

**Carbondale Park District**

**Financial Statements**

**December 31, 2014**

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# GRAY HUNTER STENN LLP

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

## CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Carbondale Park District  
Carbondale, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carbondale Park District, as of and for the 18 month period ended December 31, 2014, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Carbondale Park District, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the 18 month period then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 31 and 32 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. The Carbondale Park District, has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carbondale Park District's basic financial statements. The schedule of findings and responses, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of findings and responses is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of findings and responses is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2015, on our consideration of the Carbondale Park District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Carbondale Park District's internal control over financial reporting and compliance.

*Gray Hunter Stenn LLP*

Marion, Illinois  
May 4, 2015

# GRAY HUNTER STENN LLP

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

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

Board of Commissioners  
Carbondale Park District  
Carbondale, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carbondale Park District, as of and for the 18 month period ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Carbondale Park District's basic financial statements, and have issued our report thereon dated May 4, 2015.

#### Internal Control Over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

#### **Compliance and Other Matters**

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

#### **Carbondale Park District's Response to Findings**

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

#### **Purpose of this Report**

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



Marion, Illinois  
May 4, 2015



**Carbondale Park District  
Statement of Net Position  
December 31, 2014**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash	\$ 680,781.46
Restricted Cash	70,963.63
Investments	8,258.38
Receivables:	
Grant receivable	1,011,215.00
Due from other governments	14,554.64
Property taxes receivable	1,604,584.83
Inventory	13,925.39
Prepaid expense	96,541.10
Capital assets, non-depreciable	2,320,750.01
Capital assets, net of accumulated depreciation	2,416,578.04
<b>Total Assets</b>	<b>\$ 8,238,152.48</b>
<b>Liabilities</b>	
Book overdraft	\$ 367,765.53
Accounts payable	73,950.38
Accrued payroll	30,289.18
Accrued vacation payable	40,077.79
Accrued payroll related expenses	31,186.13
Accrued interest payable	8,363.94
Noncurrent liabilities:	
Due within one year	856,835.04
Due in more than one year	3,790,730.69
<b>Total Liabilities</b>	<b>\$ 5,199,198.68</b>
<b>Deferred Inflow of Resources</b>	
Unavailable revenue	\$ 1,604,584.83
<b>Net Position</b>	
Investment in capital assets, net of related debt	\$ 81,398.38
Restricted for debt service	(1,249.75)
Restricted for capital projects	643,449.47
Unrestricted	710,770.87
<b>Total Net Position</b>	<b>\$ 1,434,368.97</b>

See accompanying notes to financial statements.

**Carbondale Park District  
Statement of Activities  
For the Period Ended December, 31 2014**

Functions/Programs	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense)
<b>Governmental Activities:</b>					
Administration	\$ 976,635.44	\$ 24,436.00	\$ -	\$ -	\$ (952,199.44)
Aquatics	346,305.91	125,073.76	-	-	(221,232.15)
Recreation	381,706.16	63,586.95	-	-	(318,119.21)
Alice Wright early childhood care	320,976.85	200,460.04	14,106.08	-	(106,410.73)
Kids Korner after school care	183,353.83	206,848.59	-	-	23,494.76
Park maintenance	493,246.62	14,716.24	-	-	(478,530.38)
Athletic field maintenance	307,733.25	11,341.18	-	-	(296,392.07)
Community service	26,278.42	-	-	-	(26,278.42)
Golf course	1,238,899.96	912,939.69	-	-	(325,960.27)
Aquatics center construction	5,729.81	-	-	1,575,260.21	1,569,530.40
Debt service	17,911.50	-	-	-	(17,911.50)
<b>Total Governmental Activities</b>	<b>\$ 4,298,777.75</b>	<b>\$ 1,559,402.45</b>	<b>\$ 14,106.08</b>	<b>\$ 1,575,260.21</b>	<b>\$ (1,150,009.01)</b>
<b>General Revenues</b>					
Taxes -					
Property taxes, levied for general purposes					\$ 1,699,216.58
Property taxes, levied for debt service					1,272,780.00
Intergovernmental					117,480.41
Investment income					4,696.25
Miscellaneous					12,180.55
<b>Total General Revenues</b>					<b>\$ 3,106,353.79</b>
<b>Change in Net Position</b>					<b>\$ 1,956,344.78</b>
<b>Net Position - Beginning of Period</b>					<b>(480,998.37)</b>
<b>Prior period adjustment</b>					<b>(40,977.44)</b>
<b>Net Position- End of Period</b>					<b>\$ 1,434,368.97</b>

See accompanying notes to financial statements.

**Carbondale Park District  
Balance Sheet  
Governmental Funds  
December 31, 2014**

	<u>General Fund</u>	<u>Bond and Interest Fund</u>	<u>Outdoor Aquatics Center Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash	\$ 680,781.46	\$ -	\$ -	\$ 680,781.46
Restricted cash	-	70,963.63	-	70,963.63
Investments	8,258.38	-	-	8,258.38
Receivables:				
Due from other governments	14,554.64	-	1,011,215.00	1,025,769.64
Property taxes receivable	918,051.00	686,533.83	-	1,604,584.83
Inventory	13,925.39	-	-	13,925.39
Due from other funds	72,213.38	(72,213.38)	-	-
<b>Total Assets</b>	<u>\$ 1,707,784.25</u>	<u>\$ 685,284.08</u>	<u>\$ 1,011,215.00</u>	<u>\$ 3,404,283.33</u>
<b>Liabilities, Deferred inflow of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Book overdraft	\$ -	\$ -	\$ 367,765.53	\$ 367,765.53
Accounts payable	73,950.38	-	-	73,950.38
Accrued payroll	30,289.18	-	-	30,289.18
Accrued vacation payable	40,077.79	-	-	40,077.79
Accrued payroll related expenses	31,186.13	-	-	31,186.13
<b>Total Liabilities</b>	<u>\$ 175,503.48</u>	<u>\$ -</u>	<u>\$ 367,765.53</u>	<u>\$ 543,269.01</u>
<b>Deferred inflow of Resources</b>				
Unavailable revenue	<u>\$ 918,051.00</u>	<u>\$ 686,533.83</u>	<u>\$ -</u>	<u>\$ 1,604,584.83</u>
<b>Fund Balances</b>				
Nonspendable	\$ 13,925.39	\$ -	\$ -	\$ 13,925.39
Restricted	-	(1,249.75)	643,449.47	642,199.72
Unassigned	600,304.38	-	-	600,304.38
<b>Total Fund Balances</b>	<u>\$ 614,229.77</u>	<u>\$ (1,249.75)</u>	<u>\$ 643,449.47</u>	<u>\$ 1,256,429.49</u>
<b>Total Liabilities, Deferred inflow of Resources and Fund Balances</b>	<u>\$ 1,707,784.25</u>	<u>\$ 685,284.08</u>	<u>\$ 1,011,215.00</u>	<u>\$ 3,404,283.33</u>

