

**GRAYSLAKE COMMUNITY PARK DISTRICT
GRAYSLAKE, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
MAY 31, 2012**

**Grayslake Community Park District
Annual Financial Report
For The Fiscal Year Ended
May 31, 2012
Table of Contents**

| | <u>Exhibit</u> | <u>Page</u> |
|--|----------------|-------------|
| Independent Auditor's Report | | 1 |
| Management's Discussion and Analysis | | 3 |
| Basic Financial Statements | | |
| Government-Wide Financial Statements | | |
| Statement of Net Assets | A | 8 |
| Statement of Activities | B | 9 |
| Fund Financial Statements | | |
| Balance Sheet – Governmental Funds | C | 10 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds | D | 13 |
| Fiduciary Funds | | |
| Statement of Net Assets | E | 16 |
| Statement of Revenues, Expenses and Changes In Net Assets | F | 17 |
| Notes to Financial Statements | | 18 |
| Required Supplementary Information | | |
| <u>Schedule</u> | | |
| Schedule of Funding Progress Illinois Municipal Retirement Fund | | 34 |
| Schedule of Funding Progress Other Post Employment Benefits | | 35 |
| General Fund Budgetary Comparison Schedule | 1 | 36 |
| Recreation Fund Budgetary Comparison Schedule | 2 | 37 |
| Special Recreation Fund Budgetary Comparison Schedule | 3 | 38 |
| Debt Service Fund Budgetary Comparison Schedule | 4 | 39 |
| Capital Projects Budgetary Comparison Schedule | 5 | 40 |

**Grayslake Community Park District
Annual Financial Report
For The Fiscal Year Ended
May 31, 2012
Table of Contents**

| | <u>Schedule</u> | <u>Page</u> |
|---|-----------------|-------------|
| Supplementary Information | | |
| COMBINING AND INDIVIDUAL FUND SCHEDULES | | |
| Major Funds | | |
| General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 6 | 41 |
| Recreation Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 7 | 44 |
| Special Recreation Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 8 | 47 |
| Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 9 | 48 |
| Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 10 | 49 |
| Non-major Funds | | |
| Combining Balance Sheet | 11 | 50 |
| Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance | 12 | 52 |
| Liability Insurance Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 13 | 54 |
| Audit Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 14 | 55 |
| Illinois Municipal Retirement Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 15 | 56 |
| Paving and Lighting Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 16 | 57 |
| Aquarium and Museum Maintenance Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 17 | 58 |
| Social Security Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual | 18 | 59 |
| STATISTICAL SECTION | | |
| Assessed Valuations, Tax Rates, Allocations and Extensions | | 60 |
| Computation of Legal Debt Margin | | 62 |



SINCE 1917

EVANS, MARSHALL & PEASE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

1875 Hicks Road
Rolling Meadows, Illinois 60008

PAUL H. THERMEN, C.P.A.
JEFFERY M. ROLLEFSON, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Grayslake Community Park District
Grayslake, Illinois

We have audited the accompanying financial statements, each major fund, fiduciary fund, and the aggregate remaining fund information of Grayslake Community Park District as of and for the year ended May 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 governmental activities, each major fund, fiduciary fund, and the aggregate remaining fund information of the Grayslake Community Park District. as of May 31, 2012, and the respective changes in their financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Park District adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the year ended May 31, 2012.

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 inquiries 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grayslake Community Park District's financial statements as a whole. The introductory section, combining and non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate 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 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 as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Evans, Marshall & Pease, P.C.

Evans, Marshall & Pease, P.C.
Certified Public Accountants

September 19, 2012
Rolling Meadows, Illinois
(15)

GRAYSLAKE COMMUNITY PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Grayslake Community Park District's (the "District") annual financial report is the discussion and analysis of the District's financial performance and provides an overall review of the District's financial activities for the fiscal year ending May 31, 2012.

The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A and is included in this analysis.

Financial Highlights

- The District's total net assets were \$22,475,024 as of May 31, 2011. The net assets were increased to \$22,833,390 as of May 31, 2012, a 2% increase.
- The District maintained positive fund balances totaling \$471,646 in the General and Recreation Funds combined and has a fund balance of \$608,842 in the Special Recreation Fund.

Overview of the Financial Statements

This financial report consists of three parts – management's discussion and analysis (this section), basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- *The statement of net assets and statement of activities are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.*
- The remaining statements are fund financial statements that focus on individual parts of the District. Fund statements generally report operation in more detail than the government-wide financial statements.

The financial statements also include many notes. These explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain, are shown in the following table:

GRAYSLAKE COMMUNITY PARK DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

Major Features of the Government-Wide and Fund Financial Statements

| | Government-wide Statements | Fund Financial – Governmental Funds | Fund Financial – Proprietary Funds | Fund Financial – Fiduciary Funds |
|--|--|---|--|---|
| Scope | Entire District (except fiduciary funds) | The activities of the District that are not proprietary or fiduciary such as educational and operations and maintenance | Activities the District operates similar to private business | Assets held by the District on behalf of someone else such as student activities monies |
| Required financial statements | Statement of net assets (deficit) and statement of activities | Balance sheet, statement of revenues, expenditures and changes in fund balance (deficit) | Statement of net assets, statement of revenues, expenditures and changes in net assets and statement of cash flows | Statement of fiduciary net assets |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, short-term and long-term | Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities; both financial and capital; short-term and long-term | All assets and liabilities, both short-term and long-term; funds may contain capital assets |
| Type of inflow/outflow information | All revenue and expenditures during the fiscal year | Revenues for which cash is received during the year or soon enough after the end of the year. Expenditures when goods and services have been received and the related liability is due and payable. | All revenues and expenditures during the year | All additions or deductions during the year |

The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

GRAYSLAKE COMMUNITY PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All the current year's revenues and expenditures are accounted for in the statement of activities.

Unlike a private sector company, the District cannot readily convert fixed assets to liquid assets. Districts can, and sometimes do, convert fixed assets to cash through the sale of property; however this is a rare event and not easily accomplished.

The government-wide financial statements report the District's net assets and how they have changed throughout the year. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, one needs to consider additional non-financial factors, such as changes in the District's property tax base and the condition of facilities.

In the government-wide financial statements, the District's activities are presented as follows:

- *Governmental activities* – Most of the District's basic services are included here, such as support services, community programs and administration. Property taxes finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

- Some funds are required by state law.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District has one fund type:

Governmental funds – The District's basic services are included in governmental funds, which generally focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is included as a separate statement explaining the relationship (or differences) between them.

GRAYSLAKE COMMUNITY PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the District as a Whole

Statement of Net Assets:

| | Governmental Activities | |
|--|-------------------------|----------------------|
| | 2012 | 2011 |
| Assets: | | |
| Current assets | \$ 3,858,719 | \$ 3,583,781 |
| Capital assets (less depreciation) | 24,142,939 | 24,559,236 |
| Total Assets | <u>28,001,658</u> | <u>28,143,017</u> |
| Liabilities: | | |
| Current liabilities | 150,031 | 263,714 |
| Total Current Liabilities | <u>150,031</u> | <u>263,714</u> |
| Long- term liabilities | 5,018,237 | 5,404,279 |
| Net Assets: | | |
| Invested in capital assets (net of related debt) | 19,113,464 | 19,139,236 |
| Restricted | 1,344,894 | 1,208,618 |
| Unrestricted | 2,375,032 | 2,127,170 |
| Total Net Assets | <u>\$ 22,833,390</u> | <u>\$ 22,475,024</u> |

Statement of Activities:

| | Governmental Activities | |
|-------------------------------------|-------------------------|-------------------|
| | 2012 | 2011 |
| Revenues: | | |
| Program Revenues | | |
| Charges for Services: | | |
| Programs and grants | \$ 1,587,374 | \$ 1,453,758 |
| Total Program Revenues | <u>1,587,374</u> | <u>1,453,758</u> |
| General Revenues: | | |
| Property taxes | 2,654,974 | 2,638,348 |
| Personal property replacement taxes | 18,055 | 20,471 |
| Other | 17,585 | 22,020 |
| Interest | 1,135 | 10,877 |
| Total General Revenues | <u>2,691,749</u> | <u>2,691,716</u> |
| Total Revenues | <u>4,279,123</u> | <u>4,145,474</u> |
| Expenditures: | | |
| General government and recreation | 3,199,027 | 2,863,814 |
| Interest and fees | 123,930 | 251,235 |
| Depreciation - unallocated | 597,800 | 602,965 |
| Total Expenditures | <u>3,920,757</u> | <u>3,718,014</u> |
| Changes in Net Assets | <u>\$ 358,366</u> | <u>\$ 427,460</u> |

GRAYSLAKE COMMUNITY PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The District's total revenues were \$4,279,123 for governmental activities. Local taxes (predominantly real estate taxes) were \$2,654,974 of the total. Investments earned \$1,135. Program fees were \$1,587,374. Miscellaneous income (e.g. charges for services and donations) made up the balance.

Total costs for all governmental programs totaled \$3,920,757. Of this total, \$2,546,610 was for recreation and \$1,374,147 was for depreciation and other services.

As noted earlier net assets may serve as a useful indicator of the District's financial position. The District's overall financial position and results of operations has increased slightly during the fiscal year ended May 31, 2012. The assets exceeded the liabilities resulting in a net asset balance of \$22,833,390 as of the close of the fiscal year.

Please note that the amounts reported for governmental funds in the audit statement are different from the summary tables above because (1) capital assets used in governmental funds are not financial resources, as they are in business, and are not reported as assets in governmental funds. (2) long-term liabilities, including bonds payable, are not due in the current period and therefore not reported as liabilities in the funds

District Budgetary Highlights

The District over spent the Illinois Municipal Retirement Fund, and Social Security Fund. However, The District has a positive combined fund balance of \$408,744 in the non-major governmental funds (i.e., Liability, Audit, IMRF, Paving and Lighting, Museum and Social Security).

Capital Assets and Debt Administration

Capital Assets:

As of May 31, 2012 the District has \$19,113,464 invested in capital assets (net of depreciation), including buildings and improvements, land improvements, machinery and equipment, and vehicles. The current year additions included building improvements for \$4,850, machinery and equipment \$0, land improvements \$159,187, and vehicles for \$17,466, totaling \$181,503. The District had no disposals of fixed assets in the current fiscal year.

Long-term Obligations:

The District's long-term obligations encompass two general obligation bonds, one general obligation debt certificate and one petroleum loan totaling \$5,029,475. The District paid \$395,000 of principal during the year.

