



**WINNETKA PARK DISTRICT
FINANCE COMMITTEE MEETING
THURSDAY, APRIL 14, 2016
Community Room
540 Hibbard Road
5:50 P.M.**

AGENDA

1. Call to Order/Roll Call
2. Unfinished Business
3. New Business
 - a. Banking Services
 - b. Policy Manual Draft Review – Chapters 6 & 7
4. Adjournment

Committee Members

Gerri Kahnweiler, Chair
Ian Larkin
John Thomas
Bob Farmer, Staff

Persons with disabilities requiring reasonable accommodations to participate in meetings should contact John Shea, the Park District's ADA Compliance Coordinator, at the Park District's Administrative Office by mail at 540 Hibbard Rd, Winnetka, IL, by phone at 847-501-2040, Monday - Friday from 8:30 am to 5:00 pm, or by email to jshea@winpark.org at least 48 hours prior to the meeting. Requests for a qualified interpreter require five (5) working days advance notice.

Winnetka Park District

Board Summary

Date: April 14, 2016
To: Finance Committee
Subject: Banking Services
From: Robert Farmer, Business Manager

Summary:

Harris Bank has provided banking services for the Winnetka Park District for more than 30 years.

In 2009, the District requested proposals for banking services from the following banks:

- Chase
- Citibank
- First Bank & Trust
- Harris Bank
- Northern Trust
- North Shore Community Bank
- The Private Bank

With the exception of Citibank, all of the local banks submitted proposals. All of the submitted proposals (including Harris Bank) were higher than what we were paying at that time. After evaluation of the submitted proposals, the District decided to remain with Harris Bank. One of the main reasons the District did not change from Harris Bank in 2009 was the expense of changing banks.

For the past few years, staff has noticed a slight decrease in the local involvement by Harris Bank and a gradual turnover in Harris Bank staff. The District still receives good customer service. However, that is a slight decrease from “excellent” customer service.

Currently the District has a main checking account, a payroll account, four operating sweep accounts and three miscellaneous accounts.

Recommendation:

Upon discussion of this subject at the April 14 meeting, staff will take guidance from the Finance Committee as whether to continue with the banking services “as is” or if we should issue an RFP and reevaluate submittals.

END

Winnetka Park District

Board Summary

Date: April 6, 2016

To: Finance Committee
Board of Commissioners

Subject: Revision and Review of Park District Policies Chapters 6-7

From: Robert Smith, Executive Director
Robert Farmer, Superintendent of Finance

Summary:

As part of the overall update and review of our policy manual, please find attached Chapters 6-7 for your review. This is a working draft and is open to refinement and edit by the Finance Committee. These sections have been reviewed by Steve Adams of Robbins Schwartz for legal editing. Please review and submit any comments and edits to me so a second draft can be compiled. Any section within the document, or any subject you feel needs to be included, can be discussed at the Committee meeting scheduled for April 14.

Recommendation:

None. Review, comment, edit and proof of the Finance Committee.

END

**WINNETKA PARK DISTRICT
POLICY MANUAL
CHAPTER 6**

ANNUAL FISCAL REQUIREMENTS

- 6.01 Budget and Appropriation Ordinance**
- 6.02 Levy Ordinance**
- 6.03 Annual Audit**
- 6.04 Official Filings**
- 6.05 State of Illinois Disclosure Statement**
- 6.06 Annual Treasurer's Report**
- 6.07 State Comptroller's Report**

6.00 ANNUAL FISCAL REQUIREMENTS

6.01 BUDGET AND APPROPRIATION ORDINANCE

A. Legal Requirements

A combined Budget and Appropriation Ordinance shall be adopted by the Board of Park Commissioners within or before the first quarter of each fiscal year.

The ordinance shall contain a statement of cash on hand at the beginning of the fiscal year, an estimate of cash expected to be received during such fiscal year from all sources, an estimate of expenditures contemplated for such fiscal year and the estimated cash expected to be on hand at the end of such year. The ordinance must also contain an itemized list of the various items and services that will require public funding.

The Budget and Appropriation Ordinance should be prepared in tentative form and be made conveniently available for public inspection for at least thirty (30) days before final action by the Park Board on the Budget and Appropriation Ordinance. At least one public hearing shall be held before final action. The hearing must be advertised in a newspaper published in this Park District at least one week prior to the date for which the hearing is scheduled.

The Park Board must file a certified copy of the Budget and Appropriation Ordinance with the Cook County Clerk within 30 days of the adoption of the ordinance, along with an estimate, certified by the Business Manager, of revenues, by source, anticipated to be received by the Park District in the following fiscal year.

Once the appropriation ordinance is adopted and certified, the District is prohibited from spending beyond the appropriations set forth in the ordinance at any time within the same fiscal year. After the first 6 months of the fiscal year, the Board may, by two-thirds vote, transfer from any line item its anticipated unexpended funds to any other item of appropriation. At any time during the fiscal year, the Board may, by ordinance, make transfers between various items in any fund not exceeding ten (10) percent of the total amount appropriated in such fund.

During any fiscal year, the Park Board may adopt a supplemental appropriation ordinance after adoption of the annual budget and appropriation ordinance for that fiscal year, in an amount not to exceed the aggregate of any additional revenue available to the Park District or estimated to be received by the Park District. The publication, notice, and public hearing requirements set forth in this subsection above shall not apply to the supplemental ordinance or to the budget document forming the basis of the supplemental ordinance.

Except as otherwise provided by law, the Board may only amend the Budget and Appropriation Ordinance by following the same formalities observed when adopting the original ordinance.

- B.** The Executive Director is responsible for the preparation of the Budget and Appropriation Ordinance in tentative form. There are certain general and administrative costs incurred in the overall operation of the District, including the management of the District's various funds such as General, Recreation, Parks, Golf, Beach Launch, Ice, Tennis, and Platform Tennis. Therefore, each fund should share the costs of the administrative overhead costs.

The amount of administrative overhead for such items as salaries, office supplies, insurance, hospitalization, etc., is allocated to all user departments, based on a 50/50 blend of the ratio of each department's total operating expenditures/expenses to the rest of the District's departments and an allocation of time spent by general and administrative personnel on behalf of each of the District's departments.

Upon completion of the first draft of the Budget and Appropriation Ordinance pursuant to the above legal requirements, the Executive Director will review each fund with the Board of Park Commissioners. After adjustments as directed by the Park Board are made, the budget will be prepared in final form.

6.02 LEVY ORDINANCE

Each Park District has the power to levy and collect taxes on all the taxable real estate in the corporate boundaries of the agency. A Park District may accumulate funds for the purpose of building repairs and improvements and may annually levy taxes for such purposes in excess of current requirements for its other purposes but subject to rate limitations as set forth in the Illinois Compiled Statutes.

The Executive Director is responsible for preparation of the Levy Ordinance. The Levy Ordinance shall be prepared in a form similar to the Budget and Appropriation Ordinance.

