

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
LAGRANGE PARK, ILLINOIS

ANNUAL FINANCIAL REPORT
YEAR ENDED APRIL 30, 2012

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August 3, 2012

INDEPENDENT AUDITORS' REPORT

Board of Commissioners

COMMUNITY PARK DISTRICT OF LAGRANGE PARK

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **COMMUNITY PARK DISTRICT OF LAGRANGE PARK** (the "District") as of and for the year ended April 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of April 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental 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.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying financial information listed as other supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink, reading "O'Neill & Gaspardo, LLC". The signature is written in a cursive, flowing style.

O'NEILL & GASPARD, LLC

Management's Discussion and Analysis

The following will provide an overview of the District's financial activity for the fiscal year ending April 30, 2012; identify changes in the District's financial position; and identify any material changes from the approved budget. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

Financial Highlights

- The District's financial status continues to be strong. Overall revenues for all funds this past year were \$2,354,105 (which includes net bond proceeds of \$888,984) and expenses were \$1,709,474 (which includes debt services of \$474,246).
- Total net assets decreased from \$3,565,403 to \$3,303,552 over the course of the year. The term "net assets" represents the difference between total assets and total liabilities.
- Property taxes levied and collected were \$977,865.
- Recreation program registration revenue declined from \$485,917 in 2011 to \$464,922 in 2012. Total recreation fund revenue from all sources was \$576,875.
- Recreation fund expenditures declined from \$599,045 in 2011 to \$525,036 in 2012.
- The District continues to have the ability to devote resources toward maintaining, improving and expanding its parks, playgrounds and facilities. Capital outlay for the District's infrastructure increased from \$36,733 in 2011 to \$62,232 in 2012.

Overview of the Financial Statements

This narrative is intended to provide the reader with an understanding of the financial position of the District as of the close of the fiscal year and the results of activities for the year then ended.

The Statements of Net Assets and Activities (Government-Wide Financial Statements) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The Statement of Net Assets presents the District's assets and liabilities, with the difference reported as net assets. Increases or decreases in net assets are one indicator of whether the District's financial condition has improved or deteriorated. The Statement of Activities reports how the District's net assets changed during the fiscal year based on revenues and expenses. It shows the net expense of the District's activities and the general revenue financing these activities.

The Balance Sheet and Statements of Revenues, Expenditures and Changes in Fund Balances (Governmental Fund Financial Statements) report how the District's services were financed in the short-term, as well as what remains for future spending. These statements report more detail than the government-wide financial statements by providing information about the District's most significant funds. The significant funds (major funds) are separately reported and non-major funds are combined and reported as other funds.

The Government-Wide Financial Statements report activity similar to a for-profit-entity, using the accrual basis of accounting. The Governmental Fund Financial Statements focus on current financial resources, using the modified accrual basis of accounting. Reconciliations of the Government-Wide and Fund Financial statements are provided in the accompanying financial statements.

In addition to the basic financial statements, notes to the financial statements provide further information to the reader and should be considered an integral part of the financial statements.

Budgetary comparison schedules are also provided for the general fund and major special revenue funds, as required supplementary information. These schedules are useful in comparing how the District's expenditures were made in comparison to budgeted amounts.

Financial Analysis

Net Assets may serve, over time, as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$3,303,552 as of the close of the year. Of the Net Asset balance, \$779,419 is unrestricted, \$2,005,283 is invested in capital assets net of related debt and \$518,850 is restricted.

Condensed Statement of Net Assets

	2011	2012
Current & Other Assets	\$ 2,220,113	\$ 2,857,790
Capital Assets	<u>\$ 3,914,797</u>	<u>\$ 3,780,283</u>
	\$ 6,134,910	\$ 6,638,073
Current Liabilities	\$ 794,507	\$ 1,099,521
Non-Current Liabilities	<u>\$ 1,775,000</u>	<u>\$ 2,235,000</u>
	\$ 2,569,507	\$ 3,334,521
Invested in Capital Assets,		
Net of Related Debt	\$ 2,039,797	\$ 2,005,283
Restricted	\$ 363,314	\$ 518,850
Unrestricted	<u>\$ 1,162,292</u>	<u>\$ 779,419</u>
Total Net Assets	<u>\$ 3,565,403</u>	<u>\$ 3,303,552</u>

As can be seen from the statement above, 43% of the District's assets are current and mainly invested in cash and receivables. The remainder is capital (tangible) assets, which decreased 3.4% due to depreciation and the retirement of old park maintenance equipment that was not replaced. 67% of the liabilities are non-current and represent debt of the District. Long-term liabilities increased due to the restructuring of the District's long term debt. Total net assets consist of 23% unrestricted, 16% restricted and 61% invested in capital assets.

Condensed Statement of Activities

	2011	2012
Revenues		
Property Taxes	\$ 914,524	\$ 977,865
Replacement Taxes	\$ 17,395	\$ 15,692
Interest	\$ 5,977	\$ 2,434
Program Fees	\$ 485,917	\$ 464,922
Donations	\$ 10,702	\$ 4,008
Miscellaneous	<u>\$ 230</u>	<u>\$ 200</u>
Total Revenues	\$ 1,434,745	\$ 1,465,121

Expenses		
Recreation Services	\$ 1,179,090	\$ 1,172,905
Debt Service	\$ 425,919	\$ 474,246
Capital Outlay	\$ 36,733	\$ 62,323
Total Expenses	\$ 1,641,742	\$ 1,709,474
Issuance of Bonds	\$ 235,400	\$ 888,984
Change in Fund Balance	\$ 28,403	\$ 644,631
Fund Balance - Beginning Year	\$ 1,601,755	\$ 1,630,158
Fund Balance - Ending Year	\$ 1,630,158	\$ 2,274,789

The statement of activities shows the nature and source of the changes in net assets during the current fiscal year.

