

WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT
Year Ended April 30, 2020

Prepared By:
Kim Hess
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, 2020, and the related notes to the financial statements 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 audit 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, 2020, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

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 basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are 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, the schedule of funding progress, and budgetary comparison information as listed in the table of contents 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.

Steven D. Greim + Company, P.C.

Steven D. Greim & Company, P.C.

Peoria, Illinois

September 3, 2020

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, 2020. 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 the 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, 2020, the Washington Park District's Corporate fund reported an ending fund balance of \$97,223, an increase of \$20,087 in comparison with the prior year, \$77,136. This amount constitutes unassigned fund balance, which is available to spend at the District's discretion. Other governmental funds combined fund balances totaled \$533,014.

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, 2020, assets exceeded liabilities by \$2,736,702 up from the prior year by \$5,992. The District's largest net position group is invested in capital assets, net of debt, \$2,551,465 (93.23%). These assets are used to provide services to the citizens and, therefore, are not available for future spending. The unrestricted net position of (\$255,361) in 2020 and (\$305,896) in 2019 was primarily due to the annual general obligation bond that was used for operating purposes and not to procure capital assets. Therefore, it was 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, 2020 and 2019

	Governmental Activities	
	2020	2019
Assets:		
Current Assets	\$ 632,159	\$ 747,385
Capital Assets	4,118,433	4,189,401
Total Assets	<u>4,750,592</u>	<u>4,936,786</u>
Liabilities:		
Current Liabilities	705,214	660,347
Non-current Liabilities	1,308,676	1,545,729
Total Liabilities	<u>2,013,890</u>	<u>2,206,076</u>
Net Position:		
Investments in capital assets, net of debt	2,551,465	2,425,815
Restricted	440,598	610,791
Unrestricted	(255,361)	(305,896)
Total Net Position	<u>\$ 2,736,702</u>	<u>\$ 2,730,710</u>

Current assets consist of cash and concession stand inventory.

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 and IMRF withholding not yet remitted.

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 \$5,992. Revenues, expenses, and changes in net position are summarized in the table below:

**Condensed Statement of Activities
For Fiscal Years Ending April 30, 2020 and 2019**

	Governmental Activities	
	2020	2019
Revenues:		
Program:		
Charges for Services	\$ 1,165,575	\$ 1,415,023
Grants & Contributions	2,469	1,683
General:		
Property & Other Taxes	1,424,277	1,402,909
Other	16,228	3,154
Total Revenues	2,608,549	2,822,769
Expenses:		
General Government	696,527	701,697
Recreational Activities	1,756,472	1,849,104
Concessions	73,978	73,978
Other	75,580	77,619
Total Expenses	2,602,557	2,702,398
Change in Net Position	\$ 5,992	\$ 120,371

Major sources of operating revenues for the District include property and state taxes and charges for services. Property taxes, \$1,403,531 (53.8%), comprised the majority of the total governmental revenues.

Total revenues from governmental activities increased by \$5,992, due to an increase in property tax revenue.

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, Expenditures, 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, 2020, the District maintained \$4,118,433 in capital assets (net of depreciation) representing a 1.69% decrease 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	
	2020	2019
Land	\$ 812,198	\$ 812,198
Buildings	2,141,539	1,942,695
Trails & parks	791,996	1,062,191
Property, plant & equipment	372,700	372,317
Total	<u>\$ 4,118,433</u>	<u>\$ 4,189,401</u>

Additional information regarding the District's capital assets is located in Note 4 on page 19 of this report.

Long-Term Debt

The District's outstanding long-term liabilities, including bonds, notes payable, and leases payable, totaled \$2,011,968 at April 30, 2020. The District's outstanding long-term liabilities decreased \$191,618 (8.69%) from the previous year.

Additional information on the District's long-term liabilities is located in Note 5 on pages 20 - 22 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, 2020

	Primary Government Governmental Activities	Component Unit Park District Foundation
ASSETS		
Current assets:		
Cash in banks	\$ 631,837	\$ 64,094
Cash in banks - restricted	0	0
Inventory	322	0
Total current assets	632,159	64,094
Non-current assets:		
Capital assets		
Nondepreciable capital assets	812,198	0
Depreciable capital assets (net)	3,306,235	0
Total capital assets	4,118,433	0
Total non-current assets	4,118,433	0
Total assets	4,750,592	64,094
LIABILITIES		
Current liabilities:		
Payroll liabilities	1,922	0
Long-term liabilities:		
Due within one year	703,292	0
Due in more than one year	1,308,676	0
Total liabilities	2,013,890	0
NET POSITION		
Equity:		
Invested in capital assets, net of related debt	2,551,465	0
Restricted for		
Special purposes	440,598	64,094
Unrestricted	(255,361)	0
Total net position	\$ 2,736,702	\$ 64,094

