

**WASHINGTON PARK DISTRICT**  
TAZEWELL COUNTY, ILLINOIS  
ANNUAL FINANCIAL REPORT  
Year Ended April 30, 2016

Prepared By:  
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Finance Manager  
Washington Park District

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STEVEN D.  
**GREIM & COMPANY P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report**

To the District Board of Commissioners  
Washington Park District  
Tazewell County, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Washington Park District, Tazewell County, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statement which, collectively comprise the 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Washington Park District, Tazewell County, Illinois, as of April 30, 2016, and the respective changes in modified cash basis financial position for the year then ended in accordance with modified cash basis of accounting described in Note 1.

## Other Matters

### *Basis of Accounting*

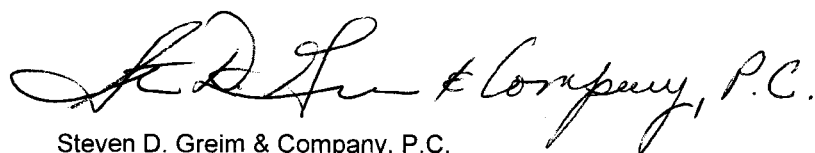
We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a special purpose framework of accounting that differs from accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington Park District, Tazewell, Illinois' basic financial statements. The management's discussion and analysis, schedule of funding progress - pension plan, and budgetary comparison information as listed in the table of contents, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### *Other Reporting Required by Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 2016, on our consideration of the Washington Park District, Washington, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Park District's internal control over financial reporting and compliance.



Steven D. Greim & Company, P.C.

Peoria, Illinois

December 12, 2016

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Washington Park District's financial performance provides a narrative overview and analysis of the District's financial activities for the year ended April 30, 2016. Please read it in conjunction with the District's financial statements.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Washington Park District's basic financial statements. The basic financial statements are comprised of four primary components: 1) government-wide financial statements, 2) a discretely presented component unit, 3) fund financial statements, and 4) notes to the financial statements. The basic financial statements include two kinds of statements that present different views of the District.

### Government-Wide Financial Statements

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status, which is similar to the accounting used by most private-sector companies.

In the Government-Wide Financial Statements, we report governmental activities and a discretely presented component unit:

**Governmental activities** – Most of the District's basic services are reported here, including general administration, recreational activities, and concessions. Property taxes, state replacement taxes, and charges for services finance most of these activities.

**Discretely presented component unit** – The District is the only beneficiary for various park district projects of the Washington Park District Foundation, which is a 501(c)3 Organization, whose mission is to support the Washington Park District.

The Statement of Net Position and the Statement of Activities report information about the District and its activities as a whole. These statements include all assets and liabilities using the modified cash basis of accounting, which is a special purpose framework.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base and the condition of the District's buildings, shelters, equipment, parks and trails to assess the overall health of the District.

### Fund Financial Statements

The fund financial statements begin on page 10 and provide detailed information about the District's funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law and by bond covenants.

**Governmental funds** – Most of the District's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified cash basis of accounting, a special purpose framework, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in reconciliation at the bottom of the fund financial statements.

As of April 30, 2016, the Washington Park District's Corporate fund reported an ending fund balance of \$51,541 a decrease of \$8,523 in comparison with the prior year, \$60,064. This amount constitutes unassigned fund balance, which is available to spend at the District's discretion. Other governmental funds combined fund balances totaled \$744,851.

**General Fund Budget Highlights**

The District budgets conservatively. Revenues are budgeted based on historic trends. Expenditures are budgeted based on the previously adopted levy.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve as a useful indicator over time of the District's financial position. As of April 30, 2016, assets exceeded liabilities by \$2,042,701 up from the prior year by \$203,150. The District's largest net position group is invested in capital assets, net of debt, \$1,666,309 (81.57%). These assets are used to provide services to the citizens and therefore are not available for future spending. The unrestricted net position of (\$460,410) is primarily due to the \$420,000 general obligation bond that was used for operating purposes and not to procure capital assets. Therefore, it is included in unrestricted net position instead of in the capital assets, net of debt component.

Net assets are summarized in the table below:

**Condensed Statement of Net Position as of April 30, 2016 and 2015**

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
<b>Assets:</b>		
Current and other assets	\$ 799,317	\$ 813,516
Capital Assets	3,975,650	3,884,651
Total Assets	<u>4,774,967</u>	<u>4,698,167</u>
<b>Liabilities:</b>		
Current Liabilities	645,389	616,677
Non-current Liabilities	2,086,877	2,241,939
Total liabilities	<u>2,732,266</u>	<u>2,858,616</u>
<b>Net Position:</b>		
Investments in capital assets, net of debt	1,666,309	1,443,276
Restricted	836,802	825,649
Unrestricted	(460,410)	(429,374)
Total Net Position	<u>\$ 2,042,701</u>	<u>\$ 1,839,551</u>

Current assets consist of cash.

The District's largest asset group is its capital assets. This includes buildings, equipment, vehicles, land, and trails.

Current liabilities consist of current portion of long-term debt.

General obligation bonds and capital lease obligations constitute the District's long-term liabilities.

The discretely presented component unit is not included in the above totals.

Governmental activities increased the Washington Park District's net position by \$203,150. Revenues, expenses, and changes in net position are summarized in the table below:

**Condensed Statement of Activities  
For Fiscal Years Ending April 30, 2016 and 2015**

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
<b>Revenues:</b>		
Program:		
Charges for services	\$ 1,116,480	\$ 1,049,072
Grants & Contributions	96,451	300,793
General:		
Property & other taxes	1,214,903	1,237,312
Other	11,309	22,919
Total Revenues	2,439,143	2,610,096
<b>Expenses:</b>		
General government	659,669	684,909
Recreational Activities	1,457,823	1,562,204
Concessions	26,609	24,396
Other	91,892	109,072
Total expenses	2,235,993	2,380,581
Change in net position	\$ 203,150	\$ 229,515

Major sources of operating revenues for the District include property tax, and charges for services. Property taxes, \$1,197,071 (49.08%), comprised the majority of the total governmental revenues.

Total revenues from governmental activities decreased by \$170,953, due to a large number of donations received in the prior year to repair damage done by the tornado in November 2013.

