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***GRAYSLAKE COMMUNITY PARK DISTRICT
LAKE COUNTY, ILLINOIS***

ANNUAL FINANCIAL REPORT

MAY 31, 2018

eder, casella & co.

GRAYSLAKE COMMUNITY PARK DISTRICT
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Grayslake Community Park District
Grayslake, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

GRAYSLAKE COMMUNITY PARK DISTRICT

as of and for the year ended May 31, 2018, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Park District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Park District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Park District, as of May 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 17 to the financial statements, the Park District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; and GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contribution, Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios, and budgetary comparison information on pages 3 through 10 and 37 through 49 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Park District's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
September 24, 2018

REQUIRED SUPPLEMENTARY INFORMATION

Grayslake Community Park District

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Grayslake Community Park District (Park District), we offer readers of the Park District's statements this narrative overview and analysis of the financial activities of the Park District for the fiscal year ended May 31, 2018.

FINANCIAL HIGHLIGHTS

- The net position of the Park District was \$20,625,871 at May 31, 2018.
- The Park District's total net position increased by \$12,625, which included a net position adjustment of \$(115,825).
- At May 31, 2018, the Park District's governmental funds reported combined ending fund balances of \$2,241,177, a decrease of \$121,311 from the prior year [including a fund balance adjustment of \$(20,088)].
- The Park District's total fixed assets decreased by \$229,048 during the year ended May 31, 2018. The key factor in this decrease was depreciation offset by a small amount of new assets.
- The Park District's total long-term debt decreased by \$305,000 during the year ended May 31, 2018. The key factor in this decrease was payments made according to the payment schedules.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Park District's basic financial statements. The Park District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Park District's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Park District's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Park District is improving or deteriorating.

The Statement of Activities presents information showing how the Park District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Park District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Park District include general government, providing and maintaining open space, and culture and recreation. The Park District does not conduct any business-type activities.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Park District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Park District are governmental funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Park District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Park District maintains twelve individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Recreation Fund, Special Recreation Fund, Debt Service Fund, Capital Projects Fund and 2014 Debt Project Fund, which are considered to be the Park District's only major funds. Data from the other six governmental funds are combined into a single, aggregated presentation.

The basic governmental fund financial statements can be found on pages 13 through 16 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Park District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the Park District's own programs. The Park District has one fiduciary fund: the Lake Management Fund. The Lake Management Fund is used to account for assets held by the Park District as an agent for individuals, private organizations, and other governments. This fund is custodial in nature and does not involve the measurement of results of operations.

The basic fiduciary fund financial statements can be found on pages 17 and 18 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 36 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Park District's progress in meeting its obligation to provide as fully adequate as possible services to its residents.

The Park District adopts an annual budget and appropriation ordinance for all funds. A budgetary comparison statement, which is required supplementary information, has been provided for the General Fund and each major special revenue fund to demonstrate compliance with this budget.

The appropriation comparison statements and related notes can be found on pages 40 through 49 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Park District, net position was \$20,625,871 at May 31, 2018. The following table presents a summary of the Park District's net position for the years ended May 31, 2018 and May 31, 2017:

Grayslake Community Park District's Statement of Net Position

	Governmental Activities	
	5/31/2018	5/31/2017
Assets		
Current and Other Assets	\$ 5,527,538	\$ 5,480,814
Capital Assets	24,072,103	24,301,152
Total Assets	<u>\$ 29,599,641</u>	<u>\$ 29,781,966</u>
Deferred Outflows of Resources	<u>\$ 363,535</u>	<u>\$ 403,097</u>
Liabilities		
Long-Term Liabilities Outstanding	\$ 5,925,143	\$ 6,353,724
Other Liabilities	536,401	446,937
Total Liabilities	<u>\$ 6,461,544</u>	<u>\$ 6,800,661</u>
Deferred Inflows of Resources	<u>\$ 2,875,761</u>	<u>\$ 2,771,156</u>
Net Position		
Net Investment in Capital Assets	\$ 18,814,547	\$ 18,743,951
Restricted	1,084,789	1,401,988
Unrestricted	726,535	467,307
Total Net Position	<u><u>\$ 20,625,871</u></u>	<u><u>\$ 20,613,246</u></u>

One portion of the Park District's net position (91 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The Park District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Park District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Park District's net position (5 percent) represents resources that are subject to external restrictions on how they may be used.

Governmental activities - The Park District's net position increased by \$12,625, which included a net position adjustment of \$(115,825), during the year ended May 31, 2018.

Grayslake Community Park District's Change in Net Position

	Governmental Activities	
	5/31/2018	5/31/2017
Revenues		
Program Revenues		
Charges for Services	\$ 1,246,611	\$ 1,215,661
Operating Grants and Contributions	85,551	226,960
Capital Grants and Contributions	-	24,711
General Revenues		
Property Taxes	2,759,932	2,762,231
Other Taxes	17,937	21,437
Other	63,280	40,255
Gain/(Loss) on Sale of Capital Assets	(4,022)	-
Transfers	(5,319)	-
Total Revenues	<u>\$ 4,163,970</u>	<u>\$ 4,291,255</u>
Expenses		
General Government	\$ 1,312,008	\$ 1,332,724
Park Maintenance	851,205	893,555
Culture and Recreation	943,738	1,118,685
Interest and Fees	201,617	209,992
Depreciation	726,952	717,118
Total Expenses	<u>\$ 4,035,520</u>	<u>\$ 4,272,074</u>
Increase/(Decrease) in Net Position	\$ 128,450	\$ 19,181
Net Position - Beginning of Year	20,613,246	19,650,876
Net Position Adjustment	(115,825)	943,189
Net Position - End of Year	<u>\$ 20,625,871</u>	<u>\$ 20,613,246</u>

- Operating grants and contributions decreased by \$141,409 (62 percent) during the year ended May 31, 2018 due to a large amount of developer donations that were received in the prior year.
- Expenses decreased \$236,554 (6 percent) over the previous year. The decrease was primarily due to lower capital outlay costs for park improvements.

FINANCIAL ANALYSIS OF THE PARK DISTRICT'S FUNDS

As noted earlier, the Park District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Park District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Park District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Park District's net resources available for spending at the end of the fiscal year.

At May 31, 2018, the Park District's governmental funds reported combined ending fund balances of \$2,241,177, a decrease of \$121,311 [including a prior period adjustment of \$(20,088)], in comparison with the prior year. \$480,971 of this fund balance is unassigned and available for spending at the Park District's discretion.

The General Fund is the chief operating fund of the Park District. At May 31, 2018, unassigned fund balance of the General Fund was \$597,582. The fund balance of the Park District's General Fund increased by \$49,828 during the year ended May 31, 2018. The increase is due to an increase in interest income.

The Recreation Fund is a special revenue fund used to track revenues and expenditures related to recreation services. At May 31, 2018, total fund balance of the Recreation Fund was \$576,595. The fund balance of the Recreation Fund increased by \$135,780, including a prior period adjustment of \$(20,088), during the year ended May 31, 2018. Revenues and expenses were similar to the prior year and the fund balance has increased by almost the same amount for two years in a row.

The Special Recreation Fund is a special revenue fund used to track revenues and expenditures related to special recreation services. At May 31, 2018, total fund balance of the Special Recreation Fund was \$409,474. The fund balance of the Special Recreation Fund decreased by \$61,144 during the year ended May 31, 2018. This decrease is very close to the expected decrease in the budget.

The Debt Service Fund is a special revenue fund used to track revenues and expenditures related to debt. At May 31, 2018, total fund balance of the Debt Service Fund was \$136,681. The fund balance of the Debt Service Fund increased by \$22,443 during the year ended May 31, 2018. This increase is primarily due to an interfund transfer.

The Capital Projects Fund and the 2014 Debt Project Fund are both capital project funds used to track the financial resources to be used for the acquisition or construction of capital projects. At May 31, 2018, total fund balance of the Capital Projects Fund and the 2014 Debt Project Fund were \$150,950 and \$0, respectively. The fund balances of the Capital Projects Fund and the 2014 Debt Project Fund decreased by \$5,922 and \$279,064, respectively, during the year ended May 31, 2018. The Capital Projects Fund's decrease was primarily due to special project expenditures. The 2014 Debt Project Fund's decrease was primarily due to the Park District completing some large capital projects.

The remaining funds did not have activity during the year that resulted in a significant change in the respective fund balances.

General Fund Budgetary Highlights

Significant differences between budget and actual revenues and expenditures are summarized as follows:

- The difference between estimated revenues and actual revenues was \$41,650 (favorable). This is primarily due to higher interest income than anticipated.
- The difference between budgeted expenditures and actual expenditures was \$13,377 (unfavorable). This is primarily due to capital outlay expenses that were more than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The Park District's investment in capital assets for its governmental activities as of May 31, 2018 amounts to \$24,072,103 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, vehicles, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

- Land improvements to various parks and trails for \$303,787

Grayslake Community Park District's Capital Assets (net of depreciation)

	Governmental Activities	
	5/31/2018	5/31/2017
Land	\$ 14,511,853	\$ 14,511,853
Construction in Progress	139,826	-
Land Improvements	5,817,281	6,042,758
Buildings	3,103,677	3,185,155
Vehicles	107,361	97,653
Machinery and Equipment	392,105	463,732
Total	<u>\$ 24,072,103</u>	<u>\$ 24,301,151</u>

Additional information on the Park District's capital assets can be found in note 4 on page 25 of this report.