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, 2020

<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</u>	<u>Capital</u>	<u>Primary</u>	<u>Component</u>	
			<u>Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>Governmental</u>	<u>Unit</u>	
						<u>Governmental</u>	<u>Park District</u>
						<u>Activities</u>	<u>Foundation</u>
Primary Government:							
Governmental activities:							
General government:	\$ 696,527	\$ 0	\$ 0	\$ 0		\$ (696,527)	
Total general government	696,527	0	0	0		(696,527)	
Parks and recreational programs:							
Recreational activities	1,756,472	1,054,073	0	2,469		(699,930)	
Concessions	73,978	91,261	0	0		17,283	
Rental	0	20,241	0	0		20,241	
Total parks and recreational programs	1,830,450	1,165,575	0	2,469		(662,406)	
Interest expense	5,679	0	0	0		(5,679)	
Interest on bonds	69,901	0	0	0		(69,901)	
Total interest cost incurred	75,580	0	0	0		(75,580)	
Total governmental activities	<u>\$ 2,602,557</u>	<u>\$ 1,165,575</u>	<u>\$ 0</u>	<u>\$ 2,469</u>		<u>\$ (1,434,513)</u>	
Component Unit:							
Park District Foundation	<u>\$ 53,827</u>	<u>\$ 0</u>	<u>\$ 58,327</u>	<u>\$ 0</u>			<u>\$ 4,500</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, 2020

	Primary Government Governmental Activities	Component Unit Park District Foundation
Changes in Net Position:		
Net (expense)/revenue	\$ (1,434,513)	\$ 4,500
General revenues:		
Taxes		
Property taxes	1,403,531	0
State replacement taxes	20,746	0
Investment income	2,791	0
Miscellaneous	13,437	0
Loss on sale of assets	0	0
Total general revenues	1,440,505	0
Changes in net position	5,992	4,500
Net position -- beginning	2,730,710	59,594
Net position -- ending	\$ 2,736,702	\$ 64,094

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

BALANCE SHEET - MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

April 30, 2020

	Major Fund				Non-major	Total Governmental Funds
	Corporate Fund	Recreation Fund	Bond & Interest Fund	Capital Fund	All Other Governmental Funds	
ASSETS						
Checking accounts	\$ 99,145	\$ 194,292	\$ 694	\$ 102,474	\$ 235,232	\$ 631,837
Cash accounts - restricted	0	0	0	0	0	0
Inventory	0	322	0	0	0	322
Interfund receivable	0	0	0	0	0	0
Total assets	<u>\$ 99,145</u>	<u>\$ 194,614</u>	<u>\$ 694</u>	<u>\$ 102,474</u>	<u>\$ 235,232</u>	<u>\$ 632,159</u>
LIABILITIES						
Payroll liabilities	\$ 1,922	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,922
Interfund payable	0	0	0	0	0	0
Total liabilities	1,922	0	0	0	0	1,922
FUND BALANCES						
Nonspendable - inventory	0	322	0	0	0	322
Restricted	0	194,292	694	102,474	143,138	440,598
Committed	0	0	0	0	0	0
Assigned	0	0	0	0	0	0
Unassigned	97,223	0	0	0	92,094	189,317
Total fund balances	<u>97,223</u>	<u>194,614</u>	<u>694</u>	<u>102,474</u>	<u>235,232</u>	<u>630,237</u>
Total liabilities and fund balances	<u>\$ 99,145</u>	<u>\$ 194,614</u>	<u>\$ 694</u>	<u>\$ 102,474</u>	<u>\$ 235,232</u>	<u>\$ 632,159</u>

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, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 630,237
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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 \$3,342,489	4,118,433
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Long-term liabilities are not reported in the governmental funds:

Bonds payable	(1,850,000)
Capital lease obligations	(39,289)
Notes payable	(122,679)

Net position of governmental activities	<u><u>\$ 2,736,702</u></u>
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See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**