**Carbondale Park District  
Reconciliation of Fund Balances of Governmental Funds to the  
Governmental Activities in the Statement of Net Position  
December 31, 2014**

**Total Fund Balances - Governmental Funds** **\$ 1,256,429.49**

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 as assets in governmental funds.

Capital assets - cost	\$ 10,535,603.61	
Accumulated depreciation	<u>(5,798,275.56)</u>	4,737,328.05

Prepaid expense is recorded in the Statement of Activities when incurred; these costs are recorded in governmental funds as expense when paid.

96,541.10

Long-term liabilities, including notes and bonds payable are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term liabilities at year end consist of:

Accrued interest payable	\$ (8,363.94)	
Notes payable	(20,945.48)	
Bonds payable, net of bonds discount	<u>(4,626,620.25)</u>	<u>(4,655,929.67)</u>

**Total Net Position - Governmental Activities** **\$ 1,434,368.97**

**Carbondale Park District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Period Ended December 31, 2014**

	<u>General Fund</u>	<u>Bond and Interest Fund</u>	<u>Outdoor Aquatics Center Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Property taxes	\$ 1,699,216.58	\$ 1,272,780.00	\$ -	\$ 2,971,996.58
Intergovernmental revenue	117,480.41	-	-	117,480.41
Golf course revenue	912,939.69	-	-	912,939.69
Program and user fees	239,154.13	-	-	239,154.13
Child care fees	421,414.71	-	-	421,414.71
Interest income	4,326.74	369.51	-	4,696.25
Contributions and grants	2,721.98	-	1,575,260.21	1,577,982.19
Miscellaneous	9,458.57	-	-	9,458.57
<b>Total Revenues</b>	<u>\$ 3,406,712.81</u>	<u>\$ 1,273,149.51</u>	<u>\$ 1,575,260.21</u>	<u>\$ 6,255,122.53</u>
<b>Expenditures</b>				
Administration	\$ 1,355,071.34	\$ -	\$ -	\$ 1,355,071.34
Aquatics	339,609.00	-	-	339,609.00
Recreation	306,505.76	-	-	306,505.76
Alice Wright early childhood care	319,780.57	-	-	319,780.57
Kids Korner after school care	182,175.80	-	-	182,175.80
Park maintenance	435,774.69	-	-	435,774.69
Athletic field maintenance	302,030.81	-	-	302,030.81
Community service	20,101.20	-	-	20,101.20
Golf course	1,072,617.59	-	-	1,072,617.59
Aquatics center construction	4,431.81	-	1,298.00	5,729.81
Capital outlay	60,465.50	-	1,711,214.61	1,771,680.11
Debt service	-	1,283,207.71	-	1,283,207.71
<b>Total Expenditures</b>	<u>\$ 4,398,564.07</u>	<u>\$ 1,283,207.71</u>	<u>\$ 1,712,512.61</u>	<u>\$ 7,394,284.39</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (991,851.26)</u>	<u>\$ (10,058.20)</u>	<u>\$ (137,252.40)</u>	<u>\$ (1,139,161.86)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer to / from other funds	\$ (570,267.56)	\$ -	\$ 570,267.56	\$ -
Proceeds from long-term debt	1,285,995.00	-	-	1,285,995.00
<b>Net Change in Fund Balances</b>	<u>\$ (276,123.82)</u>	<u>\$ (10,058.20)</u>	<u>\$ 433,015.16</u>	<u>\$ 146,833.14</u>
<b>Fund Balances at Beginning of Year</b>	<u>890,353.59</u>	<u>8,808.45</u>	<u>210,434.31</u>	<u>1,109,596.35</u>
<b>Fund Balances at End of Year</b>	<u>\$ 614,229.77</u>	<u>\$ (1,249.75)</u>	<u>\$ 643,449.47</u>	<u>\$ 1,256,429.49</u>

See accompanying notes to financial statements.

**Carbondale Park District**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances With the Statement of Activities**  
**For the Period Ended December 31, 2014**

**Total Net Change in Fund Balances - Governmental Funds** **\$ 146,833.14**

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

Governmental funds report capital outlay as expenditures; in the Statement of Activities these costs are allocated over their estimated useful lives as depreciation.

Depreciation expense	\$ (389,894.89)	
Capital outlay	<u>1,771,680.11</u>	1,381,785.22

Prepaid expense is recorded in the Statement of Activities when incurred; these costs are recorded in governmental funds as expense when paid. 60,869.01

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and note principal is an expenditure in the governmental funds, but not in the Statement of Activities where it reduces long-term debt.

Proceeds from long-term debt	\$ (1,285,995.00)	
Repayments of long-term debt	<u>1,647,108.90</u>	361,113.90

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 5,743.51

**Change in Net Position - Governmental Activities** **\$ 1,956,344.78**

**Carbondale Park District  
Agency Fund  
Statement of Changes in Assets and Liabilities  
For the Period Ended December 31, 2014**

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2014</u>
Lights Fantastic	<u>\$ 719.68</u>	<u>\$ 17,735.09</u>	<u>\$ 13,834.57</u>	<u>\$ 4,620.20</u>

See accompanying notes to financial statements.