**Governmental Activities**

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the District's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues for each function are:

Recreational Activities	Charges for recreational activities and child care services
Concessions	Sale of food and beverage items

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

## Capital Asset and Debt Administration

### Capital Assets

As of April 30, 2016, the District maintained \$3,975,650 in capital assets (net of depreciation) representing a 2.34% increase in net capital assets over the prior year for governmental activities. The District's capital assets include buildings, shelters, equipment, vehicles, parks and trails.

#### Washington Park District's Capital Assets Net of Depreciation

	Governmental Activities	
	2016	2015
Land	\$ 812,199	\$ 802,390
Buildings	1,993,691	2,056,579
Trails	848,349	760,264
Property, plant & equipment	321,411	265,418
Total	<u>\$ 3,975,650</u>	<u>\$ 3,884,651</u>

Additional information regarding the District's capital assets is located in note 5 on page 21 of this report.

### Long-Term Debt

The District's outstanding long-term liabilities, including bonds, notes payable, and leases payable, totaled \$2,729,341 at April 30, 2016. The District's outstanding long-term liabilities decreased \$127,034 (4.45%) from the previous year.

Additional information on the District's long-term liabilities is located in note 4 on pages 19 and 20 of this report.

### CONTACTING THE DISTRICT

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District Finance Manager's Office, 105 South Spruce Street, Washington, Illinois, 61571.



**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

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

April 30, 2016

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Park District Foundation</b>
<b>ASSETS</b>		
Current Assets:		
Cash in banks	\$ 705,091	\$ 195,084
Cash in banks - restricted	93,521	0
Inventory	705	0
Total Current Assets	799,317	195,084
Non-Current Assets		
Capital Assets		
Nondepreciable capital assets	802,390	0
Depreciable capital assets (net)	3,173,260	0
Total Capital Assets	3,975,650	0
Total Non-Current Assets	3,975,650	0
Total Assets	4,774,967	195,084
<b>LIABILITIES</b>		
Current Liabilities:		
Payroll liabilities	2,925	0
Long-Term Liabilities:		
Due within one year	642,464	0
Due in more than one year	2,086,877	0
Total Liabilities	2,732,266	0
<b>NET POSITION</b>		
Equity:		
Invested in capital assets, net of related debt	1,666,309	0
Restricted for		
Special purposes	836,802	195,084
Unrestricted	(460,410)	0
Total Net Position	\$ 2,042,701	\$ 195,084

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For the year ending April 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)/ Revenues and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary</u>	<u>Component</u>
					<u>Governmental</u>	<u>Unit</u>
					<u>Governmental</u>	<u>Park District</u>
					<u>Activities</u>	<u>Foundation</u>
<b>Primary Government:</b>						
Governmental activities:						
General government:	\$ 659,669	\$ 0	\$ 0	\$ 0	\$ (659,669)	\$ 0
Total general government	659,669	0	0	0	(659,669)	0
Parks and recreational programs:						
Recreational activities	1,457,823	1,052,365	96,451	0	(309,007)	0
Concessions	26,609	48,212	0	0	21,603	0
Rental	0	15,903	0	0	15,903	0
Total parks and recreational programs	1,484,432	1,116,480	96,451	0	(271,501)	0
Interest expense	3,933	0	0	0	(3,933)	0
Interest on long term debt	87,959	0	0	0	(87,959)	0
Total interest cost incurred	91,892	0	0	0	(91,892)	0
Total governmental activities	<u>\$ 2,235,993</u>	<u>\$ 1,116,480</u>	<u>\$ 96,451</u>	<u>\$ 0</u>	<u>\$ (1,023,062)</u>	
<b>Component Unit:</b>						
Park District Foundation	<u>\$ 14,665</u>	<u>\$ 0</u>	<u>\$ 93,383</u>	<u>\$ 0</u>		<u>\$ 78,718</u>

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For the year ending April 30, 2016

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Park District</u>
	<u>Activities</u>	<u>Foundation</u>
<b>Changes in Net Position:</b>		
Net (expense)/revenue	\$ (1,023,062)	\$ 78,718
General revenues:		
Taxes		
Property taxes	1,197,071	0
State replacement taxes	17,832	0
Investment income	940	0
Miscellaneous	10,369	0
Total general revenues and transfers	1,226,212	0
Changes in net position	203,150	78,718
Net position -- beginning	1,839,551	116,366
Net position -- ending	\$ 2,042,701	\$ 195,084

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED CASH BASIS**

**GOVERNMENTAL FUNDS**

April 30, 2016

	<u>Major Fund</u>			<u>Nonmajor</u>	<u>Total</u>	
	<u>Corporate</u>	<u>Recreation</u>	<u>Bond &amp;</u>	<u>All Other</u>		
	<u>Fund</u>	<u>Fund</u>	<u>Interest Fund</u>	<u>Governmental</u>	<u>Governmental</u>	
			<u>Fund</u>	<u>Funds</u>	<u>Funds</u>	
<b>ASSETS</b>						
Checking accounts	\$ 64,269	\$ 376,667	\$ 5,528	\$ 121,912	\$ 136,715	\$ 705,091
Checking accounts - restricted	0	0	93,521	0	0	93,521
Inventory	0	705	0	0	0	705
Interfund receivable	3,444	14,308	135,425	0	85,648	238,825
<b>Total assets</b>	<b>\$ 67,713</b>	<b>\$ 391,680</b>	<b>\$ 234,474</b>	<b>\$ 121,912</b>	<b>\$ 222,363</b>	<b>\$ 1,038,142</b>
<b>LIABILITIES</b>						
Payroll liabilities	\$ 2,925	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,925
Interfund payable	13,247	1,648	0	135,425	88,505	238,825
<b>Total liabilities</b>	<b>16,172</b>	<b>1,648</b>	<b>0</b>	<b>135,425</b>	<b>88,505</b>	<b>241,750</b>
<b>FUND BALANCES</b>						
Nonspendable - inventory	0	705	0	0	0	705
Restricted	0	389,327	234,474	0	213,001	836,802
Committed	0	0	0	0	0	0
Assigned	0	0	0	0	0	0
Unassigned	51,541	0	0	(13,513)	(79,143)	(41,115)
<b>Total fund balances</b>	<b>51,541</b>	<b>390,032</b>	<b>234,474</b>	<b>(13,513)</b>	<b>133,858</b>	<b>796,392</b>
<b>Total liabilities and fund balances</b>	<b>\$ 67,713</b>	<b>\$ 391,680</b>	<b>\$ 234,474</b>	<b>\$ 121,912</b>	<b>\$ 222,363</b>	<b>\$ 1,038,142</b>

