

**Country Club Hills Park District
Country Club Hills, Illinois
Annual Financial Report
For The Year Ended April 30, 2017**

**Country Club Hills Park District
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For The Year Ended April 30, 2017**

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INDEPENDENT AUDITORS' REPORT

To The Board of Commissioners
Country Club Hills Park District
Country Club Hills, Illinois

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Country Club Hills Park District as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the District'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 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Opinion

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 Country Club Hills Park District, as of April 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not 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 management of Country Club Hills Park District has not prepared this document for the year ending April 30, 2017.

The major fund budgetary comparison schedule listed on the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This Required Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ending April 30, 2017, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Country Club Hills Park District's basic financial statements. The individual fund financial schedules for the year ended April 30, 2017 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2017 and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The statistical information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Country Club Hills Park District. The information has not been audited by us and, accordingly, we express no opinion on such matters.

Knuttle & Associates, P.C.

**Country Club Hills Park District
Statement of Net Position
April 30, 2017**

	Total Governmental Activities
ASSETS	
Cash	\$ 2,173,844
Investments	71,200
Property Taxes Receivable	<u>703,768</u>
TOTAL ASSETS	<u>2,948,812</u>
DEFERRED OUTFLOWS	
Future Cost of Debt Refunding	<u>\$ 64,371</u>
TOTAL DEFERRED OUTFLOWS	<u>64,371</u>
LIABILITIES	
Due Within One Year	
Accounts Payable	3,555
Bonds Payable	825,580
Due in More Than One Year	
Bonds Payable (Net of Premiums and Discounts)	<u>3,504,370</u>
TOTAL LIABILITIES	<u>4,333,505</u>
TOTAL DEFERRED INFLOWS	<u>0</u>
NET POSITION	
Unrestricted Amounts	<u>(1,320,323)</u>
TOTAL NET POSITION	<u>\$ (1,320,323)</u>

See Accompanying Notes To The Financial Statements.

Country Club Hills Park District
Statement of Activities
For The Year Ended April 30, 2017

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES		Net (Expenses) Revenues and Change in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Administrative	\$ 1,610,041	\$ 0	\$ 0	\$ (1,610,041)
Interest on Long-Term Debt	158,217	0	0	(158,217)
Total Governmental Activities	<u>1,768,258</u>	<u>0</u>	<u>0</u>	<u>(1,768,258)</u>
GENERAL REVENUES				
Taxes				
Property taxes levied for general purposes			\$	1,194,706
Replacement taxes for general purposes				24,480
Interest				15,903
Miscellaneous				10,144
TOTAL GENERAL REVENUES				<u>1,245,233</u>
CHANGE IN NET POSITION				(523,025)
NET POSITION, BEGINNING OF YEAR				<u>(797,298)</u>
END OF YEAR				<u>\$ (1,320,323)</u>

See Accompanying Notes To The Financial Statements.

**Country Club Hills Park District
Governmental Funds
Balance Sheet
April 30, 2017**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total
ASSETS					
Cash	\$ 1,624,494	\$ 308,189	\$ 0	\$ 241,161	\$ 2,173,844
Investments	0	71,200	0	0	71,200
Due From Other Funds	0	402,408	560,326	0	962,734
Property Taxes Receivable	335,811	329,579	0	38,378	703,768
TOTAL ASSETS	<u>1,960,305</u>	<u>1,111,376</u>	<u>560,326</u>	<u>279,539</u>	<u>3,911,546</u>
DEFERRED OUTFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>1,960,305</u></u>	<u><u>1,111,376</u></u>	<u><u>560,326</u></u>	<u><u>279,539</u></u>	<u><u>3,911,546</u></u>
LIABILITIES					
Accounts Payable	0	0	3,555	0	3,555
Due to Other Funds	962,734	0	0	0	962,734
TOTAL LIABILITIES	<u>962,734</u>	<u>0</u>	<u>3,555</u>	<u>0</u>	<u>966,289</u>
DEFERRED INFLOWS					
Deferred Property Taxes	335,811	329,579	0	38,378	703,768
TOTAL DEFERRED INFLOWS	<u>335,811</u>	<u>329,579</u>	<u>0</u>	<u>38,378</u>	<u>11</u>
FUND BALANCES					
Restricted	0	781,797	0	241,161	1,022,958
Assigned	0	0	556,771	0	556,771
Unassigned	661,760	0	0	0	661,760
TOTAL FUND BALANCES	<u>661,760</u>	<u>781,797</u>	<u>556,771</u>	<u>241,161</u>	<u>2,241,489</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u><u>\$ 1,960,305</u></u>	<u><u>\$ 1,111,376</u></u>	<u><u>\$ 560,326</u></u>	<u><u>\$ 279,539</u></u>	

