METRO EAST PARK AND RECREATION DISTRICT

MADISON AND ST. CLAIR COUNTIES, ILLINOIS

REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2018

METRO EAST PARK AND RECREATION DISTRICT
MADISON AND ST. CLAIR COUNTIES, ILLINOIS
TABLE OF CONTENTS

SCHEFFEL
BOYLE
Certified Public Accountants

ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

December 3, 2018

Board of Directors
Metro East Park and Recreation District
Madison and St. Clair Counties, Illinois
104 United Dr.
Collinsville, IL 62234

We have audited the accompanying financial statements of the governmental activities and the major fund of the Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois, as of and for the year ended June 30, 2018, and the related notes to the 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7, budgetary comparison information on pages 29 through 31, Schedule of Changes in Net Pension Liability and Related Ratios on page 32, and Schedule of Employer Contributions on pages 33 through 34 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.

Scheffel Boyle

Edwardsville, Illinois

Metro East Park and Recreation District
Madison and St. Clair Counties, Illinois

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)

June 30, 2018

As management of the Metro East Park and Recreation District (MEPRD), which is a State of Illinois enabled taxing district made up of the counties of Madison and St. Clair, we offer readers of the District's financial statements this narrative overview and analysis of the financial outlook of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which begin on page 8.

Financial Highlights

- As noted in Exhibit B, the District's overall financial position changed as shown in the net position increase from June 30, 2017 of $299,151.
- As noted in Exhibit A, net position for the governmental activities totaled $32,598,240 with $17,080,685 being invested in capital assets, $1,099,849 being restricted for the Malcolm W. Martin Park property and $403,887 for Scott-Troy Trail, and $14,013,819 in unrestricted net position.
- The MEPRD's cash and investments balance as of June 30, 2018, excluding restricted cash balances, was $13,858,001 representing an increase of $643,448 from June 30, 2017.
- Malcolm W. Martin Memorial Park was acquired by the District on June 7, 2005. Including the original donation of property, the Gateway Center of Metropolitan St. Louis, Inc. has donated in excess of $16,500,000 to the District relating to the Park. A majority of the cash contributions were used for the construction of a Mississippi River Overlook, parking area, amphitheater, utility improvements, maintenance/security building and lighting improvements at the Park.

Listed below are the District's assets at June 30, 2018, including a column noting changes (increases/decreases) from June 30, 2017:

	Total Primary Government		Increase/
	2018	2017	(Decrease)
Other assets	$ 15,852,673	$ 14,818,873	$ 1,033,800
Capital assets, net of accumulated depreciation	17,080,685	17,584,721	(504,036)
Deferred outflow of resources	184,250	49,847	134,403
Total assets and deferred outflow of resources	$ 33,117,608	$ 32,453,441	$ 664,167

Listed below are the District's liabilities at June 30, 2018, including a column noting changes (increases/decreases) from June 30, 2017:

	Total Primary Government 2018	Total Primary Government 2017	Increase/ (Decrease)
Other liabilities	$ 245,085	$ 16,085	$ 229,000
Long-term liabilities			
Net Pension Liability	168,426	80,868	87,558
Accrued vacation pay	38,495	30,647	7,848
Deferred inflow of resources	67,362	26,752	40,610
Total liabilities and deferred inflow of resources	$ 519,368	$ 154,352	$ 365,016

As displayed below, the District's total revenues increased by $1,344,327, expenses increased by $919,089 and the District's net position increased by $299,151.

	Total Primary Government 2018	Total Primary Government 2017	Increase/ (Decrease)
REVENUES			
Program revenues			
Capital grants and contributions	$ 1,652,586	$ 500,000	$ 1,152,586
General revenues			
Sales taxes	4,746,811	4,571,955	174,856
Park rental income	400	1,200	(800)
Investment income	112,628	94,943	17,685
Total revenues	6,512,425	5,168,098	1,344,327
EXPENSES			
Governmental activities			
Cultural and recreation	6,213,274	5,294,185	919,089
Change in net position	299,151	(126,087)	
Net position beginning	32,299,089	32,425,176	
Net position ending	$ 32,598,240	$ 32,299,089	

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the MEPRD's basic financial statements. The MEPRD's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains a schedule of revenues, expenditures and changes in fund balance - budget and actual, schedule of changes in net pension liability and related ratios, and schedule of employer contributions and accompanying notes as required supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the MEPRD's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the MEPRD's assets and liabilities, 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 MEPRD is improving or deteriorating.

The Statement of Activities presents information showing how the MEPRD'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 (e.g., earned but unused vacation or sick leave).

