

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2016



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ROLLING MEADOWS, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

630.566.8400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
Rolling Meadows Park District
Rolling Meadows, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Rolling Meadows Park District, Rolling Meadows, Illinois (the District), as of and for the year ended April 30, 2016, and the related notes to financial statements, which collectively comprise the 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the basic 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 Rolling Meadows Park District, Rolling Meadows, Illinois as of April 30, 2016, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 12, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, a change in accounting principle, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses and modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information 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 assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole.

The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules 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. 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
August 11, 2016

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

As management of the Rolling Meadows Park District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended April 30, 2016. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the District's financial statements.

Financial Highlights

- The assets and deferred outflows or resources of the District exceeded its liabilities and deferred inflows of resources at April 30, 2016 by \$21.694 million. Of this amount, \$1,042,265 represents unrestricted assets which may be used to meet the District's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,397,881, an increase of \$1,455,782 in comparison with the prior fiscal year.
- Property and replacement taxes collected were \$4,126,410 and \$76,947, an increase of \$206,878 in property taxes and a decrease of \$9,464 in replacement taxes.
- The District's financial status continues to be strong. Overall revenues for all funds this year were \$8,476,885. Expenditures were \$9,273,778, which includes \$1,502,119 for capital projects and \$1,087,300 for debt service.
- The District's outstanding long-term bonded debt is \$3,255,000, compared to \$2,115,000 last year, reflecting an increase of 53.90%. The increase reflects the issuance of bonds for future capital improvements, mainly the renovation of the Nelson Sports Complex Ice Arena.

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows or resources, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Governmental Activities reflect the District's basic services, including administration and culture and recreation. Property taxes and program fees finance the majority of these services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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

The District maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, the Recreation, the Debt Service, the Special Recreation and the Capital Projects Fund, these five are considered to be major funds. Information from the District's five other governmental funds are combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 10 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to budgetary information and the District's Illinois Municipal

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

Retirement Fund, in funding its employee pension obligations. Non-major fund information can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the government's financial position. The following table shows that, in the case of the Park District, assets/deferred outflows exceeded liabilities/deferred inflows by \$21,694,828, an increase of \$54,540.

	Net Position	
	2016	2015
Current and Other Assets	\$ 8,767,235	\$ 7,063,759
Capital Assets	20,868,767	19,968,654
Total Assets	\$ 29,636,002	\$ 27,032,413
Deferred Outflows	783,376	-
Current and Other Liabilities	\$ 4,504,004	\$ 4,322,125
Long-Term Debt Outstanding	2,184,000	1,070,000
Total Liabilities	\$ 6,688,004	\$ 5,392,125
Deferred Inflows	2,036,546	-
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 18,283,818	\$ 17,811,684
Restricted	2,368,745	1,894,320
Unrestricted (Deficit)	1,042,265	1,934,284
Total Net Assets	\$ 21,694,828	\$ 21,640,288

- By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The net position of the District's governmental activities increased from \$21,640 million to \$21,694 million. This is a \$54,540 increase or 0.25 percent. Approximately, \$2.369 million, or 10.92 percent of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$1,042,265, or 4.80 percent, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in New Position	
	2016	2015
Revenues		
Program Revenues		
Charges for Services	\$ 4,168,750	\$ 3,913,424
Operating/Capital Grants	150,000	15,632
General Revenues		
Property Taxes	4,126,410	3,919,532
Replacement Taxes	76,947	86,411
Interest Income	13,861	6,325
Intergovernmental	25,570	-
Miscellaneous	65,347	91,429
Total Revenues	<u>\$ 8,626,885</u>	<u>\$ 8,032,753</u>
Expenses		
General Government	\$ 643,318	\$ 633,943
Culture and Recreation	6,853,847	6,419,194
Interest on Long-Term Debt	49,839	39,813
Total Expenses	<u>\$ 7,547,004</u>	<u>\$ 7,092,950</u>
Change in Net Position	<u>\$ 1,079,881</u>	<u>\$ 939,803</u>
Net Position - Beginning	21,640,288	20,700,485
Change in accounting principle	(1,025,341)	
Net Position - Beginning, Restated	<u>20,614,947</u>	
Net Position - Ending	<u>\$ 21,694,828</u>	<u>\$ 21,640,288</u>

Governmental Activities

Revenues:

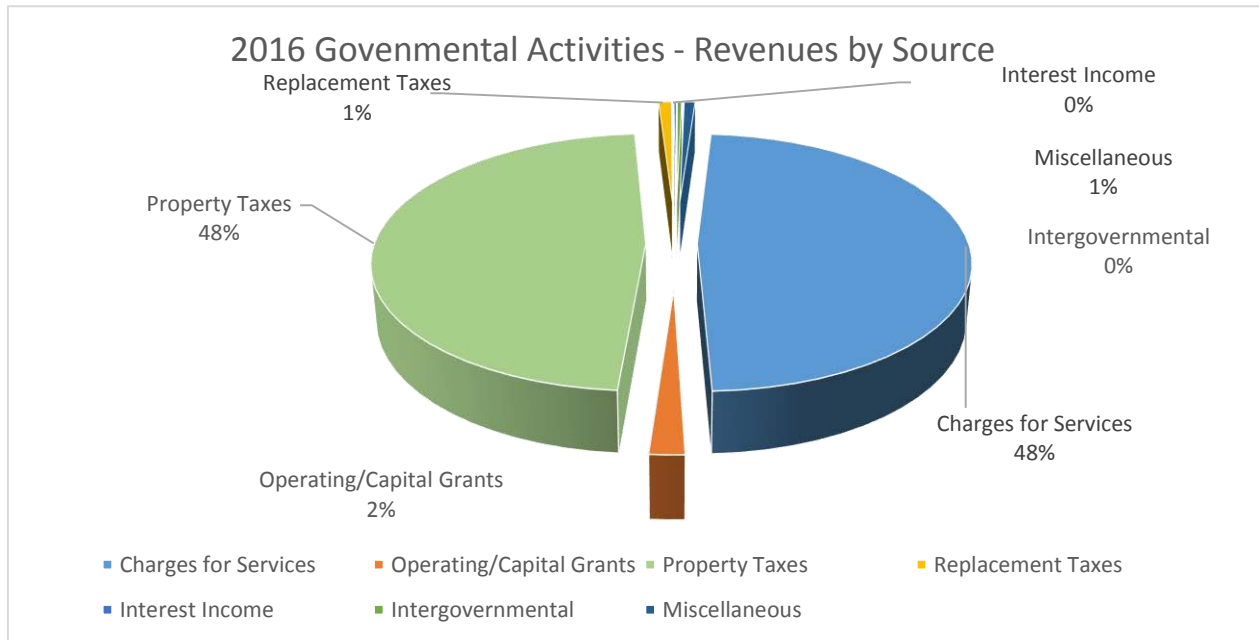
- Total revenues on the Statement of Activities were made up primarily of property taxes of \$4,126,410 as well as user charges for recreation programs and ice rink operations of \$4,168,750.
- Property tax revenues accounted for 48% of total District revenues for the fiscal year.
- Ice arena programs accounted for \$2.583 million or 62% of the general recreational revenues.
- Grants, interest, personal property replacement taxes, and miscellaneous revenue totaling \$331,725 accounted for the remaining 3.85% of revenues.

**ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities - Continued

The following table graphically illustrates the major sources of revenue of the District. It depicts very clearly the reliance on property taxes to fund governmental activities. It also clearly identifies the percentage the District receives for charges relating to services.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

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

- The General Fund total fund balance totaled \$1,019,745, an increase of \$167,545 over the prior fiscal year. All of this is unassigned and available for future operations.
- The favorable revenue variance was due to the sale of a parks vehicle and an impact fee received from Lexington Homes as new townhomes are being constructed in town.
- Expenditures were under budget due to a decrease in salaries and insurance costs because of an unfilled position.

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Governmental Funds - Continued

- The Recreation Fund surplus increased to \$1,203,668, an increase of \$537,410 from the prior year. This entire amount is assigned and available for future recreation operations.
- The Debt Service Fund's fund balance increased \$57,600 to \$717,377. All of which is restricted for future debt service cost.
- The Capital Projects Fund has a total fund balance of \$1,879,914, an increase of \$813,606 from the prior year. This increase is due to the sale of Bonds in the amount of \$2.185 million, for the renovation of the Nelson Sports Complex Ice Arena. All of the fund balance is assigned for capital projects to be completed in the next two fiscal years.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table reflects the condensed Budgetary Comparison Schedule

	Adopted Budget	Actual
General Fund:		
Revenues:		
Taxes	\$ 1,330,000	\$ 1,286,702
Charge for Services	19,500	21,176
Intergovernmental	-	25,570
Interest Income	12,000	13,861
Other	3,500	9,084
Proceeds on sale of Asset	-	67,675
Total	\$ 1,365,000	\$ 1,424,068
Expenditures:		
General Governmental Administration	\$ 527,000	\$ 447,546
Culture and Recreation Parks Administration	828,000	808,977
Total	\$ 1,355,000	\$ 1,256,523
Change in Fund Balance	\$ 10,000	\$ 167,545

**ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016**

RECREATION FUND BUDGETARY HIGHLIGHTS

The Recreation Fund reported revenues of \$752,714 greater than budget. Ice Arena revenues were forecasted as 11 months because construction was to begin in April 2015. Due to several factors, construction was delayed a year, and began in April 2016. The additional unbudgeted revenue accounted for a good portion of this. The Recreation Fund reported a net increase in its Fund Balance by \$537,410. The overall performance of the fund was considerably better than budget. The Fund Balance is now \$1,203,668, which is approximately three months of reserves, as established in the Districts Fund balance policy.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

	Capital Assets - Net of Depreciation	
	Governmental Activities	
	2016	2015
Land	\$ 5,788,400	\$ 5,788,400
Construction in Progress	955,807	92,025
Land Improvements	1,752,924	1,642,870
Buildings	9,775,180	9,819,446
Machinery and Equipment	2,352,801	2,364,703
Vehicles	243,655	261,210
	\$ 20,868,767	\$ 19,968,654

Debt Administration

	General Obligation Bonds Outstanding	
	Governmental Activities	
	2016	2015
2013 General Obligation Bonds	\$ 1,070,000	\$ 2,115,000
2016 General Obligation Bonds	2,185,000	-
	\$ 3,255,000	\$ 2,115,000

- During the year, the District issued \$2,185,000 and retired \$1,045,000 in debt. The retired debt was on the District's General Obligation Bonds, Series 2013. The issuance of the new debt will be used for the Nelson Sports Complex Ice Arena Project and future capital improvements. The debt service on the general obligation bonds are paid with property taxes.

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

- Standard and Poor's rating services rated the Park District's 2013 issue AA-, citing well managed financial operations and strong financial reserves.
- The Government Finance Officers Association (GFOA) presented the District with the Distinguished Budget Award for 2015.
- The District computation of legal debt margin is subject to a statutory debt limitation of 2.875% of equalized assessed valuation with referendum and .575% of equalized assessed valuation without referendum. The schedule is shown on page 22. Additional information on the District's long-term debt is found in Note 6 in the notes to the financial statements.

DECISIONS EXPECTED TO HAVE AN EFFECT ON FUTURE OPERATIONS

The 2015 Tax Levy (for taxes collected in 2016) was based on the Consumer Price Index (CPI) of 0.80%; and a decrease in the 2015 EAV (Equalized Assessed Valuation) of 3.82%. The District does not anticipate any significant growth in the tax base for next year, however this townships (Elk Grove, Palatine and Schaumburg) will be reassessed this year. The current year's budget reflects a slight increase, of 1.00% in property tax revenue.

Many trends and economic factors will continue to be monitored, along with the managing of expenses. To insure the financial health of the District, conservative revenue projections will continue to be used. The District will continue working on maintaining fund balance goals and scheduling projects to ensure maximum affordability within budget constraints.

The District will continue to have the ongoing challenges of planning for capital replacements and infrastructure improvements while maintaining and operating the District's existing facilities in the first class manner the residents deserve and expect.

There are several additional major factors that the Park District is dealing with and will address in the upcoming and future budget years.