Contacting the District's Financial Management Team

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report please contact Jeff Nehila, Executive Director, Grayslake Community Park District, 240 Commerce Dr., Grayslake, IL 60030.

(THIS PAGE INTENTIONALLY LEFT BLANK)

GRAYSLAKE COMMUNITY PARK DISTRICT
STATEMENT OF NET ASSETS
MAY 31, 2012

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Current Assets: | |
| Cash | \$ 1,012,533 |
| Cash with fiscal agent | 124,495 |
| Accounts receivable | 119,497 |
| Property taxes receivable | 2,592,851 |
| Prepaid expenses | <u>9,343</u> |
| Total Current Assets | <u>3,858,719</u> |
| Non-Current Assets: | |
| Capital Assets: | |
| Capital assets, not being depreciated | 13,551,853 |
| Other capital assets, net of depreciation | <u>10,591,086</u> |
| Total Capital Assets | <u>24,142,939</u> |
| Total Assets | <u>28,001,658</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts payable | 21,483 |
| Salaries and wages payable | 1,019 |
| Unearned program revenue | <u>127,529</u> |
| Total Current Liabilities | <u>150,031</u> |
| Non-Current Liabilities: | |
| Due within one year | 404,599 |
| Due in more than one year | <u>4,613,638</u> |
| Total Non-Current Liabilities | <u>5,018,237</u> |
| Total Liabilities | <u>5,168,268</u> |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 19,113,464 |
| Restricted | 1,344,894 |
| Unrestricted | <u>2,375,032</u> |
| Total Net Assets | <u>\$ 22,833,390</u> |

The notes to the financial statements are an integral part of this statement.

GRAYSLAKE COMMUNITY PARK DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2012

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Change in Net Assets |
|-------------------------------------|---------------------|-------------------------|--|---|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities |
| Governmental Activities: | | | | |
| General government | \$ 652,417 | \$ - | \$ - | \$ 652,417 |
| Recreation | 2,546,610 | 1,587,374 | - | 959,236 |
| Interest and fees | 123,930 | - | - | 123,930 |
| Depreciation - unallocated | 597,800 | - | - | 597,800 |
| Total Governmental Activities | <u>\$ 3,920,757</u> | <u>\$ 1,587,374</u> | <u>\$ -</u> | <u>2,333,383</u> |
| General Revenues: | | | | |
| Taxes | | | | |
| Property taxes | | | | 2,654,974 |
| Personal property replacement taxes | | | | 18,055 |
| Interest | | | | 1,135 |
| Miscellaneous | | | | <u>17,585</u> |
| Total General Revenues | | | | <u>2,691,749</u> |
| Change in Net Assets | | | | 358,366 |
| Net Assets - Beginning | | | | <u>22,475,024</u> |
| Net Assets - Ending | | | | <u>\$ 22,833,390</u> |

The notes to the financial statements are an integral part of this statement.

(THIS PAGE INTENTIONALLY LEFT BLANK)

GRAYSLAKE COMMUNITY PARK DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
MAY 31, 2012

| | General | Recreation | Special Recreation |
|--|----------------------------|----------------------------|--------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 255,569 | \$ - | \$ 619,126 |
| Cash with fiscal agent | 6,606 | 19,818 | - |
| Accounts receivables | - | 119,125 | - |
| Property tax receivable | 867,950 | 644,766 | 244,429 |
| Prepaid expenses | - | 9,343 | - |
| Due from other funds | - | 292,872 | - |
| Total Assets | <u>\$ 1,130,125</u> | <u>\$ 1,085,924</u> | <u>\$ 863,555</u> |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities: | | | |
| Accounts payable | \$ 2,835 | \$ 16,599 | \$ - |
| Salaries and wages payable | 768 | 251 | - |
| Cash overdraft | - | 42,677 | - |
| Deferred program revenue | - | 127,529 | - |
| Deferred property tax revenue | 891,491 | 662,253 | 254,713 |
| Due to other funds | - | - | - |
| Total Liabilities | <u>895,094</u> | <u>849,309</u> | <u>254,713</u> |
| Fund Balance: | | | |
| Restricted | - | 236,615 | 608,842 |
| Unassigned | 235,031 | - | - |
| Total Fund Balances | <u>235,031</u> | <u>236,615</u> | <u>608,842</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,130,125</u> | <u>\$ 1,085,924</u> | <u>\$ 863,555</u> |

The notes to the financial statements are an integral part of this statement.

| Debt Service | Capital Projects | Other Governmental Funds | Total |
|-------------------|---------------------|--------------------------------|---------------------|
| \$ 6,578 | \$ - | \$ 443,309 | \$ 1,324,582 |
| 98,071 | - | - | 124,495 |
| - | - | 372 | 119,497 |
| 514,571 | - | 321,135 | 2,592,851 |
| - | - | - | 9,343 |
| - | - | - | 292,872 |
| <u>\$ 619,220</u> | <u>\$ -</u> | <u>\$ 764,816</u> | <u>\$ 4,463,640</u> |
| \$ - | \$ 7,022 | \$ (4,973) | \$ 21,483 |
| - | - | - | 1,019 |
| - | 239,450 | 29,922 | 312,049 |
| - | - | - | 127,529 |
| 528,527 | - | 331,123 | 2,668,107 |
| - | 292,872 | - | 292,872 |
| <u>528,527</u> | <u>539,344</u> | <u>356,072</u> | <u>3,423,059</u> |
| 90,693 | - | 408,744 | 1,344,894 |
| - | (539,344) | - | (304,313) |
| <u>90,693</u> | <u>(539,344)</u> | <u>408,744</u> | <u>1,040,581</u> |
| <u>\$ 619,220</u> | <u>\$ -</u> | <u>\$ 764,816</u> | <u>\$ 4,463,640</u> |

GRAYSLAKE PARK DISTRICT
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
MAY 31, 2012

| | | | |
|---|--|--------------------|--------------------------|
| Total Fund Balance - Governmental Funds (Exhibit C) | | \$ | 1,040,581 |
| <p>Amounts reported for governmental activities in the statement of net assets are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p> | | | |
| The cost of capital assets is | | \$ 28,890,361 | |
| Accumulated depreciation is | | <u>(4,747,422)</u> | |
| | | | 24,142,939 |
| <p>Property taxes receivable will be collected this year, but are not available soon enough after year end to pay for the current period's expenditures, and therefore are deferred in the funds.</p> | | | |
| | | | 2,668,107 |
| <p>Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. In addition, interest relating to long-term liabilities is not reported in governmental funds until current and due. All liabilities, both current and long-term, are reported in the statement of net assets.</p> | | | |
| Long-term debt | | (5,029,475) | |
| Bond premium, net of amortization | | <u>(23,044)</u> | |
| | | | (5,052,519) |
| <p>Some assets reported in the statement of activities do not provide the use of current financial resources and therefore are not reported as assets in the governmental funds. These assets are:</p> | | | |
| Bond issuance costs, net of amortization | | 34,431 | |
| Bond discount, net of amortization | | 4,960 | |
| Other post employment benefits | | <u>(5,109)</u> | |
| | | | <u>34,282</u> |
| Total Net Assets - Governmental Activities (Exhibit A) | | \$ | <u><u>22,833,390</u></u> |

The notes to the financial statements are an integral part of this statement.

(THIS PAGE INTENTIONALLY LEFT BLANK)

GRAYSLAKE COMMUNITY PARK DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MAY 31, 2012

| | General | Recreation | Special Recreation |
|---|-------------------|-------------------|-----------------------|
| REVENUES | | | |
| Property taxes | \$ 844,980 | \$ 643,795 | \$ 264,850 |
| Personal property replacement taxes | 18,055 | - | - |
| Grants and donations | | | |
| Interest | 387 | 356 | - |
| Programs | - | 1,086,444 | - |
| Special recreation | - | - | 10,000 |
| Golf | - | 70,280 | - |
| Rentals | - | 9,366 | - |
| Other | 6,117 | 11,318 | - |
| Total Revenues | 869,539 | 1,821,559 | 274,850 |
| EXPENDITURES | | | |
| Current: | | | |
| Administrative | 332,774 | - | - |
| Maintenance | 476,990 | 253,303 | - |
| Recreation | - | 1,583,234 | 169,273 |
| Retirement | - | - | - |
| Social Security | - | - | - |
| Debt service: | | | |
| Principal retirements | 40,000 | 40,000 | - |
| Interest and fees | 7,226 | 7,226 | - |
| Capital outlay | 10,111 | 2,964 | - |
| Total Expenditures | 867,101 | 1,886,727 | 169,273 |
| Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources | 2,438 | (65,168) | 105,577 |
| Other Financing Sources | | | |
| Proceeds from petroleum loan | - | 4,475 | - |
| Total Other Financing Sources | - | 4,475 | - |
| Net Change in Fund Balance | 2,438 | (60,693) | 105,577 |
| Fund Balance at Beginning of Year, | 232,593 | 297,308 | 503,265 |
| Fund Balance at End of Year | <u>\$ 235,031</u> | <u>\$ 236,615</u> | <u>\$ 608,842</u> |

The notes to the financial statements are an integral part of this statement.

| Debt Service | Capital Projects | Other Governmental Funds | Total |
|------------------|---------------------|--------------------------------|---------------------|
| \$ 523,082 | \$ - | \$ 347,478 | \$ 2,624,185 |
| - | - | - | 18,055 |
| - | 411,284 | - | 411,284 |
| 11 | - | 381 | 1,135 |
| - | - | - | 1,086,444 |
| - | - | - | 10,000 |
| - | - | - | 70,280 |
| - | - | - | 9,366 |
| - | - | 150 | 17,585 |
| <u>523,093</u> | <u>411,284</u> | <u>348,009</u> | <u>4,248,334</u> |
| - | - | 96,779 | 429,553 |
| - | - | 5,791 | 736,084 |
| - | - | - | 1,752,507 |
| - | - | 114,124 | 114,124 |
| - | - | 106,150 | 106,150 |
| 315,000 | - | - | 395,000 |
| 107,585 | - | - | 122,037 |
| - | 201,976 | 24,466 | 239,517 |
| <u>422,585</u> | <u>201,976</u> | <u>347,310</u> | <u>3,894,972</u> |
| <u>100,508</u> | <u>209,308</u> | <u>699</u> | <u>353,362</u> |
| - | - | - | 4,475 |
| - | - | - | 4,475 |
| <u>100,508</u> | <u>209,308</u> | <u>699</u> | <u>357,837</u> |
| <u>(9,815)</u> | <u>(748,652)</u> | <u>408,045</u> | <u>682,744</u> |
| <u>\$ 90,693</u> | <u>\$ (539,344)</u> | <u>\$ 408,744</u> | <u>\$ 1,040,581</u> |

GRAYSLAKE COMMUNITY PARK DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2012

Total Net Change in Fund Balances - Governmental Funds (Exhibit D) \$ 357,837

Amounts reported for governmental activities in the statement of activities are different because:

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlays for items below the District's capitalization limits are expensed.

| | | |
|---|----------------|-----------|
| Depreciation expense | \$ (597,800) | |
| Capital outlay over capitalization limits | <u>181,498</u> | (416,302) |

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities. 30,789

Repayment of debt principal is reported as an expense in governmental funds, but it reduces long term liabilities in the statement of net assets and does not affect the statement of activities. The District's debt was reduced by principal payments made to note holders.

| | |
|-------------------------|---------|
| Bond principal payments | 395,000 |
|-------------------------|---------|

Capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. Proceeds were received from:

| | |
|----------------|---------|
| Petroleum loan | (4,475) |
|----------------|---------|

Amortization of bond premium, discount, and issuance costs are not recognized as expenditures or revenues in the fund financial statements but are included in the statement of activities.

| | | |
|---------------------|----------------|----------------|
| Bond premium | 2,095 | |
| Bond discount | (708) | |
| Bond issuance costs | (3,280) | |
| OPEB costs | <u>(2,590)</u> | <u>(4,483)</u> |

Change in Net Assets of Governmental Activities (Exhibit B) \$ 358,366

The notes to the financial statements are an integral part of this statement.