- a. At least twenty (20) days before final action on the Levy Ordinance the Park Board must adopt a resolution formally determining the amount of money it estimates, exclusive of election costs, debt service levies and levies made for the purpose of paying amounts due under public building commission leases, will be levied for the upcoming year.
- b. A public hearing must be held prior to adoption of the levy ordinance if the estimated levy is more than 105% of the levy extended by the District in the prior year, plus any amounts abated by the Park Board prior to extension and exclusive of election costs, debt service levies and levies made for the purpose of paying amounts due under public building commission leases,. The hearing must be advertised in a newspaper published in this Park District no more than 14 days nor less than 7 days prior to the date of the public hearing.
- c. The Levy Ordinance is normally adopted on the first Monday in December or at the Park Board's first regularly scheduled meeting in December.

- d. A certified copy of the approved Levy Ordinance and certification of compliance with the Truth and Taxation Act from the Board's President shall be filed with the Cook County Clerk no later than the last Tuesday in December (35 ILCS 200/18-15).

6.03 ANNUAL AUDIT

An audit of all funds, property, and financial practices shall be conducted annually by an independent certified public accounting firm which will be chosen by the Board of Park Commissioners. The annual audit must be filed annually with the State Comptroller as specified in Section 6.07 of this Manual.

In addition to providing statements that conform to generally accepted accounting principles that set forth the financial position and results of financial operations of various funds and investments, the firm shall provide an audit management letter providing recommendations for improving the fiscal and management practices of the District. Each report must include certification that the audit was performed in compliance with generally accepted auditing standards.

6.04 OFFICIAL FILINGS

On an annual basis, the Park District shall file with the appropriate county and state agencies, the current prescribed following documents:

- 1) Budget and Appropriation Ordinance.
- 2) Tax Levy Ordinance
- 3) Treasurer's Report (Statement of Receipts and Disbursements)
- 4) Annual Report for Park and Forest Preserve Districts.
- 5) Fiscal Responsibility Report Card
- 6) Prevailing Wage Ordinance
- 7) Annual Exempt Property Affidavit

6.05 STATE OF ILLINOIS DISCLOSURE STATEMENT

The following persons shall annually file verified written statements of economic interests:

- A. Members of the Board of Park Commissioners and candidates for election to the Park Board.
- B. Persons Appointed to the Board.
- C. Park District employees who are compensated for services as employees and not as independent contractors and who:

- (1) are or function as the head of a department, division, bureau or other administrative unit within the District, or exercise similar authority;
- (2) have direct supervisory authority over, or direct responsibility for the formulation, negotiation, issuance or execution of contracts in the amount of \$1,000 or greater;
- (3) have authority to approve licenses or permits by the District;
- (4) adjudicate, arbitrate or decide any administrative proceeding, or review such a decision within the authority of the District;
- (5) have authority to issue or promulgate rules or regulations within areas under the authority of the District; or
- (6) have supervisory responsibility for 20 or more employees.

D. Persons required to file shall obtain an appropriate form from the Secretary of the Park District. The completed statement must be filed by May 1st of each year; failure to do so will subject the individual to late filing fees and possible forfeiture of office or employment. A candidate for elective office shall file his/her statement no later than the end of the period during which he/she can take the action necessary under the laws of this State to attempt to qualify for nomination, election, or retention to such office if he has not filed a statement in relation to the same unit of government within a year preceding such action.

6.06 ANNUAL TREASURER'S REPORT

The Treasurer shall prepare a report at the end of each fiscal year showing the amount and source of all revenues, giving items, particulars and details. The report must list all monies disbursed, where the total amount paid during the fiscal year exceeds \$2,500 in the aggregate, including the name of each individual to whom the monies were disbursed and the total amount paid to each person. The report must also list all monies paid out as compensation for personal services, identifying each recipient and the total amount paid to him/her. For compensation paid to District employees, the District may report categories of compensation, identifying each employee who was paid within each of the following salary ranges: (1) under \$25,000; (2) \$25,000 – \$49,999.99; (3) \$50,000 - \$74,999.99; (4) \$75,000 - \$99,999.99; (5) \$100,000 - &124,999.99; or (6) \$125,000 and over. The report must also include a summary statement of operations, for all funds and account groups, as excerpted from the annual financial report filed with the State Comptroller.

Such statement shall be subscribed and sworn to by the Treasurer. Within six months after the close of the fiscal year such statement shall be filed in the Office at the Cook County Clerk.

Within six months after the end of such fiscal year the Treasurer shall either publish a true, complete and correct copy of such statement one time in a newspaper published in Winnetka, or if (i) the Park District has caused a licensed public accountant to perform an audit of its funds; and (ii) a report of such audit has been filed with the County Clerk's office as required by law, then the Park District may file a notice of the availability of the audit ("Notice of Availability") in lieu of publishing the entire Treasurer's Report. The Notice of Availability must be published at least one time in an English language newspaper in the Village of Winnetka. The Notice of Availability shall include the time period covered by the audit, the name of the firm conducting the audit, and the address and business hours of the location where the audit report may be publicly inspected. Certification of the publication of the Notice of Availability must then be filed with the County Clerk by the publisher of the newspaper within 10 days of publication.

6.07 STATE COMPTROLLER'S REPORT

A copy of the Annual Audit Report must be filed with the Comptroller of the State of Illinois and the Cook County Clerk within six (6) months following the close of each fiscal year. Additionally, form 558-4 entitled, "Annual Audit Report, Park and Forest Preserve Districts," must be prepared annually by the Treasurer and filed with the Comptroller and the Cook County Clerk within six months after the close of the fiscal year. This report indicates beginning cash balance of all funds on a consolidated basis, revenues by defined categories (consolidated) and expenditures by defined categories (consolidated), with ending cash balance (consolidated) at fiscal year-end. The report further provides information regarding investment of funds by type, description of indebtedness by type including current issues and current redemptions, and appropriated amounts by fund.

END

Tracking

Review and Update	April 2016
Administrative Committee:	April 14, 2016
Board First Reading:	
Board Second Reading & Adoption:	
Review Due:	March 2019

**WINNETKA PARK DISTRICT
POLICY MANUAL
CHAPTER 7**

FISCAL OPERATING AND BUSINESS PROCEDURES

- 7.01 Statement of Intent**
- 7.02 Creation of Debt**
- 7.03 Authorization for Check Signing**
- 7.04 Fiduciary Bonding Insurance Coverage's**
- 7.05 Insurance**
- 7.06 Internal Auditing**
- 7.07 Financial and "Official" Records Retention**
- 7.08 Cash Receipts**
- 7.09 Investment of Excess Cash Deposit of Funds**
- 7.10 Deposit of Funds**
- 7.11 Petty Cash**
- 7.12 Monthly Financial Reports**
- 7.13 "Board Bill List"**
- 7.14 Procedures for Purchasing**
- 7.15 Legal Bidding Procedures**
- 7.16 Notification of Bidders**
- 7.17 Re-bidding**
- 7.18 Contracts**
- 7.19 Bid Bonds**
- 7.20 Performance and Labor Payment Bonds**

- 7.21 Fixed Assets Ledger**
- 7.22 Budget Philosophy and Guidelines**
- 7.23 Wire Transfers**
- 7.24 Annual Externally Conducted Audits**
- 7.25 Accounts Receivable**
- 7.26 Contracts and Other Obligations**
- 7.27 Fixed Investments**
- 7.28 Intergovernmental Cooperation**
- 7.29 Bond Rating**
- 7.30 Revenue Policy**

7.00 FISCAL OPERATING AND BUSINESS PROCEDURES

7.01 STATEMENT OF INTENT

The financial resources of the District are the means by which the District serves the public. All financial operations shall be conducted in accordance with applicable written policies, procedures, ordinances and manuals of the Park District. All financial transactions of the Park District shall be recorded in a prescribed manner and be documented in a written or electronic format. Internal controls shall be established and maintained such that accurate records of all transactions will be available for audit purposes.

