Total other expenditures	337,500	28,379	(309,121)
Total general administration	1,006,500	476,464	(530,036)
Recreation programs			
Personal services			
Salaries	20,000	-	(20,000)
Fringe benefits	5,000	-	(5,000)
	<hr/>	<hr/>	<hr/>
Total personal services	25,000	-	(20,000)
Contractual services			
Professional services	5,000	-	(5,000)
Utilities/cleaning	5,000	-	(5,000)
Maintenance and repair/insurance	5,000	-	5,000
Communications	30,000	14,875	(15,125)
	<hr/>	<hr/>	<hr/>
Total contractual services	45,000	14,875	(20,125)
Other expenditures			
Commodities	40,000	59,982	19,982
Capital outlay	10,000		
	<hr/>	<hr/>	<hr/>
Total other expenditures	50,000	59,982	19,982
Total recreation programs	120,000	74,857	(20,143)
TOTAL EXPENDITURES PAID	<hr/>	<hr/>	<hr/>
	\$ 1,126,500	\$ 551,321	\$ (550,179)

(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 CREATION FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 11,988	\$ 11,863	\$ (125)
Interest income	50	-	(50)
 Total revenues collected	 12,038	 11,863	 (175)
EXPENDITURES PAID			
Current			
General administration			
Professional services	-	2,949	2,949
Maintenance, repairs, and insurance	40,000	-	(40,000)
Communications	12,000	2,536	(9,464)
Commodities	8,000	-	(8,000)
Capital outlay	50,000	-	(50,000)
 Total general administration	 110,000	 5,485	 (54,515)
 Total expenditures paid	 110,000	 5,485	 (54,515)
 NET CHANGE IN FUND BALANCE	 <u>\$ (97,962)</u>	 <u>6,378</u>	 <u>\$ 54,340</u>
 FUND BALANCE, MAY 1		 <u>665,263</u>	
 FUND BALANCE, APRIL 30		 <u>\$ 671,641</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
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Interest income	\$ 100	\$ -	\$ (100)
Total revenues collected	<u>100</u>	<u>-</u>	<u>(100)</u>
EXPENDITURES PAID			
Current			
General administration	223,768	165,120	(58,648)
Park maintenance	50,683	37,399	(13,284)
Recreation programs	550	406	(144)
Total expenditures paid	<u>275,001</u>	<u>202,925</u>	<u>(72,076)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>230,900</u>	<u>-</u>	<u>230,900</u>
Total other financing sources (uses)	<u>230,900</u>	<u>-</u>	<u>230,900</u>
NET CHANGE IN FUND BALANCE	<u>\$ (44,001)</u>	<u>(202,925)</u>	<u>\$ 158,924</u>
FUND BALANCE, MAY 1		<u>1,090,573</u>	
FUND BALANCE, APRIL 30	<u>\$ 887,648</u>		

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

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

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Other income	\$ 216,400	\$ 500	\$ (215,900)
Total revenues collected	<u>216,400</u>	<u>500</u>	<u>(215,900)</u>
EXPENDITURES PAID			
Current			
General administration			
Personnel services			
Workers' compensation and unemployment insurance	150,000	85,746	(64,254)
Professional services	45,000	8,378	(36,622)
Liability insurance	125,000	52,031	(72,969)
Communications	30,000	9,913	(20,087)
Commodities	20,000	3,427	(16,573)
Total general administration	370,000	159,495	(210,505)
Capital outlay	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Total expenditures paid	<u>430,000</u>	<u>159,495</u>	<u>(270,505)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (213,600)</u>	<u>(158,995)</u>	<u>\$ 54,605</u>
FUND BALANCE, MAY 1		<u>1,094,606</u>	
FUND BALANCE, APRIL 30	<u>\$ 935,611</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
CAPITAL IMPROVEMENTS FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Intergovernmental	\$ 166,000	\$ 62,466	\$ (103,534)
Interest income	2,000	1,129	(871)
Other revenue	<u>350,000</u>	-	<u>(350,000)</u>
Total revenues collected	<u>518,000</u>	<u>63,595</u>	<u>(454,405)</u>
EXPENDITURES PAID			
General administration	50,000	47,399	(2,601)
Professional services	60,000	35,276	(24,724)
Maintenance and repair	1,000	-	(1,000)
Communications	<u>600,000</u>	<u>151,191</u>	<u>(448,809)</u>
Total expenditures paid	<u>711,000</u>	<u>233,866</u>	<u>(477,134)</u>
EXCEESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID			
	<u>(193,000)</u>	<u>(170,271)</u>	<u>22,729</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (193,000)</u></u>	<u><u>(199,653)</u></u>	<u><u>\$ (6,653)</u></u>
FUND BALANCE, MAY 1		<u><u>592,825</u></u>	
FUND BALANCE, APRIL 30		<u><u>\$ 393,172</u></u>	

