

ITASCA PARK DISTRICT  
AUDITED FINANCIAL STATEMENTS  
YEAR ENDED APRIL 30, 2014



ITASCA PARK DISTRICT

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT .....	1-1a
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	2-7
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets .....	8
Statement of Activities .....	9
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	10
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets .....	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	14
Notes to Financial Statements .....	15-27
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Nonmajor Governmental Funds .....	28
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Nonmajor Funds .....	30
Assessed Valuation, Rates and Extensions .....	31

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Itasca Park District as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise Itasca Park District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Itasca Park District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Itasca Park District as of April 30, 2014 and the respective changes in financial position thereof and the respective budgetary comparison for the General, Recreation, Rec for the Handicapped, Social Security, IMRF, Debt Service and Capital Projects Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



The President and The  
Members of the Board of Commissioners  
Itasca Park District

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis on pages 2-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Itasca Park District's basic financial statements. The accompanying supplementary information, Combining Balance Sheet – Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Funds and Assessed Valuation, Rates and Extensions, on pages 28-31 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Detterbeck Johnson & Mosen, Ltd.  
(An Illinois Professional  
Service Corporation)  
Palatine, Illinois  
September 15, 2014



**ITASCA PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2014**

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, 2014, 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 \$9,745,417 (net assets) at the close of the fiscal year.
- The change in total net assets of the Park District is an increase of \$790,935 for governmental activities.
- Governmental funds reported a combined total of \$3,977,567 of revenues, and \$4,490,898 in expenditures. After offsetting transfers and debt proceeds, the resulting combined decrease in the fund balance of all governmental funds on April 30, 2014, was (\$513,331). The combined fund balance of all governmental funds on April 30, 2014, was \$2,568,748; this represents an overall decrease of (\$513,331).
- The General Fund's total revenue of \$719,732 was below budgeted revenue by (\$11,185). The fund balance had a net decrease of (\$5,904). The expenses in the fund were (\$38,389) less than budgeted, which helped the fund perform better than planned. This activity resulted in an April 30, 2014 fund balance of \$486,361.
- The Recreation Fund's total revenue of \$1,660,488 was below budgeted revenue by (\$179,970). The fund balance had a net decrease of (\$42,460) compared to the budgeted net decrease of (\$210,812). This activity resulted in an April 30, 2014 fund balance of \$808,352.

**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, 2014, net assets for the Park District were \$9,745,417.

A condensed version of the Statement of Net Assets at April 30, 2014, follows:

	<u>2014</u>	<u>2013</u>
<b>Assets:</b>		
Current and other assets	\$ 5,166,979	\$ 5,703,937
Capital assets	<u>12,327,081</u>	<u>11,609,339</u>
Total assets	<u>17,494,060</u>	<u>17,313,276</u>
<b>Liabilities:</b>		
Current and other liabilities	2,974,227	2,999,377
Long-term liabilities:		
Due within one year	620,000	585,000
Due in more than one year	<u>4,154,416</u>	<u>4,774,416</u>
Total liabilities	<u>7,748,643</u>	<u>8,358,793</u>
<b>Net Assets:</b>		
Invested in capital assets, net of debt	9,472,665	8,514,923
Restricted	1,274,035	1,739,002
Unrestricted		
Deficit	<u>(1,001,283)</u>	<u>(1,299,442)</u>
<b>Total Net Assets</b>	<b>\$ <u>9,745,417</u></b>	<b>\$ <u>8,954,483</u></b>

The governmental activities end-of-year total net assets of \$9,745,417 reflect an increase of \$790,935 from the beginning year's net asset balance.

There are restrictions on \$1,274,035 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, 2014 follows:

	<u>2014</u>	<u>2013</u>
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$ 1,242,786	\$ 1,246,293
General Revenues:		
Taxes	2,355,868	2,323,779
Interest	2,822	3,955
Grants	128,750	0
Miscellaneous	<u>247,341</u>	<u>248,191</u>
Total Revenues	<u>3,977,567</u>	<u>3,822,218</u>
<b>Expenses</b>		
Program Expenses:		
Culture and Recreation	2,991,957	2,896,883
Interest	<u>194,675</u>	<u>208,455</u>
Total Expenses	<u>3,186,632</u>	<u>3,105,338</u>
<b>Change in Net Assets</b>	<u>\$ 790,935</u>	<u>\$ 716,880</u>

**Governmental Activities** The cost of all governmental activities in 2013/14 was \$3,186,632. Revenues to fund these activities included \$1,242,786 from those who directly benefited from or contributed to the programs, and \$2,355,868 financed through taxes. Revenue included other governmental revenue, interest and miscellaneous income, which totaled \$378,913.