The government-wide financial statements report on the function of the MEPRD that is principally supported by intergovernmental revenues. The MEPRD's function is to provide an interconnecting system of parks and trails for the residents of Madison and St. Clair Counties, Illinois. The MEPRD is funded by a 1/10 cent sales tax in both counties for the purpose of establishing these goals. Fifty percent (50%) of the revenues of the sales tax collected is returned to the individual counties, based on their sales tax contributions to the District, the MEPRD retains the balance.

The government-wide financial statements can be found on pages 8 and 9 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain controls over resources that have been segregated for specific activities or objectives. The MEPRD, like other state and local governments and districts, uses fund accounting to insure and demonstrate compliance with finance-related legal requirements. Currently, the MEPRD has only one fund type, namely a governmental fund.

Governmental Fund

The general fund is a governmental fund used to account for essentially the same function 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. Such information may be useful in evaluating a district's near-term financing requirements.

The District maintains one general fund in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance. Because the focus of the governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental fund 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 financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and the *governmental activities*. The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 14 through 28.

SUPPLEMENTARY INFORMATION

The schedule of revenues, expenditures and changes in the fund balance (budget and actual), schedule of changes in net pension liability and related ratios, and schedule of employer contributions and accompanying notes can be found on pages 29 through 34.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a district's financial position.

A large portion of the District's assets are cash. The District uses these assets to provide grant funding to other governmental bodies within the confines of the two county area.

The Malcolm W. Martin Memorial Park and the related cash donations since June of 2005 are also a large portion of the District's assets.

Fund Financial Analysis

As noted earlier, the District uses fund accounting to insure and demonstrate compliance with finance-related legal requirements. The District's governmental fund is described below:

GOVERNMENTAL FUND

The focus of the District's governmental fund is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for purposes at the end of a fiscal year.

As of the end of the current fiscal year, the District's governmental fund, which consists currently of one revenue source fund, reported an ending fund balance of $14,982,513 which is $854,739 more than the $14,127,774 reported at June 30, 2017. The District's main source of revenue, once again, is currently the 1/10 cents sales tax. The fund balance primarily represents the accumulation of revenue, donated capital, and interest income in excess of expenditures. The fund balance is restricted for allowable program expenditures.

Capital Asset and Debt Administration

As of June 30, 2018, the District has total capital assets (Malcolm W. Martin Memorial Park and District property) totaling $20,228,194 with allowed accumulated depreciation expense of $3,147,509. See Note 3 in the financial statements for more detailed information.

Long-Term Debt

The District currently has no long-term debt, other than accrued vacation of $38,495 at the end of the fiscal year. See Note 4 in the financial statements for more detailed information.

Comparison of Budget to Actual Results

Actual revenues and expenditures exceeded budgeted revenues and expenditures as the funding from the regional sales tax was larger than originally anticipated.

Financial Position Factors

The following factors were considered when preparing the FY20 budget given they affect MEPRD's financial position:

Similar to the past several years, MEPRD's tax revenue continues to increase, as does interest rates for certificate of deposits and money markets, i.e. MEPRD's primary investment holdings at this time. Given these facts, the budget reflected an increase in anticipated revenue from these sources. MEPRD allocated $2,000,000 toward the FY19 Park and Trail Grant program. Additionally, MEPRD continues to partner with MCT on the development of the Troy-O'Fallon Trail. The trail is expected to be finished summer of 2019. MEPRD expects to receive a reimbursement check in FY20 from the Illinois Department of Natural Resources totaling $174,705 which assisted with eligible acquisition costs related to the Troy-O'Fallon Trail project. MEPRD has also partnered with St. Clair County Transit District (SCCTD) for a trail extending from Front Street in East St. Louis to the McKinley Bridge Bikeway. SCCTD continues seeking grant funding for the project.

Malcolm W. Martin Memorial Park's FY20 revenue reflects an anticipated $450,000 contribution from the Gateway Center of Metropolitan St. Louis. MEPRD expects to receive the contribution on or after July 1, 2019. Park permit and commercial filming fees are expected to remain constant. Park expenses are expected to decrease primarily because of the Gateway Geyser's decreased operating schedule; it was revised from three times a day from April through October (which equates to approximately 107 operating hours) to one time a day, May through September (which equates to approximately 25.5 hours), a decrease of 76%. The primary factors for this change in schedule was to decrease operating expenses and increase the longevity of the geyser equipment. Expenditures in all other categories were expected to remain relatively constant, with the exception of adding expenses for a July 4th event. Fair St. Louis returned to downtown St. Louis in 2018 after being held in Forest Park the past several years.