GRAYSLAKE COMMUNITY PARK DISTRICT
FIDUCIARY FUND
STATEMENT OF NET ASSETS
MAY 31, 2012

| | <u>Agency Fund</u> |
|-------------------------|------------------------|
| ASSETS | |
| Cash | <u>\$ -</u> |
| Total Assets | <u><u>\$ -</u></u> |
| LIABILITIES | |
| Cash overdraft | <u>786</u> |
| Total Liabilities | <u>786</u> |
| NET ASSETS | |
| Unrestricted net assets | <u>(786)</u> |
| Total Net Assets | <u><u>\$ (786)</u></u> |

The notes to the financial statements are an integral part of this statement.

GRAYSLAKE COMMUNITY PARK DISTRICT
 FIDUCIARY FUND
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-------------------------------|---------------------------------|-----------------|-------------------------------|
| ADDITIONS | | | |
| Contributions | \$ 12,000 | \$ 12,690 | \$ 690 |
| Total Additions | <u>12,000</u> | <u>12,690</u> | <u>690</u> |
| SUBTRACTIONS | | | |
| Lake chemical applications | 11,400 | 11,502 | (102) |
| Miscellaneous | <u>-</u> | <u>2,021</u> | <u>(2,021)</u> |
| Total Subtractions | <u>11,400</u> | <u>13,523</u> | <u>(2,123)</u> |
| Net Change in Fund Assets | <u>\$ 600</u> | (833) | <u>\$ 2,813</u> |
| Net Assets, Beginning of Year | | <u>47</u> | |
| Net Assets, End of Year | | <u>\$ (786)</u> | |

The notes to the financial statements are an integral part of this statement.

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Grayslake Community Park District (the District) is located in Lake County, Illinois. The District operates under a Board-Manager form of government, providing recreation and other services to the residents of Grayslake and portions of Hainesville which include recreation programs, park management, capital development, and general administration.

The accounting and reporting policies of the District included in the accompanying financial statements conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

A. Financial Reporting Entity

The District has adopted the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity* as amended by Statement No. 39, "Determining Whether Certain Organizations Are Component Units". As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as component units. The financial data of the component units are included in the District's reporting entity because of the significance of their operational or financial relationship with the District. Financial accountability is defined as: (1) Appointment of voting majority of the component unit's board, and either a) the ability to impose its will by the primary government, or b) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the primary government; or (2) Fiscal dependency on the primary government.

The District has determined that no other outside agency meets the above criteria and therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight that would result in the District being considered a component unit of the entity.

B. Basis of Presentation – Fund Accounting

Government-wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the District as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities within the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses not allocated to functions are reported separately. Interest on general long-term debt is considered such an indirect expense. Depreciation expense is specifically identified by function and is included in the direct expenses of each function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) Grayslake Parks and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Fund Types

Governmental fund types are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental fund types include the following:

General Fund – The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for the revenues collected and expenses paid which are used in providing services in the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds – The Special Revenue Funds, which include the Recreation Fund, Special Recreation Fund, Liability Insurance Fund, Audit Fund, Illinois Municipal Retirement Fund, Paving and Lighting Fund, Aquarium and Museum Maintenance Fund, and the Social Security Fund are used to account for revenue collected from specific sources that are legally restricted to expenses paid for specified purposes.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities.

Proprietary Fund Types (not included in government-wide statements)

There are no Proprietary Fund Types.

Fiduciary Fund Types (not included in government-wide statements)

The Grayslake Management Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Major and Non-major Funds

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District, is considered major by the District, or meets the following criteria:

- a) Total assets, liabilities, revenues collected, or expenses paid of the individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b) Total assets, liabilities, revenues collected, or expenses paid of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The District has classified the following funds as major:

Major:

| | |
|-----------------------|---|
| General Fund | See above for description. |
| Recreation Fund | A Special Revenue Fund to account for the operations of the recreation programs offered to residents. Financing is provided by a specific annual property tax levy to the extent user charges are not sufficient to provide such financing. |
| Special Recreation | A Special Revenue Fund used in conjunction with the Special Recreation Association of Central Lake County (SRACLC) to provide recreational facilities and programs for the handicapped. The Park District, funded by a special levy, contributes annually for membership in the SRACLC. |
| Debt Service Fund | Accounts for the payment of long-term debt principal, interest and related costs. |
| Capital Projects Fund | Accounts for park development and improvement projects. |

The District has classified the following funds as non-major:

Non-Major:

- Liability Insurance Fund
- Audit Fund
- Illinois Municipal Retirement Fund
- Paving and Lighting Fund
- Aquarium and Museum Maintenance Fund
- Social Security Fund

C. Measurement Focus/Basis of Accounting

Measurement Focus

The government-wide financial statements are presented using the economic resources measurement focus. The objective of which is the determination of operating income, changes in net assets (cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported using the accrual basis of accounting.

The fund financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues received and other financing sources) and decreases (expenditures disbursed and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported in the basic financial statements. The District maintains its accounting records for all funds on the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received or when susceptible to accrual, i.e., both measurable and available. Measureable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. In the same manner expenditures are recognized and recorded upon the payment of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Property taxes, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. The District considers property taxes available if they are collected by year end. Class registration fees received by the District are recognized as revenue when the class begins. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred.

The District reports unearned revenues on its Statement of Net Assets and deferred revenues on its Governmental Funds Balance Sheets. For governmental fund financial statements, deferred revenues occur when potential revenues do not meet, both, the measureable and available criteria for recognition in the current period or when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet and revenue is recognized accordingly.

D. Budgets and Budgetary Accounting

The budgets for all fund types are prepared on the modified accrual basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. The budgets were passed on June 15, 2011.

For each fund, total fund disbursements may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

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

1. During May, the Director submits to the Board of Commissioners a proposed operating budget for the fiscal year. The operating budget includes proposed disbursements and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. Prior to June 30, the budget is legally adopted through passage of an ordinance.
4. The Treasurer is authorized to transfer up to 10% of the total budget between budget items within an individual fund; however, any revisions that alter the total disbursements of any fund must be approved by the Board of Commissioners. Appropriations lapse at the end of the fiscal year.
5. Formal budgetary integration is employed as a management control device during the year in all funds at the object level.

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Cash and Investments

The District considers all highly liquid investments with an initial maturity date within three months or less at the time of purchase and investment pools to be cash equivalents.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more for equipment, land, buildings and improvements. Capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Prior to June 1, 2004, capital assets were not capitalized. Such assets have been valued at estimated historical cost. Depreciation of all exhaustible fixed assets is recorded as an allocation in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: buildings 50 years; improvements 10 to 20 years; machinery and equipment 5 to 20 years; and vehicles 8 years.

In the fund financial statements, fixed assets are accounted for as capital outlay expenses upon acquisition. No depreciation is recorded in the fund financial statements.

H. Long-term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures disbursed.

I. Equity Classifications

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested” in capital assets, net of related debt.”

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

When both restricted and unrestricted resources are available for use, it is the Park District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Governmental Fund Balance Reporting

The District adopted the provisions Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the fiscal year ended May 31, 2012. Governmental fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable – the nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

Restricted – the restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the Park District. Items such as restrictions imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

Committed – the committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

Assigned – The assigned fund balance classification refers to amounts that are constrained by the Park District's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – the unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

Expenditures of fund balances – unless specifically identified, expenditures reduce restricted balances first, then to committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

In the governmental funds financial statements, the District reserves those portions of fund balances which are legally segregated for a specific purpose or do not represent amounts available for other appropriations.

NOTE 2 - CASH AND INVESTMENTS

A. Deposits and Investments

At May 31, 2012, the carrying amount of the District's deposits and investments totaled \$1,137,028 and the financial institution balances totaled \$1,168,531. The District's deposits and investments are categorized in accordance with risk factors created by governmental reporting standards. At May 31, 2012, investments consist of pooled investments in the Illinois Park District Liquid Asset Fund and the Illinois Funds. The District's fair value in the investment pools is based upon its value of its pool shares. These pooled investments are similar in nature to a money market fund and consist primarily of certificates of deposit, U.S. Government securities, commercial paper, and corporate bonds. Individual securities are not held in the name of the government, and therefore, are not categorized as to risk factors.

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 2 - CASH AND INVESTMENTS (Cont'd)

B. Investment Policies

It is the policy of the District to invest its funds in a manner which will provide the highest return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

The District's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with the collateral held by a third party in the District's name.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District will not be able to recover the value of its deposits and investments or collateral securities. Of the District's cash and investments, \$148,399 of deposits are insured by FDIC and \$1,020,132 of deposits are collateralized by securities held by the pledging bank's trust department not in the District's name as of May 31, 2012.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment portfolio is limited to maturities of one year or less.

Credit Risk. Statutes authorized the District to invest in obligations of the U.S. Treasury and U.S. Agencies' accounts and any other investments constituting direct obligations of any bank as defined by the Illinois Bank Act, certain short-term commercial paper, accounts of federally insured savings and loans, and the state treasurers' investment pool. During fiscal year ended May 31, 2012, the District limited its risk by investing primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United State Government that are explicitly or implicitly guaranteed by the United States Government..