GOVERNMENTAL FUNDS

For the year ending April 30, 2020

	Major Fund			Non-major		Total Governmental Funds
	Corporate Fund	Recreation Fund	Bond & Interest Fund	Capital Fund	All Other Governmental Funds	
REVENUES						
Taxes	\$ 379,698	\$ 272,658	\$ 450,087	\$ 0	\$ 321,834	\$ 1,424,277
Concessions	0	53,503	0	0	37,758	91,261
Recreational activities	0	945,886	0	0	108,187	1,054,073
Rental fees	0	13,333	0	0	6,908	20,241
Interest income	567	530	725	352	617	2,791
Grants	0	0	0	2,469	0	2,469
Donations	0	0	0	0	0	0
Miscellaneous	3,918	3,285	0	444	5,790	13,437
Total revenues	384,183	1,289,195	450,812	3,265	481,094	2,608,549
EXPENDITURES						
General government	361,826	0	0	46,774	287,927	696,527
Culture and recreation						
Parks / recreational activities	5,948	1,354,638	0	25,043	179,880	1,565,509
Total culture and recreation	5,948	1,354,638	0	25,043	179,880	1,565,509
Debt service						
Principal	0	0	645,000	48,836	0	693,836
Interest expense	0	0	69,901	5,679	0	75,580
Cost of issuance	0	0	4,482	0	0	4,482
Total debt service	0	0	719,383	54,515	0	773,898
Capital outlay						
Buildings / recreational facilities	0	0	0	189,491	0	189,491
Total capital outlay	0	0	0	189,491	0	189,491
Total expenditures	367,774	1,354,638	719,383	315,823	467,807	3,225,425
Excess (deficiency) revenue received over (under) expenditures disbursed	16,409	(65,443)	(268,571)	(312,558)	13,287	(616,876)

See independent auditors' report

See accompanying notes to financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS, Continued**

GOVERNMENTAL FUNDS

For the year ending April 30, 2020

	Major Fund			Non-major		Total Governmental Funds
	Corporate Fund	Recreation Fund	Bond & Interest Fund	Capital Fund	All Other Governmental Funds	
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance	0	0	445,000	0	0	445,000
Bank loan proceeds	0	0	0	57,218	0	57,218
Insurance proceeds	0	0	0	0	0	0
Proceeds from sale of assets	0	0	0	0	0	0
Transfers in (out)	3,678	(75,210)	(177,550)	252,550	(3,468)	0
Total other financing sources	<u>3,678</u>	<u>(75,210)</u>	<u>267,450</u>	<u>309,768</u>	<u>(3,468)</u>	<u>502,218</u>
Net revenue over (under) expenditures & other uses	20,087	(140,653)	(1,121)	(2,790)	9,819	(114,658)
Fund balances - May 1, 2019	77,136	335,267	1,815	105,264	225,413	744,895
Fund balances - April 30, 2020	<u>\$ 97,223</u>	<u>\$ 194,614</u>	<u>\$ 694</u>	<u>\$ 102,474</u>	<u>\$ 235,232</u>	<u>\$ 630,237</u>

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 \$ (114,658)

Amounts reported for governmental activities in the Statement 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	189,491
Depreciation expense	(260,459)
Proceeds from notes	(57,218)
Capital lease payments	18,181
Loan payments	30,655
Capital assets sold	0

The payment of bonds 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	(445,000)
Bond payments	645,000

Change in net position of governmental activities \$ 5,992

See independent auditors' report

See accompanying notes to financial statements

WASHINGTON PARK DISTRICT TAZEWELL COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2020

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 Funds

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.

This information is an integral part of the accompanying financial statements

WASHINGTON PARK DISTRICT TAZEWELL COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

B. Basis of Presentation, continued

Fund Financial Statements, continued:

Governmental Funds - continued

The Park District has presented the following governmental funds, which are classified as major or non-major:

<u>Major Fund:</u>	<u>Brief Description</u>
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.

<u>Non-major Fund:</u>	<u>Brief Description</u>
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.

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, 2020 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.

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

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. Capital assets acquired by the District through noncash transactions have not been recorded in the government-wide financial statements.

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.

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.

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.

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:

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.

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

D. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Governmental Fund, continued

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

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 \$97,147.

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

Liability Insurance - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Liability Insurance

Audit - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Audit Fund.

IMRF - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the IMRF Fund.

Social Security - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the IMRF Fund.

Unemployment - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the IMRF Fund.

Handicapped - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the handicapped fund.

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.

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.

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.

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.

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.

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

E. Revenues, Expenditures, and Expenses, continued

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.

G. Implementation of New Accounting Principles

The District did not implement any new accounting principles during its fiscal year.

H. New Accounting Pronouncement Issued Not Yet Adopted

The GASB has issued a new accounting pronouncement that will be effective to the Park District in subsequent years. A description of the new accounting pronouncement and the fiscal year in which they will be effective is described below:

GASB Statement No. 87, *Leases*, was issued June 2017 and improves accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Park Districts fiscal year beginning May 1, 2022. Earlier application is encouraged.