A 6.9% increase in property tax revenue over the previous year is largely due to an increase in tax revenue that occurred in 2011. Property taxes have increased an average of 2.3% during the last 5 years.

Interest revenue continued to decrease in 2012 due to continued poor performance of certificates of deposits. Interest in 2012 fell to under 1%. The lower amount of donations received is also attributable to nationwide economic downturns. Donations are spent to offset the cost of selected special events and the seasonally published recreation program brochure.

Program fees decreased from \$485,917 to \$464,922 (-4.3%), which is attributed to economic downturns. During the last 5 years program enrollment fees have increased an average 0.6% per year.

Reported expenses show 80% of available revenue was used to fund direct expenses of parks and recreation services. Lower program enrollment and fiscal efficiencies caused a -5.4% reduction in recreation program expenses.

New Government Obligation Bonds were sold by the District during the year to retire previous debt and to provide money to be used during the next four years for capital investments, which accounts for a significantly large change in assets.

Significant Events

Capital outlay expenditures in 2012 included repair to existing capital assets and professional services used to complete an outdoor facilities master plan.

Volunteerism remains a significant in-kind financial asset of the Community Park District In 2012; there were 101 individuals who volunteered between 1 and 15 hours of time. The Park District saved an estimated \$6,000 as a result of volunteer help.

Financial Analysis of the Government's Funds

As of April 30, 2012, governmental funds reported ending fund balances of \$2,274,789. Of this year-end total, \$482,583 is unassigned, indicating availability for continuing the District's operations. For the year ended April 30, 2012, the total ending fund balances of governmental funds shows an increase of 40% over the prior year.

The General, Recreation, Debt Service and Capital Projects Funds are the major governmental funds of the District.

The General Fund experienced a \$21,028 net increase in fund balance during the year ended April 30, 2012. The change is planned budgetary event as a result of levying a larger amount of property tax revenue in the General Fund.

The Recreation Fund experienced a \$51,839 net increase in fund balance during the year ended April 30, 2012. The change is due in part to having no employee severance expense and a lower than budgeted program expenses.

As of April 30, 2012, a Debt Service fund balance of \$188,541 is restricted for future principal and interest expenses. A Capital Projects fund balance of \$942,989 on April 30, 2012 is restricted for future capital expenditures of the District in accordance with its Outdoor Facilities Master Plan.

Budgetary Highlights

Actual revenue for the General Fund was \$21,578 (5%) higher than budgeted revenue, which was caused by receipt of a higher than budget property tax revenue. General Fund expenses were \$66,532 (13.3%) lower than budgeted, which was caused by having no expense in employee severance payments. Recreation fund revenue was \$30,440 (5.0%) lower than budgeted due to a lower than budgeted program enrollment revenue. Actual expenditures in the Recreation Fund were \$49,620 (8.6%) lower than budgeted, which was due to having no employee severance expense and less recreation program expense.

Capital Assets

As of April 30, 2012, the District had invested \$6,116,023 (before accumulated depreciation of \$2,335,740) in the range of capital assets shown in the table below. Depreciation expense was \$149,900 for the year ended April 30, 2012. There was \$15,386 in additions to capital assets in the year ended April 30, 2012.

	2011	2012
Land (not being depreciated)	\$ 704,200	\$ 704,200
Land Improvements	\$ 1,729,015	\$ 1,735,765
Construction	\$ 2,802,155	\$ 2,802,155
Machinery & Equipment	\$ 714,747	\$ 714,805
Vehicles	\$ 159,098	\$ 159,098
Cost of Capital Assets	\$ 6,109,215	\$ 6,116,023
Less Accumulated Depreciation	<u>\$ (2,194,418)</u>	<u>\$ (2,335,740)</u>
Net Capital Assets	<u>\$ 3,914,797</u>	<u>\$ 3,780,283</u>

Additional information regarding capital assets may be found in the accompanying notes to the financial statements.

Debt Administration

Following is a summary of debt transactions for the years ended April 30, 2011 and 2012:

	2011	2012
Bonds Payable, Beginning	\$ 1,970,000	\$ 1,875,000
Bond Issuance	\$ 235,400	\$ 2,742,000
Retirement of Bonds	\$ (235,400)	\$ (242,000)
Retirement of Debt Certificates	\$ (95,000)	\$ (1,875,000)
Bonds Payable, Ending	<u>\$ 1,875,000</u>	<u>\$ 2,500,000</u>

Debt Certificates of \$2,285,000 were issued in October 2005 for the purpose of building a new Recreation Center. Limited bonds were issued each year to pay principal and interest on the debt certificates and to pay for budgeted capital expenses. During the year ended April 30, 2012 a general obligation bond was sold to retire the debt certificates and to fund a multiple year capital projects plan.

On December 12, 2011, the District issued Limited Park Bonds, Series 2011A for \$2,500,000. These bonds bear fixed interest rates between 2.00% and 4.00%. The required annual interest and principal payments begin in June 2012 and end in December 2029. Annual payments range from \$70,000 to \$170,000.

Additional information regarding debt may be found in the accompanying notes to the financial statements.

Economic Factors and Next Years' Budgets

Following are significant items for the next fiscal year:

- A 3-year strategic plan will be amended to include one additional year to end in 2014.
- A grant application will be submitted to the Illinois Department of Natural Resources that, if received will purchase additional park land.
- An American Disability Act (ADA) transition plan that was initiated during the previous fiscal year will be implemented.
- An Outdoor Facilities Master Plan that was initiated during the previous fiscal year will be implemented.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances, comply with finance related laws and regulations and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact Roy Cripe, the Park District Executive Director. His office is located at 1501 Barnsdale Road, La Grange Park, IL 60526. He can be reached by phone (708-354-4580) or e-mail (rcripe@communityparkdistrict.org).