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer.

C. Fiduciary Cash

At May 31, 2012, the carrying value of the District's deposits in the Fiduciary Fund was \$(786).

NOTE 3 – COMMON BANK ACCOUNT

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain funds participating in the common bank account could incur overdrafts (deficits) in the account. The overdrafts result from expenditures, which have been approved by the District Board.

NOTE 4 - PROPERTY TAXES

Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. Taxes attach as an enforceable lien on property on January 1 and are payable in two installments on approximately June 1 and September 1. The District receives significant distributions of tax receipts approximately one month after these due dates. The levy was passed November 16, 2011. Property tax revenues are recognized on the modified cash basis of accounting.

The following table shows the property tax levies and extensions for the last two years:

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 4 - PROPERTY TAXES (Cont'd)

| Assessed Valuation | 2011 | | 2010 | |
|---------------------|-----------------------|--------------------|-----------------------|--------------------|
| | <u>\$ 636,779,328</u> | | <u>\$ 672,785,155</u> | |
| | 2011 Levy | | 2010 Levy | |
| | Rate | Extension | Rate | Extension |
| Corporate | 0.14 | \$ 891,491 | 0.126 | \$ 847,709 |
| Recreation | 0.104 | 662,250 | 0.096 | 645,874 |
| Liability insurance | 0.015 | 95,517 | 0.014 | 94,190 |
| Audit | 0.000 | - | 0.001 | 6,728 |
| Debt service | 0.083 | 528,527 | 0.078 | 524,772 |
| Retirement | 0.018 | 114,620 | 0.017 | 114,373 |
| Paving and lighting | 0.001 | 6,368 | 0.004 | 26,911 |
| Special recreation | 0.040 | 254,712 | 0.040 | 269,114 |
| Aquarium and museum | 0.002 | 12,735 | 0.002 | 13,456 |
| Social security | 0.016 | 101,885 | 0.014 | 94,190 |
| Total | <u>0.419</u> | <u>\$2,668,105</u> | <u>0.392</u> | <u>\$2,637,317</u> |

NOTE 5 - CHANGES IN CAPITAL ASSETS

A summary of changes for the year ended May 31, 2012 in capital assets follows:

| | Balance June 1, 2011 | Additions | Deletions | Balance May 31, 2012 |
|--------------------------------------|-------------------------|---------------------|-------------|-------------------------|
| Governmental Activities: | | | | |
| Non-Depreciated Capital Assets | | | | |
| Land | <u>\$ 13,551,853</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 13,551,853</u> |
| Capital Assets Being Depreciated: | | | | |
| Land improvements | 8,427,311 | 159,187 | - | 8,586,498 |
| Buildings | 4,230,007 | 4,850 | - | 4,234,857 |
| Machinery and equipment | 2,290,616 | - | - | 2,290,616 |
| Vehicles | 209,071 | 17,466 | - | 226,537 |
| Subtotal | <u>15,157,005</u> | <u>181,503</u> | <u>-</u> | <u>15,338,508</u> |
| Accumulated Depreciated: | | | | |
| Land improvements | 2,166,136 | 406,165 | - | 2,572,301 |
| Buildings | 504,451 | 85,139 | - | 589,590 |
| Machinery and equipment | 1,333,794 | 90,368 | - | 1,424,162 |
| Licensed vehicles | 145,241 | 16,128 | - | 161,369 |
| Subtotal | <u>4,149,622</u> | <u>597,800</u> | <u>-</u> | <u>4,747,422</u> |
| Net Capital Assets | <u>\$ 24,559,236</u> | <u>\$ (416,297)</u> | <u>\$ -</u> | <u>\$ 24,142,939</u> |

Depreciation was charged to functions as follows:

| | |
|--|-------------------|
| Governmental Activities: | |
| Unallocated | <u>\$ 597,800</u> |
| Total Governmental Depreciation Expense | <u>\$ 597,800</u> |

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 6 - CHANGES IN LONG-TERM DEBT

The following is a summary of the long-term debt transaction of the District for the year ended May 31, 2012:

| | Balance June 1, 2011 | Additions | Subtractions | Balance May 31, 2012 | Due Within One Year |
|--|-------------------------|-----------------|-------------------|-------------------------|------------------------|
| Petroleum loan | \$ - | \$ 4,475 | \$ - | \$ 4,475 | \$ 1,492 |
| Debt certificates | 810,000 | - | 80,000 | 730,000 | 75,000 |
| 2004 G. O. Bonds | 3,050,000 | - | 220,000 | 2,830,000 | 230,000 |
| 2006 G. O. Bonds | 1,560,000 | - | 95,000 | 1,465,000 | 100,000 |
| Total | 5,420,000 | 4,475 | 395,000 | 5,029,475 | 406,492 |
| Bond premium, net | 25,139 | - | 2,095 | 23,044 | 2,095 |
| Other post employment benefits | 2,519 | 2,590 | - | 5,109 | - |
| Less deferred amounts For issuance costs | (43,379) | - | (3,988) | (39,391) | (3,988) |
| Total Long Term Debt | \$ 5,404,279 | \$ 7,065 | \$ 393,107 | \$ 5,018,237 | \$ 404,599 |

On April 19, 2012, the District received a Petroleum Loan to provide gasoline storage totaling \$4,475. The loan will be paid back annually over a three year period. At May 31, 2012, the remaining outstanding balance is \$4,475.

The District issued 2008 General Obligation Debt Certificates in the total amount of \$875,000 at interest rates ranging from 2.75% to 3.9%. At May 31, 2012, the remaining outstanding balance is \$730,000.

The District issued 2004 General Obligation Bonds in the total amount of \$4,000,000 at interest rates ranging from 4.625% to 4.8%. At May 31, 2012, the remaining outstanding balance is \$2,830,000.

The District issued 2006 General Obligation Bonds in the total amount of \$1,900,000 at interest rates ranging from 4.25% to 5.0%. At May 31, 2012, the remaining outstanding balance is \$1,465,000.

The District's estimated future annual requirements to amortize the long term debt outstanding as of May 31, 2012, including principal and interest are as follows:

| Year Ending May 31, | Principal | Interest | Total |
|------------------------|---------------------|---------------------|---------------------|
| 2013 | 406,492 | 218,360 | 624,852 |
| 2014 | 426,492 | 199,669 | 626,161 |
| 2015 | 441,491 | 175,630 | 617,121 |
| 2016-2021 | 2,560,000 | 563,080 | 3,123,080 |
| 2022-2024 | 1,195,000 | 72,377 | 1,267,377 |
| Total | \$ 5,029,475 | \$ 1,229,116 | \$ 6,258,591 |

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 7 - PENSION PLAN

Plan Description. The employer'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 employer 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. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50 percent 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 annual required contribution rate for calendar year 2011 was 12.32 percent. 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 \$113,469.

Three-Year Trend Information for the Regular Plan

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------|------------------------------|-------------------------------------|---------------------------|
| 12/31/2011 | \$ 113,469 | 100% | \$ 0 |
| 12/31/2010 | 108,516 | 100% | 0 |
| 12/31/2009 | 102,306 | 100% | 0 |

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 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% 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 your employer 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 employer 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 63.86 percent funded. The actuarial accrued liability for benefits was \$2,008,501 and the actuarial value of assets was \$1,282,598, resulting in an underfunded actuarial accrued liability (UAAL) of \$725,903. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$921,012 and the ratio of the UAAL to the covered payroll was 79 percent

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

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and net income losses. Since March 15, 1991, the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a joint risk management pool of park and forest preserve districts, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', employment practices liability, and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

NOTE 9 – PDRMA PROPERTY/CASUALTY PROGRAM

The Grayslake Community 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 March 15, 1991 the Grayslake Community 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 districts, 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 liability, automobile liability, crime, boiler and machinery, public officials' liability, employment practices liabilities, worker's 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:

| COVERAGE | MEMBER DEDUCTIBLE | PDRMA SELF-INSURED RETENTION | LIMITS | INSURANCE COMPANY | POLICY NUMBER |
|--|----------------------|------------------------------------|--|--------------------------------|------------------|
| 1. Property | | | | | |
| Property/Bldg/Contents | | | | PDRMA | P070111 |
| All losses per occurrence | \$ 1,000 | \$ 1,000,000 | \$1,000,000,000/all members | Reinsurers: | |
| All losses annual aggregate | | \$ 3,000,000 | Declaration 11 | Various | |
| Flood/except Zones A & V | \$ 1,000 | \$ 1,000,000 | \$250,000,000/occurrence/ annual aggregate | Reinsurers: through the | |
| Flood, Zones A & V | \$ 1,000 | \$ 1,000,000 | \$200,000,000/occurrence/ annual aggregate | Public Entity Property | |
| Earthquake Shock | \$ 1,000 | \$ 100,000 | \$100,000,000/occurrence/ annual aggregate | Reinsurance Program (PEPIP) | |
| Auto Physical Damage | | | | | |
| Comprehensive and Collision | \$ 1,000 | \$ 1,000,000 | Included | | |
| Course of Construction/Builders Risk | \$ 1,000 | Included | \$25,000,000 | | |
| Business interruption, Rental Income, Tax Income | \$ 1,000 | | \$100,000,000/reported values \$500,000/\$2,500,000/ non-reported values | | |
| Service interruption | 24 hours | N/A | \$25,000,000 | | |
| OTHER SUB-LIMITS APPLY - REFER TO COVERAGE DOCUMENT | | | | | |
| Boiler and Machinery | | | \$100,000,000 Equip. Breakdown | Travelers | BME1 0525L478 |
| Property damage | \$ 1,000 | \$ 9,000 | Property damage - included | Indemnity Co. of Illinois | |
| Business Income | 48 hours | N/A | Included | | |

