

ITASCA PARK DISTRICT
AUDITED FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2012



ITASCA PARK DISTRICT

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INDEPENDENT AUDITORS' REPORT

To The President and The
Members of the Board of Commissioners
Itasca Park District
Itasca, Illinois

We have audited the accompanying basic financial statements of the Itasca Park District as of and for the year ended April 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Park District's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Park District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Itasca Park District as of April 30, 2012 and the respective changes in financial position and net assets thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Detterbeck Johnson & Monsen, Ltd.
(An Illinois Professional
Service Corporation)
Palatine, Illinois
August 16, 2012



ITASCA PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED APRIL 30, 2012

This discussion and analysis is intended to be an easily readable overview of the Itasca Park District's financial activities for the year ended April 30, 2012, based on currently known facts, decisions and conditions. This analysis focuses on current year activities and operations, which should be read in combination with the transmittal letter and the basic financial statements that follow.

Financial Highlights

- The Park District's financial status continues to get stronger each year. Despite increased operational, energy costs and staff benefits, the Park District concluded with a positive balance.
- Assets exceeded liabilities by \$8,237,602 (net assets) at the close of the fiscal year.
- The change in total net assets of the Park District is a decrease of (\$54,353) for governmental activities.
- Governmental funds reported a combined total of \$3,776,391 of revenues, and \$6,150,494 in expenditures. After offsetting transfers and debt proceeds, the resulting combined increase in the fund balance of all governmental funds on April 30, 2012, was \$387,041. The combined fund balance of all governmental funds on April 30, 2012, was \$2,973,349, this represents an overall increase of \$387,041.
- The General Fund's total revenue of \$667,214 was above budgeted revenue by \$399. The fund balance had a net decrease of (\$18,414). The expenses in the fund were (\$94,412) less than budgeted, which helped the fund perform better than planned. This activity resulted in an April 30, 2012 fund balance of \$436,479.
- The Recreation Fund's total revenue of \$1,646,561 was below budgeted revenue by (\$55,896). The fund balance had a net decrease of (\$51,782) compared to the budgeted net decrease of (\$207,880). This activity resulted in an April 30, 2012 fund balance of \$682,031.

Using the Annual Report/Report Layout

The government-wide statements are highly condensed and present information about the Park District's finances and operations as a whole, with a longer-term view. The fund financial statements indicate how we financed our governmental activities in the short-term, as well as what remains for future spending. The fund financial statements also report the Park District's operations in more detail than the government-wide financial statements by providing information about the Park District's major funds.



Reporting the Park District as a Whole

The accompanying government-wide financial statements include two statements that present financial data for the District as a whole. The Statement of Net Assets and the Statement of Activities report information about the District as a whole and its activities. The statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private – sector companies. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

- *Statement of Net Assets*

The Statement of Net Assets presents the assets, liabilities and resulting net assets of the Park District's governmental and business-type activities.

Net assets, the difference between assets and liabilities, provide a measure of the District's financial strength, or financial position. Over time, increases or decreases in net assets are an indicator of improving or deteriorating financial health. It is important to consider other non-financial factors such as changes in the District's property tax base, or the condition of parks to accurately assess the overall health of the District.

- *Statement of Activities*

The Statement of Activities presents expenses of major programs (functions) and matches direct program revenues with each. To the extent that direct charges and grants do not recover a program's cost, it is paid from general taxes and other resources. The statement simplifies the user's analysis to determine what extent programs are self-supporting and/or subsidized by general revenues.

Reporting the Park District's Most Significant Funds

The analysis of the Park District's major funds statements reinforce information in the government-wide financial statements or provide additional information. The District's major funds are presented in a separate column in the fund financial statements, and the remaining funds are combined into a column titled "Nonmajor Governmental Funds." For each major fund, a Budgetary Comparison Statement is also presented.

All of the Park District's activities are reported in governmental funds, which focus on how money flows into and out of funds, and the remaining balances at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Park District's general government operations and the basic services it provides. Governmental activities include recreation and general government administration. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements of the governmental funds.



**The Park District as a Whole
Government-Wide Financial Statements**

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. On April 30, 2012, net assets for the Park District were \$8,237,602.

A condensed version of the Statement of Net Assets at April 30, 2012, follows:

	<u>2012</u>	<u>2011</u>
Assets:		
Current and other assets	\$ 5,546,098	\$ 4,999,342
Capital assets	<u>11,542,919</u>	<u>11,193,209</u>
Total assets	<u>17,089,017</u>	<u>16,192,551</u>
Liabilities:		
Current and other liabilities	2,966,999	2,721,162
Long-term liabilities:		
Due within one year	525,000	801,651
Due in more than one year	<u>5,359,416</u>	<u>4,442,540</u>
Total liabilities	<u>8,851,415</u>	<u>7,965,353</u>
Net Assets:		
Invested in capital assets, net of debt	8,233,503	7,683,793
Restricted	1,854,839	1,397,602
Unrestricted Deficit	<u>(1,850,740)</u>	<u>(854,197)</u>
Total Net Assets	\$ <u>8,237,602</u>	\$ <u>8,227,198</u>

The governmental activities end-of-year total net assets of \$8,237,602 reflect an increase of \$10,404 from the beginning year's net asset balance.

There are restrictions on \$1,854,839 of the Park District's net assets. These restrictions represent legal obligations on how the assets may be expended.



Changes in Net Assets

A summary of the government-wide statement of changes in net assets for the year ended April 30, 2012 follows:

	<u>2012</u>	<u>2011</u>
Revenues		
Program Revenues:		
Charges for services	\$ 1,197,682	\$ 1,176,511
General Revenues:		
Taxes	2,319,483	2,285,008
Interest	6,322	10,088
Miscellaneous	<u>252,904</u>	<u>244,438</u>
Total Revenues	<u>3,776,391</u>	<u>3,716,045</u>
Expenses		
Program Expenses:		
Culture and Recreation	2,861,341	2,991,944
Interest	<u>969,403</u>	<u>235,453</u>
Total Expenses	<u>3,830,744</u>	<u>3,227,397</u>
Change in Net Assets	<u>\$ (54,353)</u>	<u>\$ 488,648</u>

Governmental Activities The cost of all governmental activities in 2011/12 was \$3,830,744. Revenues to fund these activities included \$1,197,682 from those who directly benefited from or contributed to the programs, and \$2,319,483 financed through taxes. Revenue included other governmental revenue, interest and miscellaneous income, which totaled \$259,226.