**Carbondale Park District  
Notes to Financial Statements  
December 31, 2014**

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Carbondale Park District was organized by referendum in 1940 and is governed by a board of five elected commissioners, serving four year terms of office, without compensation, pursuant to the provisions of the Park District Code, Illinois Compiled Statutes, 70 ILCS 1205, 1997.

The Carbondale Park District is located in Southern Illinois and services a population of approximately 25,960. The mission of the District is to enhance the quality of community life by providing recreation and leisure opportunities.

The District offers recreational programs for all age groups, including recreational classes, organized league sports, aquatics programs and classes and community events such as the Sunset Concert series. In addition to the District's many parks and facilities, it also offers an 18 hole top rated public golf course.

The Park District serves a diverse population with a wide range of interests. The programs and services serve infants, preschoolers, youths, teens, adults and seniors, as well as family interests.

The Park District's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

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

The Park District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Park District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Park District exercises 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 services, and special financing relationships.

The Park District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements to its governmental activities. The Park District does not have business-type activities or proprietary funds on which to apply the pronouncements. The significant accounting policies established in GAAP and used by the Park District are described below.



## B. Basic Financial Statements

The Park District's basic financial statements include both government-wide (reporting the Park District as a whole) and fund financial statements (reporting the Park District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Park District's government-wide activities are governmental activities only.

### Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Park District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Interfund receivables/payables resulting from short-term interfund loans are eliminated in the government-wide Statement of Net Position. The Park District's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Park District first utilizes restricted resources to finance qualifying activities. This government-wide focus is more on the sustainability of the Park District as an entity and the change in the Park District's net position resulting from the current year's activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the Park District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Park District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Park District.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### Fund Financial Statements

Fund financial statements report detailed information about the Park District.

The accounts of the Park District are organized on the basis of funds, each of which is considered a separate accounting entity. Funds are organized into two major categories: governmental and fiduciary. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. A fund is considered major if it is the primary operating fund of the Park District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The following fund types are used by the Park District:

#### **Governmental Funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Park District:

- a. **General Fund** - The General Fund is the general operating fund of the Park District. It is used to account for all financial resources devoted to financing the general services that the Park District performs for its citizens, except those required to be accounted for in another fund.
- b. **Debt Service Fund** - The Debt Service Fund (Bond and Interest Fund) is used to account for the accumulation of resources for, and the payment of, general obligation bond principal, interest, and related costs.
- c. **Capital Project Fund** - The Capital Project Fund (Outdoor Aquatics Center Fund) is used to account for financial resources utilized in the construction of Outdoor Splash Park.

#### **Fiduciary Funds**

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Park District programs. The reporting is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

These funds are as follows:

Agency Fund - Agency funds (Lights Fantastic) are used to account for assets held by the Park District in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Major and Non-major Funds

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
<b>Major Governmental:</b>	
General Fund	Accounts for financial resources devoted to financing the general services that the Park District performs for its citizens.
Bond and Interest Fund	Accounts for the accumulation of resources for the payment of bond principal, interest and related costs.
Outdoor Aquatics Center Fund	Accounts for financial resources utilized in the construction of the Outdoor Splash Park.
Non-Major	The Park District has no non-major funds.

C. Basis of Accounting

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

Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**D. Annual Budget Ordinance**

The Park District annually passes a budget ordinance which includes all fund types using the cash basis of accounting. All unexpended budget amounts lapse at the end of each fiscal year.

Each fund's budget is prepared on a detailed line item basis. Expenditures are budgeted by department and class as follows: personnel services, supplies and services, capital outlay, and debt service. This constitutes the legal level of control. Expenditures may not exceed the budget at this level. Within these control levels, management may transfer budget lines without Board approval.

**E. Cash and Cash Equivalents**

Cash includes cash on hand and cash on deposit with financial institutions that can be withdrawn without prior notice or penalty.

Cash equivalents include short-term, highly liquid investments with original maturities of 90 days or less. State statutes authorize the Park District to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

**F. Investments**

Investments are stated at fair value. Cash deposits are reported at carrying value which reasonably estimates fair value.

**G. Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**H. Inventory and Prepaid Items**

Inventory in the general fund consists of expendable supplies of the golf course held for consumption stated on a first-in, first-out basis. It is reported at cost which is recorded as an expenditure at the time individual inventory items are used.

Prepaid balances are for insurance payments made by the Park District in the current year to provide coverage occurring in the subsequent fiscal year.

**I. Due To and Due From Other Funds**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivables and payables are eliminated in the government-wide statement of net assets.

**J. Restricted Assets**

The Bond and Interest Fund is required to establish and maintain prescribed amounts of resources (consisting of cash) that can only be used to service outstanding debt.

**K. Capital Assets**

The Park District is required to spread the cost of its capital assets over the assets' useful lives. These capital assets include land, buildings, and related equipment. The depreciation expense amounts charged to each of the functions are in the statement of activities.

The Park District's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements.

Capital assets purchased or acquired with an original cost of \$1,000.00 or more are reported at historical or estimated historical cost, including all ancillary charges necessary to place the asset in its intended location and condition for use. Donated assets are reported at fair market value at the time of acquisition plus all appropriate ancillary costs. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Depreciation on all assets is calculated using the straight-line method. The estimated useful lives of assets are based on local government suggested basis, past experience, or other reliable sources. Useful lives typically will not exceed fifty (50) years. The following estimated useful lives are used for depreciation purposes:

Buildings and improvements	20 - 30 years
Furniture and equipment	5 - 15 years

Property, plant and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

**L. Compensated Absences**

For the General Fund, benefit pay is accrued for benefits earned but not taken at December 31, 2014. Vacation time is earned on a hire-date basis.

**Vacation Days**

After one year of employment, employees earn two weeks of vacation. After four years of employment, employees earn three weeks of vacation. After twelve years of employment, employees earn four weeks of vacation. After twenty years of employment, employees earn five weeks of vacation. Vacation is paid at the employee's regular straight time hourly rate.

Vacation days not used during the current year may be carried forward to subsequent years with a maximum accumulation of one week.

Any employee who is separated from Park District employment shall be compensated for all unused vacation time accumulated for the year at the rate of pay at the time of separation.