Contacting the MEPRD's Financial Management

The financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Metro East Park and Recreation District, 104 United Drive, Collinsville, Illinois 62234, or by phone at (618) 346-4905.

EXHIBIT "A"

METRO EAST PARK AND RECREATION DISTRICT
MADISON AND ST. CLAIR COUNTIES, ILLINOIS
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 6,700,860
Investments	
Certificates of deposit	7,157,141
Restricted	
Cash	190,410
Prepaid expenses	13,221
Donations receivable	900,000
Prepaid expenses	8,449
Receivables	
Regional sales tax - net of County distributions	412,942
Interest	32,197
Intergovernmental agreements	437,453
Capital assets	
Land and construction in progress	3,323,461
Other capital assets, net of depreciation	13,757,224
Total assets	$ 32,933,358
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension contributions	$ 184,250
Total assets and deferred outflows of resources	$ 33,117,608
LIABILITIES	
Accounts payable	$ 241,303
Liabilities payable from restricted assets	
Accounts payable	3,782
Noncurrent liabilities due in more than one year	
Net pension liability	168,426
Accrued vacation pay	38,495
Total liabilities	$ 452,006
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	$ 67,362
NET POSITION	
Net investment in capital assets	$ 17,080,685
Restricted for	
Malcolm W. Martin Memorial Park	1,099,849
Troy-O'Fallon Trail	403,887
Unrestricted	14,013,819
Total net position	$ 32,598,240
Total liabilities, deferred inflows of resources, and net position	$ 33,117,608

The accompanying notes are an integral part of these financial statements.

EXHIBIT "B"

METRO EAST PARK AND RECREATION DISTRICT
MADISON AND ST. CLAIR COUNTIES, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Primary Government Governmental Activities Total
Primary government			
Governmental activities			
Cultural and recreation	$ 6,213,274	1,652,586	$ (4,560,688)
	General revenues:		
	Sales tax		$ 4,746,811
	Investment income		112,628
	Park rental income		400
	Total general revenues		$ 4,859,839
	Change in net position		$ 299,151
	Net position - beginning		32,299,089
	Net position - ending		$ 32,598,240

The accompanying notes are an integral part of these financial statements.

EXHIBIT "C"

METRO EAST PARK AND RECREATION DISTRICT
MADISON AND ST. CLAIR COUNTIES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

		General Fund and Total Governmental Funds
ASSETS		
Cash and cash equivalents	$	6,700,860
Investments		7,157,141
Restricted		
Cash		190,410
Prepaid expenses		13,221
Donation receivable		450,000
Prepaid expenses		8,449
Receivables		
Regional sales taxes - net of County distributions		412,942
Interest		32,197
Intergovernmental agreements		262,378
Total assets	$	15,227,598
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	$	241,303
Liabilities payable from restricted assets		
Accounts payable		3,782
Total liabilities	$	245,085
FUND BALANCES		
Nonspendable		
Prepaid expenses	$	8,449
Restricted		
Malcolm W. Martin Memorial Park		649,849
Troy-O'Fallon Trail		403,887
Committed		
Grant awards		8,334,286
Unassigned		5,586,042
Total fund balances	$	14,982,513
Total liabilities and fund balances	$	15,227,598

The accompanying notes are an integral part of these financial statements.

METRO EAST PARK AND RECREATION DISTRICT
MADISON AND ST. CLAIR COUNTIES, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS (EXHIBIT "C")	$	14,982,513
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets of $20,228,194, net of accumulated depreciation of $3,147,509, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		17,080,685
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		
Grant revenue		175,075
Gateway Center grant		450,000
Accrued vacation pay is considered a noncurrent liability and, therefore, is not reported in the governmental funds (see Note 4).		(38,495)
Net pension liability, net of related deferrals, is not due and payable in the current period and, therefore, is not reported in the governmental funds.		(51,538)
NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT "A")	$	32,598,240

The accompanying notes are an integral part of these financial statements.