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 9 – PDRMA PROPERTY/CASUALTY PROGRAM (Cont'd)

| COVERAGE | PDRMA | | | LIMITS | INSURANCE COMPANY | POLICY NUMBER |
|--|-------------------|------------------------|---------------|--|--|-------------------------------|
| | MEMBER DEDUCTIBLE | SELF-INSURED RETENTION | | | | |
| | | | | OTHER SUB-LIMITS APPLY - REFER TO COVERAGE DOCUMENT | | |
| Fidelity and Crime | \$ 1,000 | \$ 24,000 | \$ 2,000,000 | | National Union | 01-436-32-39 |
| Seasonal employees | \$ 1,000 | \$ 9,000 | \$ 1,000,000 | | Fire Insurance | |
| Blanket bond | \$ 1,000 | \$ 24,000 | \$ 2,000,000 | | Co. | |
| 2. Workers Compensation | | N/A | \$ 500,000 | Statutory | PDRMA | WC01012 |
| EMPLOYERS LIABILITY | | | \$ 500,000 | \$3,500,000 Employers Liability | Government Entities Mutual, Safety National Casualty Corp. | GEM-0003-A11001 SP-4043456 |
| 3. Liability | | None | \$ 500,000 | \$21,500,000/occurrence/annual aggregate | PDRMA | LO10112 |
| General | | | | | Reinsurers: Government Entities Mutual, Markel | GEM-0003-A11001 |
| Auto Liability | | None | Included | Included | | |
| Employment Practices | | None | Included | \$21,500,000/occurrence/annual aggregate | | |
| Public Officials' Liability | | None | Included | | Everest | 8090010 |
| Law Enforcement Liability | | None | Included | Included | Reinsurance Co. | |
| Uninsured/Underinsured Motorists | | None | Included | \$1,000,000/occurrence | | |
| 4. Pollution Liability | | | | | | |
| Liability - third party | | None | \$ 25,000 | \$5,000,000/occurrence | XL Environmental | PEC 2535804 |
| Property - first party | \$ 1,000 | \$ 24,000 | \$ 30,000,000 | 3 yr. general aggregate | Insurance | |
| 5. Outbreak Expense | | 24 hours | N/A | \$15,000 per day \$450,000 per location \$1 million aggregate policy limit | Markel | |
| 6. Volunteer Medical Accident | | None | \$ 5,000 | \$5,000 medical expense and AD&D excess of any other collectible insurance | Self-insured | |
| 7. Underground Storage Tank Liability | | None | N/A | \$10,000 follow s Illinois Leaking Underground Tank Fund | Self-insured | |
| 8. Unemployment Compensation | | N/A | N/A | Statutory | Self-funded | |

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

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 9 – PDRMA PROPERTY/CASUALTY PROGRAM (Cont'd)

As a member of PDRMA's Property/Casualty, the Grayslake Community 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 Grayslake Community Park District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the Grayslake Community Park District's governing body. The Grayslake Community 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 Property/Casualty Program's balance sheet at December 31, 2011 and the statement of revenues and expenses for the period ending December 31, 2011. The Grayslake Community Park District's portion of the overall equity of the pool is .083% or 27,643.

| | | |
|-----------------|----|------------|
| 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.

On February 1, 1993, the Grayslake Community 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 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 (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 Grayslake Community 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 member agency and the PDRMA Health Program is governed by a contract and by-laws that have been adopted by resolution of each member's governing body. Members are 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, 2011 and the statement of revenues and expenses for the period ending December 31, 2011.

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 9 – PDRMA PROPERTY/CASUALTY PROGRAM (Cont'd)

| | | |
|-----------------|----|------------|
| 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 10 – OVEREXPENDITURE OF BUDGET

During the year ended May 31, 2011, the following funds had an excess of actual expenditures disbursed over legally enacted budgeted amounts.

| Fund | Budget | Actual |
|-------------------------------|------------|------------|
| Illinois Municipal Retirement | \$ 114,000 | \$ 114,124 |
| Social Security | 93,000 | 106,150 |

NOTE 11 – DEFICIT FUND BALANCES

At May 31, 2012, the following District funds had deficit fund balances:

| Fund | Deficit |
|-----------------------|------------|
| Capital Projects Fund | \$ 539,344 |
| Social Security Fund | 33,858 |

NOTE 12 – DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The District's deferred compensation plan has been placed in a trust for the exclusive benefit of plan participants through the District's plan administrators. Since the District does not act in a fiduciary role, the plan assets and liabilities are not included in the District's financial statements.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between May 31, 2012, and the date of this audit report requiring disclosure in the financial statements.

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The District provides a limited single-employer defined benefit healthcare plan for its eligible retired employees. As of May 31, 2012, 1 participant is eligible to receive benefits.

Funding Policy

IMRF retirees may continue medical indefinitely at full cost. The District contributes to the plan on a pay-as-you-go cash basis. With this type of policy, the District funds no more than the current year cost of the post-employment benefits for the retirees.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding (excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Plan.

| | | |
|---|----|---------------------|
| Annual Required Contribution (ARC) | \$ | 2,590 |
| Interest on net OPEB obligation | | - |
| Adjustment to annual required contribution | | - |
| Annual OPEB cost | | <u>2,590</u> |
| Contributions made | | - |
| Change in net OPEB obligation | | 2,590 |
| Net OPEB Obligation - beginning of the year | | <u>2,519</u> |
| Net OPEB Obligation/(Asset) - end of year | \$ | <u><u>5,109</u></u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2012 fiscal year and the two preceding years is as follows:

| Actuarial Valuation 5/31/2012 | Annual OPEB Cost | Percentage Annual OPEB Cost Contributed | Net OPEB Obligation/ (Asset) |
|-------------------------------------|------------------------|--|------------------------------------|
| 5/31/2012 | \$ 2,590 | 0.0% | \$ 5,109 |
| 5/31/2011 | 2,519 | 0.0% | 2,519 |
| 5/31/2010 | n/a | 0.0% | n/a |

Funding Status and Funding Progress

As of June 30, 2012, the actuarial accrued liability for benefits was 19,005, all of which is unfunded. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll is 1.31%.

**GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2012**

NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS (Cont'd)

The projection of future benefit payments, for an ongoing plan, involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

| | |
|---|--|
| Contribution Rates: | |
| District | NA |
| Plan members | 0.00% |
| Actuarial valuation date | May 31, 2012 |
| Actuarial cost method | Entry age |
| Amortization period | Level percentage of pay, open |
| Remaining amortization period | 30 years |
| Asset valuation method | Market |
| Actuarial assumptions: | |
| Investment rate of return (includes 3% inflation) | 5.00% |
| Projected salary increases | 5.00% |
| Healthcare inflation rate | 8% initial, 6% ultimate |
| Mortality, turnover, disability, retirement ages | Same as utilized for IMRF |
| Percentage of active employees assumed to elect benefits | 20% |
| Employer provided benefits | Explicit: none Implicit: 40% of premium to age 65 |

REQUIRED SUPPLEMENTARY INFORMATION

GRAYSLAKE COMMUNITY PARK DISTRICT

ILLINOIS MUNICIPAL RETIREMENT FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Funding Progress

Schedule of Funding Progress

| 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] |
|---|--|---|--|-----------------------------------|------------------------------------|--|
| 12/31/2011 | \$ 1,282,598 | \$ 2,008,501 | \$ 725,903 | 63.86% | \$ 921,012 | 78.82% |
| 12/31/2010 | 988,741 | 1,856,212 | 867,471 | 53.27% | 967,162 | 89.69% |
| 12/31/2009 | 1,381,196 | 2,058,444 | 677,248 | 67.10% | 953,456 | 71.03% |

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$1,186,197. On a market basis, the funded ratio would be 59.06%.

GRAYSLAKE COMMUNITY PARK DISTRICT

OTHER POST EMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Funding Progress

Schedule of Funding Progress

| 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] |
|---|--|---|--|-----------------------------------|------------------------------------|--|
| 5/31/2012 | \$ - | \$ 19,005 | \$ 19,005 | 0.00% | \$ 1,399,051 | 1.36% |
| 5/31/2011 | - | 19,005 | 19,005 | 0.00% | 1,455,916 | 1.31% |
| 5/31/2010 | n/a | n/a | n/a | n/a | n/a | n/a |

GRAYSLAKE COMMUNITY PARK DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|---------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 847,709 | \$ 844,980 | \$ (2,729) |
| Replacement taxes | 14,000 | 18,055 | 4,055 |
| Interest | 4,000 | 387 | (3,613) |
| Other | 23,000 | 6,117 | (16,883) |
| Total Revenues | 888,709 | 869,539 | (19,170) |
| EXPENDITURES | | | |
| Administrative | 329,660 | 337,057 | (7,397) |
| Maintenance | 496,935 | 482,818 | 14,117 |
| Debt service | 55,000 | 47,226 | 7,774 |
| Total Expenditures | 881,595 | 867,101 | 14,494 |
| Net Change in Fund Balance | <u>\$ 7,114</u> | 2,438 | <u>\$ (4,676)</u> |
| Fund Balance at Beginning of Year | | <u>232,593</u> | |
| Fund Balance at End of Year | | <u>\$ 235,031</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
RECREATION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 645,873 | \$ 643,795 | \$ (2,078) |
| Programs | 1,164,500 | 1,086,444 | (78,056) |
| Golf course | 118,400 | 70,280 | (48,120) |
| Rental | 13,500 | 9,366 | (4,134) |
| Interest | 5,000 | 356 | (4,644) |
| Affiliate fees | 25,000 | 9,020 | (15,980) |
| Miscellaneous | 39,000 | 2,298 | (36,702) |
| Total Revenues | <u>2,011,273</u> | <u>1,821,559</u> | <u>(189,714)</u> |
| EXPENDITURES | | | |
| Recreation department | 691,300 | 671,746 | 19,554 |
| Maintenance department | 270,800 | 253,303 | 17,497 |
| Program services | 859,500 | 774,067 | 85,433 |
| Golf course | 118,400 | 140,385 | (21,985) |
| Debt service | 48,000 | 47,226 | 774 |
| Total Expenditures | <u>1,988,000</u> | <u>1,886,727</u> | <u>101,273</u> |
| Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources | <u>23,273</u> | <u>(65,168)</u> | <u>(88,441)</u> |
| Other Financing Sources | | | |
| Proceeds from petroleum loan | - | 4,475 | (4,475) |
| Total Other Financing Sources | <u>-</u> | <u>4,475</u> | <u>(4,475)</u> |
| Net Change in Fund Balance | <u>\$ 23,273</u> | <u>(60,693)</u> | <u>\$ (83,966)</u> |
| Fund Balance at Beginning of Year | | <u>297,308</u> | |
| Fund Balance at End of Year | | <u>\$ 236,615</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
SPECIAL RECREATION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|---------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 269,114 | \$ 264,850 | \$ (4,264) |
| Special recreation revenue | 151,000 | 10,000 | (141,000) |
| Total Revenues | <u>420,114</u> | <u>274,850</u> | <u>(145,264)</u> |
| EXPENDITURES | | | |
| Special recreation | <u>385,121</u> | <u>169,273</u> | <u>215,848</u> |
| Total Expenditures | <u>385,121</u> | <u>169,273</u> | <u>215,848</u> |
| Net Change in Fund Balance | <u>\$ 34,993</u> | 105,577 | <u>\$ 70,584</u> |
| Fund Balance at Beginning of Year | | <u>503,265</u> | |
| Fund Balance at End of Year | | <u>\$ 608,842</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED MAY 31, 2012