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

**GOVERNMENTAL FUNDS**

April 30, 2016

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 796,392
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, net of accumulated depreciation of \$2,705,241.	3,975,650
Long-term liabilities are not due and payable in current period and, therefore are not reported in the governmental funds	0
Bonds payable	(2,615,000)
Capital lease obligations	(34,947)
Notes payable	(79,394)
Net position of governmental activities	<u>\$ 2,042,701</u>

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**

**GOVERNMENTAL TYPES**

For the year ending April 30, 2016

	Major Fund				Nonmajor	Total Governmental Funds
	Corporate Fund	Recreation Fund	Bond & Interest Fund	Capital Fund	All Other Governmental Funds	
<b>REVENUES</b>						
Taxes	\$ 320,321	\$ 227,774	\$ 420,883	\$ 0	\$ 245,925	\$ 1,214,903
Concessions	0	16,694	0	0	31,518	48,212
Recreational activities	0	910,750	0	0	141,615	1,052,365
Rental fees	0	6,843	0	0	9,060	15,903
Interest income	43	181	235	392	89	940
Grants	0	0	0	0	0	0
Donations	0	0	0	96,451	0	96,451
Miscellaneous	5,093	1,951	0	3,226	99	10,369
Total revenue	325,457	1,164,193	421,118	100,069	428,306	2,439,143
<b>EXPENDITURES</b>						
General government	325,004	0	0	74,541	260,124	659,669
Culture and recreation						
Parks / recreational activities	8,976	1,085,836	0	15,974	171,159	1,281,945
Total culture and recreation	8,976	1,085,836	0	15,974	171,159	1,281,945
Debt Service						
Principal	0	0	595,000	29,379	0	624,379
Interest expense	0	0	87,959	3,933	0	91,892
Cost of issuance and other	0	0	458	0	0	458
Total debt service	0	0	683,417	33,312	0	716,729
Capital outlay						
Buildings / recreational facilities	0	10,703	0	278,125	0	288,828
Total capital outlay	0	10,703	0	278,125	0	288,828
Total expenditures	333,980	1,096,539	683,417	401,952	431,283	2,947,171
Excess (deficiency) revenue received over (under) expenditures disbursed	(8,523)	67,654	(262,299)	(301,883)	(2,977)	(508,028)

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES)  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS, continued**

**GOVERNMENTAL TYPES**

For the year ending April 30, 2016

	Major Fund				Nonmajor	Total Governmental Funds
	Corporate Fund	Recreation Fund	Bond & Interest Fund	Capital Fund	All Other Governmental Funds	
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from bond issuance	0	0	420,000	0	0	420,000
Discount on bond issuance	0	0	(4,200)	0	0	(4,200)
Capital lease proceeds	0	0	0	77,345	0	77,345
Transfers in (out)	0	0	(149,000)	149,000	0	0
Total other financing sources	0	0	266,800	226,345	0	493,145
Net revenue over (under) expenditures & other uses	(8,523)	67,654	4,501	(75,538)	(2,977)	(14,883)
Fund balances - May 1, 2015	60,064	322,378	229,973	62,025	136,835	811,275
Fund balances - April 30, 2016	\$ 51,541	\$ 390,032	\$ 234,474	\$ (13,513)	\$ 133,858	\$ 796,392

Reconciliation of the change in fund balances -- total governmental funds to the change in net position of governmental activities:

Net change in fund balances -- total governmental funds \$ (14,883)

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	288,828
Depreciation expense	(197,829)
Proceeds from capital lease	(77,345)
Capital lease payments	29,379

The payment of bond is an expenditure in the bond and interest fund, but in the statement of net position, the payment is a reduction of the bond liability

Bond receipts	(420,000)
Bond payments	595,000

Change in Net Position of Governmental Activities \$ 203,150

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Washington Park District was created for the purpose of developing, maintaining, and operating parks within the legal boundaries prescribed by law.

The government-wide, governmental fund level and the discretely presented component unit financial statements are presented on a modified cash basis of accounting, which is a special purpose framework of accounting that differs from accounting principals generally accepted in the United States of America (GAAP) established by Governmental Accounting Standards Board (GASB). These modified cash-basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

**A. Principles Used to Determine the Scope of the Reporting Entity**

The Park District's reporting entity includes the Park District's governing board and all related organizations for which the District exercises oversight responsibility.

The Park District has developed criteria to determine whether outside agencies with activities that benefit the citizens of the Park District should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the Park District exercised oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

Based on these criteria, The District has included the Washington Park District Foundation as a discretely presented component unit in the government-wide financial statements. The Foundation is a non-profit organization that collects and remits donations for the park district. Although the Foundation operates on a calendar fiscal year for the purpose of filing the appropriate tax forms, it is presented in the financial statements as having an April 30th fiscal year to allow for comparability to the primary government.

**B. Basis of Presentation**

**Government-wide Financial Statements:**

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) display information about the activities of the government as a whole. They include all funds of the reporting entity and the discretely presented component unit. The effect of any interfund activity, within or between the individual funds, has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenditures of a given function or identifiable activity are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity and (2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements:**

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, cash receipts, and cash disbursements. Park District resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the financial statements. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Park District or meets one of the following criteria:

- 1.) Total assets, liabilities, cash receipts, or cash disbursements of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- 2.) Total assets, liabilities, cash receipts, or cash disbursements of that individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The various funds of the Park District are described below:

**Governmental**

Governmental funds are those through which most governmental functions of the Park District are financed. The acquisition, use and balances of the Park District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through the governmental funds. The Park District has presented the following governmental funds, which are classified as major or nonmajor:

<b>Fund</b>	<b>Brief Description</b>
<b><u>Major:</u></b>	
Corporate	See above description
Recreation	Accounts for property taxes, activity fees and concessions collected and payments of related program expenses.
Bond and Interest	Accounts for property taxes collected for and repayment of the bonds and payment of the interest.
Capital	Accounts for the purchase of major capital assets.

