

**Harvey Park District, Illinois
Annual Financial Report
For the Year Ended April 30, 2015**

**GOODALL-KENNER-CPAS, LLC
800 E. 78TH STREET SUITE 200
CHICAGO, ILLINOIS 60619**

HARVEY PARK DISTRICT, ILLINOIS
ANNUAL FINANCIAL REPORT
April 30, 2015

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REQUIRED SUPPLEMENTARY INFORMATION:

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GOODALL- KENNER-CPAS LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To: The Honorable President and
Board of Trustees of the
Harvey Park District, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Harvey Park District, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Disclaimer Opinion

The Park District's internal controls over collections, bank deposits, disbursements and payroll records were inadequate, which resulted in fraud and losses to the park district. The amounts of the losses due to fraud are not reasonably determinable. Record keeping and record retention were inconsistent and incomplete. Account reconciliations and related follow up were not completed in a consistent and timely fashion. Park District management does not have adequate records to support all reported balances. Specifically, records supporting material balances for cash, accounts receivable and unearned property tax revenues, as well as balances and amounts for

allowance for doubtful accounts, operating expenses, bad debt expenses and payroll expenses were inadequate. In addition, the Park District's accounting processes and recordkeeping are not updated and maintained in a timely fashion. As a result, we were unable to audit and substantiate reported balances for cash, accounts receivable and allowance for doubtful accounts, unearned revenues, operating expenses, bad debt expenses and payroll expenses. Accounting principles generally accepted in the United States of America require that cash, accounts receivable, allowance for doubtful accounts, unearned revenue, operating expenses, bad debt expenses and payroll expenses be adequately recorded and reported. If these items were properly recorded and reported, they would impact the amounts reported for assets, liabilities, net position, revenues and expenses of the governmental activities, as defined by management. The amounts by which these departures from generally accepted accounting principles would affect assets, liabilities, net assets and expenses of government activities are not reasonably determinable.

Disclaimer Opinion

Because of the significance of the matters discussed in the "Basis for Disclaimer Opinion" paragraph above, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on whether 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 Harvey Park District, IL as of April 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

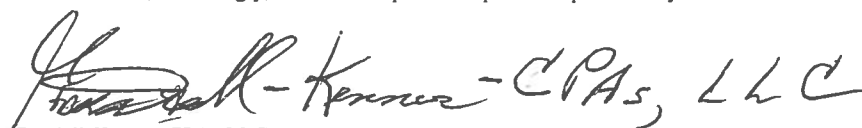
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3-7 and 39-51 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurances.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Harvey Park District, State of Illinois's basic financial statements. The introductory section, combining and individual non-major funds' financial statements, and statistical section found on pages 52-53 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by me and other auditors. In our opinion, due to the significance of the effects of the matters discussed in the "Basis for Disclaimer Opinion" paragraph, we do not express an opinion as to whether the combining and individual non-major fund financial statements, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Goodall-Kenner-CPAs LLC
Chicago, Illinois
November 27, 2015

**HARVEY PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015**

As management of the Harvey Park District, IL, we offer readers of the financial statements of the Harvey Park District, IL this narrative overview and analysis of the financial activities of the Harvey Park District, IL, for the fiscal year ended April 30, 2015. The discussion and analysis of the Harvey Park District, IL (the "Park District") financial performance provides an overall review of the Park District's financial activities for the year ended April 30, 2015. The management of the Park District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the Park District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A, as is included in this year's narrative. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Summary

- The total assets of the Park District as reported in the Statement of Net Position exceeded its liabilities at the close of the most recent fiscal year by \$3.5 million (net Position). Total net position increased by \$0.3 million during the year.
- As of the close of the most recent fiscal year, the Park District's governmental funds reported combined ending fund balance of \$1.6 million. Of this sum, \$1.1 million is the fund balance for the Corporate Fund, (\$1.4) million for the Recreation Fund, \$0.8 million for the Debt Service Fund, \$0.6 million for the Capital Development Fund and \$0.5 million for the non-major governmental funds.
- The Park District's long-term obligations at the end of the fiscal year were \$0.05 million representing a decrease of \$0.95 million, due to the retiring of \$0.46 million of the Wells Fargo Loan with the remaining \$0.54 million being forgiven. The loan forgiveness was recorded as revenue during the period.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Park District's basic financial statements. The basic financial statements are comprised of five components:

- Government-wide financial statements
- Fund financial statements; and
- Notes to the basic financial statements
- Required Supplementary Information
- Combining and Individual Fund Financial Statements

This report also contains other supplementary information in addition to the basic financial statements.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the *Government-Wide and Fund Financial Statements*. The notes to the financial statements can be found on pages 14-31 of this report.

**HARVEY PARK DISTRICT, ILLINOIS
MANAGEMENTS' DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015**

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – buildings, other structures, etc.) had not been reported or depreciated in governmental financial statements. The Park District implemented GASB 34 in FY04 and since then reports infrastructure assets within the Governmental column of the Government-Wide Statements. Additionally, the government must select either to (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Park District has chosen to depreciate assets over their useful lives.

Government – Wide Financial Analysis

Condensed Statement of Net Assets:

		Governmental Activities	
		2015	2014
Current and Other Assets		\$ 1.8	\$ 2.4
Capital Assets		1.9	2.0
	Total Assets	3.7	4.4
Long-term Debt		0.0	1.0
Other Liabilities		0.2	0.2
	Total Liabilities	0.2	1.2
Inv. in Capital Assets, Net of Debt		1.9	2.0
Restricted		0.1	-
Unrestricted		1.5	1.2
	Total Net Assets	3.5	3.2
	Total Liabilities and Net Assets	\$ 3.7	\$ 4.4

**HARVEY PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015**

The following table reflects the Condensed Statement of Activities:

Change in Net Assets

	Governmental Activities	
	2015	2014
Revenues:		
Program Revenues:		
Charges for services, fees, fine and forfeitures	\$ 0.1	\$ 0.2
Operating/Capital grants and contributions	0.1	0.1
Program Revenues:		
Property taxes	0.6	1.1
Replacement taxes	0.1	0.1
Other general revenues	0.6	0.5
Total Revenues	1.5	2.0
Expenses:		
Administration	0.7	1.1
Buildings and Parks	0.3	0.2
Insurance	0.1	0.1
Recreation Programs	0.0	0.0
Capital Outlay	0.0	0.1
Debt Service	0.1	0.1
Total Expenses	1.2	1.6
Change in Net Assets	\$ 0.3	\$ 0.4

Revenues

The Park District's governmental activities had revenues of \$ 1.2 million in fiscal year 2015. Included in this sum are the following:

<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>
Property Taxes	\$ 589,425	38.96%
Debt Forgiveness	539,510	35.66%
Grants	147,421	9.75%
Replacement Taxes	120,546	7.97%
Facility Rental	85,797	5.67%
Program Fees	15,643	1.03%
Other Revenue	8,642	0.57%
Donations	5,800	0.39%
Total Revenues	\$ 1,512,784	100.00 %

**HARVEY PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015**

Expenses

The total cost of all programs and services for Governmental activities was \$ 1.3 million. Park District expenses are predominantly related to five functions: Administration (53.85%), Buildings and Parks (25.13%), Insurance (11.96%), Recreation Programs (1.79%), Interest (7.07%) and Miscellaneous (0.20%).