Long-term debt. At May 31, 2018, the Park District had total long-term debt outstanding of \$5,370,000, which is backed by the full faith and credit of the Park District.

Grayslake Community Park District's Outstanding Debt

	Governmental Activities	
	5/31/2018	5/31/2017
Bonds	\$ 5,370,000	\$ 5,675,000
Total	\$ 5,370,000	\$ 5,675,000

The Park District's total debt decreased by \$305,000 during the year ended May 31, 2018. The key factor in this decrease was regularly scheduled debt payments.

Additional information on the Park District's long-term debt can be found in note 5 on pages 25 and 26 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As in the year before, national and statewide budget pressures continued during fiscal year 2018. Despite the continued uncertainty of the State of Illinois financial status, the Grayslake Community Park District continued its healthy economic position. Revenues are budgeted to remain the same during the forthcoming year. The Park District will continue to monitor the national, state and local economic climate and assess its impact on the future of the Park District. The Board and its staff's fiscally responsible conservative planning and budget measures kept the Park District healthy. Concern continues to exist however, regarding the weak fiscal condition of the State of Illinois, if legislation passes that would freeze the amount of property taxes local governments could collect it will result in recreation program cuts and deferment of necessary maintenance and renovating of our parks. However, the signs of continued economic recovery and development in Grayslake will add to the economic strength and contribute to the future of Grayslake Community Park District's revenue base.

With the strengthening economy, the Federal Reserve Board has continued to increase the Fed Funds rate currently at 2.00% up significantly from 1.25% back in FY17. The Park District continued its relationship with a local bank for investment services and also used the Illinois Funds for cash deposits, both yielding competitive rates. The bank's investment performances matched the benchmark for the final quarter of FY17 and anticipate a yield significantly above expected for the coming year due to increasing interest rates. In addition, in 2017 the Park District's Equalized Assessed Valuation (EAV) saw its third consecutive year of increase, growing by 8.34 percent. Based upon the information available, staff anticipates the economic condition and outlook of the Park District to remain stable. The Park District does not feel that these economic factors will have a significant bearing on Park District operations in the coming year and will continue to invest in capital projects and park infrastructure in the coming year.

The Park District's Fund Balance Policy establishes target ratios for unrestricted fund balances to operating budget expenditures. The policy provides for the minimum amount of unreserved fund balance to be maintained for each fund, generally 25% of annual budgeted expenditures; the reserves are monitored and the annual budget is prepared in compliance with this policy. The Park District's funds are currently in compliance with this policy and will remain healthy to accumulate reserves to be prepared to apply for grants that require matching funds of half the project costs. Despite fluctuations in revenues due to changing economic conditions, the Park District has been able to avoid program cuts and has completed needed park improvements per plan and has achieved completion of its planned capital projects in all years since the national economic downturn in 2008/09.

MAJOR INITIATIVES

Each year when preparing the budget, the Park District reviews its annual capital project plan. During the 2017/18 fiscal year, the majority of the Park District's capital improvements focused on park improvements, vehicle and equipment replacement, repair of existing facilities and equipment, as well as ongoing upgrades to comply with ADA standards. Projects are as follows:

2017 / 2018 Budget Projects:

- Installed lightning detection warning system at Alleghany Park.
- Replaced five skylights at Jones Island Preschool and Recreation Center.
- Replaced playground equipment at Cambridge Park.
- Installed acoustic sound panels in gymnasium at Recreation Center.
- Installed irrigation system on 35 acres of Phase 3 at Alleghany Park.
- Patched and seal-coated Recreation Center parking lot.
- Purchased Z-Mower for Parks Department.
- Purchased new truck for Parks Department.
- Replaced two furnaces at Recreation Center.
- Resurfaced a portion of the Central Park bike path.
- Replaced tile at Jones Island Preschool.
- Started the resurfacing and renovation of the Sunrise Park courts, added two new pickleball courts, and improved drainage around the courts.

2018 / 2019 Budget Projects:

- Completed the Sunrise Park Court Project which included resurfacing of the basketball court, adding new basketball standards, creation of two new pickleball courts, new fencing, and improved drainage.
- Completed the Chesapeake Landing Pond 2 Shoreline Stabilization Project. This project was partly funded from the Illinois EPA 319 grant.
- Resurfaced the basketball court and replaced the basketball standards at Tooterville Park.
- Purchased new computerized time and attendance program.
- Purchased new Jacobsen Mower for Parks Department.
- Resurfaced a portion of Haryan Farms bike path.
- Replaced carpet throughout the Recreation Center.
- New paint throughout the Recreation Center.
- New exterior paint and stain for golf course clubhouse.
- Installed new security cameras and motion sensor lights at golf course.
- Replaced two new furnaces at Recreation Center.
- Converted lights in Recreation Center to LED.
- Replaced playground at Sunrise Park.
- Installed new solar parking lot light at Alleghany Park in the upper parking lot.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Park District's finances for all those with an interest in the Park District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Grayslake Community Park District, 240 Commerce Dr., Grayslake, IL 60030.

BASIC FINANCIAL STATEMENTS

GRAYSLAKE COMMUNITY PARK DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
MAY 31, 2018

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 2,375,522
Investments	378,970
Prepaid Expenses	106,059
Receivables (Net of Allowance for Estimated Uncollectible Amounts)	
Accounts Receivable	2,756
Property Taxes	2,664,231
Capital Assets	
Land	14,511,853
Construction in Progress	139,826
Other Capital Assets, Net of Depreciation	9,420,424
Total Assets	\$ 29,599,641
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Refunding, Net of Amortization	\$ 140,779
Pension Expense/Revenue - IMRF	211,927
OPEB Expense/Revenue	10,829
Total Deferred Outflows of Resources	\$ 363,535
LIABILITIES	
Accounts Payable	\$ 51,551
Accrued Expenses	165,116
Unearned Revenue - Program Fees	319,734
Non-Current Liabilities	
Due Within One Year	321,349
Due in More Than One Year	5,603,794
Total Liabilities	\$ 6,461,544
DEFERRED INFLOWS OF RESOURCES	
Property Taxes - Subsequent Year	\$ 2,845,504
OPEB Expense/Revenue	30,257
Total Deferred Inflows of Resources	\$ 2,875,761
NET POSITION	
Net Investment in Capital Assets	\$ 18,814,547
Restricted for:	
Liability Insurance	49,322
Audit	502
Debt Service	54,178
Retirement	178,267
Natural History	149,421
Paving and Lighting	27,696
Capital Improvements	217,694
Special Recreation	407,709
Unrestricted/(Deficit)	726,535
Total Net Position	\$ 20,625,871

The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE COMMUNITY PARK DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 1,312,008	\$ -	\$ -	\$ (1,312,008)
Park Maintenance	851,205	-	-	(851,205)
Culture and Recreation	943,738	1,246,611	85,551	388,424
Interest and Fees on Long-Term Debt	201,617	-	-	(201,617)
Depreciation - Unallocated	726,952	-	-	(726,952)
Total Primary Government	<u>\$ 4,035,520</u>	<u>\$ 1,246,611</u>	<u>\$ 85,551</u>	<u>\$ (2,703,358)</u>
General Revenues				
Taxes				
Property Tax, Levied for General Purposes				\$ 2,759,932
Personal Property Replacement Taxes				17,937
Unrestricted Investment Earnings				40,583
Gain/(Loss) on Sale of Capital Assets				(4,022)
Miscellaneous				22,697
Transfers				(5,319)
Total General Revenues and Transfers				<u>\$ 2,831,808</u>
Change in Net Position				\$ 128,450
Net Position - June 1, 2017				20,613,246
Net Position Adjustment (Note 14)				<u>(115,825)</u>
Net Position - May 31, 2018				<u>\$ 20,625,871</u>

The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE COMMUNITY PARK DISTRICT
FUND FINANCIAL STATEMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2018

	General Fund	Recreation Fund	Special Recreation Fund	Debt Service Fund	Capital Projects Fund	2014 Debt Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 339,707	\$ 990,752	\$ 421,380	\$ 74,325	\$ 150,950	\$ -	\$ 398,408	\$ 2,375,522
Investments	378,970	-	-	-	-	-	-	378,970
Prepaid Expenses	-	10,515	-	95,544	-	-	-	106,059
Due from Other Funds	34	-	-	-	-	-	-	34
Receivables (Net of Allowance for Estimated Uncollectible Amounts, \$0)	-	2,756	-	-	-	-	-	2,756
Accounts Receivable	-	2,756	-	-	-	-	-	2,756
Property Taxes	950,649	704,561	169,474	473,786	-	-	365,761	2,664,231
Total Assets	\$ 1,669,360	\$ 1,708,584	\$ 590,854	\$ 643,655	\$ 150,950	\$ -	\$ 764,169	\$ 5,527,572
LIABILITIES								
Accounts Payable	\$ 39,605	\$ 8,413	\$ -	\$ -	\$ -	\$ -	\$ 3,533	\$ 51,551
Accrued Expenses	14,933	49,928	-	-	-	-	4,711	69,572
Due to Other Funds	-	-	34	-	-	-	-	34
Unearned Revenue - Program Fees	-	319,734	-	-	-	-	-	319,734
Total Liabilities	\$ 54,538	\$ 378,075	\$ 34	\$ -	\$ -	\$ -	\$ 8,244	\$ 440,891
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Property Taxes	\$ 1,017,240	\$ 753,914	\$ 181,346	\$ 506,974	\$ -	\$ -	\$ 386,030	\$ 2,845,504
Total Deferred Inflows of Resources	\$ 1,017,240	\$ 753,914	\$ 181,346	\$ 506,974	\$ -	\$ -	\$ 386,030	\$ 2,845,504
FUND BALANCES								
Nonspendable	\$ -	\$ 10,515	\$ -	\$ 95,544	\$ -	\$ -	\$ -	\$ 106,059
Restricted for:								
Liability Insurance	-	-	-	-	-	-	49,322	49,322
Audit	-	-	-	-	-	-	502	502
Retirement	-	-	-	-	-	-	178,267	178,267
Natural History	-	-	-	-	-	-	149,421	149,421
Paving and Lighting	-	-	-	-	-	-	27,696	27,696
Capital Improvements	-	-	-	-	217,694	-	-	217,694
Special Recreation	-	-	407,709	-	-	-	-	407,709
Debt Service	-	-	-	54,178	-	-	-	54,178
Assigned for:								
Liability Insurance	-	-	-	-	-	-	1,255	1,255
Audit	-	-	-	-	-	-	12	12
Retirement	-	-	-	-	-	-	24	24
Natural History	-	-	-	-	-	-	213	213
Paving and Lighting	-	-	-	-	-	-	9	9
Special Recreation	-	-	1,765	-	-	-	-	1,765
Recreation	-	566,080	-	-	-	-	-	566,080
Unassigned	597,582	-	-	(13,041)	(66,744)	-	(36,826)	480,971
Total Fund Balances	\$ 597,582	\$ 576,595	\$ 409,474	\$ 136,681	\$ 150,950	\$ -	\$ 369,895	\$ 2,241,177
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,669,360	\$ 1,708,584	\$ 590,854	\$ 643,655	\$ 150,950	\$ -	\$ 764,169	\$ 5,527,572