- The negative effect of the tax cap on the District's property tax revenue
- The current economic condition of the state
- The low interest earning rates
- The newly formed TIF District in Rolling Meadows

CONTACTING THE PARK DISTRICTS FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances. Questions concerning this report or requests for additional financial information should be directed to the District Treasurer, Rolling Meadows Park District, 3000 Central Road, Rolling Meadows, Illinois 60008

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

STATEMENT OF NET POSITION

April 30, 2016

	Governmental Activities
ASSETS	
Cash and investments	\$ 6,553,563
Receivables (net, where applicable, of any related debt)	
Property taxes	2,036,546
Accounts receivable	127,540
Prepaid expenses	49,586
Capital assets not being depreciated	6,744,207
Capital assets (net of accumulated depreciation)	14,124,560
Total assets	29,636,002
DEFERRED OUTFLOWS OF RESOURCES	
Prepaid items - IMRF	783,376
Total assets and deferred inflows of resources	30,419,378
LIABILITIES	
Accounts payable	486,353
Retainage payable	78,975
Accrued payroll	46,871
Interest payable	15,229
Unearned recreation revenue	720,609
Noncurrent liabilities	
Due within one year	1,108,172
Due in more than one year	4,231,795
Total liabilities	6,688,004
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	2,036,546
Total liabilities and deferred inflows of resources	8,724,550
NET POSITION	
Net investment in capital assets	18,283,818
Restricted for	
Liability insurance	148,569
Debt service	717,377
IMRF	116,653
Social Security and Medicare	51,736
Audit purposes	11,072
Paving and lighting	19,421
Special recreation	100,249
Recreation	1,203,668
Unrestricted	1,042,265
TOTAL NET POSITION	\$ 21,694,828

See accompanying notes to financial statements.

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2016

	Program Revenues				Net (Expense) Revenue and Change in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS	Expenses	Expenses	Expenses	Expenses	Expenses
PRIMARY GOVERNMENT					
Governmental Activities					
General government	\$ 643,318	\$ 21,177	\$ 25,570	\$ -	\$ (596,571)
Culture and recreation	6,853,847	4,147,573	-	150,000	(2,556,274)
Interest	49,839	-	-	-	(49,839)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 7,547,004	\$ 4,168,750	\$ 25,570	\$ 150,000	(3,202,684)
General revenues					
Taxes					
Property					
4,126,410					
Replacement					
76,947					
Investment income					
13,861					
Miscellaneous					
65,347					
Total					
4,282,565					
CHANGE IN NET POSITION					1,079,881
NET POSITION, MAY 1					21,640,288
Change in accounting principle					(1,025,341)
NET POSITION, MAY 1, RESTATED					20,614,947
NET POSITION, APRIL 30					\$ 21,694,828

See accompanying notes to financial statements.

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2016

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 1,057,281	\$ 2,007,704	\$ 717,377	\$ 2,205,532	\$ 565,669	\$ 6,553,563
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	599,541	440,309	568,075	-	428,621	2,036,546
Other	11	127,529	-	-	-	127,540
Prepaid items	-	-	-	27,300	22,286	49,586
TOTAL ASSETS	\$ 1,656,833	\$ 2,575,542	\$ 1,285,452	\$ 2,232,832	\$ 1,016,576	\$ 8,767,235
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 25,674	\$ 175,958	\$ -	\$ 273,943	\$ 10,778	\$ 486,353
Retainage payable	-	-	-	78,975	-	78,975
Accrued payroll	11,873	34,998	-	-	-	46,871
Unearned revenue	-	720,609	-	-	-	720,609
Total liabilities	37,547	931,565	-	352,918	10,778	1,332,808
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	599,541	440,309	568,075	-	428,621	2,036,546
Total deferred inflows of resources	599,541	440,309	568,075	-	428,621	2,036,546
FUND BALANCES						
Nonspendable - prepaid items	-	-	-	27,300	22,286	49,586
Nonspendable - working cash	-	-	-	-	107,191	107,191
Restricted for insurance	-	-	-	-	148,569	148,569
Restricted for debt service	-	-	717,377	-	-	717,377
Restricted for IMRF	-	-	-	-	116,653	116,653
Restricted for Social Security and Medicare	-	-	-	-	51,736	51,736
Restricted for audit purposes	-	-	-	-	11,072	11,072
Restricted for paving and lighting	-	-	-	-	19,421	19,421
Restricted for special recreation	-	-	-	-	100,249	100,249
Unrestricted						
Assigned for capital projects	-	-	-	1,852,614	-	1,852,614
Assigned for recreation	-	1,203,668	-	-	-	1,203,668
Unassigned	1,019,745	-	-	-	-	1,019,745
Total fund balances	1,019,745	1,203,668	717,377	1,879,914	577,177	5,397,881
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,656,833	\$ 2,575,542	\$ 1,285,452	\$ 2,232,832	\$ 1,016,576	\$ 8,767,235

See accompanying notes to financial statements.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2016

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 5,397,881
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of the general government are not financial resources and, therefore, are not reported in the governmental funds	20,868,767
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(1,964,220)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources on the statement of net position	783,376
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(3,255,000)
Accrued interest payable	(15,229)
Compensated absences payable	(92,767)
Unamortized premium on bonds	<u>(27,980)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 21,694,828</u></u>

See accompanying notes to financial statements.