As of December 31, 2014, the liability for unused vacation is approximately \$40,077.79.

#### **Sick Days**

Employees shall accrue sick days at a rate of one day per month up to a maximum of 120 days. Upon termination of employment, unused sick days are not paid.

As of December 31, 2014, the liability for sick leave is approximately \$158,195.39.

#### **M. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

#### **N. 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 net assets** - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net assets** - All other net assets that do not meet the definition of "restricted" or "invested in capital asset, net of related debt."

##### **Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Park District reports unavailable/unearned property taxes in this category.

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Note 2. Property Tax Revenues**

Property tax revenues are recorded on the "deferred method." Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the County Collector, the property taxes are not "available" to finance current year expenditures. For those funds on the accrual and modified accrual basis, the current year tax levy is recorded as property taxes receivable and deferred inflow of resources.

The following are the taxes extended and collected, assessed valuations and tax rates levied per \$100.00 of assessed valuation for the calendar years 2011, 2012 and 2013:

	<u>2011 Taxes Payable in 2012</u>	<u>2012 Taxes Payable in 2013</u>	<u>2013 Taxes Payable in 2014</u>	<u>2014 Taxes Payable in 2015</u>
<b><u>Taxes Extended</u></b>				
Real and personal	\$ 1,457,173	\$ 1,517,149	\$ 1,479,268	
<b><u>Total Taxes Extended</u></b>	<b>\$ 1,457,173</b>	<b>\$ 1,517,149</b>	<b>\$ 1,479,268</b>	<b>\$ *</b>
<b><u>Add - Supplements</u></b>	\$ -	\$ 174	\$ 1,092	
Mobile home taxes	2,814	2,574	2,710	
and interest	2,137	2,067	2,307	
Tax objections settled				
<b><u>Total Additions</u></b>	<b>\$ 4,951</b>	<b>\$ 4,815</b>	<b>\$ 6,109</b>	
<b><u>Total</u></b>	<b>\$ 1,462,124</b>	<b>\$ 1,521,964</b>	<b>\$ 1,485,377</b>	

	<u>2011 Taxes Payable in 2012</u>	<u>2012 Taxes Payable in 2013</u>	<u>2013 Taxes Payable in 2014</u>	<u>2014 Taxes Payable in 2015</u>
<u>Deduct</u> - Amounts due from trustee program	\$ -	\$ 4,834	\$ 2,750	
Prior year abatement refund	-	7,032	4,987	
Errors and corrections	19,967	3,657	9,199	
Forfeitures	-	1,761	1,125	
<b>Total Deductions</b>	<b>\$ 19,967</b>	<b>\$ 17,284</b>	<b>\$ 18,061</b>	
<b>Net Income from Taxes</b>	<b>\$ 1,442,157</b>	<b>\$ 1,504,680</b>	<b>\$ 1,467,316</b>	
<b>Assessed Valuation</b>	<b>\$ 306,090,142</b>	<b>\$ 303,916,136</b>	<b>\$ 299,725,969</b>	<b>\$ *</b>

The following are the tax rate limits permitted and the actual rates levied per \$100.00 of assessed valuation:

Tax Rates	<u>Limit</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Corporate	.1000	.07220	.07626	.07302	
Bonds and Interest	No Limit	.20180	.20934	.21587	
IMRF	No Limit	.02880	.03044	.02916	
Audit	.0050	.00354	.00375	.00360	
Tort Judgements, General Liability	No Limit	.02681	.02834	.02715	
Social Security	No Limit	.03426	.03622	.03470	
Workers Compensation	No Limit	.02506	.02649	.02538	
Recreation	.1200	.05410	.05719	.05479	
Recreation Programs - Handicapped	.0400	<u>.02949</u>	<u>.03117</u>	<u>.02987</u>	
<b>Total</b>		<b><u>.47606</u></b>	<b><u>.49920</u></b>	<b><u>.49354</u></b>	<b><u>*</u></b>

\* Not yet available from Jackson County.

<u>Extensions</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Corporate	\$ 220,997	\$ 231,766	\$ 218,860
Bonds and Interest	617,690	636,218	647,019
IMRF	88,154	92,512	87,400
Audit	10,836	11,397	10,790
Tort Judgements, General Liability	82,063	86,130	81,376
Social Security	104,866	110,078	104,005
Workers Compensation	76,706	80,507	76,070
Recreation	165,595	173,810	164,220
Recreation Programs - Handicapped	<u>90,266</u>	<u>94,731</u>	<u>89,528</u>
	<b><u>\$ 1,457,173</u></b>	<b><u>\$ 1,517,149</u></b>	<b><u>\$ 1,479,268</u></b>

Collections include Mobile Home privilege tax for 2013 of \$1,513.07 and 2014 of \$1,763.05.



The Park District's property tax is levied each year on all taxable real property located in the Park District. Property taxes attach as an enforceable lien on property as of January 1 and were payable in four installments on September 28, 2013, October 23, 2013, September 23, 2014 and October 23, 2014. The Park District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from 2011, 2012 and prior tax levies.

**Note 3. Deposits and Investments**

Permitted Deposits and Investments - Statutes authorize the Park District to make deposits and investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

A. Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Park District's deposits might not be recovered. The Park District does have a deposit policy for custodial credit risk. As of December 31, 2014, \$529,400.19 of the Park District's bank balances of \$787,658.57 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
Uninsured and collateralized with securities held by pledging financial institution	<u>529,400.19</u>
<b>Total</b>	<b><u>\$ 529,400.19</u></b>

During the period ended December 31, 2014, the depository bank used by the District had pledged \$2,179,204.73 in various securities to secure the District's deposits in excess of the amounts insured by the FDIC. The pledged securities are held by the pledging financial institution's trust department or agent but not in the District's name.

**Note 4. Defined Benefit Pension Plans**

**Plan Description.**

The Park District's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Park District's plan is 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 (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy.**

As set by statute, the Park District regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2013 used by the Park District was 11.23 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2013 was 12.38 percent. The Park District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost.**

For calendar year ending December 31, 2013, the employer's actual contributions for pension cost for the Regular plan were \$89,638. Its required contribution for calendar year 2013 was \$98,818.

**Three-Year Trend Information for the Regular Plan**

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$ 98,818	91%	\$ 0
12/31/12	84,298	95%	0
12/31/11	83,992	89%	0

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.00% 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 Park District 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 Park District regular plan's unfunded actuarial accrued liability at December 31, 2011 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, 2013, the most recent actuarial valuation date, the Park District regular plan was 87.43 percent funded. The actuarial accrued liability for benefits was \$2,450,213 and the actuarial value of assets was \$2,142,263, resulting in an underfunded actuarial accrued liability (UAAL) of \$307,950. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$798,204 and the ratio of the UAAL to the covered payroll was 39 percent.

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

Required Supplementary Information  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
12/31/13	2,142,263	2,450,213	307,950	87.43%	798,204	38.58%
12/31/12	1,771,667	2,239,517	467,850	79.11%	783,434	59.72%
12/31/11	1,691,380	2,213,545	522,165	76.41%	802,980	65.03%
12/31/10	2,021,217	2,381,594	360,377	84.87%	834,687	43.18%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$2,528,907. On a market value basis, the funded ratio would be 103.21%.

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

**Note 5. Capital Assets**

The following is a summary of changes in the capital assets for the period:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 591,143.00	\$ -	\$ -	\$ 591,143.00
Construction in progress	2,567.78	1,727,039.23	-	1,729,607.01
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 593,710.78</b>	<b>\$ 1,727,039.23</b>	<b>\$ -</b>	<b>\$ 2,320,750.01</b>
<b>Capital assets being depreciated:</b>				
Parking lots	\$ 275,679.52	\$ -	\$ -	\$ 275,679.52
Building improvements	295,499.00	61,522.02	-	357,021.02
Fixtures and equipment	1,507,557.36	38,265.88	-	1,545,823.24
Buildings	2,932,669.95	-	-	2,932,669.95
Vehicles	367,913.00	-	-	367,913.00
Land improvements	2,735,746.87	-	-	2,735,746.87
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 8,115,065.70</b>	<b>\$ 99,787.90</b>	<b>\$ -</b>	<b>\$ 8,214,853.60</b>
<b>Less accumulated depreciation for:</b>				
Parking lots	\$ 206,343.48	\$ 9,025.80	\$ -	\$ 215,369.28
Building improvements	179,283.46	23,501.26	-	202,784.72
Fixtures and equipment	1,271,845.52	71,671.25	-	1,343,516.77
Buildings	1,589,345.86	131,017.41	-	1,720,363.27
Vehicles	328,613.24	16,855.82	-	345,469.06
Land improvements	1,832,949.11	137,823.35	-	1,970,772.46
<b>Total Accumulated Depreciation</b>	<b>\$ 5,408,380.67</b>	<b>\$ 389,894.89</b>	<b>\$ -</b>	<b>\$ 5,798,275.56</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 2,706,685.03</b>	<b>\$ (290,106.99)</b>	<b>\$ -</b>	<b>\$ 2,416,578.04</b>
<b>Governmental Activities Capital</b>				
<b>Capital Assets, Net</b>	<b>\$ 3,300,395.81</b>	<b>\$ 1,436,932.24</b>	<b>\$ -</b>	<b>\$ 4,737,328.05</b>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 29,955.41
Aquatics	6,696.91
Recreation	75,200.40
Alice Wright Early Childhood	1,196.28
Kids Korner after school care	1,178.03
Park maintenance	57,471.93
Athletic field maintenance	5,702.44
Community service	6,177.22
Golf course	<u>206,316.27</u>
<b>Total Governmental Activities Depreciation Expense</b>	<b><u>\$ 389,894.89</u></b>

**Note 6. Changes in Long-Term Debt**

The following is a summary of bond and other contractual transactions of the Park District for the period ended December 31, 2014.

**Bonds and Debt Certificates**

	Bonds Payable <u>July 1, 2013</u>	Bonds Issued	Bond Payments	Bonds Payable <u>December 31, 2014</u>	Current Portion Bonds Payable <u>December 31, 2014</u>
Governmental-Type Activities -					
General Obligation Bonds --					
Series 2012	\$ 623,075.00	\$ -	\$ 623,075.00	\$ -	\$ -
Series 2010B	4,335,000.00	-	350,000.00	3,985,000.00	185,000.00
Series 2013	-	634,000.00	634,000.00	-	-
Series 2014	<u>-</u>	<u>651,995.00</u>	<u>-</u>	<u>651,995.00</u>	<u>651,995.00</u>
	<b><u>\$ 4,958,075.00</u></b>	<b><u>\$ 1,285,995.00</u></b>	<b><u>\$ 1,607,075.00</u></b>	<b>\$ 4,636,995.00</b>	<b>\$ 836,995.00</b>
Less: Discount on bonds				<u>(10,374.75)</u>	<u>(1,105.44)</u>
				<b><u>\$ 4,626,620.25</u></b>	<b><u>\$ 835,889.56</u></b>

General Obligation Bonds payable at December 31, 2014, are comprised of the following individual issues:

General Obligation -	
\$4,500,000.00 General Obligation Alternative Revenue Source Bonds, Series 2010B, dated November 1, 2010, due in annual principal installments ranging from \$165,000.00 to \$340,000.00; through December 15, 2030; interest rate is variable from 3.00% to 4.75%	\$ 3,985,000.00
\$651,995.00 General Obligation Park Bonds, Series 2014 dated October 27, 2014, due in an annual principal installment of \$651,995.00 on November 15, 2015, interest rate is 0.69%	<u>651,995.00</u>
<b>Total General Obligation Bonds Payable</b>	<b>\$ 4,636,995.00</b>
<b>Less - Discount on bonds</b>	<b><u>(10,374.75)</u></b>
	<b><u>\$ 4,626,620.25</u></b>

As of December 31, 2014, \$70,963.63 is available in the Bond and Interest Fund to service General Obligation Bonds.