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

Deferred Property Tax Revenue is not recorded on the Statement of Net Position.	\$ 703,768
Bonds Payable are not reported as a liability in the fund financial statements.	(4,245,580)
Future Cost of Debt Refunding is not recorded as an asset in the fund financial statements.	64,371
Discount on Bonds is not recorded in the fund financial statements.	33,364
Premium on Bonds is not recorded in the fund financial statements.	(117,735)

NET POSITION OF GOVERNMENTAL FUNDS \$ (1,320,323)

See Accompanying Notes To The Financial Statements.

**Country Club Hills Park District
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For The Year Ended April 30, 2017**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total
REVENUES					
Property Taxes	\$ 572,383	\$ 561,930	\$ 0	\$ 65,652	\$ 1,199,965
Replacement Taxes	24,480	0	0	0	24,480
Interest	13,939	1,964	0	0	15,903
Other	333	0	0	0	333
TOTAL REVENUES	611,135	563,894	0	65,652	1,240,681
EXPENDITURES					
Current Operating:					
General	63,741	0	0	0	63,741
Special Recreation	0	0	0	46,264	46,264
Debt Service					
Principal	0	815,925	0	0	815,925
Interest	0	158,217	0	0	158,217
Fees	0	475	11,278	0	11,753
System Wide Park Improvements	0	0	706,348	0	706,348
City Consideration	322,413	0	451,378	0	773,791
TOTAL EXPENDITURES	386,154	974,617	1,169,004	46,264	2,576,039
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	224,981	(410,723)	(1,169,004)	19,388	(1,335,358)
OTHER FINANCING SOURCES					
Issuance of Debt	0	357,552	218,028	0	575,580
TOTAL OTHER FINANCING SOURCES	0	357,552	218,028	0	575,580
NET CHANGE IN FUND BALANCES	224,981	(53,171)	(950,976)	19,388	(759,778)
FUND BALANCES, BEGINNING OF YEAR	436,779	834,968	1,507,747	221,773	3,001,267
END OF YEAR	\$ 661,760	\$ 781,797	\$ 556,771	\$ 241,161	\$ 2,241,489

See Accompanying Notes To The Financial Statements.

**Country Club Hills Park District
 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 Balances - Total Governmental Funds [Statement of Revenues, Expenditures and Changes in Fund Balances]	\$ (759,778)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Property tax revenues in the Statement of Activities that do not provide current financial resources are reported as deferred property tax revenue in the fund financial statements.	(5,259)
Payments of bond principal are treated as an expenditure in the fund financial statements.	815,925
Proceeds from the Issuance of Debt are considered Other Financing Sources in the fund financial statements.	(575,580)
The issuance of long-term debt in prior years resulted in deferred amounts that were reported as current financial resources in the government funds. However, these amounts have been amortized in the government-wide statements.	
Amortization of bond discount	(2,780)
Amortization of bond premium	9,811
Amortization of future cost of debt refunding	<u>(5,364)</u>
Change in Net Position of Governmental Activities (Statement of Activities)	<u>\$ (523,025)</u>

See Accompanying Notes To The Financial Statements.

**Country Club Hills Park District
Notes To The Financial Statements
For The Year Ended April 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Country Club Hills Park District (Park District) operates under a Board-Manager form of government, acting as a pass-through entity so that the City of Country Club Hills may provide recreation and other services to the residents of Country Club Hills.

The accounting and reporting policies of the Park District relating to the funds included in the accompanying basic financial statements conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

A. Reporting Entity

The Park District follows the provisions of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14". As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The Park District has concluded that no entities meet the criteria of Statement 39 for inclusion as a component unit. Likewise, the Park District is not required to be included as a component unit of any other entity.

Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity", is an amendment of GASB Statements No. 14 and No. 39, which does not have impact on the current year financial statements.

B. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

**Country Club Hills Park District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The Park District allocates indirect expenses to functions in the Statement of Activities. Taxes and other income items that are not specifically related to a function are reported as general revenues.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets and deferred outflows, liabilities and deferred inflows, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type and
- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds (Governmental Activities)

Governmental fund types are those through which most governmental functions of the Park District are financed. The Park District's expendable financial resources (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. A brief explanation of the Park District's governmental funds follows:

General Fund

The General Fund is the general operating fund of the Park District. It is used to account for all financial resources except those required, legally or by sound financial management, to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes. The only fund of this type reported is the Special Recreation Fund.

**Country Club Hills Park District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

Debt Service Fund

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

Capital Projects Fund

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

MAJOR FUNDS

The Park District reports the following major governmental funds:

- The General Fund, which accounts for the park district's primary operating activities.
- The Debt Service Fund, which accounts for the payment of long-term debt principal, interest and related costs.
- The Capital Projects Fund, which accounts for financial resources to be used for the acquisition or construction of major capital facilities, equipment, and capital asset replacements

NON-MAJOR FUNDS

The Park District reports the following non-major governmental fund:

- Special Recreation Fund

C. Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting are followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance the Park District's operations. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

**Country Club Hills Park District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Property taxes, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. The Park District considers property taxes available if they are due and collected by year-end. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred.

The Park District reports unearned/deferred revenues on its Statement of Net Position and its Governmental Funds Balance Sheet. For governmental fund financial statements, deferred revenues occur when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period or when resources are received by the Park District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Park District has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet and revenue is recognized accordingly.

D. Measurement Focus

On the government-wide Statement of Net Position and Statement of Activities, both governmental activities are presented using the flow of economic resources measurement focus, which means all assets, deferred outflows, liabilities (whether current or non-current), and deferred inflows are included on the Statement of Net Position and the operating statements present increases and decreases in net total position.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements, but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

E. 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 and liabilities 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.

F. Budgetary Data

The Park District operates under the Appropriations Act. All financial statements utilize the term “budget” to reflect estimated revenue and appropriations. The budgets are prepared using the same basis of accounting to reflect revenues and expenditures/expenses as is used in the preparation of the basic financial statements. For each fund, total fund expenditures may not legally exceed the appropriated amounts. All appropriations lapse at fiscal year-end.

**Country Club Hills Park District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Data (Continued)

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

1. Prior to July 15, the Treasurer and Director submit to the Board of Commissioners a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. Prior to September 1, the budget is legally enacted through passage of an ordinance.
4. The Treasurer is authorized to transfer up to 10% of the total budget between budget items within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Commissioners.
5. Formal budgetary integration is employed as a management control device during the year.
6. Budgeted amounts are as adopted by the Board of Commissioners.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are legally adopted on a basis consistent with GAAP. Expenditures may not legally exceed appropriations at the fund level. Any expenditures in excess of the legally adopted appropriation at the fund level must be approved by the Park District Board through a supplemental appropriation. No supplemental appropriations were made during the year ending April 30, 2017.

By law, management can make transfers between individual expenditure line items within a fund, but approval by the Board of Commissioners is required in order for management to make transfers between individual funds. The Board may authorize transfers not to exceed 10% of budgeted expenditures for the year. An ordinance must be filed with the county in order for the budget to be amended.

G. Cash, Cash Equivalents, and Investments

The Park District considers all highly liquid investments with an initial maturity date within three months of the date acquired by the Park District and investment pools to be cash equivalents.

State Statutes authorized the Park District to invest in obligations of the U.S. Treasury; federally insured bank accounts, credit union accounts or money markets; high-rated short-term corporate obligations; repurchase agreements; and the Illinois Park District Liquid Asset Fund Plus.

H. Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements. Under the terms of the intergovernmental agreement between Country Club Hills Park District and the City of Country Club Hills, all District capital assets are treated as owned by the City.

**Country Club Hills Park District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Liabilities

In the government-wide financial statements, debt principal payments of both government and business-type activities (when applicable) are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized when paid.

J. Property Taxes

The Park District's property taxes are levied each calendar year on all taxable real property located in the Park District. The levy becomes an enforceable lien against the property as of January 1 of the levy year. For governmental funds, property taxes which are levied to fund the current fiscal year and collected by year-end are recorded as revenue.

The County Assessor is responsible for assessment of all taxable real property within Cook County (County) except for certain railroad property which is assessed directly by the state. Some portion of the County is reassessed each year on a repeating schedule established by the County Assessor. The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective shares of the collections. Taxes levied in one calendar year become due and payable in two installments on March 1 and September 1 during the following calendar year.

The first installment is an estimated bill, and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December for the levy year.

K. GASB Pronouncements

In June 1999, the GASB issued Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governments throughout the United States. The requirements of this Statement are effective in three phases based on a government's total revenues in the first year ending after June 15, 1999. The Park District was required to adopt this Statement for the period beginning May 1, 2004.

As of May 1, 2012, the Park District has implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". The objective of this Statement is to 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.

**Country Club Hills Park District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. GASB Pronouncements (Continued)

As of May 1, 2012, the Park District has implemented GASB Statement No. 65 “Items Previously Reported as Assets and Liabilities”. The objective of this statement is to establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The Statement also recognizes as outflows of resources or inflows of resources certain items that were previously reported as assets and liabilities.

L. Equity Classifications

GOVERNMENT -WIDE FINANCIAL STATEMENTS

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

- Net Investment in capital assets – consists of capital assets, net of accumulated depreciation and related debt, if applicable.
- Restricted Amounts – consists of amounts with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Amounts – consists of all other amounts that do not meet the definition of restricted or invested in capital assets.

FUND FINANCIAL STATEMENTS

Governmental fund equity is classified as fund balance. The components of fund balance are:

- Non-spendable – consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.
- Restricted – consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either; a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation .
- Committed – consists of resources constrained (issuance of an ordinance) to specific purposes by a government itself, using its highest level of decision-making authority, the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned – amounts that are constrained by the Board of Commissioners’ intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Board of Commissioners itself or (b) a body or official to which the Board of Commissioners has delegated the authority to assign amounts to be used for specific purposes. The District’s highest level of decision-making authority is the Board of Commissioners, who is authorized to assign amounts to a specific purpose.
- Unassigned – consists of the residual net resources of a fund that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

**Country Club Hills Park District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications (Continued)

The Park District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. If different levels of unrestricted funds are available for spending, the Park District considers committed funds to be expended first followed by assigned and, lastly, unassigned funds.

Fund	General	Debt Service	Capital Projects	Non-Major Funds	Total
Restricted					
Debt Service	\$ 0	\$ 781,797	\$ 0	\$ 0	\$ 781,797
Special					
Recreation	0	0	0	241,161	241,161
Assigned					
Capital Outlay	0	0	556,771	0	556,771
Unassigned	661,760	0	0	0	661,760
	<u>\$ 661,760</u>	<u>\$ 781,797</u>	<u>\$ 556,771</u>	<u>\$ 241,161</u>	<u>\$ 2,241,489</u>

NOTE 2 - CASH AND INVESTMENTS

At April 30 2017, the carrying amount of the Park District's deposits was \$2,173,844 and the fair value was \$2,173,844. A portion of this amount is held in the Illinois Park District Liquid Asset Plus Money Market Account. This pooled investment with other park districts is similar in nature to a money market fund and consists primarily of certificates of deposit, U.S. Government securities, commercial paper, and corporate bonds. Because individual securities are not owned by the Park District, amounts invested in the Illinois Park District Liquid Asset Plus Money Market Account are not categorized. The fund is audited annually and the fund manager is registered with the NASD. The fair value of the Park District's position in the pool is equal to the value of its pool shares. The investment in the Illinois Park District Liquid Asset Plus Money Market Account has been recorded at fair value.

The Park District has an investment of \$71,200 in municipal bonds that were purchased on November 9, 2016. At the same time, the Park District issued its General Obligation Bonds Series 2016A in the amount of \$71,200.

NOTE 3 - CAPITAL ASSETS

Under the terms of the intergovernmental agreement between Country Club Hills Park District and the City of Country Club Hills, all District capital assets are treated as owned by the City.

NOTE 4 - DEFICIT FUND BALANCES

At April 30, 2017, none of the Park District's funds have deficit fund balances.

NOTE 5 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

At April 30, 2017, none of the Park District's funds have an excess of actual expenditures over budget.

**Country Club Hills Park District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2017**

NOTE 6 - DEBT TRANSACTIONS

A. Debt Transactions

The following is a summary of debt transactions for the year ended April 30, 2017:

	Balance 4/30/2016	Proceeds	Payments	Balance 4/30/2017	Amount Due In One Year
General Obligation Bonds					
Series 2013 A ARS	\$ 3,915,000	\$ 0	\$ 245,000	\$ 3,670,000	\$ 250,000
Series 2015A	75,210	0	75,210	0	0
Series 2015B	495,715	0	495,715	0	0
Series 2016A	0	71,200	0	71,200	71,200
Series 2016B	0	504,380	0	504,380	504,380
Subtotal	<u>\$ 4,485,925</u>	<u>\$ 575,580</u>	<u>\$ 815,925</u>	<u>\$ 4,245,580</u>	<u>\$ 825,580</u>
Premiums					
Series 2013A	127,546	0	9,811	117,735	
Subtotal	<u>\$ 127,546</u>	<u>\$ 0</u>	<u>\$ 9,811</u>	<u>\$ 117,735</u>	
Discounts					
Series 2013A	(36,144)	0	(2,780)	(33,364)	
Subtotal	<u>\$ (36,144)</u>	<u>\$ 0</u>	<u>\$ (2,780)</u>	<u>\$ (33,364)</u>	
Total	<u>\$ 4,577,327</u>	<u>\$ 575,580</u>	<u>\$ 822,956</u>	<u>\$ 4,329,951</u>	

B. Debt Commitments

General Obligation Bonds, (Alternate Revenue Source), Series 2013A for \$4,390,000; Issued November 5, 2013. Interest is payable semi-annually at rates varying from 2.0% to 5.0%; Principal payment is due each December from 2014 through 2028.

General Obligation Bonds, Series 2016A for \$71,200; Issued November 9, 2016. Principal and interest at a rate of 2.40% are due on November 15, 2017.

General Obligation Bonds, Series 2016B for \$504,380; Issued November 9, 2016. Principal and interest at a rate of 1.80% are due on November 15, 2017.

**Country Club Hills Park District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2017**

NOTE 6 - DEBT TRANSACTIONS (CONTINUED)

C. Annual Debt Service Requirements

Annual debt service requirements to maturity for general obligation debt, including interest, are as follows:

For the year ending April 30,	Principal	Interest	Total
2018	\$ 825,580	\$ 150,292	\$ 975,872
2019	260,000	131,825	391,825
2020	270,000	124,025	394,025
2021	275,000	115,925	390,925
2022	285,000	107,675	392,675
2023 - 2027	1,590,000	379,325	1,969,325
2028 - 2029	740,000	56,000	796,000
Total	<u>\$ 4,245,580</u>	<u>\$ 1,065,067</u>	<u>\$ 5,310,647</u>

The Park District is subject to the Illinois Park District Code which limits the amount of bond indebtedness to 2.875% of the most recently available equalized assessed valuation. As of April 30, 2017, the Park District's legal debt margin is \$4,685,659.

D. Prior Years' Defeasance of Debt

In prior years, the Park District has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the District's government-wide financial statements. As of April 30, 2017, the amount of defeased debt outstanding amounted to \$420,000.

NOTE 7 - SOUTH SUBURBAN SPECIAL RECREATION ASSOCIATION

The Park District is a member of the South Suburban Special Recreation Association (SSSRA), which was organized by several area park districts in order to provide special recreation programs to the physically and mentally handicapped within their districts and to share the expenses of such programs on a cooperative basis. Each member park district's contribution is based on its respective assessed valuation. Each year the Park District levies taxes for its contribution to SSSRA. The Park District's contribution to SSSRA for the year ended April 30, 2017 was \$46,264.

SSSRA utilizes the annual contributions it receives from Park Districts to meet its annual operating expenses. SSSRA is not accumulating assets or incurring liabilities that would have a financial effect on the Park District. Separate financial statements for SSSRA are available from the association's management.

**Country Club Hills Park District
Notes To The Financial Statements (Continued)
For The Year Ended April 30, 2017**

NOTE 8 - RISK MANAGEMENT

The Country Club Hills 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 District carries commercial insurance.

NOTE 9 – SUBSEQUENT EVENTS

The date to which events occurring after April 30, 2017, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is November 28, 2017, the date the financial statements were available to be issued.

**Country Club Hills Park District
General Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 637,757	\$ 637,757	\$ 572,383	\$ (65,374)
Replacement Taxes	18,000	18,000	24,480	6,480
Interest	14,000	14,000	13,939	(61)
Other	1,000	1,000	333	(667)
TOTAL REVENUES	<u>670,757</u>	<u>670,757</u>	<u>611,135</u>	<u>(59,622)</u>
EXPENDITURES				
Park Administration	42,194	42,194	30,619	11,575
Park Operations and Maintenance	36,408	36,408	33,122	3,286
City Consideration	592,155	592,155	322,413	269,742
TOTAL EXPENDITURES	<u>670,757</u>	<u>670,757</u>	<u>386,154</u>	<u>284,603</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	224,981	<u>\$ 224,981</u>
FUND BALANCE, BEGINNING OF YEAR			<u>436,779</u>	
END OF YEAR			<u>\$ 661,760</u>	

Country Club Hills Park District
Debt Service Fund
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget and Actual
For The Year Ended April 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 611,590	\$ 611,590	\$ 561,930	\$ (49,660)
Interest	0	0	1,964	1,964
TOTAL REVENUES	<u>611,590</u>	<u>611,590</u>	<u>563,894</u>	<u>(47,696)</u>
EXPENDITURES				
Bond Principal	815,925	815,925	815,925	0
Bond Interest	158,217	158,217	158,217	0
Bond Fees	5,000	5,000	475	4,525
TOTAL EXPENDITURES	<u>979,142</u>	<u>979,142</u>	<u>974,617</u>	<u>4,525</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(367,552)	(367,552)	(410,723)	(43,171)
OTHER FINANCING SOURCES				
Issuance of Debt	367,552	367,552	357,552	(10,000)
TOTAL OTHER FINANCING SOURCES	<u>367,552</u>	<u>367,552</u>	<u>357,552</u>	<u>(10,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	(53,171)	<u>\$ (53,171)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>834,968</u>	
END OF YEAR			<u>\$ 781,797</u>	

Country Club Hills Park District
Capital Projects Fund
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget and Actual
For The Year Ended April 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
TOTAL REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES				
City Consideration	400,000	400,000	451,378	(51,378)
System Wide Park Improvements	1,000,000	1,000,000	706,348	293,652
Bond Fees	0	0	11,278	(11,278)
TOTAL EXPENDITURES	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,169,004</u>	<u>230,996</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,400,000)	(1,400,000)	(1,169,004)	230,996
OTHER FINANCING SOURCES				
Issuance of Debt	0	0	218,028	218,028
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>218,028</u>	<u>218,028</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,400,000)</u>	<u>\$ (1,400,000)</u>	(950,976)	<u>\$ 449,024</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,507,747</u>	
END OF YEAR			<u>\$ 556,771</u>	

Country Club Hills Park District
Special Recreation Fund
Schedule of Revenues, Expenditures and Change in Fund Balance
Budget and Actual
For The Year Ended April 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 72,887	\$ 72,887	\$ 65,652	\$ (7,235)
TOTAL REVENUES	<u>72,887</u>	<u>72,887</u>	<u>65,652</u>	<u>(7,235)</u>
EXPENDITURES				
Special Recreation	<u>72,887</u>	<u>72,887</u>	<u>46,264</u>	<u>26,623</u>
TOTAL EXPENDITURES	<u>72,887</u>	<u>72,887</u>	<u>46,264</u>	<u>26,623</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	<u>19,388</u>	<u>\$ 19,388</u>
FUND BALANCE, BEGINNING OF YEAR			<u>221,773</u>	
END OF YEAR			<u>\$ 241,161</u>	

**Country Club Hills Park District
Assessed Valuations, Tax Rates and Extensions
Tax Years 2016 - 2007**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
ASSESSED VALUATIONS (in thousands)	\$ 182,999	\$ 178,593	\$ 184,057	\$ 198,906	\$ 217,150	\$ 241,523	\$ 308,499	\$ 310,844	\$ 309,300	\$ 286,007
TAX RATES										
General	0.3429	0.3500	0.3500	0.3500	0.3500	0.3273	0.2522	0.2437	0.2431	0.2483
Special Recreation	0.0392	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0296	0.0366
Debt Service	0.3365	0.3424	0.3296	0.3005	0.2707	0.2363	0.2026	0.1722	0.1768	0.1912
TOTAL TAX RATES	0.7186	0.7324	0.7196	0.6905	0.6607	0.6036	0.4948	0.4559	0.4495	0.4761
TAX EXTENSIONS										
General	627,514	625,074	644,199	696,169	760,025	790,506	778,034	757,528	751,908	710,201
Special Recreation	71,716	71,437	73,623	79,562	86,860	96,609	123,400	124,210	91,602	104,647
Debt Service	615,873	611,590	606,736	597,772	587,780	570,660	625,162	535,284	546,898	546,898
TOTAL TAX EXTENSIONS	\$ 1,315,103	\$ 1,308,101	\$ 1,324,558	\$ 1,373,503	\$ 1,434,665	\$ 1,457,775	\$ 1,526,596	\$ 1,417,022	\$ 1,390,408	\$ 1,361,746
AMOUNT COLLECTED	\$ 611,337	\$ 1,187,704	\$ 1,265,696	\$ 1,300,243	\$ 1,337,489	\$ 1,396,950	\$ 1,440,099	\$ 1,300,447	\$ 1,335,259	\$ 1,318,688
PERCENT COLLECTED	46.5%	90.8%	95.6%	94.7%	93.2%	95.8%	94.3%	91.8%	96.0%	96.8%

**Country Club Hills Park District
Computation of Legal Debt Margin
April 30, 2017**

2016 Equalized Assessed Valuation		\$ 182,999,633
Debt Limitation - 2.875% of Assessed Valuation		5,261,239
Total Debt	4,245,580	
Less Alternate Revenue Source Debt**	<u>3,670,000</u>	
Applicable Debt		<u>575,580</u>
Legal Debt Margin		<u><u>4,685,659</u></u>

Source: Cook County Clerk

**Alternate Revenue Source Debt has not been included in this calculation since property taxes have not been levied for the debt at the balance sheet date