The Park District is currently evaluating the impact that this new standard will have on its financial statements.

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 Insurance Fund	State law
Audit Fund	State law
IMRF Fund	State law
Working Cash Fund	State law
Bond and Interest Fund	State law
Handicapped Fund	State law

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

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.

At April 30, 2020, the carrying balance of the Park District's deposits with financial institutions was \$631,839, and the bank balance was \$775,152. 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, 2020. The categories of credit risk are defined below the table:

	Carrying Amount			Bank Balance
	Category #1	Category #2	Category #3	
Operating accounts	\$ 631,837	\$ 0	\$ 0	\$ 775,152
Certificates of Deposit	0	0	0	0
	<u>\$ 631,837</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 775,152</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.

4. CAPITAL ASSETS:

Capital asset activity, resulting from modified cash basis transactions, for the year ended April 30, 2020, was as follows:

	Balance May 1, 2019	Additions	Disposals	Balance April 30, 2020
Governmental activities:				
Depreciable assets:				
Building & shelters	\$ 3,601,335	\$ 88,794	\$ 200,000	\$ 3,490,129
Equipment	373,870	36,651	10,657	399,864
Playground equipment	338,485	0	0	338,485
Vehicles	295,268	30,546	0	325,814
Trails & parks	2,060,932	33,500	0	2,094,432
Total depreciable assets at historical cost:	<u>6,669,890</u>	<u>189,491</u>	<u>210,657</u>	<u>6,648,724</u>
Less accumulated depreciation for:				
Building & shelters	\$ 1,453,104	\$ 95,486	\$ 200,000	\$ 1,348,590
Equipment	232,104	23,914	10,657	245,361
Playground equipment	268,115	6,382	0	274,497
Vehicles	135,088	36,517	0	171,605
Trails & parks	1,204,276	98,160	0	1,302,436
Total accumulated depreciation	<u>3,292,687</u>	<u>260,459</u>	<u>210,657</u>	<u>3,342,489</u>
Depreciable capital assets, net	<u>3,377,203</u>			3,306,235
Non-depreciable assets:				
Land	812,198			812,198
Governmental activities capital assets, net	<u>\$ 4,189,401</u>			<u>\$ 4,118,433</u>

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEVELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

4. CAPITAL ASSETS, continued:

Depreciation expense was charged to governmental activities as follows:

General government:		
General government	\$	0
Total general government	\$	0
Culture and recreation		
Parks / recreational activities	\$	260,459
Total culture and recreation		260,459
Total District depreciation	\$	<u>260,459</u>

5. 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, 2020:

General Obligation Bonds	Balance	Additions	Reductions	Balance	Current
	May 1, 2019			April 30, 2020	Portion
Park Bond - annual - 1.86% interest **	\$ 440,000	\$ 445,000	\$ 440,000	\$ 445,000	\$ 445,000
Park Bonds - long term - variable interest *	1,610,000	0	205,000	1,405,000	215,000
Total Bond Obligations	<u>\$ 2,050,000</u>	<u>\$ 445,000</u>	<u>\$ 645,000</u>	<u>\$ 1,850,000</u>	<u>\$ 660,000</u>

Description of issues:

Amount of issue	\$445,000	\$1,435,000	\$1,745,000
Date of issue	February 3, 2020	October 1, 2006	September 27, 2012
Dates interest payable	December 1, 2020	March 1st	March 1st
Date principal payable	December 1, 2020	March 1st	March 1st
Interest rates	1.86%	4.35% to 4.75%	2.75% to 3.45%

Year Ending April 30,	General Obligation Bonds		General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 445,000	\$ 6,898	\$ 75,000	\$ 31,180	\$ 140,000	\$ 23,625
2022	0	0	80,000	27,918	140,000	19,425
2023	0	0	85,000	24,438	145,000	15,085
2024	0	0	90,000	20,528	150,000	10,373
2025	0	0	90,000	16,343	155,000	5,347
2026 - 2027	0	0	255,000	12,113	0	0
Total	<u>\$ 445,000</u>	<u>\$ 6,898</u>	<u>\$ 675,000</u>	<u>\$ 132,520</u>	<u>\$ 730,000</u>	<u>\$ 73,855</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.

