

GRANDWOOD PARK DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2023

36630 N. Hutchins Road
Gurnee, Illinois 60031
Phone: 847.356.0008
Fax: 847.356.9917
www.grandwoodpark.net

GRANDWOOD PARK DISTRICT, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	<u>1</u>
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis	<u>4</u>
Statement of Activities - Modified Cash Basis	<u>5</u>
Fund Financial Statements	
Balance Sheet - Governmental Funds - Modified Cash Basis	<u>7</u>
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities - Modified Cash Basis	<u>9</u>
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified Cash Basis	<u>11</u>
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities - Modified Cash Basis	<u>13</u>
Notes to Financial Statements	<u>14</u>
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Modified Cash Basis General Fund	<u>26</u>
Schedule of Expenditures - Budget and Actual - Modified Cash Basis General Fund	<u>27</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Modified Cash Basis Recreation - Special Revenue Fund	<u>28</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Modified Cash Basis Liability Insurance - Special Revenue Fund	<u>29</u>
Combining Balance Sheet - Nonmajor Governmental Special Revenue Funds - Modified Cash Basis	<u>30</u>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental - Special Revenue Funds - Modified Cash Basis	<u>31</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Modified Cash Basis Special Recreation - Special Revenue Fund	<u>32</u>
Paving and Lighting - Special Revenue Fund	<u>33</u>
Audit - Special Revenue Fund	<u>34</u>

FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Basic Financial Statements

Other Supplementary Information

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

April 24, 2024

Members of the Board of Commissioners
Grandwood Park Park District
Gurnee, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Grandwood Park Park District (the District), Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our 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 Grandwood Park Park District, Illinois, as of April 30, 2023, and the respective changes in financial position, for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

We 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. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grandwood Park Park District, Illinois' basic financial statements. The other supplementary information is 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 basic 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 our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

GRANDWOOD PARK DISTRICT, ILLINOIS

Statement of Net Position - Modified Cash Basis

April 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 287,613
Receivables - Net of Allowances	1,476
Total Current Assets	<u>289,089</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	1,492,134
Depreciable	1,717,290
Accumulated Depreciation	(486,301)
Total Noncurrent Assets	<u>2,723,123</u>
Total Assets	<u>3,012,212</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	2,288
Other Payables	5,150
Total Liabilities	<u>7,438</u>
NET POSITION	
Net Investment in Capital Assets	2,723,123
Restricted	
Special Recreation	11,494
Liability Insurance	1,850
Paving and Lighting	3,255
Audit	10,821
Unrestricted	<u>254,231</u>
Total Net Position	<u><u>3,004,774</u></u>

The notes to the financial statements are integral part of this statement.

GRANDWOOD PARK DISTRICT, ILLINOIS

**Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended April 30, 2023**

	Expenses	Program Revenues			Net (Expenses)/ Revenues
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Governmental Activities					
General Government	\$ 96,376	—	—	—	(96,376)
Recreation	172,495	43,642	—	—	(128,853)
Total Governmental Activities	268,871	43,642	—	—	(225,229)
		General Revenues			
		Taxes			
				Property Taxes	285,016
				Intergovernmental - Unrestricted	
				Replacement Taxes	1,312
				Investment Income	8,420
				Miscellaneous	14,630
					<u>309,378</u>
				Change in Net Position	84,149
				Net Position - Beginning	<u>2,920,625</u>
				Net Position - Ending	<u><u>3,004,774</u></u>

The notes to the financial statements are integral part of this statement.

GRANDWOOD PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds - Modified Cash Basis

April 30, 2023

See Following Page

GRANDWOOD PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds - Modified Cash Basis

April 30, 2023

	<u>General</u>
ASSETS	
Cash and Investments	\$ 84,718
Receivables - Net of Allowances	
Accounts	<u>1,476</u>
Total Assets	<u><u>86,194</u></u>
LIABILITIES	
Accounts Payable	2,288
Other Payables	<u>5,150</u>
Total Liabilities	<u><u>7,438</u></u>
FUND BALANCES	
Restricted	—
Assigned	—
Unassigned	<u>78,756</u>
Total Fund Balances	<u><u>78,756</u></u>
Total Liabilities and Fund Balances	<u><u>86,194</u></u>

The notes to the financial statements are integral part of this statement.

Special Revenue			
Recreation	Liability Insurance	Nonmajor	Totals
175,475	1,850	25,570	287,613
—	—	—	1,476
175,475	1,850	25,570	289,089
—	—	—	2,288
—	—	—	5,150
—	—	—	7,438
—	1,850	25,570	27,420
175,475	—	—	175,475
—	—	—	78,756
175,475	1,850	25,570	281,651
175,475	1,850	25,570	289,089

The notes to the financial statements are integral part of this statement.