The annual requirements to amortize all debt outstanding as of December 31, 2014, including interest payments of \$1,691,597.58 for General Obligation Bonds are as follows:

<u>Year Ending December 31,</u>	<u>General Obligation</u>
2015	\$ 1,012,814.96
2016	355,546.26
2017	354,133.76
2018	351,821.26
2019	353,821.26
2020	355,421.26
2021	351,621.26
2022	352,396.26
2023	352,291.26
2024	356,756.26
2025	355,056.26
2026	352,906.26
2027	354,956.26
2028	356,312.50
2029	356,587.50
2030	<u>356,150.00</u>
	<u>\$ 6,328,592.58</u>

Other Contractual Liabilities

The following is a summary of other contractual liability transactions for governmental-type activities of the Park District for the fiscal year ended December 31, 2014:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance December 31, 2014</u>	<u>Current Portion</u>
Governmental-Type Activities -					
Accrued vacation	\$ 46,769.73	\$ -	\$ 6,691.94	\$ 40,077.79	\$ -
Bank of Carbondale	<u>60,979.38</u>	<u>-</u>	<u>40,033.90</u>	<u>20,945.48</u>	<u>20,945.48</u>
<u>Total</u>	<u>\$ 107,749.11</u>	<u>\$ -</u>	<u>\$ 46,725.84</u>	<u>\$ 61,023.27</u>	<u>\$ 20,945.48</u>

The annual requirements to amortize all other contractual liabilities of governmental-type activities as of December 31, 2014 including interest payments of \$636.85 are as follows:

<u>Year Ending December 31,</u>	<u>Bank of Carbondale</u>
2015	\$ <u>21,582.33</u>
	<u>\$ 21,582.33</u>

## Note 7. Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

### A. Nonspendable Fund Balance

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

At December 31, 2014, the nonspendable fund balance consisted of the District's inventory.

### B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Park District has the following restricted fund balances:

Restricted for debt service. This was created to segregate a portion of the fund equity account for debt service, including both principal payments and interest payments. The restriction was established to satisfy legal restrictions imposed by various bond agreements.

Restricted for donor expenditures. This was created to segregate a portion of fund equity for future expenditures defined by the donor.

### C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the governing board). Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

At December 31, 2014, there are no committed fund balances.

### D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by (a) the governing board itself or (b) the finance committee or by the executive director when the governing board has delegated the authority to assign amounts to be used for specific purposes.

At December 31, 2014, there are no assigned fund balances.

**E. Unassigned Fund Balance**

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

**F. Expenditures of Fund Balance**

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

	<u>General Fund</u>	<u>Bond and Interest Fund</u>	<u>Outdoor Aquatics Center Fund</u>	<u>Total Governmental Funds</u>
Fund Balances				
Nonspendable	\$ 13,925.39	\$ -	\$ -	\$ 13,925.39
Restricted for –				
Debt service	-	(1,249.75)	-	(1,249.75)
Donor expenditures	-	-	643,449.47	643,449.47
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>600,304.38</u>	<u>-</u>	<u>-</u>	<u>600,304.38</u>
<b>Total Fund Balances</b>	<b><u>\$ 614,229.77</u></b>	<b><u>\$ (1,249.75)</u></b>	<b><u>\$ 643,449.47</u></b>	<b><u>\$1,256,429.49</u></b>

**Note 8. Deficit Fund Equity**

There was a deficit fund equity as of December 31, 2014 in the Bond and Interest Fund.

**Note 9. Components of Restricted Assets**

Governmental Funds

	<u>Bond and Interest</u>	<u>Capital Project</u>
Cash	<u>\$ 70,963.63</u>	<u>\$ (367,765.53)</u>

Restricted assets of the Bond and Interest are for debt service. Restricted assets of the capital project fund are for the construction of the new Splash Park.

**Note 10. Interfund Transactions**

During the course of normal operations, the Park District has transactions between funds. Individual fund interfund receivable and payable balances at December 31, 2014 arising from these transactions were as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 72,213.38	\$ -
Bond and Interest Fund	<u>-</u>	<u>72,213.38</u>
<b>Total</b>	<b><u>\$ 72,213.38</u></b>	<b><u>\$ 72,213.38</u></b>

Schedule of operating transfers within the reporting entity:

<u>Transfer out/from</u>	<u>Transfer in/to</u>	<u>Amount</u>
General Fund Types - General Fund	Capital Project Fund Types - Outdoor Aquatics Center	<u>\$ 570,267.56</u>

**Note 11. Risk Management**

The Park District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the period ended December 31, 2014, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

**Note 12. Contingencies**

**Litigation**

The Park District is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the Park District.

**Grants**

In the normal course of operations, the Park District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**Note 13. Legal Debt Margin**

<b>Assessed Valuation - Tax Levy Year 2013</b>	<u>\$ 299,725,969</u>
Statutory debt limitation as defined in Chapter 105, Section 6-2, Illinois Revised Statutes of 1997 (2.875% of assessed valuation)	\$ 8,617,121.61
<b>Outstanding Debt:</b>	
Bonds - General obligation	\$ 4,636,995.00
Note payable	<u>20,945.48</u>
	<u>4,657,940.48</u>
<b>Legal Debt Margin</b>	<u>\$ 3,959,181.13</u>



**Note 14. Lease Obligations**

The Park District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the Park District's asset or liability accounts.

The Park District has entered into an operating lease which is subject to annual appropriations. For the 18 month period, rentals approximated \$4,686.66 for such lease. This lease primarily supports general fund activities.

**Note 15. Change in Accounting Principle**

Prior Period Adjustment –

In fiscal year 2014, the Park District implemented Governmental Accounting Standards Board (GASB) Statement 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and Statement 65 "Items Previously Reported as Assets and Liabilities". Statement 63 will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. The objective of Statement 65 is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenditures) or inflows of resources (revenues). The implementation of Statement 65 resulted in the reclassification of the beginning net position of the governmental activities in the government-wide financial statements. The deferred charges for issuance costs were reclassified as expense of prior periods and resulted in the adjustment below:

	<u>Governmental Activities</u>
Net position at June 30, 2013	\$ (480,998.37)
Change in reporting for deferred changes for debt insurance cost	<u>(40,977.44)</u>
Net position at December 31, 2014, restated	<u>\$ (521,975.81)</u>

**Note 16. Change in Year End**

On June 23, 2014, the board of park commissioners approved a change in the Park District's fiscal year end from June 30 to December 31 of each year. This change has been approved by the State of Illinois Comptroller's office. Accordingly, the financial statements and related notes are for the eighteen months from July 1, 2013 to December 31, 2014.