METRO EAST PARK AND RECREATION DISTRICT
MADISON AND ST. CLAIR COUNTIES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	General Fund		
	MEPRD	MMMP	Total
REVENUES			
Sales tax	$ 4,746,811	$ -	$ 4,746,811
Park rental income	-	400	400
St. Clair County Transit District grant	500,000	-	500,000
Gateway Center grant	-	732,113	732,113
Other grants	470,473	-	470,473
Interest income	113,145	1,297	114,442
Depreciation in fair value of investments	(1,814)	-	(1,814)
Total revenues	$ 5,828,615	$ 733,810	$ 6,562,425
EXPENDITURES			
Culture and recreation			
Sales tax reimbursements	$ 2,323,902	$ -	$ 2,323,902
Grant payments	1,420,439	-	1,420,439
Grant payments - Scott/Troy Trail	897,863	-	897,863
Employee related expenses	225,801	-	225,801
Professional services	65,530	158,075	223,605
State administration fee	99,006	-	99,006
Travel	770	-	770
Office expenses	14,103	4,070	18,173
Repairs and maintenance	42,727	348,574	391,301
Utilities	21,271	46,124	67,395
Other special events/sponsorships	14,789	200	14,989
Insurance	15,582	13,760	29,342
Dues and subscriptions	325	-	325
Total expenditures	$ 5,142,108	$ 570,803	$ 5,712,911
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	-	5,225	5,225
Net change in fund balance	$ 686,507	$ 168,232	$ 854,739
FUND BALANCE			
Beginning of year			14,127,774
End of year			$ 14,982,513

The accompanying notes are an integral part of these financial statements.

EXHIBIT "F"

METRO EAST PARK AND RECREATION DISTRICT
MADISON AND ST. CLAIR COUNTIES, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS (EXHIBIT "E")	$ 854,739
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Depreciation expense	(330,361)
Changes in accrued vacation pay reported in the Statement of Activities does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(7,848)
Changes in net pension liability and related deferrals are reported only in the Statement of Activities.	6,235
Payments received on accounts receivable are recorded as a revenue in the funds and recorded as a reduction to the receivable in the government-wide financial statements.	
Intergovernmental agreements	(50,000)
Expense reimbursement receivable	61
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals, transfers and capital contributions) is to decrease net position	(173,675)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT "B")	$ 299,151

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Metro East Park and Recreation District (District) (MEPRD) are prepared in accordance with U.S. 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 operates under a Board of Directors form of government. The primary duty of the District is the development, operation and maintenance of a public system of interconnecting trails and parks throughout Madison and St. Clair Counties in Illinois. As required by generally accepted accounting principles, these financial statements present the District (the primary government).

The District has developed criteria to determine whether outside agencies with activities that benefit the citizens of the District should be included within its financial reporting entity. The criteria for including organizations within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus," is financial accountability. Financial accountability is defined as either 1) appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government or 2) the component unit is fiscally dependent on the primary government and there are potential financial benefits or burdens on the primary government. Based on these criteria, there are no component units in the reporting entity.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information for the District as a whole. The effect of interfund activity, if any, has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges to external customers. Likewise the primary government is reported separately from a certain legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and 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 instead reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District has no nonmajor funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Government-Wide and Fund Financial Statements (Cont'd)

The District reports the following major governmental fund:

The General Fund is the District's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The District has no proprietary funds or fiduciary funds.

C. Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into one category: governmental.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds) and the servicing of general 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.

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 and additions are recorded when earned and expenses and deductions are reported when a liability is incurred, regardless of the timing of related cash flows. 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considered revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Sales taxes, grant revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Cash and Investments

Cash

The District's cash is considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

The District's investments are considered to be certificates of deposit and long-term investments with original maturity of greater than three months from the date of acquisition and are stated at fair value.

F. Receivables and Payables

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. Receivables are shown net of an allowance for uncollectible accounts where applicable. Receivables are recognized for sales taxes, interest, and intergovernmental grants. Management has determined that all receivables are collectible and no allowance for doubtful accounts is necessary.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide financial statements report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the government-wide financial statements report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

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. Capital Assets

Capital assets, if any, which include property, plant, equipment and infrastructure assets (e.g., land, bridges, sidewalks and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $10,000 (amount not rounded) 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 assets are recorded at estimated fair value at the date of donation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Capital Assets (Cont'd)

The cost 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.

Buildings and permanent structures	75 years
Equipment (including pumps and fountains)	50 years
Office equipment	10 years
Trails	15 years

J. Compensated Absences (Accrued Vacation Pay)

It is the policy of the District to permit employees to accumulate earned but unused vacation and sick time. Sick time is earned at a rate of 1 day per month and accumulated up to a maximum of 32.5 days. Accrued sick time has no cash value at the time of separation of employment. Vacation time is accrued differently for exempt and non-exempt employees. For non-exempt employees, vacation is earned at a rate of 2 weeks per year upon the employee's date of hire. Once the non-exempt employee has reached 5 years of employment, vacation time is earned at a rate of 3 weeks per year. For exempt employees, the vacation accruals are the same until the employee reaches 10 years up service, at which point vacation is earned at a rate of 4 weeks per year.