The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE COMMUNITY PARK DISTRICT
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
MAY 31, 2018

Total Fund Balances - Governmental Funds		\$ 2,241,177
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets, net of accumulated depreciation		24,072,103
Deferred charges and credits for debt issue discounts or premiums and other debt issue costs are not financial resources and therefore are not reported in the funds.		
Bond Discounts, net of related amortization	\$ 54,936	
Bond Premiums, net of related amortization	(83,271)	
Loss on Refunding, net of related amortization	140,779	
Total OPEB Liability	(79,725)	
Net Pension Liability - IMRF	<u>(343,659)</u>	
		(310,940)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and Notes Payable	\$ (5,370,000)	
Compensated Absences	(103,424)	
Accrued Interest on Long-Term Debt	<u>(95,544)</u>	
		(5,568,968)
Deferred costs in governmental activities are not financial resources and therefore are not reported in the funds		
OPEB Expense/Revenue	\$ (19,428)	
Pension Expense/Revenue - IMRF	<u>211,927</u>	
		<u>192,499</u>
Net Position of Governmental Activities		<u><u>\$ 20,625,871</u></u>

The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE COMMUNITY PARK DISTRICT
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MAY 31, 2018

	General Fund	Recreation Fund	Special Recreation Fund	Debt Service Fund	Capital Projects Fund	2014 Debt Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES								
Property Taxes	\$ 973,877	\$ 719,271	\$ 172,032	\$ 502,186	\$ -	\$ -	\$ 392,566	\$ 2,759,932
Personal Property Replacement Taxes	17,937	-	-	-	-	-	-	17,937
Developer Donations	-	-	-	-	85,551	-	-	85,551
Interest Income	39,341	-	-	-	-	-	1,242	40,583
Facility Fees	-	14,368	-	-	-	-	-	14,368
Recreation Program Fees	-	1,133,091	-	-	-	-	-	1,133,091
Golf Course Fees	-	90,257	-	-	-	-	-	90,257
Concessions	-	3,019	-	-	-	-	-	3,019
Affiliate Fees	-	5,876	-	-	-	-	-	5,876
Miscellaneous Income	20,681	2,016	-	-	-	-	-	22,697
	<u>\$ 1,051,836</u>	<u>\$ 1,967,898</u>	<u>\$ 172,032</u>	<u>\$ 502,186</u>	<u>\$ 85,551</u>	<u>\$ -</u>	<u>\$ 393,808</u>	<u>\$ 4,173,311</u>
EXPENDITURES								
Current								
General Government	\$ 345,020	\$ 680,363	\$ -	\$ -	\$ -	\$ -	\$ 315,212	\$ 1,340,595
Park Maintenance	622,403	281,836	-	-	-	-	-	904,239
Culture and Recreation	-	845,614	111,954	-	-	-	33,765	991,333
Capital Outlay	35,802	-	121,222	-	91,473	279,064	-	527,561
Debt Service								
Principal	-	-	-	305,000	-	-	-	305,000
Interest and Fees	-	-	-	200,487	-	-	-	200,487
	<u>\$ 1,003,225</u>	<u>\$ 1,807,813</u>	<u>\$ 233,176</u>	<u>\$ 505,487</u>	<u>\$ 91,473</u>	<u>\$ 279,064</u>	<u>\$ 348,977</u>	<u>\$ 4,269,215</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 48,611	\$ 160,085	\$ (61,144)	\$ (3,301)	\$ (5,922)	\$ (279,064)	\$ 44,831	\$ (95,904)
OTHER FINANCING SOURCES/(USES)								
Transfers	1,217	(4,217)	-	25,744	-	-	(28,063)	(5,319)
NET CHANGE IN FUND BALANCES	\$ 49,828	\$ 155,868	\$ (61,144)	\$ 22,443	\$ (5,922)	\$ (279,064)	\$ 16,768	\$ (101,223)
FUND BALANCES - JUNE 1, 2017	547,754	440,815	470,618	114,238	156,872	279,064	353,127	2,362,488
FUND BALANCE ADJUSTMENT (NOTE 14)	-	(20,088)	-	-	-	-	-	(20,088)
FUND BALANCES - MAY 31, 2018	<u>\$ 597,582</u>	<u>\$ 576,595</u>	<u>\$ 409,474</u>	<u>\$ 136,681</u>	<u>\$ 150,950</u>	<u>\$ -</u>	<u>\$ 369,895</u>	<u>\$ 2,241,177</u>

The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE COMMUNITY PARK DISTRICT
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (101,223)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (726,952)	
Capital Outlays	<u>501,926</u>	
		(225,026)

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Proceeds from Sale of Capital Assets		(4,022)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Bond Discount - Amortization	\$ (2,616)	
Accrued Interest on Long-Term Debt	4,225	
Bond Premium - Amortization	3,965	
Deferred Loss on Refunding - Amortization	(6,704)	
Compensated Absences	(7,881)	
OPEB Expense	(3,418)	
Pension Expense	<u>64,044</u>	
		51,615

Employer Pension Contributions are expensed in the fund financial statements but are treated as a reduction in the Net Pension Liability on the government-wide financial statements.

102,106

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		<u>305,000</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 128,450</u></u>
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The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE COMMUNITY PARK DISTRICT
FUND FINANCIAL STATEMENTS
STATEMENT OF FIDUCIARY NET POSITION
LAKE MANAGEMENT FUND
MAY 31, 2018

ASSETS	\$ -
	<hr/>
Total Assets	\$ -
	<hr/> <hr/>
LIABILITIES	\$ -
	<hr/>
Total Liabilities	\$ -
	<hr/>
NET POSITION	\$ -
	<hr/>
Total Net Position	\$ -
	<hr/>
Total Liabilities and Net Position	\$ -
	<hr/> <hr/>

The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE COMMUNITY PARK DISTRICT
FUND FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
LAKE MANAGEMENT FUND
FOR THE YEAR ENDED MAY 31, 2018

REVENUES	
Donations	\$ 2,654
Total Revenues	<u>\$ 2,654</u>
EXPENDITURES	
Current	
Special Projects	\$ 5,308
Total Expenditures	<u>\$ 5,308</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (2,654)
OTHER FINANCING SOURCES/(USES)	
Transfers	<u>5,319</u>
NET CHANGE IN NET POSITION	\$ 2,665
NET POSITION - JUNE 1, 2017	<u>(2,665)</u>
NET POSITION - MAY 31, 2018	<u><u>\$ -</u></u>

The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Grayslake Community Park District (Park District) is duly organized and existing under the provisions of the laws of the State of Illinois. The Park District operates under the Park District Code of the State of Illinois, and all laws amendatory thereto. The Park District operates under the board-manager form of government and provides a variety of recreational facilities, programs, and services.

The Park District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the Park District are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB statements, in that the financial statements include all organizations, activities, and functions that comprise the Park District. Component units are legally separate entities for which the Park District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Park District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Park District. Using these criteria, the Park District has no component units. In addition, the Park District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Statements*

The Park District's basic financial statements include both government-wide (reporting the Park District as a whole) and fund (reporting the Park District's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as governmental activities. The Park District's general government, park maintenance, and culture and recreation functions are classified as governmental activities. The Park District does not conduct any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis by column, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Park District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Park District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Park District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function (general government, park maintenance, and culture and recreation). Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

NOTES TO FINANCIAL STATEMENTS (Continued)

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, personal property replacement taxes, interest income, etc.).

The Park District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Park District as an entity and the change in the Park District's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Park District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of all governmental funds) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements.

The following fund types are used by the Park District:

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The activities reported in these funds are reported as governmental activities in the government-wide financial statements. The Park District reports these governmental funds and fund types:

General Fund – The General Fund is the general operating fund of the Park District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – The Special Revenue Funds (Recreation, Special Recreation, Liability Insurance, Audit, Retirement, Paving and Lighting, Natural History, and Social Security) are used to account for the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service.