Governmental Activities Expenses (in millions)

Administration	\$ 673,037
Buildings and Parks	314,023
Insurance	149,423
Recreation Programs	22,365
Interest	88,355
Miscellaneous	2,557
Total Expenses	<u>\$ 1,249,760</u>

Financial Analysis of the Park District's Funds

The Park District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Government Funds: The focus of the Park District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Park District's financing requirements.

The Park District's major funds include; the Corporate Fund, Recreation Fund, Debt Service Fund and the Capital Development Fund.

At the end of the current fiscal year, the Park District's governmental funds reported a combined (major and non-major) ending fund balance of \$1.6 million, a net change of \$(0.2) from fiscal 2014.

Budgetary Highlights

In compliance with reporting standards, both the original and final amended budget (which are equal) is presented in the financial statements. The difference in actual revenues from projected total revenues equaled approximately \$(0.1) million in the Corporate Fund for the year ended April 30, 2015. The actual Corporate Fund expenditures for fiscal 2015 were more than budget by approximately (\$0.1) million. Throughout the Park District Funds, the Park District collected \$0.026 million more than budgeted and expended (\$0.7) million less than budgeted.

**HARVEY PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2015**

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal 2015, the Park District had total capital assets (net of accumulated depreciation) of \$1.9 million, invested in a broad range of capital assets including park equipment, buildings, and furniture. More detailed information about the Park District's capital assets is presented in Note 1 (E) 5 to the financial statements.

**Capital Assets (net of depreciation)
(in millions of dollars)**

	Governmental Activities		
	2015	2014	% Change
Buildings and Park Equipment	1.8	1.8	-
Furniture and Equipment	0.1	0.2	(50%)
Total	\$ 1.9	\$ 2.0	\$ (5%)

Request for Information

This financial report is designed to provide the Park District's citizens, taxpayers, and creditors with a general overview of the Park District's finances and to demonstrate the Park District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Park District's office at 15335 South Broadway Avenue, Harvey, Illinois 60426.

HARVEY PARK DISTRICT, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2015

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 242,571
Receivables:	
Property Taxes	1,512,787
Total Current Assets	<u>1,755,358</u>
Capital Assets:	
Building and Park Equipment, Net	1,769,614
Furniture and Equipment, Net	127,615
Total Capital Assets	<u>1,897,229</u>
Total Assets	<u>\$ 3,652,587</u>
Liabilities	
Accounts Payable	115,912
Grant Payback (Due in One Year)	9,617
Total Current Liabilities	<u>125,529</u>
Long-Term Liabilities:	
Grant Payback (Due in Greater than One Year)	39,843
Net Pension Obligation	-
Total Long-Term Liabilities	<u>39,843</u>
Total Liabilities	<u>\$ 165,372</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	1,897,229
Restricted	50,000
Unrestricted	1,539,986
Total Net Assets	<u>\$ 3,487,215</u>
Total Liabilities and Net Assets	<u>\$ 3,652,587</u>

See attached financial statement notes

HARVEY PARK DISTRICT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2015

Primary Government Governmental Activities:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Primary Government			
	Functions/Programs	Expenses	Charges for Services		Operating Grants and Contributions	Capital Grants and Contributions	Total
Culture and Recreation	1,161,406	100,303	97,421	50,000		(913,682)	
Interest on Debt	88,355	-	-	-		(88,355)	
Total Government Activities	1,249,761	100,303	97,421	50,000		(1,002,037)	
General Revenues							
Taxes:							
Property Taxes						589,425	
Replacement Tax						120,546	
Interest						3	
Donations						5,800	
Miscellaneous						9,775	
Debt Forgiveness						539,510	
Total General Revenues						1,265,059	
Change in Net Assets						263,022	
NET ASSETS - May 1, 2014						3,123,422	
Prior Period Adjustments						100,771	
Net Assets Restated - May 1, 2014						3,224,193	
NET ASSETS - April 30, 2015						\$ 3,487,215	

See attached financial statement notes

HARVEY PARK DISTRICT, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
For the Year Ended April 30, 2015

	Corporate Fund	Recreation Fund	Debt Service Fund	Capital Development Fund	Nonmajor Governmental Funds	Total
ASSETS						
Cash and Cash Equivalents	\$ 162,454	\$ -	\$ 7,580	\$ 72,537	\$ -	242,571
Receivables:						
Property Taxes	642,200	246,100	160,000	258,000	206,487	1,512,787
Due from Other Funds	2,379,970	165,988	1,493,928	863,907	630,052	5,533,845
Total Assets	3,184,624	412,088	1,661,508	1,194,444	836,539	7,289,203
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	51,000	39,887	-	25,025	-	115,912
Accrued Payroll	-	-	-	-	-	-
Accrued Payroll Taxes	-	-	-	-	-	-
Due to Other Funds	2,081,908	1,752,275	863,907	536,428	299,327	5,533,845
Total Liabilities	2,132,908	1,792,162	863,907	561,453	299,327	5,649,757
FUND BALANCES						
Non-Spendable Advances	298,062	(1,586,287)	630,021	327,479	330,725	-
Restricted	-	-	-	50,000	-	50,000
Committed	-	-	-	-	-	-
Assigned	-	-	7,580	-	-	7,580
Unassigned	753,654	206,213	160,000	255,512	206,487	1,581,866
Total Fund Balances	1,051,716	(1,380,074)	797,601	632,991	537,212	1,639,446
Total Liabilities and Fund Balances	\$ 3,184,624	\$ 412,088	\$ 1,661,508	\$ 1,194,444	\$ 836,539	\$ 7,289,203

HARVEY PARK DISTRICT, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
April 30, 2015

Total Fund Balance - Governmental Funds	\$ 1,639,446
Reconciling items from the Governmental Statement of Activities to the Governmental Funds Net Assets are:	
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported as net assets in Governmental Funds. The cost of these assets is \$2,989,894, less Accumulated Depreciation of \$1,092,665 is:	
	1,897,229
Other Adjustments to Reconcile	(98,920)
Long Term Liabilities are not included in the Governmental Funds because they are not current economic resources:	
Grant Payback	<u>49,460</u>
Total Net Assets of Governmental Activities	<u>\$ 3,487,215</u>

See attached financial statement notes

HARVEY PARK DISTRICT, ILLINOIS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended April 30, 2015