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2016

	General	Recreation	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 1,286,702	\$ 902,379	\$ 1,144,900	\$ -	\$ 869,378	\$ 4,203,359
Charges for services	21,177	4,147,571	-	-	-	4,168,748
Intergovernmental	25,570	-	-	-	-	25,570
Investment income	13,861	-	-	-	-	13,861
Miscellaneous	9,083	56,264	-	-	-	65,347
Total revenues	1,356,393	5,106,214	1,144,900	-	869,378	8,476,885
EXPENDITURES						
Current						
General government						
Administration	447,546	-	-	-	-	447,546
Insurance	-	-	-	-	32,621	32,621
Employee benefits	-	-	-	-	110,129	110,129
Audit and professional services	-	-	-	-	18,810	18,810
Culture and recreation						
Parks administration	808,977	-	-	-	-	808,977
Insurance	-	-	-	-	112,360	112,360
Recreation and maintenance	-	1,470,633	-	-	-	1,470,633
General recreation programs	-	760,930	-	-	-	760,930
Sports Complex and West Meadows Ice arenas	-	1,792,806	-	-	-	1,792,806
Swimming pool programs	-	158,474	-	-	-	158,474
Employee benefits	-	-	-	-	379,333	379,333
Paving and lighting	-	-	-	-	38,820	38,820
Special recreation	-	-	-	-	153,148	153,148
CARE Program	-	253,670	-	-	-	253,670
Plum Grove Park	-	146,102	-	-	-	146,102
Capital outlay	-	-	-	1,478,194	-	1,478,194
Debt service						
Principal retirement	-	-	1,045,000	-	-	1,045,000
Interest and fiscal charges	-	-	42,300	23,925	-	66,225
Total expenditures	1,256,523	4,582,615	1,087,300	1,502,119	845,221	9,273,778
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	99,870	523,599	57,600	(1,502,119)	24,157	(796,893)
OTHER FINANCING SOURCE (USES)						
Transfers in	-	13,811	-	130,725	-	144,536
Transfers (out)	-	-	-	-	(144,536)	(144,536)
Bonds issued, at par	-	-	-	2,185,000	-	2,185,000
Proceeds from sale of capital assets	67,675	-	-	-	-	67,675
Total other financing sources (uses)	67,675	13,811	-	2,315,725	(144,536)	2,252,675
NET CHANGE IN FUND BALANCES	167,545	537,410	57,600	813,606	(120,379)	1,455,782
FUND BALANCES, MAY 1	852,200	666,258	659,777	1,066,308	697,556	3,942,099
FUND BALANCES, APRIL 30	\$ 1,019,745	\$ 1,203,668	\$ 717,377	\$ 1,879,914	\$ 577,177	\$ 5,397,881

See accompanying notes to financial statements.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2016

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,455,782
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities	1,585,863
Contributions of capital assets are reported as capital grants and contributions on the statement of activities	150,000
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities General obligation bonds	1,045,000
The issuance of long-term debt is reported as another financing source in the governmental funds but as an increase of principal outstanding in the statement of activities Bonds issued at par	(2,185,000)
Certain changes in long-term debt are reported as (increases) decreases in interest expense on the statement of activities Change in accrued interest Amortization of premium on bonds	2,396 13,990
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds Depreciation Loss on disposal of capital assets	(567,443) (268,307)
The change in compensated absences payable is shown as an expense on the statement of activities	3,103
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(851,658)
The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	<u>696,155</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,079,881</u></u>

See accompanying notes to financial statements.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rolling Meadows Park District (the 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 accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

The District has adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity*, under which the financial statements include all organizations, activities, functions and component units for which the 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 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 District.

The accompanying basic financial statements present the District only since the District does not have component units. The District has a separately elected board, the power to levy taxes, the authorization to expend funds, the responsibility to designate management and the ability to prepare and modify the annual budget and issue debt. Therefore, the District is not included as a component unit of any other entity.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. All funds are classified as governmental.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Governmental funds are used to account for all or most of the District's general activities including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District does not have any business-type activities.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of material interfund activity has been eliminated from these statements except for interfund services provided and used. 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 statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. It is used to account for and report all financial resources except those accounted for in another fund.

The Recreation Fund accounts for and report the operation of the District's recreation activities and is financed by a specific restricted annual property tax levy to the extent user charges are not sufficient.

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on the District's general obligation bonds.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Capital Projects Fund accounts for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District has elected to report this fund as a major fund.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period, usually 60 days. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, licenses, interest revenue and charges for services.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The District reports unavailable/deferred and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unavailable/unearned/deferred revenues also arise when resources are received by the District before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the unavailable/unearned/deferred revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, non-negotiable certificates of deposit and investments with maturity of less than one year at date of purchase are stated at amortized cost. All other investments are recorded at fair value.

f. Interfund Receivables/Payables

Activity 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” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

g. Inventories

Inventories, if any, are valued at cost. Cost has been determined using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

j. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	10-50
Buildings and other improvements	10-50
Machinery and equipment	3-10
Construction	10-50
Licensed vehicles	20

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Compensated Absences

Vested or accumulated sick leave and compensatory time off that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested and accumulated sick leave and compensatory time off of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

l. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as unamortized loss on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures in the year of issuances.

In the fund financial statement, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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 expenditures.

m. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Commissioners, which is considered the District's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Board of Commissioners. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Executive Director by the Board of Commissioners. Any residual fund balance of the General Fund is reported as unassigned. Additionally, any deficit balances in any other governmental funds are also shown as unassigned.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balances/Net Position (Continued)

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

The District has established fund balance reserve policies in its general fund. The General Fund targets a minimum of 25% and no more than 50% of annual budgeted expenditures as unassigned fund balance. The District has also established fund balance targets of 25% to 50% of restricted fund balance in the special revenue funds including the Recreation Fund, IMRF/Social Security Fund, Liability Insurance Fund, Audit Fund and Paving and Lighting Fund.

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. None of the net positions are restricted as a result of enabling legislation adopted by the District. Net investment in capital assets represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

n. Accounting Estimates

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

2. DEPOSITS AND INVESTMENTS

The District's investment policy authorizes the District to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value). The District's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

The District maintains a cash and investment pool that is available for use by all funds. In addition, investments are separately held by several of the District’s funds.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District’s deposits may not be returned to it. The District’s investment policy requires pledging of collateral, at 110% of the deposits secured, for all bank balances in excess of federal depository insurance, with the collateral held by an independent third party.

b. Investments

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. 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 credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the District’s investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution.