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

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

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 537,043	\$ 530,426	\$ (6,617)
Interest income	100	510	410
 Total revenues collected	 <u>537,143</u>	 <u>530,936</u>	 <u>(6,207)</u>
EXPENDITURES PAID			
General administration			
Professional services	30,000	1,395	(28,605)
Debt service			
Principal	550,000	460,375	(89,625)
Interest and bond fees	25,000	65,978	40,978
 Total expenditures paid	 <u>605,000</u>	 <u>527,748</u>	 <u>(77,252)</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (67,857)</u>	 <u>3,188</u>	 <u>\$ 71,045</u>
 FUND BALANCE, MAY 1		 <u>67,992</u>	
 FUND BALANCE, APRIL 30		 <u>\$ 71,180</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

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

For the Year Ended April 30, 2015

	<u>Special Revenue Funds</u>		<u>Total</u>
	Audit	Police	Nonmajor Funds
ASSETS			
Cash	\$ -	\$ 14,396	\$ 14,396
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Advances from other funds	\$ 115,242	\$ -	\$ 115,242
FUND BALANCES			
Restricted	-	14,396	14,396
Unassigned	(115,242)	-	(115,242)
Total fund balances (deficit)	(115,242)	14,396	(100,846)
TOTAL LIABILITIES AND FUND BALANCES			
	\$ -	\$ 14,396	\$ 14,396

(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, 2015

	Special Revenue Funds	Total
	Audit	Nonmajor Funds
REVENUES COLLECTED		
Real estate taxes	\$ 11,862	\$ 16,608
	<hr/>	<hr/>
Total revenues collected	11,862	28,470
	<hr/>	<hr/>
EXPENDITURES PAID		
General administration	19,496	91,243
	<hr/>	<hr/>
Total expenditures paid	19,496	110,739
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES		
	(7,634)	(74,635)
	<hr/>	<hr/>
FUND BALANCE (DEFICIT), MAY 1	(107,608)	89,031
	<hr/>	<hr/>
FUND BALANCE (DEFICIT), APRIL 30	\$ (115,242)	\$ 14,396
	<u>\$ (100,846)</u>	<u>\$ (100,846)</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, 2015

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES COLLECTED			
Real estate taxes	\$ 11,988	\$ 11,862	\$ (126)
Total revenues collected	<u>11,988</u>	<u>11,862</u>	<u>(126)</u>
EXPENDITURES PAID			
General administration	<u>50,000</u>	<u>19,496</u>	<u>(30,504)</u>
Total expenditures paid	<u>50,000</u>	<u>19,496</u>	<u>(30,504)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>8,012</u>	<u>-</u>	<u>(8,012)</u>
Total other financing sources (uses)	<u>8,012</u>	<u>-</u>	<u>(8,012)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (30,000)</u>	<u>(7,634)</u>	<u>\$ 22,366</u>
FUND BALANCE (DEFICIT), MAY 1			<u>(107,608)</u>
FUND BALANCE (DEFICIT), APRIL 30			<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
POLICE FUND**