All vacation is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignation and retirements.

In accordance with the provisions of GASB Statement No. 16, no liability is recorded for non-vested accumulating rights to receive sick pay benefits. However, a liability is recognized for the portion of accumulated sick leave benefits that are estimated to be taken as "terminal leave" prior to retirement.

K. Equity Classifications

Government-Wide Statements

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

Net investment in capital assets – Net investment in capital assets consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Restricted net position consist of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Statements

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

Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

Restricted – Includes fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

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

Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned by the District board taking action to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period. As of June 30, 2018, the District does not have assigned funds.

Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Other governmental funds may report a negative unassigned fund balance should the total of nonspendable, restricted, committed, and assigned fund balances exceed the total net resources of the fund.

Instead of a formal fund balance policy addressing the order in which resources are to be used when amounts are available for expenditure, the District uses the default approach allowed by Governmental Accounting Standards Board Statement No. 54. Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

L. Estimates

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

M. Subsequent Events

Management has evaluated subsequent events through the report date, the date on which the financial statements were available to be issued.

NOTE 2. DEPOSITS AND INVESTMENTS

The District is authorized by state statute and its investment policy to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the United States of America, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool. The District does not enter into any reverse repurchase agreements.

At year-end, the carrying amount of the District's deposits totaled $14,048,411 and bank balances totaled $14,058,807.

Reconciliation to the financial statements:

	Deposits
Cash	$ 6,700,860
Investments	7,157,141
Restricted	
Cash	190,410
Carrying amount - as above	$ 14,048,411

A. Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally invests in certificates of deposit.

B. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a financial institution, a government will not be able to recover its investments or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Funds on deposit (checking accounts, money markets, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent – third party institution in the name of the District.

As of June 30, 2018, of the bank balances, $8,656,300 was insured by the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC), $5,402,507 was covered by pledged collateral held in the District's name.

NOTE 2. DEPOSITS AND INVESTMENTS (CONT'D)

C. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's state investment pool has earned Standard and Poor's highest rating (AAAm).

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

Governmental activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Park assets				
Land	$ 3,088,682	$ -	$ -	$ 3,088,682
Riverpark Drive	4,409	-	-	4,409
District Assets				
Land	230,370	-	-	230,370
Leasehold improvements - trails construction in progress	164,628	-	164,628	-
Total capital assets not being depreciated	$ 3,488,089	$ -	$ 164,628	$ 3,323,461
Capital assets being depreciated				
Park Assets				
Buildings	$ 2,249,555	$ -	$ -	$ 2,249,555
Overlook	8,761,499	-	-	8,761,499
Fountains, pumps and equipment	2,991,108	-	11,405	2,979,703
District assets				
Office building	1,552,840	-	-	1,552,840
Leaseholds improvements - trails	1,343,736	-	-	1,343,736
Office equipment	17,400	-	-	17,400
Total capital assets being depreciated	$ 16,916,138	$ -	$ 11,405	$ 16,904,733

NOTE 3. CAPITAL ASSETS (CONT'D)

Less accumulated depreciation for				
Park Assets				
Buildings	$ 292,470	$ 32,642	$ -	$ 325,112
Overlook	944,081	117,331	-	1,061,412
Fountains, pumps and equipment	771,907	69,754	2,358	839,303
District Assets				
Office building	218,711	20,704	-	239,415
Leasehold improvements - trails	576,379	89,333	-	665,712
Office equipment	15,958	597	-	16,555
Total accumulated depreciation	$ 2,819,506	$ 330,361	$ 2,358	$ 3,147,509
Total capital assets being depreciated, net	$ 14,096,632	$ (330,361)	$ 9,047	$ 13,757,224
Government activities capital assets, net	$ 17,584,721	$ (330,361)	$ 173,675	$ 17,080,685

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

Governmental Activities	
General government	$ 330,361

NOTE 4. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

Description and Purpose	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Due Within One Year
Primary Government					
Net Pension Liability	$ 80,868	$ 87,558	$ -	$ 168,426	$ -
Compensated Absences					
Accumulated vacation pay	30,647	15,334	7,486	38,495	-
Total	$ 111,515	$ 102,892	$ 7,486	$ 206,921	$ -

NOTE 5. FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2018, fund balances are comprised of the following:

	Nonspendable	Restricted	Committed	Unassigned
General Fund				
Prepaid expenses	$ 8,449	$ -	$ -	$ -
Malcolm W. Martin Memorial Park	-	649,849	-	-
Troy-O'Fallon Trail	-	403,887	-	-
Grant awards	-	-	8,334,286	-
Unassigned	-	-	-	5,586,042
Total	$ 8,449	$ 1,053,736	$ 8,334,286	$ 5,586,042