Concentration of credit risk is the risk that the District has a high percentage of their investments invested in one type of investment. The District’s investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2016 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 5,788,400	\$ -	\$ -	\$ 5,788,400
Construction in progress	92,025	1,029,004	165,222	955,807
Total capital assets not being depreciated	<u>5,880,425</u>	<u>1,029,004</u>	<u>165,222</u>	<u>6,744,207</u>
Capital assets being depreciated				
Land improvements	2,757,044	190,593	39,945	2,907,692
Construction	17,580,117	442,468	150,784	17,871,801
Machinery and equipment	3,539,625	141,951	116,081	3,565,495
Licensed vehicles	460,335	97,069	119,673	437,731
Total capital assets being depreciated	<u>24,337,121</u>	<u>872,081</u>	<u>426,483</u>	<u>24,782,719</u>
Less accumulated depreciation for				
Land improvements	1,114,174	71,053	30,459	1,154,768
Construction	7,760,671	370,705	34,755	8,096,621
Machinery and equipment	1,174,922	104,306	66,534	1,212,694
Licensed vehicles	199,125	21,379	26,428	194,076
Total accumulated depreciation	<u>10,248,892</u>	<u>567,443</u>	<u>158,176</u>	<u>10,658,159</u>
Total capital assets being depreciated, net	<u>14,088,229</u>	<u>304,638</u>	<u>268,307</u>	<u>14,124,560</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 19,968,654</u>	<u>\$ 1,333,642</u>	<u>\$ 433,529</u>	<u>\$ 20,868,767</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
Recreation	<u>\$ 567,443</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 567,443</u>

4. PROPERTY TAXES

The District's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes collected are recorded as revenue.

The County Assessor is responsible for assessment of all taxable real property within Cook County, except for certain railroad property, which is assessed directly by the state. One-third of Cook County is reassessed each year on a repeating triennial schedule established by the County Assessor.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. PROPERTY TAXES (Continued)

The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in Cook County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill and is one-half of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization and any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December of the levy year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

The 2015 property tax levy is recorded as a receivable. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, is recognized as revenue. Such time thereafter does not exceed 60 days. Net taxes receivable, less the amount expected to be collected during a period not exceeding 60 days after the end of the fiscal year, are reflected as unavailable/deferred revenue.

The 2016 tax levy, which attached as an enforceable lien on property as of January 1, 2016, has not been recorded as a receivable as of April 30, 2016 as the tax has not yet been levied by the District and will not be levied until December 2016, and therefore, the levy is not measurable at April 30, 2016.

5. RISK MANAGEMENT

The District is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters.

Park District Risk Management Agency

The District participates in PDRMA. PDRMA is a public entity risk pool whose members are Illinois governments. PDRMA manages and funds first party property losses, third party liability claims, boiler and machinery claims, workers' compensation claims and public officials' liability claims of its members. The District's payments to PDRMA are displayed on the financial statements as expenditures in the Tort Immunity Fund.

Each member assumes the first \$1,000 of property claims each occurrence and has self-insurance retentions at various amounts.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

Park District Risk Management Agency (Continued)

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer.

The District does not exercise any control over the activities of PDRMA beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's expenditures as defined in the by-laws of PDRMA, assessment factors based on past member experience and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure that adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

At December 31, 2015, the total equity of PDRMA was \$40,708,211. For the year ended December 31, 2015, the net loss of PDRMA was \$914,948. The District's share of the overall equity is 1.278% or \$520,358. The District made \$127,032 of payments to PDRMA during the year ended April 30, 2016.

In the event of a liability loss exceeding \$16,500,000 per occurrence, self-insured and reinsurance limit, the members would be responsible for funding the excess amount.

PDRMA Health Program

The District participates in the PDRMA Health Program, a health insurance pool of park districts, special recreation associations and public service organizations through which medical, vision, dental, life and prescription drug card coverage are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. The District's payments to the PDRMA Health Program are displayed on the financial statements as expenditures in the governmental funds.

Members can choose to provide any combination of coverages to their employees and pay premiums accordingly.

As a member of the PDRMA Health Program, the District is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the District and the PDRMA Health Program is governed by a contract and by-laws that have been adopted by resolution of the each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

PDRMA Health Program (Continued)

At December 31, 2015, the most recent information available, the total equity of the PDRMA Health Program was \$11,883,538. For the year ended December 31, 2015 the net income of the PDRMA Health Program was \$2,855,726.

A large percentage of the PDRMA Health Program's liabilities are reserved for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred.

6. LONG-TERM DEBT

a. General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds.

Governmental Activities

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
2013 General Obligation Limited Tax Park Bonds \$3,145,000 due in annual installments of \$530,000 to \$1,045,000 through December 1, 2017; interest at 2% funded by Debt Service Fund property tax levies.	Debt Service	\$ 2,115,000	\$ -	\$ 1,045,000	\$ 1,070,000	\$ 530,000
2016 General Obligation Limited Tax Park Bonds \$2,185,000 due in annual installments of \$541,000 to \$1,100,000 through December 1, 2018; interest at 1.3% funded by Debt Service Fund property tax levies.	Debt Service	-	2,185,000	-	2,185,000	541,000
TOTAL		<u>\$ 2,115,000</u>	<u>\$ 2,185,000</u>	<u>\$ 1,045,000</u>	<u>\$ 3,255,000</u>	<u>\$ 1,071,000</u>

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	General Obligation Bonds	
	Governmental Activities	
	Principal	Interest
2017	\$ 1,071,000	\$ 44,361
2018	1,084,000	32,172
2019	1,100,000	14,300
TOTAL	\$ 3,255,000	\$ 90,833

c. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term liabilities.

	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 2,115,000	\$ 2,185,000	\$ 1,045,000	\$ 3,255,000	\$ 1,071,000
Unamortized premiums	41,970	-	13,990	27,980	13,980
Net pension liability	1,112,562	851,658	-	1,964,220	-
Compensated absences*	95,870	20,865	23,968	92,767	23,192
TOTAL	\$ 3,365,402	\$ 3,057,523	\$ 1,082,958	\$ 5,339,967	\$ 1,108,172

* Compensated absences are funded by the General and Recreation Funds.

d. Legal Debt Margin

2014 equalized assessed valuation (most recent available)	<u>\$ 582,826,132</u>
Debt limitation - 2.875% of assessed valuation	<u>\$ 16,756,251</u>
Amount of debt applicable to debt limit	
2013 General Obligation Bonds	1,070,000
2016 General Obligation Bonds	<u>2,185,000</u>
Total debt	<u>3,255,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 13,501,251</u></u>

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

d. Legal Debt Margin (Continued)

Chapter 70, Section 1205/6-2 of the Illinois Compiled Statutes provides, "...for the payment of land condemned or purchased for parks or boulevards, for the building, maintaining, improving and protecting of the same and for the payment of the expenses incident thereto, or for the acquisition of real estate and lands to be used as a site for an armory, any district is authorized to issue the bonds or notes of such district and pledge its property and credit therefore to an amount including existing indebtedness of such district so that the aggregate indebtedness of such district does not exceed 2.875% of the value of the taxable property therein, to be ascertained by the last assessment for state and county taxes previous to the issue from time to time of such bonds or notes or, until January 1, 1983, if greater, the sum that is produced by multiplying the District's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, if a petition, signed by voters in number equal to not less than 2% of the voters of the District, who voted at the last general election in the District, asking that the authorized aggregate indebtedness of the District be increased to not more than 5.75% of the value of the taxable property therein, is presented to the board and such increase is approved by the voters of the District at a referendum held on the question."

