

**FRANKFORT PARK DISTRICT, ILLINOIS**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
MAY 31, 2017

Prepared By:

**HEARNE & ASSOCIATES, P.C.**

Certified Public Accountants &  
Business Consultants

Frankfort Park District  
Annual Financial Report  
Year Ended May 31, 2017

Table of Contents

<b>Independent Auditors' Report</b>	1-2
<b>Required Supplementary Information:</b>	
Management's Discussion and Analysis	3-6
<b>Basic Financial Statements:</b>	
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	13-28
<b>Required Supplementary Information:</b>	
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	29
Schedule of Employer Contributions – Illinois Municipal Retirement Fund	30
Budgetary Comparison Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual –	
General Fund	31
Recreation Fund	32
Special Recreation Fund	33
Notes to the Required Supplementary Information	34-35

Frankfort Park District  
Annual Financial Report  
Year Ended May 31, 2017

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 36

Schedule of Expenditures – Budget and Actual – Recreation Fund 37

Nonmajor Governmental Funds:

Combining Balance Sheet 38

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (Deficits) 39

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

Liability Insurance and Workman’s Compensation Fund 40

Audit Fund 41

IMRF Fund 42

Debt Service Fund 43

Capital Development Fund 44

**Statistical Information:**

Taxes Collected and Taxes Receivable – Last Ten Levy Years 45

Assessed Valuation and Extended Tax Rates – Last Ten Levy Years 46



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Board of Commissioners  
Frankfort Park District  
Frankfort, IL

**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, 2017, 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, 2017, 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.

**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.



Heame & Associates, P.C.  
Certified Public Accountants

January 24, 2018  
Mokena, IL

**REQUIRED SUPPLEMENTARY INFORMATION**

Frankfort Park District

Management's Discussion and Analysis  
May 31, 2017

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, 2017. Please read it in conjunction with the District's financial statements.

**Financial Highlights**

Net position at May 31, 2017 was \$11,787,708, a decrease of \$59,156 from the prior year.

Total program revenues decreased \$60,849 from the prior year.

The District expended \$43,964 on Capital Assets during the year and paid \$170,000 in debt principal.

The Assessed Valuation of the District increased by \$28,830,293 which will bring it to \$728,996,762 for the 2016 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, 2017

**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>2017</u>	<u>2016</u>
Current and Other Assets	\$ 2,998,724	\$ 2,827,974
Capital Assets (net of accum depr)	<u>11,857,769</u>	<u>12,242,704</u>
Total Assets	<u>14,856,493</u>	<u>15,070,678</u>
Deferred Outflows of Resources	<u>121,801</u>	<u>53,186</u>
Current and Other Liabilities	237,948	237,225
Long-Term Debt	<u>1,171,220</u>	<u>1,345,176</u>
Total Liabilities	<u>1,409,168</u>	<u>1,582,401</u>
Deferred Inflows of Resources		
Pension Related	32,794	9,455
Deferred Revenue	<u>1,748,624</u>	<u>1,685,144</u>
Total Deferred Inflows of Resources	<u>1,781,418</u>	<u>1,694,599</u>
Net Position		
Net Investment in Capital Assets	10,832,769	11,047,704
Restricted	724,418	739,401
Unrestricted	<u>230,521</u>	<u>59,759</u>
Total Net Position	<u>\$ 11,787,708</u>	<u>\$ 11,846,864</u>



Frankfort Park District

Management's Discussion and Analysis  
May 31, 2017

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 (91.9%) 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>2017</u>	<u>2016</u>
Program Revenues:		
Charges for Services	\$ 875,281	\$ 898,806
Operating Grants & Contributions	2,150	5,000
Capital Grants & Contributions	<u>18,703</u>	<u>53,177</u>
Total Program Revenues	<u>896,134</u>	<u>956,983</u>
General Revenues:		
Property Taxes	1,606,711	1,575,059
Replacement Taxes	16,303	14,677
Unrestricted Interest	1,439	21
Other General Revenues	<u>4,151</u>	<u>13,007</u>
Total General Revenues	<u>1,628,604</u>	<u>1,602,764</u>
Total Revenues	<u>2,524,738</u>	<u>2,559,747</u>
Expenditures		
Culture & Recreation	2,553,576	2,772,840
Interest on Long-Term Debt	<u>30,318</u>	<u>19,042</u>
Total Expenditures	<u>2,583,894</u>	<u>2,791,882</u>
Change in Net Position	(59,156)	(232,135)
Net Position, Beginning of Year, as restated	<u>11,846,864</u>	<u>12,078,999</u>
Net Position, End of Year	<u>\$ 11,787,708</u>	<u>\$ 11,846,864</u>

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 decrease in Charges for Services represents a decreased 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 decreased by \$219,264, or -7.91%. This was primarily due to a decrease in administrative salaries, program expenses (e.g. senior outings and pre-school), net deferred outflows related to pensions, and compensated absences.