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|-----------------------------------|--|------------------|---------------------------------------|
| REVENUES | | | |
| Property taxes | \$ 524,772 | \$ 523,082 | \$ (1,690) |
| Interest | - | 11 | 11 |
| | <u>524,772</u> | <u>523,093</u> | <u>(1,679)</u> |
| Total Revenues | | | |
| EXPENDITURES | | | |
| Debt service | <u>523,892</u> | <u>422,585</u> | <u>101,307</u> |
| | <u>523,892</u> | <u>422,585</u> | <u>101,307</u> |
| Total Expenditures | | | |
| Net Change in Fund Balance | <u>\$ 880</u> | 100,508 | <u>\$ 99,628</u> |
| Fund Balance at Beginning of Year | | <u>(9,815)</u> | |
| Fund Balance at End of Year | | <u>\$ 90,693</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
 CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|---------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Grants and donations | \$ 1,016,000 | \$ 411,284 | \$ (604,716) |
| Total Revenues | <u>1,016,000</u> | <u>411,284</u> | <u>(604,716)</u> |
| EXPENDITURES | | | |
| Capital projects | 747,000 | 201,976 | 545,024 |
| Total Expenditures | <u>747,000</u> | <u>201,976</u> | <u>545,024</u> |
| Net Change in Fund Balance | <u>\$ 269,000</u> | 209,308 | <u>\$ (59,692)</u> |
| Fund Balance at Beginning of Year | | <u>(748,652)</u> | |
| Fund Balance at End of Year | | <u>\$ (539,344)</u> | |

(THIS PAGE INTENTIONALLY LEFT BLANK)

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES**

GRAYSLAKE COMMUNITY PARK DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|------------------------------------|---------------------------------|----------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 847,709 | \$ 844,980 | \$ (2,729) |
| Corporate replacement tax | 14,000 | 18,055 | 4,055 |
| Interest | 4,000 | 387 | (3,613) |
| Other | 23,000 | 6,117 | (16,883) |
| Total Revenues | 888,709 | 869,539 | (19,170) |
| EXPENDITURES | | | |
| Administrative: | | | |
| Salaries and Benefits | | | |
| Salaries | 154,200 | 152,102 | 2,098 |
| Fringe benefits | 64,710 | 67,285 | (2,575) |
| Total Salaries and Benefits | 218,910 | 219,387 | (477) |
| Contractual Services | | | |
| Staff/volunteer recognition | 3,200 | 2,654 | 546 |
| Mileage reimbursement | 6,000 | 6,853 | (853) |
| Fuel and lubrication | 500 | 304 | 196 |
| Service contracts | 13,000 | 22,825 | (9,825) |
| Postage | 5,000 | 2,427 | 2,573 |
| Public relations/legislative | 4,000 | 4,962 | (962) |
| Dues and subscriptions | 3,500 | 3,937 | (437) |
| Educational training | 5,000 | 5,901 | (901) |
| Agency membership | 1,000 | 30 | 970 |
| Legal services | 10,750 | 13,480 | (2,730) |
| Printing and publishing | 1,000 | 677 | 323 |
| Telephone | 3,750 | 3,095 | 655 |
| Utilities | 20,200 | 18,377 | 1,823 |
| District clothing apparel | 250 | 166 | 84 |
| Rubbish removal | 5,000 | 4,577 | 423 |
| Lakes management | 6,000 | 6,000 | - |
| Fireworks display | 14,000 | 14,000 | - |
| Contingency expense | 1,000 | - | 1,000 |
| Total Contractual Services | 103,150 | 110,265 | (7,115) |
| Commodities | | | |
| Office supplies | 2,000 | 1,777 | 223 |
| Equipment supplies | 100 | 45 | 55 |
| Computer supplies | 800 | 657 | 143 |
| Paper purchase | 500 | 269 | 231 |
| Computer software | 500 | 374 | 126 |
| Total Commodities | 3,900 | 3,122 | 778 |

GRAYSLAKE COMMUNITY PARK DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-------------------------------------|---------------------------------|---------|-------------------------------|
| Capital Expenditures | | | |
| Office equipment | \$ 250 | \$ 609 | \$ (359) |
| Office furniture | 250 | 784 | (534) |
| Computer hardware | 1,000 | 866 | 134 |
| Installment contracts | 2,200 | 2,024 | 176 |
| Total Capital Expenditures | 3,700 | 4,283 | (583) |
| Total Administrative | 329,660 | 337,057 | (7,397) |
| Maintenance: | | | |
| Salaries and Benefits | | | |
| Salaries | 247,500 | 229,894 | 17,606 |
| Fringe benefits | 38,500 | 34,482 | 4,018 |
| Total Salaries and Benefits | 286,000 | 264,376 | 21,624 |
| Contractual Services | | | |
| Fuel and lubrication | 40,000 | 45,309 | (5,309) |
| Professional dues and subscriptions | 500 | 468 | 32 |
| Education seminars and conferences | 2,000 | 1,379 | 621 |
| Telephone | 5,500 | 5,867 | (367) |
| Utilities | 5,500 | 3,234 | 2,266 |
| Repairs | 82,135 | 98,468 | (16,333) |
| Equipment rentals | 3,000 | 4,897 | (1,897) |
| Miscellaneous expense | - | 3,500 | (3,500) |
| Contingency expense | 6,000 | - | 6,000 |
| Total Contractual Services | 144,635 | 163,122 | (18,487) |
| Commodities | | | |
| Uniforms | 5,000 | 6,245 | (1,245) |
| Supplies and parts | 16,200 | 20,108 | (3,908) |
| Landscaping supplies | 30,100 | 23,139 | 6,961 |
| Prairie burns | 3,000 | - | 3,000 |
| Total Commodities | 54,300 | 49,492 | 4,808 |
| Capital Expenditures | | | |
| Equipment purchase | 8,000 | 2,513 | 5,487 |
| Installment contracts | 4,000 | 3,315 | 685 |
| Total Capital Expenditures | 12,000 | 5,828 | 6,172 |
| Total Maintenance | 496,935 | 482,818 | 14,117 |

GRAYSLAKE COMMUNITY PARK DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|---------------------------------|-------------------|-------------------------------|
| Debt Service: | | | |
| Principal | \$ 55,000 | \$ 40,000 | \$ 15,000 |
| Interest and fees | - | 7,226 | (7,226) |
| Total Debt Service | <u>55,000</u> | <u>47,226</u> | <u>7,774</u> |
| Total Expenditures | <u>881,595</u> | <u>867,101</u> | <u>14,494</u> |
| Net Change in Fund Balance | <u>\$ 7,114</u> | 2,438 | <u>\$ (4,676)</u> |
| Fund Balance at Beginning of Year | | <u>232,593</u> | |
| Fund Balance at End of Year | | <u>\$ 235,031</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|------------------------------------|---------------------------------|------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 645,873 | \$ 643,795 | \$ (2,078) |
| Programs | 1,164,500 | 1,086,444 | (78,056) |
| Golf course | 118,400 | 70,280 | (48,120) |
| Rental | 13,500 | 9,366 | (4,134) |
| Interest | 5,000 | 356 | (4,644) |
| Affiliate fees | 25,000 | 9,020 | (15,980) |
| Miscellaneous | 39,000 | 2,298 | (36,702) |
| Total Revenues | 2,011,273 | 1,821,559 | (189,714) |
| EXPENDITURES | | | |
| Recreation Department: | | | |
| Salaries and Benefits | | | |
| Salaries | 415,000 | 416,396 | (1,396) |
| Fringe benefits | 66,800 | 77,471 | (10,671) |
| Total Salaries and Benefits | 481,800 | 493,867 | (12,067) |
| Contractual Services | | | |
| Staff/volunteer recognition | 4,000 | 2,160 | 1,840 |
| Mileage reimbursement | 13,500 | 13,200 | 300 |
| Fuel and lubrication | 3,000 | 2,283 | 717 |
| Service contract equipment | 15,000 | 16,748 | (1,748) |
| Postage | 5,000 | 3,056 | 1,944 |
| Public relations | 4,000 | 2,035 | 1,965 |
| Portable facilities | 5,000 | 4,451 | 549 |
| Dues and subscriptions | 5,000 | 4,241 | 759 |
| Education | 20,000 | 25,460 | (5,460) |
| Agency membership | 2,000 | 589 | 1,411 |
| Printing and publishing | 48,000 | 46,810 | 1,190 |
| Utilities | 32,000 | 25,004 | 6,996 |
| Apparel | 5,000 | 3,985 | 1,015 |
| Miscellaneous | 2,000 | 189 | 1,811 |
| Waste removal | 5,500 | 4,557 | 943 |
| Equipment rental | 500 | - | 500 |
| Office equipment repairs | 500 | 30 | 470 |
| Bank/credit card fees | 18,000 | 12,353 | 5,647 |
| First aid training | 1,000 | 1,583 | (583) |
| Total Contractual Services | 189,000 | 168,734 | 20,266 |

GRAYSLAKE COMMUNITY PARK DISTRICT
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|---------------------------------|---------------------------------|----------------|-------------------------------|
| EXPENDITURES (Cont'd) | | | |
| Recreation Department: (Cont'd) | | | |
| Commodities | | | |
| Office supplies | \$ 4,000 | \$ 2,323 | \$ 1,677 |
| Equipment supplies | 1,000 | 199 | 801 |
| Computer supplies | 1,000 | 735 | 265 |
| Recreation supplies | 5,000 | 2,735 | 2,265 |
| Computer software | 1,000 | 189 | 811 |
| Total Commodities | <u>12,000</u> | <u>6,181</u> | <u>5,819</u> |
| Capital Expenditures | | | |
| Copier lease | 3,500 | 2,024 | 1,476 |
| Computer hardware | 3,000 | 650 | 2,350 |
| Gym equipment | 1,000 | - | 1,000 |
| Furniture | 1,000 | 290 | 710 |
| Total Capital Expenditures | <u>8,500</u> | <u>2,964</u> | <u>5,536</u> |
| Total Recreational Expenditures | <u>691,300</u> | <u>671,746</u> | <u>19,554</u> |
| Maintenance Department: | | | |
| Salaries and Benefits | | | |
| Salaries | 223,100 | 203,880 | 19,220 |
| Fringe benefits | 38,700 | 41,318 | (2,618) |
| Total Salaries and Benefits | <u>261,800</u> | <u>245,198</u> | <u>16,602</u> |
| Contractual Services | | | |
| Building repairs | 5,000 | 4,502 | 498 |
| General maintenance supplies | 4,000 | 3,139 | 861 |
| Service contracts | - | 464 | (464) |
| Total Contractual Services | <u>9,000</u> | <u>8,105</u> | <u>895</u> |
| Total Maintenance Department | <u>270,800</u> | <u>253,303</u> | <u>17,497</u> |
| Program Services: | | | |
| Salaries and Benefits | | | |
| Program salaries | 357,200 | 293,626 | 63,574 |
| Total Program Salaries | <u>357,200</u> | <u>293,626</u> | <u>63,574</u> |