See independent auditors' report

This information is an integral part of the accompanying financial statements



WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:**

**B. Basis of Presentation, continued**

**Fund Financial Statements, continued:**

<b>Fund</b>	<b>Brief Description</b>
<b><u>Nonmajor:</u></b>	
Working Cash	Accounts for working cash.
Pool	Accounts for activity fees and concessions collected and payments of related program expenses.
Liability Insurance	Accounts for property taxes collected and payment for insurance coverage.
Audit	Accounts for property taxes collected and payment of audit fees.
IMRF	Accounts for property taxes collected and payments to the Illinois Municipal Retirement Fund.
Social Security	Accounts for property taxes collected and payment for social security taxes.
Unemployment	Accounts for property taxes collected and payment for unemployment taxes.
Handicapped	Accounts for property taxes collected and payment for handicapped programs administered by the HISRA.
Paving and Lighting	Accounts for property taxes collected for paving and lighting expenses.

**C. Measurement Focus and Basis of Accounting**

**Measurement Focus**

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities and the discretely presented component unit are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting, as defined below.

In the governmental fund financial statements, all of the funds utilize a "current financial resources" measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their statements of assets, liabilities, and fund balances. Their operating statements present sources and uses of available spendable resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Basis of Accounting**

The government-wide financial statements and the fund financial statements are presented using a modified cash basis of accounting. This basis recognized assets, liabilities, net position, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation and long-term debt payables only in the government-wide statements. There is a provision for investments and payroll liabilities in the government-wide financial statements and the fund financial statements. This basis is a special purpose framework of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

If the Park District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the government-wide financial statements would be presented on the full accrual basis of accounting.

**D. Assets, Liabilities, and Equity**

**Cash, Cash Equivalents and Investments**

For the purpose of financial reporting, "cash, including time deposits" includes all demand, savings accounts, and certificates of deposits of the District. The District is allowed to invest in securities as authorized by the Illinois Investment of Public Funds Act. Investments are recorded at fair value. During the fiscal year ended April 30, 2016 the Park District did not have any investments.

**Inventories**

Inventories are valued at cost using the first in/first out (FIFO) method. Inventories consist of concession stand items.

**Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

See independent auditors' report

This information is an integral part of the accompanying financial statements

WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:**

**D. Assets, Liabilities, and Equity, continued**

**Capital Assets**

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

*Government-wide Statements*

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, with the exception of donated capital assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to April 30, 2003.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Description</u>	<u>Estimated life</u>
Buildings and shelters	20 - 50 years
Equipment	7 - 20 years
Playground equipment	20 years
Vehicles	5 - 10 years
Trails	20 years

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

The Park District has adopted a capitalization policy with a capitalization threshold of \$2,500. Assets purchased for less than this amount are not capitalized.

**Long-term Debt**

All long-term debt arising from cash transactions to be repaid from governmental fund resources is reported as liabilities in the government-wide financial statements.

Long-term debt arising from cash transactions in governmental funds is not reported as a liability in the individual fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

**Equity Classifications**

*Government-wide Statements*

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

- a.) Invested in capital assets, net of related debt -- Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b.) Restricted -- Consists of restricted assets with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c.) Unrestricted -- Net amount of assets that are not included in the determination of the net investment in capital assets or the restricted component of net position.

See independent auditors' report

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:**

**D. Assets, Liabilities, and Equity, continued**

**Equity Classifications, continued**

*Governmental Fund*

According to Government Accounting Standards, the difference among assets and liabilities of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

- a.) **Nonspendable fund balance** - The nonspendable fund balance cannot be spent because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. The concession inventory is included in the nonspendable fund balance.
- b.) **Restricted Fund Balance** - The restricted fund balance classification refers to amounts that are subject to outside restrictions not controlled by the Park District. Things such as restrictions imposed by creditors, grantors, or contributors, or by enabling legislation or constitutional provisions. The Park District has the following fund balances that fall into these categories:

**Major Funds**

The Recreation Fund, Bond & Interest Fund, and Capital Fund are all restricted.

**Non-Major Funds**

**Audit** - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Audit Fund. Expenditures exceeded revenue received for this purpose, resulting in no restricted balance.

**Paving & Lighting** - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Paving and Lighting Fund. Revenues received have exceeded expenditures disbursed for this purpose, resulting in a restricted balance of \$10,871.

**Pool** - Cash receipts and the related cash disbursements for this restricted program are accounted for in the pool fund, which is by definition a special revenue fund. Revenues received have exceeded expenditures disbursed for this purpose, resulting in a restricted balance of \$55,245.

**Working Cash** - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Working Cash Fund. Revenues received have exceeded expenditures disbursed for this purpose, resulting in a restricted balance of \$146,580.

**Handicapped** - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the handicapped fund. Revenue received has exceeded expenditures disbursed for this purpose, resulting in a restricted balance of \$305.

- c.) **Committed Fund Balance** - The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the District Board of Commissioners). Those committed amounts cannot be used for any other purpose unless the Park District removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. The Park District Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual agreements. As of April 30, 2016, the Park District did not have any committed amounts.
- d.) **Assigned Fund Balance** - The assigned fund balance classification refers to amounts that are constrained by the Park District's intent to be used for a specific purpose, but have not been restricted or committed.
- e.) **Unassigned Fund Balance** - The unassigned fund balance classification is the residual classification for amounts in the Park District's funds that have not been restricted, committed, or assigned to specific purposes within the Governmental Funds.
- f.) **Expenditures of Fund Balance** - Unless specifically identified, expenditures act to first reduce restricted balances, then committed balances, next assigned balances, and finally to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specified classification of fund balance that is identified.

**E. Revenues, Expenditures, and Expenses**

**Property Tax**

Under state law, municipalities are limited in their ability to levy a property tax.