GRANDWOOD PARK DISTRICT, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities - Modified Cash Basis

April 30, 2023

Total Governmental Fund Balances	\$ 281,651
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	<u>2,723,123</u>
Net Position of Governmental Activities	<u><u>3,004,774</u></u>

The notes to the financial statements are integral part of this statement.

GRANDWOOD PARK DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified
Cash Basis
For the Fiscal Year Ended April 30, 2023**

See Following Page

GRANDWOOD PARK DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified
Cash Basis
For the Fiscal Year Ended April 30, 2023**

	<u>General</u>
Revenues	
Taxes	\$ 183,434
Intergovernmental	1,312
Charges for Services	38,026
Investment Income	8,420
Miscellaneous	14,630
Total Revenues	<u>245,822</u>
Expenditures	
General Government	83,437
Recreation	97,196
Capital Outlay	17,871
Total Expenditures	<u>198,504</u>
Net Change in Fund Balances	47,318
Fund Balances - Beginning	<u>31,438</u>
Fund Balances - Ending	<u><u>78,756</u></u>

The notes to the financial statements are integral part of this statement.

Special Revenue			
Recreation	Liability Insurance	Nonmajor	Totals
63,659	12,362	25,561	285,016
—	—	—	1,312
5,616	—	—	43,642
—	—	—	8,420
—	—	—	14,630
<u>69,275</u>	<u>12,362</u>	<u>25,561</u>	<u>353,020</u>
—	12,939	—	96,376
12,679	—	19,178	129,053
—	—	—	17,871
<u>12,679</u>	<u>12,939</u>	<u>19,178</u>	<u>243,300</u>
56,596	(577)	6,383	109,720
118,879	2,427	19,187	171,931
<u>175,475</u>	<u>1,850</u>	<u>25,570</u>	<u>281,651</u>

The notes to the financial statements are integral part of this statement.

GRANDWOOD PARK DISTRICT, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities - Modified Cash Basis
For the Fiscal Year Ended April 30, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 109,720

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

Governmental funds report capital outlays as expenditures. however, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	8,629
Depreciation Expense	<u>(34,200)</u>

Changes in Net Position of Governmental Activities 84,149

GRANDWOOD PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Grandwood Park District (District), Illinois is located in Lake County. The District operates under a President-Commissioner form of government and provides services as authorized by its charter. The District provides services to citizens within a small residential area, substantially all of whom are local residents.

The basic financial statements of the District have been presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the District's accounting policies are described below.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the District as pension trust funds and there are no discretely component units to include in the reporting entity.

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). The District's general government and recreation activities are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a modified cash, economic resource basis, which recognizes some long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions (general government, recreation, etc.). These functions are supported by general government revenues (property taxes and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, recreation, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property and replacement taxes, certain intergovernmental revenues, investment income, etc.).

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

GRANDWOOD PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. All of the District's funds are reported as governmental funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all governmental funds combined.

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:

General fund is the general operating fund of the District. It accounts for all revenues and expenditures of the District which are not accounted for in other funds. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Recreation Fund is treated as a major fund and accounts for the operations of the recreation programs offered to residents. The Liability Insurance Fund, also a major fund, accounts for revenues received for payment of liability insurance expenditures. Additionally, the District maintains three nonmajor special revenue funds.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows 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.

GRANDWOOD PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus - Continued

The accounting objectives of the “economic resources” measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified cash basis of accounting. This basis recognized revenue when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These financial statements are modified from the cash basis method because the District records capital assets, depreciation, and long-term debt.

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash and Investments

For purpose of the Statement of Net Position, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include rental receivables.

GRANDWOOD PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Building Improvements	20 - 50 Years
Machinery and Equipment	5 - 20 Years
Software	5 Years

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

GRANDWOOD PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The budget for all Governmental Funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. For each fund, total fund expenditures disbursed may not legally exceed the appropriated amounts. The budget lapses at the end of the fiscal year.

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

- District management and departments present their budgeted expenditures to the Board of Commissioners.
- After the requests are approved, they are integrated into a preliminary budget along with the budgeted receipts and proposed property tax levies.
- The preliminary budget is then presented to the District's Board of Commissioners for approval.
- After the preliminary budget has been made available to the public for the required amount of time, the Board of Commissioners formally adopts the final budget.

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the District's funds.

Permitted Deposits and Investments - Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, which is the price for which the investment could be sold.

At year-end, the carrying amount of the District's deposits totaled \$169,025 and the bank balances totaled \$152,544. In addition, the District had \$118,588 invested in Illinois Funds, which has an average maturity of less than one year and is measured at net asset value per share as determined by the pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds.