7.02 CREATION OF DEBT

No Commissioner, committee, officer or any other person employed or associated with the Park District shall be authorized to create any financial liability on behalf of the District except where said liability shall be approved in nature and amount by the Board in the Budget and Appropriation Ordinance and in accordance with the District's purchasing policy.

7.03 AUTHORIZATION FOR CHECK SIGNING

General Fund Account: The Executive Director of the Park District and Chief Financial Officer are authorized to jointly sign checks for authorized expenditures up to one thousand dollars (\$1,000.00) without the signature of a Board Commissioner. Checks over one thousand dollars (\$1,000.00) must have the signature of at least one Board Commissioner and the Executive Director or Chief Financial Officer. The Executive Director of the Park District and Chief Financial Officer also have the authority to sign specific checks over one thousand dollars (\$1,000.00) that are routine, due for payment each month, or are financially advantageous to remit promptly, including, without limitation, checks paying the following expenses:

Health/Life Insurance
Pension/State/Federal Government Obligations
Payroll Transfers and Contracted Labor
Pro-Shop Items with Discounts
General Property Insurance

The Board will review a monthly "bill list" at its monthly meetings and vote on final authorization. The Board's Finance Committee Chairperson or assigned Commissioner of the Board shall periodically secure from staff and review backup for checks under one thousand dollars (\$1,000.00) to ensure that staff is engaged in sound fiscal practices with regard to purchases by Park District checks, and that all internal controls are being followed.

Payroll Account: This account is used solely for the purpose of paying full-time and part-time employees. One signature from the Park District's Executive Director, its Chief Financial Officer or a Board Commissioner is required on each payroll check.

Petty Cash Account: This account is used when payment is needed immediately for the purpose of paying for supplies and services which are less than one hundred dollars (\$100.00). One signature from the Park District's Executive Director, its Chief Financial Officer or a Board Commissioner is required on each petty cash check.

7.04 FIDUCIARY BONDING INSURANCE COVERAGES

It is the Park District's policy to obtain insurance that provides protection against both internal and external acts of fraud, dishonesty and theft that may arise either from criminal intent or negligence.

The following coverages are to be maintained by the District:

A. Public Officials' Errors and Omissions Liability Coverage: This coverage protects the District and members of the Board of Park Commissioners from lawsuits arising out of decisions made by the Board. It also protects the organization from civil suits that arise from public statements or the distribution of documents to the public by either a Board member or employee that are flagrantly in error or fraudulent in their content. It does **not** cover any of the costs of defense in criminal prosecution which results in a conviction. However, it does cover the costs of a successful defense of such a prosecution.

B. Blanket Bond Coverage: This protects the District against losses due to dishonest or fraudulent acts by District employees.

C. Comprehensive Dishonesty, Disappearance, and Destruction Coverage: This coverage protects the District from losses of money and securities resulting from robbery and theft. This covers all District controlled premises. It also covers losses from check forgeries.

7.05 INSURANCE

The District shall obtain, through solicitation of written proposals, insurance protection from losses arising out of property damage due to fire, storm, vandalism, accident or other hazards; injuries arising from work-related sources; judgments against the District and its employees predicated on liability for acts due to negligence; vehicle liability and physical damage explosion protection. Such insurance is to be obtained from qualified carrier (s) at the lowest, effective cost. In the alternative, the District may become a member of an intergovernmental self-insurance risk pool in order to combine its funds with those of other park districts and share with them the costs of losses including those set forth above.

Insurance shall also be obtained to protect full-time employees of the District from losses due to non-work related injuries or illness. Currently, the District provides coverage for hospital rooms, board and services, dental, vision care, physician's and surgeon's fees, medications and other supplies. It also provides life, accidental death, dismemberment, disability, and income protection insurance coverage.

The District also requires Staff to solicit bids from various carriers on all types of insurance at least once every three (3) years.

7.06 INTERNAL AUDITING

The Chief Financial Officer of the District shall conduct such internal audits, investigations and implement such changes as are needed to guarantee the proper conduct of District activities related specifically to the collection and disbursement of funds, accounting allocation of those funds, budget administration, inventory of material, supplies and equipment, employment records, authorization, contracts, report of hours worked and wages paid, and shall periodically conduct a surprise payroll audit.

The Chief Financial Officer shall report the results of findings of such audits and activities to the Executive Director of the Park District and/or the Finance Committee of the Park Board with recommendations to improve controls as required.

7.07 FINANCIAL AND “OFFICIAL” RECORDS RETENTION

- A. The Local Records Act prohibits the mutilation, destruction, transfer, removal or other damage to or disposal of any public record of the Park District, except as authorized in writing by the Local Records Commission for Cook County.
- B. The Commission issues regulations establishing procedures for compiling and submitting to the Commission lists and schedules of public records proposed for disposal.

7.08 CASH RECEIPTS

DAILY DEPOSITS:

At the very minimum, Bank deposits of Cash, Check, and Credit Card Charges should be made at least once a day, preferably two or three times if dollar amounts are substantially high. (No dollar amount should be considered too small to deposit).

DAILY INCOME REPORTS:

A Daily Income Report shall be generated for each day's operation of a facility, even if the operation did not generate **any** inflow of funds, unless the facility is officially closed for the season).

Daily Income Reports should have attached to them the following:

1. Cash Register Tape(s), (where one is used)
2. Copy of Deposit Slip(s)
3. Credit Card Slips
4. Merchants Credit Card Transmittal Slip
5. Copy of Gift Certificates
6. Void(s) Documentation.

Managers shall **review** and approve the reports and **sign** them, indicating their review and approval; or if there is a discrepancy that requires investigation, the Manager shall note

the discrepancy, the date of his/her review of the report, and the outcome of the investigation.

The report should be physically delivered to the accounting department daily.

If the cash register or drawer contains more cash or less cash than the register tape indicates it should, the staff member responsible for preparing the Daily Report shall furnish a detailed written explanation of the discrepancy between the register or drawer and the register tape. If the register or drawer contains less cash in excess of \$20.00, the staff member who delivers the Daily Report to the Business Office should orally notify the accounting department at the time of delivery.

In the event deposits are not made daily and/or the income reports are not turned in on a timely basis the Executive Director of the Park District shall be notified and appropriate corrective and/or disciplinary action may be undertaken in accordance with applicable law and the policies of the Park District.

7.09 INVESTMENT POLICY OF EXCESS CASH

This Investment and Portfolio Policy (“Policy”) of the Winnetka Park District (“District”) has been adopted by the District’s Board of Park Commissioners (“Park Board”) to develop, implement and monitor guidelines for the prudent investment and management of the District’s funds in accordance with the Public Funds Investment Act, 30 ILCS 235/2.5.