NOTE 6. DEFINED BENEFIT PENSION PLAN

Retirement Commitments

Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONT'D)

Benefits Provided (Cont'd)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees	1
Inactive	-
Active	3
Total	4

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 was 10.22%. For the fiscal year ended June 30, 2018, the District contributed $16,622 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONT'D)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) 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-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

			Projected Returns/Risk	
Asset Class	Target Allocation	Return 12/31/2017	One Year Arithmetic	Ten Year Geometric
Equities	37.00%	19.60%	8.30%	6.85%
International Equities	18.00%	27.53%	8.45%	6.75%
Fixed Income	28.00%	4.67%	3.05%	3.00%
Real Estate	9.00%	9.10%	6.90%	5.75%
Alternatives	7.00%			
Private Equity		N/A	12.45%	7.35%
Hedge Funds		N/A	5.35%	5.05%
Commodities		N/A	4.25%	2.65%
Cash Equivalents	1.00%	N/A	2.25%	2.25%
Total	100.00%			

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONT'D)

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Changes in System's Net Pension Liability

Changes in the System's net pension liability for the year ended December 31, 2017, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2016	$ 506,538	$ 425,670	$ 80,868
Changes for the year:			
Service Cost	$ 24,231	$ -	$ 24,231
Interest	38,309	-	38,309
Difference between expected and actual experience	158,427	-	158,427
Changes in assumptions	(24,527)	-	(24,527)
Benefit Payments and Refunds	(15,734)	-	(15,734)
Contributions - employees	-	10,032	(10,032)
Contributions- employer	-	22,785	(22,785)
Net investment income	-	59,625	(59,625)
Benefit Payments and Refunds	-	(15,734)	15,734
Other (Net Transfer)	-	16,440	(16,440)
Net Changes	$ 180,706	$ 93,148	$ 87,558
Balance, December 31, 2017	$ 687,244	$ 518,818	$ 168,426

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONT'D)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	Discount Rate	Net Pension Liability (Asset)	
1% decrease	6.50%	$	274,015
Current discount rate	7.50%		168,426
1% increase	8.50%		82,713

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the District recognized pension expense of $10,387. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 143,958	$ 22,562
Changes of assumptions	12,280	23,646
Net difference between projected and actual earnings on pension plan investments	12,634	21,154
Contributions after measurement date	15,378	-
Total	$ 184,250	$ 67,362

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

Year ending December 31,		
2018	$	27,614
2019		11,325
2020		6,245
2021		5,726
2022		11,013
Thereafter		54,965
Total	$	116,888

Payable

At December 31, 2017, the District did not report any amount payable to IMRF.

NOTE 7. OTHER DISCLOSURES

A. Risk Management - Claims and Judgments

Description

Losses are covered by commercial insurance for the District's workers' compensation and general and property liability insurance coverage. There have been no significant reductions in insurance coverage during the fiscal year. Settlement amounts, if applicable, have not exceeded insurance coverage for the current year or the three prior years.

B. Committed Fund Balance - Grant Awards

In fulfilling its creation purpose, the District periodically makes financial grants to governmental organizations within Madison and St. Clair Counties in Illinois. The District Board is responsible for reviewing grant applications and approving grant awards. The District has awarded, through board resolution, grants to various other governmental entities. The amount of grant payments outstanding is $4,844,286.

In addition to the matching grant commitments, the District has also entered into an agreement with the St. Clair County Transit District (SCCTD) to help fund a new bike trail to be named the Riverfront Trail. The District has committed to fund $340,000 of engineering expenses and $3,150,000 of construction expenses for the Riverfront Trail and plans to apply for grants to help cover these expenses.

C. Gateway Center of Metropolitan St. Louis - Malcolm W. Martin Donation

On June 6, 2005, the District received a significant donation of approximately 31.686 acres of land located in St. Clair County, Illinois, including improvements known as the "Gateway Geyser" and four other fountains, pumps and related equipment, which have been valued at $6,441,276. In addition, the District received $2,500,000 in "initial funds" for the continued operation and maintenance of the above property. The District receives additional periodic donations. As of March 27, 2018, the District entered into a $900,000 donation agreement with payments receivable on July 1, 2018 and July 1, 2019 in $450,000 increments. The District's obligations with regard to these donations are to maintain the property for use as a park and to use the funds provided solely for the maintenance of said property. The only donation funds received by the District in FY 2018 was $282,113 to cover the costs of repairs to the Gateway Geyser. The park is named "Malcolm W. Martin Memorial Park" as a memorial to Mr. Martin. Assets and liabilities related to the operation of the park are reported as restricted on the financial statements.