7. COMMITMENTS AND CONTINGENCIES

Contingent Liabilities

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

8. JOINTLY GOVERNED ORGANIZATION

Northwest Special Recreation Association

The District is a member of the Northwest Special Recreation Association (the Association), which was organized by 16 area park districts in order to provide special recreation programs to the physically and mentally handicapped within their districts and to share the expenses of such programs on a cooperative basis.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. JOINTLY GOVERNED ORGANIZATION (Continued)

Northwest Special Recreation Association (Continued)

The Association’s Board of Directors consists of one representative from each participating park district. The Board of Directors is the governing body of the Association and is responsible for establishing all major policies and changes therein and for approving all budgets, capital outlay, programming and master plans. This cooperative association, however, is considered a separate reporting entity by the District’s administration. The District does not have financial accountability for the Association, and accordingly, the Association has not been included in the accompanying general purpose financial statements. To obtain the Association’s financial statements, contact their administrative offices at 3000 W. Central Road, Suite 205, Rolling Meadows, Illinois 60008.

9. GOLDEN YEARS COUNCIL

The Golden Years Council (the Council), a nonprofit, independent organization utilizes the Senior Citizens Center of the District. The District provides certain services and resources to the Council at no cost, including utilities, custodial service, insurance on certain equipment and the salary of a full-time recreation programmer. Special program activity costs provided by the District are covered by program fees collected from Senior Citizens Center program participants. The Council maintains separate accounting records for certain funds received and disbursed, which are not included in the District’s financial statements.

10. INTERFUND SCHEDULE

Interfund Transfers

Individual interfund transfers are as follows:

	Transfers In	Transfers (Out)
Recreation	\$ 13,811	\$ -
Capital Projects	130,725	-
Special Recreation	-	144,536
TOTAL	\$ 144,536	\$ 144,536

The purpose of the interfund transfers are as follows:

- The \$144,536 transferred from the Special Recreation Fund to the Recreation and Capital Projects Funds was for certain allowable accessibility costs. The amount will not be repaid.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

11. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.IMRF.org.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense, and liability when due and payable.

Plan Membership

Inactive employees or their beneficiaries	
currently receiving benefits	49
Inactive employees entitled to but not yet receiving benefits	55
Active employees	44
 TOTAL	 148

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees,

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.5% of their annual covered salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2015 was 13.38% of covered payroll.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	3.50%
Salary increases	3.75% to 14.50%
Interest rate	7.48%
Cost of living adjustments	2.75%
Asset valuation method	Market value

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.5% was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 12,702,281	\$ 11,589,719	\$ 1,112,562
Changes for the period			
Service cost	203,430	-	203,430
Interest	938,294	-	938,294
Difference between expected and actual experience	64,265	-	64,265
Changes in assumptions	16,723	-	16,723
Employer contributions	-	272,934	(272,934)
Employee contributions	-	86,732	(86,732)
Net investment income	-	57,464	(57,464)
Benefit payments and refunds	(553,416)	(553,416)	-
Other (net transfer)	-	(46,076)	46,076
Net changes	669,296	(182,362)	851,658
BALANCES AT DECEMBER 31, 2015	\$ 13,371,577	\$ 11,407,357	\$ 1,964,220

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2016, the District recognized pension expense of \$425,890. At April 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 44,908	\$ -
Changes in assumption	11,686	-
Net difference between projected and actual earnings on pension plan investments	642,217	-
Employer contributions after the measurement date	84,565	-
TOTAL	\$ 783,376	\$ -

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
(Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending</u> <u>April 30,</u>	
2017	\$ 269,513
2018	184,948
2019	168,360
2020	<u>160,555</u>
 TOTAL	 <u><u>\$ 783,376</u></u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate of 7.48% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net pension liability	\$ 3,785,413	\$ 1,964,220	\$ 479,521

12. CHANGE IN ACCOUNTING PRINCIPLE

With the implementation of GASB Statement No. 68, the District is required to retroactively record the net pension liability and deferred outflows of resources. This change in accounting principle resulted in a decrease to governmental activities of \$1,025,341 as of May 1, 2015 to record the IMRF net pension liability and deferred outflows of resources.

REQUIRED SUPPLEMENTARY INFORMATION

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2016

	Appropriations	Original and Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 1,250,000		\$ 1,209,755
Replacement taxes	80,000		76,947
Charges for services	19,500		21,177
Intergovernmental	-		25,570
Investment income	12,000		13,861
Miscellaneous	3,500		9,083
Total revenues	1,365,000		1,356,393
EXPENDITURES			
Current			
General government			
Administration	\$ 579,700	527,000	447,546
Culture and recreation			
Parks administration	910,800	828,000	808,977
Total expenditures	\$ 1,490,500	1,355,000	1,256,523
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		10,000	99,870
OTHER FINANCING SOURCE (USES)			
Proceeds from sale of capital assets		-	67,675
NET CHANGE IN FUND BALANCE	\$ 10,000		167,545
FUND BALANCE, MAY 1			852,200
FUND BALANCE, APRIL 30			\$ 1,019,745