Debt Service Fund – The Debt Service Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest, and related fees on general long-term debt.

Capital Project Funds – The Capital Project Funds (Capital Projects Fund and 2014 Bond Project Fund) are used to account for financial resources to be used for the acquisition or construction of capital projects.

2. Fiduciary Funds

Fiduciary Funds (Lake Management Fund) are used to account for assets held by the Park District in a trustee capacity or as an agent for a third party (individuals, private organizations, or other governments).

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Property tax revenues are recognized in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements are met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all Park District funds. Instead, the funds maintain their cash balances in a common money market account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other Park District funds and are, therefore, interfund loans that have not been authorized by Park District Board action.

No funds had any cash overdraft at May 31, 2018.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition. Cash equivalents are accounted for at cost, which approximates market.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Expenses*

Prepaid expenses are for payments made by the Park District in the current year for goods and services received in the subsequent fiscal year.

H. *Inventories*

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. No inventories are maintained by the Park District.

NOTES TO FINANCIAL STATEMENTS (Continued)

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

Land Improvements	20 years
Buildings	50 years
Vehicles	8 years
Machinery and Equipment	5 -20 years

K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet and Statements of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

L. *Compensated Absences*

Vacation and sick time benefits are granted to employees in varying amounts to specified maximums depending on tenure with the Park District. A liability for the accrued but unused vacation and sick time is recorded on the government-wide financial statements.

M. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

N. *Government-Wide Net Position*

Government-wide net position is divided into three components:

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Net investment in capital assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – consists of net position that is restricted by the Park District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
3. Unrestricted net position – all other net position is reported in this category.

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. The spendable fund balances are arranged in a hierarchy based on spending constraints.

1. Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
2. Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Commissioners. Committed amounts cannot be used for any other purpose unless the Board of Commissioners removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
3. Assigned – Assigned fund balances are amounts that are constrained by the Park District's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Commissioners has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Park District itself. All other assigned fund balances are the residual amounts of the fund.

4. Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. This classification is also used to represent negative fund balances in other funds.

The Park District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

P. *Property Tax Calendar and Revenues*

The Park District's property tax is levied each calendar year on all taxable real property located in the Park District's district on or before the last Tuesday in December. The 2017 levy was passed by the Board on November 15, 2017. Property taxes attach as an enforceable lien on property as of January 1

NOTES TO FINANCIAL STATEMENTS (Continued)

of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Park District receives significant distributions of tax receipts approximately one month after these dates.

Q. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the Park District's name.

The Park District is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

As of May 31, 2018, the Park District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	5-10	More than 10
State Investment Pool	\$ 2,021,909	\$ 2,021,909	\$ -	\$ -	\$ -

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered but does have regulatory oversight through the State of Illinois.

Interest Rate Risk. The Park District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to specific types of investment instruments. In general, the investment philosophy of the Park District is to invest in only secured (essentially risk-free), liquid and short-term investments. As of May 31, 2018, the Park District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standards and Poor's

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

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Park District's deposits may not be returned to it. The Park District's custodial credit risk policy requires collateral for any deposits in excess of insured amounts. At May 31, 2018, none of the Park District's bank balances were exposed to custodial credit risk.

NOTE 3 - FAIR VALUE MEASUREMENT

The Park District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTES TO FINANCIAL STATEMENTS (Continued)

The Park District has the following recurring fair value measurements as of May 31, 2018:

- Certificates of Deposit of \$378,970 are valued using evaluated pricing (Level 2 inputs).

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2018 was as follows:

	Balance June 1, 2017	Increases	Decreases	Balance May 31, 2018
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 14,511,853	\$ -	\$ -	\$ 14,511,853
Construction in Progress	-	139,826	-	139,826
Total Capital Assets not being depreciated	<u>\$ 14,511,853</u>	<u>\$ 139,826</u>	<u>\$ -</u>	<u>\$ 14,651,679</u>
Other Capital Assets				
Land Improvements	\$ 10,877,111	\$ 303,787	\$ -	\$ 11,180,898
Buildings	4,199,416	7,601	4,019	4,202,998
Vehicles	298,877	34,060	-	332,937
Machinery and Equipment	2,425,847	16,652	4,844	2,437,655
Total Other Capital Assets at Historical Cost	<u>\$ 17,801,251</u>	<u>\$ 362,100</u>	<u>\$ 8,863</u>	<u>\$ 18,154,488</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ 4,834,353	\$ 529,264	\$ -	\$ 5,363,617
Buildings	1,014,261	85,571	511	1,099,321
Vehicles	201,224	24,352	-	225,576
Machinery and Equipment	1,962,115	87,765	4,330	2,045,550
Total Accumulated Depreciation	<u>\$ 8,011,953</u>	<u>\$ 726,952</u>	<u>\$ 4,841</u>	<u>\$ 8,734,064</u>
Other Capital Assets, Net	<u>\$ 9,789,298</u>	<u>\$ (364,852)</u>	<u>\$ 4,022</u>	<u>\$ 9,420,424</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,301,151</u>	<u>\$ (225,026)</u>	<u>\$ 4,022</u>	<u>\$ 24,072,103</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Unallocated	<u>\$ 726,952</u>

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended May 31, 2018 was as follows:

	Balance June 1, 2017	Additions	Retirements	Balance May 31, 2018	Amounts Due Within One Year
Governmental Activities					
Long-Term Debt					
2014A G.O. Bond	\$ 2,940,000	\$ -	\$ 70,000	\$ 2,870,000	\$ 75,000
2014B G.O. Bond	2,735,000	-	235,000	2,500,000	245,000
Unamortized Discount	(57,552)	2,616	-	(54,936)	(2,616)
Unamortized Premium	87,236	-	3,965	83,271	3,965
Total Long-Term Debt	<u>\$ 5,704,684</u>	<u>\$ 2,616</u>	<u>\$ 308,965</u>	<u>\$ 5,398,335</u>	<u>\$ 321,349</u>
Other Long-Term Obligations					
Compensated Absences	\$ 95,543	\$ 7,881	\$ -	\$ 103,424	\$ -
Total OPEB Liability	-	79,725	-	79,725	-
Net Pension Liability - IMRF	553,496	-	209,837	343,659	-
Total Other Long-Term Obligations	<u>\$ 649,039</u>	<u>\$ 87,606</u>	<u>\$ 209,837</u>	<u>\$ 526,808</u>	<u>\$ -</u>
Total Governmental Activities Long-Term Obligations	<u>\$ 6,353,723</u>	<u>\$ 90,222</u>	<u>\$ 518,802</u>	<u>\$ 5,925,143</u>	<u>\$ 321,349</u>

Bonds and notes payable consisted of the following at May 31, 2018:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Governmental Activities				
General Obligation Limited Tax Park Bonds, Series 2014A	12/1/2037	2.5%-4.5%	\$ 3,135,000	\$ 2,870,000
General Obligation Refunding Park Bonds, Series 2014B	12/1/2026	2.0%-3.375%	3,405,000	2,500,000
Total			<u>\$ 6,540,000</u>	<u>\$ 5,370,000</u>

At May 31, 2018 the annual debt service requirements to service long-term debt attributable to governmental activities are:

Year Ending May 31	Principal	Interest	Total
2019	\$ 320,000	\$ 191,088	\$ 511,088
2020	335,000	182,238	517,238
2021	345,000	172,988	517,988
2022	390,000	162,638	552,638
2023	400,000	150,938	550,938
2024	420,000	138,938	558,938
2025	435,000	125,288	560,288
2026	455,000	110,731	565,731
2027	285,000	95,044	380,044
2028	135,000	84,644	219,644
2029	145,000	79,244	224,244
2030	155,000	73,444	228,444
2031	165,000	67,050	232,050
2032	175,000	60,244	235,244
2033	185,000	53,025	238,025
2034	195,000	45,394	240,394
2035	210,000	37,350	247,350
2036	220,000	27,900	247,900
2037	235,000	18,000	253,000
2038	165,000	7,425	172,425
	<u>\$ 5,370,000</u>	<u>\$ 1,883,611</u>	<u>\$ 7,253,611</u>

Reconciliation to the Statement of Net Position

The following summarizes non-current liabilities as shown on the Statement of Net Position:

	Due Within One Year	Due in More Than One Year	Total
Bonds and Notes Payable	\$ 320,000	\$ 5,050,000	\$ 5,370,000
Bond Discounts, net of amortization	(2,616)	(52,320)	(54,936)
Bond Premiums, net of amortization	3,965	79,306	83,271
Other Long-Term Liabilities	-	526,808	526,808
	<u>\$ 321,349</u>	<u>\$ 5,603,794</u>	<u>\$ 5,925,143</u>

NOTE 6 - DEFICIT FUND BALANCES/NET POSITON

No fund had a deficit fund balance/net position as of May 31, 2018.