Property taxes are levied each year in December and attach as an enforceable lien on property as of the preceding January 1. Tax bills are prepared by the County and issued on or about May 1 of the following year, and are due and collectible on or about June 1 and September 1. The County collects the taxes and remits them periodically to the District.

**Personal Property Replacement Tax**

The personal property replacement tax is collected by the Illinois Department of Revenue and remitted to the District in the month after collection. The personal property replacement tax is recorded in the Corporate Fund.

See independent auditors' report

This information is an integral part of the accompanying financial statements

WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:**

**E. Revenues, Expenditures, and Expenses, continued**

**Program Revenues**

Program revenues consist of fees paid to participate in various recreational activities provided by the Park District. These activities include athletics, tumbling and dancing programs, admission to the pool, and early childhood programs. Also included in program revenues are receipts from selling concessions and rental fees for the use of Park District facilities.

**Expenditures / Expenses**

In the government-wide financial statements, expenses are classified by function for governmental activities, but not designated as direct vs. indirect.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds -- By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

**Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**F. Accounting Estimates**

The preparation of financial statements in conformity with the special purpose framework of accounting used by the Park District requires management to make estimates and assumptions that affect the reported amounts and disclosures (such as estimated useful lives in determining depreciation expense). Actual amounts could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

By its nature as a local government unit, the Park District is subject to various federal and state laws and contractual regulations. An analysis of the Park District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows:

**Fund Accounting Requirements**

The Park District complies with all state and local laws and regulations requiring the use of separate funds. These legally required funds used by the Park District include the following:

<u>Fund</u>	<u>Required By</u>
Corporate Fund	State law
Recreation Fund	State law
Liability	State law
Audit Fund	State law
IMRF Fund	State law
Social Security	State law
Unemployment	State law
Working Cash	State law
Paving and Lighting Fund	State law
Bond and Interest	State law
Handicapped	State law

**3. CASH AND INVESTMENTS:**

The District is allowed to invest in securities as authorized by the Illinois Investment of Public Funds Act (30 ILCS 235).

**Custodial Credit Risk Related to Deposits with Financial Institutions**

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 general investment policy requires all amounts deposited with financial institutions in excess of any insurance limit shall be collateralized by securities eligible for Park District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's, or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

See independent auditors' report

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016**

**3. CASH AND INVESTMENTS, continued:**

**Custodial Credit Risk Related to Deposits with Financial Institutions, continued**

At April 30, 2016, the carrying balance of the Park District's deposits with financial institutions was \$798,612, and the bank balance was \$806,315. The balances of the deposits were exposed to custodial credit risk as follows:

The table presented below is designed to disclose the level of custody credit risk assumed by the District based on how its deposits were insured or secured with collateral at April 30, 2015. The categories of credit risk are defined below the table:

	<u>Carrying Amount</u>			Bank Balance	Market Value
	Category #1	Category #2	Category #3		
Operating accounts	\$ 798,612	\$ 0	\$ 0	\$ 806,315	N/A
Certificates of Deposit	0	0	0	0	N/A
	<u>\$ 798,612</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 806,315</u>	<u>\$ 0</u>

Category 1 -- Insured by FDIC or collateralized with securities held by the Park District or its agent in the Park District's name.

Category 2 -- Uninsured but collateralized by securities held by the pledging financial institution's trust department or agent in the Park District's name.

Category 3 -- Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the District's name; or collateralized with no written or approved collateral agreement.

The District has restricted \$93,521 for future capital projects.

**4. LONG-TERM LIABILITIES:**

**A. Bonds Outstanding:**

Bond principal and interest payments are paid out of the Bond & Interest Fund.

The following is a summary of bond transactions of the District for the fiscal year ended April 30, 2016:

General Obligation Bonds	Balance May 1, 2015	Additions	Reductions	Balance April 30, 2016	Current Portion
	Park Bond - annual - 1.20% interest **	\$ 415,000	\$ 420,000	\$ 415,000	\$ 420,000
Park Bonds - long term - variable interest *	2,375,000	0	180,000	2,195,000	190,000
Total Bond Obligations	<u>\$ 2,790,000</u>	<u>\$ 420,000</u>	<u>\$ 595,000</u>	<u>\$ 2,615,000</u>	<u>\$ 610,000</u>

Description of issues:

Amount of issue	\$420,000	\$1,745,000	\$1,435,000
Date of issue	February 1, 2016	September 27, 2012	October 1, 2006
Dates interest payable	December 1, 2016	March 1st	March 1st
Date principal payable	December 1, 2016	March 1st	March 1st
Interest rates	1.20%	2.0% to 3.45%	4.00% to 4.80%

Year Ending April 30	General Obligation Bonds		General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 420,000	\$ 4,410	\$ 125,000	\$ 36,270	\$ 65,000	\$ 42,925
2018	0	0	130,000	33,770	65,000	40,098
2019	0	0	130,000	30,520	70,000	37,270
2020	0	0	135,000	27,270	70,000	34,225
2021	0	0	140,000	23,625	75,000	31,180
2022 - 2026	0	0	590,000	50,230	345,000	101,338
2027 - 2031	0	0	0	0	255,000	0
Total	<u>\$ 420,000</u>	<u>\$ 4,410</u>	<u>\$ 1,250,000</u>	<u>\$ 201,685</u>	<u>\$ 945,000</u>	<u>\$ 287,036</u>

\* The variable rate is a set rate, predetermined by bond agreement and not any other factor, scheduled to increase each year.

\*\* The short term bond is issued annually for operational purposes.