	Corporate	Recreation	Debt Service	Capital Development	Other Nonmajor Governmental Funds	Total
REVENUES						
Taxes:						
Property Taxes	\$ 311,825	\$ 200,000	\$ -	\$ -	\$ 77,600	589,425
Property Replacement Taxes	120,546	-	-	-	-	120,546
Grants	-	97,421	-	50,000	-	147,421
Donations	-	5,800	-	-	-	5,800
Summer Food Program	-	697	-	-	-	697
Facility Rental	-	85,797	-	-	-	85,797
Program Fees	-	15,643	-	-	-	15,643
Debt Forgiveness	-	-	539,510	-	-	539,510
Miscellaneous	7,945	-	-	-	-	7,945
Total Revenues	440,316	405,358	539,510	50,000	77,600	1,512,784
EXPENDITURES						
Administration	302,534	311,807	-	-	58,696	673,037
Buildings and Parks	226,357	87,666	-	-	-	314,023
Insurance	130,519	-	-	-	18,904	149,423
Recreation Programs	-	22,365	-	-	-	22,365
Debt Service:						
Principal Retirement	-	-	460,490	-	-	460,490
Interest	-	-	88,355	-	-	88,355
Miscellaneous	1,096	1,461	-	-	-	2,557
Total Expenditures	660,507	423,299	548,845	-	77,600	1,710,251
Excess (deficiency) of Revenues over Expenditures	(220,191)	(17,941)	(9,335)	50,000	-	(197,467)
Other Financing Sources (Uses)						
Insurance Proceeds	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-	-	-
Net Change in Fund Balance	(220,191)	(17,941)	(9,335)	50,000	-	(197,467)
Fund Balance (Deficit) – May 1, 2014	1,271,907	(1,362,133)	806,936	582,991	537,212	1,836,913
Fund Balance (Deficit) – April 30, 2015	\$ 1,051,716	\$ (1,380,074)	\$ 797,601	\$ 632,991	\$ 537,212	\$ 1,639,446

See attached financial statement notes

HARVEY PARK DISTRICT, ILLINOIS

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2015

Net Change in Total Governmental Fund Balances	\$ (197,467)
Repayment of debt principal is an expenditure in the government funds, however, repayment reduces long-term liabilities in the Statement of Net Assets.	<u>\$ 460,490</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 263,022</u></u>

NOTES TO THE FINANCIAL STATEMENTS

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The financial statements of the Park District have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles [GAAP]). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental account and financial reporting principles. The Park District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", as amended by GASB Statement No. 61, "The Financial Reporting Entity: Omnibus" under which the financial statements include all the organizations activities, functions and component units for which the Park District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Park District's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Park District. The Park District has determined that no outside agency meets the above criteria; therefore, no other agency has been included as a component unit in the Park District's financial statements. The more significant of the Park District's accounting policies are described below.

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the Park District applies all GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

B. Basis of Presentation – Fund Accounting

The Park District's basic financial statements consist of government-wide statements, including a statement of net assets, a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Park District as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

C. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements - The statement of net assets and the statement of activities display information about the Park District as a whole. In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis by column. These statements include the financial activities of the primary government. The effect of inter-fund activities has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The government-wide

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies

C. Government-Wide and Fund Financial Statements (Continued)

Statement of activities reflects both the direct expenses and net cost of each function of the Park District's governmental activities and business-type activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Park District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Park District.

Fund Financial Statements – The financial transactions of the Park District are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that is comprised of its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as non-major funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. The Park District does not have any proprietary funds to report. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

In accordance with Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, the Park District classifies governmental fund balance as follows:

- a. Non-spendable – includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or by 2) law through constitutional provisions or enabling legislation.

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies

C. **Government-Wide and Fund Financial Statements (Continued)**

c. Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through formal action (ordinance, resolution, motion) of the Park District board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Park District board that originally created the commitment.

d. Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; (1) the Park District Board and financial management may assign amounts for a specific purpose, or (2) all remaining positive spendable amounts in governmental funds, other than the general fund, that is neither restricted nor committed. Assignments may take place after the end of the reporting period.

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

Reserved Fund Balances and Restricted Net Assets

Reserves and restrictions represent those portions of individual fund balances/net assets not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

D. **Measurement Focus and Basis of Accounting and Financial Statement Presentation**

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies

D. Measurement Focus and Basis of Accounting and Financial Statement Presentation (Continued)

The Park District has reported three categories of program revenues in the statement of activities:

(1) Charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Park District's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net assets to remove the "grossing up" effect on assets and liabilities within the governmental and business-type activities columns for amounts reported in the individual funds as inter-fund receivables and payables. Similarly, transfers between funds have been netted in the statement of activities. Amounts reported in the governmental or proprietary funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Park District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes, and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Non-exchange transactions, in which the Park District receives value without directly giving equal value in return, include taxes, grants, and donations. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Deferred revenue is reported on the governmental fund balance sheet. Deferred revenue arises when potential revenue does not meet both the measurable and available criteria. Deferred revenue also arises when resources are received prior to the government having a legal claim to them. When both recognition criteria are met in a subsequent period, or when the government has a legal claim to the resources, the liability is removed and the revenue is recognized.

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies – (Continued)

D. **Measurement Focus and Basis of Accounting and Financial Statement Presentation
(Continued)**

Proprietary funds separate all activity into two categories: operating revenues and expenses and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Park District's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared that are due to the inclusion of capital assets and long-term debt activity. Governmental fund financial statements, therefore, include reconciliations with brief explanations to help better understand the relationship between the government-wide statements and the statements of governmental funds.

The Park District administers the following major governmental funds:

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

Recreation Fund – This fund accounts for revenues designated to finance various Park District programs and related expenditures. The primary revenues include property taxes and fees for services.

Debt Service Fund – This fund accounts for revenues, including transfers from other funds, and expenditures for the purpose of servicing general obligation debt installment contracts and installment contract certificates.

Capital Projects Fund – This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies - (Continued)

D. Measurement Focus and Basis of Accounting and Financial Statement Presentation (Continued)

In addition to the major funds mentioned above, the Park District uses the following fund types:

Governmental Fund Types

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

E. Assets, Liabilities, and Net Assets

1. Cash and Cash Equivalents

The Park District considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

Please Note: Reported cash balances were not fully substantiated in the financial audit process due to gaps in required supporting documentation.

2. Deposits and Investments

Cash – The carrying amount of cash was \$242,571 at April 30, 2015 while the bank balances were \$325,870. All of the account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 or collateralized with securities held in the Park District's name by financial institutions acting as the Park District's agent.

Investments – The investments which the Park District may purchase are limited by Illinois law to the following: (1) securities which are fully guaranteed by the U.S. governments as to principal and interest, (2) certain U.S. government agency securities, (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a federal corporation, (4) short-term discount obligations of the Federal National Mortgage Association, (5) certain, short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services, (6) fully collateralized repurchase agreements, (7) the State Treasurer's Illinois and Prime Funds, and (8) money market mutual funds and certain other instruments.

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

E. Assets, Liabilities, and Net Assets

2. Deposits and Investments (Continued)

The Park District had no investments as of April 30, 2015.

Interest Rate Risk – The Park District has not formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Park District’s general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The Park District’s general investment policy limits investments in short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature not later than 180 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation’s outstanding obligations, and (iii) no more than one-third of the public agency’s funds may be invested in short-term obligations of corporations.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Park District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Park District’s investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for the Park District’s investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor’s, Moody’s or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization.

Concentration of Credit Risk: The Park District places no limit on the amount the Park District may invest in any one issuer.

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies - (Continued)

E. Assets, Liabilities, Net Assets or Equity (Continued)

3. Inter-fund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of inter-fund loans or "advances to/from other funds" for the noncurrent portion of inter-fund loans. All other outstanding balances between funds are reported as "due to/from other funds."

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All receivables are shown net of an allowance for uncollectible to indicate that they do not constitute "available spendable resources" even though they are a component of net current assets.

Certain payments reflect costs to future periods and are recorded as prepaid items in both the government-wide and governmental fund financial statements.

4. Deferred Revenues

The Park District defers revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Please Note: Management agreed to adjust the beginning balance of deferred revenue to zero, due to lack of supporting documentation. Therefore this balance was not substantiated in the financial audit.

5. Capital Assets

Capital assets, which include buildings, park equipment and furniture, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$250 according to the Park District's policies and procedures and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation. Interest incurred during the

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies - (Continued)

E. Assets, Liabilities, Net Assets or Equity (Continued)

5. Capital Assets (Continued)

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

Infrastructure	30-50 years
Buildings	30-40 years
Improvements	10-30 years
Equipment	5-15 years

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

Governmental Activities

A summary of changes in capital assets for governmental activities of the Park District is as follows:

	Balance at 4/30/14	Additions	Deletions	Balance at 4/30/15
Capital Assets, depreciable:				
Buildings	\$ 2,549,667	\$ -	\$ -	\$ 2,549,667
Furniture & Equipment	440,227	-	-	440,227
Total Capital Assets, depreciable	\$ 2,989,894	-	-	\$ 2,989,894
Less Accumulated Depreciation for:				
Buildings	(726,671)	(53,382)	-	(780,053)
Furniture & Equipment	(233,855)	(78,757)	-	(312,612)
Total Accumulated Depreciation	(960,526)	(132,139)	-	(1,092,665)
Capital Assets, Net	\$ 2,029,368	\$ (132,139)	\$ -	\$ 1,897,229

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies - (Continued)

E. Assets, Liabilities, Net Assets or Equity (Continued)

6. Compensated Absences

The Park District has a formal written policy on the accumulation of vacation and personal time. The policy covers all employees who are not covered under other formal plans of the Park District. Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacation accrued throughout the year can be taken until December 31 of the subsequent year.

The policy for sick leave does not provide for payment upon termination of an employee, therefore, no liability is required for unpaid sick leave as of the year ended. The remaining liability for the accumulated vacation pay is accounted for in the government-wide balance sheet.

Data was not accessible to calculate the accrued obligation as of the fiscal year ended April 30, 2015.

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported liabilities in the applicable governmental or business-type activities and in the proprietary fund Statement of Net Assets. In the fund financial statements, governmental funds recognize bond issuance costs during the year the bonds are sold. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

8. Lease Agreements

The Park District leases office equipment and maintenance equipment under a lease agreement with a non-related third party. These obligations are accounted for as an operating lease.

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies - (Continued)

E. Assets, Liabilities, Net Assets or Equity (Continued)

9. Net Assets/Fund Balance

Fund balance reserves represent amounts that are not appropriable or that are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

10. Accounting Estimates

The preparation of the 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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

The Park District follows these procedures in establishing the budgeting data reflected in the financial statements.

- a) Prior to June 30, the Treasurer submits to the Park District Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures/expenses and the means of financing them
- b) Public hearings are conducted to obtain taxpayer comments
- c) Prior to July 31, the budget is legally enacted through passage of an appropriation ordinance
- d) The Treasurer is authorized to transfer budgeted amounts between departments within any fund; however, revisions that alter the total expenditures of any fund must be approved by the Park District Board
- e) Formal budgetary integration is employed as a management control device during the year

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

2. Stewardship, Compliance and Accountability – (Continued)

A. Budgetary Information (Continued)

- f) Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles
- g) Appropriations lapse at the end of the fiscal year
- h) The budget amounts are as originally adopted by the Park District Board

B. Excess Expenditures – Budget vs. Actual and Deficit Fund Equity

The Park District budgets revenue, expenditures/expenses and transfers based on anticipated funds to be received. Budgets reflect gains or losses, by fund, for each fiscal year.

Deficit fund balances existed in the following funds:

Fund	Fund Balance
Recreation	\$ (1,380,074)
Audit	\$ (213,323)

The deficits will be funded by future bond issues to be used for working capital and taxes collected.

3. Property Taxes

The Park District's property tax becomes a lien on real property on January 1, of the year it is levied. The Cook County Assessor (Assessor) is responsible for the assessment of all taxable real property within Cook County (County), except for certain railroad property assessed directly by the State. The County Board has established a triennial cycle of reassessment in which one-third of the County will be reassessed each year on a repeating schedule established by the Assessor.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the State. Each year, the Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment among counties. This factor (Equalization Factor) is then applied to the Assessed Valuation to compute the valuation of property to which a tax rate will be applied (Equalized Assessed Valuation). The County Clerk adds the Equalized Assessed Valuation of all real property in the County to the valuation of property assessed directly by the State (to which the Equalization Factor is not applied) to arrive at the base amount (Assessment Base) used in calculating the annual tax rates.

The County Clerk computes the annual tax rate by dividing the levy by the Assessment Base and then computes the rate for each parcel of real property by aggregating the tax rates of all governmental

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

3. Property Taxes (Continued)

Units having jurisdiction over that particular parcel. The County Treasurer then issues the tax bills. Property taxes are deposited with the County Treasurer, who remits to the Park District its respective share of collections. Taxes levied in one year become due and payable in two installments during the following year on March 1 and August 1 or 30 days from mailing of tax bills if later than July 1. The first installment is estimated and is one-half of the prior year's tax bills. The second installment is based on the current levy, assessment and equalization and also reflects any changes from the prior year.

The Park District annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by its Park District Board. However, proceeds from a specific levy are generally not available for use until the subsequent fiscal year. It is the Park District's budgetary practice to consider the proceeds from a given tax levy as being available to finance operations of the fiscal year in which the majority of the levy is collected. Accordingly, taxes receivable are included in the balance sheet upon enactment of the annual tax levy, but the recognition of revenue is deferred until the following fiscal year.

Please Note: Management did not have historical documentation to support the reported balance for property tax receivable. Therefore, this balance was not substantiated in the financial audit.

4. Other Fund Disclosures (Fund Financial Statements)

Inter-fund Receivables and Payable: The following balances at April 30, 2015, represents due from/to balances among all funds.

Fund Type	Due From	Due To
Governmental Funds:		
Major Funds	\$ 4,903,793	\$ 5,234,518
Nonmajor Governmental Funds	630,052	299,327
Total Governmental	\$ 5,533,845	\$ 5,533,845

The balances resulted from the time lag between the dates that 1) inter-fund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments are made.