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

5. LONG-TERM LIABILITIES, continued:

B. Notes Payable:

Washington Park District has the following note payable outstanding:

	Balance May 1, 2019	Additions	Subtractions	Balance April 30, 2020	Due within 1 year
Note payable, Morton Community Bank, payable in 12 quarterly installments of \$1,101.69, including interest of 2.87%. Collateralized by Toro mower.	\$ 3,257	\$ 0	\$ 3,257	\$ 0	\$ 0
Note payable, Washington State Bank, payable in 6 yearly installments of \$13,249.68, including interest of 2.70%. Collateralized by Blue Bird bus.	72,490	0	11,255	61,235	11,597
Note payable, Caterpillar Financial Services Corporation, payable in 35 monthly installments of \$977.37 and a balloon payment of \$28,880, including interest of 4.55%. Collateralized by 279D skid-steer.	51,111	0	9,600	41,511	10,047
Note payable, Morton Community Bank, payable in 4 annual installments of \$6,984.05, including interest of 2.50%. Collateralized by John Deere tractor.	0	26,476	6,543	19,933	6,479
	<u>\$ 126,858</u>	<u>\$ 26,476</u>	<u>\$ 30,655</u>	<u>122,679</u>	<u>\$ 28,123</u>
Current portion of long-term debt				28,123	
Total long-term debt				<u>\$ 94,556</u>	

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

Year Ending April 30,	Caterpillar Financial Services Corp.		Washington State Bank		Morton Community Bank	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 10,047	\$ 1,682	\$ 11,597	\$ 1,653	\$ 6,479	\$ 505
2022	31,464	348	11,909	1,340	6,643	341
2023	0	0	12,231	1,019	6,811	173
2024	0	0	12,561	688	0	0
2025	0	0	12,937	349	0	0
2026 - 2030	0	0	0	0	0	0
Total	<u>\$ 41,511</u>	<u>\$ 2,030</u>	<u>\$ 61,235</u>	<u>\$ 5,049</u>	<u>\$ 19,933</u>	<u>\$ 1,019</u>
	Total					
Year Ending April 30,	Principal	Interest				
2021	\$ 28,123	\$ 3,840				
2022	50,016	2,029				
2023	19,042	1,192				
2024	12,561	688				
2025	12,937	349				
2026 - 2030	0	0				
Total	<u>\$ 122,679</u>	<u>\$ 8,098</u>				

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

5. LONG-TERM LIABILITIES, continued:

C. Capital Leases:

Three trucks, carried at approximately \$26,389, \$41,617 and \$30,546 with accumulated depreciation of \$24,620, \$24,277 and \$4,000, respectively, in the governmental activities were acquired under capital lease arrangements. The capital lease for the 2015 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. The capital lease for the 2017 Ford F-450 Dump Truck was executed on June 8, 2017, with Ford Motor Credit Company for a period of five years with annual payments of \$9,312.22. The capital lease for the 2019 Ford F-150 Crew Cab 4WD was executed on June 12, 2019, with Ford Motor Credit Company for a period of four years with annual payments of \$8,538.19. Each lease has 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, 2020:

<u>Capital Lease</u>	Balance May 1, 2019	Additions	Reductions	Balance April 30, 2020	Current Portion
Ford Motor Credit - 2015 Ford F-150	\$ 1,813	\$ 0	\$ 1,813	\$ 0	\$ 0
Ford Motor Credit - 2017 Ford F-450	24,915	0	7,830	17,085	8,296
Ford Motor Credit - 2019 Ford F-150	0	30,742	8,538	22,204	6,873
	<u>\$ 26,728</u>	<u>\$ 30,742</u>	<u>\$ 18,181</u>	<u>\$ 39,289</u>	<u>\$ 15,169</u>

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

<u>Year Ending April 30,</u>	2017 Ford F-450	2019 Ford F-150
2021	\$ 9,312	\$ 8,538
2022	9,313	8,538
2023	0	8,538
2024	0	0
Total minimum lease payments	\$ 18,625	\$ 25,614
Less interest	1,540	3,410
Present value of minimum payments	<u>\$ 17,085</u>	<u>\$ 22,204</u>

7. OPERATING LEASES:

On February 24, 2016, the District executed a lease agreement with CDS Office Technologies for a copier. The term of the lease is one year and will renew annually. Total lease payments for the year ending April 30, 2020 were \$3,267. These payments are paid out of the Recreation Fund.

8. INTERFUND TRANSACTIONS AND BALANCES:

The following interfund transfers were made during the year ended April 30, 2020 to make interfund receivables and payables resulting from transactions in prior fiscal years permanent, also, to transfer bond proceeds to the Capital Replacement Fund.