In the table below, we presented the cost of each of the Park District's largest functions, as well as program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden was placed on the Park District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Culture and Recreation	\$ 2,861,341	\$ 2,991,944	\$ (1,663,659)	\$ (1,815,433)
Interest	<u>969,403</u>	<u>235,453</u>	<u>(969,403)</u>	<u>(235,453)</u>
Total Expenses	<u>\$ 3,830,744</u>	<u>\$ 3,227,397</u>	<u>\$ (2,633,062)</u>	<u>\$ (2,050,886)</u>

The Park District's Funds

Governmental funds reported a combined total of \$3,776,391 of revenues, and \$6,150,494 in expenditures. After offsetting transfers and debt proceeds, the resulting combined increase in the fund balance of all governmental funds on April 30, 2012, was \$387,041. The combined fund balance of all governmental funds on April 30, 2012, was \$2,973,349.



Capital Assets

As of April 30, 2012, the District has approximately \$11.54 million in capital assets (net of accumulated depreciation), as reflected in the following table. Additional capital asset information is found in Note 4 to the financial statements.

	<u>2012</u>	<u>2011</u>
Land, Right of Way and Easements	\$ 664,790	\$ 664,790
Construction in Progress	375,831	-
Land Improvements	540,693	624,948
Buildings	9,197,945	9,108,049
Equipment	738,121	763,606
Licensed Vehicles	<u>25,539</u>	<u>31,816</u>
Net Capital Assets	<u>\$ 11,542,919</u>	<u>\$ 11,193,209</u>

Capital highlights for 2011/2012 included the following:

- Began the restoration of the Itasca Train Depot
- Completion of Benson Park Renovation
- Pump House Building Conversion
- Fitness Equipment Replacement
- Waterpark Upgrades & VGB Compliance
- Misc Park/Building Projects

Debt Administration

As of year-end, governmental-type debt outstanding was \$5,884,416 compared to \$5,244,191 last year. Additional information on the District's long-term debt is found in Note 4 to the financial statements.

Budgets and Rates for 2012/13

The 2012/13 fiscal year total budget is \$4,849,793, an approximate \$10,000 decrease from the fiscal year 2011/12.

The Park District's 2011 equalized assessed valuation decreased 10% and is currently \$497,306,285. The 2012/13 budget reflects an approximate 1.0169% increase in property taxes.



Included in the 2012/13 budget are capital expenditures of approximately \$1M. The basic capital budget includes projects such as:

- Completion of the restoration of the 138 year-old Train Depot Museum
- Softball Complex Fencing, Netting and Parking Project
- Waterpark Upgrades
- Washington Park Drainage/Landscape Project
- Peacock Park Renovation Project
- Computer System Upgrade/On-Line Registration
- Fitness Center Equipment & Room Upgrades
- Miscellaneous Parks and Building Projects

Decisions Expected To Have an Effect on Future Operations

Many trends and economic factors can affect the future operations of the Park District, which are considered during budgeting and long range planning of these factors. Private sector development of competitive facilities and comparable services in the area, trends in facility usage, and the availability for acquisition of open space and facilities are constant considerations. There are several additional major factors that the Park District is dealing with and will address in the upcoming budget year as well:

- The continuing negative effects of the tax cap on the District's property tax revenue, along with the current CPI impact.
- The continued decrease in EAV.
- The current State of Illinois budget situation which has slowed grant funding.
- Current state of the general economy.
- Increased pricing of wages and benefits.

Financial Contact

The Park District's financial statements are designed to present users (citizens, taxpayers, investors, customers and creditors) with a general overview of the Park District's finances and to demonstrate the Park District's accountability. If you have questions about the report or need additional financial information, please contact the Park District's Executive Director, Maryfran H. Leno, 350 East Irving Park Road, Itasca, IL 60143, 630-773-2257.



ITASCA PARK DISTRICT
STATEMENT OF NET ASSETS

APRIL 30, 2012

	Total Primary Government Governmental Activities
ASSETS	
Cash and Investments	\$ 3,113,293
Property Taxes Receivable, Net of Loss and Cost	2,303,136
Deferred Charges	129,669
Capital Assets, Net of Accumulated Depreciation	<u>11,542,919</u>
Total Assets	<u>17,089,017</u>
LIABILITIES	
Deferred Revenue - Taxes	\$ 2,303,136
Deferred Program Revenue	137,855
Vouchers and Refunds Payable	2,089
Interest Payable	218,000
Compensated Absences Payable	53,750
Unamortized Bond Premiums	252,169
Bonds Payable - Current	525,000
Bonds Payable - Non-Current	<u>5,359,416</u>
Total Liabilities	<u>8,851,415</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	8,233,503
Restricted For:	
Special Recreation	171,976
Pension	39,692
Debt Service	37,574
Capital Projects	1,504,742
Tort Judgments/Liability	20,802
Audit	3,031
Museum	3,848
Paving/Lighting	11,887
External Party Funds	61,287
Unrestricted Deficit	<u>(1,850,740)</u>
TOTAL NET ASSETS	<u>\$ 8,237,602</u>

See accompanying notes to the financial statements.



ITASCA PARK DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2012

	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue</u>
PRIMARY GOVERNMENT			
Governmental Activities			
Culture and Recreation	\$ 2,861,341	\$ 1,197,682	\$ (1,663,659)
Interest on Bonds	<u>969,403</u>	<u>-</u>	<u>(969,403)</u>
Total Governmental Activities	<u>\$ 3,830,744</u>	<u>\$ 1,197,682</u>	<u>(2,633,062)</u>
GENERAL REVENUES			
Property Taxes, levied for general purposes			1,545,563
Property Taxes, levied for debt service			748,238
Personal Property Replacement Taxes			25,682
Interest			6,322
Miscellaneous			<u>252,904</u>
Total General Revenues			<u>2,578,709</u>
CHANGE IN NET ASSETS			<u>(54,353)</u>
NET ASSETS			
Beginning			8,227,198
Prior Period Adjustment			<u>64,757</u>
Beginning, As Adjusted			<u>8,291,955</u>
Ending			<u>\$ 8,237,602</u>

See accompanying notes to the financial statements.

