

Hampshire Township Park District  
Hampshire, Illinois

Annual Financial Report

Year Ended  
April 30, 2017

Roger E. Wooten, CPA

**Hampshire Park District  
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Year Ended April 30, 2017**

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# Roger E. Wooten, CPA

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## Independent Auditor's Report

The Board of Trustees  
Hampshire Township Park District  
Hampshire, Illinois

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hampshire Township Park District, Illinois (the District), as of and for the year ended April 30, 2017, which collectively comprise the Hampshire Township Park District, Illinois's 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 Corporately 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards Corporately accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic 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 opinion.

As described in Note 1(C), these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than Corporately accepted accounting principles.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hampshire Township Park District, Illinois, as of April

30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles Corporately accepted in the United States of America.

## **Other Matters**

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

Accounting principles Corporately accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards Corporately accepted in the United States of America, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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 an opinion on the financial statements that collectively comprise the Hampshire Township Park District, Illinois' basic financial statements. The accompanying supplementary information listed as individual fund financial schedules and statistical information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial schedules are the responsibility of management and were derived from and made 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 preparing 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 Corporately accepted in the United States of America. In our opinion, the individual fund financial schedules a fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Garden Prairie, Illinois  
November 1, 2017

# **Hampshire Township Park District Management's Discussion and Analysis**

## **Introduction**

The Hampshire Township Park District (the District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended April 30, 2017. This discussion and analysis is designed to: (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's recent activities resulting in net position changes, (4) identify any material deviations from the financial plan (the budget), and (5) identify any individual fund issues or concerns.

The major components of the financial statements are the statement of net position and the statement of activities. The statement of net position shows the total assets and liabilities of the District. The statement of activities reflects the total operations of the District for the past year, shown first net of revenues from taxes, interest and miscellaneous items and then in total.

## **Financial Highlights**

- The District's total net position exceeded its total liabilities at the close of the most recent fiscal year by \$2,997,323. The District's total net position increased \$63,166 over the previous fiscal year.
- Recreation Revenue increased over the past year by \$39,510 resulting in total recreation revenues of \$1,012,532. Recreation expenditures were \$867,559.
- Property taxes levied and collected were \$458,551 compared to the prior year of \$444,094 for an increase of \$14,457.
- At April 30, 2017, the District's governmental fund financial statements reported combined ending fund balances of \$1,244,889, an increase of \$117,287 from the prior year.
- The District continues to have the ability to devote resources towards maintaining, improving and expanding its parks, playgrounds and facilities. In fiscal 2017, capital outlay for the District was \$222,166.
- The District's outstanding long-term debt increased by \$125,000 to total \$2,015,000 as of April 30, 2017.

## **Overview of the Financial Statements**

Management's Discussion and Analysis introduces the District's basic financial statements. The Basic Financial Statements include three components: government-wide financial statements, fund financial statements and notes to the financial statements. The District also includes in this report additional information to supplement the basic financial statements.

## **Government-wide Financial Statements**

The government-wide statements are designed to provide readers with a broad overview of the District's finances. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

The *Statement of Activities* presents changes in the District's net position during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on the revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by taxes and intergovernmental revenues (governmental activities), such as grants, from other functions, that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District's business-type activities are the recreation center and programs. Governmental activities include Corporate government and parks.

The government-wide financial statements are presented on pages 8 and 9 of this report.

**Condensed Statement of Net Position**

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Current assets	1,315,768	1,127,602
Capital assets (net)	<u>3,797,369</u>	<u>3,696,555</u>
Total assets	<u>5,113,137</u>	<u>4,824,157</u>
Deferred outflows of resources		
Current Liabilities	59,000	15,000
Noncurrent Liabilities	<u>1,956,000</u>	<u>1,875,000</u>
Total liabilities	<u>2,015,000</u>	<u>1,890,000</u>
Net Position:		
Invested in capital assets	1,782,369	1,806,555
Restricted	440,629	440,629
Unrestricted	<u>875,139</u>	<u>686,973</u>
Total net position	<u><u>3,098,137</u></u>	<u><u>2,934,157</u></u>

### Condensed Statement of Activities

	<u>April 1, 2016 - March 31, 2017</u>	<u>April 1, 2015 - March 31, 2016</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$952,927	\$913,716
Grants and contributions	256,448	-
Taxes:		
Property taxes	458,897	444,094
Replacement taxes	5,020	4,779
Impact Fees	32,631	61,798
Transition Fees	68,615	33,733
Interest	85,008	1,747
Total revenues	<u>1,859,546</u>	<u>1,459,867</u>
<b>Expenses</b>		
General government		
Corporate	210,192	263,088
Interest /Fees	1,765	77,478
Recreation	<u>1,584,423</u>	<u>1,156,634</u>
Total expenses	<u>1,796,380</u>	<u>1,497,200</u>
Change in net position	<u><u>63,166</u></u>	<u><u>(37,333)</u></u>

### Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the

year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the Corporate fund and major special revenue funds. These statements and schedules demonstrate compliance with the District's adopted annual appropriated budget.