Frankfort Park District

Management's Discussion and Analysis  
May 31, 2017

**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	\$ 1,116,650	\$ 1,199,720
Other Funds	1,622,450	1,325,018
Total Revenues	<u>\$ 2,739,100</u>	<u>\$ 2,524,738</u>
Expenditures:		
General Fund	\$ 1,090,151	\$ 980,003
Other Funds	1,547,074	1,462,530
Total Expenditures	<u>\$ 2,637,225</u>	<u>\$ 2,442,533</u>

**Capital Assets**

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

	<u>2017</u>	<u>2016</u>
Land	\$ 6,903,000	\$ 6,903,000
Buildings and Improvements	9,724,192	9,724,192
Machinery and Equipment	1,762,340	1,718,376
Accumulated Depreciation	<u>(6,531,763)</u>	<u>(6,102,864)</u>
Total Net Capital Assets	<u>\$ 11,857,769</u>	<u>\$ 12,242,704</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 \$170,000 of principal related to outstanding debt certificates and general obligation bond. The remaining principal balance on the bond issue is \$1,025,000. 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, 2017

	Governmental Activities
<b>Assets</b>	
Cash and Investments	\$ 1,525,186
Property Taxes Receivable	1,473,538
Capital Assets not Being Depreciated	6,903,000
Capital Assets Being Depreciated, net	4,954,769
Total Assets	14,856,493
 <b>Deferred Outflows of Resources</b>	
Related to Pensions	121,801
 <b>Liabilities</b>	
Accrued Expenses	62,948
Long-term Obligations, due within one year:	
General Obligation Bonds	175,000
Long-term Obligations, due in more than one year:	
Net Pension Liability	321,220
General Obligation Bonds	850,000
Total Liabilities	1,409,168
 <b>Deferred Inflows of Resources</b>	
Related to Pensions	32,794
Deferred Revenue	1,748,624
Total Deferred Inflows of Resources	1,781,418
 <b>Net Position</b>	
Net Investment in Capital Assets	10,832,769
Restricted for:	
Audit	31,556
Recreation	169,596
Special Recreation	523,266
Unrestricted	230,521
Total Net Position	\$ 11,787,708

See Notes to the Basic Financial Statements

Frankfort Park District  
Statement of Activities  
Year Ended May 31, 2017

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	\$ 2,553,576	\$ 875,281	\$ 2,150	\$ 18,703	\$ (1,657,442)
Interest on Long-term Debt	30,318	-	-	-	(30,318)
Total Governmental Activities	<u>\$ 2,583,894</u>	<u>\$ 875,281</u>	<u>\$ 2,150</u>	<u>\$ 18,703</u>	<u>(1,687,760)</u>
General Revenues:					
Taxes:					
Property Taxes					1,606,711
Replacement Taxes					16,303
Unrestricted Interest					1,439
Other General Revenues					<u>4,151</u>
Total General Revenues					<u>1,628,604</u>
Change in Net Position					(59,156)
Net Position, Beginning of Year, as restated					<u>11,846,864</u>
Net Position, End of Year					<u>\$ 11,787,708</u>

See Notes to the Basic Financial Statements

Frankfort Park District  
Balance Sheet  
Governmental Funds  
May 31, 2017

	Major Funds				Total Governmental Funds
	General	Recreation	Special Recreation	Nonmajor Governmental Funds	
<b>Assets</b>					
Cash and Investments	\$ 1,525,186	\$ -	\$ -	\$ -	\$ 1,525,186
Property Taxes Receivable	1,034,330	23,390	259,886	155,932	1,473,538
Due From Other Funds	-	304,418	552,050	42,871	899,339
	-	304,418	552,050	42,871	899,339
Total Assets	\$ 2,559,516	\$ 327,808	\$ 811,936	\$ 198,803	\$ 3,898,063
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>					
Liabilities:					
Accrued Expenses	\$ 40,817	\$ 20,349	\$ -	\$ 1,782	\$ 62,948
Due To Other Funds	559,608	-	-	339,732	899,340
Total Liabilities	600,425	20,349	-	341,514	962,288
Deferred Inflows of Resources:					
Deferred Property Taxes	1,034,330	23,390	259,886	155,932	1,473,538
Unearned Revenue	114,559	114,473	28,784	17,270	275,086
Total Deferred Inflows of Resources	1,148,889	137,863	288,670	173,202	1,748,624
Fund Balances (Deficits):					
Restricted for:					
Audit	-	-	-	31,556	31,556
Recreation	-	169,596	-	-	169,596
Special Recreation	-	-	523,266	-	523,266
Unassigned	810,202	-	-	(347,469)	462,733
Total Fund Balances (Deficits)	810,202	169,596	523,266	(315,913)	1,187,151
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 2,559,516	\$ 327,808	\$ 811,936	\$ 198,803	\$ 3,898,063

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, 2017

Total Fund Balances - Governmental Funds	\$	1,187,151
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds</p>		
Capital Assets		18,389,533
Accumulated Depreciation		(6,531,763)
<p>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:</p>		
Deferred Outflows of Resources Related to Pensions		121,801
Deferred Inflows of Resources Related to Pensions		(32,794)
General Obligation Bond Payable		(1,025,000)
Net Pension Liability		(321,220)
		(321,220)
Net Position of Governmental Activities	\$	11,787,708

See Notes to the Basic Financial Statements

Frankfort Park District  
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Governmental Funds  
Year Ended May 31, 2017

	<u>Major Funds</u>			Nonmajor Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Recreation</u>	<u>Special Recreation</u>		
<b>Revenues</b>					
Property Taxes	\$ 1,156,568	\$ 17,448	\$ 279,159	\$ 153,536	\$ 1,606,711
Replacement Taxes	16,303	-	-	-	16,303
Program Revenue	-	821,516	-	-	821,516
Developer Contributions	-	-	-	18,703	18,703
Donations	2,150	-	-	-	2,150
Rental	20,517	32,380	-	-	52,897
Interest	30	-	-	1,409	1,439
Miscellaneous	4,152	867	-	-	5,019
<b>Total Revenues</b>	<u>1,199,720</u>	<u>872,211</u>	<u>279,159</u>	<u>173,648</u>	<u>2,524,738</u>
<b>Expenditures</b>					
Current:					
Culture and Recreation	953,168	896,565	192,591	141,062	2,183,386
Capital Outlay	26,835	-	-	31,519	58,354
Debt Service					
Principal	-	-	-	170,000	170,000
Interest and Other Charges	-	-	-	30,793	30,793
<b>Total Expenditures</b>	<u>980,003</u>	<u>896,565</u>	<u>192,591</u>	<u>373,374</u>	<u>2,442,533</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>219,717</u>	<u>(24,354)</u>	<u>86,568</u>	<u>(199,726)</u>	<u>82,205</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In (Out)	<u>21,250</u>	<u>5,000</u>	<u>(26,250)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	240,967	(19,354)	60,318	(199,726)	82,205
Fund Balance (Deficit), Beginning of Year	<u>569,235</u>	<u>188,950</u>	<u>462,948</u>	<u>(116,187)</u>	<u>1,104,946</u>
Fund Balance (Deficit), End of Year	<u>\$ 810,202</u>	<u>\$ 169,596</u>	<u>\$ 523,266</u>	<u>\$ (315,913)</u>	<u>\$ 1,187,151</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, 2017

Net change in fund balance	\$	82,205
<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		43,963
Depreciation Expense		(428,899)
<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>		
		170,000
<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>		
Decrease in net pension expense		44,234
Decrease in compensated absences		29,341
		29,341
Change in net position of governmental activities.	\$	(59,156)

See Notes to the Financial Statements

Frankfort Park District

Notes to the Financial Statements  
Year Ended May 31, 2017

**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, 2017

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, 2017

**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.

The District also reports the following nonmajor governmental funds.

**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.

**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, 2017

**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, 2017

**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, 2017, the carrying amount of the District’s deposits was \$1,524,887 (exclusive of \$320 held in petty cash funds) and the bank balance was \$1,626,101.

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, 2017

**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 2016 tax levy year is as follows:

	<u>Cook County</u>	<u>Will County</u>
Lien Date	January 1, 2016	January 1, 2016
Levy Date	December 13, 2016	December 13, 2016
First Installment Due Date	March 1, 2017	June 1, 2017
Second Installment Due Date	September 1, 2017	September 1, 2017

**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	9,724,192	-	-	9,724,192
Machinery & Equipment	1,718,376	43,964	-	1,762,340
Total Capital Assets being Depreciated	11,442,568	43,964	-	11,486,532

Frankfort Park District

Notes to the Financial Statements  
Year Ended May 31, 2017

**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	\$ 4,940,842	\$ 350,748	\$ -	\$ 5,291,590
Machinery & Equipment	1,162,022	78,151	-	1,240,173
Total Accumulated Depreciation	<u>6,102,864</u>	<u>428,899</u>	<u>-</u>	<u>6,531,763</u>
 Total Capital Assets being Depreciated, Net	 <u>5,339,704</u>	 <u>(384,935)</u>	 <u>-</u>	 <u>4,954,769</u>
 Governmental Activities, Total Capital Assets, Net	 <u>\$ 12,242,704</u>	 <u>\$ (384,935)</u>	 <u>\$ -</u>	 <u>\$ 11,857,769</u>