See independent auditors' report

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT  
TAEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016**

**4. LONG-TERM LIABILITIES, continued:**

**B. Notes Payable:**

Washington park district has the following note payable outstanding:

	Balance May 01, 2015	Additions	Subtractions	Balance April 30, 2016	Due within 1 year
Note payable, Morton Community Bank, payable in 20 quarterly installments of \$2,934, including interest of 2.95%. Collateralized by Toro tractor.	\$ 44,125	\$ 0	\$ 10,550	\$ 33,575	\$ 10,865
Note payable, Caterpillar Financial Services Corporation, payable in 35 monthly installments of \$772 and a balloon payment of \$27,652, including interest of 3.20%. Collateralized by skidsteer.	0	50,956	5,137	45,819	7,913
	<u>\$ 44,125</u>	<u>\$ 50,956</u>	<u>\$ 15,687</u>	<u>79,394</u>	<u>\$ 18,778</u>
Current Portion of L.T.				18,778	
Total Long-Term Debt				<u>\$ 60,616</u>	

Future annual principal maturing required by the above agreement is as follows:

Year Ending April 30	Morton Community Bank		Caterpillar Financial Services		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 10,865	\$ 871	\$ 7,913	\$ 1,351	\$ 18,778	\$ 2,222
2018	11,189	547	8,170	1,094	19,359	1,641
2019	11,521	288	29,736	232	41,257	520
Total	<u>\$ 33,575</u>	<u>\$ 1,706</u>	<u>\$ 45,819</u>	<u>\$ 2,677</u>	<u>\$ 79,394</u>	<u>\$ 4,383</u>

**C. Capital Leases:**

Two trucks, carried at approximately \$28,755 and \$26,389 with accumulated depreciation of \$5,991 and \$3,519, respectively, in the governmental activities were acquired under capital lease arrangements. The capital lease for the Ford F-150 was executed on March 18, 2014, with Ford Motor Credit Company for a period of four years with quarterly payments of \$2,014.65. The capital lease for the Ford F-150 4WD XL was executed on August 27, 2015 with Ford Motor Credit Company for a period of four years with quarterly payments of \$1,838.20. Both leases have a buyout option at the end of the lease, which the District plans on exercising. Capital lease principal and interest payments are paid out of the Capital Fund.

The following is a summary of capital lease transactions of the Park District for the fiscal year ended April 30, 2016:

Capital Lease	Balance May 1, 2015	Additions	Reductions	Balance April 30, 2016	Current Portion
Ford Motor Credit - Van	\$ 1,798	\$ 0	\$ 1,798	\$ 0	\$ 0
Ford Motor Credit - Ford F-150	20,452	0	7,088	13,364	7,481
Ford Motor Credit - Ford F-150 4WD XL	0	26,389	4,806	21,583	6,205
	<u>\$ 22,250</u>	<u>\$ 26,389</u>	<u>\$ 13,692</u>	<u>\$ 34,947</u>	<u>\$ 13,686</u>

The District is obligated under capital lease contracts to make the following aggregate annual lease payments during the years ending April 30:

	2014 Ford F-150	2015 Ford F-150
2017	\$ 8,059	\$ 7,353
2018	6,043	7,353
2019	0	7,353
2020	0	1,838
Total minimum lease payments	<u>\$ 14,102</u>	<u>\$ 23,897</u>
Less interest	738	2,314
Present value of minimum payments	<u>\$ 13,364</u>	<u>\$ 21,583</u>

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This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016**

**5. CAPITAL ASSETS:**

Capital asset activity, resulting from modified cash basis transactions, for the year ended April 30, 2016, was as follows:

	Balance May 1, 2015	Additions	Disposals	Balance April 30, 2016
Governmental activities:				
Depreciable assets:				
Building & shelters	\$ 3,180,200	\$ 10,815	\$ 0	\$ 3,191,015
Equipment	276,992	58,059	0	335,051
Playground equipment	324,391	14,094	0	338,485
Vehicles	187,505	29,470	0	216,975
Trails & Parks	1,620,585	166,582	0	1,787,167
Total depreciable assets at historical cost:	5,589,673	279,020	0	5,868,693
Less: accumulated depreciation	2,507,412			2,705,241
Depreciable capital assets, net	3,082,261			3,163,452
Non-depreciable assets:				
Land	802,390	9,808		812,198
Governmental activities capital assets, net	<u>\$ 3,884,651</u>			<u>\$ 3,975,650</u>

Depreciation expense was charged to governmental activities as follows:

General government:			
General government	\$ 0		
Total general government		\$ 0	
Culture and recreation			
Parks / recreational activities	\$ 194,007		
Total culture and recreation		197,829	
Total District depreciation		<u>\$ 197,829</u>	

**6. OPERATING LEASES:**

On April 17, 2009, the District executed a lease agreement with Xerox for a copier with minimum monthly payments of \$288.83 for five years. The District currently leases the copier on a month to month basis, and can cancel at any time. Total lease payments for the year ending April 30, 2016 were \$5,005. These payments are made out of the Capital Fund.

**7. INTERFUND TRANSACTIONS AND BALANCES:**

During the year ended April 30, 2016, The Bond & Interest Fund transferred \$149,000 to the Capital Fund to purchase capital assets with bond proceeds.

**8. ACCOUNTABILITY:**

The following funds have a deficit fund balance as of April 30, 2016.

Funds	Deficit Fund Balance
Liability Insurance	\$ (24,603)
IMRF	\$ (38,155)
Audit	\$ (16,385)

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This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016**

**9. INTERFUND RECEIVABLES / PAYABLES:**

During the course of operations, numerous transactions occur between individual funds, for operational expenses, that may result in amounts owed between the funds. Short-term interfund loans are reported as "interfund receivables and payables".

As of April 30, 2016:

Corporate owes Recreation	\$	13,247
Recreation owes Handicapped		305
Recreation owes Pool		1,343
Liability owes Working Cash		26,000
IMRF owes Corporate		3,444
IMRF owes Working Cash		40,000
Audit owes Working Cash		18,000
Capital owes Bond & Interest		135,425
Pool owes Recreation		1,061
Total Interfund Receivables / Payables	<u>\$</u>	<u>238,825</u>

**10. DEFINED BENEFIT PENSION PLAN:**

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

*Funding Policy.* As set by statute, your employer Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2015 was 10.34% of annual covered payroll. The employer annual required contribution rate for calendar year 2014 was 11.77%. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for calendar year 2015 was \$44,563. The required contribution for calendar year 2014 was \$48,516.

**THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2015	\$ 44,563	100%	0
12/31/2014	\$ 48,516	100%	0
12/31/2013	\$ 43,457	96%	0

The required contribution for 2015 was determined as part of the December 31, 2013 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2013 is being amortized as a level percentage of projected payroll on an open 28 year basis.