The basic governmental fund financial statements are presented on pages 10 through 13 of this report.

### **Notes to the Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 14 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

Major funds are reported in the basic financial statements as discussed. Individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 28.

### **Government-wide Financial Analysis**

The District's combined total position was \$2,997,323, which includes \$1,681,555 net investment in capital assets. The total revenues were \$1,859,546, while the total expenditures were \$1,796,380, which included \$1,765 of interest and charges on long-term debt.

### **Financial Analysis of the District's Funds**

#### **Governmental Funds**

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$1,244,889. Of this yearend total,

\$156,641 is unreserved and undesignated, indicating availability for continuing the District's operations.

The total ending fund balances of governmental funds show an increase of \$117,287 from the prior year.

### **Major Governmental Funds**

The Corporate, Recreation, Debt Service and Capital Projects funds are the primary operating funds of the District.

The fund balance of the Corporate Fund as of April 30, 2017 was \$103,767, a decrease of \$66,480 from the prior year. The fund balance of the Recreation Fund was \$373,423 an increase of \$176,650 from the prior year. The Debt Service Fund balance was \$626 down \$1,820 from the prior year. The Capital Projects Fund decreased \$4,455 to \$7 at the end of the year.

### **Corporate and Recreation Funds Budgetary Highlights**

The Corporate and Recreation funds are reported as major funds, both accounting for approximately 83% of the revenues of the routine operations of the District.

Revenues in the Corporate fund were \$283,066, which was \$30,280 over budget. Expenditures were \$210,192 which was \$45,222 under budget. The net budget variance was a favorable \$75,502. The fund balance increased to \$52,874 after transfers to other funds.

Revenues in the recreation fund were \$1,012,532, which was \$98,485 over budget. Expenditures were \$867,559 which was \$104,482 under budget. The net budget variance was a favorable \$202,967. The fund balance increased to \$452,396 at the end of the year from \$373,423 in the prior year due to net revenue.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

The District's investment in capital assets, net of accumulated depreciation as of April 30, 2017 was \$3,797,369. This was a result of an increase of net additions in capital assets of \$222,166 and depreciation expense of \$115,797.

#### **Debt Administration**

As of April 30, 2017, the District has outstanding debt of \$2,015,000. The fund balance of the Debt Service Fund amounted to \$945 as of April 30, 2017.

### **Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was not aware of any existing circumstances that would adversely affect its financial health in the near future. The Equalized Assessed Value on property has stabilized and continues to rise.

The District continues to allocate Illinois personal property taxes to support Corporate district expenses.

### **Request for Information**

This financial report is designed to provide a Corporate overview of the District's finances for all those with an interest in the District. If you have any questions about this report or would like to request additional information, please contact, Executive Director for the Hampshire Township Park District located at 390 South Avenue, Hampshire, IL 60140.

HAMPSHIRE TOWNSHIP PARK DISTRICT  
Cash Basis of Accounting  
Statement of Net Position  
April 30, 2017

**ASSETS**

Current Assets	
Cash & investments	\$ 768,248
Cash Held in Trust	547,520
Total Current Assets	1,315,768
Non - Current Assets	
Capital assets	
Land	1,098,287
Other capital assets, net of depreciation	2,699,082
Total Non - Current Assets	3,797,369
<b>Total Assets</b>	5,113,137

**LIABILITIES**

Current Liabilities	
Bonds payable	59,000
Non - Current Liabilities	
Bonds Payable	1,956,000
<b>Total Liabilities</b>	2,015,000

**NET POSITION**

Invested in capital assets, net of related debt	1,782,369
Restricted for Orris Ruth Park	440,629
Unrestricted	875,139
<b>Total Net Position</b>	3,098,137

The accompanying notes are an integral part of this statement

HAMPSHIRE TOWNSHIP PARK DISTRICT  
Cash Basis of Accounting  
Statement of Activities  
For the Year Ended April 30, 2017

FUNCTIONS/ PROGRAMS	PROGRAM REVENUES		NET (EXPENSES) REVENUES & CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
Governmental Activities			
General Government	\$ 210,192		\$ (210,192)
Recreation	1,584,423	\$ 952,927	\$ 256,448 (375,048)
Interest	1,765		(1,765)
Total Governmental Activities	1,796,380	952,927	256,448 (587,005)

**General revenues**

Property taxes	458,897
Replacement Taxes	5,020
Impact Fees	32,631
Transition Fees	68,615
Investment earnings	85,008
<b>Total general revenues</b>	<u>650,171</u>

**Change in Net Assets**

63,166

**Net position - beginning of year**

2,934,157

**Net position - end of year**

\$ 2,997,323

The accompanying notes are an integral part of this statement.

HAMPSHIRE TOWNSHIP PARK DISTRICT  
Cash Basis of Accounting  
Statement of Assets, Liabilities and Fund Balances  
All Governmental Fund Types  
April 30, 2017

	<u>General</u>	<u>Recreation</u>	<u>Special Recreation</u>	<u>Debt Service</u>	<u>Impact Fees</u>	<u>Capital Projects</u>	<u>Insurance</u>	<u>Total</u>
<b>Assets</b>								
Cash & Cash Equivalent	\$ 156,641	\$452,396	\$73,230	\$945		\$70,380	\$ 14,656	\$ 768,248
Cash Held in Trust					476,641			476,641
<b>Total Assets</b>	<u>\$ 156,641</u>	<u>\$ 452,396</u>	<u>\$ 73,230</u>	<u>\$ 945</u>	<u>\$ 476,641</u>	<u>\$ 70,380</u>	<u>\$ 14,656</u>	<u>\$ 1,244,889</u>
<b>Fund Balance</b>								
Reserved, Designated					440,629			440,629
Unreserved, Undesignated	\$ 156,641							156,641
Unreserved, Designated		\$ 452,396	\$ 73,230	\$ 945	\$ 36,012	\$ 70,380	\$ 14,656	647,619
<b>Total Fund Equity</b>	<u>156,641</u>	<u>452,396</u>	<u>73,230</u>	<u>945</u>	<u>476,641</u>	<u>70,380</u>	<u>14,656</u>	<u>1,244,889</u>

**Amounts reported for governmental activities in the statement of net assets, liabilities and fund balances are different because:**

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	3,797,369
Bonds payable is not reported on the fund Governmental funds statements .	(2,015,000)
Change in Impact Fees Fund	70,879
	<u>\$ 3,098,137</u>

The accompanying notes are an integral part of this statement

HAMPSHIRE TOWNSHIP PARK DISTRICT  
Cash Basis of Accounting  
All Governmental Fund Types  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended April 30, 2017

REVENUE	Corporate	Recreation	Special Recreation	Debt Service	Impact Fees	Capital Projects	Insurance	Total
Real Estate Taxes	\$232,709	\$67,858	\$93,554	\$26,248			\$ 38,528	\$458,897
Replacement Taxes	5,020							5,020
Program Fees		209,489						209,489
Youth Education		731,597						731,597
Impact Fees					32,631			32,631
Transition Fees	36,201				32,414			68,615
Grants	0					256,448		256,448
Interest	1,190	0			83,818			85,008
Facility Rental	7,946							7,946
Miscellaneous Income	0	3,588				307		3,895
	<u>283,066</u>	<u>1,012,532</u>	<u>93,554</u>	<u>26,248</u>	<u>148,863</u>	<u>256,755</u>	<u>38,528</u>	<u>1,859,546</u>
<b>EXPENDITURES</b>								
Current:								
Salaries & Wages	129,839	191,107						320,946
General Expenses	58,058	14,562			219,742		21,113	313,475
Direct Program Expenses		105,769	10,046					115,815
Direct Youth Education		556,121						556,121
Park Maintenance	8,882							8,882
Building Expenses	13,413							13,413
Contractual Expenses			47,197				17,315	64,512
Capital Expenditures			15,784			206,382		222,166
Principal retirement				125,164				125,164
Interest & fiscal charges				1,765	0		0	1,765
	<u>210,192</u>	<u>867,559</u>	<u>73,027</u>	<u>126,929</u>	<u>219,742</u>	<u>206,382</u>	<u>38,428</u>	<u>1,742,259</u>
Excess (deficiency) of revenues over expenditures before other financing	72,874	144,973	20,527	(100,681)	(70,879)	50,373	100	117,287
Other Financing Sources - Transfers	(20,000)	(66,000)	(35,000)	101,000		20,000		0
Excess (deficiency) of revenues over expenditures	<u>52,874</u>	<u>78,973</u>	<u>(14,473)</u>	<u>319</u>	<u>(70,879)</u>	<u>70,373</u>	<u>100</u>	<u>117,287</u>
Fund Balances								
Beginning of year	103,767	373,423	87,703	626	547,520	7	14,556	1,127,602
End of year	<u>\$156,641</u>	<u>\$452,396</u>	<u>\$73,230</u>	<u>\$945</u>	<u>\$476,641</u>	<u>\$70,380</u>	<u>14,656</u>	<u>\$1,244,889</u>