- End of Management Discussion and Analysis -

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
STATEMENT OF NET ASSETS
APRIL 30, 2012

ASSETS

Current Assets

Cash and Investments	\$ 2,376,246	
Property Taxes Receivable	473,929	
Prepaid Expenses	<u>7,615</u>	
Total Current Assets		\$ 2,857,790

Noncurrent Assets

Land	704,200	
Other Capital Assets, Net	<u>3,076,083</u>	
Total Noncurrent Assets		<u>3,780,283</u>

TOTAL ASSETS		<u><u>\$ 6,638,073</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 41,022	
Accrued Payroll and Compensated Absences	118,928	
Deferred Revenue:		
Programs	59,307	
Property Taxes Receivable	464,459	
Accrued Interest	23,573	
Bond Premium	127,232	
Bonds Payable, Due Within One Year	<u>265,000</u>	
Total Current Liabilities		\$ 1,099,521

Noncurrent Liabilities

Bonds Payable, Due in More Than One Year	<u>2,235,000</u>	
Total Noncurrent Liabilities		<u>2,235,000</u>

Total Liabilities		3,334,521
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Net Assets

Invested in Capital Assets, Net of Related Debt	2,005,283	
Restricted, Net of Related Debt	518,850	
Unrestricted	<u>779,419</u>	
Total Net Assets		<u>3,303,552</u>

TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 6,638,073</u></u>
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See accompanying notes and auditors' report.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2012

		Program Revenue			NET (EXPENSES)
		Charges	Operating	Capital	REVENUES AND
	Expenses	for	Grants and	Grants and	CHANGES IN
		Services	Contributions	Contributions	NET ASSETS
<u>FUNCTIONS/PROGRAMS</u>					Governmental
					Activities
Governmental Activities					
Recreation	\$ 1,441,923	\$ 464,922	\$ 4,008	\$ -	\$ (972,993)
Interest on Long-Term Debt	285,049	-	-	-	(285,049)
Total Governmental Activities	<u>1,726,972</u>	<u>464,922</u>	<u>4,008</u>	<u>-</u>	<u>(1,258,042)</u>
<u>GENERAL REVENUES</u>					
Taxes:					
Property Taxes					977,865
Replacement Taxes					15,692
Interest Income					2,434
Miscellaneous					<u>200</u>
Total General Revenues					<u>996,191</u>
Change in Net Assets					(261,851)
<u>NET ASSETS</u>					
Beginning of Year					<u>3,565,403</u>
End of Year					<u>\$ 3,303,552</u>

See accompanying notes and auditors' report.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK

GOVERNMENTAL FUNDS BALANCE SHEET

APRIL 30, 2012

	GENERAL	RECREATION	DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	TOTAL
ASSETS						
Cash and Investments	\$ 508,476	\$ 628,435	\$ 186,129	\$ 942,989	\$ 110,217	\$ 2,376,246
Property Taxes Receivable	213,887	34,125	120,725	-	105,192	473,929
Prepaid Expenditures	100	7,515	-	-	-	7,615
Total Assets	<u>\$ 722,463</u>	<u>\$ 670,075</u>	<u>\$ 306,854</u>	<u>\$ 942,989</u>	<u>\$ 215,409</u>	<u>\$ 2,857,790</u>
LIABILITIES						
Accounts Payable	\$ 12,726	\$ 28,296	\$ -	\$ -	\$ -	\$ 41,022
Accrued Payroll	9,926	8,287	-	-	-	18,213
Deferred Revenue:						
Programs	-	59,307	-	-	-	59,307
Property Taxes Receivable	209,613	33,444	118,313	-	103,089	464,459
Total Liabilities	<u>232,265</u>	<u>129,334</u>	<u>118,313</u>	<u>-</u>	<u>103,089</u>	<u>583,001</u>
FUND BALANCES						
Nonspendable	7,615	-	-	-	-	7,615
Restricted	-	-	188,541	942,989	112,320	1,243,850
Committed	-	540,741	-	-	-	540,741
Unassigned	482,583	-	-	-	-	482,583
Total Fund Balances	<u>490,198</u>	<u>540,741</u>	<u>188,541</u>	<u>942,989</u>	<u>112,320</u>	<u>2,274,789</u>
Total Liabilities and Fund Balances	<u>\$ 722,463</u>	<u>\$ 670,075</u>	<u>\$ 306,854</u>	<u>\$ 942,989</u>	<u>\$ 215,409</u>	<u>\$ 2,857,790</u>

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
APRIL 30, 2012

Fund Balances - Governmental Funds	\$ 2,274,789
Capital assets are not current financial resources and therefore are not reported on the Governmental Funds Balance Sheet.	3,780,283
Long-term liabilities are not due and payable in the current period and therefore are not reported on the Governmental Funds Balance Sheet:	
Accrued Compensated Absences	(100,715)
Accrued Interest	(23,573)
Unamortized Bond Premium	(127,232)
Debt Certificates Payable	<u>(2,500,000)</u>
Net Assets of Governmental Activities	<u>\$ 3,303,552</u>

See accompanying notes and auditors' report.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK

GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED APRIL 30, 2012

	GENERAL	RECREATION	DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	TOTAL
<u>REVENUES</u>						
Property Taxes	\$ 436,656	\$ 107,698	\$ 251,528	\$ -	\$ 181,983	\$ 977,865
Replacement Taxes	15,692	-	-	-	-	15,692
Interest	765	247	95	1,276	51	2,434
Program Fees	-	464,922	-	-	-	464,922
Donations	-	4,008	-	-	-	4,008
Miscellaneous	200	-	-	-	-	200
Total Revenues	453,313	576,875	251,623	1,276	182,034	1,465,121
<u>EXPENDITURES</u>						
Current:						
Recreation Services	432,285	525,036	-	-	215,584	1,172,905
Debt Service:						
Bond Principal	-	-	242,000	100,000	-	342,000
Bond Interest	-	-	396	83,750	-	84,146
Other Bond Costs	-	-	-	48,100	-	48,100
Capital Outlay	-	-	-	62,323	-	62,323
Total Expenditures	432,285	525,036	242,396	294,173	215,584	1,709,474
Revenues Over (Under) Expenditures	21,028	51,839	9,227	(292,897)	(33,550)	(244,353)
<u>OTHER FINANCING SOURCES (USES)</u>						
Bond Proceeds	-	-	-	242,000	-	242,000
Refunding Bonds	-	-	-	2,500,000	-	2,500,000
Bond Premium	-	-	-	129,939	-	129,939
Payment to Refunded Bond Escrow Agent	-	-	-	(1,982,955)	-	(1,982,955)
Total Other Financing Sources (Uses)	-	-	-	888,984	-	888,984
Net Change in Fund Balances	21,028	51,839	9,227	596,087	(33,550)	644,631
<u>FUND BALANCES</u>						
Beginning of Year	469,170	488,902	179,314	346,902	145,870	1,630,158
End of Year	\$ 490,198	\$ 540,741	\$ 188,541	\$ 942,989	\$ 112,320	\$ 2,274,789

See accompanying notes and auditors' report.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2012

Net Change in Fund Balances - Governmental Funds \$ 644,631

Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.

Expenditures for Capital Assets in the Current Year	\$ 15,386	
Current Year Depreciation	<u>(149,900)</u>	(134,514)

Debt proceeds are an other financing source for governmental funds, but increase liabilities on the Statement of Net Assets. Repayment of debt principal is an expenditure in governmental funds, but reduces liabilities on the Statement of Net Assets.

Repayment of Debt Principal	2,117,000	
Debt Proceeds	<u>(2,742,000)</u>	(625,000)

Bond Premium Not Recorded on Statement of Net Assets (129,939)

Some expenses reported on the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net Amortization of Bond Premium Liability	2,707	
Change in Accrued Interest from the Prior Year	4,344	
Change in Accrued Compensated Absences from the Prior Year	<u>(24,080)</u>	(17,029)

Change in Net Assets of Governmental Activities \$ (261,851)

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

COMMUNITY PARK DISTRICT OF LAGRANGE PARK (the "District") is located in LaGrange Park, Illinois (Cook County). The District was organized under state law to provide recreation services to local residents.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. REPORTING ENTITY AND ITS SERVICES

Accounting principles generally accepted in the United States of America require that the financial reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon these criteria, there are no agencies or entities whose financial data should be combined with and included in the financial statements of the District. Also, the District is not considered a component unit of any other government entity.

B. BASIS OF PRESENTATION

The District's basic financial statements consist of government-wide financial statements and fund financial statements.

Government-Wide Financial Statements

The Statements of Net Assets and Activities report the overall financial activity of the District (not by fund). The Statement of Net Assets reports the District's assets and liabilities with the difference reported as net assets. The Statement of Activities compares recreation expenses with program revenues. Program revenues include charges to participants of recreation programs and grants and contributions that are restricted to funding recreation programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The District records transactions by funds to aid financial management and demonstrate legal compliance. Major individual governmental funds are reported as separate columns in the fund financial statements and all other funds are combined under a single column. The major funds are the General, Recreation, Debt Service and Capital Projects Funds. Following is a brief description of the major funds used by the District.

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. In addition, general operating expenditures and the capital improvement costs that are not paid through other funds are paid from this fund.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Recreation Fund - The Recreation Fund accounts for revenues and expenditures related to recreation programs offered by the District.

Debt Service Fund - The Debt Service Fund accumulates resources for and payment of general long-term debt principal, interest and related costs.

Capital Projects Fund - The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of capital facilities and equipment.

C. BASIS OF ACCOUNTING

The fund financial statements present governmental funds and are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in fund equity. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter (defined as within 60 days after fiscal year-end) to be used to pay liabilities of the current period. Material revenues susceptible to accrual include real estate tax, replacement tax and grant revenue. Expenditures are recognized when the related fund liability is incurred.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

D. CASH AND CASH EQUIVALENTS

The District considers all highly liquid short term investment instruments purchased with maturity of three months or less at acquisition date to be cash equivalents. Cash Equivalents are measured at fair value using level one inputs, as defined by the Financial Accounting Standards Board.

E. INVESTMENTS

Investments consist of investments held in the Illinois Funds Money Market and certificates of deposit which are carried at cost, which approximates market.

F. CAPITAL ASSETS

The accounting treatment for property, plant and equipment (capital assets) depends on whether the assets are reported on the government-wide or fund financial statements. On the government-wide financial statements, capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Depreciation of all exhaustible capital assets is recorded as a recreation services expense on the Statement of Activities, with accumulated depreciation reflected on the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Land Improvements	20 Years
Construction	7 - 50 Years
Machinery and Equipment	5 - 20 Years
Vehicles	8 Years

The minimum capitalization threshold is any item with a total cost greater than \$1,000.

On the fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. COMPENSATED ABSENCES

The District's personnel policy permits employees to accumulate earned but unused vacation and sick pay benefits. For full time employees, fifty percent of the annual vacation time may be carried over to the next year. It is the District's policy to pay 50% of the unused sick leave if hired prior to January 1, 2010 and 25% of unused sick leave if hired after January 1, 2010 when employees separate from the District. The District allows an employee to accumulate a maximum of 120 sick days. On the fund financial statements, accrued vacation and sick pay are recorded in the general fund when payable (i.e., upon resignation or retirement). On the government-wide financial statements, accrued vacation and sick pay are recorded when earned.

H. PROPERTY TAXES

Annually, the District's Board adopts a property tax levy ordinance. Upon adoption by the Board, the District establishes a legal right to revenue from property tax assessments. Property taxes are recognized as receivable at the time they are levied. Property tax revenue is recognized during the fiscal year they are intended to finance. In addition, revenue under the modified accrual basis (fund financial statements) is not recognized unless it is also available (collected within 60 days after fiscal year end). Property tax collections and property taxes receivable not recognized as revenue are reported as deferred revenue. Property tax revenue on the fund financial statements is allocated to each fund in accordance with the applicable fund levy amounts.

The second installment of the 2010 levy and first installment of the 2011 levy were intended to finance the fiscal year ended April 30, 2012. Therefore, these property taxes collected within 60 days of April 30, 2012 have been recorded as revenue, along with collections of prior levies. The second installment of the 2011 levy is intended to finance the fiscal year ending April 30, 2013. Therefore, this property tax receivable has been recorded as deferred revenue.

The District has recorded an allowance for uncollectible property taxes of 1.83% of the 2011 levy (\$18,305). All uncollected taxes relating to prior years' levies have been written off.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Significant dates for the 2011 levy are as follows:

Lien Date	January 1, 2011
Levy Date	December 12, 2011
Tax Bills Mailed (at least 30 days prior to collection deadline)	
First Installment Due	March 1, 2012
Second Installment Due	August 1, 2012 or Thereafter

Property taxes are billed and collected by the County Treasurer of Cook County, Illinois. Substantially all of the collected taxes for the 2011 tax levy will be received by the District between February 2012 and December 2012.

I. ELIMINATION AND RECLASSIFICATIONS

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund balances on the fund financial statements may be eliminated or reclassified.

J. FUND BALANCE

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, prepaid expenses, or amounts required to be maintained intact legally or contractually.

Restricted - includes amounts constrained for a specific purpose by external parties.

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority (the Board of Commissioners for the District). This formal action must occur prior to the end of the reporting period, but the amount of the committed balance may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Commissioners that originally created the commitment.

Assigned - includes General Fund amounts constrained for a specific purpose by the Board of Commissioners or by an official who has been delegated authority to assign amounts. The Board of Commissioners has not delegated this authority as of April 30, 2012. Additionally, all remaining positive spendable amounts in government funds other than the General Fund, that are neither restricted nor committed, are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In circumstances where an expenditure relates to amounts available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance and unassigned fund balance.

K. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District uses restricted resources when an expense is incurred before using unrestricted resources.

L. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. DEFINED BENEFIT PENSION PLAN

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

Funding Policy. As set by statute, regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the District 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 2011 was 10.89% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2011 was \$46,767.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 2. DEFINED BENEFIT PENSION PLAN - Continued

Three-Year Trend Information for the Regular Plan			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	\$ 46,767	100%	\$ -
12/31/10	42,094	100%	-
12/31/09	31,010	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% 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 District's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the regular plan was 84.56% funded. The actuarial accrued liability for benefits was \$1,390,880 and the actuarial value of assets was \$1,176,166, resulting in an underfunded actuarial accrued liability (UAAL) of \$214,714. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$428,666 and the ratio of the UAAL to the covered payroll was 50.09%.

The Schedule of Funding Progress, presented as required supplemental information following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 3. CASH AND INVESTMENTS

Reconciled cash and investments were as follows at April 30, 2012:

First National Bank of Brookfield - Corporate Checking Account	\$ 80,853
First National Bank of Brookfield - Payroll Checking Account	4,839
First National Bank of Brookfield - Certificates of Deposit	184,000
First National Bank of LaGrange - Money Market Account	147,051
First National Bank of LaGrange - Severance Account	52,375
PNC Bank - Money Market Account	127,620
MB Financial Bank	128,143
Petty Cash	260
Illinois Funds Money Market Account (see below)	1,651,105
Total Cash and Investments	<u>\$ 2,376,246</u>

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 3. CASH AND INVESTMENTS - Continued

Authorized Investments

The District's investment policy (the "policy") authorizes the District to invest in obligations of the U.S. Government and its agencies, interest-bearing savings accounts, certain short-term obligations of U.S. corporations, money market mutual funds, certificates of deposits, Illinois Public Treasurer's Investment Pool (Illinois Funds), and other securities authorized by the Illinois Public Funds Investment Act. The policy does not limit the investment portfolio to specific maturities (interest rate risk).

Credit Risk (including Custodial Credit Risk)

This is the risk that the District's deposits or investments may not be returned due to bank/investment failure or other events. The District's investment policy limits its exposure to credit risk by only allowing investments in certificates of deposits which are federally insured or fully collateralized by the bank, obligations guaranteed by the United States Government, and Illinois Public Treasurer's Investment Pool or Illinois Park District Liquidity Asset Fund, which are both typically federally insured or collateralized by securities of the United States Government.

Interest Rate Risk

The District's investment policy does not limit the District's investment portfolio to specific maturities, although it does state that the investment portfolio should remain sufficiently flexible to enable the District to meet all operating requirements which may be reasonably anticipated in any fund.

Concentration of Credit Risk

The policy states that if funds invested in one of the securities exceeds federal deposit insurance limits, the excess funds shall be moved to another federally insured institution.

Illinois Funds

Illinois Funds is an investment pool managed by the State of Illinois, Office of Treasurer, which allows governments within the State to pool their funds for investment purposes. These funds are invested in United States Treasury bills and notes, fully collateralized time deposits in Illinois financial institutions, collateralized repurchase agreements, and in Treasury mutual funds that invest in United States Treasury obligations and collateralized repurchase agreements. Illinois Funds is not registered with the SEC as an investment company, but operates in a manner consistent with Rule 2 (a)7 of the Investment Company Act of 1940. Illinois Funds is rated AAAm by Standard & Poor's. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price the investment could be sold for. Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*, requires classification of investments into three levels. The District classifies this investment and certificates of deposit as Level 1, which refers to securities traded in an active market.

The District's deposits with financial institutions were categorized as follows at April 30, 2012:

Insured by federal depository insurance	\$ 676,507
Collateralized by securities held by the pledging financial institution's trust department or agent in the District's name	-
Collateralized by securities held by the pledging financial institution's trust department or agent, but not in the District's name	-
Uncollateralized	24,126
Total Deposits with Financial Institutions	<u>\$ 700,633</u>

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 4. CAPITAL ASSETS

Following is a summary of changes in the capital assets for the year ended April 30, 2012:

	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ENDING BALANCE
Capital Assets, Not Depreciable:				
Land	\$ 704,200	\$ -	\$ -	\$ 704,200
Total Capital Assets, Not Depreciable	704,200	-	-	704,200
Capital Assets, Depreciable:				
Land Improvements	1,729,015	6,750	-	1,735,765
Construction	2,802,155	-	-	2,802,155
Machinery and Equipment	714,747	8,636	(8,578)	714,805
Vehicles	159,098	-	-	159,098
Total Capital Assets, Depreciable	5,405,015	15,386	(8,578)	5,411,823
Less Accumulated Depreciation for:				
Land Improvements	(1,265,593)	(37,459)	-	(1,303,052)
Construction	(463,111)	(63,066)	-	(526,177)
Machinery and Equipment	(335,278)	(43,225)	8,578	(369,925)
Vehicles	(130,436)	(6,150)	-	(136,586)
Total Accumulated Depreciation	(2,194,418)	(149,900)	8,578	(2,335,740)
Capital Assets, Net	<u>\$ 3,914,797</u>	<u>\$ (134,514)</u>	<u>\$ -</u>	<u>\$ 3,780,283</u>

NOTE 5. LONG-TERM DEBT

A summary of debt transactions follows:

Debt Certificates Payable, April 30, 2011	\$ 1,875,000
Bonds Issuance	2,742,000
Retirement of Bonds	(242,000)
Retirement of Debt Certificates	(1,875,000)
Bonds Payable, April 30, 2012	<u>\$ 2,500,000</u>

On December 1, 2011, the District issued \$242,000 in General Obligation Limited Tax Park Bonds, Series 2011. The bonds had an interest rate of 3.00%. Payment was made in full on December 2, 2011.

Long-term debt at April 30, 2012 was comprised of the following issuance:

On December 12, 2011, the District issued Limited Park Bonds, Series 2011A for \$2,500,000. These bonds bear fixed interest rates between 2.00% to 4.00%. The required annual interest and principal payments begin in June 2012 and end in December 2029. Annual payments range from \$70,000 to \$170,000.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 5. LONG-TERM DEBT - Continued

The combined aggregate amounts of maturities for all borrowings at April 30, 2012 were as follows:

<u>FISCAL YEAR ENDING</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
April 30, 2013	\$ 165,000	\$ 77,509	\$ 242,509
April 30, 2014	160,000	81,000	241,000
April 30, 2015	165,000	77,800	242,800
April 30, 2016	170,000	72,850	242,850
April 30, 2017	110,000	67,750	177,750
April 30, 2018 - 2022	605,000	287,150	892,150
April 30, 2023 - 2027	725,000	169,000	894,000
April 30, 2028 - 2030	400,000	28,400	428,400
Total Bonds Payable	<u>\$ 2,500,000</u>	<u>\$ 861,459</u>	<u>\$ 3,361,459</u>

A computation of the legal debt margin of the District as of April 30, 2012 is as follows:

Equalized Assessed Valuation 2011	<u>\$363,522,692</u>
Legal Debt Limit - 2.875%	\$ 10,451,277
Amount of Debt Applicable to Limit	<u>(2,500,000)</u>
Estimated Legal Debt Margin	<u>\$ 7,951,277</u>

NOTE 6. ADVANCE REFUNDING

In 2011, the District issued Limited Park Bonds as an advance refunding for the remaining \$1,775,000 of the outstanding 2005 debt certificates. The proceeds of this bond were used to purchase U.S. government securities which were placed with an escrow agent to provide for all future debt service payments for the remaining 2005 debt certificates principal and interest. As a result, the 2005 debt certificates are considered to be defeased and the liability for those debt certificates has been removed from the Statement of Net Assets.

This advance refunding of the 2005 debt certificates was undertaken to reduce total debt service payments over the next 13 years by \$200,644 and to obtain an economic gain of \$196,663.

NOTE 7. RISK OF LOSS

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

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 7. RISK OF LOSS - Continued

Since June 1, 1992, the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. PDRMA is a public entity risk pool consisting of park districts, forest preserve districts, special recreation associations, and certain non-profit organizations serving the needs of public entities formed in accordance with the terms of an intergovernmental cooperative agreement among its members. Property, general liability, automobile liability, crime, boiler and machinery, public officials' liability, employment practices liability, and workers compensation and pollution liability coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the property/casualty coverage in effect for the period January 1, 2012 through January 1, 2013:

COVERAGE	MEMBER DEDUCTIBLE	PDRMA SELF-INSURED RETENTION	LIMITS	INSURANCE COMPANY	POLICY NUMBER
1. <u>Property</u>					
Property/Bldg/Contents				PDRMA	P070111
All losses per occurrence	\$1,000	\$1,000,000	\$1,000,000,000/all members	Reinsurers:	
All losses annual aggregate		\$3,000,000	Declaration 11	Various	
Flood/except Zones A&V	\$1,000	\$1,000,000	\$250,000,000/occurrence/annual aggregate	Reinsurers through the	
Flood, Zones A&V	\$1,000	\$1,000,000	\$200,000,000/occurrence/annual aggregate	Public Entity	
Earthquake Shock	\$1,000	\$100,000	\$100,000,000/occurrence/annual aggregate	Property Reinsurance Program (PEPIP)	
Auto Physical Damage					
Comprehensive and Collision	\$1,000	\$1,000,000	Included		
Course of Construction/Builders Risk	\$1,000	Included	\$25,000,000		
Business interruption, Rental Income, Tax Income	\$1,000		\$100,000,000/reported values		
Combined			\$500,000/\$2,500,000/non-reported values		
Service interruption	24 hours	N/A	\$25,000,000		
			OTHER SUB-LIMITS APPLY - REFER TO COVERAGE DOCUMENT		
Boiler and Machinery			\$100,000,000 Equip. Breakdown	Travelers	BME1 0525L478
Property damage	\$1,000	\$9,000	Property damage - included	Indemnity Co. of Illinois	
Business Income	48 hours	N/A	Included		
			OTHER SUB-LIMITS APPLY - REFER TO COVERAGE DOCUMENT		
Fidelity and Crime	\$1,000	\$24,000	\$2,000,000	National Union	01-436-32-39
Seasonal employees	\$1,000	\$9,000	\$1,000,000	Fire Insurance Co.	
Blanket bond	\$1,000	\$24,000	\$2,000,000		
2. <u>Workers Compensation</u>					
EMPLOYERS LIABILITY	N/A	\$500,000	Statutory	PDRMA	WC01012
		\$500,000	\$3,500,000 Employers Liability	Government Entities Mutual, Safety National Casualty Corp	GEM-0003-A11001 SP-4045626
3. <u>Liability</u>					
General	None	\$500,000	\$21,500,000/occurrence/annual aggregate	PDRMA	L010112
				Reinsurers:	GEM-0003-A11001
Auto Liability	None	Included	Included	Government	
Employment Practices	None	Included	\$21,500,000/occurrence/annual aggregate	Entities Mutual, Markel	

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 7. RISK OF LOSS - Continued

COVERAGE	MEMBER DEDUCTIBLE	PDRMA SELF-INSURED RETENTION	LIMITS	INSURANCE COMPANY	POLICY NUMBER
Public Officials' Liability Law Enforcement Liability Uninsured/Underinsured Motorists	None None None	Included Included Included	Included \$1,000,000/occurrence	Starr Indemnity and Liability Co.	8090010
4. <u>Pollution Liability</u> Liability - third party Property - first party	None \$1,000	\$25,000 \$24,000	\$5,000,000/occurrence \$30,000,000 3 yr. general aggregate	XL Environmental Insurance	PEC 2535804
5. <u>Outbreak Expense</u>	24 hours	N/A	\$15,000 per day \$450,000 per location \$1 million aggregate policy limit	Markel	
6. <u>Volunteer Medical Accident</u>	None	\$5,000	\$5,000 medical expense and AD&D excess of any other collectible insurance	Self-insured	
7. <u>Underground Storage Tank Liability</u>	None	N/A	\$10,000, follows Illinois Leaking Underground Tank Fund	Self-insured	
8. <u>Unemployment Compensation</u>	N/A	N/A	Statutory	Self-funded	

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

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

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

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

COMMUNITY PARK DISTRICT OF LAGRANGE PARK

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2012

NOTE 7. RISK OF LOSS - Continued

The following represents a summary of PDRMA's balance sheet at December 31, 2011 and the statement of revenues and expenditures for the period ended December 31, 2011. The District's portion of the overall equity of the pool is 0.096% or \$31,776.

Assets	\$ 55,041,677
Liabilities	21,875,511
Member Balances	33,166,166
Revenues	18,480,463
Expenditures	17,708,721

Since 97% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.

NOTE 8. FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the government funds as of April 30, 2012:

	GENERAL	RECREATION	DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	TOTAL
Fund Balance:						
Nonspendable	\$ 7,615	\$ -	\$ -	\$ -	\$ -	\$ 7,615
Restricted:						
Capital Projects	-	-	-	942,989	-	942,989
Debt Service	-	-	188,541	-	-	188,541
IMRF	-	-	-	-	2,544	2,544
Liability Insurance	-	-	-	-	12,173	12,173
Audit	-	-	-	-	3,195	3,195
Special Recreation	-	-	-	-	78,113	78,113
FICA	-	-	-	-	16,295	16,295
Committed:						
Recreation	-	540,741	-	-	-	540,741
Unassigned:						
General	482,583	-	-	-	-	482,583
Total Fund Balances	<u>\$ 490,198</u>	<u>\$ 540,741</u>	<u>\$ 188,541</u>	<u>\$ 942,989</u>	<u>\$ 112,320</u>	<u>\$ 2,274,789</u>

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2012

NOTE 9. RESTRICTED NET ASSETS

The following is a schedule of Restricted Net Assets on the Statement of Net Assets as of April 30, 2012:

Debt Service	\$ 188,541
Capital Projects, Net of Related Debt	217,989
IMRF	2,544
Liability Insurance	12,173
Audit	3,195
Special Recreation	78,113
FICA	16,295
Total	<u>\$ 518,850</u>

NOTE 10. SUBSEQUENT EVENTS

The District has evaluated events subsequent to April 30, 2012 for possible adjustment or disclosure to the accompanying financial statements. This evaluation was done through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

REQUIRED
SUPPLEMENTAL INFORMATION

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS
AND APPROPRIATIONS COMPARED TO ACTUAL
YEAR ENDED APRIL 30, 2012

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE OVER (UNDER) BUDGET
<u>REVENUES</u>			
Property Taxes	\$ 416,585	\$ 436,656	\$ 20,071
Replacement Taxes	13,500	15,692	2,192
Interest	1,650	765	(885)
Miscellaneous	-	200	200
Total Revenues	<u>431,735</u>	<u>453,313</u>	<u>21,578</u>
<u>EXPENDITURES</u>			
Wages	309,197	243,736	(65,461)
Employee Benefits	45,100	42,588	(2,512)
Administration	28,900	27,104	(1,796)
Contractual Services	75,410	82,753	7,343
Supplies	31,270	26,387	(4,883)
Equipment	8,570	9,186	616
Miscellaneous	400	531	131
Total Expenditures	<u>498,847</u>	<u>432,285</u>	<u>(66,562)</u>
Revenues Over (Under) Expenditures	<u>\$ (67,112)</u>	21,028	<u>\$ 88,140</u>
Fund Balance, Beginning		<u>469,170</u>	
Fund Balance, Ending		<u>\$ 490,198</u>	