**Required Supplemental Information**

**Carbondale Park District  
Budget and Actual (with Variances)  
General Fund  
For The Period Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 1,642,838.00	\$ 1,642,838.00	\$ 1,699,216.58	\$ 56,378.58
Intergovernmental revenue	95,725.00	95,725.00	121,009.66	25,284.66
Golf course revenue	1,114,750.00	1,114,750.00	912,939.69	(201,810.31)
Program and user fees	246,517.00	246,517.00	239,061.53	(7,455.47)
Child care fees	565,630.00	565,630.00	419,260.38	(146,369.62)
Interest income	3,400.00	3,400.00	4,326.74	926.74
Contributions and grants	-	-	3,080.54	3,080.54
Miscellaneous	350.00	350.00	9,458.57	9,108.57
<b>Total Revenues</b>	<u>\$ 3,669,210.00</u>	<u>\$ 3,669,210.00</u>	<u>\$ 3,408,353.69</u>	<u>\$ (260,856.31)</u>
<b>Expenditures</b>				
Administration	\$ 1,318,913.00	\$ 1,318,913.00	\$ 1,332,294.05	\$ (13,381.05)
Aquatics	327,524.00	327,524.00	349,070.26	(21,546.26)
Recreation	344,590.00	344,590.00	327,977.95	16,612.05
Alice Wright early childhood care	360,783.00	360,783.00	339,620.31	21,162.69
Kids Korner after school care	188,795.00	188,795.00	186,819.76	1,975.24
Park maintenance	515,849.00	515,849.00	444,983.65	70,865.35
Athletic field maintenance	350,534.00	350,534.00	306,145.26	44,388.74
Community service	23,009.00	23,009.00	20,406.46	2,602.54
Golf course	1,060,142.00	1,060,142.00	1,105,907.92	(45,765.92)
Aquatics center expense	-	-	4,431.81	(4,431.81)
Capital outlay	18,305.00	18,305.00	60,465.50	(42,160.50)
<b>Total Expenditures</b>	<u>\$ 4,508,444.00</u>	<u>\$ 4,508,444.00</u>	<u>\$ 4,478,122.93</u>	<u>\$ 30,321.07</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (839,234.00)</u>	<u>\$ (839,234.00)</u>	<u>\$ (1,069,769.24)</u>	<u>\$ (230,535.24)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer to other funds	-	-	(570,267.56)	(570,267.56)
Proceeds from long-term debt	1,248,075.00	1,248,075.00	1,285,995.00	37,920.00
<b>Net Change in Fund Balances</b>	<u>\$ 408,841.00</u>	<u>\$ 408,841.00</u>	<u>\$ (354,041.80)</u>	<u>\$ (762,882.80)</u>

See accompanying notes to financial statements.

**Carbondale Park District  
Budget and Actual (with Variances)  
Outdoor Aquatics Fund  
For The Period Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-
Golf course revenue	-	-	-	-
Program and user fees	179,758.00	179,758.00	-	(179,758.00)
Child care fees	-	-	-	-
Interest income	-	-	-	-
Contributions and grants	3,230,000.00	3,230,000.00	564,045.21	(2,665,954.79)
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b><u>\$ 3,409,758.00</u></b>	<b><u>\$ 3,409,758.00</u></b>	<b><u>\$ 564,045.21</u></b>	<b><u>\$ (2,845,712.79)</u></b>
<b>Expenditures</b>				
Administration	\$ -	\$ -	\$ -	\$ -
Aquatics	-	-	-	-
Recreation	-	-	-	-
Alice Wright early childhood care	-	-	-	-
Kids Korner after school care	-	-	-	-
Park maintenance	-	-	-	-
Athletic field maintenance	-	-	-	-
Community service	-	-	-	-
Golf course	-	-	-	-
Contingency	-	-	-	-
Aquatics center expense	415,947.00	415,947.00	1,298.00	414,649.00
Capital outlay	3,400,000.00	3,400,000.00	1,711,214.61	1,688,785.39
<b>Total Expenditures</b>	<b><u>\$ 3,815,947.00</u></b>	<b><u>\$ 3,815,947.00</u></b>	<b><u>\$ 1,712,512.61</u></b>	<b><u>\$ 2,103,434.39</u></b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b><u>\$ (406,189.00)</u></b>	<b><u>\$ (406,189.00)</u></b>	<b><u>\$ (1,148,467.40)</u></b>	<b><u>\$ (742,278.40)</u></b>
<b>Other Financing Sources (Uses)</b>				
Transfer to other funds	-	-	570,267.56	570,267.56
Proceeds from long-term debt	-	-	-	-
<b>Net Change in Fund Balances</b>	<b><u>\$ (406,189.00)</u></b>	<b><u>\$ (406,189.00)</u></b>	<b><u>\$ (578,199.84)</u></b>	<b><u>\$ (172,010.84)</u></b>

**Carbondale Park District  
Notes to Required Supplemental Information  
December 31, 2014**

The Park District annually passes a budget ordinance which includes all fund types using the cash basis of accounting. All unexpended budget amounts lapse at the end of each fiscal year.

Each fund's budget is prepared on a detailed line item basis. Expenditures are budgeted by department and class as follows: personnel services, supplies and services, capital outlay, and debt service. This constitutes the legal level of control. Expenditures may not exceed the budget at this level. Within these control levels, management may transfer budget lines without Board approval.