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION FUND

For the Year Ended April 30, 2016

	Appropriations	Original and Final Budget	Actual
REVENUES			
Property taxes		\$ 900,000	\$ 902,379
Charges for services			
Charges for recreation programs		875,000	1,005,757
Sports Complex revenue		773,000	858,977
West Meadows revenue		1,315,000	1,724,030
Swimming pool revenue		73,500	82,062
Plum Grove Park revenue		68,500	74,805
CARE Program revenue		270,000	358,960
Rental income		42,500	42,980
Miscellaneous		36,000	56,264
		4,353,500	5,106,214
Total revenues			
EXPENDITURES			
Current			
Culture and recreation			
Recreation and maintenance	\$ 1,758,900	1,608,000	1,470,633
General recreation programs	771,100	753,500	760,930
Sports Complex and West Meadows Ice arenas	2,041,600	1,856,000	1,792,806
Swimming pool programs	169,400	154,000	158,474
CARE Program	291,500	203,500	253,670
Plum Grove Park	170,500	155,000	146,102
		4,730,000	4,582,615
Total expenditures	\$ 5,203,000		4,582,615
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(376,500)	523,599
OTHER FINANCING SOURCE (USES)			
Transfers in		15,000	13,811
NET CHANGE IN FUND BALANCE		\$ (361,500)	537,410
FUND BALANCE, MAY 1			666,258
FUND BALANCE, APRIL 30			\$ 1,203,668

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended April 30, 2016

	<u>2016</u>
Actuarially determined contribution	\$ 257,742
Contributions in relation to the actuarially determined contribution	<u>272,934</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ (15,192)</u></u>
Covered-employee payroll	\$ 1,926,324
Contributions as a percentage of covered-employees payroll	14.17%
Notes to Required Supplementary Information	

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 29 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually and postretirement benefit increases of 3.0% compounded annually.

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET
PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2016

	December 31, 2015*
TOTAL PENSION LIABILITY	
Service cost	\$ 203,430
Interest	938,294
Changes of benefit terms	-
Differences between expected and actual experience	64,265
Changes of assumptions	16,723
Benefit payments, including refunds of member contributions	(553,416)
Net change in total pension liability	669,296
Total pension liability - beginning	12,702,281
TOTAL PENSION LIABILITY - ENDING	\$ 13,371,577
PLAN FIDUCIARY NET POSITION	
Contributions - employer	\$ 272,934
Contributions - member	86,732
Net investment income	57,464
Benefit payments, including refunds of member contributions	(553,416)
Administrative expenses	(46,076)
Net change in plan fiduciary net position	(182,362)
Plan fiduciary net position - beginning	11,589,719
PLAN FIDUCIARY NET POSITION - ENDING	\$ 11,407,357
EMPLOYER'S NET PENSION LIABILITY	\$ 1,964,220
Plan fiduciary net position as a percentage of the total pension liability	85.3%
Covered-employee payroll for the calendar year ended December 31, 2015	\$ 1,926,324
Employer's net pension liability as a percentage of covered-employee payroll	102.0%

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

*IMRF's measurement date is December 31, 2015; therefore, information above is presented for the calendar year ended December 31, 2015.

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2016

BUDGETS AND BUDGETARY ACCOUNTING

- a. The Board of Commissioners follows these procedures in establishing the budgetary data reflected in the required supplementary information.
 - 1) The Executive Director submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
 - 2) Public hearings on the budget are conducted.
 - 3) Prior to August 1 of the following fiscal year, the budget is legally enacted through the passage of a Budget and Appropriations Ordinance.
 - 4) The Board of Commissioners may amend the Budget and Appropriation Ordinance in the same manner as its original enactment.
 - 5) The legal level of budgetary control is the fund level.
 - 6) All appropriations lapse at the year end. Expenditures legally may not exceed the total of appropriations and beginning fund balance at the fund level.

- b. Annual budgets are adopted for the General Fund, Special Revenue Funds, Capital Projects Fund and Debt Service Fund. The District adopts budgets consistent with accounting principles generally accepted in the United States of America.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended April 30, 2016

	Appropriations	Original and Final Budget	Actual
REVENUES			
Property taxes		\$ 1,150,000	\$ 1,144,900
EXPENDITURES			
Debt service			
Principal retirement	\$ 1,196,250	1,045,000	1,045,000
Interest and fees	-	42,500	42,300
Total expenditures	\$ 1,196,250	1,087,500	1,087,300
NET CHANGE IN FUND BALANCE		\$ 62,500	57,600
FUND BALANCE, MAY 1			659,777
FUND BALANCE, APRIL 30			\$ 717,377

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended April 30, 2016

	Appropriations	Original and Final Budget	Actual
REVENUES			
Intergovernmental		\$ 150,000	\$ -
EXPENDITURES			
Capital outlay	\$ 1,622,500	1,475,000	1,478,194
Debt service			
Interest and fees	-	-	23,925
Total expenditures	<u>\$ 1,622,500</u>	<u>1,475,000</u>	<u>1,502,119</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>(1,325,000)</u>	<u>(1,502,119)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		-	130,725
Bonds issued, at par		-	2,185,000
Total other financing sources (uses)		<u>-</u>	<u>2,315,725</u>
NET CHANGE IN FUND BALANCE		<u>\$ (1,325,000)</u>	813,606
FUND BALANCE, MAY 1			<u>1,066,308</u>
FUND BALANCE, APRIL 30			<u><u>\$ 1,879,914</u></u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2016

