

HAWTHORNE PARK DISTRICT  
CICERO, ILLINOIS  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED  
APRIL 30, 2018

Prepared By the Business Office of

*Hawthorne Park District*

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
ANNUAL FINANCIAL REPORT  
YEAR ENDED APRIL 30, 2018

---

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position – Modified Cash Basis	10
Statement of Activities – Modified Cash Basis	11
Fund Financial Statements	
Balance Sheet – Modified Cash Basis – Governmental Funds	12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position – Modified Cash Basis – Governmental Funds	13
Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Governmental Activities in the Statement of Activities – Modified Cash Basis – Governmental Funds	15
Notes to the Basic Financial Statements	16

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
ANNUAL FINANCIAL REPORT  
YEAR ENDED APRIL 30, 2018

---

TABLE OF CONTENTS

	Page
SUPPLEMENTAL INFORMATION SECTION	
Combining Balance Sheet – Modified Cash Basis - Non-major Governmental Funds	29
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis - Non-major Governmental Funds	30
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Modified Cash Basis:	
General Fund	31
Recreation Fund	32
Schedule of Cash and Investments by Fund	33
Schedule of Real Estate Valuations, Tax Levies and Tax Collection for Tax Years 2014 to 2017	34
Schedules of General Obligation Limited Tax Park Bond:	
Dated November 28, 2017, Series 2017	35
Dated November 11, 2016, Series 2016	36
Schedule of General Obligation Park Bond – Alternative Revenue Source Dated June 5, 2012, Series 2012A	37
Notes to Supplemental Information	38

## **FINANCIAL SECTION**

*JOSEPH R. JULIUS, LTD.*  
*CERTIFIED PUBLIC ACCOUNTANT*  
5410 NEWPORT DRIVE - SUITE 23  
ROLLING MEADOWS, ILLINOIS 60008  
847 / 394-9200

MEMBER:  
AMERICAN INSTITUTE OF CPA'S  
ILLINOIS SOCIETY OF CPA'S

TELEFAX: 847/394-0525  
email: JOSEPHJULIUS@MSN.COM

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners  
Hawthorne Park District  
Cicero, Illinois

I have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hawthorne Park District, Cicero, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Hawthorne Park District, Cicero, Illinois' basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

*Auditor's Responsibility*

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 Hawthorne Park District, Cicero, Illinois' preparation and fair presentation of the financial statement 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 Hawthorne Park District, Cicero, Illinois' internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hawthorne Park District, Cicero, Illinois as of April 30, 2018, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

Other Matters

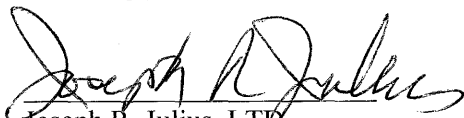
Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hawthorne Park District, Cicero, Illinois' basic financial statements. The management's discussion and analysis on pages 3-8 and the accompanying supplementary information starting on page 32 including the combining non-major fund financial statements, the budgetary comparison schedules, and the cash and investment statement 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 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

Other information, such as the schedule of real estate valuations and the debt service schedules, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.



Joseph R. Julius, LTD.  
Rolling Meadows, Illinois  
October 16, 2018

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2018

---

The Hawthorne Park District discussion and analysis is offered to readers of the Park District's financial statements to: (1) summarize the financial highlights of the Park District, (2) present an overview of the Park District's financial position, (3) evaluate the Park District's recent activities resulting in net asset changes, (4) examine significant differences between the original budget, the final amended budget and final results, (5) review material changes in capital assets and long-term debt, and (6) recognize current facts or conditions that will impact the Park District.

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP), and follow the guidelines of the Governmental Accounting Standards Board (GASB) in its Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." This standard requires financial reporting for the Park District in conformity with full accrual accounting, including the reporting of all capital assets net of depreciation.

We encourage readers to consider the information presented in the MD&A with the Park District's Financial Statements.

**Financial Highlights**

- The total assets of Hawthorne Park District exceeded its liabilities at the close of the most recent fiscal year by \$344,691. Of this amount, \$710,011, represents unrestricted net position, which may be used to meet the Park District's ongoing obligations to citizens and creditors.
- The Hawthorne Park District's total net position decreased \$30,680.
- At the close of the current fiscal year, the Hawthorne Park District's governmental funds reported combined fund balances of \$1,098,385, a decrease of \$5,018 from the prior year. Of this amount, \$479,408 (unassigned balance), is available for spending at the government's discretion.
- Property taxes levied and collected for the current year were \$741,810 a decrease of \$8,390 over the prior year.

**Overview of the Financial Statements**

Management's Discussion and Analysis introduces the Park District's basic financial statements. The basic financial statements are: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2018

---

**Government-wide Financial Statements.** The government-wide financial statements incorporate all of the Park District's governmental activities, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 9 and 10.

The statement of net position-modified cash basis presents financial information on all of Hawthorne Park District's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 Park District is improving or deteriorating.

The statement of activities-modified cash basis presents information showing how Hawthorne Park District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the government-wide financial statements distinguish functions of the Park District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Park District include general government, culture and recreation. There are no business-type activities of the Hawthorne Park District. The Park District does not manage any fiduciary activities such as employee pension plans. Fiduciary activities would be included in the government-wide statements since those assets would not be available to fund programs.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Hawthorne Park District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. With the focus on significant balances and operations, major funds are reported individually, while all others are combined into a single, aggregated presentation.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information for governmental funds with information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet-cash basis and the governmental fund statement of revenues, expenditures, and changes in fund balances-cash basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.



HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2018

---

The Park District maintains individual governmental funds to control resources for individual activities or objectives. Information is presented separately in the governmental fund balance sheet-cash basis and in the governmental fund statement of revenues, expenditures, and changes in fund balances-cash basis for activities considered as major funds. Major funds are those whose revenues, expenditures/expenses, assets or liabilities are at least ten percent of the total for their fund category or type (governmental or enterprise) and at least five percent of the aggregate amount for all governmental and enterprise funds. Any fund may be reported as a major fund if management considers the fund particularly important to financial statement users. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the supplementary information section.

**Major Funds**

General  
Recreation  
Debt Service

**Non Major Funds**

Recreation for Handicapped  
Audit  
Paving & Lighting  
Museum  
Police  
Social Security  
Capital Improvement  
Liability Insurance

The Hawthorne Park District adopts an annual appropriated budget. Budgetary comparison schedules are included as required supplementary information for the General Fund and Recreation Fund and demonstrate compliance with the budget. Budgetary comparison schedules for other funds can be found in a later section of this report.

Proprietary Funds are used to report the Park District's business activities in enterprise funds and government functions in internal service funds. The Hawthorne Park District does not currently have any proprietary funds.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the government-wide and fund financial statements and is provided in the notes to the financial statements.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Park District's financial status. This information is presented in the section title Supplementary Information Section.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2018

---

**Government-Wide Financial Analysis**

**SUMMARY OF NET POSITION**

	GOVERNMENTAL ACTIVITIES		
	2018	2017	Increase (Decrease)
<b>Assets:</b>			
Cash and Investments	\$ 1,107,465	\$ 1,111,842	\$ (4,377)
Capital Assets	518,851	615,748	(96,897)
Total Assets	\$ 1,626,316	\$ 1,727,590	\$ (101,274)
<b>Liabilities:</b>			
Current & Other Liabilities	\$ (6,205)	\$ (8,236)	\$ 2,031
Long-term Liabilities:			
Due Within One Year	247,830	245,455	2,375
Due In More Than One Year	1,040,000	1,115,000	(75,000)
Total Liabilities	1,281,625	1,352,219	(70,594)
<b>Net Position</b>			
Net Investment in Capital Assets	(753,694)	(728,032)	(25,662)
Restricted	388,374	386,348	2,026
Unrestricted	710,011	717,055	(7,044)
Total Net Position	\$ 344,691	\$ 375,371	\$ (30,680)

Total assets decreased for the year \$101,274, with the majority of that from capital assets depreciation. The District increased their spending to repair many of the District's assets rather than replace them, as well as improve facilities and grounds for expanded use. The District spent \$78,889 during the year for this purpose, which was an decrease of \$55,350 over the previous year. Assets of the District totaled \$4,415,971 before depreciation. Depreciation expense of \$96,897 reduced assets further.

The carrying value of outstanding bonds is continually being reduced freeing up cash to reinvest into the District. Bonds payable was lowered by \$72,625 during fiscal year 2018.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2018

---

**SUMMARY OF CHANGES IN NET POSITION**

Revenues	2018	2017	Increase (Decrease)
Program Revenues			
Charges for Service	\$ 103,293	\$ 100,188	\$ 3,105
General Revenues			
Property Taxes	741,810	750,200	(8,390)
Replacement Taxes	52,459	64,360	(11,901)
Investment Earnings	9,840	4,133	5,707
Miscellaneous	3,434	3,333	101
Total Revenues	910,836	922,214	(11,378)
Expenses			
General Government	480,037	438,158	41,879
Recreation	273,838	261,435	12,403
Safety	35,383	34,415	968
Social Security	30,323	30,869	(546)
Interest on Debt	43,046	45,039	(1,993)
Maintenance & Repair	78,889	134,239	(55,350)
Total Expenses	941,516	944,155	(2,639)
Changes in Net Position	(30,680)	(21,941)	(8,739)
Beginning Net Position	375,371	397,312	(21,941)
Ending Net Position	\$ 344,691	\$ 375,371	\$ (30,680)

The District had a slight decrease in overall revenues. Property tax revenues had a small decrease with the impact of tax objections and refunds with total property tax receipts of \$741,810. Revenues increased \$3,105 with recreational programming bringing in additional funds.

The District had a decrease in expenses of \$2,639. The District continues to strictly monitor their expenses and stay within their budgetary constraints. Repairs and maintenance of the District's assets amounted to \$78,889 for this purpose. Depreciation expense also decreased \$68,463 over the previous year.

Net position was reduced \$30,680 from the previous year, to \$344,691.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2018

---

**General Fund Budgetary Highlights**

The Board of Commissioners and management of Hawthorne Park District prepared and approved an April 30, 2018 fiscal year budget. During the fiscal year, the approved budget did not have any revisions. All of the fund's expenses remained below approved appropriations during the fiscal year.

The total revenue budget was \$974,130 not including bond sale proceeds. Actual receipts were \$910,836, which was under budget by \$63,294. The total expense budget excluding bond principal and interest payments was \$1,471,290 with an appropriation set at \$1,691,984. Actual expenses for the year were \$1,088,684 coming under budget \$382,606. Capital Improvement was budgeted to spend \$363,489 and actually spent \$78,889 during the year on repairs and maintenance of assets.

**Capital Assets**

The largest portion of the Hawthorne Park District's Net Position reflects its investment in capital assets (e.g., land, buildings, land improvements and equipment) less any related debts used to acquire those assets that are still outstanding. Capital assets are used to provide services to users of the District and are not available for future spending.

As of April 30, 2018, Hawthorne Park District had \$4,415,971 invested in capital assets. Capital assets net of depreciation equaled \$518,851 at year end with annual depreciation expense of \$96,897 and amortization was \$1,390 on the bond series 2012 discount.

There were no additions or deletions of assets during the year.

More detailed information may be found at Note 5.

**Debt**

At year end, the District had \$1,287,830 in outstanding bond principal with \$247,830 due in the coming year. Bond principal debt that extends beyond the next year equals \$1,040,000. Debt payments extend to fiscal year 2030. New debt issued was \$172,830 and debt paid during the year was \$245,455 resulting in a net decrease of \$72,625 in principal outstanding at year end.

Interest expense paid on the long term debt during the year was \$43,046, a decrease for the year of \$1,993. Interest expense to be paid in current year is \$42,550 a decrease of \$496 over last year payments. More detailed information may be found at Note 6.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances. We welcome community input and suggestions regarding current programming and future programming as well. If you have questions about this report or need additional financial information, please contact Dennis Raleigh, Executive Director at the District's headquarters at 5202 W. 29<sup>th</sup> Place, Cicero, Illinois 60804.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 GOVERNMENT-WIDE FINANCIAL STATEMENT  
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
 APRIL 30, 2018

---

	PRIMARY GOVERNMENT
	GOVERNMENTAL ACTIVITIES
<b>ASSETS</b>	
Cash & Investments	\$ 1,107,465
Capital Assets (Note 3)	
Capital Assets	
not being Depreciated (Land)	93,000
Other Capital Assets, (Net of Depreciation)	425,851
Total Assets	1,626,316
<b>LIABILITIES</b>	
Deposits Held	9,080
Non Current Liabilities	
Due Within One Year	247,830
Due In More Than One Year	1,040,000
Bond Discount, Net of Amortization	(15,285)
Total Liabilities	1,281,625
<b>NET POSITION</b>	
Net Investment in Capital Assets	(753,694)
Restricted	
Social Security	69,322
Paving & Lighting	7,624
Museum	43,840
Police	62,592
Liability Insurance	204,996
Unrestricted	710,011
Total Net Position	\$ 344,691

See accompanying notes to the financial statements.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 GOVERNMENT-WIDE FINANCIAL STATEMENT  
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
 APRIL 30, 2018

<u>FUNCTION/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>	<u>NET (EXPENSE) &amp; REVENUE CHANGES IN NET POSITION</u>
		<u>CHARGES FOR SERVICES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
<b>PRIMARY GOVERNMENT</b>			
Governmental Activities			
General Government	\$ (480,037)	\$ 50,796	\$ (429,241)
Recreation	(273,838)	40,272	(233,566)
Safety	(35,383)	12,225	(23,158)
Social Security	(30,323)	-	(30,323)
Interest On Debt	(43,046)	-	(43,046)
Maintenance & Repair	(78,889)	-	(78,889)
Total Governmental Activities	<u>\$ (941,516)</u>	<u>\$ 103,293</u>	<u>(838,223)</u>
<b>GENERAL REVENUES</b>			
Taxes:			
Real Estate Tax			741,810
Replacement Tax			52,459
Investment Income			9,840
Miscellaneous			3,434
Total General Revenues			<u>807,543</u>
Change in Net Position			(30,680)
Net Position - Beginning			<u>375,371</u>
Net Position - Ending			<u>\$ 344,691</u>

See accompanying notes to the financial statements.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
APRIL 30, 2018

	GENERAL FUND	RECREATION FUND	DEBT SERVICE FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Current Assets					
Cash & Investments	\$ 488,488	\$ 99,246	\$ -	\$ 519,731	\$ 1,107,465
Due From Other Funds	31,361	-	-	-	31,361
Total Assets	<u>\$ 519,849</u>	<u>\$ 99,246</u>	<u>\$ -</u>	<u>\$ 519,731</u>	<u>\$ 1,138,826</u>
<b>LIABILITIES</b>					
Current Liabilities					
Deposits Held	\$ 9,080	\$ -	\$ -	\$ -	\$ 9,080
Due To Other Funds	-	-	-	31,361	31,361
Total Liabilities	<u>9,080</u>	<u>-</u>	<u>-</u>	<u>31,361</u>	<u>40,441</u>
<b>FUND BALANCES</b>					
Restricted					
Social Security	-	-	-	69,322	69,322
Paving & Lighting	-	-	-	7,624	7,624
Museum	-	-	-	43,840	43,840
Police	-	-	-	62,592	62,592
Insurance	-	-	-	204,996	204,996
Debt Service	-	-	-	-	-
Assigned					
Recreational Programs	-	99,246	-	-	99,246
Park Development	-	-	-	131,357	131,357
Unassigned					
General	510,769	-	-	(31,361)	479,408
Total Fund Balances	<u>510,769</u>	<u>99,246</u>	<u>-</u>	<u>488,370</u>	<u>1,098,385</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u>\$ 519,849</u>	<u>\$ 99,246</u>	<u>\$ -</u>	<u>\$ 519,731</u>	<u>\$ 1,138,826</u>

See accompanying notes to the financial statements.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
APRIL 30, 2018

---

Total Governmental Fund Balances	\$ 1,098,385
The statement of net position is different because:	
Amounts reported for governmental activities in the Statement of Net Position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	518,851
Bond discounts are not reported as liabilities in the fund financial statements.	15,285
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,287,830)</u>
Net Position of Governmental Activities	<u>\$ 344,691</u>

See accompanying notes to the financial statements.



HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS  
APRIL 30, 2018

	GENERAL	RECREATION	DEBT SERVICE	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>					
Real Estate Taxes	\$ 177,287	\$ 126,879	\$ 168,459	\$ 269,185	\$ 741,810
Replacement Tax	52,459	-	-	-	52,459
Fees & Charges	50,796	40,272	-	12,225	103,293
Interest	9,840	-	-	-	9,840
Miscellaneous	3,237	197	-	-	3,434
Total Revenues	<u>293,619</u>	<u>167,348</u>	<u>168,459</u>	<u>281,410</u>	<u>910,836</u>
<b>EXPENDITURES</b>					
Current:					
General Government	255,837	-	-	124,907	380,744
Recreation	-	177,956	-	95,882	273,838
Public Safety	-	-	-	35,383	35,383
Social Security	-	-	-	30,323	30,323
Debt Payments:					
Principal	-	-	245,455	-	245,455
Interest	-	-	43,046	-	43,046
Miscellaneous	-	-	1,006	-	1,006
Capital Improvements	-	-	-	78,889	78,889
Total Expenditures	<u>255,837</u>	<u>177,956</u>	<u>289,507</u>	<u>365,384</u>	<u>1,088,684</u>
Revenues Over (Under) Expenditures	<u>37,782</u>	<u>(10,608)</u>	<u>(121,048)</u>	<u>(83,974)</u>	<u>(177,848)</u>
Other Financing Sources (Uses)					
Proceeds of Refunding Bonds	-	-	-	172,830	172,830
Transfer In (Out)	(15,542)	-	110,548	(95,006)	-
Total Other Financing Sources (Uses)	<u>(15,542)</u>	<u>-</u>	<u>110,548</u>	<u>77,824</u>	<u>172,830</u>
Net Change in Fund Balances	22,240	(10,608)	(10,500)	(6,150)	(5,018)
Fund Balance - Beginning	<u>488,529</u>	<u>109,854</u>	<u>10,500</u>	<u>494,520</u>	<u>1,103,403</u>
Fund Balance - Ending	<u>\$ 510,769</u>	<u>\$ 99,246</u>	<u>\$ -</u>	<u>\$ 488,370</u>	<u>\$ 1,098,385</u>

See accompanying notes in the financial statements.

**HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES TO THE STATEMENT OF ACTIVITIES -**  
**GOVERNMENTAL FUNDS - MODIFIED CASH BASIS**  
**APRIL 30, 2018**

---

Net Change in Fund Balances - Total Governmental Funds \$ (5,018)

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

Governmental funds report capital outlays as expenditures.  
While governmental activities capitalize the asset and record  
depreciation expense to allocate those expenses over the  
estimated life of the asset.

Capital asset additions	-	
Depreciation expense	(96,897)	
	(96,897)	(96,897)

Issuance of long term debt provides current financial resources  
to governmental funds, while the repayment of principal  
consumes the financial resources of governmental funds.

Neither transaction, however, has any effect on net position.

Bond Proceeds	(172,830)	
General Obligation Debt Payment	245,455	
	72,625	72,625

Premiums and discounts realized with the issuance of debt  
are deferred and amortized for the number of payment periods  
of the debt principal in the Statement of Activities.

Amortization reported in Statement of Activities	(1,390)	
	(1,390)	(1,390)

Change in net position of Governmental Activities	\$ (30,680)
---	-------------

See accompanying notes in the financial statements.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
APRIL 30, 2018

---

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

The Hawthorne Park District operates under a Board of Commissioners - Director form of government. The District's major operations include a variety of recreational and cultural programs for the community.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

**A. REPORTING ENTITY**

The financial statements of the District are only for Funds of the District as the District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective government Board. Based on this criteria, there are no additional organizations included in the accompanying financial statements.

**B. BASIS OF PRESENTATION - GOVERNMENT-WIDE STATEMENTS**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general administrative services, special revenue funds, capital improvement, and debt service are classified as governmental activities. The District has no business-type activities. Governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the modified cash basis of accounting. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported. Business-type activities, which rely to a significant extent on fees and charges for support, would be reported separately from the government activities but the District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
APRIL 30, 2018

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**C. BASIS OF PRESENTATION - FUND FINANCIAL STATEMENTS**

The accounts of the District are organized on the basis of Funds, each of which is considered a separate accounting entity. The operations of each Fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, Fund equity, receipts and disbursements. District resources are allocated to and accounted for in individual Funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various Funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

1. Governmental Funds - The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:
  - a. General Fund is the general operating fund of the 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 proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Recreation Fund – This Fund is used to account for the revenue and expenditures used for recreation purposes. It receives its money from property tax revenues and participation fees.

Special Recreation Fund - The Park District has entered into a joint agreement with West Suburban Special Recreation Association (WSSRA). WSSRA provides recreational programs for the handicapped. The Park District, funded by a special levy, contributes annually for membership in WSSRA.

Social Security - This Fund provides for the District's Pension system. The District, for all its employees, provides for coverage under the Social Security system.

Police - This Fund provides for the expenses related to the District's police protection. It receives its money from property tax revenues.

Liability Insurance - This Fund provides expenses related to the District's risk liability activities. It receives its money from property tax revenues.

Museum Fund - This Fund provides expenses related to the District's museum related activities. It receives its money from property tax revenues.

Paving and Lighting - This Fund was established to account for the revenues and expenses of an annual property tax levy for payment of the costs of paving and lighting

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
APRIL 30, 2018

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**C. BASIS OF PRESENTATION - FUND FINANCIAL STATEMENTS** (continued)

- c. Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
  - d. Capital Improvements Fund is used to account for financial resources to be used for the purchase, acquisition, and construction of major capital facilities.
2. Major and Non-major Funds - The Funds are further classified as major or non-major funds.
- a. Major Funds
    - General Fund
    - Special Revenue Fund:
      - Recreation Fund
    - Debt Service Fund
  - b. Non-major Funds
    - Special Revenue Funds:
      - Audit Fund
      - Social Security Fund
      - Paving & Lighting Fund
      - Museum Fund
      - Police Fund
      - Liability Insurance Fund
      - Special Recreation Fund
    - Capital Improvements Fund

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, and net financial position. All assets and liabilities (whether current or non-current or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
APRIL 30, 2018

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING** (continued)

The financial statements are presented on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. Revenues susceptible to accrual include property taxes, interest, and charges for services. The Hawthorne Park District does not record accruals since it reports its financial statements on a modified cash basis.

**E. FINANCIAL STATEMENT AMOUNTS**

1. Cash and Cash Equivalents - The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments, if any, and displayed as "Cash and Investments."
2. Investments - Investments are required to be recorded at fair value as determined by GASB Statement No. 72. Fair value measurement amounts are based on a quoted price in an active market for an identical asset or liability at year end. Investments not required to be reported at fair value are stated at cost or amortized cost. The District only has investments of less than one year, non-negotiable certificates of deposits, or other nonparticipating investments which are stated at cost or amortized cost. The District did not hold any investments that were required to be measured at fair value as of April 30, 2018. These investments were recorded as cash and cash equivalents on the financial statements.
3. Capital Assets - Capital assets which include property, building materials, furniture and equipment are reported in the government- wide financial statements. Capital assets are defined by the District as assets with an individual cost or materially grouped cost of \$2,500 or more and an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Items that do not meet the above criteria are treated as an expense of the current period.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 APRIL 30, 2018

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**E. FINANCIAL STATEMENT AMOUNTS** (continued)

Capital Assets are depreciated by the straight line method of depreciation using the following schedule of estimated useful life:

Type of Asset	Life in Years
Buildings	40
Building Improvements	20
Materials	5-7
Furniture & Equipment	5-7
Computer & Electronics	3-5

Depreciation of capital assets as an expense for each year of useful life of an asset or group of assets will be calculated using the straight-line method. Depreciation will be calculated for all capital assets except land and possibly artwork, collections, and historical treasures.

$$\text{Annual depreciation} = \frac{\text{Total cost} - \text{residual value}}{\text{Estimated useful life}}$$

Capital Assets - (continued)

Unless an asset is specific to a special revenue fund, all capitalized assets and depreciation expense will be disclosed in the General Fund.

Infrastructure

Infrastructure assets are generally assets that have a significantly longer useful life than normal capital assets and are stationary in nature, such as roads, bridges, tunnels, water systems, etc. The District does not own any asset that would be classified as infrastructure. The possibility in the future that the District would obtain or construct infrastructure assets is remote.

4. Long-Term Debt - In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a straight-line method. Any bond issuance costs are considered expenditures in the current period.

In the fund financial statements, governmental fund types recognize the face amount of debt issued and is reported as other financing sources. Bond discounts and premiums are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

5. Interfund Receivables and Payables - During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
APRIL 30, 2018

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**E. FINANCIAL STATEMENT AMOUNTS** (continued)

6. Unpaid Accrued Vacation Pay - The District does not pay employees for unused sick or vacation days. Vacation days may be paid if an employee leaves during the year and had not used up all of his or her allotted vacation days for that year. Expenditures are recorded when paid and are not accrued. These expenditures are not material.
7. Prepaid Items/Expense – The District does not record prepaid assets.
8. Interfund Transfers - Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.
9. Program Revenues - User fees for use of facilities or participation in programs are classified as program revenues. The District does not allocate any indirect expenses to functions in the Statement of Activities.
10. Fund Balance / Net Position – Governmental Funds' equity are classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance is reported for amounts that are either not spendable forms or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Board of Commissioners, which is considered the District's highest level of decision making authority. Formal actions include ordinances approved by the District board. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Executive Director through the approved fund balance policy of the park district. Any residual fund balance of the General Fund and any deficits in other funds, if any, are reported as unassigned.