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 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Culture and Recreation	\$ 2,991,957	\$ 2,896,883	\$ (1,749,171)	\$ (1,650,590)
Interest	<u>194,675</u>	<u>208,455</u>	<u>(194,675)</u>	<u>(208,845)</u>
Total Expenses	<u>\$ 3,186,632</u>	<u>\$ 3,105,338</u>	<u>\$ (1,943,846)</u>	<u>\$ (1,859,435)</u>

### The Park District's Funds

Governmental funds reported a combined total of \$3,977,567 of revenues, and \$4,490,898 in expenditures. After offsetting transfers and debt proceeds, the resulting combined decrease in the fund balance of all governmental funds on April 30, 2014, was (\$513,331). The combined fund balance of all governmental funds on April 30, 2014, was \$2,568,748.



## Capital Assets

As of April 30, 2014, the District has approximately \$12.32 million in capital assets (net of accumulated depreciation), as reflected in the following table. Additional capital asset information is found in Note 3 to the financial statements.

	<u>2014</u>	<u>2013</u>
Land, Right of Way and Easements	\$ 664,790	\$ 664,790
Construction in Progress	86,737	-
Land Improvements	572,464	484,328
Buildings	10,168,549	9,659,882
Equipment	821,556	781,077
Licensed Vehicles	12,985	19,262
Net Capital Assets	<u>\$ 12,327,081</u>	<u>\$ 11,609,339</u>

Capital highlights for 2013/2014 included the following:

- Completion of the restoration of the Itasca Train Depot and Depot Museum
- District-Wide Lightning Detection System
- Recreation Center Renovation Project
- Development of Peacock Park Renovation Project
- Miscellaneous Park/Building Projects

## Debt Administration

As of year-end, governmental-type debt outstanding was \$4,774,416 compared to \$5,359,416 last year. Additional information on the District's long-term debt is found in Note 4 to the financial statements.

## Budgets and Rates for 2014/15

The 2014/15 fiscal year total budget is \$5,252,125, an approximate \$662 increase from the fiscal year 2013/14.

The Park District's 2013 equalized assessed valuation decreased 6.2% and is currently \$426,962,858. The 2014/15 budget reflects an approximate 1.1% increase in property taxes.



Included in the 2014/15 budget are capital expenditures of approximately \$1M. The basic capital budget includes projects such as:

- Phase II Restoration of the 1939 Train Caboose Artifact
- Peacock Park Renovation Project
- Nature Center Building Renovation Project
- Computer System Upgrade/On-Line Registration
- Fitness Center Equipment and 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.
- 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, 2014

	<u>Total Primary Government Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 2,708,329
Property Taxes Receivable, Net of Loss and Cost	2,354,052
Deferred Charges	104,598
Capital Assets, Net of Accumulated Depreciation	<u>12,327,081</u>
Total Assets	<u>17,494,060</u>
<b>LIABILITIES</b>	
Deferred Revenue - Taxes	\$ 2,354,052
Deferred Program Revenue	121,449
Vouchers and Refunds Payable	22,611
Interest Payable	241,657
Compensated Absences Payable	43,893
Unamortized Bond Premiums	190,565
Bonds Payable - Current	620,000
Bonds Payable - Non-Current	<u>4,154,416</u>
Total Liabilities	<u>7,748,643</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	9,472,665
Restricted For:	
Special Recreation	(3,876)
Pension	23,421
Debt Service	21,053
Capital Projects	1,148,920
Tort Judgments/Liability	1,476
Audit	(125)
Museum	19,953
Paving/Lighting	9,209
External Party Funds	54,004
Unrestricted Deficit	<u>(1,001,283)</u>
<b>TOTAL NET ASSETS</b>	<u><b>\$ 9,745,417</b></u>

See accompanying notes to the financial statements.



ITASCA PARK DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED APRIL 30, 2014

	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue</u>
<b>PRIMARY GOVERNMENT</b>			
Governmental Activities			
Culture and Recreation	\$ 2,991,957	\$ 1,242,786	\$ (1,749,171)
Interest on Bonds	<u>194,675</u>	<u>-</u>	<u>(194,675)</u>
Total Governmental Activities	<u>\$ 3,186,632</u>	<u>\$ 1,242,786</u>	<u>(1,943,846)</u>
 <b>GENERAL REVENUES</b>			
Property Taxes, levied for general purposes			1,552,859
Property Taxes, levied for debt service			773,870
Personal Property Replacement Taxes			29,139
Interest			2,822
Miscellaneous			<u>376,091</u>
Total General Revenues			<u>2,734,781</u>
 CHANGE IN NET ASSETS			 790,935
 NET ASSETS			
Beginning			<u>8,954,482</u>
 Ending			<u>\$ 9,745,417</u>

See accompanying notes to the financial statements.