NOTE 7 - PROPERTY TAXES

Property taxes receivable of \$2,664,231 and unavailable revenue of \$2,847,975 recorded in these financial statements are from the 2017 tax levy. The unavailable revenue is 100% of the 2017 levy. These taxes are unavailable as the Park District does not consider the amounts to be available and does not budget for their use in fiscal year 2018. The Park District has determined that 100% of the amounts

NOTES TO FINANCIAL STATEMENTS (Continued)

collected for the 2016 levy are allocable for use in fiscal year 2018. Therefore, 100% of the amounts collected for the 2016 levy (\$2,759,932) are recorded in these financial statements as property taxes revenue. A summary of the assessed valuation, rates, and extensions for the years 2017, 2016, and 2015 follows:

Year	2017		2016		2015	
Assessed Valuation	\$595,395,831		\$549,586,015		\$503,351,770	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Corporate	0.1709	\$ 1,017,240	0.1779	\$ 977,686	0.1943	\$ 978,138
Recreation	0.1266	753,914	0.1314	722,085	0.1434	722,028
Liability Insurance	0.0165	98,163	0.0173	95,276	0.0189	95,264
Debt Service	0.0851	506,974	0.0917	504,146	0.1006	506,140
Retirement	0.0217	129,040	0.0228	125,251	0.0249	125,239
Paving and Lighting	0.0045	26,965	0.0048	26,171	0.0019	9,634
Special Recreation	0.0305	181,346	0.0314	172,707	0.0379	191,002
Audit Tax	0.0017	10,056	0.0018	9,755	-	-
Social Security	0.0205	121,806	0.0250	137,644	0.0279	140,239
	<u>0.4780</u>	<u>\$ 2,845,504</u>	<u>0.5041</u>	<u>\$ 2,770,721</u>	<u>0.5498</u>	<u>\$ 2,767,684</u>

NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended May 31, 2018, the expenditures of the following funds exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
2014 Bond Project	\$ 277,600	\$ 279,064	\$ 1,464
General	989,848	1,003,225	13,377

NOTE 9 - OPERATING LEASES, AS LESSEE

The Park District, as lessee, leases office equipment and vacant land. The land lease was finished in 2018. Estimated future minimum annual rentals are as follows:

	Future Minimum Lease Payments				
	2019	2020	2021	2022	2023
Copier Lease	\$ 5,136	\$ 5,136	\$ 5,136	\$ 5,136	\$ 1,284
Postage Machine	668	668	668	668	-
	<u>\$ 5,804</u>	<u>\$ 5,804</u>	<u>\$ 5,804</u>	<u>\$ 5,804</u>	<u>\$ 1,284</u>

Total rental expense for all operating leases for the year ended May 31, 2018 was \$8,304.

NOTE 10 - ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The Park District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Park District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

NOTES TO FINANCIAL STATEMENTS (Continued)

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	14
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	23
Total	<u>51</u>

Contributions

As set by statute, the Park District's Regular Plan Members are required to contribute 4.5% 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 Park District's annual contribution rate for calendar year 2017 was 9.57%. For the fiscal year ended May 31, 2018, the Park District contributed \$102,918 to the plan. The Park District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The components of the net pension liability of the IMRF as of December 31, 2017, calculated in accordance with GASB Statement No. 68, were as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Total Pension Liability	\$	4,609,620
IMRF Fiduciary Net Position		4,265,961
Park District's Net Pension Liability		343,659
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		92.54%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.50%
Salary Increases	3.39%-14.25% including inflation
Interest Rate	7.50%
Asset Valuation Method	Market Value of Assets

Projected Retirement Age	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
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For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

Asset Class	Allocation	Return
Equities	37.0%	6.85%
International Equities	18.0%	6.75%
Fixed Income	28.0%	3.00%
Real Estate	9.0%	5.75%
Alternatives	7.0%	
Private Equity		7.35%
Hedge Funds		5.05%
Commodities		2.65%
Cash	1.0%	2.25%
	<u>100.0%</u>	

NOTES TO FINANCIAL STATEMENTS (Continued)

Single Discount Rate

The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2016	\$ 3,994,016	\$ 3,440,520	\$ 553,496
Changes for the year:			
Service Cost	\$ 123,442	\$ -	\$ 123,442
Interest on the Total Pension Liability	298,673	-	298,673
Differences Between Expected and Actual Experience of the Total Pension Liability	492,096	-	492,096
Changes of Assumptions	(151,759)	-	(151,759)
Contributions - Employer	-	97,278	(97,278)
Contributions - Employee	-	45,742	(45,742)
Net Investment Income	-	592,323	(592,323)
Benefit Payments, including Refunds of Employee Contributions	(146,848)	(146,848)	-
Other (Net Transfer)	-	236,946	(236,946)
Net Changes	\$ 615,604	\$ 825,441	\$ (209,837)
Balances at December 31, 2017	\$ 4,609,620	\$ 4,265,961	\$ 343,659

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.50%	Current Discount Rate 7.50%	1% Higher 8.50%
Net Pension Liability/(Asset)	\$ 1,061,831	\$ 343,659	\$ (238,435)

Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended May 31, 2018, the District recognized pension expense/(income) of \$64,044. At May 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	\$ 486,736	\$ 41,332	\$ 445,404
Changes of assumptions	-	123,547	(123,547)
Net difference between projected and actual earnings on pension plan investments	104,780	260,434	(155,654)
Total deferred amounts to be recognized in pension expense in future periods	\$ 591,516	\$ 425,313	\$ 166,203
Pension contributions made subsequent to the measurement date	45,724	-	45,724
Total deferred amounts related to pensions	<u>\$ 637,240</u>	<u>\$ 425,313</u>	<u>\$ 211,927</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ 63,310
2019	73,695
2020	38,231
2021	(9,033)
2022	-
Thereafter	-
	<u>\$ 166,203</u>

NOTE 11 - POST-EMPLOYMENT BENEFIT COMMITMENTS – RETIREE INSURANCE PLAN

Plan Overview

In addition to the retirement plan described in Note 10, the Park District provides post-employment benefits other than pensions (“OPEB”) to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

Medical Coverage

Eligible retirees may continue coverage into retirement on the Park District plan on a pay-all basis. Coverage is also available for eligible dependents on a pay-all basis. Coverage can continue upon the participant reaching Medicare eligibility. Coverage for dependents can continue upon the death of the retiree given that contributions continue.

The Plan does not issue a stand-alone financial report.

Eligibility

Employees of the Park District are eligible for retiree health benefits as listed below:

Regular Plan Tier 1 (Enrolled in IMRF Prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service

Regular Plan Tier 2 (Enrolled in IMRF On or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service

Membership in the plan consisted of the following at June 1, 2017, the date of the latest actuarial valuation:

Active Employees	16
Inactive Employees Entitled to but not yet Receiving Benefits	0
Inactive Employees Currently Receiving Benefits	0
Total	<u>16</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Contribution

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan.

Total OPEB Liability

The Park District's total OPEB liability was measured as of May 31, 2018, and the total OPEB liability was determined by an actuarial valuation as of June 1, 2017.

Actuarial Assumptions

The total OPEB liability in the May 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.27%
Salary Rate Increase	4.00%
Expected long-term investment rate of return	N/A
Health Care Trend	

Insurance Year Trends

Fiscal Year Trends

	Period	PPO	HMO	Period	PPO	HMO
(1) Known rate	IY17-IY18	-6.39% ⁽¹⁾	3.86% ⁽¹⁾	FY17-FY18	-1.23%	5.17%
	IY18-IY19	6.00%	7.00%	FY18-FY19	5.95%	6.91%
	IY19-IY20	5.89%	6.78%	FY19-FY20	5.84%	6.69%
	IY20-IY21	5.78%	6.56%	FY20-FY21	5.73%	6.46%
	IY21-IY22	5.67%	6.33%	FY21-FY22	5.62%	6.24%
	IY22-IY23	5.56%	6.11%	FY22-FY23	5.51%	6.02%
	IY23-IY24	5.44%	5.89%	FY23-FY24	5.40%	5.80%
	IY24-IY25	5.33%	5.67%	FY24-FY25	5.29%	5.57%
	IY25-IY26	5.22%	5.44%	FY25-FY26	5.18%	5.35%
	IY26-IY27	5.11%	5.22%	FY26-FY27	5.06%	5.13%
	IY27-IY28	5.00%	5.00%	FY27-FY28	5.00%	5.00%
	Subsequent	5.00%	5.00%	Subsequent	5.00%	5.00%

Retiree Contribution Trend

Same as Health Care Trend

Mortality

RP-2014 Combined Annuitant Mortality Table for males and females.

The Mortality Table reflects recent rates developed by the Society of Actuaries.

Disability Rates

None

Average Retirement Age

IMRF Tier 1: Age 60

IMRF Tier 2: Age 65

Termination/Turnover Rates

Age-based Turnover Rates developed based on Probability of Remaining Employed until Assumed Retirement Age.

Starting Per Capita Costs

	Retiree	Spouse
PPO Plan	\$ 22,402	\$ 18,368
HMO Plan	14,890	13,020

Retiree Contributions

	Retiree	Spouse
PPO Plan	\$ 11,058	\$ 9,067
HMO Plan	7,350	6,427

Election at Retirement

20% of active employees are assumed to elect coverage at retirement

Marital Status

40% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females.

Retiree Lapse Rate

0.00%

The actuarial assumptions used in the June 1, 2017 valuation were based on the results of an actuarial experience study for the period June 1, 2017 through May 31, 2018.

There is no long-term expected rate of return on OPEB plan investments because the Park District does not have a trust dedicated exclusively to the payment of OPEB benefits.

NOTES TO FINANCIAL STATEMENTS (Continued)

Discount Rate

The Park District does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 3.27% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of May 31, 2018.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at May 31, 2017	\$ 95,737	\$ -	\$ 95,737
Changes for the year:			
Service Cost	\$ 4,707	\$ -	\$ 4,707
Interest on Total OPEB Liability	2,570	-	2,570
Actuarial Experience	10,838	-	10,838
Assumption Changes	(3,726)	-	(3,726)
Benefit Payments	(2,269)	-	(2,269)
Other Changes	(28,132)	-	(28,132)
Net Changes	\$ (16,012)	\$ -	\$ (16,012)
Balances at May 31, 2018	\$ 79,725	\$ -	\$ 79,725

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Park District, as well as what the Park District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

Plan's Total OPEB Liability/(Asset)		
1% Increase	Valuation Rate	1% Decrease
\$ 73,426	\$ 79,725	\$ 86,373

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the Park District, as well as what the Park District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability/(Asset)		
Healthcare Cost		
1% Increase	Valuation Rate	1% Decrease
\$ 91,114	\$ 79,725	\$ 69,951

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended May 31, 2018, the Park District recognized OPEB expense of \$5,685. At May 31, 2018, the Park District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Inflows of Resources
Differences Between Expected and Actual Experience	\$ 10,018	\$ -	\$ 10,018
Changes of Assumptions	811	30,257	(29,446)
Total	<u>\$ 10,829</u>	<u>\$ 30,257</u>	<u>\$ (19,428)</u>

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (11.74 years, active and retired) in the postretirement plan.

Amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year ending May 31	Net Deferred Outflows of Resources
2019	\$ (1,592)
2020	(1,592)
2021	(1,592)
2022	(1,592)
2023	(1,592)
2024	(1,592)
2025	(1,592)
2026	(1,592)
2027	(1,592)
2028	(1,592)
2029	(1,592)
2030	(1,592)
2031	(324)
	<u>\$ (19,428)</u>

NOTE 12 - INTERFUND BALANCES/TRANSFERS

The Park District had the following interfund transfers as of May 31, 2018:

Transfer From	Transfer To	Amount
General Fund	Lake Management Fund	\$ 3,000 (1)
Recreation Fund	General Fund	4,217 (2)
Natural History Fund	Lake Management Fund	2,319 (1)
Natural History Fund	Debt Service Fund	25,744 (3)

(1) Transfer was made to correct negative cash balance

(2) Transfer was made to correctly allocate cash for the new investment account

(3) Transfer was made to cover debt payments

The Park District had the following interfund balances as of May 31, 2018:

Due From	Due To	Amount
Special Recreation Fund	General Fund	\$ 34

NOTE 13 - RISK MANAGEMENT

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

Since March 15, 1991, the Park District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. PDRMA is a public entity risk pool consisting of park 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

As a member of PDRMA's Property/Casualty Program, the Park District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the Park District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the Park District's governing body. The Park District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by PDRMA.

Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

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

Since 95.90% 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 Park District became a member of the Park District 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 \$250,000. Until January 1, 2001 the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

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

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

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.

PDRMA issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained directly from PDRMA.

NOTE 14 - NET POSITION/FUND BALANCE ADJUSTMENTS

The Park District had the following net position/fund balance adjustments for the year ended May 31, 2018, which are shown on the Government-Wide Statement of Activities and Statement of Revenue, Expenditures, and Changes in Fund Balances – Governmental Funds:

	<u>Recreation Fund</u>	<u>Government-Wide</u>
Adjustments to May 31, 2018 balances to correct:		
Deferred Revenue	\$ (20,088)	\$ (20,088)
OPEB Liability	-	(95,737)
Total adjustment to fund balance and net position	<u>\$ (20,088)</u>	<u>\$ (115,825)</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Deferred Revenue was overstated in 2017. An adjustment was made in the current year to account for this overstatement.

In fiscal year 2018 the Park District adopted GASB No. 75. An adjustment was made to record the beginning OPEB liability.

NOTE 15 - CONTINGENCIES

The Park District is not aware of any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 16 - LEGAL DEBT LIMITATION

The Illinois Compiled Statutes limits the amount of indebtedness to 2.875% of the most recent available equalized assessed valuation (EAV) of the Park District.

2017 EAV	\$	595,395,831
	X	<u>2.875%</u>
Debt Margin	\$	17,117,630
Current Debt		<u>5,370,000</u>
Remaining Debt Margin	\$	<u><u>11,747,630</u></u>

NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLE

During the year ended May 31, 2018, the Park District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*; and GASB Statement No. 85, *Omnibus 2017* . These statements further clarify how pension plans and other post-employment benefits should be reported.

REQUIRED SUPPLEMENTARY INFORMATION

GRAYSLAKE COMMUNITY PARK DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
MAY 31, 2018

	5/31/2018*	5/31/2017*	5/31/2016*	5/31/2015*
TOTAL PENSION LIABILITY				
Service Cost	\$ 123,442	\$ 114,596	\$ 109,009	\$ 123,693
Interest on the Total Pension Liability	298,673	266,769	256,232	251,510
Differences Between Expected and Actual Experience	492,096	167,527	(118,909)	(283,436)
Changes of Assumptions	(151,759)	(5,978)	-	86,214
Benefit Payments, Including Refunds of Member Contributions	(146,848)	(106,551)	(110,328)	(104,852)
Net Change in Total Pension Liability	<u>\$ 615,604</u>	<u>\$ 436,363</u>	<u>\$ 136,004</u>	<u>\$ 73,129</u>
Total Pension Liability - Beginning	<u>3,994,016</u>	<u>3,557,653</u>	<u>3,421,649</u>	<u>3,348,520</u>
Total Pension Liability - Ending	<u>\$ 4,609,620</u>	<u>\$ 3,994,016</u>	<u>\$ 3,557,653</u>	<u>\$ 3,421,649</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 97,278	\$ 115,753	\$ 120,442	\$ 120,289
Contributions - Member	45,742	48,864	45,545	45,526
Net Investment Income	592,323	208,569	15,592	177,106
Benefit Payments, Including Refunds of Member Contributions	(146,848)	(106,551)	(110,328)	(104,852)
Other (Net Transfers)	236,946	45,471	(33,379)	(20,420)
Net Change in Plan Fiduciary Net Position	<u>\$ 825,441</u>	<u>\$ 312,106</u>	<u>\$ 37,872</u>	<u>\$ 217,649</u>
Plan Net Position - Beginning	<u>3,440,520</u>	<u>3,128,414</u>	<u>3,090,542</u>	<u>2,872,893</u>
Plan Net Position - Ending	<u>\$ 4,265,961</u>	<u>\$ 3,440,520</u>	<u>\$ 3,128,414</u>	<u>\$ 3,090,542</u>
Park District's Net Pension Liability	<u>\$ 343,659</u>	<u>\$ 553,496</u>	<u>\$ 429,239</u>	<u>\$ 331,107</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.54%	86.14%	87.93%	90.32%
Covered-Valuation Payroll	\$ 1,016,492	\$ 1,085,866	\$ 1,012,120	\$ 1,011,681
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	33.81%	50.97%	42.41%	32.73%

* This information presented is based on the actuarial valuation performed as of December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

GRAYSLAKE COMMUNITY PARK DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
MAY 31, 2018

	5/31/2018*	5/31/2017*	5/31/2016*	5/31/2015*
Actuarially-Determined Contribution	\$ 97,278	\$ 115,753	\$ 120,442	\$ 120,289
Contributions in relation to Actuarially-Determined Contribution	97,278	115,753	120,442	120,289
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -
Covered-Valuation Payroll	\$ 1,016,492	\$ 1,085,866	\$ 1,012,120	\$ 1,011,681
Contributions as a percentage of Covered-Valuation Payroll	9.57%	10.66%	11.90%	11.89%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2017 Contribution Rate *

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 26-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.5%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.75% to 14.50%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: RP-2014 Blue Collar Healthy Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY PARK DISTRICT
OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN THE EMPLOYER'S TOTAL OPEB
LIABILITY AND RELATED RATIOS
MAY 31, 2018

	<u>5/31/2018</u>
TOTAL OPEB LIABILITY	
Service Cost	\$ 4,707
Interest	2,570
Differences Between Expected and Actual Experience	10,838
Changes of Assumptions and Other Inputs	(3,726)
Benefit Payments, Includes the Implicit Rate Subsidy	(2,269)
Other Changes	<u>(28,132)</u>
Net Change in Total OPEB Liability	\$ <u>(16,012)</u>
 Total OPEB Liability - Beginning	 <u>95,737</u>
 Total OPEB Liability - Ending	 <u><u>\$ 79,725</u></u>
 Covered-Employee Payroll	 \$ 918,963
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 8.68%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

GRAYSLAKE COMMUNITY PARK DISTRICT
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2018

	<u>6/30/2018</u>
Actuarially-Determined Contribution	N/A
Contributions in Relation to Actuarially-Determined Contribution	<u>-</u>
Contribution Deficiency/(Excess)	<u><u>N/A</u></u>
Covered-Employee Payroll	\$ 1,071,460
Contributions as a Percentage of Covered-Employee Payroll	0.00%

Notes to Schedule:

There is no ADC or employer contribution in relation to the ADC, as the total OPEB liabilities are currently an unfunded obligation.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which

GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 977,686	\$ 973,877
Personal Property Replacement Taxes	20,000	17,937
Interest Income	2,000	39,341
Miscellaneous Income	10,500	20,681
Total Revenues	<u>\$ 1,010,186</u>	<u>\$ 1,051,836</u>
EXPENDITURES		
Current		
General Government		
Salaries and Wages	\$ 159,750	\$ 191,677
Employee Benefits	48,760	40,866
Professional Services	22,550	29,945
Public Recognition	4,000	3,393
Staff and Volunteer Recognition	4,000	4,009
Mileage and Travel Reimbursements	6,900	6,216
Dues and Subscriptions	7,945	6,981
Training	7,250	6,999
Printing	1,050	1,564
Fireworks	15,000	15,500
Utilities	13,775	12,702
Supplies	2,700	2,255
Postage	1,300	1,273
IT Maintenance and Software	27,250	17,722
Miscellaneous	4,000	3,918
	<u>\$ 326,230</u>	<u>\$ 345,020</u>
Park Maintenance		
Salaries and Wages	\$ 250,250	\$ 240,859
Employee Benefits	51,500	50,955
Professional Services	32,750	33,064
Mileage and Travel Reimbursements	250	-
Dues and Subscriptions	715	495
Training	1,500	282
Equipment Rental	5,650	9,158
Permit and License Fees	755	767
Utilities	44,330	40,815
Building Maintenance and Repairs	17,000	52,076
Vehicles Maintenance and Repairs	16,000	24,009
Playground and Field Maintenance and Repairs	43,750	45,796
Equipment Maintenance and Repairs	22,250	17,548
Pump-outs	11,750	11,550
Fuel	40,000	27,971
Uniforms	5,000	4,933
Building Supplies	10,500	11,925
Equipment Supplies	7,000	8,794
Vehicle Supplies	1,200	1,237
Landscape Supplies	37,250	19,069
Salt and Salt Supplies	4,500	3,988
Miscellaneous	56,650	17,112
	<u>\$ 660,550</u>	<u>\$ 622,403</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Capital Outlay		
General Government		
Equipment/Machinery/Computer	\$ -	\$ 16,652
Furniture and Fixtures	500	-
Land Improvements	-	19,150
	<u>\$ 500</u>	<u>\$ 35,802</u>
Debt Service		
Principal	<u>\$ 2,568</u>	<u>\$ -</u>
	<u>\$ 2,568</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 989,848</u>	<u>\$ 1,003,225</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 20,338</u>	<u>\$ 48,611</u>
OTHER FINANCING SOURCES/(USES)		
Transfers	<u>(5,700)</u>	<u>1,217</u>
NET CHANGE IN FUND BALANCE	<u>\$ 14,638</u>	<u>\$ 49,828</u>
FUND BALANCE - JUNE 1, 2017	<u>547,754</u>	<u>547,754</u>
FUND BALANCE - MAY 31, 2018	<u><u>\$ 562,392</u></u>	<u><u>\$ 597,582</u></u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - RECREATION FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 722,085	\$ 719,271
Facility Fees	16,000	14,368
Recreation Program Fees	1,154,500	1,133,091
Golf Course Fees	93,000	90,257
Concessions	30,000	3,019
Affiliate Fees	16,000	5,876
Miscellaneous Income	4,000	2,016
Total Revenues	<u>\$ 2,035,585</u>	<u>\$ 1,967,898</u>
EXPENDITURES		
Current		
General Government		
Salaries and Wages	\$ 421,650	\$ 394,023
Employee Benefits	125,910	102,671
Professional Services	250	171
Public Recognition	8,000	6,596
Staff and Volunteer Recognition	4,000	4,191
Mileage and Travel Reimbursements	13,500	12,669
Dues and Subscriptions	4,020	3,845
Training	19,350	16,373
Printing	40,000	33,606
Portable Services	8,000	9,586
Equipment Rental	500	-
Bank and Credit Card Charges	20,000	25,350
Utilities	20,600	19,235
Equipment Maintenance and Repairs	500	198
Fuel	2,000	1,225
Supplies	14,200	13,580
Postage	11,000	9,523
Resale Food and Beverage	15,000	7,652
IT Maintenance and Software	19,300	12,710
Miscellaneous	35,268	7,159
	<u>\$ 783,048</u>	<u>\$ 680,363</u>
Park Maintenance		
Salaries and Wages	\$ 250,800	\$ 223,848
Employee Benefits	50,690	45,392
Building Maintenance and Repairs	8,150	12,596
	<u>\$ 309,640</u>	<u>\$ 281,836</u>
Culture and Recreation		
Salaries and Wages	\$ 337,900	\$ 301,770
Program Supplies	410,000	417,421
Golf Salaries and Wages	71,700	74,102
Golf Employee Benefits	7,140	6,425
Golf Professional Services	3,250	1,923
Golf Permit Fees	1,750	266
Golf Utilities	11,920	10,899
Golf Building Maintenance and Repairs	8,450	9,825

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - RECREATION FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Current (Continued)		
Culture and Recreation (Continued)		
Golf Landscape	\$ 12,500	\$ 10,407
Golf Supplies	400	349
Golf Food and Beverage	9,000	12,227
	<u>\$ 874,010</u>	<u>\$ 845,614</u>
 Total Expenditures	 <u>\$ 1,966,698</u>	 <u>\$ 1,807,813</u>
 EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 \$ 68,887	 \$ 160,085
 OTHER FINANCING SOURCES/(USES)		
Transfers	<u>-</u>	<u>(4,217)</u>
 NET CHANGE IN FUND BALANCE	 \$ 68,887	 \$ 155,868
 FUND BALANCE - JUNE 1, 2017	 440,815	 440,815
 FUND BALANCE ADJUSTMENT (NOTE 14)	 <u>-</u>	 <u>(20,088)</u>
 FUND BALANCE - MAY 31, 2018	 <u><u>\$ 509,702</u></u>	 <u><u>\$ 576,595</u></u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - SPECIAL RECREATION FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 172,707	\$ 172,032
Total Revenues	<u>\$ 172,707</u>	<u>\$ 172,032</u>
EXPENDITURES		
Current		
Culture and Recreation		
Salaries and Wages	\$ 20,700	\$ 19,843
Dues and Subscriptions	92,112	92,111
	<u>\$ 112,812</u>	<u>\$ 111,954</u>
Capital Outlay		
Culture and Recreation		
Special Projects	\$ 123,000	\$ 121,222
	<u>\$ 123,000</u>	<u>\$ 121,222</u>
Total Expenditures	<u>\$ 235,812</u>	<u>\$ 233,176</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (63,105)	\$ (61,144)
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ (63,105)	\$ (61,144)
FUND BALANCE - JUNE 1, 2017	<u>470,618</u>	<u>470,618</u>
FUND BALANCE - MAY 31, 2018	<u>\$ 407,513</u>	<u>\$ 409,474</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 504,146	\$ 502,186
Total Revenues	<u>\$ 504,146</u>	<u>\$ 502,186</u>
EXPENDITURES		
Debt Service		
Principal	\$ 305,000	\$ 305,000
Interest and Fees	201,038	200,487
	<u>\$ 506,038</u>	<u>\$ 505,487</u>
Total Expenditures	<u>\$ 506,038</u>	<u>\$ 505,487</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,892)	\$ (3,301)
OTHER FINANCING SOURCES/(USES)		
Transfers	<u>-</u>	<u>25,744</u>
NET CHANGE IN FUND BALANCE	\$ (1,892)	\$ 22,443
FUND BALANCE - JUNE 1, 2017	<u>114,238</u>	<u>114,238</u>
FUND BALANCE - MAY 31, 2018	<u><u>\$ 112,346</u></u>	<u><u>\$ 136,681</u></u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Grants	\$ 60,000	\$ -
Developer Donations	80,000	85,551
Total Revenues	<u>\$ 140,000</u>	<u>\$ 85,551</u>
EXPENDITURES		
Capital Outlay		
Culture and Recreation		
Special Projects	\$ 200,000	\$ 91,473
	<u>\$ 200,000</u>	<u>\$ 91,473</u>
Total Expenditures	<u>\$ 200,000</u>	<u>\$ 91,473</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (60,000)	\$ (5,922)
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ (60,000)	\$ (5,922)
FUND BALANCE - JUNE 1, 2017	<u>156,872</u>	<u>156,872</u>
FUND BALANCE - MAY 31, 2018	<u><u>\$ 96,872</u></u>	<u><u>\$ 150,950</u></u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECT FUND - 2014 BOND PROJECT FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Total Revenues	\$ -	\$ -
EXPENDITURES		
Capital Outlay		
Culture and Recreation		
Building	\$ 5,500	\$ -
Land Improvements	25,000	275,658
Parks	247,100	3,406
	<u>\$ 277,600</u>	<u>\$ 279,064</u>
Total Expenditures	\$ 277,600	\$ 279,064
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (277,600)	\$ (279,064)
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ (277,600)	\$ (279,064)
FUND BALANCE - JUNE 1, 2017	<u>279,064</u>	<u>279,064</u>
FUND BALANCE - MAY 31, 2018	<u><u>\$ 1,464</u></u>	<u><u>\$ -</u></u>

See Accompanying Independent Auditor's Report

GRAYSLAKE COMMUNITY PARK DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MAY 31, 2018

NOTE 1 - BUDGETARY ACCOUNTING AND BUDGET PROCESS

As set forth in the Illinois Park District Code, the Board of Commissioners adopts an annual budget ordinance of estimated revenues and appropriations for the Park District's governmental funds. The budget, which serves as a management control device, is adopted using the modified accrual basis method of accounting. As part of the Required Supplementary Information contained in this report, the actual revenues and expenditures are compared to the original and final budgets for the Park District's General Fund and each major special revenue fund for the period to demonstrate compliance with the adopted budget.

The annual budget process is as follows:

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 year.
5. Formal budgetary integration is employed as a management control device during the year in all funds at the object level.

The budget was approved on May 17, 2017.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

The following fund, presented as Required Supplementary Information, had expenditures that exceeded the budget for the year ended May 31, 2018.