The 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. Additionally, if different levels of unrestricted funds are available for spending the District considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the District's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Unrestricted net positions consist of net positions that do not meet the definition of restricted or net investment in capital assets.

11. Post Employment Benefits – The District does not offer any post employment benefits to its staff. There was no liability outstanding at year end.



HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
APRIL 30, 2018

---

**NOTE 2 - LEGAL COMPLIANCE AND ACCOUNTABILITY**

- A. Funds with deficit balances: There were no funds of the District that had a deficit balance at year end.
- B. Interfund Transfer:  
The Capital Improvement Fund transferred \$95,006 to the Debt Service Fund for expenditures related to the Bond Issue dated October 1, 2012A.
- C. Tax Anticipation Warrants  
No tax anticipation warrants were issued during the year.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Cash and Investments

The District maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as "Cash and Investments". The investments are governed by and investment policy adopted by the Board of Commissioners.

In accordance with the District's investment policy, the District's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements of government securities, short-term commercial paper rated within the three highest classifications by at least two standard rating services, interest bearing bonds of any local government within the State of Illinois, the Illinois Funds money market funds, and the Illinois Park District Liquid Asset Fund money market funds. During the year, the District limited its investments to insured accounts at a local bank and to money market accounts held at Illinois Park District Liquid Asset Fund.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

At the year end the carrying amount of the District's deposits totaled \$1,107,465. The bank balances were \$1,117,036.

Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, establishes standards for accounting for investments held by governmental entities. The District invests in the Illinois Park District Liquid Asset Fund (IPDLAF) which is an external investment pools and is in accordance with Section 8-8 of the Illinois Park District Code of the State of Illinois. IPDLAF is not SEC registered and operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows mutual funds to use amortized cost rather than fair market value to report net assets to compute share prices if certain conditions are met. Some of those conditions include restrictions on the types of investments held and restrictions on the term-to-maturity of individual investments. Amortized cost is used by external investment pools with the absence of traded or quoted prices and is compliant with generally accepted accounting principles in the United States. The District had \$1,064,546 deposited with IPDLAF.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 APRIL 30, 2018

---

**NOTE 3 - DEPOSITS AND INVESTMENTS** (continued)

The District does not have any investments recorded at fair value. Cash and cash equivalents were deposited in the following manner as of April 30, 2018:

	<u>Carrying Amount</u>	<u>Investment Maturities (In Years)</u> <u>Less than 1 year</u>
Cash and Checking	\$1,107,465	\$1,107,465

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and investing operating funds primarily in shorter-term securities. Unless matched to a specific cash flow, the District will not invest operating funds in securities maturing more than one year from the date of purchase. In addition, the policy requires the District to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

*Credit Risk.* Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its exposure to credit risk, the risk that the issuer or a debt security will not pay its par value upon maturity, by primarily investing in Federally Insured Bank Accounts and Certificates of Deposit and by having these accounts collateralized by the pledging of securities with a third party.

*Custodial Credit Risk - Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At year end, the entire amount of the District's deposits and certificates of deposit were covered by federal depository or equivalent insurance or collateral.

*Custodial Credit Risk - Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. At year end, the District had all of its assets invested in bank certificates of deposit as indicated in the table above. As these certificates are generally for a duration of 1 year or less and are federally insured, the concentration of credit risk is minimized.

Concentration of credit risk - The District's investment policy limits the amount of the portfolio that can be invested in anyone investment vehicle as follows:

<u>Diversification by Instrument</u>	<u>Percent of Portfolio</u>
Cash and Checking	0 - 25%
Money Market Funds	0 - 90%
Certificates of Deposit	0 - 90%
US Treasury Notes and US Govt. Agency Securities	0 - 90%

Diversification by Instrument

Monies deposited at a financial institution consist of no more than 75% of the capital stock and surplus of that institution

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
APRIL 30, 2018

---

**NOTE 3 - DEPOSITS AND INVESTMENTS** (continued)

The District's investment policy specifically prohibits the use of or the investment in derivatives unless specifically authorized by the Board of Commissioners.

**NOTE 4 - PROPERTY TAXES**

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 year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill and is fifty-five percent (55%) of the prior year's tax bill. The second installment is based on the current levy, assessment, and equalization. Any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December of the levy year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

Property taxes are recognized as revenue in the year in which they are received. Accordingly, the 2016 and 2017 taxes received in fiscal 2018 have been recorded as current property tax revenue. These taxes were levied for in December 2016 and December 2017.

Based upon collection histories, the District has provided no allowance for uncollectible real property taxes at April 30, 2018.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 APRIL 30, 2018

**NOTE 5 - CAPITAL ASSETS AND DEPRECIATION**

The District records capital assets and annual depreciation expense in the General Fund of the Governmental Funds.

Capital Assets activity for the year ended April 30, 2018 was as follows:

GOVERNMENTAL ACTIVITIES	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletion</u>	<u>Ending Balance</u>
Capital Assets - Not Depreciated				
Land	\$ 93,000	\$ -	\$ -	\$ 93,000
Capital Assets - Depreciated				
Land Improvement	2,455,788	-	-	2,455,788
Buildings	1,520,093	-	-	1,520,093
Furniture & Equipment	289,089	-	-	289,089
Vehicles	37,345	-	-	37,345
Computers & Electronics	20,656	-	-	20,656
Total Capital Assets Depreciated	<u>4,322,971</u>	<u>-</u>	<u>-</u>	<u>4,322,971</u>
Less Accumulated Depreciation				
Land Improvement	2,152,678	64,387	-	2,217,065
Buildings	1,338,879	14,099	-	1,352,978
Furniture & Equipment	259,105	15,034	-	274,139
Vehicles	28,905	3,377	-	32,282
Computers & Electronics	20,656	-	-	20,656
Total Accumulated Depreciation	<u>3,800,223</u>	<u>96,897</u>	<u>-</u>	<u>3,897,120</u>
Capital Assets Depreciation (Net of Depreciation)	<u>522,748</u>	<u>(96,897)</u>	<u>-</u>	<u>425,851</u>
Total Capital Assets, Net of Depreciation	<u>\$ 615,748</u>	<u>\$ (96,897)</u>	<u>\$ -</u>	<u>\$ 518,851</u>
Intangible Assets				
Bond Discount	\$ 23,625	\$ -	\$ -	\$ 23,625
Accumulated Amortization	6,950	1,390	-	8,340
Total Intangible Assets	<u>\$ 16,675</u>	<u>\$ 1,390</u>	<u>\$ -</u>	<u>\$ 15,285</u>
Net of Amortization				

All assets and depreciation are recorded in the General Fund. Depreciation Expense recorded in fiscal year April 30, 2018 was:

	<u>Depreciation</u>	<u>Amortization</u>
General Fund	\$ <u>96,897</u>	\$ <u>1,390</u>

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
APRIL 30, 2018

**NOTE 6 - BOND AND INTEREST PAYMENT SCHEDULES**

Summary of Principal Transactions for the year ended April 30, 2018

ISSUE DATE	INTEREST RATE	BALANCE 4/30/2016	ISSUED	RETIRED	BALANCE 4/30/2017	DUE WITHIN ONE YEAR
<u>General Obligation Bonds</u>						
Nov 28, 2017	2.69%	\$ -	\$ 172,830	\$ -	\$ 172,830	\$ 172,830
Nov 11, 2016	1.93%	170,455	-	170,455	-	-
<u>Alternative Revenue Bonds</u>						
Jun 05, 2012	2.35-3.75%	1,190,000	-	75,000	1,115,000	75,000
Total Bond Payable		<u>\$ 1,360,455</u>	<u>\$ 172,830</u>	<u>\$ 245,455</u>	<u>\$ 1,287,830</u>	<u>\$ 247,830</u>

Bond Debt Service Requirement to Maturity

Year Ending April 30	Principal	Interest
2019	\$ 247,830	\$ 42,550
2020	80,000	36,488
2021	80,000	34,088
2022	85,000	31,688
2023	85,000	29,138
2024 - 2028	485,000	97,364
2029 - 2030	225,000	12,750
Total Principal & Interest	<u>1,287,830</u>	<u>\$ 284,066</u>
Current Bonds Payable	<u>(247,830)</u>	
Bonds Payable	<u>\$ 1,040,000</u>	

During the fiscal year, the District paid \$245,455 and \$43,046 in bond principal and interest payments respectively.

For full detail, see Supplemental Information Section.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 APRIL 30, 2018

---

**NOTE 7 - LEGAL DEBT MARGIN**

	<u>TOTAL DEBT</u>	<u>NON REFERENDUM DEBT</u>
Assessed Valuation 2017 tax year	\$ 117,139,745	\$ 117,139,745
Statutory Debt Limitation Percentage	<u>2.875%</u>	<u>0.575%</u>
Current Debt Limitation	3,367,768	673,554
Debt Subject to Limit:		
Total Bonded Debt	1,287,830	1,287,830
Less: Alternate Revenue Sources	<u>0</u>	<u>(1,115,000)</u>
Net Debt Outstanding	<u>1,287,830</u>	<u>172,830</u>
Legal Debt Margin Remaining	<u>\$ 2,079,938</u>	<u>\$ 500,724</u>
Percent Remaining	61.8%	74.3%

Bonds issued as Installment Contract Certificates, Debt Certificates, or Alternate Revenue Source do not count under the non-referendum debt limit. This classification of debt does not use property tax generated revenue to pay this debt.

**NOTE 8 - INSURANCE - RISK MANAGEMENT**

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

In 1991, the District became a member of Illinois Parks Association Risk Services (IPARKS), a joint risk management Pool of park districts through which property, general liability, automobile liability, boiler and machinery, public officials' and workers' compensation coverage is provided.

IPARKS is a local government risk sharing Pool whose members are park districts throughout the State of Illinois. The Pool was formed in January 1991 for the primary purpose of managing and funding third-party liability claims against its members.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member.

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
APRIL 30, 2018

---

**NOTE 8 - INSURANCE - RISK MANAGEMENT** (continued)

Information concerning the Pool's reserves, contingent claims, balance sheet and statement of revenues and expenses are not presently available. No provision has been made in these financial statements for any losses or potential losses arising out of the District's participation in this Pool or for the potential losses in the event that claims exceed the District's coverages.

The District has not had any claims for liability in the past three years.

**NOTE 9 – SUBSEQUENT EVENT**

Subsequent events have been evaluated through October 16, 2018, the date the financial statements were available for issue. There were no significant events or transactions that would affect these financial statements through said date.

**NOTE 10 - JOINT GOVERNED ORGANIZATION**

The District is a member of the West Suburban Special Recreation Association (WSSRA). WSSRA is formed by 9 park districts and 2 villages who work together to serve the recreation needs to their residents who are physically and mentally handicapped within their districts and to share the expenses of such programs on a cooperative basis. Each member district's fiscal year 2018 contribution is based on its pro rata share of the District's assessed valuation. For the year ended April 30, 2018, the District contributed \$51,645 to WSSRA.

WSSRA's Board of Directors consists of one member from each participating district. The Board of Directors is the governing body of WSSRA and is responsible for establishing all major policies and changes therein and for approving all budgets, capital outlay, programming, and master plans. The District is not financially accountable for the activities of WSSRA and, accordingly, WSSRA has not been included in the accompanying financial statements.

Complete financial statements for WSSRA are available at the WSSRA administration offices at 2915 Maple Street, Franklin Park, IL 60131 or their website at [www.wssra.net](http://www.wssra.net).

## **SUPPLEMENTAL INFORMATION SECTION**



HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 APRIL 30, 2018

	SPECIAL REVENUE FUNDS							TOTAL NON-MAJOR GOVERNMENTAL FUNDS	
	AUDIT	SOCIAL SECURITY	PAVING & LIGHTING	MUSEUM	POLICE	LIABILITY INSURANCE	SPECIAL RECREATION		CAPITAL IMPROVEMENT
<b>ASSETS</b>									
Cash and Investments	\$ -	\$ 69,322	\$ 7,624	\$ 43,840	\$ 62,592	\$ 204,996	\$ -	\$ 131,357	\$ 519,731
<b>LIABILITIES</b>									
Due to Other Funds	\$ 10,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,200	\$ -	\$ 31,361
<b>FUND BALANCES</b>									
Restricted for:									
Capital Projects	-	-	-	-	-	-	-	131,357	131,357
Special Revenue Funds	-	69,322	7,624	43,840	62,592	204,996	-	-	388,374
Unrestricted	(10,161)	-	-	-	-	-	(21,200)	-	(31,361)
Total Fund Balances	(10,161)	69,322	7,624	43,840	62,592	204,996	(21,200)	131,357	488,370
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 69,322</u>	<u>\$ 7,624</u>	<u>\$ 43,840</u>	<u>\$ 62,592</u>	<u>\$ 204,996</u>	<u>\$ -</u>	<u>\$ 131,357</u>	<u>\$ 519,731</u>

(See independent auditor's report)

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – MODIFIED CASH BASIS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR YEAR ENDED APRIL 30, 2018

REVENUES	SPECIAL REVENUE FUNDS								TOTAL NON-MAJOR GOVERNMENTAL FUNDS
	AUDIT	SOCIAL SECURITY	PAVING & LIGHTING	MUSEUM	POLICE	LIABILITY INSURANCE	SPECIAL RECREATION	CAPITAL IMPROVEMENT	
Real Estate Taxes	\$ 4,712	\$ 37,401	\$ 4,712	\$ 34,996	\$ 23,329	\$ 126,453	\$ 37,582	\$ -	\$ 269,185
Fees & Charges	-	-	-	-	12,225	-	-	-	12,225
Total Revenues	<u>4,712</u>	<u>37,401</u>	<u>4,712</u>	<u>34,996</u>	<u>35,554</u>	<u>126,453</u>	<u>37,582</u>	<u>-</u>	<u>281,410</u>
EXPENDITURES									
Current:									
Audit Fund	9,650	-	-	-	-	-	-	-	9,650
Social Security	-	30,323	-	-	-	-	-	-	30,323
Paving & Lighting	-	-	3,555	-	-	-	-	-	3,555
Museum	-	-	-	42,072	-	-	-	-	42,072
Police	-	-	-	-	35,383	-	-	-	35,383
Liability Insurance	-	-	-	-	-	115,257	-	-	115,257
Special Recreation	-	-	-	-	-	-	53,810	-	53,810
Capital Improvements	-	-	-	-	-	-	-	75,334	75,334
Total Expenditures	<u>9,650</u>	<u>30,323</u>	<u>3,555</u>	<u>42,072</u>	<u>35,383</u>	<u>115,257</u>	<u>53,810</u>	<u>75,334</u>	<u>365,384</u>
Revenues Over (Under) Expenditures	(4,938)	7,078	1,157	(7,076)	171	11,196	(16,228)	(75,334)	(83,974)
Other Financing Sources (Uses)									
Issuance of Debt	-	-	-	-	-	-	-	172,830	172,830
Transfers	-	-	-	-	-	-	-	(95,006)	(95,006)
Total Other Financing Sources(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,824</u>	<u>77,824</u>
Net Change in Fund Balances	(4,938)	7,078	1,157	(7,076)	171	11,196	(16,228)	2,490	(6,150)
Fund Balance - Beginning	<u>(5,223)</u>	<u>62,244</u>	<u>6,467</u>	<u>50,916</u>	<u>62,421</u>	<u>193,800</u>	<u>(4,972)</u>	<u>128,867</u>	<u>494,520</u>
Fund Balance - Ending	<u>\$ (10,161)</u>	<u>\$ 69,322</u>	<u>\$ 7,624</u>	<u>\$ 43,840</u>	<u>\$ 62,592</u>	<u>\$ 204,996</u>	<u>\$ (21,200)</u>	<u>\$ 131,357</u>	<u>\$ 488,370</u>

(See independent auditor's report)

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL – MODIFIED CASH BASIS  
 GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2018

	GENERAL FUND	
	ORIGINAL/FINAL BUDGET	ACTUAL
<b>REVENUES</b>		
Real Estate Taxes	\$ 190,000	\$ 177,287
Replacement Tax	55,000	52,459
Program Revenues		
Hall Rental	35,000	41,046
Gym Rental	5,000	9,750
Interest	1,500	9,840
Miscellaneous Income	1,000	3,237
Total Revenues	287,500	293,619
<b>EXPENDITURES</b>		
Current:		
Salaries & Benefits	179,000	162,878
Building Equipment & Repairs	6,400	1,528
Administrative	20,000	14,490
Program Expenditures	2,000	2,000
Professional Fees	4,600	6,879
Park Grounds / Equip Maint & Repair	35,500	28,643
Utilities	32,500	35,221
Miscellaneous	3,000	4,198
Total Expenditures	283,000	255,837
Revenues Over (Under) Expenditures	4,500	37,782
Other Financing Sources (Uses)		
Transfers In (Out)	-	(15,542)
Net Change in Fund Balance	\$ 4,500	22,240
FUND BALANCE BEGINNING		488,529
FUND BALANCE ENDING		\$ 510,769

(See independent auditor's report)

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL – MODIFIED CASH BASIS  
 RECREATION FUND  
 FOR THE YEAR ENDED APRIL 30, 2018

---

	RECREATION FUND	
	ORIGINAL/FINAL BUDGET	ACTUAL
<b>REVENUES</b>		
Real Estate Taxes	\$ 130,000	\$ 126,879
Program Revenues	56,000	40,272
Miscellaneous	1,000	197
Total Revenues	187,000	167,348
<b>EXPENDITURES</b>		
Current:		
Salaries & Benefits	123,500	117,346
Program Expenses	33,900	25,693
Program Supplies	14,000	8,809
Utilities	25,100	25,081
Building Supplies	1,500	1,027
Total Expenditures	198,000	177,956
Revenues Over (Under) Expenditures	\$ (11,000)	(10,608)
Fund Balance - Beginning		109,854
Fund Balance - Ending		\$ 99,246

(See independent auditor's report)

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 SCHEDULE OF CASH AND INVESTMENTS BY FUND - MODIFIED CASH BASIS  
 APRIL 30, 2018

---

FUND	BALANCE
General Corporate	\$ 488,488
Recreation	99,246
Capital Improvements	131,357
Social Security	69,322
Museum	43,840
Liability Insurance	204,996
Paving & Lighting	7,624
Police	62,592
TOTAL	\$ 1,107,465

ACCOUNT TYPE	
Checking Account	\$ 42,716
Petty Cash	203
IPDLAF Money Market	1,064,546
TOTAL CASH AND INVESTMENTS	\$ 1,107,465

(See independent auditor's report)

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
SCHEDULE OF REAL ESTATE VALUATIONS, TAX LEVIES  
AND TAX COLLECTIONS FOR TAX YEARS 2014 TO 2017, INCLUSIVE  
APRIL 30, 2018

TAX YEAR	2014		2015		2016		2017	
ASSESSED VALUATION	\$100,828,382		\$100,430,982		\$104,390,410		\$117,139,745	
	Rate	Amount Levied	Rate	Amount Levied	Rate	Amount Levied	Rate	Amount Levied
<b>TAXES BY FUND</b>								
General Corporate	0.1762	\$ 177,651	0.1891	\$ 189,942	0.1837	\$ 191,735	0.1671	\$ 195,700
Liability Insurance	0.1311	132,202	0.1315	132,054	0.1317	137,432	0.1187	139,050
Recreation	0.1201	121,108	0.1229	123,404	0.1273	132,910	0.1231	144,200
Bond Interest	0.1780	179,461	0.1801	180,894	0.1745	182,163	0.1588	185,987
Audit	0.0050	5,036	0.0050	5,022	0.0048	5,045	0.0045	5,228
Special Recreation	0.0400	40,331	0.0400	40,172	0.0387	40,357	0.0357	41,824
Police Protection	0.0250	25,207	0.0250	25,108	0.0242	25,214	0.0220	25,750
Social Security	0.0458	46,186	0.0458	46,005	0.0394	41,151	0.0347	40,685
Museum	0.0435	43,900	0.0453	45,460	0.0388	40,529	0.0308	36,050
Paving & Lighting	0.0050	5,036	0.0050	5,021	0.0048	5,044	0.0045	5,228
Total Tax Rate By Year	<u>0.7697</u>	<u>\$ 776,118</u>	<u>0.7897</u>	<u>\$ 793,082</u>	<u>0.7679</u>	<u>\$ 801,580</u>	<u>0.6999</u>	<u>\$ 819,702</u>
TAX COLLECTIONS - Current tax year 2016, 2017 and Prior year taxes		<u>\$ 741,810</u>						
<b>ALLOCATIONS OF COLLECTIONS BY FUND</b>								
General Corporate		\$ 177,287						
Liability Insurance		126,453						
Recreation		126,879						
Bond Interest		168,459						
Audit		4,712						
Handicapped Fund		37,582						
Police Protection		23,329						
Social Security		37,401						
Museum		34,996						
Paving & Lighting		4,712						
		<u>\$ 741,810</u>						

(See independent auditor's report)

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
 DEBT SERVICE FUND  
 SCHEDULE OF GENERAL OBLIGATION LIMITED TAX PARK BOND  
 ISSUE DATED NOVEMBER 28, 2017, SERIES 2017  
 APRIL 30, 2018

---

AMOUNTS TO BE PAID

<u>Due Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Period Total</u>	<u>Tax Year</u>	<u>Tax Levy Amount</u>
11/01/18	<u>\$ 172,830</u>	2.69%	<u>\$ 4,300</u>	<u>\$ 177,130</u>	2017	<u>\$ 177,130</u>

Paying Agent: Park Ridge Community Bank

Purpose: To pay principal and interest on 2012A  
General Obligation Park Bonds.

(See independent auditor's report)

**HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS**  
**DEBT SERVICE FUND**  
**SCHEDULE OF GENERAL OBLIGATION LIMITED TAX PARK BOND**  
**ISSUE DATED NOVEMBER 11, 2016**  
**APRIL 30, 2018**

---

AMOUNTS PAID

<u>Due Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Period Total</u>	<u>Tax Year</u>	<u>Tax Levy Amount</u>
11/01/17	<u>\$ 170,455</u>	1.93%	<u>\$ 3,034</u>	<u>\$ 173,489</u>	2017	<u>\$ 173,489</u>

Paying Agent: Beverly Bank

Purpose: To pay principal and interest on 2012A  
General Obligation Park Bonds.

**BOND ISSUANCE PAID IN FULL DURING THE YEAR**

(See independent auditor's report)



HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
DEBT SERVICE FUND  
SCHEDULE OF GENERAL OBLIGATION PARK BOND  
ALTERNATIVE REVENUE SOURCE  
ISSUE DATED JUNE 5, 2012, SERIES 2012A  
APRIL 30, 2018

---

REMAINING PAYMENTS SCHEDULE

Due Dates	Principal	Interest Rate	Interest	Period Total
06/01/18			\$ 19,125	
12/01/18	\$ 75,000	2.350%	19,125	\$ 113,250
06/01/19			18,244	
12/01/19	80,000	3.000%	18,244	116,488
06/01/20			17,044	
12/01/20	80,000	3.000%	17,044	114,088
06/01/21			15,844	
12/01/21	85,000	3.000%	15,844	116,688
06/01/22			14,569	
12/01/22	85,000	3.500%	14,569	114,138
06/01/23			13,081	
12/01/23	90,000	3.500%	13,081	116,162
06/01/24			11,506	
12/01/24	95,000	3.500%	11,506	118,012
06/01/25			9,844	
12/01/25	95,000	3.750%	9,844	114,688
06/01/26			8,063	
12/01/26	100,000	3.750%	8,063	116,126
06/01/27			6,188	
12/01/27	105,000	3.750%	6,188	117,376
06/01/28			4,219	
12/01/28	110,000	3.750%	4,219	118,438
06/01/29			2,156	
12/01/29	115,000	3.750%	2,156	119,312
	<u>\$ 1,115,000</u>		<u>\$ 279,763</u>	<u>\$ 1,394,763</u>

Original Amount: \$1,575,000.00

Paying Agent: Bank of New York

Purpose: To refinance bond series October 1, 2001, and costs of improvements to buildings, equipment, land and general park improvements.

(See independent auditor's report)

HAWTHORNE PARK DISTRICT, CICERO, ILLINOIS  
NOTES TO SUPPLEMENTAL INFORMATION  
APRIL 30, 2018

---

**LEGAL COMPLIANCE AND ACCOUNTABILITY**

Budgets and Budgetary Accounting

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

- a. Prior to April 1, the Treasurer submits to the Board of Commissioners a proposed operating budget for the year commencing the following May 1. The operating budget includes proposed disbursements and the means of financing them.
- b. Public hearings are conducted at the Annual Meeting to obtain taxpayer comments.
- c. The budget is legally adopted.
- d. The Board of Commissioners is authorized to transfer up to 10% of the total budget between departments within any Fund; any revisions that alter the total disbursements of any Fund must also be approved by the Board of Commissioners.
- e. Formal budgetary integration is employed as management control device during the year for the Operating Funds.
- f. The Budgets are presented on a modified cash-basis of accounting and all funds presented have been legally adopted by the Park District Board members.
- g. Budget amounts are as originally adopted.
- h. Fund expenditures that exceeded their annual appropriation:  
No fund exceeded their annual appropriation during the year.