Scope

This Policy applies to the investment of the District’s financial assets. All funds or moneys of the District not needed for immediate disbursement shall be invested in accordance with this Policy. Except for cash in certain restricted funds, the District will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Public funds on deposit with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) are protected up to Two Hundred Fifty thousand dollars (\$250,000.00). Illinois law additionally provides authorization for the Treasurer or Assistant Treasurer to enter into an agreement with a depository bank for the pledge of securities equal in market value to the amount of funds deposited.

The Park District shall require the pledge of Municipal Bonds, Treasury Note Bills, secured mortgages, and bank owned commercial paper in an amount equal to or greater than 110% of the amount deposited in any bank where total deposits exceed Two Hundred Fifty thousand dollars (\$250,000.00).

Objectives

The Park Board recognizes its responsibility as custodian of the public trust to ensure the safety of the District’s funds. Safety of principle therefore is the foremost objective of

this Policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate both credit and interest rate risk. Therefore, the District's investment portfolio shall be managed in a manner to attain the best available market rate of return throughout budgetary and economic cycles while preserving and protecting capital in the overall portfolio.

The annual interest earnings goal is the average rate of return on the ninety (90) day Treasury Bill taking into account the need to meet all operating expenses. Investments should meet cash flow needs, and short and long-term goals.

Return on investment is of secondary importance compared to the safety and liquidity of the portfolio. Diversification is required, as appropriate, so as to minimize the effect of potential losses with respect to individual securities. Investments shall consist primarily of securities with shorter terms that have active secondary or resale markets, money market mutual funds or local government investment pools that offer same day liquidity for short-term funds. Investments shall be based on statutory constraints, prevailing market conditions and subject to the District's needs. The District's commissioners and officers should avoid any investment transaction or practice which in appearance or fact might impair public confidence in the District's stewardship of public funds.

Delegation of Authority

Authority to manage the investment program is granted to the Treasurer. Responsibility for the operation of the investment program is delegated to the Chief Financial Officer.

The Chief Financial Officer is designated as the Chief Investment Officer of the District ("Investment Officer") and is responsible for investment decisions and activities, under the direction of the Executive Director of the Park District and the overall guidance of the Park Board. The Investment Officer shall develop and maintain internal controls and written administrative procedures for the operation of the investment program consistent with this policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Investment Officer. In order to optimize total return through active portfolio management, the District shall allocate resources to its cash management program that are sufficient for all necessary personnel and consulting services.

Financial Adviser/Manager

The Investment Officer under the direction of the Executive Director of the Park District may retain the services of a financial advisor or money manager to administer professionally the District's portfolio. Any professional investment advisor or money manager retained by the District must be a fiduciary, who has the power to select, manage, acquire or dispose of any financial assets of the District, shall acknowledge in writing that he or she has read and understands the District's Investment and Portfolio Policy and will adhere to all of the principles and standards set forth in the Policy and is one or more of the following: (1) registered as an investment advisor under the federal Investment Advisor Act, (2) registered as an investment advisor under the Illinois

Securities Law of 1953, (3) a bank as defined in the federal Investment Act of 1940, or (4) an insurance company authorized to transact business in this State.

Investment advisors, money managers and banks will be selected based on their size, professional expertise, fees and services. All investment agreements will be in writing and will be evaluated on at least a quarterly basis. All investment advisors, money managers and banks will be required to show proof of a financial institution bond or equivalent in the amount of the District's assets under management.

The Investment Officer under the direction of the Executive Director of the Park District shall determine the amount of the District's portfolio to be managed under this provision.

Prudence

Investment shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for Investment, considering the probable safety of their capital as well as the probable income to be derived. This standard of prudence shall be applied in the context of managing the overall portfolio.

The Executive Director of the Park District or the Investment Officer acting in accordance with applicable law, this Policy and written procedures and exercising due diligence and prudence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that they have complied with this Policy and applicable law. A specific security's credit risk or market price change shall be reported immediately to the Park Board so that appropriate action can be taken to control adverse developments.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the Park District's investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Park Board any material interest in financial institutions that conduct business with the District. They shall further disclose to the Park Board any personal financial or investment positions that could be related to the performance of the District's investment transactions with the same entity with which the District is conducting business. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Park District.

Monitoring and Adjusting the Portfolio

The Investment Officer will routinely monitor the contents of the portfolio, its effectiveness in meeting the District's needs for safety, liquidity, rate of return, and diversification, and its general performance, as well as the available markets and the relative values of competing instruments, and will adjust the portfolio accordingly. All portfolio instruments shall be carried, whenever possible, in the name of the District. The Investment Officer, Chief Financial Officer or Executive Director of the Park District, or

their designee (staff), shall have the authority to transfer any appropriate funds between only District accounts. Any transaction not between district accounts shall be deemed a disbursement and handled accordingly.

Internal Controls

The Investment Officer shall establish a system of internal controls and written operational procedures, which shall be reviewed at least annually by the District's independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes or imprudent actions by employees or others. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Short-term Versus Long-term Portfolio

Limitations on instruments, diversification and maturity scheduling shall depend upon whether funds being invested are considered short-term or long-term funds. All funds shall be considered short-term except those reserved for capital projects (i.e., bonds sales and installment contract proceeds) reserved for future years.

Short-term Portfolio Diversification

The District will select investment instruments, individual financial institutions and in accordance with the following guidelines provided in 30 ILCS 235/2 and 5 ILCS 220/15 when choosing appropriate investments, limited to:

Treasury bills, notes and bonds including STRIPs (zero coupon treasury obligations) or other securities guaranteed by the United States.

Interest-bearing savings accounts, certificates of deposit, interest-bearing time deposits or any other investments that are direct obligations of banks and savings & loans that are either:

1. Fully insured by the appropriate U.S. government agency.
2. Fully insured by an AAA rated U.S. Corporation.
3. Collateralized by investment securities authorized under *The Investment Act* and authorized under this policy. Such collateral is to be held by a neutral third-party, registered in the District's name, priced to the market on a weekly basis and be valued at 110% of the uninsured portion of the deposit. The Investment Officer will monitor the adequacy of collateralization weekly. The District requires weekly reports with market values of pledged securities from all financial institutions.

4. Investments in any one particular bank or savings & loan shall not exceed 10% of the investment portfolio, nor 10% of that financial institution's capital unless fully insured.

Commercial Paper is limited to the following requirements:

*A1 by Standard & Poor's and P1 by Moody's.

*A2 by S&P and P2 by Moody's if fully insured by an AAA rated U.S. Corporation.

*No single commercial paper investment shall exceed 10% of the portfolio; may not have a maturity longer than 180 days; may not exceed 5% of the corporation's outstanding commercial paper debt and are limited to no more than one-third of the District's portfolio.

5. The short-term discount notes of the Federal National Mortgage Association (Fannie Mae), and other U.S. agency securities specifically reported in *The Investment Act*. Mortgage-backed securities (U.S. Agency) will not exceed 20% of the total portfolio.
6. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to securities guaranteed by the U.S. government or issued by U.S. governmental agencies and which have as their stated objective the maintenance of \$1.00 per share net asset value.