ITASCA PARK DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS

APRIL 30, 2014

	General	Recreation	Recreation For the Handicapped	Social Security
<b>ASSETS</b>				
Cash and Investments	\$ 490,661	\$ 943,566	\$ (3,876)	\$ 820
Property Taxes Receivable, Net of Loss and Cost	682,030	366,121	167,369	92,890
Prepaid Expenses	<u>-</u>	<u>4,479</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,172,691</u>	<u>\$ 1,314,166</u>	<u>\$ 163,493</u>	<u>\$ 93,710</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers and Refunds Payable	\$ 4,300	\$ 18,244	\$ -	\$ -
Deferred Revenue - Taxes	682,030	366,121	167,369	92,890
Deferred Program/Grant Revenue	<u>-</u>	<u>121,449</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>686,330</u>	<u>505,814</u>	<u>167,369</u>	<u>92,890</u>
<b>FUND BALANCES (ACCUMULATED DEFICIT)</b>				
Restricted				
Special Recreation	-	-	(3,876)	-
Pension	-	-	-	820
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Tort Judgments/Liability	-	-	-	-
Audit	-	-	-	-
Museum	-	-	-	-
Paving/Lighting	-	-	-	-
External Party Funds	-	-	-	-
Unassigned	<u>486,361</u>	<u>808,352</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>486,361</u>	<u>808,352</u>	<u>(3,876)</u>	<u>820</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,172,691</u>	<u>\$ 1,314,166</u>	<u>\$ 163,493</u>	<u>\$ 93,710</u>



<u>IMRF</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 22,601	\$ 21,053	\$ 1,148,920	\$ 84,584	\$ 2,708,329
169,462	782,871		93,309	2,354,052
-	-	-	-	4,479
<u>\$ 192,063</u>	<u>\$ 803,924</u>	<u>\$ 1,148,920</u>	<u>\$ 177,893</u>	<u>\$ 5,066,860</u>
\$ -	\$ -	\$ -	\$ 67	22,611
169,462	782,871	-	93,309	2,354,052
-	-	-	-	121,449
<u>169,462</u>	<u>782,871</u>	<u>-</u>	<u>93,376</u>	<u>2,498,112</u>
-	-	-	-	(3,876)
22,601	-	-	-	23,421
-	21,053	-	-	21,053
-	-	1,148,920	-	1,148,920
-	-	-	1,476	1,476
-	-	-	(125)	(125)
-	-	-	19,953	19,953
-	-	-	9,209	9,209
-	-	-	54,004	54,004
-	-	-	-	1,294,713
<u>22,601</u>	<u>21,053</u>	<u>1,148,920</u>	<u>84,517</u>	<u>2,568,748</u>
<u>\$ 192,063</u>	<u>\$ 803,924</u>	<u>\$ 1,148,920</u>	<u>\$ 177,893</u>	<u>\$ 5,066,860</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, 2014

Fund Balances of Governmental Funds \$ 2,568,748

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 12,327,081

Certain liabilities are not due and payable in the current period  
and, therefore, are not reported in the governmental funds

Interest payable (241,657)  
Compensated absences payable (43,893)  
Bonds payable (4,774,416)

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 (190,565)

Issuance costs are expenditures in governmental funds but are  
capitalized and amortized on the statement of net assets 100,119

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 9,745,417

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, 2014

	General	Recreation	Recreation For The Handicapped	Social Security	IMRF
<b>REVENUES</b>					
Property Taxes	\$ 641,945	\$ 400,895	\$ 178,227	\$ 92,138	\$ 173,342
Personal Property Replacement Taxes	29,139	-	-	-	-
Program and Event Fees	-	745,671	-	-	-
Developer Contributions	-	-	-	-	-
Fundraising	-	-	-	-	-
Grant Proceeds	-	-	-	-	-
Fitness Center	-	212,539	-	-	-
Swimming Pool	-	166,079	-	-	-
Concessions	-	32,999	-	-	-
Rent	28,844	24,150	-	-	-
Interest	1,790	-	-	-	-
Miscellaneous and Reimbursements	18,014	78,155	29,834	-	-
Total Revenues	<u>719,732</u>	<u>1,660,488</u>	<u>208,061</u>	<u>92,138</u>	<u>173,342</u>
<b>EXPENDITURES</b>					
Current:					
Salaries and Wages	236,628	828,960	-	-	-
Services	191,756	244,652	88,443	98,637	163,307
Repairs and Maintenance	69,021	44,132	-	-	-
Program and Event Costs	-	382,937	-	-	-
Supplies	26,601	44,521	-	-	-
Miscellaneous	7,243	4,209	-	-	-
Capital Outlay	44,387	153,537	286,241	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>575,636</u>	<u>1,702,948</u>	<u>374,684</u>	<u>98,637</u>	<u>163,307</u>
Excess of Revenues Over (Under) Expenditures	<u>144,096</u>	<u>(42,460)</u>	<u>(166,623)</u>	<u>(6,499)</u>	<u>10,035</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds and Bond Premiums Issued	-	-	-	-	-
Transfers	(150,000)	-	-	-	-
Total Other	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(5,904)	(42,460)	(166,623)	(6,499)	10,035
<b>FUND BALANCE (ACCUMULATED DEFICIT)</b>					
Beginning	<u>492,265</u>	<u>850,812</u>	<u>162,747</u>	<u>7,319</u>	<u>12,566</u>
Ending	<u>\$ 486,361</u>	<u>\$ 808,352</u>	<u>\$ (3,876)</u>	<u>\$ 820</u>	<u>\$ 22,601</u>



Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 773,870	\$ -	\$ 66,312	\$ 2,326,729
-	-	-	29,139
-	-	32,504	778,175
-	46,008	-	46,008
-	41,750	-	41,750
-	18,750	110,000	128,750
-	-	-	212,539
-	-	-	166,079
-	-	-	32,999
-	-	-	52,994
-	992	40	2,822
-	15,000	18,580	159,583
<u>773,870</u>	<u>122,500</u>	<u>227,436</u>	<u>3,977,567</u>
-	-	18,627	1,084,215
1,177	-	66,563	854,535
-	13,737	978	127,868
-	-	29,637	412,574
-	-	3,872	74,994
-	-	767	12,219
-	550,296	103,025	1,137,486
585,000	-	-	585,000
202,007	-	-	202,007
<u>788,184</u>	<u>564,033</u>	<u>223,469</u>	<u>4,490,898</u>
<u>(14,314)</u>	<u>(441,533)</u>	<u>3,967</u>	<u>(513,331)</u>
-	-	-	-
-	150,000	-	-
-	150,000	-	-
<u>(14,314)</u>	<u>(291,533)</u>	<u>3,967</u>	<u>(513,331)</u>
<u>35,367</u>	<u>1,440,453</u>	<u>80,550</u>	<u>3,082,079</u>
<u>\$ 21,053</u>	<u>\$ 1,148,920</u>	<u>\$ 84,517</u>	<u>\$ 2,568,748</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 ACTIVITIES

YEAR ENDED APRIL 30, 2014

Net Change in Fund Balances - Total Governmental Funds	\$ (513,331)
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	1,137,486
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	585,000
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	-
Premium on bonds issued	-
Accretion of bonds and accrual of interest are reported as interest expense on the statement of activities	(23,470)
The bond issuance costs are an expenditure for governmental funds but are amortized on the statement of activities	-
The amortization of bond issuance costs is not reported as an expenditure in the governmental funds	(14,775)
The amortization of bond premium is not reported as an expenditure in the governmental funds	30,802
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	(419,743)
Loss on disposal of assets	-
The change in the compensated absences payable is shown as an expense on the statement of activities	<u>8,966</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 790,935</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, 2014

	General		Recreation		Rec for the
	Budget Original/Final	Actual Budget/GAAP	Budget Original/Final	Actual Budget/GAAP	Budget Original/Final
<b>REVENUES</b>					
Property Taxes	\$ 655,601	\$ 641,945	\$ 409,467	\$ 400,895	\$ 181,985
Personal Property					
Replacement Taxes	20,000	29,139	-	-	-
Program and Event Fees	-	-	793,636	745,671	-
Developer Contributions	-	-	-	-	-
Grant Proceeds	-	-	-	-	-
Fundraising	-	-	-	-	-
Fitness Center	-	-	197,925	212,539	-
Swimming Pool	-	-	171,500	166,079	-
Concessions	-	-	38,500	32,999	-
Rent	30,000	28,844	30,000	24,150	-
Interest	2,500	1,790	-	-	-
Miscellaneous/Reimbursements	22,816	18,014	199,430	78,155	29,834
<b>Total Revenues</b>	<b>730,917</b>	<b>719,732</b>	<b>1,840,458</b>	<b>1,660,488</b>	<b>211,819</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Salaries and Wages	251,675	236,628	857,508	828,960	-
Services	236,850	191,756	390,535	244,652	92,000
Repairs and Maintenance	59,500	69,021	39,000	44,132	-
Program and Event Costs	-	-	433,203	382,937	-
Supplies	59,500	26,601	51,525	44,521	-
Miscellaneous	6,500	7,243	8,499	4,209	-
Capital Outlay	-	44,387	271,000	153,537	254,000
<b>Debt Service:</b>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>614,025</b>	<b>575,636</b>	<b>2,051,270</b>	<b>1,702,948</b>	<b>346,000</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>116,892</b>	<b>144,096</b>	<b>(210,812)</b>	<b>(42,460)</b>	<b>(134,181)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds and Bond Premiums Issued	-	-	-	-	-
Transfers	(150,000)	(150,000)	-	-	-
<b>Total Other</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>					
	(33,108)	(5,904)	(210,812)	(42,460)	(134,181)
<b>FUND BALANCE</b>					
Beginning	488,175	492,265	852,992	850,812	162,747
Ending	\$ 455,067	\$ 486,361	\$ 642,180	\$ 808,352	\$ 28,566



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	Actual Budget/GAAP
\$ 178,227	\$ 271,158	\$ 265,480	\$ 790,270	\$ 773,870	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	5,000	46,008
-	-	-	-	-	51,250	41,750
-	-	-	-	-	218,750	18,750
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,000	992
29,834	-	-	-	-	100,000	15,000
<u>208,061</u>	<u>271,158</u>	<u>265,480</u>	<u>790,270</u>	<u>773,870</u>	<u>377,000</u>	<u>122,500</u>
-	-	-	-	-	-	-
88,443	275,000	261,944	8,097	1,177	-	-
-	-	-	-	-	-	13,737
-	-	-	-	-	-	-
-	-	-	-	-	-	-
286,241	-	-	-	-	973,170	550,296
-	-	-	585,000	585,000	-	-
-	-	-	197,173	202,007	-	-
<u>374,684</u>	<u>275,000</u>	<u>261,944</u>	<u>790,270</u>	<u>788,184</u>	<u>973,170</u>	<u>564,033</u>
<u>(166,623)</u>	<u>(3,842)</u>	<u>3,536</u>	<u>-</u>	<u>(14,314)</u>	<u>(596,170)</u>	<u>(441,533)</u>
-	-	-	-	-	-	-
-	-	-	-	-	150,000	150,000
-	-	-	-	-	150,000	150,000
(166,623)	(3,842)	3,536	-	(14,314)	(446,170)	(291,533)
<u>162,747</u>	<u>19,885</u>	<u>19,885</u>	<u>35,367</u>	<u>35,367</u>	<u>1,440,453</u>	<u>1,440,453</u>
<u>\$ (3,876)</u>	<u>\$ 16,043</u>	<u>\$ 23,421</u>	<u>\$ 35,367</u>	<u>\$ 21,053</u>	<u>\$ 994,283</u>	<u>\$ 1,148,920</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 2013. 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 2013 at 2% of the tax extensions, which is approximately the loss and cost percentage in prior years. The Park District will begin to receive these 2013 levied funds in June of 2014. In the government-wide accrual basis and governmental fund modified accrual basis financial statements the Park District has deferred these revenues and the 2012 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 non-spendable 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 September 15, 2014, the day the financial statements were issued.

NOTE 2. CASH AND INVESTMENTS AND CUSTODIAL CREDIT RISK

At April 30, 2014, the carrying amount of the Park District's bank deposits were \$2,706,872 and the respective bank balances totaled \$2,775,892. Of the total bank balance, \$250,000 was insured through the Federal Depository Insurance Corporation (FDIC). The bank has pledged \$4,355,000 face amount as of April 30, 2014 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 3. CAPITAL ASSETS

A summary of capital assets activity for the year ended April 30, 2013 is as follows:

	<u>Balance May 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance April 30, 2014</u>
Land, Right of Way and Easements – not being depreciated	\$ 664,790	\$ -	\$ -	\$ 664,790
Construction in Progress - not being depreciated	-	86,737	-	86,737
Capital Assets being depreciated:				
Land Improvements	2,304,724	151,235	-	2,455,959
Buildings/Facilities	12,645,049	777,565	-	13,422,614
Equipment	1,622,971	121,948	9,275	1,735,644
Licensed Vehicles	208,642	-	-	208,642
Total Capital Assets Being Depreciated	<u>16,781,386</u>	<u>1,050,748</u>	<u>9,275</u>	<u>17,822,859</u>
Less Accumulated Depreciation:				
Land Improvements	1,820,396	63,099	-	1,883,495
Buildings/Facilities	2,985,167	268,898	-	3,254,065
Equipment	841,894	81,469	9,275	914,088
Licensed Vehicles	189,380	6,277	-	195,657
Total Accumulated Depreciation	<u>5,836,837</u>	<u>419,743</u>	<u>9,275</u>	<u>6,247,305</u>
Total Capital Assets Being Depreciated, Net	<u>10,944,549</u>	<u>631,005</u>	<u>-</u>	<u>11,575,554</u>
 Governmental Activity Capital Assets, Net	 <u>\$ 11,609,339</u>	 <u>\$ 717,742</u>	 <u>\$ -</u>	 <u>\$ 12,327,081</u>

Depreciation expense for governmental activities for the year ended April 30, 2014 was included in culture and recreation on the statement of activities of \$419,743 and the loss on the disposal of assets of \$0.

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 4. BONDS PAYABLE

The following is a summary of the General Obligation Bond transactions of the Park District for the year ended April 30, 2014:

	2006 Park Bonds	2006B Park Bonds	2011 Limited Park Bonds	Total
Original Bond Amounts	\$ 3,650,000	\$ 379,416	\$2,575,000	\$ 6,604,416
Bonds Payable at May 1, 2013	\$ 2,715,000	\$ 379,416	\$2,265,000	\$ 5,359,416
Bonds Retired	240,000	-	345,000	585,000
Bonds Issued	-	-	-	-
Bonds Payable at April 30, 2014	\$ 2,475,000	\$ 379,416	\$1,920,000	\$ 4,774,416

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
2014	260,000	-	-	-	4.75%	-	-
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	515,000	379,416	420,584	-	4.30%	4.85%	-
Totals	\$2,475,000	\$ 379,416	\$ 420,584	\$1,920,000			

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 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 bonds, to fund the bond issue costs and for \$550,000 in future capital projects.



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 5. 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 2013 at the rate of .0400 resulting in a tax extension of \$170,785. These taxes are reflected in a separate fund titled: Recreation For the Handicapped.

NOTE 6. 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](http://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 2013 was 11.56% and in 2014 is 10.11%. 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 2013 was \$87,308 and an additional \$50,000 was paid in December 2013 by the Park District toward the unfunded amount. In April 2014 \$125,000 was paid to partially fund the Early Retirement Incentive cost for three employees that took advantage of this program in January 2014.