ITASCA PARK DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

APRIL 30, 2012

	<u>General</u>	<u>Recreation</u>	<u>Recreation For the Handicapped</u>	<u>Social Security</u>
ASSETS				
Cash and Investments	\$ 437,218	\$ 808,736	\$ 171,976	\$ 17,496
Property Taxes Receivable, Net of Loss and Cost	<u>617,878</u>	<u>393,867</u>	<u>196,933</u>	<u>83,697</u>
TOTAL ASSETS	<u>\$ 1,055,096</u>	<u>\$ 1,202,603</u>	<u>\$ 368,909</u>	<u>\$ 101,193</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers and Refunds Payable	\$ 739	\$ 1,350	\$ -	\$ -
Deferred Revenue - Taxes	617,878	393,867	196,933	83,697
Deferred Program/Grant Revenue	<u>-</u>	<u>125,355</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>618,617</u>	<u>520,572</u>	<u>196,933</u>	<u>83,697</u>
FUND BALANCES				
Restricted				
Special Recreation	-	-	171,976	-
Pension	-	-	-	17,496
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Tort Judgments/Liability	-	-	-	-
Audit	-	-	-	-
Museum	-	-	-	-
Paving/Lighting	-	-	-	-
External Party Funds	-	-	-	-
Unassigned	<u>436,479</u>	<u>682,031</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>436,479</u>	<u>682,031</u>	<u>171,976</u>	<u>17,496</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,055,096</u>	<u>\$ 1,202,603</u>	<u>\$ 368,909</u>	<u>\$ 101,193</u>



<u>IMRF</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 22,196	\$ 37,574	\$ 1,517,242	\$ 100,855	\$ 3,113,293
<u>176,255</u>	<u>764,594</u>	<u>-</u>	<u>69,912</u>	<u>2,303,136</u>
<u>\$ 198,451</u>	<u>\$ 802,168</u>	<u>\$ 1,517,242</u>	<u>\$ 170,767</u>	<u>\$ 5,416,429</u>
\$ -	\$ -	\$ -	\$ -	2,089
176,255	764,594	-	69,912	2,303,136
-	-	12,500	-	137,855
<u>176,255</u>	<u>764,594</u>	<u>12,500</u>	<u>69,912</u>	<u>2,443,080</u>
-	-	-	-	171,976
22,196	-	-	-	39,692
-	37,574	-	-	37,574
-	-	1,504,742	-	1,504,742
-	-	-	20,802	20,802
-	-	-	3,031	3,031
-	-	-	3,848	3,848
-	-	-	11,887	11,887
-	-	-	61,287	61,287
-	-	-	-	1,118,510
<u>22,196</u>	<u>37,574</u>	<u>1,504,742</u>	<u>100,855</u>	<u>2,973,349</u>
<u>\$ 198,451</u>	<u>\$ 802,168</u>	<u>\$ 1,517,242</u>	<u>\$ 170,767</u>	<u>\$ 5,416,429</u>

See accompanying notes to the financial statements.



ITASCA PARK DISTRICT

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET ASSETS

YEAR ENDED APRIL 30, 2012

Fund Balances of Governmental Funds	\$ 2,973,349
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	11,542,919
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Interest payable	(218,000)
Compensated absences payable	(53,750)
Bonds payable	(5,884,416)
Bond premiums are other financing sources in governmental funds in the year of issuance but are capitalized and amortized on the statement of net assets	(252,169)
Issuance costs are expenditures in governmental funds but are capitalized and amortized on the statement of net assets	<u>129,669</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 8,237,602</u>

See accompanying notes to the financial statements.

ITASCA PARK DISTRICT

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

YEAR ENDED APRIL 30, 2012

	General	Recreation	Recreation For The Handicapped	Social Security and IMRF	Debt Service
REVENUES					
Property Taxes	\$ 590,883	\$ 394,763	\$ 220,205	\$ 278,008	\$ 748,238
Personal Property Replacement Taxes	25,682	-	-	-	-
Program and Event Fees	-	717,027	-	-	-
Developer Contributions	-	-	-	-	-
Fundraising	-	-	-	-	-
Fitness Center	-	198,024	-	-	-
Swimming Pool	-	174,004	-	-	-
Concessions	-	39,731	-	-	-
Rent	29,388	39,508	-	-	-
Interest	3,730	-	-	-	315
Miscellaneous and Reimbursements	17,531	83,504	-	-	-
Total Revenues	667,214	1,646,561	220,205	278,008	748,553
EXPENDITURES					
Current:					
Salaries and Wages	202,754	755,153	-	-	-
Services	176,102	229,040	120,262	281,399	55,054
Repairs and Maintenance	65,185	17,053	-	-	-
Program and Event Costs	-	364,174	-	-	-
Supplies	25,548	38,570	-	-	-
Miscellaneous	4,517	5,059	-	-	-
Capital Outlay	11,522	289,294	201,429	-	-
Debt Service:					
Principal	-	-	-	-	1,934,775
Interest	-	-	-	-	965,953
Total Expenditures	485,628	1,698,343	321,691	281,399	2,955,782
Excess of Revenues Over (Under) Expenditures	181,586	(51,782)	(101,486)	(3,391)	(2,207,229)
OTHER FINANCING SOURCES (USES)					
Bonds and Bond Premiums Issued	-	-	-	-	2,211,144
Transfers	(200,000)	-	-	-	-
Total Other	(200,000)	-	-	-	2,211,144
NET CHANGE IN FUND BALANCES	(18,414)	(51,782)	(101,486)	(3,391)	3,915
FUND BALANCE					
Beginning	454,893	733,813	273,462	43,083	33,659
Ending	\$ 436,479	\$ 682,031	\$ 171,976	\$ 39,692	\$ 37,574



<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 61,704	\$ 2,293,801
-	-	25,682
-	-	717,027
14,664	-	14,664
103,448	-	103,448
-	-	198,024
-	-	174,004
-	-	39,731
-	-	68,896
2,213	64	6,322
-	<u>33,757</u>	<u>134,792</u>
<u>120,325</u>	<u>95,525</u>	<u>3,776,391</u>
-	4,309	962,216
-	66,461	928,318
3,674	771	86,683
-	36,026	400,200
-	7,132	71,250
-	-	9,576
285,093	4,185	791,523
-	-	1,934,775
-	-	<u>965,953</u>
<u>288,767</u>	<u>118,884</u>	<u>6,150,494</u>
<u>(168,442)</u>	<u>(23,359)</u>	<u>(2,374,103)</u>
550,000	-	2,761,144
<u>200,000</u>	<u>-</u>	<u>-</u>
<u>750,000</u>	<u>-</u>	<u>2,761,144</u>
581,558	(23,359)	387,041
<u>923,184</u>	<u>124,214</u>	<u>2,586,308</u>
<u>\$ 1,504,742</u>	<u>\$ 100,855</u>	<u>\$ 2,973,349</u>

See accompanying notes to the financial statements.



ITASCA PARK DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIESYEAR ENDED APRIL 30, 2012

Net Change in Fund Balances - Total Governmental Funds	\$ 387,041
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and depreciated in the statement of activities	791,523
The repayment of bond principal is an expenditure when due in the governmental funds, but as a reduction of long-term liabilities in the statement of activities	1,934,775
The issuance of bonds is reported as another financing source in governmental funds, but as an increase of long-term debt in the statement of activities	
Bonds issued at par	(2,575,000)
Premium on bonds issued	(186,144)
Accretion of bonds and accrual of interest are reported as interest expense on the statement of activities	(22,856)
The bond issuance costs are an expenditure for governmental funds but are amortized on the statement of activities	53,717
The amortization of bond issuance costs is not reported as an expenditure in the governmental funds	(11,486)
The amortization of bond premium is not reported as an expenditure in the governmental funds	19,406
Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
Depreciation	(421,546)
Loss on disposal of assets	(20,267)
The change in the compensated absences payable is shown as an expense on the statement of activities	<u>(3,516)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (54,353)</u>

See accompanying notes to the financial statements.

ITASCA PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

YEAR ENDED APRIL 30, 2012

	General		Recreation		Rec for the
	Budget	Actual	Budget	Actual	Budget
	Original/Final	Budget/GAAP	Original/Final	Budget/GAAP	Original/Final
REVENUES					
Property Taxes	\$ 593,158	\$ 590,883	\$ 396,360	\$ 394,763	\$ 221,121
Personal Property					
Replacement Taxes	20,000	25,682	-	-	-
Program and Event Fees	-	-	790,142	717,027	-
Developer Contributions	-	-	-	-	-
Fundraising	-	-	-	-	-
Fitness Center	-	-	190,955	198,024	-
Swimming Pool	-	-	164,000	174,004	-
Concessions	-	-	43,700	39,731	-
Rent	28,000	29,388	22,000	39,508	-
Interest	8,000	3,730	-	-	-
Miscellaneous/Reimbursements	17,657	17,531	95,300	83,504	-
Total Revenues	<u>666,815</u>	<u>667,214</u>	<u>1,702,457</u>	<u>1,646,561</u>	<u>221,121</u>
EXPENDITURES					
Current:					
Salaries and Wages	219,340	202,754	765,325	755,153	-
Services	241,900	176,102	230,925	229,040	144,050
Repairs and Maintenance	59,800	65,185	35,500	17,053	-
Program and Event Costs	-	-	454,461	364,174	-
Supplies	59,000	25,548	39,226	38,570	-
Miscellaneous	-	4,517	9,900	5,059	-
Capital Outlay	-	11,522	375,000	289,294	300,000
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>580,040</u>	<u>485,628</u>	<u>1,910,337</u>	<u>1,698,343</u>	<u>444,050</u>
Excess of Revenues Over (Under) Expenditures	<u>86,775</u>	<u>181,586</u>	<u>(207,880)</u>	<u>(51,782)</u>	<u>(222,929)</u>
OTHER FINANCING SOURCES (USES)					
Bonds and Bond Premiums Issued	-	-	-	-	-
Transfers	(200,000)	(200,000)	-	-	-
Total Other	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(113,225)</u>	<u>(18,414)</u>	<u>(207,880)</u>	<u>(51,782)</u>	<u>(222,929)</u>
FUND BALANCE					
Beginning	<u>523,153</u>	<u>454,893</u>	<u>865,540</u>	<u>733,813</u>	<u>273,462</u>
Ending	<u>\$ 409,928</u>	<u>\$ 436,479</u>	<u>\$ 657,660</u>	<u>\$ 682,031</u>	<u>\$ 50,533</u>



Handicapped	Social Security and IMRF		Debt Service		Capital Projects	
	Actual Budget/GAAP	Budget Original/Final	Actual Budget/GAAP	Budget Original/Final	Actual Budget/GAAP	Budget Original/Final
\$ 220,205	\$ 279,166	\$ 278,008	\$ 751,260	\$ 748,238	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	5,000	14,664
-	-	-	-	-	225,000	103,448
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	315	2,000	2,213
-	-	-	-	-	100,000	-
<u>220,205</u>	<u>279,166</u>	<u>278,008</u>	<u>751,260</u>	<u>748,553</u>	<u>332,000</u>	<u>120,325</u>
-	-	-	-	-	-	-
120,262	300,000	281,399	7,959	55,054	-	-
-	-	-	-	-	-	3,674
-	-	-	-	-	-	-
-	-	-	-	-	-	-
201,429	-	-	-	-	622,985	285,093
-	-	-	585,001	1,934,775	-	-
-	-	-	158,300	965,953	-	-
<u>321,691</u>	<u>300,000</u>	<u>281,399</u>	<u>751,260</u>	<u>2,955,782</u>	<u>622,985</u>	<u>288,767</u>
<u>(101,486)</u>	<u>(20,834)</u>	<u>(3,391)</u>	<u>-</u>	<u>(2,207,229)</u>	<u>(290,985)</u>	<u>(168,442)</u>
-	-	-	-	2,211,144	-	550,000
-	-	-	-	-	200,000	200,000
-	-	-	-	2,211,144	200,000	750,000
(101,486)	(20,834)	(3,391)	-	3,915	(90,985)	581,558
<u>273,462</u>	<u>43,083</u>	<u>43,083</u>	<u>33,659</u>	<u>33,659</u>	<u>923,184</u>	<u>923,184</u>
<u>\$ 171,976</u>	<u>\$ 22,249</u>	<u>\$ 39,692</u>	<u>\$ 33,659</u>	<u>\$ 37,574</u>	<u>\$ 832,199</u>	<u>\$ 1,504,742</u>

See accompanying notes to the financial statements.



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The financial statements of the Park District have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies:

A. Financial Reporting Entity

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. The Park District has no component units and is not a component unit of any other entity.

B. Basis of Presentation

Government-wide Statements – The government-wide statement of net assets and statement of activities report the overall financial activity of the Park District, excluding fiduciary activities (of which the Park District has none). Governmental activities generally are financed through taxes, contributions, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the Park District's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipients of goods or services offered by the programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the Park District's funds, of which they only have governmental funds. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. The other remaining governmental funds are reported in total as non-major funds that are funded with specific annual property tax revenues of liability insurance/tort, audit, museum and paving/lighting.

General – This is the primary operating fund of the Park District. It accounts for all financial resources except those accounted for in another fund.

Recreation - The majority of the programs and services administered by the Park District are accounted for in this fund and include the operations of the swimming pool and the recreation center fitness facility.

Recreation for the Handicapped – A specific annual property tax levy provides revenue and the expenditures of these monies to the Northeast DuPage Special Recreation Association to provide special recreation programs for the physically and mentally handicapped are accounted for in this fund as well as expenditures of other ADA related costs and projects.

(CONTINUED)



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Social Security and IMRF - Social Security and IMRF are required to be shown as separate funds per an audit settlement agreement with IMRF. Specific property taxes are levied to fund the required employer portion of social security and contributions to the Illinois Municipal Retirement Fund (IMRF).

Debt Service – Property taxes are accumulated and payments made for principal, interest, and related issuance costs on general obligation bonds.

Capital Projects - These funds account for financial resources to be used and amounts paid for the acquisition or construction of major capital facilities or improvements.

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Property taxes are recognized as revenues in the year for which they are levied or intended to finance. Revenues from grants, contributions and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the Park District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year and are needed to fund liabilities of the current period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. Principal and interest on general long-term debt and compensated absences are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt are reported as other financing sources.

Significant revenue sources, which are susceptible to accrual, include property taxes, personal property replacement taxes, rentals, concession income, charges for services, and interest.

The Park District reports unearned revenue on its financial statements. These arise when resources are received by the Park District before it has a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures or before recreation programs commence.

(CONTINUED)



ITASCA PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments

Cash and short-term investments are stated at cost, which equal fair value.

E. Interfund Transfers

The Park District makes interfund transfers. These are flows of assets, namely cash, without equivalent flows of assets in return and without a requirement for repayment. In the governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving the transfers. No other interfund transactions occurred during the year.

F. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

G. Compensated Absences

The liability for compensated absences reported in the government-wide statements of net assets consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated based on current salary costs and the amount that would be paid upon termination.

H. Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as liabilities in the applicable governmental activities/fund financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources along with premiums received on the debt issuances. Discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

I. Property Taxes

The property taxes receivable are based on equalized assessed valuation and tax rates for the year 2011. The reserve for loss and costs on collections has been

(CONTINUED)



ITASCA PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Property Taxes (Concluded)

provided for 2011 at 1% of the tax extensions, which is approximately the loss and cost percentage in prior years. The Park District will begin to receive these 2011 levied funds in June of 2012. In the government-wide accrual basis and governmental fund modified accrual basis financial statements the Park District has deferred these revenues and the 2010 levy is recorded as revenue.

Property taxes for the Park District are assessed by and paid to the DuPage County Tax Collector who remits to the Park District monies collected following a calendar prescribed by law. The Park District's taxes are billed along with all other taxes due County taxing entities. The collector pays the Park District interest on monies held from day of collection to day of distribution. The Park District has no control over the investment program of the Tax Collector as those programs are governed by State Law.

J. Fund Balances/ Net Assets

In the fund financial statements, governmental funds report nonspendable fund balances for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balances are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balances result from enabling legislation adopted by the Park District. Committed fund balance is constrained by formal actions of the Park District's Board of Commissioners, which is considered the Park District's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board of Commissioners. Assigned fund balances represent amounts constrained by the Park District's intent to use them for a specific purpose. Any residual fund balance in the General Fund is reported as unassigned.

The Park District has not formally established fund balance reserve policies for its governmental funds. The internal unwritten policy of the District is to maintain at least a minimum fund balance equal to approximately 20 percent of the prior year expenses in each major fund. Thus there are no assigned fund balances.

The restricted fund balances are based on the origin of the fund balance that are the unused portions of specific annual property tax levies, bond issues or funds provided by external parties that were provided for a specific use.

In the government-wide financial statements, net assets are displayed in three components as follows:

(CONTINUED)



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

J. Fund Balances/ Net Assets (Concluded)

Invested in Capital Assets, Net of Related Debt – This consists of capital assets, net of accumulated depreciation and any debt incurred to acquire the assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally the restricted resources are used first, and then unrestricted resources as needed.

Unrestricted – This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets” or are future resources needed for debt.

K. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

L. Subsequent Events

The Park District evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through August 16, 2012, the day the financial statements were issued.

NOTE 2. PRIOR PERIOD ADJUSTMENT

The net assets at the beginning of the year have been increased by \$64,757 to properly account for prior year bond premiums received less issuance costs paid, net of accumulated amortization on each.

NOTE 3. CASH AND INVESTMENTS AND CUSTODIAL CREDIT RISK

At April 30, 2012, the carrying amount of the Park District's bank deposits were \$3,113,293 and the respective bank balances totaled \$3,122,794. Of the total bank balance, \$250,000 was insured through the Federal Depository Insurance Corporation (FDIC). The bank has pledged \$4,200,000 face amount as of April 30, 2012 of collateral with securities in the Park District's name that are held by a safekeeping agent on behalf of the bank. The Park District limits its investment activity to Certificates of Deposit, money market funds and U.S. Treasury Securities.



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 4. CAPITAL ASSETS

A summary of capital assets activity for the year ended April 30, 2012 is as follows:

	Balance May 1, 2011	Additions	Deletions	Balance April 30, 2012
Land, Right of Way and Easements – not being depreciated	\$ 664,790	\$ -	\$ -	\$ 664,790
Construction in Progress - not being depreciated	-	375,831	-	375,831
Capital Assets being depreciated:				
Land Improvements	2,284,447	-	-	2,284,447
Buildings/Facilities	11,585,794	340,463	-	11,926,257
Equipment	1,508,695	75,229	66,537	1,517,387
Licensed Vehicles	208,642	-	-	208,642
Total Capital Assets Being Depreciated	15,587,578	415,692	66,537	15,936,733
Less Accumulated Depreciation:				
Land Improvements	1,659,499	84,255	-	1,743,754
Buildings/Facilities	2,477,745	250,567	-	2,728,312
Equipment	745,089	80,447	46,270	779,266
Licensed Vehicles	176,826	6,277	-	183,103
Total Accumulated Depreciation	5,059,159	421,546	46,270	5,434,435
Total Capital Assets Being Depreciated, Net	10,528,419	(5,854)	20,267	10,502,298
Governmental Activity Capital Assets, Net	<u>\$ 11,193,209</u>	<u>\$ 369,977</u>	<u>\$ 20,267</u>	<u>\$ 11,542,919</u>

Depreciation expense for governmental activities for the year ended April 30, 2012 was included in culture and recreation on the statement of activities of \$421,546 and the loss on the disposal of assets of \$20,267.

The construction in progress is the restoration of the train depot museum and should be completed in the coming fiscal year for a total cost of about \$430,000.

The assets are being depreciated on a straight-line basis on the following useful lives:

- Land Improvements – 20 years
- Buildings – 7 to 50 years
- Equipment – 5 to 20 years
- Licensed Vehicles – 8 years



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 5. BONDS PAYABLE

The following is a summary of the General Obligation Bond transactions of the Park District for the year ended April 30, 2012:

	2002 and 2002A Park Bonds	2006 Park Bonds	2006A Park Bonds	2006B Park Bonds	2011 Limited Park Bonds	Total
Original Bond Amounts	<u>\$ 1,999,883</u>	<u>\$ 3,650,000</u>	<u>\$ 1,735,000</u>	<u>\$ 379,416</u>	<u>\$ 2,575,000</u>	<u>\$ 10,339,299</u>
Bonds Payable at May 1, 2011	\$ 1,349,775	\$ 3,130,000	\$ 385,000	\$ 379,416	\$ -	\$ 5,244,191
Bonds Retired	1,349,775	200,000	385,000	-	-	1,934,775
Bonds Issued	-	-	-	-	2,575,000	2,575,000
Bonds Payable at April 30, 2012	<u>\$ -</u>	<u>\$ 2,930,000</u>	<u>\$ -</u>	<u>\$ 379,416</u>	<u>\$ 2,575,000</u>	<u>\$ 5,884,416</u>

The principal amount due in each of the calendar years, in the amounts and bearing interest per annum, are as follows:

Year of Maturity	Principal			Interest			
	2006 Bonds	2006B Bonds	Interest Accretion	2011 Bonds	2006 Bonds	2006B Bonds	2011 Bonds
2012	215,000	-	-	-	4.50%	-	-
2013	240,000	-	-	310,000	4.75%	-	3.00%
2014	260,000	-	-	345,000	4.75%	-	3.00%
2015	285,000	-	-	360,000	4.75%	-	3.00%
2016	310,000	-	-	365,000	4.50%	-	3.00%
2017	335,000	-	-	360,000	4.50%	-	4.00%
2018	370,000	-	-	365,000	4.50%	-	4.00%
2019	400,000	-	-	370,000	4.25%	-	4.00%
2020	-	-	-	100,000	-	-	-
2021	-	379,416	420,584	-	-	4.85%	-
Totals	<u>\$2,930,000</u>	<u>\$ 379,416</u>	<u>\$ 420,584</u>	<u>\$ 2,575,000</u>			

The total due on the 2006B bonds at maturity will be \$800,000 which is the principal plus the interest accretion. Interest payable is increased each year to accumulate to the balance due in 2021.

The 2002 and 2002A bonds were issued to complete the recreation center renovation. The 2006 bonds were issued to rebuild and improve the pool, payoff/fund certain bond issues, fund bond issue costs and provide funds for other future park projects. The 2011 bonds were issued to retire the 2002/2002A bonds and to fund the bond issue costs and \$550,000 in future capital projects.



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 6. NORTHEAST DUPAGE SPECIAL RECREATION ASSOCIATION

The Itasca Park District is a charter member of the Northeast DuPage Special Recreation Association (NEDSRA). The purpose of NEDSRA is to provide comprehensive recreation programs and equipment for physically and/or mentally handicapped individuals.

In connection with the program, the Itasca Park District levied property taxes for 2011 at the rate of .0400 resulting in a tax extension of \$198,923. These taxes are reflected in a separate fund titled: Recreation For the Handicapped.

NOTE 7. PENSION PLAN

Plan Description

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

Funding Policy

As set by statute, regular employees are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 was 13.52% and in 2012 is 12.35%. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

The required contribution for calendar year 2011 was \$95,513 and an additional \$150,000 was paid in December 2011 by the Park District toward the unfunded amount.

Three-Year Trend Information for the Regular Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$ 95,513	100%	\$0
12/31/10	103,729	100%	0
12/31/09	96,696	100%	0

(CONTINUED)



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 7. PENSION PLAN (Concluded)

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Park District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Park District's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 78.29% funded. The actuarial accrued liability for benefits was \$1,842,208 and the actuarial value of assets was \$1,442,288, resulting in an underfunded actuarial accrued liability (UAAL) of \$399,920. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$706,460 and the ratio of the UAAL to the covered payroll was 57%.

The schedule of funding progress, shown below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$1,442,288	\$1,842,208	\$ 399,920	78.29%	\$706,460	56.61%
12/31/10	1,103,848	1,636,810	532,962	67.44%	683,326	78.00%
12/31/09	774,298	1,475,669	701,371	52.47%	676,672	103.65%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$1,359,339. On a market basis, the funded ratio would be 73.79%.

NOTE 8. HEALTH INSURANCE RISK POOL

On February 1, 1990, the Itasca Park District became a member of the Park District Risk Management Agency (PDRMA) Health Program, a health benefits pool of park districts, special recreation associations, and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance

(CONTINUED)



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 8. HEALTH INSURANCE RISK POOL (Concluded)

covering single claims over \$225,000. Until January 1, 2001 The PDRMA health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network.

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

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

The following represents a summary of PDRMA's balance sheet at December 31, 2011 and the statement of revenues and expenses for the period then ended.

Assets	\$ 9,142,121
Liabilities	\$ 3,957,021
Member Balances	\$ 5,185,100
Revenues	\$25,189,745
Expenditures	\$25,786,675

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

NOTE 9. INSURANCE RISK POOL

The Park District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and net income losses.

Since June 1, 1992, the Park District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. PDRMA is a public entity risk pool consisting of park and forest preserve districts, special recreation associations and certain non-profit organizations serving the needs of public entities formed in accordance with the terms of an intergovernmental cooperative agreement among its members. Property, general and automobile liability, crime, boiler and machinery, public officials' and employment practices liability, workers compensation and pollution liability coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the property/casualty coverage in effect for the period January 1, 2012 through January 1, 2013:

(CONTINUED)



ITASCA PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 9. INSURANCE RISK POOL (Continued)

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company
<u>Property</u>				
Property/Bldg/Contents				PDRMA Reinsurers: Various through the Public Entity Property Reinsurance Program (PEPIP)
All losses/occurrence	\$ 1,000	\$1,000,000	\$1,000,000,000/ all members	
All losses annual agg		\$3,000,000	Declaration 11	
Flood/except Zones A&V	\$ 1,000	\$1,000,000	\$250,000,000/Occurrence/ annual aggregate	
Flood, Zones A & V	\$ 1,000	\$1,000,000	\$200,000,000/Occurrence/ annual aggregate	
Earthquake Shock	\$ 1,000	\$ 100,000	\$100,000,000/Occurrence/ annual aggregate	
<u>Auto Physical Damage</u>				
Comprehensive and Collision	\$ 1,000	\$1,000,000	Included	
Construction/Builders Risk	\$ 1,000	Included	\$25,000,000	
Business Interruption, Rental Income, Tax Income Combined	\$ 1,000		\$100,000,000/reported values \$500,000/ \$2,500,000/non-reported values	
Service Interruption	24 hours	N/A	\$ 25,000,000	
<u>Boiler and Machinery</u>				
Property damage	\$ 1,000	\$ 9,000	\$100,000,000 Equip Breakdown	Travelers Indemnity Co of Illinois
Business Income	48 hours	N/A	Prop damage Included	
<u>Fidelity and Crime</u>				
Seasonal Employees	\$ 1,000	\$ 24,000	\$2,000,000	National Union Fire Insurance Co
Blanket Bond	\$ 1,000	\$ 9,000	\$1,000,000	
	\$ 1,000	\$ 24,000	\$2,000,000	
<u>Workers Compensation</u>				
Employers Liability	N/A	\$ 500,000	Statutory	PDRMA Government Entities Mutual, Safety National Casualty
		\$ 500,000	\$3,500,000 Employers Liability	
<u>Liability</u>				
General	None	\$ 500,000	\$21,500,000/Occurrence/ annual aggregate	PDRMA Reinsurers: Government Entities Mutual, Markel
Auto Liability	None	Included	Included	
Employment Practices	None	Included	\$21,500,000/Occurrence/ Annual Aggregate	Starr Indemnity and Liability Co
Public Officials' Liability	None	Included	Included	
Law Enforcement Liability	None	Included	Included	
Uninsured/Underinsured Motorists	None	Included	\$1,000,000/Occurrence	
<u>Pollution Liability</u>				
Liability-third party	None	\$ 25,000	\$5,000,000/Occurrence	XL Environmental Insurance
Property-first party	\$1,000	\$ 24,000	\$30,000,000 3 yr. general aggregate	
<u>Outbreak Expense</u>				
	24 hours	N/A	\$15,000 per day \$450,000 per location \$1 million aggregate policy	Markel

(CONTINUED)



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONCLUDED)

NOTE 9. INSURANCE RISK POOL (Concluded)

<u>Coverage</u>	<u>Member Deductible</u>	<u>PDRMA Self-Insured Retention</u>	<u>Limits</u>	<u>Insurance Company</u>
<u>Volunteer Medical Accident</u>	None	\$ 5,000	\$5,000 medical expense and AD&D excess of any other collectible insurance	Self-insured
<u>Underground Storage Tank Liability</u>	None	N/A	\$10,000, follows Illinois Leaking Underground Tank Fund	Self-insured
<u>Unemployment Compensation</u>	N/A	N/A	Statutory	Self-funded

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the Park District.

As a member of PDRMA's Property/Casualty Program, the Park District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the Park District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the Board of Directors of the Park District. The Park District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Program Council. PDRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

The following represents a summary of PDRMA's balance sheet at December 31, 2011 and the statement of revenues and expenses for the period then ended. The Park District's portion of the overall equity of the pool is .208% or \$68,889.

Assets	\$55,041,677
Liabilities	\$21,875,511
Member Balances	\$33,166,166
Revenues	\$18,480,463
Expenditures	\$17,708,721

Since 97% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

We have audited the basic financial statements of Itasca Park District as of and for the year ended April 30, 2012 and have issued our report thereon dated July xx, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information on pages 26-29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Detterbeck Johnson & Monsen, Ltd.
(An Illinois Professional
Service Corporation)
Palatine, Illinois
August 16, 2012



ITASCA PARK DISTRICT
 SUPPLEMENTARY INFORMATION
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

APRIL 30, 2012

	<u>Insurance</u>	<u>Audit</u>	<u>Museum</u>	<u>Paving and Lighting</u>
ASSETS				
Cash and Investments	\$ 20,802	\$ 3,031	\$ 3,848	\$ 11,887
Property Taxes Receivable, Net of Loss and Cost	45,295	8,370	11,324	4,923
TOTAL ASSETS	\$ 66,097	\$ 11,401	\$ 15,172	\$ 16,810
 LIABILITIES				
Deferred Revenue - Taxes	\$ 45,295	\$ 8,370	\$ 11,324	\$ 4,923
 FUND BALANCES				
Restricted	20,802	3,031	3,848	11,887
TOTAL LIABILITIES AND FUND BALANCES	\$ 66,097	\$ 11,401	\$ 15,172	\$ 16,810



<u>Itasca Angels</u>	<u>Scher Trust</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 11,918	\$ 49,369	\$ 100,855
<u>-</u>	<u>-</u>	<u>69,912</u>
<u>\$ 11,918</u>	<u>\$ 49,369</u>	<u>\$ 170,767</u>
\$ -	\$ -	\$ 69,912
<u>11,918</u>	<u>49,369</u>	<u>100,855</u>
<u>\$ 11,918</u>	<u>\$ 49,369</u>	<u>\$ 170,767</u>