The investment pools and fixed-term securities that meet the District's investment guidelines offered by the Illinois Park District Liquid Asset Fund Plus and the State of Illinois Treasurers Investment Pool.

7. Investments in "derivative securities" are not permitted. A derivative security is any security whose value is based on the performance of any underlying financial asset, index, or other investment. Some commonly traded derivatives are: Structured Notes, Index Amortizing Notes, and certain Branches of Collateralized Mortgage Obligations (CMOS). Investments in repurchase agreements are not permitted.
8. Additional investments may be added to this list as changes to the Public Funds Investment Act or other applicable laws are amended to authorize such additional investments and such investments are determined by the Board of Park Commissioners to be an appropriate investment instrument pursuant to the standards and principles set forth in this Policy. All securities whenever possible shall be registered in the District's name, and be delivered versus payment.

Financial Institutions

Financial Institutions will be selected based on their size, professional expertise, credit quality, location, fees and service.

The District shall maintain a listing of financial institutions which are approved for investment purposes. The Investment Officer shall select only qualified institutions to be listed for this purpose.

Due Diligence

All approved depositories must provide the District with their annual audited financial statement in a timely manner as well as their quarterly statements.

Maturity Scheduling

Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, vouchers, debt payments) as well as considering sizable blocks of anticipated revenue (tax receipts and bond proceeds). Final maturity dates in this category shall not exceed one (1) year from the date of purchase.

Long-term Portfolio Diversification

Instruments and diversification for the long-term portfolio shall be the same as for the short-term portfolio. Maturity scheduling shall be timed according to anticipated need. For example, investment of capital project funds shall be timed to meet contractor payments, usually for a term not to exceed three (3) years. Final maturity dates in this category shall not exceed three (3) years from the date of purchase. Mortgage-backed securities may not have a final maturity date greater than ten (10) years nor an average life at purchase of five (5) years as calculated on a 100 P.S.A. (Public Securities Association).

Surplus Fund Retention

The District shall retain an appropriate amount of surplus moneys from all fund categories to protect the District from adverse developments. These funds shall be incorporated into and invested according to this Policy. Except under special conditions in which the accumulation of a surplus would be necessary and advantageous to the District, (e.g., Capital Projects Resources, IMRF Early Retirement Resources, etc.), the District will endeavor to limit the total assets of any fund, including any surplus in that Fund and any taxes extended for that Fund but not collected, to an amount no greater than twice the average annual expenditure from that Fund for the prior three (3) fiscal years.

Allocation of Investment Income

All investment income earned, all interest paid upon such investment and all moneys paid for their redemption and all moneys received upon resale are to be credited to the fund(s) originally used to purchase them.

Selection of Investment Instruments

The District shall invest any surplus funds for a specific maturity date that is required for either cash flow purposes or for conformance to maturity guidelines, in such instruments which would be most advantageous under prevailing market conditions.

Records will be kept of all investments purchased or sold by the District as required by law.

Reporting Requirements

The Investment Officer shall generate monthly reports to the Board of Park Commissioners and The Executive Director of the Park District for management purposes. These reports shall include information regarding securities in the portfolio by class or type, book value, and expected income earned as of the report date.

Any investment advisor(s) shall provide a monthly copy of the investment report to the District. The report will include:

- The full description of each security holding
- The purchase date of each security
- The maturity date of each security
- The credit ratings, if applicable
- The yield on each security
- The weighted average yield and weighted average maturity of the portfolio
- The providers of each investment
- The total amount of funds invested including the checking account balances

Any investment advisor(s) shall report investment activity to the Chief Financial Officer daily.

Severability

The provisions of this Policy shall be deemed severable. Should any section or part of this Policy be declared invalid by a court of competent jurisdiction, or conflict with any applicable state or federal statute, the remainder of the Policy nevertheless shall be valid, binding and subsisting. This Policy shall remain in full force and effect until repealed or amended by the Park Board. If after adoption of this Policy there is any conflict with the Public Funds Investment Act or any other applicable statute, current law shall control.

This Policy shall be in full force and effect immediately upon its passage and approval by the Board.

Amounts should be invested in instruments of differing maturities so as to insure the District sufficient cash flow, without sacrificing interest earned. Investments can be made from any of the District's operating accounts through the use of wire transfers from the District's current primary banking institution or any other accredited financial institution.

Funds are not to be invested in any financial institution that is not insured by either the Federal Depository Insurance Corporation or the Federal Depository Savings and Loan Insurance Corporation.

Instruments are not to be purchased in amounts that exceed the insurance limits of the FDIC or the FDSLIC unless they are guaranteed backing by other "Bank-held" collateral, i.e., secured mortgages or publicly held commercial paper, etc. Such guarantee must be made in writing by an appropriate officer of the financial institution at which the investment is made.

Day-to-day authority to make judgments as to the type, amount, maturity and financial institution utilized for the investment of excess cash is vested in the Chief Financial Officer/Treasurer.

7.10 DEPOSIT OF FUNDS

The District shall designate a bank, or banks, or other financial depository institution in which funds of the District may be deposited.

Designated depositories must furnish to the Park District copies of the last two (2) annual statements of condition and financial reports required by the Executive Director of Financial Institutions or the Comptroller of Currency. In addition, all depository institutions are to be insured by either the Federal Depository Insurance Corporation or the Federal Depository Savings and Loan Insurance Corporation.

It will be at the discretion of the Chief Financial Officer, with the approval of the Executive Director of the Park District, to determine which institutions would best serve the District. A periodic review and evaluation of all institutions utilized shall be conducted by the Park Board's Finance Committee and reported to the Board of Park Commissioners.

7.11 PETTY CASH

Funds for the procurement of supplies and services, which by their nature require cash payment (less than one hundred dollars (\$100.00) or are incidental in nature, are paid from petty cash funds exclusively and solely maintained by the District's Business Department. All petty cash disbursements shall be charged to the appropriate expense account and receipts shall be attached to the Petty Cash reimbursement voucher retained by the Business Department. Petty Cash balances, which are administratively determined, are established for Administrative office use only. Upon presentation to the Business Department of appropriate receipts and allocation of expenses, a reimbursement check will be prepared and presented for Board approval. Petty cash accounts must be accounted and reconciled monthly and audited annually.

7.12 MONTHLY FINANCIAL REPORTS

Financial reports are presented to the Board of Park Commissioners for its review and acceptance at the meeting held on the fourth Thursday of each month or on any date designated as an official Board Meeting.

- A. The "Combined Budget Report" provides a summary of the entire organization by combining the "actual" departmental results by fund and major revenue/expense classifications. It also compares total "actual" results with projected year-to-date budgets and annual budgets.
- B. The "Fund Summary Report" summarizes all departments within a fund into one report. The report format shows "actual" results by month and by year-to-date. It

also describes the budgets year-to-date and annual budgets by major revenue/expense categories.

- C. On a quarterly basis and, only by request, following the start of the fiscal year, the “Detail Summary Report” provides by individual department “actual” results by month and year-to-date plus annual budgets and budgets year-to-date by major revenue/expense categories.

