WAUKEGAN PARK DISTRICT
WAUKEGAN, ILLINOIS

GOLF OPERATIONS
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2025

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WAUKEGAN PARK DISTRICT, ILLINOIS
GOLF OPERATIONS

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

October 2, 2025

Members of the Board of Commissioners
Waukegan Park District
Golf Operations
Waukegan, Illinois

Opinions

We have audited the accompanying financial statements of the Golf Operations of the Waukegan Park District (the Golf Operations), Illinois as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the Golf Operations's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Golf Operations of the Waukegan Park District, Illinois, as of April 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Golf Operations's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Golf Operations's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Golf Operations's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Other Matters

As discussed in Note 1, the financial statements presently only the Golf Operations of the Waukegan Park District, Illinois are not intended to present fairly, the financial position and results of the operations of the Waukegan Park District, Illinois in conformity with accounting principles generally accepted in the United States of America.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

WAUKEGAN PARK DISTRICT, ILLINOIS
GOLF OPERATIONS

Combining Departmental Statement of Net Position
April 30, 2025

	Bonnie Brook	Greenshire	Totals
ASSETS			
Current Assets			
Cash	$ 168,235	44,006	212,241
Accounts Receivable	8,554	—	8,554
Due from Other Golf Course	15,575	—	15,575
Inventory	62,150	106	62,256
Prepaids	13,951	930	14,881
Total Assets	268,465	45,042	313,507
LIABILITIES			
Current Liabilities			
Accounts Payable	75,548	2,561	78,109
Accrued Payroll	4,726	—	4,726
Unearned Income	192,279	1,259	193,538
Due to Other Golf Course	—	15,576	15,576
Due to Waukegan Park District	697,573	—	697,573
Total Liabilities	970,126	19,396	989,522
NET POSITION			
Departmental Net Position	(701,661)	25,646	(676,015)
Total Liabilities and Net Position	268,465	45,042	313,507

WAUKEGAN PARK DISTRICT, ILLINOIS
GOLF OPERATIONS

Combining Statement of Activities
For the Fiscal Year Ended April 30, 2025

	Bonnie Brook	Greenshire	Totals
Revenues			
Greens Fees	$ 727,876	81,480	809,356
Food and Beverage	575,260	3,136	578,396
Pro Shop Sales	52,962	630	53,592
Carts	138,150	15,254	153,404
Driving Range	24,065	—	24,065
Golf Passes	283,235	—	283,235
Miscellaneous	7,564	142	7,706
Total Revenues	1,809,112	100,642	1,909,754
Expenses			
Salaries and Wages	971,655	12,224	983,879
Contractual Services	143,216	5,975	149,191
Commodities	464,029	(612)	463,417
Utilities	113,562	12,212	125,774
Insurance	53,716	1,311	55,027
Repair	25,359	23,313	48,672
Total Expenses	1,771,537	54,423	1,825,960
Change in Net Position	37,575	46,219	83,794
Net Position - Beginning	(739,236)	(20,573)	(759,809)
Net Position - Ending	(701,661)	25,646	(676,015)

WAUKEGAN PARK DISTRICT, ILLINOIS
GOLF OPERATIONS

Combining Statement of Cash Flows
For the Fiscal Year Ended April 30, 2025

	Bonnie Brook	Greenshire	Totals
Cash Flows from Operating Activities			
Received from Customers	$ 1,821,437	100,945	1,922,382
Payments to Employees	(971,655)	(12,224)	(983,879)
Payments to Suppliers	(786,314)	(133,583)	(919,897)
	63,468	(44,862)	18,606
Cash and Cash Equivalents			
Beginning	104,767	88,868	193,635
Ending	168,235	44,006	212,241
Reconciliation of Changes in Departmental Balances to Net Cash			
Provided (Used) by Operating Activities			
Changes in Departmental Net Position	37,575	46,219	83,794
Adjustments to Reconcile Changes in Departmental			
Balances to Net Income to Net Cash			
Provided by (Used In) Operating Activities:			
(Increase) Decrease in Current Assets	12,325	303	12,628
Increase (Decrease) in Current Liabilities	13,568	(91,384)	(77,816)
Net Cash Provided by Operating Activities	63,468	(44,862)	18,606

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Waukegan Park District (the District), Illinois was incorporated in 1916. The District operates under a Board-Manager form of government, providing recreation and other services to the residents of Waukegan, which include: recreation programs, park management, capital development and general administration.

The District owns two golf courses, Bonnie Brook and Greenshire, which together comprise the Golf Operations of the District. The accounting policies of the Golf Operations conform to accounting principles generally accepted in the United States of America as applicable to government units. A more detailed explanation of the District's accounting policies can be found in the District's Annual Comprehensive Financial Report for the year ended April 30, 2025. The following is a summary of significant policies:

AGREEMENT WITH GOLFVISIONS MANAGEMENT

On December 1, 2012, the Park District entered into a management agreement with GolfVisions Management Inc. (GolfVisions). Under the terms of the agreement from January 13, 2015, GolfVisions will manage the golf operations of the District for a three-year term beginning May 1, 2015 and ending April 30, 2018. On August 7, 2017, this agreement was extended for a further four years beginning May 1, 2018 and ending April 30, 2022. On December 8, 2020 the agreement was extended and renewed for on year commencing on May 1, 2021 and expiring on April 30, 2022 and with optional years ending April 30, 2023 and April 30, 2024. On October 30, 2023 the agreement was extended for May 1, 2024 through April 30, 2025 and with optional years ending April 30, 2026 and April 30, 2027.

Under the terms of the agreement, the District will pay a management fee of $5,000 per month in exchange for management services. In addition, the District must pay an incentive fee of 10% of the amount of net income in excess of $100,000 received from golf operations in each fiscal year of the term.

BASIS OF ACCOUNTING

The financial statements reflect the accrual basis of accounting. The District reports unearned revenue on its balance sheet for funds collected in advance on golf programs.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

DUE TO WAUKEGAN PARK DISTRICT

The Golf Operations owes the Recreation Fund of the District $697,573 as of April 30, 2025 for monies advanced and not yet repaid. The amount is interest free, unsecured and due on demand.