GRANDWOOD PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy limits exposure to credit risk by primarily investing in obligation guaranteed by the U.S. Government or securities issued by agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government. As of April 30, 2023, the District's investment in Illinois Funds is rated AAA by Fitch.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy requires the District to diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. At year-end, the District does not have any investments over 5 percent of the cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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. The District's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by a third party in the District's name. At April 30, 2023, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

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. The District's investment policy prefers that all security transactions that are exposed to custodial credit risk are processed with the underlying investments held by a third-party custodian. At April 30, 2023, the District's investments in Illinois Funds is not subject to custodial credit risk.

PROPERTY TAXES

Property taxes for 2022 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments on or about June 1 and September 1. The County collects such taxes and remits them periodically.

GRANDWOOD PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,492,134	—	—	1,492,134
Depreciable Capital Assets				
Land Improvements	339,050	8,629	—	347,679
Building Improvements	1,243,494	—	—	1,243,494
Machinery and Equipment	116,018	—	—	116,018
Software	10,099	—	—	10,099
	<u>1,708,661</u>	<u>8,629</u>	<u>—</u>	<u>1,717,290</u>
Less Accumulated Depreciation				
Land Improvements	47,648	8,143	—	55,791
Building Improvements	298,031	24,910	—	322,941
Machinery and Equipment	96,323	1,147	—	97,470
Software	10,099	—	—	10,099
	<u>452,101</u>	<u>34,200</u>	<u>—</u>	<u>486,301</u>
Total Net Depreciable Capital Assets	<u>1,256,560</u>	<u>(25,571)</u>	<u>—</u>	<u>1,230,989</u>
Total Net Capital Assets	<u><u>2,748,694</u></u>	<u><u>(25,571)</u></u>	<u><u>—</u></u>	<u><u>2,723,123</u></u>

Depreciation expense was charged to governmental activities as follows:

Recreation	<u><u>\$ 34,200</u></u>
------------	-------------------------

GRANDWOOD PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2023:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	2,723,123
Less Capital Related Debt:		
None		<u>—</u>
Net Investment in Capital Assets		<u><u>2,723,123</u></u>

FUND BALANCE CLASSIFICATIONS

In the governmental funds' financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

GRANDWOOD PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Commissioners' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Commissioners itself or b) a body or official to which the Board of Commissioners has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Commissioners, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	<u>Special Revenue</u>				Totals
	General	Recreation	Liability Insurance	Nonmajor	
Fund Balances					
Restricted					
Special Recreation	\$ —	—	—	11,494	11,494
Liability Insurance	—	—	1,850	—	1,850
Paving and Lighting	—	—	—	3,255	3,255
Audit	—	—	—	10,821	10,821
	<u>—</u>	<u>—</u>	<u>1,850</u>	<u>25,570</u>	<u>27,420</u>
Assigned					
Recreational Programming, Facility Maintenance, and Future Recreation Capital	—	175,475	—	—	175,475
Unassigned	<u>78,756</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>78,756</u>
Total Fund Balances	<u><u>78,756</u></u>	<u><u>175,475</u></u>	<u><u>1,850</u></u>	<u><u>25,570</u></u>	<u><u>281,651</u></u>

GRANDWOOD PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2023

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the District's employees. The District has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

Litigation

From time to time, the District is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

RETIREMENT OBLIGATIONS

The District does not participate in either the Illinois Municipal Retirement Fund or a deferred compensation plan. Instead, employees are covered by social security.

OTHER POST-EMPLOYMENT BENEFITS

The District has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. Based upon a review of census data and plan provisions, as well as minimal utilization rates, it has been determined that any liability is immaterial to the financial statements in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Additionally, the District provides no explicit benefit. Therefore, the District has not recorded a liability as of April 30, 2023.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is the general operating fund of the District. It accounts for all revenues and expenditures of the District which are not accounted for in other funds.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Recreation Fund

The Recreation Fund is used to account for revenue and expenditures related to recreation programs funded by a restricted tax levy and user fees.

Liability Insurance Fund

The Liability Insurance Fund is used to account for revenues received for payment of liability insurance expenditures.

Special Recreation Fund

The Special Recreation Fund is used to account for revenues and expenditures related to the provision of recreational services for disabled individuals.

Paving and Lighting Fund

The Paving and Lighting Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for paving and lighting improvements throughout the Park District.

Audit Fund

The Audit Fund is used to account for revenues received for payment of audit expenditures.