*Funded Status and Funding Progress.* As of December 31, 2015, the most recent actuarial valuation date, the Regular plan was 86.42% funded. The actuarial accrued liability for benefits was \$1,306,417 and the actuarial value of assets was \$1,129,005, resulting in an underfunded actuarial liability (UAAL) of \$177,412. The covered payroll for calendar year 2015 (annual payroll of active employees covered by the plan) was \$430,979 and the ratio of the UAAL to the covered payroll was 41 percent.

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

See independent auditors' report

This information is an integral part of the accompanying financial statements



**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016**

**11. USAGE FEE:**

Due to a 2007 intergovernmental agreement between the District and Washington Area Community Center, an Illinois non-for-profit organization, the District has an annual fee for the use of the facilities known as Five Points. A base usage fee of \$10,000 and a supplemental usage fee of \$15,000 are payable annually on or before September 1. The usage fees are for a period of twenty years, after which time the supplemental usage fee is terminated, but the base usage fee can be exercised for four consecutive, irrevocable options of twenty years each. Upon exercise of the options, the base use rate shall be annually adjusted based upon the municipal price index.

**12. CONTINGENCIES:**

The District is currently not involved in litigation for which the District's legal counsel anticipates a loss.

**13. RELATED PARTY TRANSACTIONS:**

There were no significant related party transactions during the year ended April 30, 2016.

**14. LEGAL DEBT LIMIT**

Under 65 ILCS 5/8-5-1, the District is allowed to incur qualifying debt up to 8.625% of its latest equalized assessed value. The equalized assessed value as of January 1, 2015 was \$350,770,519. As of April 30, 2016, the Park District's legal debt limit was \$30,253,957. Qualifying outstanding debt as of April 30, 2016, totaled \$2,729,341 leaving a debt margin of \$27,524,616.

**15. PROPERTY TAXES:**

The District's property tax is levied each year on all real property located in the District on or before the second Tuesday in September. The levy for taxes collected during the year ended April 30, 2016 was passed by the Board at the November meeting. Property taxes attach as enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The District receives significant distributions of tax receipts approximately one month after these due dates.

The following are the tax rates applicable to the various levies per \$100,000 of assessed valuation:

	<u>Maximum Percent</u>	<u>Actual Percent</u>		
		<u>2014 Levy</u>	<u>2013 Levy</u>	<u>2012 Levy</u>
General Corporate	0.1000	0.10000	0.09861	0.09594
Bonds and Interest	0.0000	0.13914	0.12757	0.12706
IMRF	0.0000	0.01579	0.01295	0.01101
Audit	0.0050	0.00500	0.00494	0.00500
Liability	0.0000	0.02072	0.01849	0.01888
Social Security	0.0000	0.02302	0.01788	0.01731
Unemployment Insurance	0.0900	0.00000	0.00309	0.00315
Recreation	0.1200	0.07530	0.07427	0.07235
Rec Programs Handicapped	0.0400	0.01677	0.02158	0.02202
Totals		<u>0.39574</u>	<u>0.37938</u>	<u>0.37272</u>

**16. INSURANCE:**

The District is covered for work compensation insurance through Illinois Public Risk Fund.

The District is covered for liability insurance through the Illinois Association of Park Districts. There have been no instances in the past three years in which insurance claims have exceeded coverage.

<u>Coverage</u>	<u>Limits</u>
Bodily Injury & Property Damage	\$ 6,000,000
Wrongful Acts	\$ 6,000,000
Automobile Liability	\$ 6,000,000
Property	
Buildings	\$ 8,469,288
Contents	\$ 610,000
Automobile	\$ 191,500
Miscellaneous property	\$ 210,280

See independent auditors' report

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2016**

**16. INSURANCE, continued:**

**PDRMA Health Program**

On April 01, 2000, the Washington Park District became a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance 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 Washington Park District is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the member agency and the PDRMA Health Program is governed by a contract and by-laws that have been adopted by resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

**PDRMA Health Program**

The following represents a summary of PDRMA's balance sheet at December 31, 2015, and the statement of revenues and expenses for the period ending December 31, 2015:

Assets	\$17,141,280
Liabilities	\$ 5,510,343
Member Balances	\$11,883,538
Revenues	\$36,926,788
Expenditures	\$34,071,062

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.

**17. SUBSEQUENT EVENTS:**

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 12, 2016, the date the financial statements were available to be issued, and has determined the following event to be significant:

On July 18, 2016 the Board approved the merger of programming and management responsibilities of the Washington Area Recreation Association with the Park District. The Park District will assume those responsibilities formerly assigned to the Association.

On August 22, 2016 the Board approved the purchase of a new mower. The Park District borrowed \$13,358 to finance the purchase.

See independent auditors' report

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

OTHER INFORMATION  
Schedule of Funding Progress - Pension Plan

For the year ending April 30, 2016

Actuarial Valuation Date	Actuarial values of assets (a)	Actuarial Accrued Liability (AAL) ---Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2015	1,129,005	1,306,417	177,412	86.42%	430,979	41.16%
12/31/2014	1,013,505	1,207,071	193,566	83.96%	412,198	46.96%
12/31/2013	880,019	1,035,849	155,830	84.96%	352,734	44.18%

On a market basis, the actuarial value of assets as of December 31, 2015 is \$1,109,347. On a market basis, the funded ratio would be 84.92%.