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

1. Prior to June 30, the District Director submits to the Commissioners of the Park Board a proposed operating budget for the fiscal year that commenced July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to the third Tuesday in September, the budget is legally enacted through the passage of an ordinance in accordance with FOILCS 1205/1-1 through 13-9e, Illinois Compiled Statutes.
4. The Director is authorized to transfer budgeted amounts between departments within any department or business unit; however, any revisions that alter the total expenditures of any fund must be approved by the Commissioners of the Park Board.
5. Formal budgetary integration is employed as a management control device during the period for the General Fund, Bond and Interest Fund, and Outdoor Aquatics Fund.
6. The budget for the Park District is adopted using the cash basis of accounting. In addition, bond and loan proceeds are treated as other financing sources and bond and loan principal payments are treated as expenditures.

The fund financial statements and required supplemental information in this report are prepared on the modified accrual basis (GAAP). The budget is prepared using the cash basis of accounting. The following schedule reconciles the difference between the legally enacted budget and the following fund expenditures:

	<u>Actual on GAAP Basis</u>	<u>Adjustment to Budget Basis</u>	<u>Actual on Budget Basis</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b><u>General Expenditures</u></b>					
Administration	\$1,355,071.34	\$ (22,777.29)	\$1,332,294.05	\$1,318,913.00	\$ (13,381.05)
Aquatics	339,609.00	9,461.26	349,070.26	327,524.00	(21,546.26)
Aquatics Center construction	4,431.81	-	4,431.81	-	(4,431.81)
Recreation	306,505.76	21,472.19	327,977.95	344,590.00	16,612.05
Alice Wright early childhood care	319,780.57	19,839.74	339,620.31	360,783.00	21,162.69
Kids Korner after school care	182,175.80	4,643.96	186,819.76	188,795.00	1,975.24
Park maintenance	435,774.69	9,208.96	444,983.65	515,849.00	70,865.35
Athletic field maintenance	302,030.81	4,114.45	306,145.26	350,534.00	44,388.74
Community service	20,101.20	305.26	20,406.46	23,009.00	2,602.54
Golf course	1,072,617.59	33,290.33	1,105,907.92	1,060,142.00	(45,765.92)
Capital Outlay	60,465.50	-	60,465.50	18,305.00	(42,160.50)
<b><u>Total General Expenditures</u></b>	<b><u>\$4,398,564.07</u></b>	<b><u>\$ 79,558.86</u></b>	<b><u>\$4,478,122.93</u></b>	<b><u>\$4,508,444.00</u></b>	<b><u>\$ 30,321.07</u></b>

	<u>Actual on GAAP Basis</u>	<u>Adjustment to Budget Basis</u>	<u>Actual on Budget Basis</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b><u>Outdoor Aquatic Fund Expenditures</u></b>					
Administration	\$ -	\$ -	\$ -	\$ -	\$ -
Aquatics	-	-	-	-	-
Aquatics Center construction	1,298.00	-	1,298.00	415,947.00	414,649.00
Recreation	-	-	-	-	-
Alice Wright early childhood care	-	-	-	-	-
Kids Korner after school care	-	-	-	-	-
Park maintenance	-	-	-	-	-
Athletic field maintenance	-	-	-	-	-
Community service	-	-	-	-	-
Golf course	-	-	-	-	-
Capital Outlay	<u>1,711,214.61</u>	<u>-</u>	<u>1,711,214.61</u>	<u>3,400,000.00</u>	<u>1,688,785.39</u>
<b><u>Total Outdoor Aquatic Fund Expenditures</u></b>	<b><u>\$1,712,512.61</u></b>	<b><u>\$ -</u></b>	<b><u>\$1,712,512.61</u></b>	<b><u>\$3,815,947.00</u></b>	<b><u>\$ 2,103,434.39</u></b>

**Other Supplemental Information**

**Carbondale Park District  
Schedule of Findings and Responses  
for the Period Ended December 31, 2014**

**05-3 Finding -**

The bond and interest fund is not recorded on the Park District's general ledger.

**Recommendation -**

A separate self-balancing fund for bond and interest should be recorded and maintained.

**Management Response -**

The Park District chooses not to maintain separate fund.

**05-4 Finding -**

The Lights Fantastic agency fund is recorded on the general ledger, but is not self-balancing.

**Recommendation -**

A separate chart of accounts should be utilized for this fund and greater care used in posting to these income and expense accounts.

**Management Response -**

The fund is held separately, and is self balancing, however data entry is the problem.

**06-3 Finding -**

When gift certificates are issued at the golf course the revenue is posted to miscellaneous shop income and when redeemed offset to the same account.

**Recommendation -**

When the gift certificates are sold, they should be coded to deferred revenue. Then, when the gift certificates are redeemed, they should offset the deferred revenue and the sale of the merchandise purchased should be recorded.

**Management Response -**

The Park District chooses to post revenues at the time of purchase.

**06-5 Finding -**

Health insurance withholding, premiums paid and COBRA payments are not being reconciled. Insurance withholding needs to be reconciled to total withholding per the payroll program.

**Recommendation -**

Each month, the payroll register and employee portion of premiums paid should be reconciled including COBRA payments. The COBRA checks should be recorded in the Health Insurance account to net out.

**Management Response -**

Monthly reports will be generated to ensure accuracy.



**08-2 Finding -**

In the recreation department, the current software program is only utilized for pre-registered individuals.

**Recommendation -**

Recreation department needs to enter walk-in and late registrations also for better documentation of revenue and enrollment of programs.

**Management Response -**

The Park District has not been able to find a good format or system to implement this.

**12-2 Finding -**

It appears that a substantial number of the payables are being recorded in the wrong period. In a few instances, payables were recorded when not necessary or not recorded at all.

**Recommendation -**

It is recommended to develop a consistent policy to record payables in the correct period and for the correct amount. When a bill is paid subsequent to year end, a determination should be made as to whether the amount was owed prior to year end. If the amount was owed prior to year end, the invoice should be put into accounts payable.

**Management Response -**

This will be implemented for the next fiscal year.

**13-1 Finding -**

Interest paid and compounded on the certificate of deposit is not posted to the general ledger.

**Recommendation -**

Interest earned and compounded should be posted to the general ledger.

**Management Response -**

Interest will be posted to the general ledger.