See accompanying notes and auditors' report.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
RECREATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS
AND APPROPRIATIONS COMPARED TO ACTUAL
YEAR ENDED APRIL 30, 2012

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE OVER (UNDER) BUDGET
<u>REVENUES</u>			
Property Taxes	\$ 93,520	\$ 107,698	\$ 14,178
Interest	1,625	247	(1,378)
Program Fees	504,970	464,922	(40,048)
Donations	-	4,008	4,008
Other Income	7,200	-	(7,200)
Total Revenues	607,315	576,875	(30,440)
<u>EXPENDITURES</u>			
Wages	320,466	292,813	(27,653)
Employee Benefits	43,270	39,643	(3,627)
Administrative	4,220	3,818	(402)
Contractual Services	157,580	154,220	(3,360)
Supplies	42,250	29,567	(12,683)
Equipment	5,570	3,417	(2,153)
Other Expense	1,300	1,558	258
Total Expenditures	574,656	525,036	(49,620)
Revenues Over (Under) Expenditures	<u>\$ 32,659</u>	51,839	<u>\$ 19,180</u>
Fund Balance, Beginning		<u>488,902</u>	
Fund Balance, Ending		<u>\$ 540,741</u>	

See accompanying notes and auditors' report.

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
IMRF - SCHEDULE OF FUNDING PROGRESS
APRIL 30, 2012

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE (b)	UNFUNDED AAL (UAAL) (b-a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b-a)/c)
12/31/2011	\$ 1,176,166	\$ 1,390,880	\$ 214,714	84.56%	\$ 428,666	50.09%
12/31/2010	1,045,655	1,260,573	214,918	82.95%	425,195	50.55%
12/31/2009	991,378	1,163,717	172,339	85.19%	410,186	42.01%
12/31/2008	978,213	1,059,593	81,380	92.32%	375,295	21.68%
12/31/2007	1,145,719	1,100,573	(45,146)	104.10%	329,164	0.00%
12/31/2006	1,008,910	982,038	(26,872)	102.74%	303,616	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$1,113,720. On a market basis, the funded ratio would be 80.07%

COMMUNITY PARK DISTRICT OF LAGRANGE PARK
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
APRIL 30, 2012

NOTE 1. BUDGETS

Budgets for funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The following procedures are used to establish the budgets:

- (a) The District's Director submits a proposed operating budget to the Board of Commissioners for approval.
- (b) The Board of Commissioners makes any adjustments to the budget deemed necessary and approves the proposed budget and appropriation ordinance.
- (c) Public Hearings are conducted by the District to obtain taxpayer comments on the proposed budget and appropriation ordinance.
- (d) Subsequently, the Board of Commissioners approves the final budget and appropriation ordinance.

Expenditures may not legally exceed the budgeted appropriations at the fund level. The budget may be amended by the Board of Commissioners. There were no amendments to the budget for the year ended April 30, 2012.

NOTE 2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Expenditures did not exceed budgeted appropriations for the year ended April 30, 2012 for the General Fund or the major special revenue fund (Recreation Fund).

**OTHER
SUPPLEMENTAL INFORMATION**

COMMUNITY PARK DISTRICT OF LAGRANGE PARK

OTHER FUNDS

COMBINING BALANCE SHEET

APRIL 30, 2012

SPECIAL REVENUE FUNDS

	IMRF	LIABILITY INSURANCE	AUDIT	SPECIAL RECREATION	FICA	TOTAL
ASSETS						
Cash and Investments	\$ 2,044	\$ 12,083	\$ 3,130	\$ 77,137	\$ 15,823	\$ 110,217
Property Taxes Receivable	24,991	4,481	3,274	48,834	23,612	105,192
Total Assets	<u>\$ 27,035</u>	<u>\$ 16,564</u>	<u>\$ 6,404</u>	<u>\$ 125,971</u>	<u>\$ 39,435</u>	<u>\$ 215,409</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Deferred Revenue:						
Property Taxes Receivable	\$ 24,491	\$ 4,391	\$ 3,209	\$ 47,858	\$ 23,140	\$ 103,089
Total Liabilities	<u>24,491</u>	<u>4,391</u>	<u>3,209</u>	<u>47,858</u>	<u>23,140</u>	<u>103,089</u>
Fund Balances						
Fund Balances:						
Restricted	2,544	12,173	3,195	78,113	16,295	112,320
Total Fund Balances	<u>2,544</u>	<u>12,173</u>	<u>3,195</u>	<u>78,113</u>	<u>16,295</u>	<u>112,320</u>
Total Liabilities and Fund Balances	<u>\$ 27,035</u>	<u>\$ 16,564</u>	<u>\$ 6,404</u>	<u>\$ 125,971</u>	<u>\$ 39,435</u>	<u>\$ 215,409</u>

COMMUNITY PARK DISTRICT OF LAGRANGE PARK

OTHER FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED APRIL 30, 2012

	SPECIAL REVENUE FUNDS					
	IMRF	LIABILITY INSURANCE	AUDIT	SPECIAL RECREATION	FICA	TOTAL
<u>REVENUES</u>						
Property Taxes	\$ 35,096	\$ 7,120	\$ 6,852	\$ 98,064	\$ 34,851	\$ 181,983
Interest	-	13	-	35	3	51
Total Revenues	35,096	7,133	6,852	98,099	34,854	182,034
<u>EXPENDITURES</u>						
Recreation Services	48,635	37,244	7,000	80,939	41,766	215,584
Total Expenditures	48,635	37,244	7,000	80,939	41,766	215,584
Revenues Over (Under) Expenditures	(13,539)	(30,111)	(148)	17,160	(6,912)	(33,550)
Fund Balances, Beginning	16,083	42,284	3,343	60,953	23,207	145,870
Fund Balances, Ending	\$ 2,544	\$ 12,173	\$ 3,195	\$ 78,113	\$ 16,295	\$ 112,320