<u>Operating transfers</u>	<u>In</u>	<u>Out</u>
Corporate Fund	\$ 3,678	\$ 0
Recreation Fund	0	75,210
IMRF Fund	0	969
Bond & Interest Fund	0	177,550
Capital Replacement Fund	252,550	0
Handicapped Rec Fund	0	3,499
Audit Fund	1,000	0
Total	<u>\$ 257,228</u>	<u>\$ 257,228</u>

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

9. ACCOUNTABILITY:

There were no funds with a deficit fund balance as of April 30, 2020.

10. 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, 2020:

Total interfund receivables / payables	\$	0
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11. 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.

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 annual required contribution rate for calendar year 2019 was 7.89%. 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 2019 was \$41,082.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2019	\$ 41,082	100%	\$ 0
12/31/2018	\$ 52,254	100%	\$ 0
12/31/2017	\$ 50,958	100%	\$ 0

The required contribution for 2019 was determined as part of the December 31, 2017, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2017, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% 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, 2017 is being amortized as a level percentage of projected payroll on an open 24 year basis.

Funded Status and Funding Progress. As of December 31, 2019, the most recent actuarial valuation date, the Regular plan was 75.39% funded. The actuarial accrued liability for benefits was \$1,326,911 and the actuarial value of assets was \$1,000,384, resulting in an underfunded actuarial accrued liability (UAAL) of \$326,527. The covered payroll for calendar year 2019 (annual payroll of active employees covered by the plan) was \$520,686 and the ratio of the UAAL to the covered payroll was 63 percent.

The schedule of funding progress, presented as required supplemental information (RSI) 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.

12. POST-EMPLOYMENT BENEFITS:

The District shall not have a mandatory retirement age. The Park District may provide health insurance to retirees and their dependents, provided the employee has at least twenty (20) years of full time service to the Washington Park District, until such time that the former employee qualifies for Medicare/Medicaid (65 years old).

1. Full-time employees who are employed at least twenty (20) years - 50% of cost of premium paid by Park District.
2. Full-time employees who are employed at least twenty-five (25) years - 75% of cost of premium paid by Park District.
3. Full-time employees who are employed at least thirty (30) years - 100% of cost of premium paid by Park District.

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEVELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

13. INTERGOVERNMENTAL AGREEMENTS:

Due to a 2007 intergovernmental agreement between the District and Washington Area Community Center, an Illinois not-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.

The Park District has an intergovernmental agreement with Washington School District #52 for use of school facilities for the purpose of programming Park District programs including but not limited to baseball, softball, soccer, lacrosse programs. School activities will always take precedence over Park District events with no exceptions. The Park District will provide access to Park District facilities for school purposes including but not limited to: recreational facility gymnasium including tumbling equipment, shelters, cross country courses, baseball/softball diamonds, various maintenance equipment, etc.

14. RELATED PARTY TRANSACTIONS:

There were no significant related party transactions during the year ended April 30, 2020.

15. LEGAL DEBT LIMIT

Under 70 ILCS 1205/6-2, the District is allowed to incur qualifying debt up to 2.875% of its latest equalized assessed value. The equalized assessed value as of January 1, 2019 was \$367,987,266. As of April 30, 2020, the Park District's legal debt limit was \$10,579,634. Qualifying outstanding debt as of April 30, 2020, totaled \$2,011,968 leaving a debt margin of \$8,567,666.

16. PROPERTY TAXES:

The District's property tax is levied each year on all taxable real property located in the District on or before the second Tuesday in September. Property taxes attach as an enforceable lien on property as of January 1 of the levy year. The levy for taxes collected during the year ended April 30, 2020 was passed by the Board at the December 2019 meeting. The District reports on the modified cash basis of accounting; therefore, there has been no tax receivable calculation recognized on these financial statements.

The District received from Tazewell County its property tax revenues on the following dates:

- July 5, 2019
- September 16, 2019
- November 18, 2019

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>	
	2019	2019 Levy	2018 Levy
Corporate	0.1000	0.10000	0.10000
Bonds and Interest	0.0000	0.12539	0.12148
IMRF	0.0000	0.01937	0.01994
Audit	0.0050	0.00500	0.00500
Tort Judgments, Liability	0.0000	0.02084	0.02021
Social Security	0.0000	0.02084	0.02021
Unemployment Insurance	0.0900	0.00244	0.00244
Recreation	0.1200	0.07596	0.07572
Rec Programs/Handicapped	0.0400	0.02117	0.02050
Totals		<u>0.39101</u>	<u>0.38549</u>

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

16. PROPERTY TAXES, continued:

Restricted Tax Levies

The District levies, on an annual basis, for special taxes. Property tax revenue is restricted until used for its intended purpose. Any unused property tax revenue is carryforward to be utilized in a future year.