D. Outstanding Grants Awarded to the Metro East Park and Recreation District

The District has the following outstanding grant awards:

District Project	Granting Agency		Amount
Troy-O'Fallon Trail	Illinois Department of Transportation	$	4,356,533
Troy-O'Fallon Trail	Illinois Department of Natural Resources		174,955
		$	4,531,488

NOTE 7. OTHER DISCLOSURES (CONT'D)

D. Outstanding Grants Awarded to the Metro East Park and Recreation District (Cont'd)

The Troy-O'Fallon Trail grants from the Illinois Department of Transportation (IDOT) are 80/20 grants with 20% being provided from District funds. These grants are to be used for the payment of preliminary engineering and construction of the related trail. Madison County Mass Transit District (MCT) is providing construction with the District (grant recipient) providing funding net of the 80% federally funded grant reimbursement for construction expenses. For preliminary engineering expenses, MCT pays the engineering firm, and then the District reimburses MCT. The District submits these expenses to IDOT and receives reimbursement for 80% of the eligible engineering expenses.

The Troy-O'Fallon Trail grant from the Illinois Department of Natural Resources (IDNR) was a 50/50 grant with 50% of the costs being provided from the District funds. MCT is acquiring the trail properties with the District (grant recipient) providing funding net of the 50% state funded grant reimbursement. During the prior fiscal years, the District notified the IDNR that it spent $1,537,046 in acquisition costs, and the Illinois Department of Resources determined that the District is eligible for reimbursement of approximately $175,000 of grant income.

E. Contingencies

The District has received funding from state and federal grants in the current and prior years which are subject to audits by granting agencies. The District Board believes any adjustments that may arise from these audits will be insignificant to District operations.

SCHEDULE "A"

METRO EAST PARK AND RECREATION DISTRICT
MADISON AND ST. CLAIR COUNTIES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (CASH BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	General Fund - MEPRD		
	Original and Final Budget	Actual	Actual Revenues/ Expenditures (Over) Under Budget
REVENUES			
Sales tax	$ 4,200,000	$ 4,723,333	$ (523,333)
Grant income	-	708,095	(708,095)
Interest income	65,000	115,394	(50,394)
Park management fees	2,000	-	2,000
Total revenues	$ 4,267,000	$ 5,546,822	$ (1,279,822)
EXPENDITURES			
Culture and recreation			
Current			
Sales tax reimbursements	$ 2,100,000	$ 2,318,266	$ (218,266)
Grant payments	3,978,906	1,420,439	2,558,467
Grant payments - Scott/Troy Trail	2,394,802	679,563	1,715,239
Employee related expenses	274,450	220,538	53,912
Professional services	76,500	65,780	10,720
State administration fee	-	86,800	(86,800)
Travel	5,000	769	4,231
Office expenses	21,500	14,818	6,682
Repairs and maintenance	42,250	42,209	41
Utilities	21,000	21,271	(271)
Other special events/sponsorships	31,000	14,791	16,209
Insurance	17,800	15,990	1,810
Dues and publications	1,000	325	675
Contingency	15,000	-	15,000
Total expenditures	$ 8,979,208	$ 4,901,559	$ 4,077,649
Net increase (decrease) in cash balances	$ (4,712,208)	$ 645,263	$ (5,357,471)

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance	
Net increase in cash balances - above	$ 645,263
Adjustments to reconcile increase in cash balances to net changes in fund balance - Exhibit "E"	
Depreciation in fair market value of investments	(1,814)
Increases (decreases) in assets which are not recorded using the cash basis	
Prepaid expenses	(307)
Receivables	
Regional sales tax - net of County distributions	17,842
Accrued interest receivable	(2,249)
Intergovernmental agreements	262,378
(Increases) decreases in liabilities which are not recorded using the cash basis	
Accounts payable	(234,606)
Net changes in fund balance - Exhibit "E"	$ 686,507

See accompanying independent auditor's report.