7.13 “BOARD BILL LIST” - PAID & UNPAID

The “Board Bill List” shall be presented to the Board of Park Commissioners on a monthly basis, which will facilitate the review and approval of all expenditures. This list will provide the vendor name, amount of expenditure, description of services provided, amounts charged and check or voucher numbers. Gross payroll expenditures will be shown when the payroll checking account is funded. Following a review of the voucher list or register, a motion shall be made approving the voucher register as submitted as of the date indicated on the register. The total amount of the register and any additions to or deletions from the register must be included.

7.14 PROCEDURES FOR PURCHASING

The Park District’s Purchasing Policy establishes the guidelines under which all purchases are made. The provisions of this policy adhere to all requirements of Section 8-1 (c) of the Park District Code and outline administrative staff guidelines. It is the intent of this policy that the Park District conducts business fairly and equitably while remaining fiscally responsible to its taxpayers.

A. BUDGETED vs. NON-BUDGETED PURCHASES

- 1 All Capital items (60000 accounts) must be individually budgeted. If an item is to be purchased from a Capital account, the item must be specifically identified in the budget or else it is considered a non-budgeted item.
2. All other accounts (commodities, contractual services, maintenance and repairs, etc.) are considered as part of the total budget amount and the individual items need not necessarily be identified in the budget. If \$10,000 is budgeted for electrical supplies and a \$2,000 item is purchased, then it is considered a budgeted item if the purchase of the item won’t cause aggregate expenditures from the account to exceed the \$10,000 budget. Whenever the purchase of an item is expected to cause an account to exceed its budget, then the purchase is considered non-budgeted.

B. PURCHASES OF LESS THAN \$500

1. Department Heads have the authority to approve the purchase of budgeted items under \$500.
2. Telephone quotes or written quotes are not required but Department Heads are advised to make every effort to solicit a fair price for items purchased.

C. PURCHASES OF \$500 TO \$2,500

1. Department Heads have the authority to approve the purchase of budgeted items under \$2,500.
2. A Price Quote Summary form must be attached to the Purchase Order or Check Request for items \$500 up to \$2,500. Obtain a minimum of three quotes or provide an explanation why three quotes are not available.

D. PURCHASES OF \$2,500 UP TO \$20,000

1. The Executive Director of the Park District has the authority to approve the purchase of budgeted items up to and including \$15,000. If the Executive Director is unavailable, the Chief Financial Officer may approve the purchase of budgeted items up to and including \$15,000. The Executive Director of the Park District, with approval from the Board President may secure three quotes for purchases greater than \$15,000 up to and including \$20,000.
 2. The original copy of the Invitation for Quotes document and the Specification and Quote Form from each individual/company submitting a quote on the item(s) must be attached to the Purchase Order (P.O.)
 3. If authorized in advance by the Executive Director of the Park District, written quotes may be solicited in-person or over the phone. Normally, such permission will only be given if the item can be identified by a specific brand and model number. These quotes must contain the following information:
 - a. Name of Vendor
 - b. Name of person obtaining quote
 - c. Quantities of each separate type of item
 - d. Detailed description of the item(s) or service(s) to be purchased
 - e. Dollar amounts; both unit price and item total
 - f. Total dollar amount of request Salesperson's name and
 - g. Date on which quote was received and number of days that the quote shall be firm
1. Obtain three written quotes or provide an explanation why three quotes are not available.

E. PURCHASES OF ITEM(S) AND SERVICE(S) IN EXCESS OF \$20,000

1. Agreements for the purchase of supplies, materials or services involving an expenditure in excess of \$20,000 (except as otherwise authorized herein) shall be let to the lowest responsible bidder after due advertisement and within the prescribed procedures for competitive bidding.
2. Those agreements which by their nature are not adapted to award by competitive bidding are not required to be bid, including but not limited to:
 - a. Agreements for the services of individuals possessing a high degree of professional skill where the ability or fitness of the individual plays an important part.
 - b. Contracts for printing of finance committee and department reports.

- c. Agreements for utility services such as water, electricity, natural gas, telephone or telegraph.
 - d. Contracts for the use, purchase, delivery, movement or installation of data processing equipment, computer hardware and software, or services and telecommunications and interconnect equipment, or services, contracts for copiers and duplicating supplies.
 - e. Contracts for goods or services procured from another governmental agency.
 - f. Purchases of equipment previously owned by some other entity other than the District itself.
 - g. Purchase of magazines, books, periodicals, pamphlets and reports.
 - h. Emergency expenditures (as detailed in Section 7.15 Item J)
3. Agreements to purchase items and services for amounts in excess of \$20,000 other than those purchases/contracted not required by law to be competitively bid shall be awarded by the Board to the lowest responsible bidder. In determining the responsibility of any bidder, the Board may take into account other factors in addition to financial responsibility, such as past transactions with the bidder, references, experience, time limits, services to be rendered by the bidder, location of bidder, conformity with specifications, terms of delivery, quality, serviceability and other pertinent considerations.
 4. The agreements contained in bid documents and invitations to quote must have been prepared or reviewed by legal counsel and Park District shall not execute or approve such contracts without prior Park Board authorization and legal review when appropriate to protect the interests of the Park District. .

F. COOPERATIVE PURCHASES

When feasible and advantageous to the District, cooperative purchases with other governmental agencies such as the State of Illinois, Village of Winnetka and other park districts shall be made and considered to fulfill requirements of all purchases. Any such purchases shall comply with the Illinois Government al Joint Purchasing Act 30 ILCS 525/0.01.

G. NON-BUDGETED PURCHASES

1. Provided a sufficient appropriation exists for such a purchase, Department Heads have the authority to approve the purchase of non-budgeted items for amounts under \$1,000.
2. A Price Quote Summary must be attached to the Purchase Order or Check Request for items purchased for amounts between \$500 and \$2,500.
3. The Executive Director of the Park District must approve the purchase of non-budgeted items for amounts greater than \$1,000. If the Executive Director is unavailable the Chief Financial Officer may approve the purchase of non-budgeted items greater than \$1,000.

4. Staff shall obtain a minimum of three written quotes for purchases of items for amounts between \$2,500 and \$15,000 or a written explanation why three quotes cannot be obtained.

H. PREFERRED VENDORS

Preferred vendors agree to provide a certain product or service to the Winnetka Park District for an agreed upon maximum price for a one-year period.

1. Staff must complete an Invitation to Quote form for items which are to be purchased regularly throughout the year (i.e. T-shirts, trophies, office supplies, etc.). Price quotes are then solicited from vendors.
2. Staff evaluates the information received and recommends a preferred vendor to the Executive Director of the Park District based on price, company history and ability to deliver in a timely manner.
3. The Executive Director of the Park District signs the agreement with the vendor which is effective from January 1 through December 31 to correspond with the District's fiscal year and to allow for appropriate budgeting.
4. When a budgeted item of less than \$15,000 is purchased through a preferred vendor, three quotes are not required. However, the preferred vendor number must be written on the purchase order.
5. Competitive bidding is required if the purchase price exceeds \$20,000.

I. BLANKET (OPEN) PURCHASE ORDERS

Open Purchase Orders are similar to charge accounts at specific stores/vendors. A monthly maximum purchase amount is designated. Specific employees are then permitted to purchase items up to a certain dollar amount without an individual purchase order or check request. The monthly purchase order amount and individual dollar amount will vary by vendor.