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>
12/31/13	\$ 87,308	100%	\$0
12/31/12	\$ 88,079	100%	\$0
12/31/11	\$ 95,513	100%	\$0

(CONTINUED)



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 6. PENSION PLAN (Concluded)

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, 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, 2011 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, 2013, the most recent actuarial valuation date, the Regular plan was 96.33% funded. The actuarial accrued liability for benefits was \$2,330,988 and the actuarial value of assets was \$2,245,362, resulting in an underfunded actuarial accrued liability (UAAL) of \$85,626. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$755,257 and the ratio of the UAAL to the covered payroll was 11%.

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)
12/31/13	\$2,245,362	\$2,330,988	\$ 85,626	96.33%	\$755,257	11.34%
12/31/12	\$1,842,681	\$2,046,723	\$ 204,042	90.03%	\$713,194	28.61%
12/31/11	\$1,442,288	\$1,842,208	\$ 399,920	78.29%	\$706,460	56.61%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$2,629,474. On a market basis, the funded ratio would be 112.81%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Park District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

NOTE 7. HEALTH INSURANCE RISK POOL

The Itasca Park District is 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

(CONTINUED)



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 7. HEALTH INSURANCE RISK POOL (Concluded)

insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Until January 1, 2001 The PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

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

As a member of the PDRMA Health Program, the 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 Health Program's balance sheet at December 31, 2013 and the statement of revenues and expenses for the period then ended.

Assets	\$12,590,279
Liabilities	\$ 5,373,024
Member Balances	\$ 7,217,255
Revenues	\$29,398,825
Expenditures	\$28,975,036

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 8. PROPERTY/CASUALTY INSURANCE RISK POOL

The Itasca 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. The following table is a summary of the property/casualty coverage in effect for the period January 1, 2014 through January 1, 2015:

(CONTINUED)



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 8. INSURANCE RISK POOL (Continued)

<u>Coverage</u>	<u>Member Deductible</u>	<u>PDRMA Self-Insured Retention</u>	<u>Limits</u>	<u>Insurance Company</u>
<b><u>Property</u></b>				
All losses/occurrence	\$ 1,000	\$1,000,000	\$1,000,000,000/ all members Declaration 11	PDRMA Reinsurers: Various through the Public Entity Property Reinsurance Program (PEPIP)
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	
Auto Physical Damage Comprehensive and Collision	\$ 1,000	\$1,000,000	Included	Travelers Indemnity Co. of Illinois  National Union Fire Insurance Co
Course of Construction	\$ 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 <b>Other sub-limits apply</b>	
Boiler and Machinery			\$100,000,000 Equip Breakdown	
Property damage	\$ 1,000	\$ 9,000	Property damage – included	
Business Income	48 hours	N/A	Included <b>Other sub-limits apply</b>	
Fidelity and Crime	\$ 1,000	\$ 24,000	\$2,000,000/occurrence	
Seasonal Employees	\$ 1,000	\$ 9,000	\$1,000,000/occurrence	
Blanket Bond	\$ 1,000	\$ 24,000	\$2,000,000/occurrence	
<b><u>Workers Compensation</u></b>				
Employers Liability	N/A	\$ 500,000	Statutory	PDRMA Government Entities Mutual (GEM)
		\$ 500,000	\$3,500,000 Employers Liability	
<b><u>Liability</u></b>				
General	None	\$ 500,000	\$21,500,000/Occurrence	PDRMA Reinsurers: GEM/Great American/Starr Indemnity and Liability Co.
Auto Liability	None	\$ 500,000	\$21,500,000/Occurrence	
Employment Practices	None	\$ 500,000	\$21,500,000/Occurrence	
Public Officials' Liability	None	\$ 500,000	\$21,500,000/Occurrence	
Law Enforcement Liability	None	\$ 500,000	\$21,500,000/Occurrence	
Uninsured/Underinsured	None	\$ 500,000	\$ 1,000,000/occurrence	
Motorists				
<b><u>Pollution Liability</u></b>				
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. aggregate	
<b><u>Outbreak Expense</u></b>				
	24 hours	N/A	\$15,000 per day \$1 million aggregate policy	Great American

(CONTINUED)



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 8. INSURANCE RISK POOL (Continued)