GRANDWOOD PARK DISTRICT, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 184,381	184,381	183,434
Intergovernmental			
Replacement Tax	700	700	1,312
Charges for Services			
Rental	72,680	72,680	38,026
Investment Income	60	60	8,420
Miscellaneous	2,325	2,325	14,630
Total Revenues	<u>260,146</u>	<u>260,146</u>	<u>245,822</u>
Expenditures			
General Government	86,675	86,675	83,437
Recreation	179,200	179,200	97,196
Capital Outlay	85,000	85,000	17,871
Total Expenditures	<u>350,875</u>	<u>350,875</u>	<u>198,504</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,729)	(90,729)	47,318
Other Financing Sources			
Debt Issuance	<u>90,000</u>	<u>90,000</u>	—
Net Change in Fund Balance	<u>(729)</u>	<u>(729)</u>	47,318
Fund Balance - Beginning			<u>31,438</u>
Fund Balance - Ending			<u><u>78,756</u></u>

GRANDWOOD PARK DISTRICT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
Administration			
Salaries and Wages	\$ 62,000	62,000	63,180
Employee Benefits	5,200	5,200	5,037
Contractual Services	14,125	14,125	10,038
Commodities	3,650	3,650	3,814
Other	1,700	1,700	1,368
Total General Government	86,675	86,675	83,437
Recreation			
Administration			
Contractual Services	8,200	8,200	1,911
Other	34,200	34,200	—
	42,400	42,400	1,911
Building Maintenance			
Salaries and Wages	7,500	7,500	2,640
Employee Benefits	630	630	231
Contractual Services	34,660	34,660	28,324
Commodities	2,000	2,000	1,743
Other	6,300	6,300	6,457
	51,090	51,090	39,395
Park Maintenance			
Salaries and Wages	12,000	12,000	5,405
Employee Benefits	1,110	1,110	480
Contractual Services	62,800	62,800	46,138
Commodities	6,800	6,800	1,333
Other	3,000	3,000	2,534
	85,710	85,710	55,890
Total Recreation	179,200	179,200	97,196
Capital Outlay	85,000	85,000	17,871
Total Expenditures	350,875	350,875	198,504

GRANDWOOD PARK DISTRICT, ILLINOIS

Recreation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 63,358	63,358	63,659
Charges for Services			
Recreation Program	6,400	6,400	5,616
Total Revenues	<u>69,758</u>	<u>69,758</u>	<u>69,275</u>
Expenditures			
Recreation			
Other	15,250	15,250	12,679
Capital Outlay	111,700	111,700	—
Total Expenditures	<u>126,950</u>	<u>126,950</u>	<u>12,679</u>
Net Change in Fund Balance	<u>(57,192)</u>	<u>(57,192)</u>	56,596
Fund Balance - Beginning			<u>118,879</u>
Fund Balance - Ending			<u><u>175,475</u></u>

GRANDWOOD PARK DISTRICT, ILLINOIS

Liability Insurance - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 12,387	12,387	12,362
Expenditures			
General Government			
Contractual Services	14,500	14,500	12,939
Net Change in Fund Balance	<u>(2,113)</u>	<u>(2,113)</u>	(577)
Fund Balance - Beginning			<u>2,427</u>
Fund Balance - Ending			<u><u>1,850</u></u>

GRANDWOOD PARK DISTRICT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet - Modified Cash Basis

April 30, 2023

	Special Recreation	Paving and Lighting	Audit	Totals
ASSETS				
Cash and Investments	\$ 11,494	3,255	10,821	25,570
LIABILITIES				
None	—	—	—	—
FUND BALANCES				
Restricted	11,494	3,255	10,821	25,570
Total Liabilities and Fund Balances	11,494	3,255	10,821	25,570

GRANDWOOD PARK DISTRICT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
For the Fiscal Year Ended April 30, 2023**

	Special Recreation	Paving and Lighting	Audit	Total
Revenues				
Taxes	\$ 21,111	2,225	2,225	25,561
Expenditures				
Recreation	18,515	663	—	19,178
Net Change in Fund Balances	2,596	1,562	2,225	6,383
Fund Balances - Beginning	8,898	1,693	8,596	19,187
Fund Balances - Ending	11,494	3,255	10,821	25,570

GRANDWOOD PARK DISTRICT, ILLINOIS

Special Recreation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 20,962	20,962	21,111
Expenditures			
Recreation			
Contractual Services	18,722	18,722	18,515
Net Change In Fund Balance	<u>2,240</u>	<u>2,240</u>	2,596
Fund Balance - Beginning			<u>8,898</u>
Fund Balance - Ending			<u>11,494</u>

GRANDWOOD PARK DISTRICT, ILLINOIS

Paving and Lighting - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 2,049	2,049	2,225
Expenditures			
Recreation			
Contractual Services	3,500	3,500	663
Net Change In Fund Balance	<u>(1,451)</u>	<u>(1,451)</u>	1,562
Fund Balance - Beginning			<u>1,693</u>
Fund Balance - Ending			<u><u>3,255</u></u>

GRANDWOOD PARK DISTRICT, ILLINOIS

Audit - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended April 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 2,180	2,180	2,225
Expenditures			
General Government			
Salaries and Wages	700	700	—
Contractual Services	5,300	5,300	—
Total Expenditures	6,000	6,000	—
Net Change In Fund Balance	(3,820)	(3,820)	2,225
Fund Balance - Beginning			8,596
Fund Balance - Ending			10,821