			Special Revenue					
Audit	Insurance	Paving and Lighting	IMRF/ FICA	Special Recreation	Permanent Working Cash	Total Nonmajor Governmental Funds		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
ASSETS								
Cash	\$ 11,072	\$ 149,403	\$ 19,421	\$ 168,389	\$ 110,193	\$ 107,191	\$ 565,669	
Receivables								
Property taxes	8,993	64,950	13,595	232,322	108,761	-	428,621	
Prepaid items	-	-	-	-	22,286	-	22,286	
Total assets	20,065	214,353	33,016	400,711	241,240	107,191	1,016,576	
DEFERRED OUTFLOWS OF RESOURCES								
None	-	-	-	-	-	-	-	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
	<u>\$ 20,065</u>	<u>\$ 214,353</u>	<u>\$ 33,016</u>	<u>\$ 400,711</u>	<u>\$ 241,240</u>	<u>\$ 107,191</u>	<u>\$ 1,016,576</u>	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ -	\$ 834	\$ -	\$ -	\$ 9,944	\$ -	\$ 10,778	
Total liabilities	-	834	-	-	9,944	-	10,778	
DEFERRED INFLOWS OF RESOURCES								
Unavailable property tax revenue	8,993	64,950	13,595	232,322	108,761	-	428,621	
Total deferred inflows of resources	8,993	64,950	13,595	232,322	108,761	-	428,621	
FUND BALANCES								
Nonspendable - prepaid items	-	-	-	-	22,286	-	22,286	
Nonspendable - working cash	-	-	-	-	-	107,191	107,191	
Restricted for audit purposes	11,072	-	-	-	-	-	11,072	
Restricted for insurance	-	148,569	-	-	-	-	148,569	
Restricted for paving and lighting	-	-	19,421	-	-	-	19,421	
Restricted for IMRF	-	-	-	116,653	-	-	116,653	
Restricted for Social Security and Medicare	-	-	-	51,736	-	-	51,736	
Restricted for special recreation	-	-	-	-	100,249	-	100,249	
Total fund balances	11,072	148,569	19,421	168,389	122,535	107,191	577,177	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
	<u>\$ 20,065</u>	<u>\$ 214,353</u>	<u>\$ 33,016</u>	<u>\$ 400,711</u>	<u>\$ 241,240</u>	<u>\$ 107,191</u>	<u>\$ 1,016,576</u>	

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2016

	Special Revenue				Special Recreation	Permanent Working Cash	Total Nonmajor Governmental Funds
	Audit	Insurance	Paving and Lighting	IMRF/ FICA			
REVENUES							
Taxes	\$ 16,875	\$ 127,237	\$ 28,076	\$ 472,585	\$ 224,605	\$ -	\$ 869,378
EXPENDITURES							
Current							
General government							
Insurance	-	32,621	-	-	-	-	32,621
Audit and professional services	18,810	-	-	-	-	-	18,810
Employee benefits	-	-	-	110,129	-	-	110,129
Culture and recreation							
Insurance	-	112,360	-	-	-	-	112,360
Paving and lighting	-	-	38,820	-	-	-	38,820
Employee benefits	-	-	-	379,333	-	-	379,333
Special recreation programs	-	-	-	-	153,148	-	153,148
Total expenditures	18,810	144,981	38,820	489,462	153,148	-	845,221
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,935)	(17,744)	(10,744)	(16,877)	71,457	-	24,157
OTHER FINANCING SOURCES (USES)							
Transfer (out)	-	-	-	-	(144,536)	-	(144,536)
NET CHANGE IN FUND BALANCES	(1,935)	(17,744)	(10,744)	(16,877)	(73,079)	-	(120,379)
FUND BALANCES, MAY 1	13,007	166,313	30,165	185,266	195,614	107,191	697,556
FUND BALANCES, APRIL 30	<u>\$ 11,072</u>	<u>\$ 148,569</u>	<u>\$ 19,421</u>	<u>\$ 168,389</u>	<u>\$ 122,535</u>	<u>\$ 107,191</u>	<u>\$ 577,177</u>

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AUDIT FUND

For the Year Ended April 30, 2016

	<u>Appropriations</u>	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES			
Property taxes		\$ 15,000	\$ 16,875
EXPENDITURES			
Current			
General government			
Audit and professional services	\$ 22,000	20,000	18,810
NET CHANGE IN FUND BALANCE		<u>\$ (5,000)</u>	(1,935)
FUND BALANCE, MAY 1			<u>13,007</u>
FUND BALANCE, APRIL 30			<u>\$ 11,072</u>

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INSURANCE FUND**

For the Year Ended April 30, 2016

	Appropriations	Original and Final Budget	Actual
REVENUES			
Property taxes		\$ 120,000	\$ 127,237
EXPENDITURES			
Current			
General government			
Insurance	\$ 43,313	39,375	32,621
Culture and recreation			
Insurance	149,187	135,625	112,360
Total expenditures	\$ 192,500	175,000	144,981
NET CHANGE IN FUND BALANCE		\$ (55,000)	(17,744)
FUND BALANCE, MAY 1			166,313
FUND BALANCE, APRIL 30			\$ 148,569

(See independent auditor's report.)

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PAVING AND LIGHTING FUND

For the Year Ended April 30, 2016

	<u>Appropriations</u>	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES			
Property taxes		\$ 30,000	\$ 28,076
EXPENDITURES			
Current			
Culture and recreation			
Paving and lighting	\$ 55,000	50,000	38,820
NET CHANGE IN FUND BALANCE		\$ (20,000)	(10,744)
FUND BALANCE, MAY 1			30,165
FUND BALANCE, APRIL 30			\$ 19,421

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/FICA FUND

For the Year Ended April 30, 2016

	Appropriations	Original and Final Budget	Actual
REVENUES			
Property taxes			
IMRF	\$ 280,000	\$ 273,563	
FICA and Medicare	190,000	199,022	
Total revenues	470,000	472,585	
EXPENDITURES			
Current			
General government			
Employee benefits			
IMRF	\$ 69,300	63,000	60,837
FICA and Medicare	53,213	48,375	49,292
Culture and recreation			
Employee benefits			
IMRF	238,700	217,000	209,550
FICA and Medicare	183,287	166,625	169,783
Total expenditures	\$ 544,500	495,000	489,462
NET CHANGE IN FUND BALANCE	\$ (25,000)	(16,877)	
FUND BALANCE, MAY 1			185,266
FUND BALANCE, APRIL 30			\$ 168,389

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL RECREATION FUND

For the Year Ended April 30, 2016

	Appropriations	Original and Final Budget	Actual
REVENUES			
Property taxes		\$ 260,000	\$ 224,605
EXPENDITURES			
Current			
Culture and recreation			
Special recreation programs	\$ 330,000	225,000	153,148
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
		35,000	71,457
OTHER FINANCING SOURCE (USES)			
Transfer (out)		(75,000)	(144,536)
NET CHANGE IN FUND BALANCE			
		\$ (40,000)	(73,079)
FUND BALANCE, MAY 1			
			195,614
FUND BALANCE, APRIL 30			
			\$ 122,535

(See independent auditor's report.)