METRO EAST PARK AND RECREATION DISTRICT
MADISON AND ST. CLAIR COUNTIES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (CASH BASIS) AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	General Fund - MMMP		
	Original and Final Budget	Actual	Actual Revenues/ Expenditures (Over) Under Budget
REVENUES			
Gateway Center grant	$ 500,000	$ -	$ 500,000
Gateway Center grant - generator repair	310,000	282,113	27,887
Interest income	500	1,297	(797)
Other income	1,000	400	600
Total revenues	$ 811,500	$ 283,810	$ 527,690
EXPENDITURES			
Culture and recreation - District			
Current			
Professional services	$ 170,500	$ 158,075	$ 12,425
Travel	700	-	700
Office expenses	5,350	4,105	1,245
Repairs and maintenance	78,750	65,724	13,026
Repairs and maintenance - generator repair	310,000	282,113	27,887
Utilities	98,600	51,088	47,512
Other special events/sponsorships	14,000	198	13,802
Insurance	15,700	13,306	2,394
Park management fees	2,000	-	2,000
Contingency	5,000	-	5,000
Total expenditures	$ 700,600	$ 574,609	$ 125,991
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	-	5,225	(5,225)
Net increase (decrease) in cash balances	$ 110,900	$ (285,574)	$ 396,474

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance	
Net decrease in cash balances - above	$ (285,574)
Adjustments to reconcile decrease in cash balances to net changes in fund balance - Exhibit "E"	
Increases (decreases) in assets which are not recorded using the cash basis	
Prepaid expenses	(1,800)
Donations receivable	450,000
(Increases) decreases in liabilities which are not recorded using the cash basis	
Accounts payable	5,606
Net changes in fund balance - Exhibit "E"	$ 168,232

See accompanying independent auditor's report.

NOTE 1. BUDGET AND BUDGETARY ACCOUNTING

The district followed these procedures in establishing the budgetary data reported in the financial statements for the year ended June 30, 2018:

1. Prior to June 30, the Director prepared a budget which was distributed to the District Board for their review.

2. Formal Board adoption of the budget was on June 13, 2017.

3. No amendments were made to the budget subsequent to its approval.

4. Annual budgets lapse at the fiscal year end.

The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual presents a comparison of budgetary data to actual results. The District budgets on the cash basis.

METRO EAST PARK AND RECREATION DISTRICT

MADISON AND ST. CLAIR COUNTIES, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	LAST 10 CALENDAR YEARS (schedule to be built prospectively from 2014)									
Calendar year ending December 31,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service Cost	$ 24,231	$ 23,364	$ 22,920	$ 24,279						
Interest on the Total Pension Liability	38,309	35,394	31,755	27,525						
Benefit Changes	-	-	-	-						
Difference between Expected and Actual Experience	158,427	(12,067)	(6,435)	(12,081)						
Assumption Changes	(24,527)	(1,653)	753	17,921						
Benefit Payments and Refunds	(15,734)	-	-	-						
Net Change in Total Pension Liability	180,706	45,038	48,993	57,644						
Total Pension Liability - Beginning	506,538	461,500	412,507	354,863						
Total Pension Liability - Ending (a)	$ 687,244	$ 506,538	$ 461,500	$ 412,507						
Plan Fiduciary Net Position										
Employer Contributions	$ 22,785	$ 21,829	$ 21,652	$ 19,451						
Employee Contributions	10,032	9,716	9,405	9,108						
Pension Plan Net Investment Income	59,625	26,223	1,880	19,951						
Benefit Payments and Refunds	(15,734)	-	-	-						
Other	16,440	(1,172)	(24,402)	(765)						
Net Change in Plan Fiduciary Net Position	93,148	56,596	8,535	47,745						
Plan Fiduciary Net Position - Beginning	425,670	369,074	360,539	312,794						
Plan Fiduciary Net Position - Ending (b)	$ 518,818	$ 425,670	$ 369,074	$ 360,539						
Net Pension Liability/(Asset) -Ending (a)-(b)	168,426	80,868	92,426	51,968						
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.49%	84.04%	79.97%	87.40%						
Covered Valuation Payroll	$ 222,943	$ 215,920	$ 208,998	$ 202,391						
Net Pension Liability as a Percentage of Covered Valuation Payroll	75.55%	37.45%	44.22%	25.68%						

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

See accompanying independent auditor's report.

METRO EAST PARK AND RECREATION DISTRICT
MADISON AND ST. CLAIR COUNTIES, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST 10 CALENDAR YEARS

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	$ 19,450	$ 19,451	$ (1)	$ 202,391	9.61%
2015	21,652	21,652	-	208,998	10.36%
2016	21,830	21,829	1	215,920	10.11%
2017	22,785	22,785	-	222,943	10.22%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

See accompanying independent auditor's report.

METRO EAST PARK AND RECREATION DISTRICT
MADISON AND ST. CLAIR COUNTIES, ILLINOIS
NOTES TO THE SCHEDULE OF EMPLOYER CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2017 CONTRIBUTION RATE

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2017 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies- 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 26-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The 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 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation