

FRANKFORT PARK DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MAY 31, 2016

Prepared By:

HEARNE & ASSOCIATES, P.C.

Certified Public Accountants &
Business Consultants

Frankfort Park District
Annual Financial Report
Year Ended May 31, 2016

Table of Contents

Independent Auditors' Report	1-2
Required Supplementary Information:	
Management's Discussion and Analysis	3-6
Basic Financial Statements:	
Government - Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet – Governmental Funds	9
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit s) – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities	12
Notes to the Financial Statements	13-29
Required Supplementary Information:	
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	30
Schedule of Employer Contributions – Illinois Municipal Retirement Fund	31
Budgetary Comparison Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual –	
General Fund	32
Recreation Fund	33
Special Recreation Fund	34
Notes to the Required Supplementary Information	35-36

Frankfort Park District
Annual Financial Report
Year Ended May 31, 2016

Table of Contents

Other Supplementary Information:

Combining and Individual Fund Financial Statements and Schedules

Major Governmental Funds:

Schedule of Expenditures – Budget and Actual – General Fund	37
Schedule of Expenditures – Budget and Actual – Recreation Fund	38
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) – Budget and Actual – Capital Development Fund	39

Nonmajor Governmental Funds:

Combining Balance Sheet	40
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)	41

Schedule of Revenues, Expenditures and Changes in Fund Balance
(Deficits) – Budget and Actual – Non Major Funds:

Liability Insurance and Workman’s Compensation Fund	42
Audit Fund	43
IMRF Fund	44
Debt Service Fund	45

Statistical Information:

Taxes Collected and Taxes Receivable – Last Ten Levy Years	46
Assessed Valuation and Extended Tax Rates – Last Ten Levy Years	47



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Frankfort Park District
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Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Frankfort Park District, Illinois, as of and for the year ended May 31, 2016, 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.

Auditors' 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, each major fund, and the aggregate remaining fund information of the Frankfort Park District, as of May 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 12 to the financial statements, the District adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an Amendment of GASB State No. 27* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* in 2016. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

October 25, 2016
Mokena, IL


Heame & Associates, P.C.
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

Frankfort Park District

Management's Discussion and Analysis
May 31, 2016

Our discussion and analysis of Frankfort Park District's financial performance provides an overview of the District's financial activities for the fiscal year ended May 31, 2016. Please read it in conjunction with the District's financial statements.

Financial Highlights

Net position at May 31, 2016 was \$11,846,864, a decrease of \$232,135 from the prior year.

Total program revenues increased \$22,369 from the prior year.

The District expended \$75,707 on Capital Assets during the year and paid \$121,812 in debt principal.

The Assessed Valuation of the District increased by \$10,063,937 which will bring it to \$700,166,469 for the 2015 Tax Levy Year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (pages 7-8) provide information about the activities of the District as a whole and present a long-term view of the District's finances. Fund financial statements (pages 9-12) tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report operations in more detail than government-wide statements by providing information about the District's most financially significant funds.

Government-wide Financial Statements: One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position, as the difference between the assets the District owns and the liabilities the District owes as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether the district is improving or deteriorating financially. You will need to consider other non-financial factors, however, such as changes in the District's jurisdiction, the availability of capital projects, and continuing local government support to assess the overall health of the District.

Fund Financial Statements: The major funds reported in this report are the General Fund, Recreation Fund, Special Recreation Fund and Capital Development. All other funds are considered nonmajor and are grouped together in the Nonmajor Governmental Funds category.

Some funds are required to be established by state law, however, the Board of Trustees establishes many other funds to help control and manage money received for particular purposes. The district has several Governmental Funds.

Frankfort Park District

Management's Discussion and Analysis
May 31, 2016

Governmental Funds: The District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called Modified Accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. The governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in reconciliation on the fund statements.

Notes to the Financial Statements: The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes begin on page 13 in this report.

Other Information: In addition to the basic financial statements and the accompanying notes, this report also presents combining and individual fund statements and tables in the Other Supplementary Information of the report.

District-wide Financial Analysis

Condensed Statement of Net Position, May 31,

	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$ 2,827,974	\$ 2,753,599
Capital Assets (net of accum depr)	<u>12,242,704</u>	<u>12,615,292</u>
Total Assets	<u>15,070,678</u>	<u>15,368,891</u>
Deferred Outflows of Resources	<u>53,186</u>	<u>28,761</u>
Current and Other Liabilities	237,225	208,836
Long-Term Debt	<u>1,345,176</u>	<u>1,489,380</u>
Total Liabilities	<u>1,582,401</u>	<u>1,698,216</u>
Deferred Inflows of Resources		
Pension Related	9,455	-
Deferred Revenue	<u>1,685,144</u>	<u>1,620,437</u>
Total Deferred Inflows of Resources	<u>1,694,599</u>	<u>1,620,437</u>
Net Position		
Net Investment in Capital Assets	11,047,704	11,335,292
Restricted	739,401	588,551
Unrestricted	<u>59,759</u>	<u>155,156</u>
Total Net Position	<u>\$ 11,846,864</u>	<u>\$ 12,078,999</u>

Frankfort Park District

Management's Discussion and Analysis
May 31, 2016

The assets of the District are classified as current and other assets and capital assets. Current Assets are available to provide resources for the near-term operations of the District.

The largest portion of the District net position (93.25%) reflects the net investment in capital assets, which is capital assets, less any related debt used to acquire those assets that are still outstanding.

Condensed Statement of Activities
Year Ended May 31,

	<u>2016</u>	<u>2015</u>
Program Revenues:		
Charges for Services	\$ 898,806	\$ 867,694
Operating Grants & Contributions	5,000	15,950
Capital Grants & Contributions	<u>53,177</u>	<u>50,970</u>
Total Program Revenues	<u>956,983</u>	<u>934,614</u>
General Revenues:		
Property Taxes	1,575,059	1,542,910
Replacement Taxes	14,677	15,943
Unrestricted Interest	21	4,812
Other General Revenues	<u>13,007</u>	<u>8,424</u>
Total General Revenues	<u>1,602,764</u>	<u>1,572,089</u>
Total Revenues	<u>2,559,747</u>	<u>2,506,703</u>
Expenditures		
Culture & Recreation	2,772,840	2,650,267
Interest on Long-Term Debt	<u>19,042</u>	<u>49,149</u>
Total Expenditures	<u>2,791,882</u>	<u>2,699,416</u>
Change in Net Position	(232,135)	(192,713)
Net Position, Beginning of Year, as restated	<u>12,078,999</u>	<u>12,271,712</u>
Net Position, End of Year	<u>\$ 11,846,864</u>	<u>\$ 12,078,999</u>

The net position at May 31, 2015 has been restated due to the adoption of GASB 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. See Note 12 in the Notes to the Financial Statements for more detail.

Revenue is divided into two major components, program revenue and general revenue. Program revenue is defined as charges for services and sales, and operating and capital grants and contributions. General revenues include property taxes, replacement taxes and unrestricted income.

The increase in Charges for Services represents an increased program attendance for the current year.

Operating and Capital Grants/Contributions decreased primarily due to the State of Illinois putting a hold on all grant programs.

Expenditures for Culture and Recreation increased by \$122,573, or 4.62%. This was primarily due to increasing the employees and paying interest on the bonds.

Frankfort Park District

Management's Discussion and Analysis
May 31, 2016

Budgetary Highlights

As seen in the following table, the revenue was less than budgeted amounts due primarily to a decrease in developer contributions.

Expenditures were also less than budgeted amounts due to not pursuing the development of a new community center and cutting back on other large items.

	<u>Budget</u>	<u>Actual</u>
Revenues:		
General Fund	\$ 1,100,550	\$ 1,054,216
Other Funds	<u>1,494,585</u>	<u>1,505,531</u>
Total Revenues	<u>\$ 2,595,135</u>	<u>\$ 2,559,747</u>
Expenditures:		
General Fund	\$ 1,085,915	\$ 1,036,143
Other Funds	<u>1,473,605</u>	<u>1,462,325</u>
Total Expenditures	<u>\$ 2,559,520</u>	<u>\$ 2,498,468</u>

Capital Assets

Capital Assets of the governmental activities at year-end were as follows:

	<u>2016</u>	<u>2015</u>
Land	\$ 6,903,000	\$ 6,903,000
Buildings and Improvements	9,724,192	9,726,242
Machinery and Equipment	1,718,376	1,647,619
Accumulated Depreciation	<u>(6,102,864)</u>	<u>(5,661,569)</u>
Total Net Capital Assets	<u>\$ 12,242,704</u>	<u>\$ 12,615,292</u>

More detail on capital assets can be found in Note 4 in the Notes to the Financial Statements.

Long-term Debt

The District retired \$121,812 of principal related to outstanding notes payable and general obligation bond. The remaining principal balance on the bond issue is \$1,195,000. Additional information on long-term debt can be found in Note 5 in the Notes to the Financial Statements.

Request for Information

The financial report is designed to provide a general overview of the District's finances for all those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director at 140 Oak Street, Frankfort, IL 60423.

BASIC FINANCIAL STATEMENTS

Frankfort Park District
Statement of Net Position
May 31, 2016

	Governmental Activities
Assets	
Cash and Investments	\$ 1,445,087
Notes Receivable	26,782
Property Taxes Receivable	1,356,105
Capital Assets not Being Depreciated	6,903,000
Capital Assets Being Depreciated, net	5,339,704
Total Assets	15,070,678
 Deferred Outflows of Resources	
Related to Pensions	53,186
 Liabilities	
Accrued Expenses	37,884
Long-term Obligations, due within one year:	
Compensated Absences	29,341
General Obligation Bonds	170,000
Long-term Obligations, due in more than one year:	
Net Pension Liability	320,176
General Obligation Bonds	1,025,000
Total Liabilities	1,582,401
 Deferred Inflows of Resources	
Related to Pensions	9,455
Deferred Revenue	1,685,144
Total Deferred Inflows of Resources	1,694,599
 Net Position	
Net Investment in Capital Assets	11,047,704
Restricted for:	
Audit	36,855
Employee Benefits	50,648
Recreation	188,950
Special Recreation	462,948
Unrestricted	59,759
Total Net Position	\$ 11,846,864

See Notes to the Basic Financial Statements

Frankfort Park District
Statement of Activities
Year Ended May 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Change in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Culture and Recreation	\$ 2,772,840	\$ 898,806	\$ 5,000	\$ 53,177	\$ (1,815,857)
Interest on Long-term Debt	19,042	-	-	-	(19,042)
Total Governmental Activities	<u>\$ 2,791,882</u>	<u>\$ 898,806</u>	<u>\$ 5,000</u>	<u>\$ 53,177</u>	<u>(1,834,899)</u>
General Revenues:					
Taxes:					
Property Taxes					1,575,059
Replacement Taxes					14,677
Unrestricted Interest					21
Other General Revenues					<u>13,007</u>
Total General Revenues					<u>1,602,764</u>
Change in Net Position					(232,135)
Net Position, Beginning of Year, as restated					<u>12,078,999</u>
Net Position, End of Year					<u>\$ 11,846,864</u>

See Notes to the Basic Financial Statements

Frankfort Park District
Balance Sheet
Governmental Funds
May 31, 2016

	<u>Major Funds</u>				Nonmajor Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Recreation</u>	<u>Special Recreation</u>	<u>Capital Development</u>		
Assets						
Cash and Investments	\$ 768,525	\$ 289,412	\$ 504,584	\$ -	\$ 97,191	\$ 1,659,712
Notes Receivable	-	-	-	26,782	-	26,782
Property Taxes Receivable	<u>975,855</u>	<u>14,781</u>	<u>235,691</u>	<u>-</u>	<u>129,778</u>	<u>1,356,105</u>
Total Assets	<u>\$ 1,744,380</u>	<u>\$ 304,193</u>	<u>\$ 740,275</u>	<u>\$ 26,782</u>	<u>\$ 226,969</u>	<u>\$ 3,042,599</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)						
Liabilities:						
Accrued Expenses	\$ 26,902	\$ 8,372	\$ -	\$ -	\$ 2,610	\$ 37,884
Accounts Payable in Excess of Cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,915</u>	<u>8,710</u>	<u>214,625</u>
Total Liabilities	<u>26,902</u>	<u>8,372</u>	<u>-</u>	<u>205,915</u>	<u>11,320</u>	<u>252,509</u>
Deferred Inflows of Resources:						
Deferred Property Taxes	975,855	14,781	235,691	-	129,778	1,356,105
Unearned Revenue	<u>172,388</u>	<u>92,090</u>	<u>41,636</u>	<u>-</u>	<u>22,925</u>	<u>329,039</u>
Total Deferred Inflows of Resources	<u>1,148,243</u>	<u>106,871</u>	<u>277,327</u>	<u>-</u>	<u>152,703</u>	<u>1,685,144</u>
Fund Balances (Deficits):						
Restricted for:						
Audit	-	-	-	-	36,855	36,855
Employee Benefits	-	-	-	-	50,648	50,648
Recreation	-	188,950	-	-	-	188,950
Special Recreation	-	-	462,948	-	-	462,948
Unassigned	<u>569,235</u>	<u>-</u>	<u>-</u>	<u>(179,133)</u>	<u>(24,557)</u>	<u>365,545</u>
Total Fund Balances (Deficits)	<u>569,235</u>	<u>188,950</u>	<u>462,948</u>	<u>(179,133)</u>	<u>62,946</u>	<u>1,104,946</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 1,744,380</u>	<u>\$ 304,193</u>	<u>\$ 740,275</u>	<u>\$ 26,782</u>	<u>\$ 226,969</u>	<u>\$ 3,042,599</u>

See Notes to the Basic Financial Statements

Frankfort Park District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
May 31, 2016

Total Fund Balances - Governmental Funds	\$	1,104,946
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds

Capital Assets		18,345,568
Accumulated Depreciation		(6,102,864)

Some amounts reported in the Statement of Net Position do not require or provide current financial resources and therefore are not reported in the governmental funds. These amounts consist of:

Deferred Outflows of Resources Related to Pensions		53,186
Deferred Inflows of Resources Related to Pensions		(9,455)
General Obligation Bond Payable		(1,195,000)
Net Pension Liability		(320,176)
Compensated Absences		(29,341)

Net Position of Governmental Activities	\$	<u>11,846,864</u>
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Frankfort Park District
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Governmental Funds
Year Ended May 31, 2016

	<u>Major Funds</u>				Nonmajor Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Recreation</u>	<u>Special Recreation</u>	<u>Capital Development</u>		
Revenues						
Property Taxes	\$ 1,003,155	\$ 150,261	\$ 275,636	\$ -	\$ 146,007	\$ 1,575,059
Replacement Taxes	14,677	-	-	-	-	14,677
Program Revenue	-	846,797	-	-	-	846,797
Developer Contributions	-	-	-	53,177	-	53,177
Donations	5,000	-	-	-	-	5,000
Rental	19,146	32,552	-	-	-	51,698
Interest	21	-	-	-	-	21
Miscellaneous	12,217	1,101	-	-	-	13,318
Total Revenues	<u>1,054,216</u>	<u>1,030,711</u>	<u>275,636</u>	<u>53,177</u>	<u>146,007</u>	<u>2,559,747</u>
Expenditures						
Current:						
Culture and Recreation	995,500	987,468	186,659	-	149,092	2,318,719
Capital Outlay	40,643	-	8,417	26,647	-	75,707
Debt Service						
Principal	-	-	-	-	85,000	85,000
Interest and Other Charges	-	-	-	1,944	17,098	19,042
Total Expenditures	<u>1,036,143</u>	<u>987,468</u>	<u>195,076</u>	<u>28,591</u>	<u>251,190</u>	<u>2,498,468</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,073</u>	<u>43,243</u>	<u>80,560</u>	<u>24,586</u>	<u>(105,183)</u>	<u>61,279</u>
Other Financing Sources (Uses)						
Transfers In (Out)	<u>21,250</u>	<u>5,000</u>	<u>(26,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	39,323	48,243	54,310	24,586	(105,183)	61,279
Fund Balance (Deficit), Beginning of Year	<u>529,912</u>	<u>140,707</u>	<u>408,638</u>	<u>(203,719)</u>	<u>168,129</u>	<u>1,043,667</u>
Fund Balance (Deficit), End of Year	<u>\$ 569,235</u>	<u>\$ 188,950</u>	<u>\$ 462,948</u>	<u>\$ (179,133)</u>	<u>\$ 62,946</u>	<u>\$ 1,104,946</u>

See Notes to the Financial Statements

Frankfort Park District
Reconciliation of Statement of Revenues, Expenditures and Changes in
Fund Balances (Deficits) of Governmental Funds to the Statement of Activities
Year Ended May 31, 2016

Net change in fund balance	\$	61,279
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation expense exceeded capital outlays in the current period.</p>		
Capital Outlay		75,707
Depreciation Expense		(448,295)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Statement of Net Position.</p>		
		85,000
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported in the governmental funds</p>		
Increase in net pension liability		<u>(5,826)</u>
Change in net position of governmental activities.	\$	<u><u>(232,135)</u></u>

See Notes to the Financial Statements

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

1. Summary of Significant Accounting Policies

Frankfort Park District is located in Southern Cook County and Northern Will County and is operated under a Board of Commissioners and Director form of management. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America established by the GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

The accompanying financial statements present the Frankfort Park District only. There are no component units that are required to be included with these financial statements.

The District has a separately elected Board, the power to levy taxes, the authority to expend funds, the responsibility to designate management, the ability to prepare and modify a budget and the authority to issue debt. Therefore, the District is not included as a component unit of any other entity.

Basis of Presentation

Government -Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. Governmental Activities generally are financed through taxes, intergovernmental revenue, and non-exchange revenue.

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. Program revenues include charges to residents who purchase, use or directly benefit goods, services or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Revenues that are not classified as program revenues, such as taxes and other income items that are not specifically related to a function are reported as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

1. **Summary of Significant Accounting Policies (continued)**

The District has reported three categories of program revenues in the Statement of Activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as State of Illinois; they reduce the net cost of each function to be financed from the District's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Net position represents the difference between assets and liabilities. Net investments in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition/construction of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the District (General Fund) or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The District reports the following major governmental funds.

General Fund – The General Fund is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund.

Recreation Fund – The Recreation Fund, a special revenue fund, accounts for all revenue and expenditures related to the recreation activities and programs. Revenues of the Recreation Fund include property taxes, user charges, contributions, and miscellaneous income.

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

1. Summary of Significant Accounting Policies (continued)

Special Recreation Fund – The Special Recreation Fund, a special revenue fund, accounts for all revenues and expenditures related to the cost of providing recreational activities and facilities to handicapped taxpayers of the district. Revenues of the Special Recreation Fund include property taxes.

Capital Development Fund – The Capital Development Fund is a Capital Projects fund type used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. Revenues include impact fees and bond proceeds.

The District also reports the following nonmajor governmental funds.

Special Revenue Fund Type – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District's nonmajor special revenue funds are the Liability and Workmen's Compensation Fund, the Audit Fund, and the Illinois Municipal Retirement Fund (IMRF).

Debt Service Fund Type – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on general long-term debt primarily from taxes levied by the District.

Measurement Focus, Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, liabilities, and deferred inflows of resources (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. These funds are budgeted in this manner. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance and (b) demonstrate the source and use of liquid resources. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental columns, (due mainly to the inclusion of capital asset and long-term debt activity in the government-wide presentation) a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Governmental fund revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period.

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

1. Summary of Significant Accounting Policies (continued)

Revenues considered to be susceptible to accrual include property taxes and intergovernmental revenue. Amounts have been recognized as receivables for these revenue sources. All other revenue items are considered to be measurable and available only when cash is received by the District.

Governmental fund expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Other Significant Accounting Policies

Capital Assets

Capital assets are stated on the basis of historical cost. Major capital asset additions are financed primarily from bond proceeds. Assets acquired through gifts or donations are recorded at their estimated fair value at the time of acquisition. The District has established a capitalization threshold of \$5,000 for land improvements, buildings, and equipment.

Depreciation of Capital Assets

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are shown below:

Buildings and Improvements	20-50 Years
Machinery and Equipment	5-20 Years

Fund Balances

The District's fund balances are required to be reported using five separate classifications as listed below. The District may not necessarily utilize each classification in a given fiscal year.

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification may include inventories and assets held for sale.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the District's highest level of decision-making authority, the District's Board of Commissioners.

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

1. Summary of Significant Accounting Policies (continued)

Assigned fund balance – Amounts that are constrained by the District’s intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the District’s Board of Commissioners, or another body (such as a Finance Committee), or by and official to whom that authority has been given. With the exception of the General Fund, assigned fund balance is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

Use of Resources Policy

The District considers restricted resources to have been used first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted balances are available. Committed, assigned, and unassigned amounts are considered to have been spent in that order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. Expenditures incurred for a specifically identified purpose will reduce the specific identified classification of fund balance.

Use of Estimates

The process of preparing financial statements in conformity with the modified accrual basis of accounting requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements.

2. Cash and Investments

Deposits

Cash deposits consisted of checking accounts, which were carried at cost. At May 31, 2016, the carrying amount of the District’s deposits was \$1,444,767 (exclusive of \$320 held in petty cash funds) and the bank balance was \$1,548,466.

Custodial Credit Risk – this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities of the U.S. Government held in the District’s name by financial institutions acting as the District’s agent.

Investments

Credit Risk – The District is allowed to invest in securities as authorized by the Public Funds Investment Act (30 ILCS 235). The District’s investment policy does not further limit its investment choices.

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

2. Cash and Investments (continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk – The District limits the amount it may invest in any one bank or savings and loan to ten percent of the investment portfolio. At year-end, the District held all of its deposits in one bank.

Interest Rate Risk – The District’s formal investment policy limits investment maturities to money market mutual funds and short-term investments as a means of managing its exposure to fair value losses arising from increasing interest rates. The District has no investments at year-end.

3. Property Taxes

The legal right to revenue from property tax assessments is established annually by the Board of Commissioners’ enactment of a tax levy ordinance. Proceeds of a specific levy are generally not available for use until the next subsequent fiscal year. It is the District’s budgetary practice to consider the proceeds from a given tax levy as being available to finance operations of the fiscal year in which the majority of the levy is collected. Accordingly, taxes receivable, net of allowance for uncollectible amounts are included in the balance sheet upon enactment of the annual tax levy but the recognition of revenue is deferred until the following year.

The property tax calendar for the 2015 tax levy year is as follows:

Lien Date	January 1, 2015
Levy Date	December 8, 2015
First Installment Due Date	March 1, 2016
Second Installment Due Date	September 1, 2016

4. Capital Assets

The following is a summary of changes in capital assets for governmental activities during the year.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated				
Land	\$ 6,903,000	\$ -	\$ -	\$ 6,903,000
Capital Assets being Depreciated				
Buildings and Improvements	9,726,242	4,950	(7,000)	9,724,192
Machinery & Equipment	1,647,619	70,757	-	1,718,376
Total Capital Assets being Depreciated	<u>11,373,861</u>	<u>75,707</u>	<u>(7,000)</u>	<u>11,442,568</u>

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

4. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 4,597,094	\$ 350,748	\$ (7,000)	\$ 4,940,842
Machinery & Equipment	1,064,475	97,547	-	1,162,022
Total Accumulated Depreciation	<u>5,661,569</u>	<u>448,295</u>	<u>(7,000)</u>	<u>6,102,864</u>
 Total Capital Assets being Depreciated, Net	 <u>5,712,292</u>	 <u>(372,588)</u>	 <u>-</u>	 <u>5,339,704</u>
 Governmental Activities, Total Capital Assets, Net	 <u>\$ 12,615,292</u>	 <u>\$ (372,588)</u>	 <u>\$ -</u>	 <u>\$ 12,242,704</u>

Depreciation expense of \$448,295 was all charged to the Cultural and Recreation Government activity.

5. Long-Term Debt

The District has recorded long-term liabilities of governmental activities in the Statement of Net Position. The compensated absences are expected to be paid from the General Fund. The General Obligation bond is a direct obligation and pledges the full faith and credit from the District. The bond is payable from property taxes deposited into the District's Debt Service Fund. The notes payable are payable from the Capital Projects Fund. During the fiscal year, the following changes occurred in long-term liabilities of Governmental Activities.

	Balance			Amount Due	
	June 1, 2015			Balance	Within
	<u>As Restated</u>	<u>Issuances</u>	<u>Retirements</u>	<u>May 31, 2016</u>	<u>One Year</u>
General Obligation Bond:					
Series 2007	\$ 270,000	\$ -	\$ 85,000	\$ 185,000	\$ 90,000
Series 2014	250,000	-	-	250,000	80,000
Debt Certificates 2014	760,000	-	-	760,000	-
Notes Payable	36,812	-	36,812	-	-
Net Pension Liability	299,380	20,796	-	320,176	-
Compensated Absences	29,341	-	-	29,341	-
Total	<u>\$ 1,645,533</u>	<u>\$ 20,796</u>	<u>\$ 121,812</u>	<u>\$ 1,544,517</u>	<u>\$ 170,000</u>

General Obligation Bonds

\$770,000 2007 General Obligation Limited Tax Park Bonds, payable in annual installments ranging from \$50,000 to \$95,000 on November 1st with interest payable at 4.35%.

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

5. Long-Term Debt (continued)

\$250,000 2014 General Obligation Limited Tax Park Bonds, payable in annual installments ranging from \$45,000 to \$105,000 on January 15th with interest payable semiannually on January and July 15th with rates ranging from 1.8% to 2.4%.

Debt Certificate

\$760,000 2014 Debt Certificates, payable in annual installments ranging from \$80,000 to \$95,000 on January 15th with interest payable semiannually on January and July 15th with rates ranging from 1.2% to 3.45%.

Annual debt service requirements for each of the next four fiscal years are as follows:

<u>May 31st</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 170,000	\$ 31,325	\$ 201,325
2018	175,000	26,450	201,450
2019	180,000	21,118	201,118
2020	185,000	17,877	202,877
2021	130,000	13,993	143,993
2022-2026	<u>355,000</u>	<u>31,040</u>	<u>386,040</u>
Total	<u>\$ 1,195,000</u>	<u>\$ 141,803</u>	<u>\$ 1,336,803</u>

6. Lease Obligations

The District is under obligation for a copier lease. The District paid \$3,085 in lease payments during fiscal year 2016. Subsequent to the fiscal year, the District returned the copier in exchange for a new copier and related lease. Remaining obligations for the leases are as follows:

<u>Year Ending</u> <u>May 31st</u>	<u>Principal</u>
2017	\$ 2,778
2018	2,778
2019	2,778
2020	2,778
2021	<u>231</u>
	<u>\$ 11,343</u>

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

7. Individual Fund Disclosures

The following funds had deficit equity balances as of May 31, 2016 in the amount indicated:

<u>Fund Name</u>	<u>Deficit</u>
Capital Projects	\$ 179,133
Debt Service	13,236
Liability Insurance	11,321

In the current fiscal year, the Special Recreation Fund transferred \$26,250 to the General Fund (\$21,250) and the Recreation Fund (\$5,000) for the purpose of reimbursing special recreation compliance.

8. Pension and Retirement Commitments

IMRF 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-District 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

The District participates in the Regular Plan (RP).

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.

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.

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

8. Pension and Retirement Commitments (continued)

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, 2015, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	10
Inactive Plan Members entitled to but not yet receiving benefits	10
Active Plan Members	<u>16</u>
Total	<u><u>36</u></u>

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 Districts 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 2015 was 11.36%. For the calendar year 2015, the District contributed \$73,167 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, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- 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 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.49%.

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

8. Pension and Retirement Commitments (continued)

- Projected Retirement Age was from the experience based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- 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-2014 (base year 2014). 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 2014). 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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38.00%	7.60%
International Equity	17.00%	7.80%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	6.15%
Alternative Investments	9.00%	5.25-8.50%
Cash Equivalents	<u>1.00%</u>	2.25%
Total	<u>100.00%</u>	

Single Discount Rate

A Single Discount Rate of 7.49% 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 District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

8. Pension and Retirement Commitments (continued)

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 3.57%, and the resulting single discount rate is 7.49%.

Changes in the Net Pension Liability

Changes in the Net Pension Liability are derived from the changes in the total pension liability and changes in the plan net position. The Schedule of Changes in Net Pension Liability and Related Ratios, presented as required supplemental information (RSI) following the Notes to the Financial Statements, presents current period changes in the total pension liability and plan net position.

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 7.49%, 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:

	1% Lower (6.49%)	Current (7.49%)	1% Higher (8.49%)
Total Pension Liability	\$ 2,153,868	\$ 1,874,858	\$ 1,649,285
Plan Fiduciary Net Position	1,554,682	1,554,682	1,554,682
Net Pension Liability	<u>\$ 599,186</u>	<u>\$ 320,176</u>	<u>\$ 94,603</u>

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

For the year ended May 31, 2016, the District recognized pension expense of \$82,290. At May 31, 2016, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

8. Pension and Retirement Commitments (continued)

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 9,455
Net difference between projected and actual earnings on pension plan investments	21,326	-
Total Deferred Amounts to be recognized in future periods	21,326	9,455
Pension Contributions made subsequent to the Measurement Date	31,860	-
Total Deferred Amounts Related to Pensions	<u>\$ 53,186</u>	<u>\$ 9,455</u>

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:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2016	\$ 11,871
2017	11,871
2018	11,871
2019	11,872
2020	(2,129)
Total	<u>\$ 45,356</u>

9. Risk Management

PDRMA – The Frankfort Park District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and net income losses.

Since June 1, 1992, the Frankfort Park District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. PDRMA is a public entity risk pool consisting of park districts, forest preserve districts, special recreation associations and certain non-profit organizations serving the needs of public entities formed in accordance with the terms of an intergovernmental cooperative agreement among its members. The following table is a summary of the property/casualty coverage in effect for the period January 1, 2016 through January 1, 2017:

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

9. Risk Management (continued)

<u>Coverage</u>	<u>Member Deductible</u>	<u>PDRMA Self-Insured Retention</u>	<u>Limits</u>	<u>Insurance Company</u>	<u>Policy Number</u>
<u>Property</u>					
All Losses per Occurrence	\$ 1,000	\$1,000,000	\$1,000,000,000/All members Declaration 11	PDRMA Reinsurers: Various Reinsurers through the Public Entity Property Reinsurance Program (PEPIP)	P070115
Flood/except Zones A & V	1,000	1,000,000	\$250,000,000/Occurrence /Annual/Aggregate		
Flood, Zones A & V	1,000	1,000,000	\$200,000,000/Occurrence /Annual/Aggregate		
Earthquake Shock	1,000	1,000,000	\$100,000,000/Occurrence /Annual/Aggregate		
Auto Physical Damage Comprehensive & Collision Course of Construction/ Builders Risk	1,000	1,000,000	Included		
Business Interruption, Rental Income, Tax Income	1,000		Included \$25,000,000 \$100,000,000/Reported Values \$500,000/ \$2,600,000/Non-Reported Values		
Service Interruption	24 Hours	N/A	\$25,000,000 Other Sub-Limits Apply - Refer to Coverage Document		
Boiler and Machinery			\$100,000,000 Equipment Breakdown		
Property Damage	1,000	9,000	Property Damage - Included	Travelers Indemnity Co. of Illinois	BME10525L478
Business Income	48 Hours	N/A	Included Other Sub-Limits Apply - Refer to Coverage Document		
Fidelity and Crime	1,000	\$ 24,000	\$2,000,000/Occurrence	National Union Fire Insurance Co.	04-766-58-14
Seasonal Employees	1,000	9,000	\$1,000,000/Occurrence		
Blanket Bond	1,000	24,000	\$2,000,000/Occurrence		
<u>Workers' Compensation</u>	N/A	500,000	Statutory	PDRMA	WC010116
Employers' Liability		500,000	\$3,500,000 Employers Liability	Gov't Entities Mutual (GEM) Safety National	GEM-0003-A15002 SP4052469
<u>Liability</u>					
General	None	500,000	\$21,500,000/Occurrence	PDRMA Reinsurers:	L01016
Auto Liability	None	500,000	\$21,500,000/Occurrence	GEM/ Great American	GEM-0003-A15002
Employment Practices	None	500,000	\$21,500,000/Occurrence		
Public Official's Liability	None	500,000	\$21,500,000/Occurrence		
Law Enforcement Liability	None	500,000	\$21,500,000/Occurrence	Genesis	C501
Uninsured/Underinsured Motorist	None	500,000	\$1,000,000/Occurrence		

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

9. Risk Management (continued)

<u>Coverage</u>	<u>Member Deductible</u>	<u>PDRMA Self-Insured Retention</u>	<u>Limits</u>	<u>Insurance Company</u>	<u>Policy Number</u>
<u>Pollution Liability</u>					
Liability-Third Party	None	25,000	\$5,000,000/Occurrence	XL Environmental Insurance	PEC2535805
Property-First Party	1,000	24,000	\$30,000,000 3yr Aggregate		
<u>Outbreak Expense</u>	24 Hours	N/A	\$15,000 Per Day \$1,000,000 Aggregate Policy Limit	Great American	OB010116
<u>Information Security & Privacy Insurance</u>					
<u>Electronic Media Liability Coverage</u>					
Information Security & Privacy Liability	None	100,000	\$2,000,000/Occurrence/Annual Aggregate	Beazley Lloyds Syndicate AFB	PH1533938
Privacy Notification Costs	None	100,000	\$500,000/Occurrence/Annual Aggregate	2623/623 through the PEPiP program	
Regular Defense & Penalties	None	100,000	\$2,000,000/Occurrence/Annual Aggregate		
Website Media Content Liab.	None	100,000	\$2,000,000/Occurrence/Annual Aggregate		
Cyber Extortion	None	100,000	\$2,000,000/Occurrence/Annual Aggregate		
Data Protection & Business Interruption	1,000	100,000	\$2,000,000/Occurrence Annual Aggregate		
First Party Business Interruption	8 Hours	100,000	\$25,000 Hourly Sublimit/\$25,000 Forensic Expense/ \$100,000 Dependent Business Interruption		
<u>Volunteer Medical</u>	None	\$ 5,000	\$5,000 Medical Expenses and AD&D Excess of other Collectible Insurance	Self-Insurance	
<u>Underground Storage Tank Liability</u>	None	N/A	\$10,000 follows Illinois Leaking Underground Tank Fund	Self-Insured	
<u>Unemployment Compensation</u>	N/A	N/A	Statutory	Member-Funded	

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the Frankfort Park District.

As a member of PDRMA's Property/Casualty Program, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the Frankfort Park District's governing body. The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by PDRMA.

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

9. Risk Management (continued)

Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Program Council. PDRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

The following represents a summary of PDRMA's Property/Casualty Program's balance sheet at December 31, 2015 and the Statement of Revenues and Expenses for the period ending December 31, 2015. The Frankfort Park District's portion of the overall equity of the pool is 0.111% or \$45,092.

Assets	\$63,181,823
Liabilities	23,063,014
Member Balances	40,708,211
Revenues	18,585,098
Expenditures	19,500,046

Since 95.9% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.

10. Other Postemployment Benefits

The District allows employees to retire through the District's pension plan disclosed in Note 8. The plan allows retired employees to continue in the District's health insurance plan as required by Illinois Compiled Statutes (ILCS), but the retiree pays the full premium for the health insurance. This has not created an implicit or explicit subsidy as defined by GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

11. Joint Venture – Lincolnway Special Recreation Association

The District is a member of the Lincolnway Special Recreation Association (LWSRA), established through Section 8-10.1 of the Park District Code, to provide recreation facilities and programs for special populations within the respective park districts. A separate levy is made by each park district to fund the operations of LWSRA. The Park District's contributions to LWSRA for the year ended May 31, 2016 was \$186,659.

In fiscal year 2013, LWSRA issued \$2,025,000 in debt certificates for facility construction. Per the issuance, all members are responsible for their proportionate share of debt service on the project. The proportionate share of this debt to the Frankfort Park District as of May 31, 2016 was \$128,175. This debt is expected to be paid directly by LWSRA and is therefore not included as a financial obligation of the Frankfort Park District.

Frankfort Park District

Notes to the Financial Statements
Year Ended May 31, 2016

12. Net Position Adjustment

The District Implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, in 2016. As such, the District must recognize deferred inflows and outflows of resources relating to the pension plan and a net pension liability in the District’s Statement of Net Position. The District added the net deferred outflows and the net pension liability to the Statement of Net Position resulting in a decrease of the beginning of the year net position of \$270,618. As a result, net position of governmental activities as of June 1, 2015 is \$12,078,999.

Net Position as previously reported, June 1, 2015	\$ 12,349,618
To record deferred outflows of resources related to contributions made between the measurement date of December 31, 2015 and the fiscal year-end of May 31, 2016.	28,761
To record the pension liability as of May 31, 2015	<u>(299,380)</u>
Net Position, as restated, June 1, 2015	<u>\$ 12,078,999</u>

REQUIRED SUPPLEMENTARY INFORMATION

Frankfort Park District

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Illinois Municipal Retirement Fund

(schedule to be built prospectively from 2015)

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 66,708
Interest	134,344
Differences Between Expected and Actual Experience	(49,404)
Changes of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(74,158)</u>
Net Change in Total Pension Liability	77,490
Total Pension Liability - Beginning	<u>1,797,368</u>
Total Pension Liability - Ending	<u>\$ 1,874,858</u>
Plan Fiduciary Net Position	
Contributions - Employer	73,167
Contributions - Employee	29,280
Net Investment Income	7,561
Benefit Payments, Including Refunds of Member Contributions	(74,158)
Net Transfer	<u>20,844</u>
Net Change in Plan Fiduciary Net Position	56,694
Plan Fiduciary Net Position - Beginning	<u>1,497,988</u>
Plan Fiduciary Net Position - Ending	<u>\$ 1,554,682</u>
Net Pension Liability	<u>\$ 320,176</u>
Plan Fiduciary Net Position of the Total Pension Liability	82.92%
Covered-Valuation Payroll	\$ 643,848
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	49.73%

See Notes to the Required Supplementary Information

Frankfort Park District

Schedule of Employer Contributions - Illinois Municipal Retirement Fund

Last Ten Calendar Years

(schedule to be built prospectively from 2015)

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 72,369	\$ 73,167	\$ (798)	\$ 643,848	11.36%

See Notes to the Required Supplementary Information

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended May 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 1,000,000	\$ 1,003,155	\$ 3,155
Personal Property Replacement Taxes	13,000	14,677	1,677
Donations	14,500	5,000	(9,500)
Rental	60,000	19,146	(40,854)
Miscellaneous	13,000	12,217	(783)
Interest	50	21	(29)
Total Revenues	<u>1,100,550</u>	<u>1,054,216</u>	<u>(46,334)</u>
Expenditures			
Operating	1,048,365	995,500	(52,865)
Capital Outlay	37,550	40,643	3,093
Total Expenditures	<u>1,085,915</u>	<u>1,036,143</u>	<u>(49,772)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,635</u>	<u>18,073</u>	<u>3,438</u>
Other Financing Sources (Uses)			
Transfers In	<u>2,000</u>	<u>21,250</u>	<u>19,250</u>
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>21,250</u>	<u>19,250</u>
Net Change in Fund Balance	<u>\$ 16,635</u>	39,323	<u>\$ 22,688</u>
Fund Balance, Beginning of Year		<u>529,912</u>	
Fund Balance, End of Year		<u>\$ 569,235</u>	

See the notes to the required supplementary information

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Recreation Fund
Year Ended May 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 151,000	\$ 150,261	\$ (739)
Preschool Program	122,600	144,843	22,243
Summer Day Camp	49,900	41,784	(8,116)
Prairie Care Program	147,225	143,683	(3,542)
Advertising	17,000	14,450	(2,550)
Recreation Program	149,700	191,774	42,074
Fitness	36,900	41,007	4,107
Special Events	48,640	45,587	(3,053)
Adults/Seniors	64,475	97,467	32,992
Leagues	132,500	110,022	(22,478)
LWHS Pool Rental	17,870	12,942	(4,928)
Splash Park	5,900	9,684	3,784
Dog Park	6,000	944	(5,056)
Concession Stand	4,600	5,552	952
Athletic Field Reimbursement	11,000	14,595	3,595
Rental	5,000	5,015	15
Vending Machine	200	-	(200)
Miscellaneous	2,000	1,101	(899)
Total Revenues	<u>972,510</u>	<u>1,030,711</u>	<u>58,201</u>
Expenditures			
Current Program	<u>897,720</u>	<u>987,468</u>	<u>89,748</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>74,790</u>	<u>43,243</u>	<u>(31,547)</u>
Other Financing Sources			
Transfers In	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net Change in Fund Balance	<u>\$ 74,790</u>	48,243	<u>\$ (26,547)</u>
Fund Balance, Beginning of Year		<u>140,707</u>	
Fund Balance, End of Year		<u>\$ 188,950</u>	

See the notes to the required supplementary information

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Special Recreation Fund
Year Ended May 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 276,000	\$ 275,636	\$ (364)
Total Revenues	<u>276,000</u>	<u>275,636</u>	<u>(364)</u>
Expenditures			
Contractual	230,000	186,659	(43,341)
Capital Outlay	<u>-</u>	<u>8,417</u>	<u>8,417</u>
Total Expenditures	<u>230,000</u>	<u>195,076</u>	<u>(34,924)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>46,000</u>	<u>80,560</u>	<u>34,560</u>
Other Financing Sources (Uses)			
Transfers Out	<u>-</u>	<u>(26,250)</u>	<u>(26,250)</u>
Net Change in Fund Balance	<u>\$ 46,000</u>	54,310	<u>\$ 8,310</u>
Fund Balance, Beginning of Year		<u>408,638</u>	
Fund Balance, End of Year		<u>\$ 462,948</u>	

See the notes to the required supplementary information

Frankfort Park District

Notes to the Required Supplementary Information
Year Ended May 31, 2016

1. Budgetary Basis of Accounting

The budget is prepared on a consistent basis as that used in financial reporting by the District. The budget was passed on May 12, 2015 and it was not amended after passage. For each fund, the total fund disbursements may not legally exceed the budgeted disbursements. The budget lapses at the end of each fiscal year.

2. Budgets and Budgetary Information

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

1. Department heads propose expenditure estimates for the coming year. These estimates, if approved by the Executive Director, become the recommendations for presentation to the Board of Commissioners as the tentative combined Annual Budget and Appropriation Ordinance.
2. Notice is published in the paper and online that the tentative Annual Budget and Appropriation Ordinance is available for public inspection. The Ordinance is then presented at a public meeting after thirty days have passed.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The Treasurer is authorized to transfer up to 10 percent of the total budget between budget items within the fund; however, the Board of Commissioners must approve any revisions that alter the total disbursements of any fund.

3. Excess of Actual Expenditures Over Budget in Individual Funds

Expenditures may not legally exceed budgeted appropriations at the fund level. The following funds had an excess of actual expenditures over budget and appropriations for the fiscal year:

	<u>Amount in Excess of</u>	
	<u>Budget</u>	<u>Appropriation</u>
Major Funds:		
Recreation	\$ (89,748)	\$ -
Nonmajor Funds:		
Liability Insurance &		
Workman's Compensation	(10,848)	-
Audit	(10,330)	(3,780)
Illinois Municipal Retirement Fund	(7,464)	-
Debt Service Fund	(1,423)	-

Frankfort Park District

Notes to the Required Supplementary Information
Year Ended May 31, 2016

4. Summary of Actuarial Methods and Assumptions used in the Calculation of the 2015 Contribution Rate

Valuation Date

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

Methods and Assumptions Used to Determine 2015 Contribution Rates

Actuarial Cost Method:	Aggregated entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3% approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16%, 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 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information

There were no benefit changes during the year.

OTHER SUPPLEMENTARY INFORMATION

Frankfort Park District
Schedule of Expenditures - Budget and Actual - General Fund
Year Ended May 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over(Under)</u>
Expenditures			
Operating:			
Salaries - Maintenance	\$ 286,000	\$ 250,075	\$ (35,925)
Salaries - Admin	179,000	176,121	(2,879)
Salaries - Clerical	97,240	101,608	4,368
FICA	70,000	73,888	3,888
Group Insurance	57,700	33,754	(23,946)
Telephone	8,150	8,810	660
Cable / Internet Phone	6,000	5,197	(803)
Postage	1,000	2,563	1,563
Dues	7,300	6,804	(496)
Conference & Seminar	12,000	14,186	2,186
Mileage Reimbursement	4,000	3,444	(556)
Meeting Expenses	750	1,306	556
Advertising	12,000	13,406	1,406
Board Expenses	2,500	3,159	659
Attorney Fees	15,000	12,297	(2,703)
Professional Fees	49,000	70,537	21,537
Legal Publications	750	406	(344)
Office Supplies / Repairs	2,200	3,233	1,033
Computer / Website	9,350	6,742	(2,608)
Equipment Rental / Lease	19,875	14,681	(5,194)
Building Supplies	10,975	9,745	(1,230)
Maintenance Supplies	11,775	11,680	(95)
Park Equipment / Maint	42,000	45,845	3,845
Natural Area Maintenance	10,600	10,346	(254)
Equipment Rental	3,850	1,898	(1,952)
Equipment Repair	15,500	13,802	(1,698)
Building Repair & Maint	31,650	27,830	(3,820)
Utilities	34,000	38,912	4,912
Vehicle Expense	8,500	6,998	(1,502)
Fuel	33,000	18,438	(14,562)
Uniforms	1,000	1,038	38
Living Tree Expenses	1,700	919	(781)
Contingencies	4,000	5,832	1,832
 Total Operating	 <u>1,048,365</u>	 <u>995,500</u>	 <u>(52,865)</u>
 Capital Outlay	 <u>37,550</u>	 <u>40,643</u>	 <u>3,093</u>
 Total Expenditures	 <u>\$ 1,085,915</u>	 <u>\$ 1,036,143</u>	 <u>\$ (49,772)</u>

Frankfort Park District
Schedule of Expenditures - Budget and Actual - Recreation Fund
Year Ended May 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over(Under)</u>
Expenditures			
Salaries - Maintenance	\$ 44,000	\$ 41,640	\$ (2,360)
Salaries - Admin	151,225	158,705	7,480
Salaries - Clerical	16,400	17,388	988
Group Insurance	35,900	37,787	1,887
Telephone	7,400	5,851	(1,549)
Postage	1,000	2,565	1,565
Bank Charges	30,000	33,879	3,879
Conference & Seminar	6,500	7,380	880
Mileage Reimbursement	5,020	4,945	(75)
Advertising	1,650	-	(1,650)
Office Supplies / Repairs	-	2,779	2,779
Computer / Website	4,000	1,818	(2,182)
Brochure Printing	21,600	27,977	6,377
Concession Stand Exp	3,600	3,111	(489)
Rental Expense	3,700	2,135	(1,565)
Pre-School Expenses	78,400	111,103	32,703
Summer Camp Expenses	42,900	30,991	(11,909)
Prairie Care Expenses	56,300	54,882	(1,418)
Program Expenses	105,500	137,606	32,106
Fitness	21,950	26,411	4,461
Special Events Expense	32,360	27,681	(4,679)
Adult / Seniors	54,700	83,154	28,454
League Expenses	75,000	67,450	(7,550)
Dog Park Expenses	200	647	447
Splash Park Expenses	3,900	5,208	1,308
LWE Field House Expense	15,265	11,865	(3,400)
Building Supplies	4,500	600	(3,900)
Supplies Janitorial	4,750	3,508	(1,242)
Building Repair & Maint	9,550	9,663	113
Utilities	25,000	25,416	416
Vehicle Expense	500	495	(5)
Landscaping Improvements	20,450	19,591	(859)
Uniforms	1,000	1,000	-
Athletic Field Equip	12,000	20,429	8,429
Contingencies	1,500	1,808	308
Total Expenditures	<u>\$ 897,720</u>	<u>\$ 987,468</u>	<u>\$ 89,748</u>

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
Capital Development Fund
Year Ended May 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Developer Contributions	100,000	53,177	(46,823)
Total Revenues	<u>100,000</u>	<u>53,177</u>	<u>(46,823)</u>
Expenditures			
Capital Outlay	125,760	26,647	(99,113)
Debt Service - Interest	-	1,944	1,944
Total Expenditures	<u>125,760</u>	<u>28,591</u>	<u>(97,169)</u>
Net Change in Fund Balance	<u>\$ (25,760)</u>	24,586	<u>\$ 50,346</u>
Fund Balance (Deficit), Beginning of Year		<u>(203,719)</u>	
Fund Balance (Deficit), End of Year		<u>\$ (179,133)</u>	

Frankfort Park District
Combining Balance Sheet
Nonmajor Governmental Funds
May 31, 2016

	Special Revenue Fund Type			Debt Service Fund Type	Total Nonmajor Governmental Funds
	Liability Insurance and Workmen's Compensation	Audit	IMRF	Debt Service	
Assets					
Cash and Investments	\$ -	\$ 40,686	\$ 54,649	\$ 1,856	\$ 97,191
Property Taxes Receivable	14,781	14,781	14,781	85,435	129,778
Total Assets	\$ 14,781	\$ 55,467	\$ 69,430	\$ 87,291	\$ 226,969
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities:					
Accrued Expenses	\$ -	\$ 1,220	\$ 1,390	\$ -	\$ 2,610
Accounts Payable in Excess of Cash	8,710	-	-	-	8,710
Total Liabilities	8,710	1,220	1,390	-	11,320
Deferred Inflows of Resources:					
Deferred Property Taxes	14,781	14,781	14,781	85,435	129,778
Unearned Revenue	2,611	2,611	2,611	15,092	22,925
Total Deferred Inflows of Resources	17,392	17,392	17,392	100,527	152,703
Fund Balances (Deficits):					
Restricted for:					
Audit	-	36,855	-	-	36,855
Employee Benefits	-	-	50,648	-	50,648
Unassigned	(11,321)	-	-	(13,236)	(24,557)
Total Fund Balances (Deficits)	(11,321)	36,855	50,648	(13,236)	62,946
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 14,781	\$ 55,467	\$ 69,430	\$ 87,291	\$ 226,969

Frankfort Park District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
Year Ended May 31, 2016

	Special Revenue Fund Type			Debt Service Fund Type	Total Nonmajor Governmental Funds
	Liability Insurance and Workman's Compensation	Audit	IMRF	Debt Service	
Revenues					
Property Taxes	\$ 42,527	\$ 1,418	\$ 1,416	\$ 100,646	\$ 146,007
Total Revenues	42,527	1,418	1,416	100,646	146,007
Expenditures					
Current:					
Contractual	-	18,780	-	-	18,780
Employee Benefits	-	-	76,464	-	76,464
Insurance	53,848	-	-	-	53,848
Debt Service					
Principal	-	-	-	85,000	85,000
Interest and Other Charges	-	-	-	17,098	17,098
Total Expenditures	53,848	18,780	76,464	102,098	251,190
Net Change in Fund Balance	(11,321)	(17,362)	(75,048)	(1,452)	(105,183)
Fund Balance (Deficit), Beginning of Year	-	54,217	125,696	(11,784)	168,129
Fund Balance (Deficit), End of Year	\$ (11,321)	\$ 36,855	\$ 50,648	\$ (13,236)	\$ 62,946

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
Liability Insurance and Workman's Compensation Fund
Year Ended May 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 43,000	\$ 42,527	\$ (473)
Total Revenues	<u>43,000</u>	<u>42,527</u>	<u>(473)</u>
Expenditures			
Insurance	<u>43,000</u>	<u>53,848</u>	<u>10,848</u>
Total Expenditures	<u>43,000</u>	<u>53,848</u>	<u>10,848</u>
Net Change in Fund Balance	<u>\$ -</u>	(11,321)	<u>\$ (11,321)</u>
Fund Balance, Beginning of Year		<u>-</u>	
Fund Balance (Deficit), End of Year		<u>\$ (11,321)</u>	

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Audit Fund
Year Ended May 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 1,400	\$ 1,418	\$ 18
Total Revenues	<u>1,400</u>	<u>1,418</u>	<u>18</u>
Expenditures			
Contractual Audit	<u>8,450</u>	<u>18,780</u>	<u>10,330</u>
Net Change in Fund Balance	<u>\$ (7,050)</u>	(17,362)	<u>\$ (10,312)</u>
Fund Balance, Beginning of Year		<u>54,217</u>	
Fund Balance, End of Year		<u>\$ 36,855</u>	

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
IMRF Fund
Year Ended May 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 1,000	\$ 1,416	\$ 416
Total Revenues	<u>1,000</u>	<u>1,416</u>	<u>416</u>
Expenditures			
IMRF Contributions	<u>69,000</u>	<u>76,464</u>	<u>7,464</u>
Net Change in Fund Balance	<u>\$ (68,000)</u>	<u>(75,048)</u>	<u>\$ (7,048)</u>
Fund Balance, Beginning of Year		<u>125,696</u>	
Fund Balance, End of Year		<u>\$ 50,648</u>	

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
Debt Service Fund
Year Ended May 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 100,675	\$ 100,646	\$ (29)
Total Revenues	<u>100,675</u>	<u>100,646</u>	<u>(29)</u>
Expenditures			
Debt Service:			
Principal	100,675	85,000	(15,675)
Interest and Other Charges	<u>-</u>	<u>17,098</u>	<u>17,098</u>
Total Expenditures	<u>100,675</u>	<u>102,098</u>	<u>1,423</u>
Net Change in Fund Balance	<u>\$ -</u>	(1,452)	<u>\$ (1,452)</u>
Fund Balance (Deficit), Beginning of Year		<u>(11,784)</u>	
Fund Balance (Deficit), End of Year		<u>\$ (13,236)</u>	

STATISTICAL INFORMATION

Frankfort Park District

Taxes Collected and Taxes Receivable - Last Ten Levy Years

Tax Levy Year	Gross Taxes Collected				Percent Collected	Gross Taxes Receivable	Provision for Loss and Cost on Collections	Net Taxes Receivable
	Extensions	Prior Years	Year Ended May 31, 2016	Total May 31, 2016				
2006	\$ 1,567,546	\$ 1,561,565	\$ -	\$ 1,561,565	99.62	\$ 5,981	\$ 5,981	\$ -
2007	1,671,253	1,664,989	-	1,664,989	99.63	6,264	6,264	-
2008	1,688,175	1,679,506	-	1,679,506	99.49	8,669	8,669	-
2009	1,444,744	1,430,915	-	1,430,915	99.04	13,829	13,829	-
2010	1,481,792	1,477,986	-	1,477,986	99.74	3,806	3,806	-
2011	1,489,140	1,484,962	-	1,484,962	99.72	4,178	4,178	-
2012	1,523,968	1,518,201	-	1,518,201	99.62	5,767	5,767	-
2013	1,545,484	1,542,910	-	1,542,910	99.83	2,574	2,574	-
2014	1,577,574	223,361	1,351,665	1,575,026	99.84	2,548	2,548	-
2015	1,611,709	-	239,560	239,560	14.86	1,372,149	16,044	1,356,105
	<u>\$ 15,601,385</u>	<u>\$ 12,584,395</u>	1,591,225	<u>\$ 14,175,620</u>		<u>\$ 1,425,765</u>	<u>\$ 69,660</u>	<u>\$ 1,356,105</u>

Add: Advance Collections 2014 Tax Levy 223,394

Less: Advance Collections 2015 Tax Levy 239,560

Property Tax Revenues May 31, 2016 \$ 1,575,059

Gross Taxes Collected By Fund

Corporate	\$ 1,003,155
Recreation	150,261
Special Recreation	275,636
Audit	1,418
Liability & Workers' Compensation	42,527
IMRF	1,416
Debt Service	100,646
	<u>\$ 1,575,059</u>

Net Taxes Receivable by Fund

Corporate	\$ 975,855
Recreation	14,781
Special Recreation	235,691
Audit	14,781
Liability & Workers' Compensation	14,781
IMRF	14,781
Debt Service	85,435
	<u>\$ 1,356,105</u>

Frankfort Park District

Assessed Valuation and Extended Tax Rates - Last Ten Levy Years

<u>Tax Levy Year</u>	<u>Assessed Valuations</u>	<u>Extended Tax Rates</u>
2006	\$ 686,917,590	0.2288
2007	766,981,517	0.2179
2008	835,730,133	0.2020
2009	824,625,756	0.1752
2010	797,519,762	0.1858
2011	760,153,271	0.1959
2012	729,520,584	0.2089
2013	697,735,268	0.2215
2014	690,102,532	0.2286
2015	700,166,469	0.2302

Analysis of the 2015 Tax Levy

<u>Fund</u>	<u>Rate</u>	<u>Percent</u>	<u>Extension</u>
Corporate	0.1657	71.98	\$ 1,160,122
Recreation	0.0025	1.09	17,503
IMRF	0.0025	1.09	17,503
Audit	0.0025	1.09	17,503
Workers' Compensation	0.0025	1.09	17,503
Special Recreation	0.0400	17.38	280,054
Debt Service	0.0145	6.30	101,519
	<u>0.2302</u>	<u>100.00</u>	<u>\$ 1,611,707</u>