The Park District is currently evaluating the inter-fund transfers and is in the process of writing them down to the appropriate balances.

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

5. Long-Term Debt Obligations

A. Governmental Activities:

The following is a summary of long-term obligation activity for the Park District associated with governmental activities for the year ended April 30, 2015.

	Balance May 1, 2014	Additions	Retirements	Balance April 30, 2015	Due Within One Year
Note Payable – Wells Fargo	\$ 1,000,000	-	1,000,000	-	-
IDNR Grant Payback	-	49,460	-	49,460	13,846
Total	\$ 1,000,000	\$ 49,460	\$ 1,000,000	\$ 49,460	\$ 13,846

1. Governmental Activities – Bond Payable

On July 12, 2012, the Park District entered into a note payable agreement with Wells Fargo in the amount of \$1,000,000 due in annual payments of \$333,333 beginning on July 31, 2013 and becoming due on July 31, 2015. The note payable has a 6.050% interest rate with semi-annual interest payments on January 1 and July 31. The Park District made a principal payment of \$250,000 on June 23, 2014. Then on March 12, 2015, they entered into a settlement agreement with Wells Fargo for the remaining \$750,000 balance on the note. The Park District made an additional \$210,490 principal payment on March 27, 2015 with the remaining principal balance of \$539,510 being forgiven.

2. Governmental Activities – IDNR Grant Payback

The Park District contracted with the Illinois Department of Natural Resources to run a summer youth program with total advances of \$146,880. This was for salaries for 30 youth and 3 supervisors. The Park District expended \$138,900 of the \$146,880. Upon review of the payments in accordance with the grant agreement, it was determined that only \$97,421 of the money spent was eligible to claim against the grant. The Park District therefore owes the Illinois Department of Natural Resources \$49,460 which is being paid back monthly in the amount of \$1,538.46 beginning August 1, 2015.

6. Pension and Retirement Fund Commitments

A. Plan Descriptions:

Illinois Municipal Retirement Fund

Plan Description – The Park District’s defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

6. Pension and Retirement Fund Commitments – (Continued)

A. Plan Descriptions (Continued)

by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy – As set by statute, employees are required to contribute 4.50 percent of their annual covered salary. The statute requires the Park District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2014 was 3.22 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost – The required contribution for calendar year 2014 was \$7,888. For calendar year ending December 31, 2014, the employer's actual contributions for pension cost for the Regular Plan were:

Three – Year Trend Information for the Regular Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	\$ 7,888	100%	\$ -
12/31/2013	11,749	100%	-
12/31/2012	14,990	100%	-

The required contribution for 2014 was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increased ranging from .4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular Plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payrolls on an open 29 year basis.

HARVEY PARK DISTRICT, ILLINOIS

Notes to Financial Statements

April 30, 2015

6. Pension and Retirement Fund Commitments – (Continued)

A. Plan Descriptions (Continued)

Funded Status and Funding Process – As of December 31, 2014, the most recent actuarial valuation date, the Regular Plan was 180.70 percent funded. The actuarial accrued liability for benefits was \$375,776 and the actuarial value of assets was \$679,017 resulting in an overfunded actuarial accrued liability (UAAL) of \$303,241. The covered payroll for the calendar year 2014 (annual payroll of active employees covered by the plan) was \$244,983. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

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

7. Contingent Liabilities

According to the Park District's attorney for the daily affairs of the Park District, the Park District is a defendant in various lawsuits. The outcome of the various other lawsuits is presently not determinable, and management is unable to assess how these matters will affect the financial condition of the Park District at this time.

8. Prior Period Adjustments

The fund balance of the governmental activities has been restated at May 1, 2014 due to the adjustment to accrued expenses, capital assets, deferred property taxes and property tax receivable.

	<u>Governmental Activities</u>
Fund Balance April 30, 2014	\$ 3,123,422
Accrued Expenses	47,460
Capital Assets	63,489
Property Taxes Receivable	(570,629)
Deferred Property Taxes	560,451
Fund Balance Restated April 30, 2014	<u>\$ 3,224,193</u>

9. Subsequent Events

As of November 25, 2015, management provided the following information for disclosure: On June 10, 2015, the Park District reached a settlement agreement with a contractor, Lagestee-Mulder, in the amount of \$425,566.29 that is owed for the completion of a new Park District building. This amount was due within 30 days of the settlement date. At this time, no payments have been made to the Lagestee-Mulder per the settlement agreement.

HARVEY PARK DISTRICT, ILLINOIS
Notes to Financial Statements
April 30, 2015

9. Subsequent Events (Continued)

As part of the Park District's financial process improvement, management hired a part-time bookkeeper (January 2015) who is charged with implementing and strengthening controls where needed, completing reconciliations, providing management reports and ensuring proper record retention. While we have observed and discussed this work with management, we have not tested any of these process/control improvements, as to their adequacy or effectiveness, given the benefit of these activities are expected to be realized during fiscal year 2015-16.

10. Pronouncements Issued But Not Yet Adopted

GASB Statement No. 72, *Fair Value Measurement and Application*, will be effective for the Park District beginning with its year ended April 30, 2017. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*, will be effective for the Park District beginning with its year ended April 30, 2017, except those provisions that address employers and governmental non-employer contributing entities for pension that are not within the scope of GASB Statement No. 68, which are effective for the Park District beginning with its year ended April 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the Park District beginning with its year ended April 30, 2018. This statement will establish rules on reporting by OPEB plans that administer benefits on behalf of governments.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the Park District beginning with its year ended April 30, 2019. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective for the Park District with is year ended April 30, 2017. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

HARVEY PARK DISTRICT, ILLINOIS
Notes to Financial Statements
April 30, 2015

10. Pronouncements Issued But Not Yet Adopted (Continued)

GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the Park District beginning with its year ended April 30, 2017. This Statement requires disclosures of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

Management has not determined the impact, if any, the above Statements will have on the financial position and results of operations of the Park District.

HARVEY PARK DISTRICT, ILLINOIS

Schedule of Audit Findings

April 30, 2015

2015-1 Management Does not Have Records to Support Reported Balances and Amounts

Condition:

The park district's records supporting material balances for cash, accounts receivable and unearned property tax revenues, as well as balances and amounts for allowance for doubtful accounts, operating expenses, bad debt expenses and payroll expenses were inadequate. We were unable to audit and substantiate these amounts

Criteria:

In order to properly audit and substantiate reported balances and amounts in the park district's financial statements, management must maintain sufficient source information and records to allow for independent substantiation of all material balances and amounts.

Effect:

The lack of adequate records and documentation prevented us from rendering an opinion on the reported information detailed above.

Cause:

The lack of adequate retention of source information and record keeping.

Recommendation:

The Park District needs to establish and implement an archiving system and record all transactions to the general ledger in a timely fashion and review all general ledger balances for accuracy and appropriateness.