The accompanying notes are an integral part of this statement

HAMPSHIRE TOWNSHIP PARK DISTRICT  
Cash Basis of Accounting  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the year ended April 30, 2017

Net Change in Fund Balance - Total Governmental Funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$	117,287
Amounts reported for governmental activities in the Statement of Activities are different because:		
Depreciation of Capital Assets is not considered an expenditure in the fund financial statements		(115,797)
Purchase of Capital Assets is considered an expenditure in the fund financial statements		186,676
Issuance of Bonds in the fund financial statements is considered revenue		(140,000)
Principal payments on Bonds and Debt Certificates are considered an expenditure in the fund financial statements		15,000
Change in Net Assets of Governmental Activities (Statement of Activities)	<u>\$</u>	<u>63,166</u>

The accompanying notes are an integral part of this statement.

## **NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Hampshire Township Park District is an Illinois local government located in Kane County. The following significant accounting policies are presented to assist the reader in evaluating the financial statements.

### **A. Adoption of New Accounting Standard**

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." Certain of the significant changes in the Statement include the following:

The Financial Statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Park District's overall financial position and results of operations.

Financial Statements prepared using the cash basis of accounting for all of the Park District's activities.

A change in the fund financial statements is to focus on the major funds.

These and other changes have been reflected in the accompanying statements (including notes to the financial statements). The Park District implemented the requirements of GASB 34 in the fiscal year ending April 30, 2005.

### **B. Government Wide, Fund Financial Statements and Basis of Accounting**

The Park District's financial statements (i.e. the Statement of Net Assets and the Statement of Activities) include all government activities, organizations and functions for which the board of commissioners has oversight responsibility. Therefore, they include all of the Governmental Funds of the District whose expenditures are approved by the Board.

Separate financial statements are provided for all major funds. There are no nonmajor funds.

The government wide financial statements are reported using the cash basis of accounting, which is an other comprehensive basis of accounting. Revenues are recorded when received and expenses are recorded when paid. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met.

The financial transactions of the Park District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund

equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

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. Governmental fund financial statements are reported using cash basis accounting, which is an other comprehensive basis of accounting. Under this basis, revenues are recognized in the accounting period in which they are received. Expenditures are recognized in the accounting period in which the fund liability is paid. The following is a description of the governmental funds of the Park District:

- a. General Fund is the general operating fund of the Park District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds are used to account for the proceed of specific revenue sources that are legally restricted to expenditures for a particular purpose.

The Park District reports the following major governmental funds:

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

Recreation Fund is used to account for the collection of funds relating to recreational activities and the accumulation of the costs related to all recreational activities. These collections of funds are classified as program revenues.

Capital Projects Fund is used to account for the purchase or construction of major capital facilities.

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest and related costs.

Insurance Fund is used to account for the accumulation of resources for, and the payment of, insurance costs.

Special Recreation Fund is used to account for the accumulation of resources for, and the payment of, special recreation costs.

### C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses 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.

The Park District's accounts are maintained, and the financial statements reflect, the cash basis of accounting. Therefore, receivables, payables, and other accrued items, which may be material in amount, are not reflected in these statements. As such, these statements reflect compliance, principally, with the cash basis of accounting. All internal activity in the government-wide statement of activities has been eliminated.

### D. Budgets

The Park District's budget is prepared on the cash basis of accounting which does not differ significantly from the basis of accounting required by generally accepted accounting principles.