GRAYSLAKE COMMUNITY PARK DISTRICT
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|---------------------------------|-------------------|-------------------------------|
| EXPENDITURES (Cont'd) | | | |
| Program Services: (Cont'd) | | | |
| Contractual Services | | | |
| Program supplies/services | \$ 435,300 | \$ 412,095 | \$ 23,205 |
| Concession expense | 10,000 | 17,104 | (7,104) |
| Pumps out | 20,000 | 11,218 | 8,782 |
| Utilities | 12,000 | 7,170 | 4,830 |
| Waste removal | 3,000 | 800 | 2,200 |
| Landscaping supplies | 22,000 | 18,904 | 3,096 |
| Equipment rental | - | 5,848 | (5,848) |
| Field and equipment repairs | - | 4,531 | (4,531) |
| Miscellaneous | - | 2,771 | (2,771) |
| Total Contractual Services | <u>502,300</u> | <u>480,441</u> | <u>21,859</u> |
| Total Program Services | <u>859,500</u> | <u>774,067</u> | <u>85,433</u> |
| Golf Course: | | | |
| Golf salaries | 70,000 | 86,364 | (16,364) |
| Contractual services | 21,050 | 36,605 | (15,555) |
| Commodities | 27,350 | 17,304 | 10,046 |
| Miscellaneous | - | 112 | (112) |
| Total Golf Course | <u>118,400</u> | <u>140,385</u> | <u>(21,985)</u> |
| Debt Service: | | | |
| Principal | 48,000 | 40,000 | 8,000 |
| Interest and fees | - | 7,226 | (7,226) |
| Total Debt Service | <u>48,000</u> | <u>47,226</u> | <u>774</u> |
| Total Expenditures | <u>1,988,000</u> | <u>1,886,727</u> | <u>101,273</u> |
| Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources | <u>23,273</u> | <u>(65,168)</u> | <u>(88,441)</u> |
| Other Financing Sources | | | |
| Proceeds from Petroleum Loan | - | 4,475 | (4,475) |
| Total Other Financing Sources | <u>-</u> | <u>4,475</u> | <u>(4,475)</u> |
| Net Change in Fund Balance | <u>\$ 23,273</u> | <u>(60,693)</u> | <u>\$ (83,966)</u> |
| Fund Balance at Beginning of Year | | <u>297,308</u> | |
| Fund Balance at End of Year | | <u>\$ 236,615</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
SPECIAL RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|---------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 269,114 | \$ 264,850 | \$ (4,264) |
| Special recreation revenue | 151,000 | 10,000 | (141,000) |
| Total Revenues | <u>420,114</u> | <u>274,850</u> | <u>(145,264)</u> |
| EXPENDITURES | | | |
| Association dues | 85,121 | 85,741 | (620) |
| Special projects | 150,000 | 83,532 | 66,468 |
| SRA Bus | 150,000 | - | 150,000 |
| Total Expenditures | <u>385,121</u> | <u>169,273</u> | <u>215,848</u> |
| Net Change in Fund Balance | <u>\$ 34,993</u> | 105,577 | <u>\$ 70,584</u> |
| Fund Balance at Beginning of Year | | <u>503,265</u> | |
| Fund Balance at End of Year | | <u>\$ 608,842</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|---------------------------------|------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 524,772 | \$ 523,082 | \$ (1,690) |
| Interest income | - | 11 | 11 |
| Total Revenues | <u>524,772</u> | <u>523,093</u> | <u>(1,679)</u> |
| EXPENDITURES | | | |
| Principal | 516,892 | 315,000 | 201,892 |
| Interest and fees | 7,000 | 107,585 | (100,585) |
| Total Expenditures | <u>523,892</u> | <u>422,585</u> | <u>101,307</u> |
| Net Change in Fund Balance | <u>\$ 880</u> | 100,508 | <u>\$ 99,628</u> |
| Fund Balance at Beginning of Year | | <u>(9,815)</u> | |
| Fund Balance at End of Year | | <u>\$ 90,693</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|---------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Grants and donations | \$ 1,016,000 | \$ 411,284 | \$ (604,716) |
| Total Revenues | <u>1,016,000</u> | <u>411,284</u> | <u>(604,716)</u> |
| EXPENDITURES | | | |
| Alleghany Park | - | 115,341 | (115,341) |
| Jones Island | 335,000 | - | 335,000 |
| Cullen Park | 285,000 | - | 285,000 |
| Neighborhood parks | 60,000 | - | 60,000 |
| Building improvements | 5,000 | - | 5,000 |
| Equipment purchase | 40,000 | 56,223 | (16,223) |
| Professional services | 22,000 | 30,412 | (8,412) |
| Total Expenditures | <u>747,000</u> | <u>201,976</u> | <u>545,024</u> |
| Net Change in Fund Balance | <u>\$ 269,000</u> | 209,308 | <u>\$ (59,692)</u> |
| Fund Balance at Beginning of Year | | <u>(748,652)</u> | |
| Fund Balance at End of Year | | <u>\$ (539,344)</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
MAY 31, 2012

| | Liability Insurance | Audit | IMRF |
|--|--------------------------|-------------------------|--------------------------|
| ASSETS | | | |
| Cash | \$ 34,571 | \$ 65,345 | \$ 61,333 |
| Property taxes receivable | 92,994 | - | 111,593 |
| Other accounts receivable | 372 | - | - |
| Total Assets | <u>\$ 127,937</u> | <u>\$ 65,345</u> | <u>\$ 172,926</u> |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities: | | | |
| Accounts payable | \$ - | \$ - | \$ (4,973) |
| Cash overdraft | - | - | - |
| Deferred property tax revenue | 95,516 | - | 114,620 |
| Total Liabilities | <u>95,516</u> | <u>-</u> | <u>109,647</u> |
| Fund Balance: | | | |
| Restricted | <u>32,421</u> | <u>65,345</u> | <u>63,279</u> |
| Total Liabilities and Fund Balances | <u>\$ 127,937</u> | <u>\$ 65,345</u> | <u>\$ 172,926</u> |

| Paving and Lighting | Aquarium and Museum Maintenance | Social Security | Total |
|------------------------|---------------------------------------|--------------------|-------------------|
| \$ 56,413 | \$ 225,647 | \$ - | \$ 443,309 |
| 6,200 | 12,400 | 97,948 | 321,135 |
| - | - | - | 372 |
| <u>\$ 62,613</u> | <u>\$ 238,047</u> | <u>\$ 97,948</u> | <u>\$ 764,816</u> |
| \$ - | \$ - | \$ - | \$ (4,973) |
| - | - | 29,922 | 29,922 |
| 6,367 | 12,736 | 101,884 | 331,123 |
| <u>6,367</u> | <u>12,736</u> | <u>131,806</u> | <u>356,072</u> |
| <u>56,246</u> | <u>225,311</u> | <u>(33,858)</u> | <u>408,744</u> |
| <u>\$ 62,613</u> | <u>\$ 238,047</u> | <u>\$ 97,948</u> | <u>\$ 764,816</u> |

GRAYSLAKE COMMUNITY PARK DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MAY 31, 2012

| | Liability Insurance | Audit | IMRF |
|-----------------------------------|------------------------|------------------|------------------|
| REVENUES | | | |
| Property taxes | \$ 93,887 | \$ 6,707 | \$ 114,005 |
| Interest income | 22 | 20 | 253 |
| Miscellaneous income | 150 | - | - |
| Total Revenues | 94,059 | 6,727 | 114,258 |
| EXPENDITURES | | | |
| Salaries and wages | 16,782 | - | - |
| Retirement | - | - | 114,124 |
| Social security | - | - | - |
| General/contractual | 71,575 | 8,422 | - |
| Total Expenditures | 88,357 | 8,422 | 114,124 |
| Net Change in Fund Balance | 5,702 | (1,695) | 134 |
| Fund Balance at Beginning of Year | 26,719 | 67,040 | 63,145 |
| Fund Balance at End of Year | <u>\$ 32,421</u> | <u>\$ 65,345</u> | <u>\$ 63,279</u> |

| <u>Paving and Lighting</u> | <u>Aquarium and Museum Maintenance</u> | <u>Social Security</u> | <u>Total</u> |
|--------------------------------|--|----------------------------|-------------------|
| \$ 26,825 | \$ 13,413 | \$ 92,641 | \$ 347,478 |
| 18 | 65 | 3 | 381 |
| - | - | - | 150 |
| <u>26,843</u> | <u>13,478</u> | <u>92,644</u> | <u>348,009</u> |
| - | - | - | 16,782 |
| - | - | - | 114,124 |
| - | - | 106,150 | 106,150 |
| <u>24,466</u> | <u>5,791</u> | <u>-</u> | <u>110,254</u> |
| <u>24,466</u> | <u>5,791</u> | <u>106,150</u> | <u>347,310</u> |
| 2,377 | 7,687 | (13,506) | 699 |
| <u>53,869</u> | <u>217,624</u> | <u>(20,352)</u> | <u>408,045</u> |
| <u>\$ 56,246</u> | <u>\$ 225,311</u> | <u>\$ (33,858)</u> | <u>\$ 408,744</u> |

GRAYSLAKE COMMUNITY PARK DISTRICT
LIABILITY INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|---------------------------------|------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 94,189 | \$ 93,887 | \$ (302) |
| Interest income | - | 22 | 22 |
| Miscellaneous | 1,500 | 150 | (1,350) |
| Total Revenues | 95,689 | 94,059 | (1,630) |
| EXPENDITURES | | | |
| Salaries and wages | 18,314 | 16,782 | 1,532 |
| PDRMA Premium | 66,245 | 66,245 | - |
| Safety management | 1,500 | 521 | 979 |
| Legal | 4,800 | 2,405 | 2,395 |
| Background checks | 4,000 | 2,404 | 1,596 |
| Contingency expense | 500 | - | 500 |
| Total Expenditures | 95,359 | 88,357 | 7,002 |
| Net Change in Fund Balance | \$ 330 | 5,702 | \$ 5,372 |
| Fund Balance at Beginning of Year | | 26,719 | |
| Fund Balance at End of Year | | \$ 32,421 | |