HARVEY PARK DISTRICT, ILLINOIS

Schedule of Audit Findings

April 30, 2015

2015-2 Cash Disbursements are not Adequately Controlled

Condition:

On testing of disbursements, some disbursements were missing the appropriate invoice to substantiate the disbursement and verify the amount. Some invoices were also lacking a "paid" or "canceled" stamp to ensure against duplicate payments. Checks were sent out and then subsequently invoices were paid in full online resulting in overpayment. Management notified us of "suspicious" debit card transactions that appear to be fraudulent. These transactions did not have supporting receipts and were not properly authorized, per the park district's operating procedures.

Criteria:

When bills are paid, they should be accompanied by the correct approval form (warrant list or check request form) and the invoice should be either stamped "paid" or "canceled". A copy of the check stub, the proper approval form and the invoice should be kept on file for disbursement testing. Bills should not be paid online without prior approval. Debit card purchases should have proper authorization, whether it is a purchase order or written communication, and copies of receipts should be kept for disbursement testing.

Effect:

Some checks don't match the invoice amount and can't be matched to prior invoices. Bills were paid twice as a result of being paid online after a check was sent for the same bill. The debit card was not being properly tracked and was used for unauthorized/unnecessary purchases.

Cause:

The Park District lacks effective oversight over internal controls over disbursements.

Recommendation:

The Park District should follow their written procedures over cash disbursements.

Management Response:

Management canceled the debit card in the Park District's name during the audit period as of October 2014.

HARVEY PARK DISTRICT, ILLINOIS

Schedule of Audit Findings

April 30, 2015

2015-3 Various Payroll Timesheets Provided After Completion of Fieldwork, Overtime not Authorized, Employee Time Cards not signed by Employee and Supervisor, Employee Files not Maintained

Condition:

Employees received overtime pay that was not authorized. Employee time cards were not signed by the employee or the employee's supervisor. The Park District does not have employee files for all of its employees. All employee personnel files were not readily available and files on hand were incomplete. January through April 2015 payroll timesheets were not readily available during fieldwork, however Park District management provided this payroll information after fieldwork was completed. Due to incomplete files and lack of personnel files, we were unable to substantiate payroll amounts.

Criteria:

All employee timesheets should be maintained in a central location. All time sheets should be signed by the employee and the employee's supervisor. Any overtime should be pre-approved by management. Personnel files should be created at time of hire and maintained throughout the employee's employment.

Effect:

Employees may be paid for time that was not authorized. Without personnel files, hourly rates cannot be verified. Without time cards for the entire year, payroll expense could not be verified.

Cause:

The Park District lacks effective oversight over internal control surrounding personnel files, time cards and payroll processing.

Recommendations:

The Park District should follow their written policies and procedures with regards to filling out of employee time cards, payroll processing and personnel files.

HARVEY PARK DISTRICT, ILLINOIS

Schedule of Audit Findings

April 30, 2015

2015-4 Park District does not account for Rental Facility Deposits separately

Condition:

The Park District does not distinguish payments received from customers to rent the various facilities between deposits and payments in full for facility rental.

Criteria:

Customer deposits should be marked on the daily receipts listing and accounted for separately in a liability account until it is returned to the customer or recorded as revenue when the Park District receives appropriate title to the money.

Effect:

The Park District is unable to identify which payments should be recorded as deposits and whether or not the customer's deposit has been refunded, as appropriate.

Cause:

The Park District lacks effective procedures and oversight over customer deposits and refunds.

Recommendation:

Employees responsible for collecting money over the counter should clearly mark in the receipt book the type of transaction completed and the purpose of funds received. Customer security deposits should be accounted for separately in a liability account until they are returned to customer or recorded as revenue.

HARVEY PARK DISTRICT, ILLINOIS

Schedule of Audit Findings

April 30, 2015

2015-5 Park District does not record all monies received on Cash Receipts ledger and does not make timely deposits of collections

Condition:

Customers did not always receive a receipt for various payments made to the Park District. Not all monies recorded in the receipt book were deposited in the bank. Money collected was not deposited in the bank in a timely manner and management believes there was theft of collected funds in this process.

Criteria:

Park District customers should be given a receipt, from a serially numbered receipt book for all payments made to the park district. Monies collected should be recorded on the receipt as cash/check/money order and should subsequently be reviewed by a supervisor and documented in the deposit book prior to being deposited in the bank.

Effect:

Discrepancies in collected amounts and deposited amounts have resulted in losses to the park district.

Cause:

The Park District lacks effective oversight over collections, recording of transactions and deposit of funds in the bank.

Recommendations:

The Park District should review procedures for collections and update these procedures to ensure proper receipt, recording, deposit and safekeeping of receipts. . The Park District should make deposits weekly or daily if cash collections surpass a targeted amount established by management.

HARVEY PARK DISTRICT, ILLINOIS

Schedule of Audit Findings

April 30, 2015

2015-6 Check Register has Incorrect Clearing Dates and Includes Voided Checks as Active

Condition:

The Park District's Check Register does not maintain clearing dates for checks and includes numerous voided checks as active.

Criteria:

In order to properly reconcile the Park District's General Fund, the check register must be updated for any checks that have been voided and include the proper date that checks clear the bank.

Effect:

The reconciliation of the General Fund is very difficult and time consuming due to errors in the check register.

Cause:

The Park District lacks effective oversight over internal controls over the check register.

Recommendation:

The Park District should follow their written procedures to ensure that the check register is accurate and is properly updated.

HARVEY PARK DISTRICT, ILLINOIS

Schedule of Audit Findings

April 30, 2015

2015-7 Collection and Retention of Bank Statements and Completion of Bank Reconciliations

Condition:

The Park District did not have a complete set of bank statements for all accounts for the period being audited and did not complete timely bank reconciliations for all accounts.

Criteria:

Bank statements should be collected and properly filed for all bank accounts, whether received electronically or via email, and be maintained in an appropriate file where only authorized individuals have access. Timely bank reconciliations should be completed for all bank accounts.

Effect:

Without a complete set of bank statements for the period under audit, bank reconciliations were not completed and management could not substantiate bank or book cash balances.

Cause:

The Park District does not have procedures in place to collect and properly file bank statements and complete timely bank reconciliations, for all accounts.

Recommendation:

The Park District should establish and implement procedures for timely collection and filing of bank statements and timely completion and review of bank reconciliations for all bank accounts.

HARVEY PARK DISTRICT, ILLINOIS

Schedule of Audit Findings

April 30, 2015

2015-8 The Park District was not in Compliance with spending guidelines under their Illinois Department of Natural Resources Grant

Condition:

The Park District expended funds from the Illinois Department of Natural Resources that were not in accordance with the guidelines of the Grant Agreement.

Criteria:

The Park District is required to comply with spending guidelines under the Illinois Department of Natural Resources grant.

Effect:

The Park District is required to repay monies that were spent inappropriately.

Cause:

The Park District lacks effective oversight over compliance with grant agreements.

Recommendation:

The Park District should follow their written procedures to ensure compliance under their grant agreements.

HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS & EMPLOYER CONTRIBUTIONS
April 30, 2015

ILLINOIS MUNICIPAL RETIREMENT FUND

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2014	\$ 679,017	\$ 375,776	\$ (303,241)	180.70%	\$ 244,983	0.00%
12/31/2013	613,767	314,247	(299,520)	195.31%	325,455	0.00%
12/31/2012	494,603	226,862	(267,741)	218.02%	351,887	0.00%

Three – Year Trend Information for the Regular Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	\$ 7,888	100%	\$ -
12/31/2013	11,749	100%	-
12/31/2012	14,990	100%	-

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$818,281. On a market basis, the funded ratio would be 217.76%.

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

HARVEY PARK DISTRICT, ILLINOIS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary Data

A budget to actual comparison is presented for the Corporate, Recreation, Debt Service, Capital Development, Audit, Workers Compensation, IMRF, Police, FICA, Unemployment and Museum Funds. These budgets are prepared on the modified accrual basis method of accounting. This is the same basis used in financial reporting for the various Park District Funds. This allows for comparability between the budget and actual amounts.

**HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION**

**CORPORATE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2015**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Over/(Under)
Revenues			
Property Taxes	\$ 322,810	\$ 311,825	\$ (10,985)
Property Replacement Taxes	125,000	120,546	(4,454)
Miscellaneous Income	-	7,945	7,945
Total Revenues	<u>\$ 447,810</u>	<u>\$ 440,316</u>	<u>\$ (7,494)</u>
Expenditures			
Administrative Salaries	212,000	121,856	90,144
Contractual Services	247,900	162,281	85,619
Utilities	25,200	19,667	5,533
Conference/Staff Expenses	15,000	11,056	3,944
Commodities	53,796	30,589	23,207
Bank/Finance Charges	-	11,241	(11,241)
Maintenance/Repairs	-	33,487	(33,487)
Supplies	-	6,576	(6,576)
Insurance	-	130,519	(130,519)
Miscellaneous	-	1,096	(1,096)
Depreciation	-	132,138	(132,138)
Total Expenditures	<u>\$ 553,896</u>	<u>\$ 660,507</u>	<u>\$ (106,611)</u>
Deficiency of Expenditures over Revenues	<u>\$ (106,086)</u>	<u>\$ (220,191)</u>	<u>\$ (114,105)</u>
Other Financing Uses:			
Transfer Out	-	-	-
Net Change in Fund Balance	<u>\$ (106,086)</u>	<u>\$ (220,191)</u>	<u>\$ (114,105)</u>
Fund Balance - May 1, 2014		<u>1,271,907</u>	
Fund Balance - April 30, 2015		<u>\$ 1,051,716</u>	

See attached financial statement notes

**HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION**

**RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2015**

	Budget	Actual	Variance Over/(Under)
Revenues			
Property Taxes	297,146	200,000	(97,146)
Program Fees	-	15,643	15,643
Grants and Donations	347,600	103,221	(244,379)
Summer Food Program	-	697	697
Facility Rental	96,000	85,797	(10,203)
Total Revenues	<u>\$ 740,746</u>	<u>\$ 405,358</u>	<u>\$ (335,388)</u>
Expenditures			
Salaries	185,100	200,514	(15,414)
Maintenance Salaries	100,000	111,293	(11,293)
Contractual Services	30,740	19,303	11,437
Programs	38,925	22,365	16,560
Commodities	37,000	29,028	7,972
Utilities	41,500	39,335	2,165
Maintenance/Repairs/Leases	-	1,461	(1,461)
Total Expenditures	<u>433,265</u>	<u>423,299</u>	<u>9,966</u>
Deficiency of Expenditures over Revenues	<u>\$ 307,481</u>	<u>\$ (17,941)</u>	<u>\$ (325,422)</u>
Other Financing Uses:			
Transfer Out	-	-	-
Net Change in Fund Balance	<u>\$ 307,481</u>	<u>\$ (17,941)</u>	<u>\$ (325,422)</u>
Fund Balance - May 1, 2014		<u>(1,362,133)</u>	
Fund Balance - April 30, 2015		<u>\$ (1,380,074)</u>	

See attached financial statement notes

**HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION**

**DEBT SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2015**

	Budget	Actual	Variance Over/(Under)
Revenues			
Property Taxes	-	-	-
Debt Forgiveness	-	539,510	539,510
Total Revenues	<u>\$ -</u>	<u>\$ 539,510</u>	<u>\$ 539,510</u>
Expenditures			
Loan Principal	600,000	460,490	139,510
Interest	-	88,355	(88,355)
Total Expenditures	<u>\$ 600,000</u>	<u>\$ 548,845</u>	<u>\$ 51,155</u>
Excess of Expenditures over Revenues	<u>(600,000)</u>	<u>(9,335)</u>	<u>590,665</u>
Other Financing Sources:			
Transfer In	-	-	-
Net Change in Fund Balance	<u>(600,000)</u>	<u>(9,335)</u>	<u>590,665</u>
Fund Balance - May 1, 2014		<u>806,936</u>	
Fund Balance - April 30, 2015		<u><u>\$ 797,601</u></u>	

See attached financial statement notes

**HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION**

**CAPITAL DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2015**

	Budget	Actual	Variance Over/(Under)
Revenues			
Property Taxes	-	-	-
Grants	-	50,000	50,000
Total Revenues	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Expenditures			
Contractual Services	600,000	-	600,000
Total Expenditures	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ 600,000</u>
Excess of Expenditures over Revenues	<u>(600,000)</u>	<u>50,000</u>	<u>650,000</u>
Other Financing Sources:			
Transfer In	-	-	-
Net Change in Fund Balance	<u>(600,000)</u>	<u>50,000</u>	<u>650,000</u>
Fund Balance - May 1, 2014		<u>582,991</u>	
Fund Balance - April 30, 2015		<u><u>\$ 632,991</u></u>	

See attached financial statement notes

HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION

AUDIT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2015

	Budget	Actual	Variance Over/(Under)
Revenues			
Property Taxes	10,000	5,500	(4,500)
Total Revenues	<u>\$ 10,000</u>	<u>\$ 5,500</u>	<u>\$ (4,500)</u>
Expenditures			
Contractual Services	10,000	5,500	4,500
Total Expenditures	<u>\$ 10,000</u>	<u>\$ 5,500</u>	<u>\$ 4,500</u>
Excess of Expenditures over Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources:			
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - May 1, 2014		<u>(213,323)</u>	
Fund Balance - April 30, 2015		<u><u>\$ (213,323)</u></u>	