Fund	Budget	Actual	Excess of Actual Over Budget
2014 Bond Project	\$ 277,600	\$ 279,064	\$ 1,464
General	989,848	1,003,225	13,377

SUPPLEMENTAL FINANCIAL INFORMATION

GRAYSLAKE COMMUNITY PARK DISTRICT
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
MAY 31, 2018

	Liability Insurance Fund	Audit Fund	Retirement Fund	Paving and Lighting Fund	Natural History Fund	Social Security Fund	Total Other Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 57,002	\$ 1,172	\$ 88,211	\$ 29,470	\$ 144,634	\$ 77,919	\$ 398,408
Accounts Receivable							
Property Taxes	91,738	9,398	120,593	25,200	5,000	113,832	365,761
Total Assets	<u>\$ 148,740</u>	<u>\$ 10,570</u>	<u>\$ 208,804</u>	<u>\$ 54,670</u>	<u>\$ 149,634</u>	<u>\$ 191,751</u>	<u>\$ 764,169</u>
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,533	\$ 3,533
Accrued Expenses	-	-	4,711	-	-	-	4,711
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,711</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,533</u>	<u>\$ 8,244</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	\$ 98,163	\$ 10,056	\$ 129,040	\$ 26,965	\$ -	\$ 121,806	\$ 386,030
Total Deferred Inflows of Resources	<u>\$ 98,163</u>	<u>\$ 10,056</u>	<u>\$ 129,040</u>	<u>\$ 26,965</u>	<u>\$ -</u>	<u>\$ 121,806</u>	<u>\$ 386,030</u>
FUND BALANCES							
Restricted for:							
Liability Insurance	\$ 49,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,322
Audit	-	502	-	-	-	-	502
Retirement	-	-	75,029	-	-	103,238	178,267
Natural History	-	-	-	-	149,421	-	149,421
Paving and Lighting	-	-	-	27,696	-	-	27,696
Assigned for:							
Liability Insurance	1,255	-	-	-	-	-	1,255
Audit	-	12	-	-	-	-	12
Retirement	-	-	24	-	-	-	24
Natural History	-	-	-	-	213	-	213
Paving and Lighting	-	-	-	9	-	-	9
Unassigned	-	-	-	-	-	(36,826)	(36,826)
Total Fund Balances	<u>\$ 50,577</u>	<u>\$ 514</u>	<u>\$ 75,053</u>	<u>\$ 27,705</u>	<u>\$ 149,634</u>	<u>\$ 66,412</u>	<u>\$ 369,895</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 148,740</u>	<u>\$ 10,570</u>	<u>\$ 208,804</u>	<u>\$ 54,670</u>	<u>\$ 149,634</u>	<u>\$ 191,751</u>	<u>\$ 764,169</u>

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GRAYSLAKE COMMUNITY PARK DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED MAY 31, 2018

	Liability Insurance Fund	Audit Fund	Retirement Fund	Paving and Lighting Fund	Natural History Fund	Social Security Fund	Total Other Governmental Funds
REVENUES							
Property Taxes	\$ 94,905	\$ 9,717	\$ 124,762	\$ 26,070	\$ -	\$ 137,112	\$ 392,566
Interest Income	1,242	-	-	-	-	-	1,242
	<u>\$ 96,147</u>	<u>\$ 9,717</u>	<u>\$ 124,762</u>	<u>\$ 26,070</u>	<u>\$ -</u>	<u>\$ 137,112</u>	<u>\$ 393,808</u>
EXPENDITURES							
Current							
General Government	\$ 89,633	\$ 9,500	\$ 105,424	\$ -	\$ -	\$ 110,655	\$ 315,212
Culture and Recreation	-	-	-	29,351	4,414	-	33,765
	<u>\$ 89,633</u>	<u>\$ 9,500</u>	<u>\$ 105,424</u>	<u>\$ 29,351</u>	<u>\$ 4,414</u>	<u>\$ 110,655</u>	<u>\$ 348,977</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 6,514	\$ 217	\$ 19,338	\$ (3,281)	\$ (4,414)	\$ 26,457	\$ 44,831
OTHER FINANCING SOURCES/(USES)							
Transfers	-	-	-	-	(28,063)	-	(28,063)
NET CHANGE IN FUND BALANCES	\$ 6,514	\$ 217	\$ 19,338	\$ (3,281)	\$ (32,477)	\$ 26,457	\$ 16,768
FUND BALANCES - JUNE 1, 2017	<u>44,063</u>	<u>297</u>	<u>55,715</u>	<u>30,986</u>	<u>182,111</u>	<u>39,955</u>	<u>353,127</u>
FUND BALANCES - MAY 31, 2018	<u>\$ 50,577</u>	<u>\$ 514</u>	<u>\$ 75,053</u>	<u>\$ 27,705</u>	<u>\$ 149,634</u>	<u>\$ 66,412</u>	<u>\$ 369,895</u>

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GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - LIABILITY INSURANCE FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 95,276	\$ 94,905
Miscellaneous Revenue	2,000	1,242
Total Revenues	<u>\$ 97,276</u>	<u>\$ 96,147</u>
EXPENDITURES		
Current		
General Government		
Salaries and Wages	\$ 20,450	\$ 19,386
Legal Services	1,000	1,500
Background Checks	5,000	4,237
Insurance	70,250	63,427
Security and Safety	2,500	1,083
	<u>\$ 99,200</u>	<u>\$ 89,633</u>
Total Expenditures	<u>\$ 99,200</u>	<u>\$ 89,633</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,924)	\$ 6,514
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ (1,924)	\$ 6,514
FUND BALANCE - JUNE 1, 2017	<u>44,063</u>	<u>44,063</u>
FUND BALANCE - MAY 31, 2018	<u>\$ 42,139</u>	<u>\$ 50,577</u>

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GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - AUDIT FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 9,755	\$ 9,717
Total Revenues	<u>\$ 9,755</u>	<u>\$ 9,717</u>
EXPENDITURES		
Current		
General Government		
Audit Services	\$ 9,500	\$ 9,500
	<u>\$ 9,500</u>	<u>\$ 9,500</u>
Total Expenditures	<u>\$ 9,500</u>	<u>\$ 9,500</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 255	\$ 217
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 255	\$ 217
FUND BALANCE - JUNE 1, 2017	<u>297</u>	<u>297</u>
FUND BALANCE - MAY 31, 2018	<u><u>\$ 552</u></u>	<u><u>\$ 514</u></u>

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GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - RETIREMENT FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 125,251	\$ 124,762
Total Revenues	<u>\$ 125,251</u>	<u>\$ 124,762</u>
EXPENDITURES		
Current		
General Government		
IMRF Contributions	\$ 120,000	\$ 105,424
	<u>\$ 120,000</u>	<u>\$ 105,424</u>
Total Expenditures	<u>\$ 120,000</u>	<u>\$ 105,424</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 5,251	\$ 19,338
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 5,251	\$ 19,338
FUND BALANCE - JUNE 1, 2017	<u>55,715</u>	<u>55,715</u>
FUND BALANCE - MAY 31, 2018	<u><u>\$ 60,966</u></u>	<u><u>\$ 75,053</u></u>

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GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - PAVING AND LIGHTING FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 26,171	\$ 26,070
Total Revenues	<u>\$ 26,171</u>	<u>\$ 26,070</u>
EXPENDITURES		
Current		
Culture and Recreation		
Professional Services		
Electric	\$ 1,000	\$ -
Special Projects	30,000	29,351
	<u>\$ 31,000</u>	<u>\$ 29,351</u>
Total Expenditures	<u>\$ 31,000</u>	<u>\$ 29,351</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (4,829)	\$ (3,281)
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ (4,829)	\$ (3,281)
FUND BALANCE - JUNE 1, 2017	<u>30,986</u>	<u>30,986</u>
FUND BALANCE - MAY 31, 2018	<u><u>\$ 26,157</u></u>	<u><u>\$ 27,705</u></u>

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GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - NATURAL HISTORY FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Total Revenues	\$ -	\$ -
EXPENDITURES		
Current		
Culture and Recreation		
Salaries and Wages	\$ 5,400	\$ 3,334
Professional Services	16,200	1,080
	<u>\$ 21,600</u>	<u>\$ 4,414</u>
Total Expenditures	\$ 21,600	\$ 4,414
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (21,600)	\$ (4,414)
OTHER FINANCING SOURCES/(USES)		
Transfers	<u>-</u>	<u>(28,063)</u>
NET CHANGE IN FUND BALANCE	\$ (21,600)	\$ (32,477)
FUND BALANCE - JUNE 1, 2017	<u>182,111</u>	<u>182,111</u>
FUND BALANCE - MAY 31, 2018	<u><u>\$ 160,511</u></u>	<u><u>\$ 149,634</u></u>

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GRAYSLAKE COMMUNITY PARK DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - SOCIAL SECURITY FUND
FOR THE YEAR ENDED MAY 31, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 137,644	\$ 137,112
Total Revenues	<u>\$ 137,644</u>	<u>\$ 137,112</u>
EXPENDITURES		
Current		
General Government		
FICA Employer Contribution	\$ 92,000	\$ 89,685
Medicare Employer Contribution	22,000	20,970
	<u>\$ 114,000</u>	<u>\$ 110,655</u>
Total Expenditures	<u>\$ 114,000</u>	<u>\$ 110,655</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 23,644	\$ 26,457
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 23,644	\$ 26,457
FUND BALANCE - JUNE 1, 2017	<u>39,955</u>	<u>39,955</u>
FUND BALANCE - MAY 31, 2018	<u><u>\$ 63,599</u></u>	<u><u>\$ 66,412</u></u>

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