For the Year Ended April 30, 2015

	Original and Final Budget	Variance Over (Under)
	Actual	
REVENUES COLLECTED		
Real estate taxes	\$ 16,783	\$ 16,608 \$ (175)
Total revenues collected	<u>16,783</u>	<u>16,608</u> (175)
EXPENDITURES PAID		
Current		
General administration		
Personnel services	100,000	73,065 (26,935)
Professional services	15,000	345 (14,655)
Utilities and cleaning	5,000	1,472 (3,528)
Maintenance and repair	10,000	2,095 (7,905)
Communications	5,000	80 (4,920)
Commodities	15,000	3,026 (11,974)
Capital outlay	50,000	11,160 (38,840)
Total general administration	<u>200,000</u>	<u>91,243</u> (108,757)
Total expenditures paid	<u>200,000</u>	<u>91,243</u> (108,757)
NET CHANGE IN FUND BALANCE	<u>\$ (183,217)</u>	<u>(74,635)</u> <u>\$ 108,582</u>
FUND BALANCE, MAY 1		<u>89,031</u>
FUND BALANCE, APRIL 30	<u>\$ 14,396</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, 2015

	Original and Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES COLLECTED			
Charges for services	\$ 1,749,000	\$ 1,041,798	\$ (707,202)
Rental	50,300	203,331	153,031
Other receipts	71,500	57,732	(13,768)
TOTAL OPERATING REVENUES COLLECTED	\$ 1,870,800	\$ 1,302,861	\$ (567,939)

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

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

For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance Over (Under)
OPERATING EXPENSES PAID			
Golf course operations expenses paid			
Personal			
Salaries	\$ 525,000	\$ 470,435	\$ (54,565)
Fringe benefits	60,000	21,350	(38,650)
Total personal	585,000	491,785	(93,215)
Contractual services			
Professional services	30,000	10,688	(19,312)
Utilities and cleaning	50,000	28,271	(21,729)
Maintenance, repairs, and insurance	20,000	28,159	8,159
Communications	100,000	100,838	838
Other expenditures	5,000	-	(5,000)
Total contractual services	205,000	167,956	(32,044)
Commodities	800,000	562,082	(237,918)
Capital outlay	75,000	-	(75,000)
Total golf course operations expenses paid	1,665,000	1,221,823	(438,177)
Golf course maintenance expenses paid			
Personal			
Salaries	275,000	171,546	(103,454)
Fringe benefits	50,000	17,300	(32,700)
Total personal	325,000	188,846	(136,154)
Contractual services			
Professional services	7,500	1,119	(6,381)
Utilities and cleaning	75,000	49,379	(25,621)
Maintenance, repairs, and insurance	75,000	41,370	(33,630)
Communications	6,000	2,372	(3,628)
Other expenditures	10,000	-	(10,000)
Total contractual services	173,500	94,240	(69,260)
Commodities	200,000	134,020	(65,980)
Total golf course maintenance expenses paid before capital outlay	698,500	417,106	(271,394)
Capital outlay	25,000	240	24,760
Total golf course maintenance expenses paid	723,500	417,346	(246,634)
Depreciation	-	233,345	233,345
TOTAL OPERATING EXPENSES PAID	\$ 2,388,500	\$ 1,872,514	\$ (451,466)

(See independent auditor's report.)

**FOSS PARK DISTRICT
NORTH CHICAGO, ILLINOIS**

NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2015

BUDGETS AND BUDGETARY ACCOUNTING

1. Budgetary Controls

The budget for all funds is prepared on the modified 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 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 funds, and the Golf Course Fund. Formal budgetary integration is not employed for the Bond and Interest Fund because of effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

The appropriations may be amended by the Board of Commissioners. There were no amendments to the budget for the year ended April 30, 2015.