See attached financial statement notes

**HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION**

**WORKERS COMPENSATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2015**

	Budget	Actual	Variance Over/(Under)
Revenues			
Property Taxes	206,000	10,722	(195,278)
Total Revenues	<u>\$ 206,000</u>	<u>\$ 10,722</u>	<u>\$ (195,278)</u>
Expenditures			
Premiums	141,000	10,722	130,278
Total Expenditures	<u>\$ 141,000</u>	<u>\$ 10,722</u>	<u>\$ 130,278</u>
Excess of Expenditures over Revenues	<u>65,000</u>	-	<u>(65,000)</u>
Other Financing Sources:			
Transfer Out	-	-	-
Net Change in Fund Balance	<u>65,000</u>	-	<u>(65,000)</u>
Fund Balance - May 1, 2014		<u>165,857</u>	
Fund Balance - April 30, 2015		<u><u>\$ 165,857</u></u>	

See attached financial statement notes

**HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION**

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2015**

	Budget	Actual	Variance Over/(Under)
Revenues			
Property Taxes	24,000	8,182	(15,818)
Total Revenues	<u>\$ 24,000</u>	<u>\$ 8,182</u>	<u>\$ (15,818)</u>
Expenditures			
Fringe Benefits	24,000	8,182	15,818
Total Expenditures	<u>\$ 24,000</u>	<u>\$ 8,182</u>	<u>\$ 15,818</u>
Excess of Expenditures over Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources:			
Transfer In	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - May 1, 2014		<u>116,239</u>	
Fund Balance - April 30, 2015		<u>\$ 116,239</u>	

See attached financial statement notes

**HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION**

**POLICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2015**

	Budget	Actual	Variance Over/(Under)
Revenues			
Property Taxes	-	-	-
Total Revenues	\$ -	\$ -	\$ -
Expenditures			
Improvements	-	-	-
Total Expenditures	\$ -	\$ -	\$ -
Excess of Expenditures over Revenues	-	-	-
Other Financing Sources:			
Transfer In	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - May 1, 2014		309,555	
Fund Balance - April 30, 2015		\$ 309,555	

See attached financial statement notes

**HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION**

**FICA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2015**

	Budget	Actual	Variance Over/(Under)
Revenues			
Property Taxes	16,585	30,032	13,447
Total Revenues	<u>\$ 16,585</u>	<u>\$ 30,032</u>	<u>\$ 13,447</u>
Expenditures			
Taxes	24,000	30,032	(6,032)
Total Expenditures	<u>\$ 24,000</u>	<u>\$ 30,032</u>	<u>\$ (6,032)</u>
Excess of Expenditures over Revenues	<u>(7,415)</u>	<u>-</u>	<u>7,415</u>
Other Financing Sources:			
Transfer In	-	-	-
Net Change in Fund Balance	<u>(7,415)</u>	<u>-</u>	<u>7,415</u>
Fund Balance - May 1, 2014		<u>54,651</u>	
Fund Balance - April 30, 2015		<u>\$ 54,651</u>	

See attached financial statement notes

**HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION**

**UNEMPLOYMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2015**

	Budget	Actual	Variance Over/(Under)
Revenues			
Property Taxes	16,585	23,164	6,579
Total Revenues	\$ 16,585	\$ 23,164	\$ 6,579
Expenditures			
Taxes	15,000	23,164	(8,164)
Total Expenditures	\$ 15,000	\$ 23,164	\$ (8,164)
Excess of Expenditures over Revenues	1,585	-	(1,585)
Other Financing Sources:			
Transfer In	-	-	-
Net Change in Fund Balance	1,585	-	(1,585)
Fund Balance - May 1, 2014		37,200	
Fund Balance - April 30, 2015		\$ 37,200	

See attached financial statement notes

**HARVEY PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION**

**MUSEUM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended April 30, 2015**

	Budget	Actual	Variance Over/(Under)
Revenues			
Property Taxes	25,000	-	(25,000)
Total Revenues	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ (25,000)</u>
Expenditures			
Improvements	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Expenditures over Revenues	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Other Financing Sources:			
Transfer In	-	-	-
Net Change in Fund Balance	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Fund Balance - May 1, 2014		<u>67,033</u>	
Fund Balance - April 30, 2015		<u>\$ 67,033</u>	

See attached financial statement notes

HARVEY PARK DISTRICT, ILLINOIS

NONMAJOR FUNDS
COMBINING BALANCE SHEET

For the Year Ended April 30, 2015

	Audit Fund	Workers Comp Fund	IMRF	Police Fund	FICA Fund	Unemployment Fund	Museum Fund	Total 2015
Assets								
Cash	-	-	-	-	-	-	-	-
Property Tax Receivable	12,000	70,487	14,000	25,000	30,000	20,000	35,000	206,487
Due from other funds	-	173,673	91,637	285,553	29,956	17,200	32,033	630,052
Total Assets	\$ 12,000	\$ 244,160	\$ 105,637	\$ 310,553	\$ 59,956	\$ 37,200	\$ 67,033	\$ 836,539
Liabilities and Fund Balances								
Liabilities								
Accounts Payables	-	-	-	-	-	-	-	-
Accrued Taxes	-	-	-	-	-	-	-	-
Due to Other Funds	225,323	78,303	(10,602)	998	5,305	-	-	299,327
Total Liabilities	225,323	78,303	(10,602)	998	5,305	-	-	299,327
Fund Balances								
Nonspendable advances to other funds	(225,323)	95,370	102,239	284,555	24,651	17,200	32,033	330,725
Restricted	-	-	-	-	-	-	-	-
Assigned	12,000	70,487	14,000	25,000	30,000	20,000	35,000	206,487
Total Fund Balances	(213,323)	165,857	116,239	309,555	54,651	37,200	67,033	537,212
Total Liabilities and Fund Balances	\$ 12,000	\$ 244,160	\$ 105,637	\$ 310,553	\$ 59,956	\$ 37,200	\$ 67,033	\$ 836,539

See attached financial statement notes

HARVEY PARK DISTRICT, ILLINOIS

NONMAJOR FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended April 30, 2015

	Audit Fund	Workers Comp		IMRF	Police Fund	FICA Fund	Unemployment		Total 2015
		Fund	Fund				Fund	Fund	
Revenues									
Property Taxes	5,500	10,722	8,182	-	30,032	23,164	-	-	77,600
Total Revenues	\$ 5,500	\$ 10,722	\$ 8,182	\$ -	\$ 30,032	\$ 23,164	\$ -	\$ -	\$ 77,600
Expenditures									
Contractual Services	5,500	-	-	-	-	-	-	-	5,500
Premiums	-	10,722	8,182	-	-	-	-	-	18,904
Tax Expense	-	-	-	-	30,032	23,164	-	-	53,196
Total Expenditures	5,500	10,722	8,182	-	30,032	23,164	-	-	77,600
Excess (deficiency) of Revenues over Expenditures	-	-	-	-	-	-	-	-	-
Other Financing Sources									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	-	-	-	-	-	-	-	-	-
Fund Balance May 1, 2014	(213,323)	165,857	116,239	309,555	54,651	37,200	67,033	537,212	537,212
Fund Balance April 30, 2015	\$ (213,323)	\$ 165,857	\$ 116,239	\$ 309,555	\$ 54,651	\$ 37,200	\$ 67,033	\$ 537,212	\$ 537,212

See attached financial statement notes