Department Heads recommend commonly used vendors who have agreed to follow the District's procedures for Open Purchase Orders. Open Purchase Orders may not be utilized if the annual expenditure with said vendor is anticipated to exceed \$20,000.

The Executive Director of the Park District signs the agreements indicating the vendor, monthly maximum purchase amount and individual purchase dollar amount.

1. When an approved employee makes a budgeted purchase at a store which has an Open Purchase Order, the following information must accompany the receipt, receiving copy or packing slip:

- a. One-line description of the item (this information appears on the Voucher List of Bill for Board approval so a more clear description eliminates the need for further questions).
 - b. The budget number(s) to which the item is to be charged.
 - c. The Supervisor's/Department Head's signature.
2. All such receipts are sent to the Finance Department. When an invoice or monthly statement is received:
 - a. It is approved by the Department Head and sent to the Accounts Payable Coordinator. The Accounts Payable Coordinator matches the receipts, delivery tickets and Purchase Order to the invoice and prepares a voucher for entry and mailing.
 3. All non-budgeted items require a separate Purchase Order and must be approved by the Department Head (and the Executive Director of the Park District or the Chief Financial Officer if greater than \$1,000).

J. EMERGENCIES

1. In the case of emergencies which call for immediate resolution, the Executive Director of the Park District shall take prompt action to employ persons or firms to perform the necessary work.
2. An emergency that will cost the District in excess of \$20,000 is exempt from bidding if the expenditure for said emergency is approved by three-fourths (six Board members) of the members of the Board.
3. Persons or firms selected to perform the emergency work shall be required to furnish a detailed report of the work performed and the reasons why it was necessary.
4. An emergency shall consist of a threat to the health or safety of park users, District employees, threat of severe damage to District property, or as otherwise provided by law.

K. MERCHANDISE FOR RESALE

Purchases of materials, equipment and supplies for use and resale in Park District operated Pro-Shops and purchases of food and merchandise for use and resale in the Park District, shall be made in a manner calculated to insure the best interests of the public and District, and only after solicitation of quotations by mail, telephone, comparative shopping or otherwise.

7.15 LEGAL COMPETITIVE BIDDING PROCEDURES

Purchase of goods or services estimated to exceed \$20,000 in value shall follow these legal bidding procedures: (Blank Specification forms can be obtained from the Finance Department.)

A legal advertisement shall be placed in a local newspaper at least 10 days before bids are to be opened, stating the Park District's request for competitive bids to provide the needed goods or services. Specifications shall be prepared and made available to all interested parties.

In addition to the legally required published legal notice to bidders described above, copies of specifications may be sent to qualified potential bidders outside the circulation area of the local newspaper; to insure fair bidding and increase opportunities for lower quotes and high quality bids.

Instructions to Bidders shall accompany each set of specifications issued, indicating all terms and conditions relative to the bid.

Instructions to Bidders for construction projects shall specify all information and documentation required from bidders, including but not limited to, business references; bid surety; Performance and Payments Bond; Insurance; Indemnification; Protection of District Property; Certification of Compliance with Labor Standards and Prevailing Wage Laws; Certification of Compliance with Public Bidding Procedures of the Illinois Criminal Code, applicable provisions of the Illinois Human Rights Act and other applicable statutes; Subcontract, Change Orders and Payment Procedures; and Guarantees. The nature and scope of each specific construction project will more clearly define the requirements of the Bid Documents and related contract. .

Following the issuance of Specifications and Instructions to Bidders, bids must be received **not later than** the date and time specified for return in order to be considered. They will be opened publicly and contracts awarded in conformity with the Public Contracts provision of the Criminal Code of Illinois. (720ILCS 5/33E-5).

Sealed Bids shall be opened in accordance with the following:

1. The location, date and time of the bid opening shall be a part of the legal advertisement described in Subparagraph A above.
2. Bids shall be opened in a session open to the public.
3. The Secretary, Treasurer, a Board Commissioner or department head shall be present and preside at all bid openings. The Executive Director may designate a Department Head to preside at a bid opening.
4. Bids shall be opened and acknowledgement made of the receipt of each bid.
5. A report to the Board of Park Commissioners shall be prepared describing the project, identifying each bidder, stating the amount of each bid, any special considerations, identifying any missing submittals required by the Bid Documents, and any other information determined by staff to be

relevant to the Park Board's ability to make an informed decision as to which bidder is the lowest responsible bidder. The report shall further contain staff's finding as to the lowest responsible bidder and its recommendation for award, or its recommendation to reject all bids.

6. Bids received after the date and/or time indicated in Section 1 shall be returned unopened to the bidder with notation on the bid envelope or packet stating that it was a late bid, noting the date and hour received and signed by the Secretary, Treasurer, or Board member of the Park District.
7. A copy of the Bid report submitted to the Board should be sent to all vendors that submitted a bid.

7.16 NOTIFICATION TO BIDDERS

Following acceptance of a specific bid or bids by the Board of Park Commissioners, timely notification of the action shall be made in writing to all bidders.

7.17 RE-BIDDING

In the event all bids are rejected by the Board of Park Commissioners, the project may be, in the Park Board's sole discretion, re-bid following the "Bidding Procedures" set forth above.

7.18 CONTRACTS

The Park District shall award and enter into contractual arrangements with vendors for construction projects, procurement of goods and/or services for non-construction projects.

7.19 BID BONDS

The District may require as a bid surety a certified check or bid bond equal to five (5) percent of the contract as a proposal guarantee in conformity with Section 7.16-E, Bidding Procedures. Such requirement shall be made on construction projects and other bids where it is determined to be in the best interest of the District. Bid sureties shall be returned to the bidders within ten (10) days following execution of a contract by the Park District and the successful bidder. .

7.20 PERFORMANCE AND LABOR PAYMENT BONDS

Performance Bonds are required to be provided for public construction projects pursuant to law and as provided by the specific project's bid specifications.

All bidders are required by the Illinois Public Construction Bond Act (30 ILCS 550/0.01 et seq.) to furnish a Performance Bond meeting specific requirements for any contract for a public work of any kind costing over \$50,000. The Park District requires each bidder to submit a Performance Bond in an amount equal to not less than one hundred (100) percent of the amount of the contract awarded and payment of all obligations there under. Bond form shall be the American Institute of Architects form A1A-311 or equivalent acceptable to the Park District. The surety on the bond shall be a company that is licensed by the Department of Insurance authorizing it to execute surety bonds and the company shall have a financial strength rating of at least A- as rated by A.M.

Best Company, Inc., Moody's Investors Service, Standard and Poor's Corporation, or a similar rating agency. Failure to supply required bonds within ten (10) days after the bid acceptance, or within such extended period as the Park District may grant, shall, in the sole discretion of the Park Board, constitute a non-responsive bid, and the Park District shall be entitled to pursue any remedies available to it under the applicable bid documents.

7.21 FIXED ASSETS LEDGER

Assets of a long-term character in excess of five thousand dollars (\$5,000.00) in purchase value and which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment, shall be recorded at acquisition value on a ledger. The ledger shall include a description of the item, serial or identification number, date acquired, vendor name and address, purchase order, voucher number and other information which may aid in the description and/or valuation of the item. A notation shall be made on the ledger of the date, amount received and other specific details when such assets are sold or scrapped.