ITASCA PARK DISTRICT

SUPPLEMENTARY INFORMATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED APRIL 30, 2012

REVENUES	Insurance	Audit	Museum	Paving and Lighting
Property Taxes	\$ 38,536	\$ 7,111	\$ 10,552	\$ 5,505
Interest	-	-	-	-
Miscellaneous and Reimbursements	4,175	-	-	-
Total Revenues	<u>42,711</u>	<u>7,111</u>	<u>10,552</u>	<u>5,505</u>
EXPENDITURES				
Current:				
Salaries and Wages	4,309	-	-	-
Services	46,957	8,200	11,304	-
Repairs and Maintenance	-	-	-	771
Program and Event Costs	-	-	690	-
Supplies	7,132	-	-	-
Capital Outlay	4,185	-	-	-
Total Expenditures	<u>62,583</u>	<u>8,200</u>	<u>11,994</u>	<u>771</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,872)	(1,089)	(1,442)	4,734
FUND BALANCE				
Beginning	<u>40,674</u>	<u>4,120</u>	<u>5,290</u>	<u>7,153</u>
Ending	<u>\$ 20,802</u>	<u>\$ 3,031</u>	<u>\$ 3,848</u>	<u>\$ 11,887</u>



Itasca Angels	Scher Trust	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 61,704
-	64	64
<u>29,582</u>	<u>-</u>	<u>33,757</u>
<u>29,582</u>	<u>64</u>	<u>95,525</u>
-	-	4,309
-	-	66,461
-	-	771
35,336	-	36,026
-	-	7,132
-	-	4,185
<u>35,336</u>	<u>-</u>	<u>118,884</u>
(5,754)	64	(23,359)
<u>17,672</u>	<u>49,305</u>	<u>124,214</u>
<u>\$ 11,918</u>	<u>\$ 49,369</u>	<u>\$ 100,855</u>

ITASCA PARK DISTRICT

SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS

YEAR ENDED APRIL 30, 2012

	Insurance		Audit	
	Budget Original/Final	Actual Budget/GAAP	Budget Original/Final	Actual Budget/GAAP
REVENUES				
Property Taxes	\$ 38,696	\$ 38,536	\$ 7,186	\$ 7,111
Interest	-	-	-	-
Miscellaneous/Reimbursements	3,750	4,175	-	-
Total Revenues	<u>42,446</u>	<u>42,711</u>	<u>7,186</u>	<u>7,111</u>
EXPENDITURES				
Current:				
Salaries and Wages	-	4,309	-	-
Services	64,200	46,957	8,500	8,200
Repairs and Maintenance	-	-	-	-
Program and Event Costs	-	-	-	-
Supplies	-	7,132	-	-
Capital Outlay	-	4,185	-	-
Total Expenditures	<u>64,200</u>	<u>62,583</u>	<u>8,500</u>	<u>8,200</u>
Excess of Revenues Over (Under) Expenditures	<u>(21,754)</u>	<u>(19,872)</u>	<u>(1,314)</u>	<u>(1,089)</u>
OTHER FINANCING SOURCES (USES)				
Bonds Issued	-	-	-	-
Transfers	-	-	-	-
Total Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(21,754)	(19,872)	(1,314)	(1,089)
FUND BALANCE				
Beginning	<u>40,674</u>	<u>40,674</u>	<u>4,120</u>	<u>4,120</u>
Ending	<u>\$ 18,920</u>	<u>\$ 20,802</u>	<u>\$ 2,806</u>	<u>\$ 3,031</u>



Museum		Paving and Lighting	
Budget Original/Final	Actual Budget/GAAP	Budget Original/Final	Actual Budget/GAAP
\$ 10,503	\$ 10,552	\$ 5,528	\$ 5,505
-	-	-	-
3,100	-	-	-
<u>13,603</u>	<u>10,552</u>	<u>5,528</u>	<u>5,505</u>
-	-	-	-
13,100	11,304	-	-
-	-	-	771
-	690	-	-
-	-	-	-
-	-	10,000	-
<u>13,100</u>	<u>11,994</u>	<u>10,000</u>	<u>771</u>
503	(1,442)	(4,472)	4,734
-	-	-	-
-	-	-	-
-	-	-	-
503	(1,442)	(4,472)	4,734
5,290	5,290	7,153	7,153
<u>\$ 5,793</u>	<u>\$ 3,848</u>	<u>\$ 2,681</u>	<u>\$ 11,887</u>



ITASCA PARK DISTRICT

SUPPLEMENTARY INFORMATION

ASSESSED VALUATION, RATES AND EXTENSIONS

APRIL 30, 2012

	TAX YEARS		
	2011	2010	2009
ASSESSED VALUATION	<u>\$ 497,306,285</u>	<u>\$ 552,803,232</u>	<u>\$ 608,883,199</u>
TAX RATES			
Corporate Fund	0.1255	0.1073	0.0989
Recreation Fund	0.0800	0.0717	0.0657
Bond and Interest Fund	0.1553	0.1359	0.1214
Audit Fund	0.0017	0.0013	0.0014
Liability Insurance Fund	0.0092	0.0070	0.0030
Recreation For The Handicapped Fund	0.0400	0.0400	0.0400
I.M.R.F. Fund	0.0358	0.0505	0.0400
Social Security Fund	0.0170	N/A	N/A
Museum Fund	0.0023	0.0019	0.0017
Paving and Lighting Fund	<u>0.0010</u>	<u>0.0010</u>	<u>0.0014</u>
	<u>0.4678</u>	<u>0.4166</u>	<u>0.3735</u>
TAX EXTENSIONS			
Corporate Fund	\$ 624,119	\$ 593,158	\$ 602,185
Recreation Fund	397,845	396,360	400,036
Bond and Interest Fund	772,317	751,260	739,184
Audit Fund	8,454	7,186	8,524
Liability Insurance Fund	45,752	38,696	18,266
Recreation For The Handicapped Fund	198,923	221,121	243,553
I.M.R.F. Fund	178,036	279,166	243,553
Social Security Fund	84,542	N/A	N/A
Museum Fund	11,438	10,503	10,351
Paving and Lighting Fund	<u>4,973</u>	<u>5,528</u>	<u>8,524</u>
	<u>\$ 2,326,399</u>	<u>\$ 2,302,978</u>	<u>\$ 2,274,179</u>