<u>Coverage</u>	<u>Member Deductible</u>	<u>PDRMA Self-Insured Retention</u>	<u>Limits</u>	<u>Insurance Company</u>
<b><u>Information Security and Privacy Insurance with Electronic Media Liability Coverage</u></b>				
Information Security & Privacy Liability	None	\$ 100,000	\$2,000,000/occurrence/ annual aggregate	Beazley Lloyds Syndicate
Privacy Notification Costs	None	\$ 100,000	\$500,000/occurrence/annual aggregate	AFB 2623/623 through the PEP PIP program
Regulatory Defense & Penalties	None	\$ 100,000	\$2,000,000/occurrence/ annual aggregate	
Website Media Content Liability	None	\$ 100,000	\$2,000,000/occurrence/ annual aggregate	
Cyber Extortion	None	\$ 100,000	\$2,000,000/occurrence/ annual aggregate	
Data Protection & Business Interruption	\$1,000	\$ 100,000	\$2,000,000/occurrence/ annual aggregate	
First Party Business Interruption	8 hours	\$ 100,000	\$25,000 hourly sublimit/ \$25,000 forensic expense/ \$100,000 dependent business interruption	
<b><u>Volunteer Medical Accident</u></b>	None	\$ 5,000	\$5,000 medical expense and AD&D excess of any other collectible insurance	Self-insured
<b><u>Underground Storage Tank Liability</u></b>	None	N/A	\$10,000, follows Illinois Leaking Underground Tank Fund	Self-insured
<b><u>Unemployment Compensation</u></b>	N/A	N/A	Statutory	Member 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.

(CONTINUED)



ITASCA PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

(CONCLUDED)

NOTE 8. INSURANCE RISK POOL (Concluded)

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 Property/Casualty Program's balance sheet at December 31, 2013 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 .215% or \$86,591.

Assets	\$60,509,769
Liabilities	\$20,225,423
Member Balances	\$40,284,346
Revenues	\$20,737,466
Expenditures	\$17,177,774

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.



ITASCA PARK DISTRICT  
SUPPLEMENTARY INFORMATION  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

APRIL 30, 2014

	<u>Insurance</u>	<u>Audit</u>	<u>Museum</u>	<u>Paving and Lighting</u>
<b>ASSETS</b>				
Cash and Investments	\$ 1,476	\$ (125)	\$ 20,020	\$ 9,209
Property Taxes Receivable, Net of Loss and Cost	<u>58,998</u>	<u>9,205</u>	<u>19,666</u>	<u>5,440</u>
<b>TOTAL ASSETS</b>	<u>\$ 60,474</u>	<u>\$ 9,080</u>	<u>\$ 39,686</u>	<u>\$ 14,649</u>
<b>LIABILITIES</b>				
Vouchers and Refunds Payable	\$ -	\$ -	\$ 67	\$ -
Deferred Revenue - Taxes	<u>58,998</u>	<u>9,205</u>	<u>19,666</u>	<u>5,440</u>
<b>Total Liabilities</b>	58,998	9,205	19,733	5,440
<b>FUND BALANCES (ACCUMULATED DEFICIT)</b>				
Restricted	<u>1,476</u>	<u>(125)</u>	<u>19,953</u>	<u>9,209</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 60,474</u>	<u>\$ 9,080</u>	<u>\$ 39,686</u>	<u>\$ 14,649</u>



<u>Itasca Angels</u>	<u>Scher Trust</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 4,556	\$ 49,448	\$ 84,584
<u>-</u>	<u>-</u>	<u>93,309</u>
<u>\$ 4,556</u>	<u>\$ 49,448</u>	<u>\$ 177,893</u>
\$ -	\$ -	\$ 67
<u>-</u>	<u>-</u>	<u>93,309</u>
-	-	93,376
<u>4,556</u>	<u>49,448</u>	<u>84,517</u>
<u>\$ 4,556</u>	<u>\$ 49,448</u>	<u>\$ 177,893</u>



## ITASCA PARK DISTRICT

## SUPPLEMENTARY INFORMATION

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

## NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED APRIL 30, 2014

REVENUES	<u>Insurance</u>	<u>Audit</u>	<u>Museum</u>	<u>Paving and Lighting</u>
Property Taxes	\$ 44,441	\$ 5,351	\$ 11,168	\$ 5,352
Program and Event Fees	-	-	832	-
Grant Proceeds	-	-	110,000	-
Interest	-	-	-	-
Miscellaneous and Reimbursements	<u>3,580</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total Revenues	<u>48,021</u>	<u>5,351</u>	<u>137,000</u>	<u>5,352</u>
EXPENDITURES				
Current:				
Salaries and Wages	4,764	-	13,863	-
Services	52,015	9,300	5,248	-
Repairs and Maintenance	-	-	-	978
Program and Event Costs	-	-	632	-
Supplies	3,872	-	-	-
Miscellaneous	-	-	767	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>103,025</u>	<u>-</u>
Total Expenditures	<u>60,651</u>	<u>9,300</u>	<u>123,535</u>	<u>978</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,630)	(3,949)	13,465	4,374
FUND BALANCE (ACCUMULATED DEFICIT)				
Beginning	<u>14,106</u>	<u>3,824</u>	<u>6,488</u>	<u>4,835</u>
Ending	<u>\$ 1,476</u>	<u>\$ (125)</u>	<u>\$ 19,953</u>	<u>\$ 9,209</u>



Itasca Angels	Scher Trust	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 66,312
31,672	-	32,504
-	-	110,000
-	40	40
-	-	18,580
<u>31,672</u>	<u>40</u>	<u>227,436</u>
-	-	18,627
-	-	66,563
-	-	978
29,005	-	29,637
-	-	3,872
-	-	767
-	-	103,025
<u>29,005</u>	<u>-</u>	<u>223,469</u>
2,667	40	3,967
<u>1,889</u>	<u>49,408</u>	<u>80,550</u>
<u>\$ 4,556</u>	<u>\$ 49,448</u>	<u>\$ 84,517</u>