7.22 BUDGET PHILOSOPHY AND GUIDELINES

In the preparation of the annual fiscal budget, management will consciously work toward satisfying and fulfilling both the short-term and long-range objectives and goals formulated by management and approved by the Board of Park Commissioners.

It is the responsibility of management to formulate and prepare the annual fiscal budgets for each fund/department; the budgets then will be reviewed, modified, and acted upon by the Board of Park Commissioners.

Whenever feasible and practical, the budget process shall be decentralized. Front-line managers will formulate the preliminary drafts of their department budgets. The drafts will be reviewed by the appropriate division heads, Business Manager and Executive Director. To carry out this policy, management will employ qualified people who can understand financial information, satisfy financial requirements, and satisfactorily prepare a budget.

7.23 WIRE TRANSFERS

Wire Transfers can be made by the Business Manager to facilitate quick deposits of funds into an account or to move funds from one institution to another in lieu of a check.

Wire transfers may be made to expedite the movements of funds, to avoid penalties, late charges, and overdrafts, and to maximize interest on excess funds.

Debt originated wire transfers are to be entered on the "Board Bill List", along with all other expenditures for the specified reporting period and presented to the Board of Park Commissioners for their review and approval.

Specific transfers currently allowed are:

1. Net Payroll (Bi-weekly)

2. Credit Union Savings and Loan Withholdings
3. Federal Withholding of Payroll Taxes
4. Excess Cash Investments
5. Social Security Deposits
6. Bond Principal and Interest Payments
7. Holiday Savings Club
8. Employee Investment Plans

7.24 ANNUAL, EXTERNALLY CONDUCTED AUDITS (See also Section 6.03).

At least once annually an audit of the financial records of the entire Park District is to be conducted by an accredited Certified Public Accounting firm. The examination is to be made in accordance with generally accepted accounting standards and include such tests of accounting records and other auditing procedures as the audit firm deems necessary to formulate an opinion in accordance with Generally Accepted Accounting Principles and as required under 50 ILCS 310/1 *et seq.*

It is solely within the discretion of the Park Board to hire, retain, or dismiss a particular audit firm. Except as otherwise provided by law, it is also the Board's prerogative to determine the scope of the examination.

Currently, the scope of an audit includes:

- A. An examination of the Park District's combined financial statements in accordance with generally accepted auditing Standards for each fiscal year ending December 31st for the following funds:
 1. Governmental Fund Types
 - a. General and Recreation
 - b. Special Revenue
 - c. Debt Service
 - d. Capital Projects
 - e. Proprietary Fund Type
 - f. Enterprise
 - g. Fiduciary Fund Types
 2. Trust and Agency
 - a. Account Groups
 - b. General Fixed Assets
 - c. General Long-term Debt

The examination will be directed toward an expression of an opinion on the Park District's combined financial statements; however: it is not designed nor can it be relied upon to disclose defalcations or similar irregularities should any exist. The firm will notify the Board of Park Commissioners, however, if any such matters are disclosed or come to the firm's attention during the examination.

- B. The firm will prepare the Park District's annual report for Park and Forest Preserve Districts to the State of Illinois.
- C. At the District's request, the firm will render advice or recommendations on accounting and other matters.
- D. The firm will furnish the Board of Park Commissioners and management with a "Management Letter", reporting on specific deficiencies found in the organization's internal controls system.
 - a. At the request, special audits can be determined by the Board.

7.25 ACCOUNTS RECEIVABLE

A list of all monies due the Park District will be maintained in the Administrative Office and a statement of monies due will be issued periodically

7.26 CONTRACTS AND OTHER OBLIGATIONS

A record of all contracts and other obligations and documents shall be kept in the Administrative Office.

7.27 FIXED INVESTMENTS

A record of all capital assets owned by the Park District will be maintained in the Administrative Office. All acquisitions and dispositions of assets will be recorded at the time of transaction.

7.28 INTERGOVERNMENTAL COOPERATION

To promote and enhance efficient use of tax dollars and effective delivery of park, facility and recreation services, the Board of Park Commissioners and staff shall strive to develop intergovernmental cooperation agreements with local, state and federal governments.

7.29 BOND RATING

The Park District shall not maintain a bond rating on an annual basis. The decision of whether or not a bond rating shall be secured will be made by the Park Board on a case by case basis for each separate bond issue approved by the Park Board.

7.30 REVENUE POLICY

This Policy applies to all revenue sources of the District.

The basis of accounting for the majority of the Park District's funds is modified accrual, and an accrual basis is used for the enterprise funds.

The Park District utilizes a modified accrual basis of accounting and budgeting, with revenues being recorded when the services or goods are available and measurable.

All funds or moneys of the District not needed for immediate disbursement shall be invested in accordance with the Investment Policy.

Overall Objectives

The Park Board primary revenue policy goal is to maintain a diversified revenue system to protect it from possible short-term fluctuations in any of its various revenue sources. To accomplish this, revenues are monitored on a continuous basis to ensure that receipts from each revenue source are at maximum levels. An understanding of economic and legal factors, which directly and indirectly affect the level of revenue collections, is an important part of the District's revenue policy. The following objectives are those that are utilized throughout the District's budget cycle as they pertain to revenues.

- A. The District will project its annual revenue through an analytical process and will adopt its budget using conservative estimates and long-term forecasting.
- B. A diversified yet stable revenue system will be utilized by the District to protect it from possible short-term fluctuations in any of its revenue sources.
- C. The District will minimize the use of one-time revenue to fund programs incurring ongoing costs.
- D. The District will, after considering all possible cost reduction alternatives, explore the possibility of obtaining new or expanded revenue sources as a way to help ensure a balanced budget.
- E. Cost recovery revenue sources will be analyzed on an annual basis and modified as necessary to ensure that revenue collections reflect the cost of providing associated District services.
- F. The District will actively oppose State and/or Federal legislation that would mandate costs to the District without providing or increasing a revenue source to offset those mandated costs. The District will continue lobbying efforts to protect current revenues received from State and Federal agencies.
- G. The District will review the budget for those programs that can be reasonably funded by user fees. This review will result in a policy that defines program cost, specifies a percentage of program cost to be offset by a fee, and establishes a rationale for the percentage. When establishing user fee levels for programs the District will consider:
 - 1. Market pricing;
 - 2. Increased costs associated with the programs;
 - 3. The ability of the users to pay;
 - 4. The ability of individuals to make choices between using the service and paying the fee or not using the service;
 - 5. Program competition;
 - 6. Other policy considerations. (For example setting fines high enough as deterrent or pricing fees to equalize resident vs. non-resident demand for services.)
- H. The District will adjust user fee rates annually based on an analysis of the criteria established above. The District will pursue frequent small increases as opposed to infrequent large increases.

I. Refer to Chapters 15 and 17 for Fee Policies

END

Tracking

Review and Update	April 2016
Administrative Committee:	April 14, 2016
Board First Reading:	
Board Second Reading & Adoption:	
Review Due:	March 2019