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

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
MODIFIED CASH BASIS- BUDGET AND ACTUAL**

**CORPORATE FUND**

For the year ending April 30, 2016

	<u>Original / Final</u>	<u>Actual Amounts</u>	<u>Over / Under</u>
Beginning budgetary fund balance:	\$ 60,064	\$ 60,064	\$ 0
<b>REVENUE</b>			
Taxes	318,616	320,321	1,705
Interest income	50	43	(7)
Miscellaneous	7,209	5,093	(2,116)
Total revenue	325,875	325,457	(418)
<b>EXPENDITURES</b>			
General government	382,375	325,004	57,371
Culture & recreation	11,500	8,976	2,524
Total expenditures	393,875	333,980	59,895
Net revenue over (under) expenditures	(68,000)	(8,523)	59,477
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	0	0	0
Total other financing sources (uses)	0	0	0
Ending budgetary fund balance:	\$ (7,936)	\$ 51,541	\$ 59,477

See independent auditors' report

See accompanying notes to budgetary comparison information

**WASHINGTON PARK DISTRICT  
TAEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
MODIFIED CASH BASIS- BUDGET AND ACTUAL**

**RECREATIONAL FUND**

For the year ending April 30, 2016

	<b>Original / Final</b>	<b>Actual Amounts</b>	<b>Over / Under</b>
Beginning budgetary fund balance:	\$ 322,378	\$ 322,378	\$ 0
<b>REVENUE</b>			
Taxes	229,000	227,774	(1,226)
Concessions	17,700	16,694	(1,006)
Recreational activities	843,005	910,750	67,745
Rental fees	29,185	6,843	(22,342)
Interest Income	100	181	81
Donations	500	0	(500)
Miscellaneous	750	1,951	1,201
Total revenue	1,120,240	1,164,193	43,953
<b>EXPENDITURES</b>			
Culture & recreation	1,253,072	1,085,836	167,236
Capital outlay	23,000	10,703	12,297
Total expenditures	1,276,072	1,096,539	179,533
Net revenue over (under) expenditures	(155,832)	67,654	223,486
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	0	0	0
Total other financing sources (uses)	0	0	0
Ending budgetary fund balance:	\$ 166,546	\$ 390,032	\$ 223,486

See independent auditors' report

See accompanying notes to budgetary comparison information

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
MODIFIED CASH BASIS- BUDGET AND ACTUAL**

**BOND & INTEREST FUND**

For the year ending April 30, 2016

	<b>Original / Final</b>	<b>Actual Amounts</b>	<b>Over / Under</b>
Beginning budgetary fund balance:	\$ 229,973	\$ 229,973	\$ 0
<b>REVENUE</b>			
Taxes	423,148	420,883	(2,265)
Interest Income	50	235	185
Total revenue	423,198	421,118	(2,080)
<b>EXPENDITURES</b>			
Debt service	786,594	683,417	103,177
Total expenditures	786,594	683,417	103,177
Net revenue over (under) expenditures	(363,396)	(262,299)	101,097
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from bond issuance, net	420,000	415,800	(4,200)
Transfers in (out)	(178,250)	(149,000)	
Receipts from sale of assets	0	0	0
Total other financing sources (uses)	241,750	266,800	(4,200)
Ending budgetary fund balance:	\$ 108,327	\$ 234,474	\$ 126,147

See independent auditors' report

See accompanying notes to budgetary comparison information

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
MODIFIED CASH BASIS- BUDGET AND ACTUAL**

**CAPITAL FUND**

For the year ending April 30, 2016

	<u>Original / Final</u>	<u>Actual Amounts</u>	<u>Over / Under</u>
Beginning budgetary fund balance:	\$ 62,025	\$ 62,025	\$ 0
<b>REVENUE</b>			
Interest Income	100	392	292
Donations	99,000	96,451	(2,549)
Miscellaneous	100,000	3,226	(96,774)
Total revenue	199,100	100,069	(99,031)
<b>EXPENDITURES</b>			
General government	103,500	74,541	28,959
Culture & recreation	16,100	15,974	126
Debt service	58,650	33,312	25,338
Capital outlay	316,250	278,125	38,125
Total expenditures	494,500	401,952	92,548
Net revenue over (under) expenditures	(295,400)	(301,883)	(6,483)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from bond issuance	93,371	0	(93,371)
Capital lease proceeds	0	77,345	77,345
Transfers in (out)	155,000	149,000	149,000
Total other financing sources (uses)	248,371	226,345	132,974
Ending budgetary fund balance:	\$ 14,996	\$ (13,513)	\$ (28,509)

See independent auditors' report

See accompanying notes to budgetary comparison information

**WASHINGTON PARK DISTRICT  
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO BUDGETARY COMPARISON INFORMATION  
For the year ending April 30, 2016**

**1. Budgetary Basis of Accounting**

An annual appropriated budget is prepared and adopted for all of the governmental funds on the budgetary basis of accounting and consistent with the modified cash basis of accounting. On or before the second Tuesday in September, the budget is legally enacted through the passage of a budget ordinance. The budget is amended for supplemental appropriations during the fiscal year by the Park District's Board. Interfund transfers of appropriations are done only by Board approval. Any revisions that alter total appropriations of any fund must be approved by the board. All annual appropriations lapse at each fiscal year end.

**2. Reconciliation of Budgeted and Actual Results**

There is no difference between the modified cash basis and budgetary basis of accounting.

**3. Excess of Expenditures Over Appropriations**

None

See independent auditors' report



STEVEN D.  
**GREIM & COMPANY P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the District Board of Commissioners  
Washington Park District  
Tazewell County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington Park District, Tazewell County, Washington, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprises Washington Park District, Tazewell County, Washington, Illinois' basic financial statements and have issued our report thereon dated December 12, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Washington Park District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Washington Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington Park District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described below to be a material weakness.

**Finding 2016-001:**

There is an inadequate segregation of duties among personnel involved in the accounting function. Only one person completes all accounting functions.

**Response:**

The size of our organization and staff does not make it economically feasible to segregate accounting duties. Therefore, additional board oversight is required.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency below to be a significant deficiency.

**Finding 2016-002:**

The auditor assisted the Park District in preparation of the financial statements, because the District does not employ any individuals with the necessary skills, expertise, and competencies to create full disclosure financial statements.

**Response:**

The Park District did possess sufficient skill, knowledge, and experience to provide the direction during the preparation of the financial statements. The Park District will continue to obtain training for personnel and board members involved.

**Compliance and Other Matters**

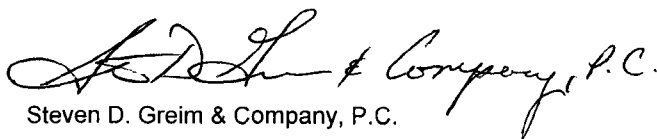
As part of obtaining reasonable assurance about whether Washington Park District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Washington Park District's Response to Findings**

Washington Park District's response to the findings identified in our audit is described previously. Washington Park District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Steven D. Greim & Company, P.C.

Peoria, Illinois

December 12, 2016