	Restricted Tax Levies May 1, 2019	Additions	Disbursements	Restricted Tax Levies April 30, 2020
Special tax levies:				
Bonds and Interest	\$ 0	\$ 450,087	\$ 450,087	\$ 0
IMRF	0	69,528	40,698	28,830
Audit	0	17,947	17,947	0
Tort Judgments, Liability Insurance	0	74,805	74,805	0
Social Security	0	74,805	71,161	3,644
Unemployment Insurance	0	8,758	3,144	5,614
Recreation	0	272,658	272,658	0
Rec Programs/Handicapped	0	75,990	75,990	0
Totals	<u>\$ 0</u>	<u>\$ 1,044,578</u>	<u>\$ 1,006,490</u>	<u>\$ 38,088</u>

17. COMMERCIAL LEASE AGREEMENT:

In November 2018, Washington Park District entered into a commercial lease agreement with Washington Chamber of Commerce. The Washington Chamber of Commerce shall lease room #206 for \$600 a month commencing on January 1, 2019 for a period of twelve (12) months, this lease shall automatically renew for up to an additional four (4) twelve (12)-month terms upon the same and identical terms and conditions.

18. INSURANCE:

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

Coverage	Limits	
Bodily Injury by Accident	\$ 3,000,000	each accident
Bodily Injury by Disease	\$ 3,000,000	policy limit
Bodily Injury by Disease	\$ 3,000,000	each employee

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.

Coverage	Limits
Bodily Injury & Property Damage	\$ 6,000,000
Wrongful Acts	\$ 6,000,000
Automobile Liability	\$ 6,000,000
Property	
Buildings	\$ 10,933,670
Personal Property	\$ 335,000
Automobile	\$ 336,225
Miscellaneous property	\$ 327,997

PDRMA Health Program

On April 1, 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.

This information is an integral part of the accompanying financial statements

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2020**

18. INSURANCE, continued:

PDRMA Health Program, continued

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.

The following represents a summary of PDRMA's balance sheet at December 31, 2019, and the statement of revenues and expenses for the period ending December 31, 2019:

Assets	\$	26,084,474
Deferred Outflows of Resources - Pension	\$	933,533
Liabilities	\$	6,616,310
Deferred Inflows of Resources - Pension	\$	173,234
Total Net Position	\$	20,228,463
Operating Revenues	\$	36,581,515
Nonoperating Revenues	\$	2,343,640
Expenditures	\$	36,884,494

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.

16. CONTINGENCIES:

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

17. IMPLICATIONS OF COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19) and the risks to the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. To meet safety guidelines provided by the Illinois Department of Public Health in response to COVID-19, the District closed the child care facilities, cancelled many programs, and did not open the pool for the summer of 2020. It is uncertain as to the full magnitude that the pandemic will have on the District's financial position during the next fiscal year. For the current year, program revenues were down approximately \$250,000.

The District is actively monitoring the daily evolution of the COVID-19 outbreak and how it could affect its financial position. The District does have cash reserves but may have to amend their budget to meet state requirements.

18. SUBSEQUENT EVENTS:

Subsequent events have been evaluated for recognition or disclosure through September 3, 2020, the date the financial statements were available to be issued.

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress - Pension Plan**

For the year ending April 30, 2020

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)
12/31/2019	1,000,384	1,326,911	326,527	75.39%	520,686	62.71%
12/31/2018	1,640,771	1,783,739	142,968	91.98%	536,493	26.65%
12/31/2017	1,482,444	1,577,688	95,244	93.96%	502,547	18.95%

On a market basis, the actuarial value of assets as of December 31, 2019 is \$1,115,466. On a market basis, the funded ratio would be 84.06%.

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.