Appropriations lapse at year end and there were no modifications to the ordinance as originally passed. The appropriations represent the legal spending limit. To obtain greater budgetary control, the Board also approves an operating budget. A summary of the differences by fund between the appropriations ordinance and operating budget is presented below:

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Total Appropriations</u>
Corporate	\$255,411	\$306,493
Recreation	972,187	1,166,624
Capital	273,097	327,716
Debt Service	126,668	126,668
Insurance	40,431	48,517
Special Recreation	111,432	133,718
Totals	<u>\$1,779,226</u>	<u>\$2,109,736</u>

### E. Cash and Investments

The Park District's cash and cash equivalents consist of bank deposits and investment in the Illinois Park District Liquid Asset Fund (an investment pool for park districts). Investments in certificates of deposit are recorded at cost plus interest credited to the account. These investments have been authorized by the Park Board.

Custodial credit risk and interest rate risk with financial institutions is the risk that in the event of bank failure, the Park District's deposits may not be returned to it. All of the Park District's deposits were covered by either FDIC or collateral at April 30, 2016.

## **F. Property Taxes**

It is the Park District's intention that property taxes generated from the 2016 property tax levy be used to finance the operating budget for the year ended April 30, 2017. Therefore, property tax receipts represent the receipts generated by the 2017 property tax levy.

The Park District's property tax is levied on or before the third Tuesday in December 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 are generally payable in two installments in June and September. The Park District receives significant amounts of these tax receipts within one month of these due dates.

## **G. Accumulated Unpaid Vacation and Sick Pay**

Vacation Pay – Full-time employees hired between January 1 and June 30 are eligible for 5 vacation days after 6 months of continuous employment. On January 1 of the next calendar year, employees hired during this time frame are eligible for 10 days' vacation. These vacation days must be used by December 31 or be forfeited without compensation.

Sick Pay – Full-time employees are granted 1 sick day per month or 12 sick days per calendar year. Unused sick pay at termination will not be paid.

## **H. Social Security**

All employees are covered under social security. The Park District paid \$75,932 in social security and Medicare taxes for the year ended April 30, 2017.

## NOTE 2 PROPERTY AND EQUIPMENT

Capital assets, which include land, buildings, building improvements, and equipment, are reported in the government-wide financial statements. The Park District defines capital assets as assets with an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated assets are stated at estimated fair market value as of the date of acquisition.

The cost of normal maintenance and repair that do not add to the values of the asset or materially extend the useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, except land and construction in progress which are not depreciated, are being depreciated using the straight line method over the following useful lives. The capitalization threshold for all equipment is \$2,500 and for all buildings and improvements is \$10,000.

Office Furn., Equip. and Vehicles	5-7 years
Recreation Equipment	7 years
Maintenance Equipment	7 years
Improvements	20 years
Daycare	7-20 years
Buildings	40 years
Leasehold Improvements	50 years

Capital assets in the governmental fund financial statements are reported as expenditures when incurred. A summary of general fixed assets is as follows:

<u>Governmental Activities:</u>	<u>Balance 5/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 4/30/17</u>
Capital assets, not being depreciated:				
Land - 30.65 Acres	\$ 674,000			\$ 674,000
Land - 1.6 Acres	41,000			41,000
Land - 7.1 Acres	131,287			131,287
Land - 3.15 Acres	252,000			252,000
Total capital assets, not being depreciated	<u>\$ 1,098,287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,098,287</u>

<u>Governmental Activities:</u>	<u>Balance 5/1/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 4/30/16</u>
Capital assets, being depreciated:				
Buildings & Improvements	\$ 2,311,298			\$ 2,311,298
Maintenance Equipment	139,664			139,664
Recreation Equipment	665,214			665,214
Office Equipment	121,403			121,403
Daycare	380,000			380,000
Leasehold Improvements	800,000	222,166		1,022,166
Total capital assets, being depreciated	<u>\$ 4,417,579</u>	<u>\$ 222,166</u>	<u>\$ -</u>	<u>\$ 4,639,745</u>
Total all Fixed Assets	<u>\$ 5,515,866</u>	<u>\$ 222,166</u>	<u>\$ -</u>	<u>\$ 5,738,032</u>

<u>Governmental Activities:</u>	<u>Balance 5/1/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 4/30/16</u>
Accumulated Depreciation:				
Buildings & Improvements	\$ 692,902	\$ 65,124		\$ 758,026
Maintenance Equipment	136,814	2,890		139,704
Recreation Equipment	633,707	4,996		638,703
Office Equipment	121,404	0		121,404
Leasehold Improvements	145,334	16,000		161,334
Daycare	62,639	26,787		89,426
Total Accumulated Depreciation	<u>\$ 1,792,800</u>	<u>\$ 115,797</u>	<u>\$ -</u>	<u>\$ 1,908,597</u>
Total capital assets, being depreciated, net	<u>\$ 2,624,779</u>	<u>\$ 106,369</u>		<u>\$ 2,731,148</u>
Governmental Assets, Net	<u>\$ 3,723,066</u>	<u>\$ 106,369</u>		<u>\$ 3,829,435</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	\$ 40,529
Recreation	<u>75,268</u>
Total depreciation expense governmental activities	<u>\$ 115,797</u>

**NOTE 3 LONG-TERM DEBT**

A summary of the changes in general long-term debt is as follows:

4/30/2017	<u>4/30/2016</u>	<u>ISSUED</u>	<u>PAYMENTS</u>	<u>4/30/2017</u>	CURRENT 2017
GENERAL OBLIGATION Alternative Revenue 2015 MATURES 2034	1,890,000		15,000	1,875,000	59,000
GENERAL OBLIGATION Series 2016 Matures in 2021		140,000		140,000	
	<u>1,890,000</u>	<u>140,000</u>	<u>15,000</u>	<u>2,015,000</u>	<u>59,000</u>

The annual requirements on all General Obligation debt to maturity as of April 30, 2017 are as follows:

Year Ending April 30,	Principal	Interest	Total
2017	\$59,000	\$75,016	\$134,016
2018	60,000	73,266	133,266
2019	61,000	71,516	132,516
2020	62,000	69,766	131,766
2021	118,000	83,016	201,016
2022	105,000	64,320	169,320
2023	105,000	61,170	166,170
2024	110,000	57,810	167,810
2025	110,000	54,180	164,180
2026	115,000	50,385	165,385
2027	120,000	46,245	166,245
2028	125,000	41,745	166,745
2029	130,000	36,870	166,870
2030	135,000	31,670	166,670
2031	140,000	26,135	166,135
2032	145,000	20,255	165,255
2033	155,000	14,020	169,020
2034	160,000	7,200	167,200
Totals	<u>\$2,015,000</u>	<u>\$884,585</u>	<u>\$2,899,585</u>

**Note 4 – Retirement Fund Commitments**  
**(a) Illinois Municipal Retirement Fund**

***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 District 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, your employer 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 annual required contribution rate for calendar year 2016 was 9.43 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for the calendar year 2016 was \$52,647, (If you made additional payment toward your unfunded amount, add this payment to you monthly contributions, based on payroll and recalculate the percentage of APC contributed.)

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

Calendar Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/16	52,647	100%	0
12/31/15	55,103	100%	0
12/31/14	45,012	100%	0

The required contribution for 2016 was determined as part of the December 31, 2014 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2014 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your

employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2014 is being amortized as a level percentage of projected payroll on an open 27 year basis.

*Funded Status and Funding Progress.* As of December 31, 2016, the most recent actuarial valuation date, the Regular plan was 74.73 percent funded. The actuarial accrued liability for benefits was \$802,861 and the actuarial value of assets was \$559,963, resulting in an under-funded actuarial accrued liability (UAAL) of \$202,898. The covered payroll for calendar year 2016 (annual payroll of active employees covered by the plan) was \$558,294 and the ratio of the UAAL to the covered payroll was 36 percent.

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

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL)-Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll ( c )</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/16	599,963	802,861	202,898	74.73%	558,294	36.34%
12/31/15	502,716	712,306	209,590	70.58%	514,980	40.70%
12/31/14	399,548	585,992	186,444	68.18%	368,372	48.26%

On a market value basis, the actuarial value of assets as of December 31, 2016 is \$593,863. On a market basis, the funded ratio would be 73.97%.

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

## SUPPLEMENTAL INFORMATION

HAMPSHIRE TOWNSHIP PARK DISTRICT  
 Cash Basis of Accounting  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budgetary Comparison Statement  
 For the year ended April 30, 2017

CORPORATE FUND	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<b>REVENUE</b>				
Real Estate Taxes	\$233,606	\$233,606	\$232,709	(\$897)
Replacement Taxes	4,000	4,000	5,020	1,020
Interest	60	60	1,190	1,130
Facility Rental	5,090	5,090	7,946	2,856
Transition Fees	10,000	10,000	36,201	26,201
Grants	0	0	0	0
Miscellaneous	30	30	0	(30)
	252,786	252,786	283,066	30,280
<b>EXPENDITURES</b>				
Salaries & Wages	161,698	161,698	129,839	(31,859)
General Expenses	46,188	46,188	58,058	11,870
Park Maintenance	44,528	44,528	8,882	(35,646)
Building Expenses	3,000	3,000	13,413	10,413
Total Expenditures	255,414	255,414	210,192	(45,222)
Excess (deficiency) of revenues over expenditures	(2,628)	(2,628)	72,874	\$ 75,502
Transfers			(20,000)	
Fund Balances				
Beginning of year			103,767	
End of year			\$ 156,641	

The accompanying notes are an integral part of this statement.

HAMPSHIRE TOWNSHIP PARK DISTRICT  
Cash Basis of Accounting  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budgetary Comparison Statement  
For the year ended April 30, 2017

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>RECREATION FUND</b>				
<b>REVENUE</b>				
Real Estate Taxes	\$68,120	\$68,120	\$67,858	(\$262)
Program Fees	181,490	181,490	209,489	27,999
Youth Education	661,932	661,932	731,597	69,665
Interest	5	5	-	(5)
Miscellaneous	2,500	2,500	3,588	1,088
	<u>914,047</u>	<u>914,047</u>	<u>1,012,532</u>	<u>98,485</u>
<b>EXPENDITURES</b>				
General Salaries & Wages	23,560	23,560	191,107	167,547
General Expenses	250	250	14,562	14,312
Direct Program Expenses	292,178	292,178	105,769	(186,409)
Direct Youth Education	656,053	656,053	556,121	(99,932)
	<u>972,041</u>	<u>972,041</u>	<u>867,559</u>	<u>(104,482)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (57,994)</u>	<u>\$ (57,994)</u>	144,973	<u>\$ 202,967</u>
Transfer to Bond Fund			(66,000)	
Fund Balances				
Beginning of year			373,423	
End of year			<u>\$ 452,396</u>	

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HAMPSHIRE TOWNSHIP PARK DISTRICT  
Cash Basis of Accounting  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budgetary Comparison Statement  
For the year ended April 30, 2017

<b>SPECIAL RECREATION FUND</b>	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>REVENUE</b>				
Real Estate Taxes	\$ 94,239	\$ 94,239	\$ 93,554	\$ (685)
<b>EXPENDITURES</b>				
Direct Program Expenses	13,452	13,452	10,046	(3,406)
Contractual Services	47,197	47,197	47,197	0
Capital Expenditures	60,649	15,784	15,784	0
	60,649	76,433	73,027	(3,406)
Excess (deficiency) of revenues over expenditures	\$ 33,590	\$ 17,806	20,527	\$ 2,721
Transfer to Bond Fund			(35,000)	
<b>Fund Balances</b>				
Beginning of year			87,703	
End of year			\$ 73,230	

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HAMPSHIRE TOWNSHIP PARK DISTRICT  
Cash Basis of Accounting  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budgetary Comparison Statement  
For the year ended April 30, 2017

DEBT SERVICE	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>REVENUE</b>				
Real Estate Taxes	\$ 26,349	\$ 26,349	\$ 26,248	\$ (101)
Transfers	101,000	101,000	101,000	0
	127,349	127,349	127,248	(101)
<b>EXPENDITURES</b>				
Principal retirement				-
General Obligation Bonds	26,288	26,288	25,000	1,288
Debt Certificaties	100,381	100,381	100,164	217
Interest & fiscal charges	0		1,765	(1,765)
	126,669	126,669	126,929	(260)
Excess (deficiency) of revenues over expenditures before other financing	680	680	319	159
Other Financing Sources -				
Excess (deficiency) of revenues over expenditures	\$ 680	\$ 680	319	
Fund Balances				
Beginning of year			626	
End of year			\$ 945	

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HAMPSHIRE TOWNSHIP PARK DISTRICT  
Cash Basis of Accounting  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budgetary Comparison Statement  
For the year ended April 30, 2017

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>IMPACT FEES FUND</b>				
<b>REVENUE</b>				
Impact Fees	\$320,000	\$320,000	\$32,631	(\$287,369)
Transition Fees			32,414	32,414
Interest	15	15	83,818	83,803
	<u>320,015</u>	<u>320,015</u>	<u>148,863</u>	<u>(171,152)</u>
<b>EXPENDITURES</b>				
General Expenses	0	0	0	0
Excess (deficiency) of revenues over expenditures before other financing	<u>320,015</u>	<u>320,015</u>	<u>148,863</u>	<u>(171,152)</u>
Other Financing Sources - Transfers	(250,000)	(250,000)	(219,742)	
Excess (deficiency) of revenues over expenditures	<u>\$ 70,015</u>	<u>\$ 70,015</u>	<u>(70,879)</u>	
<b>Fund Balances</b>				
Beginning of year			547,520	
End of year			<u>\$ 476,641</u>	

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HAMPSHIRE TOWNSHIP PARK DISTRICT  
Cash Basis of Accounting  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budgetary Comparison Statement  
For the year ended April 30, 2017

<b>CAPITAL PROJECT FUND</b>	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>REVENUE</b>				
Impact Fees	\$ 433,112	\$ 433,112	\$ 256,448	\$ (176,664)
Grants			197,700	
Foundation Donation			33,884	
Miscellaneous			307	\$ 307
Total Revenue	433,112	433,112	488,339	(176,357)
<b>EXPENDITURES</b>				
Capital Expenditures	273,097	273,097	206,382	(66,715)
Excess (deficiency) of revenues over expenditures before other financing	160,015	160,015	281,957	(419,429)
Transfers			20,000	
<b>Fund Balances</b>				
Beginning of year			7	
End of year			\$ 301,964	

The accompanying notes are an integral part of this statement.

HAMPSHIRE TOWNSHIP PARK DISTRICT  
 Cash Basis of Accounting  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budgetary Comparison Statement  
 For the year ended April 30, 2017

INSURANCE FUND	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
REVENUE				
Real Estate Taxes	38,174	38,174	38,528	\$ 354
	38,174	38,174	38,528	354
EXPENDITURES				
Contractual Services	17,000	17,000	17,315	315
Risk Management Expenses	23,431	23,431	21,113	(2,318)
	40,431	40,431	38,428	(2,003)
Excess (deficiency) of revenues over expenditures	<u>\$ (2,257)</u>	<u>\$ (2,257)</u>	100	<u>\$ 2,357</u>
Fund Balances				
Beginning of year			16,712	
End of year			<u>\$ 16,812</u>	

The accompanying notes are an integral part of this statement.

HAMPSHIRE TOWNSHIP PARK DISTRICT  
PROPERTY TAX ASSESSED VALUATIONS,  
RATES, EXTENSIONS, AND COLLECTIONS

Tax Levy Year	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assessed Valuation	\$261,972,461	\$233,239,916	\$220,479,502	\$228,778,742	\$248,595,499	\$269,410,875	\$286,703,714	\$310,068,803
Tax Rates								
General	0.092246	0.100157	0.102426	0.094629	0.0844	0.0756	0.0687	0.0613
Recreation	0.026899	0.029206	0.029867	0.028068	0.0250	0.0224	0.0201	0.0179
Debt Service	0.012861	0.011297	0.012437	0.012444	0.0119	0.0093	0.0091	0.0086
Handicapped	0.040000	0.040000	0.040000	0.040000	0.0400	0.0400	0.0400	0.0400
Liability Insurance	0.015075	0.016367	0.016737	0.015753	0.0141	0.0129	0.0133	0.0119
	<u>0.187081</u>	<u>0.197027</u>	<u>0.201467</u>	<u>0.190894</u>	<u>0.1754</u>	<u>0.1602</u>	<u>0.1512</u>	<u>0.1397</u>
Tax Extensions								
General	241,659	233,606	225,828	216,491	209,815	203,675	196,965	190,072
Recreation	70,468	68,120	65,851	64,214	62,149	60,348	57,627	55,502
Debt Service	33,692	26,349	27,421	28,469	29,583	25,055	26,090	26,666
Handicapped	104,789	93,296	88,192	91,511	99,438	107,764	114,681	124,028
Liability Insurance	39,492	38,174	36,902	36,040	35,052	34,754	38,132	36,898
	<u>\$490,101</u>	<u>\$459,546</u>	<u>\$444,193</u>	<u>\$436,725</u>	<u>\$436,037</u>	<u>\$431,596</u>	<u>\$433,496</u>	<u>\$433,166</u>
Collections		458,551	444,094	434,759	434,140	430,664	\$ 432,098	\$ 431,903
Percent Collected		99.8%	100.0%	99.5%	99.6%	99.8%	99.7%	99.7%

The accompanying notes are an integral part of this statement.