GRAYSLAKE COMMUNITY PARK DISTRICT
 AUDIT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MAY 31, 2012

| | Original Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|-----------------------------|------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 6,727 | \$ 6,707 | \$ (20) |
| Interest income | - | 20 | 20 |
| Total Revenues | <u>6,727</u> | <u>6,727</u> | <u>-</u> |
| EXPENDITURES | | | |
| Audit and accounting services | 10,804 | 8,422 | 2,382 |
| Total Expenditures | <u>10,804</u> | <u>8,422</u> | <u>2,382</u> |
| Net Change in Fund Balance | <u>\$ (4,077)</u> | (1,695) | <u>\$ 2,382</u> |
| Fund Balance at Beginning of Year | | <u>67,040</u> | |
| Fund Balance at End of Year | | <u>\$ 65,345</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|-----------------|------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 114,373 | \$ 114,005 | \$ (368) |
| Interest income | - | 253 | 253 |
| Total Revenues | 114,373 | 114,258 | (115) |
| EXPENDITURES | | | |
| Employer IMRF | 114,000 | 114,124 | (124) |
| Total Expenditures | 114,000 | 114,124 | (124) |
| Net Change in Fund Balance | <u>\$ 373</u> | 134 | <u>\$ (239)</u> |
| Fund Balance at Beginning of Year | | <u>63,145</u> | |
| Fund Balance at End of Year | | <u>\$ 63,279</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
PAVING AND LIGHTING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|---------------------------------|------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 26,911 | \$ 26,825 | \$ (86) |
| Interest income | - | 18 | 18 |
| | <u>26,911</u> | <u>26,843</u> | <u>(68)</u> |
| Total Revenues | | | |
| EXPENDITURES | | | |
| Special projects | 26,000 | 24,466 | 1,534 |
| | <u>26,000</u> | <u>24,466</u> | <u>1,534</u> |
| Total Expenditures | | | |
| Net Change in Fund Balance | <u>\$ 911</u> | 2,377 | <u>\$ 1,466</u> |
| Fund Balance at Beginning of Year | | <u>53,869</u> | |
| Fund Balance at End of Year | | <u>\$ 56,246</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
 AQUARIUM AND MUSEUM MAINTENANCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|---------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 13,455 | \$ 13,413 | \$ (42) |
| Interest income | - | 65 | 65 |
| | <u>13,455</u> | <u>13,478</u> | <u>23</u> |
| EXPENDITURES | | | |
| Services | 12,000 | 5,791 | 6,209 |
| | <u>12,000</u> | <u>5,791</u> | <u>6,209</u> |
| Net Change in Fund Balance | <u>\$ 1,455</u> | 7,687 | <u>\$ 6,232</u> |
| Fund Balance at Beginning of Year | | <u>217,624</u> | |
| Fund Balance at End of Year | | <u>\$ 225,311</u> | |

GRAYSLAKE COMMUNITY PARK DISTRICT
 SOCIAL SECURITY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MAY 31, 2012

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|---------------------------------|--------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 94,189 | \$ 92,641 | \$ (1,548) |
| Interest income | - | 3 | 3 |
| Total Revenues | <u>94,189</u> | <u>92,644</u> | <u>(1,545)</u> |
| EXPENDITURES | | | |
| Employer FICA | <u>93,000</u> | <u>106,150</u> | <u>(13,150)</u> |
| Total Expenditures | <u>93,000</u> | <u>106,150</u> | <u>(13,150)</u> |
| Net Change in Fund Balance | <u>\$ 1,189</u> | <u>(13,506)</u> | <u>\$ (14,695)</u> |
| Fund Balance at Beginning of Year | | <u>(20,352)</u> | |
| Fund Balance at End of Year | | <u>\$ (33,858)</u> | |

(THIS PAGE INTENTIONALLY LEFT BLANK)

STATISTICAL SECTION

(THIS PAGE INTENTIONALLY LEFT BLANK)

GRAYSLAKE COMMUNITY PARK DISTRICT
 ASSESSED VALUATIONS, TAX RATES, ALLOCATIONS AND EXTENSIONS (UNAUDITED)
 TAX LEVY YEARS 2011-2002

| Fiscal Year | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| ASSESSED VALUATIONS (In thousands) | <u>\$ 636,779</u> | <u>\$ 672,785</u> | <u>\$ 709,150</u> | <u>\$ 726,367</u> | <u>\$ 694,822</u> |
| TAX RATES | | | | | |
| Corporate | 0.140 | 0.126 | 0.118 | 0.114 | 0.112 |
| Recreation | 0.104 | 0.096 | 0.092 | 0.090 | 0.087 |
| Liability insurance | 0.015 | 0.014 | 0.013 | 0.014 | 0.014 |
| Audit | 0.000 | 0.001 | 0.000 | 0.001 | 0.003 |
| Debt service | 0.083 | 0.078 | 0.074 | 0.075 | 0.077 |
| Retirement | 0.018 | 0.017 | 0.016 | 0.005 | 0.005 |
| Paving and lighting | 0.001 | 0.004 | 0.000 | 0.005 | 0.005 |
| Handicapped recreation | 0.040 | 0.040 | 0.040 | 0.040 | 0.040 |
| Aquarium and museum maintenance | 0.002 | 0.002 | 0.000 | 0.002 | 0.002 |
| Social security | <u>0.016</u> | <u>0.014</u> | <u>0.013</u> | <u>0.013</u> | <u>0.014</u> |
| TOTAL TAX RATES | <u>0.419</u> | <u>0.392</u> | <u>0.366</u> | <u>0.359</u> | <u>0.359</u> |
| TAX EXTENSIONS | | | | | |
| Corporate | \$ 891,491 | \$ 847,709 | \$ 836,797 | \$ 828,059 | \$ 778,201 |
| Recreation | 662,250 | 645,874 | 652,418 | 653,731 | 604,495 |
| Liability insurance | 95,517 | 94,190 | 92,190 | 101,692 | 97,275 |
| Audit | - | 6,728 | - | 7,264 | 20,845 |
| Debt service | 528,527 | 524,772 | 524,771 | 544,776 | 535,013 |
| Retirement | 114,620 | 114,373 | 113,464 | 36,318 | 34,741 |
| Paving and lighting | 6,368 | 26,911 | - | 36,318 | 34,741 |
| Handicapped recreation | 254,712 | 269,114 | 283,660 | 290,547 | 277,929 |
| Aquarium and museum maintenance | 12,735 | 13,456 | - | 14,527 | 13,897 |
| Social security | <u>101,885</u> | <u>94,190</u> | <u>92,190</u> | <u>94,428</u> | <u>97,275</u> |
| TOTAL TAX EXTENSIONS | <u>\$ 2,668,105</u> | <u>\$ 2,637,317</u> | <u>\$ 2,595,490</u> | <u>\$ 2,607,660</u> | <u>\$ 2,494,412</u> |
| COLLECTIONS | <u>\$ 70,454</u> | <u>\$ 2,611,303</u> | <u>\$ 2,539,115</u> | <u>\$ 2,592,375</u> | <u>\$ 2,465,985</u> |
| COLLECTION RATE | <u>2.64%</u> | <u>99.01%</u> | <u>97.83%</u> | <u>99.41%</u> | <u>98.86%</u> |

| <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>\$ 627,503</u> | <u>\$ 575,588</u> | <u>\$ 540,505</u> | <u>\$ 508,882</u> | <u>\$ 465,174</u> |
| 0.107 | 0.100 | 0.100 | 0.100 | 0.099 |
| 0.083 | 0.075 | 0.075 | 0.075 | 0.075 |
| 0.019 | 0.024 | 0.019 | 0.025 | 0.014 |
| 0.002 | 0.002 | 0.002 | 0.004 | 0.005 |
| 0.084 | 0.092 | 0.099 | 0.033 | 0.005 |
| 0.014 | 0.025 | 0.024 | 0.024 | 0.033 |
| 0.005 | 0.005 | 0.002 | 0.005 | 0.005 |
| 0.040 | 0.040 | 0.019 | 0.040 | 0.028 |
| 0.003 | 0.010 | 0.019 | 0.003 | 0.000 |
| 0.019 | 0.017 | 0.016 | 0.016 | 0.000 |
| <u>0.376</u> | <u>0.390</u> | <u>0.375</u> | <u>0.325</u> | <u>0.264</u> |
| \$ 671,428 | \$ 575,589 | \$ 540,505 | \$ 508,883 | \$ 460,522 |
| 520,828 | 431,691 | 405,379 | 381,662 | 348,881 |
| 119,226 | 138,141 | 102,696 | 127,221 | 65,124 |
| 12,550 | 11,512 | 10,810 | 20,355 | 23,259 |
| 527,103 | 529,541 | 535,100 | 167,931 | 23,259 |
| 87,850 | 143,898 | 129,721 | 122,132 | 153,507 |
| 31,375 | 28,779 | 10,810 | 25,444 | 23,259 |
| 251,001 | 230,235 | 102,696 | 203,553 | 130,249 |
| 18,825 | 57,559 | 102,696 | 15,266 | - |
| 119,226 | 97,850 | 86,481 | 81,421 | - |
| <u>\$ 2,359,412</u> | <u>\$ 2,244,795</u> | <u>\$ 2,026,894</u> | <u>\$ 1,653,868</u> | <u>\$ 1,228,060</u> |
| <u>\$ 2,346,125</u> | <u>\$ 2,215,674</u> | <u>\$ 1,971,757</u> | <u>\$ 1,644,407</u> | <u>\$ 1,226,196</u> |
| <u>99.44%</u> | <u>98.70%</u> | <u>97.28%</u> | <u>99.43%</u> | <u>99.85%</u> |

GRAYSLAKE COMMUNITY PARK DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
MAY 31, 2012

| | |
|--|-----------------------|
| Assessed Valuation 2011 | <u>\$ 636,779,328</u> |
| Statutory Debt Limitation (2.875% of Assessed Valuation) | \$ 18,307,406 |
| Total Debt Outstanding | <u>5,025,000</u> |
| Legal Debt Margin | <u>\$ 13,282,406</u> |