See independent auditors' report

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
CORPORATE FUND**

For the year ending April 30, 2020

	Original	Final	Actual Amounts	Over / Under
Beginning budgetary fund balance:	\$ 73,381	\$ 73,381	\$ 77,136	\$ 3,755
REVENUES				
Taxes	379,500	379,500	379,698	198
Interest income	50	50	567	517
Miscellaneous	4,500	4,500	3,918	(582)
Total revenues	384,050	384,050	384,183	133
EXPENDITURES				
General government	398,735	398,735	361,826	(36,909)
Culture & recreation	0	0	5,948	5,948
Total expenditures	398,735	398,735	367,774	(30,961)
Net revenue over (under) expenditures	(14,685)	(14,685)	16,409	31,094
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	15,000	15,000	3,678	(11,322)
Total other financing sources (uses)	15,000	15,000	3,678	(11,322)
Ending budgetary fund balance:	\$ 73,696	\$ 73,696	\$ 97,223	\$ 23,527

See independent auditors' report

See accompanying notes to budgetary comparison information

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL**

RECREATION FUND

For the year ending April 30, 2020

	Original	Final	Actual Amounts	Over / Under
Beginning budgetary fund balance:	\$ 334,207	\$ 334,207	\$ 335,267	\$ 1,060
REVENUES				
Taxes	274,500	274,500	272,658	(1,842)
Concessions	65,000	65,000	53,503	(11,497)
Recreational activities	1,127,045	1,127,045	945,886	(181,159)
Rental fees	19,500	19,500	13,333	(6,167)
Interest Income	200	200	530	330
Grants	0	0	0	0
Donations	18,100	18,100	0	(18,100)
Miscellaneous	4,000	4,000	3,285	(715)
Total revenues	1,508,345	1,508,345	1,289,195	(219,150)
EXPENDITURES				
Culture & recreation	1,497,268	1,497,268	1,354,638	(142,630)
Capital outlay	0	0	0	0
Total expenditures	1,497,268	1,497,268	1,354,638	(142,630)
Net revenue over (under) expenditures	11,077	11,077	(65,443)	(76,520)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(90,500)	(90,500)	(75,210)	15,290
Total other financing sources (uses)	(90,500)	(90,500)	(75,210)	15,290
Ending budgetary fund balance:	\$ 254,784	\$ 254,784	\$ 194,614	\$ (60,170)

See independent auditors' report

See accompanying notes to budgetary comparison information

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL**

BOND & INTEREST FUND

For the year ending April 30, 2020

	Original	Final	Actual Amounts	Over / Under
Beginning budgetary fund balance:	\$ 1,815	\$ 1,815	\$ 1,815	\$ 0
REVENUES				
Taxes	449,900	449,900	450,087	187
Interest Income	100	100	725	625
Total revenues	450,000	450,000	450,812	812
EXPENDITURES				
Debt service	706,495	706,495	719,383	12,888
Total expenditures	706,495	706,495	719,383	12,888
Net revenue over (under) expenditures	(256,495)	(256,495)	(268,571)	(12,076)
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance, net	435,600	435,600	445,000	9,400
Bond issuance costs	0	0	0	0
Transfers in (out)	(179,000)	(179,000)	(177,550)	1,450
Receipts from sale of assets	0	0	0	0
Total other financing sources (uses)	256,600	256,600	267,450	10,850
Ending budgetary fund balance:	\$ 1,920	\$ 1,920	\$ 694	\$ (1,226)

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See accompanying notes to budgetary comparison information

**WASHINGTON PARK DISTRICT
TAZEWELL COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
CAPITAL FUND**

For the year ending April 30, 2020

	Original	Final	Actual Amounts	Over / Under
Beginning budgetary fund balance:	\$ 106,264	\$ 106,264	\$ 105,264	\$ (1,000)
REVENUES				
Interest Income	100	100	352	252
Grants	0	0	2,469	2,469
Miscellaneous	78,683	78,683	444	(78,239)
Total revenues	78,783	78,783	3,265	(75,518)
EXPENDITURES				
General government	0	0	46,774	46,774
Culture & recreation	0	0	25,043	25,043
Debt service	0	0	54,515	54,515
Capital outlay	253,000	253,000	189,491	(63,509)
Total expenditures	253,000	253,000	315,823	62,823
Net revenue over (under) expenditures	(174,217)	(174,217)	(312,558)	(138,341)
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance	179,000	179,000	0	(179,000)
Note payable proceeds	0	0	57,218	57,218
Insurance proceeds	0	0	0	0
Proceeds from sale of asset	0	0	0	0
Alternate revenue bond fund balance	0	0	0	0
Transfers in (out)	0	0	252,550	252,550
Total other financing sources (uses)	179,000	179,000	309,768	130,768
Ending budgetary fund balance:	\$ 111,047	\$ 111,047	\$ 102,474	\$ (8,573)

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, 2020

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. This modified cash basis method is not in accordance with generally accepted accounting principles (GAAP), but is an acceptable method in accordance with the "Illinois Municipal Budget Law". The Budget Ordinance for the fiscal year ended April 30, 2020, was adopted on May 22, 2019. The budget can be 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. The budget was not amended.

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