## ITASCA PARK DISTRICT

## SUPPLEMENTARY INFORMATION

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

YEAR ENDED APRIL 30, 2014

	Insurance		Audit	
	Budget Original/Final	Actual Budget/GAAP	Budget Original/Final	Actual Budget/GAAP
<b>REVENUES</b>				
Property Taxes	\$ 45,496	\$ 44,441	\$ 5,460	\$ 5,351
Program and Event Fees	-	-	-	-
Grant Proceeds	-	-	-	-
Miscellaneous/Reimbursements	4,175	3,580	-	-
Total Revenues	<u>49,671</u>	<u>48,021</u>	<u>5,460</u>	<u>5,351</u>
<b>EXPENDITURES</b>				
Current:				
Salaries and Wages	-	4,764	-	-
Services	60,900	52,015	8,500	9,300
Repairs and Maintenance	-	-	-	-
Program and Event Costs	-	-	-	-
Supplies	-	3,872	-	-
Miscellaneous	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>60,900</u>	<u>60,651</u>	<u>8,500</u>	<u>9,300</u>
Excess of Revenues Over (Under) Expenditures	<u>(11,229)</u>	<u>(12,630)</u>	<u>(3,040)</u>	<u>(3,949)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds Issued	-	-	-	-
Transfers	-	-	-	-
Total Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(11,229)	(12,630)	(3,040)	(3,949)
<b>FUND BALANCE (ACCUMULATED DEFICIT)</b>				
Beginning	<u>14,106</u>	<u>14,106</u>	<u>3,824</u>	<u>3,824</u>
Ending	<u>\$ 2,877</u>	<u>\$ 1,476</u>	<u>\$ 784</u>	<u>\$ (125)</u>



Museum		Paving and Lighting	
Budget	Actual	Budget	Actual
Original/Final	Budget/GAAP	Original/Final	Budget/GAAP
\$ 11,374	\$ 11,168	\$ 5,460	\$ 5,352
-	832		
110,000	110,000	-	-
17,500	15,000	-	-
<u>138,874</u>	<u>137,000</u>	<u>5,460</u>	<u>5,352</u>
20,000	13,863	-	-
8,000	5,248	-	-
-	-	-	978
2,500	632	-	-
-	-	-	-
-	767	-	-
<u>102,910</u>	<u>103,025</u>	<u>10,000</u>	<u>-</u>
<u>133,410</u>	<u>123,535</u>	<u>10,000</u>	<u>978</u>
<u>5,464</u>	<u>13,465</u>	<u>(4,540)</u>	<u>4,374</u>
-	-	-	-
-	-	-	-
-	-	-	-
5,464	13,465	(4,540)	4,374
6,488	6,488	4,835	4,835
<u>\$ 11,952</u>	<u>\$ 19,953</u>	<u>\$ 295</u>	<u>\$ 9,209</u>



## ITASCA PARK DISTRICT

## SUPPLEMENTARY INFORMATION

## ASSESSED VALUATION, RATES AND EXTENSIONS

APRIL 30, 2014

	TAX YEARS		
	2013	2012	2011
ASSESSED VALUATION	<u>\$ 426,962,858</u>	<u>\$ 454,962,797</u>	<u>\$ 497,306,285</u>
TAX RATES			
Corporate Fund	0.1630	0.1441	0.1255
Recreation Fund	0.0875	0.0900	0.0800
Bond and Interest Fund	0.1871	0.1737	0.1553
Audit Fund	0.0022	0.0012	0.0017
Liability Insurance Fund	0.0141	0.0100	0.0092
Recreation For The Handicapped Fund	0.0400	0.0400	0.0400
I.M.R.F. Fund	0.0405	0.0389	0.0358
Social Security Fund	0.0222	0.0207	0.0170
Museum Fund	0.0047	0.0025	0.0023
Paving and Lighting Fund	<u>0.0013</u>	<u>0.0012</u>	<u>0.0010</u>
	<u>0.5626</u>	<u>0.5223</u>	<u>0.4678</u>
TAX EXTENSIONS			
Corporate Fund	\$ 695,949	\$ 655,601	\$ 624,119
Recreation Fund	373,593	409,467	397,845
Bond and Interest Fund	798,848	790,270	772,317
Audit Fund	9,393	5,460	8,454
Liability Insurance Fund	60,202	45,496	45,752
Recreation For The Handicapped Fund	170,785	181,985	198,923
I.M.R.F. Fund	172,920	176,981	178,036
Social Security Fund	94,786	94,177	84,542
Museum Fund	20,067	11,374	11,438
Paving and Lighting Fund	<u>5,551</u>	<u>5,460</u>	<u>4,973</u>
	<u>\$ 2,402,093</u>	<u>\$ 2,376,271</u>	<u>\$ 2,326,399</u>