Depreciation expense of \$428,899 was all charged to the Cultural and Recreation Governmental 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 June 1, 2016			Amount Due Within One Year	
	<u>As Restated</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance May 31, 2017</u>	<u>Within One Year</u>
General Obligation Bond:					
Series 2007	\$ 185,000	\$ -	\$ 90,000	\$ 95,000	\$ 95,000
Series 2014	250,000	-	-	250,000	-
Debt Certificates 2014	760,000	-	80,000	680,000	80,000
Net Pension Liability	320,176	1,044	-	321,220	-
Compensated Absences	29,341	-	29,341	-	-
Total	<u>\$ 1,544,517</u>	<u>\$ 1,044</u>	<u>\$ 199,341</u>	<u>\$ 1,346,220</u>	<u>\$ 175,000</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, 2017

**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>
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	85,000	18,872	103,872
2023-2027	<u>270,000</u>	<u>12,168</u>	<u>282,168</u>
Total	<u>\$ 1,025,000</u>	<u>\$ 110,478</u>	<u>\$ 1,135,478</u>

**6. Lease Obligations**

The District is under obligation for a copier lease. The District paid \$2,778 in lease payments during fiscal year 2017. In fiscal year 2016, 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>
2018	2,778
2019	2,778
2020	2,778
2021	<u>231</u>
	<u>\$ 8,565</u>

Frankfort Park District

Notes to the Financial Statements  
Year Ended May 31, 2017

**7. Individual Fund Disclosures**

The following funds had deficit equity balances as of May 31, 2017 in the amount indicated:

<u>Fund Name</u>	<u>Deficit</u>
Capital Projects	\$ 190,540
Debt Service	112,834
Liability Insurance	42,342
IMRF	1,753

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](http://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, 2017

**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, 2016, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	12
Inactive Plan Members entitled to but not yet receiving benefits	12
Active Plan Members	<u>15</u>
Total	<u><u>39</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 2016 was 11.10%. For the calendar year 2016, the District contributed \$73,906 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, 2016. 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, 2016:

- 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 7.50%.

Frankfort Park District

Notes to the Financial Statements  
Year Ended May 31, 2017

**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 as of December 31, 2016:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38.00%	6.85%
International Equity	17.00%	6.75%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	5.75%
Alternative Investments	9.00%	2.65-7.35%
Cash Equivalents	<u>1.00%</u>	2.25%
Total	<u>100.00%</u>	

*Single Discount Rate*

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that 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, 2017

**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 3.78%, and the resulting single discount rate is 7.50%.

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

	1% Lower <u>(6.50%)</u>	Current <u>(7.50%)</u>	1% Higher <u>(8.50%)</u>
Total Pension Liability	\$ 2,310,584	\$ 1,997,446	\$ 1,747,775
Plan Fiduciary Net Position	<u>1,676,226</u>	<u>1,676,226</u>	<u>1,676,226</u>
Net Pension Liability	<u>\$ 634,358</u>	<u>\$ 321,220</u>	<u>\$ 71,549</u>

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

For the year ended May 31, 2017, the District recognized pension expense of \$29,674. At May 31, 2017, 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, 2017

**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	\$ 17,568	\$ 30,494
Changes of assumptions	-	2,300
Net difference between projected and actual earnings on pension plan investments	<u>74,752</u>	<u>-</u>
Total Deferred Amounts to be recognized in future periods	92,320	32,794
Pension Contributions made subsequent to the Measurement Date	<u>29,481</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 121,801</u>	<u>\$ 32,794</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>
2017	\$ 47,859
2018	18,378
2019	18,379
2020	4,379
2021	<u>12</u>
Total	<u>\$ 89,007</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, 2017 through January 1, 2018:

Frankfort Park District

Notes to the Financial Statements  
Year Ended May 31, 2017

**9. Risk Management (continued)**

<u>Coverage</u>	Member <u>Deductible</u>	PDRMA Self-Insured <u>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)	P070116
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	100,000	\$100,000,000/Occurrence /Annual/Aggregate		
Auto Physical Damage Comprehensive & Collision Course of Construction/ Builders Risk	1,000	1,000,000	Included Included \$25,000,000		
Business Interruption, Rental Income, Tax Income	1,000		\$100,000,000/Reported Values \$500,000/ \$2,500,000/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 Seasonal Employees Blanket Bond	1,000	\$ 24,000	\$2,000,000/Occurrence \$1,000,000/Occurrence \$2,000,000/Occurrence	National Union Fire Insurance Co.	04-589-00-90
<u>Workers' Compensation</u> Employers' Liability	N/A	500,000	Statutory \$3,500,000 Employers Liability	PDRMA Gov't Entities Mutual (GEM) Safety National	WC010117 GEM-0003- A17001 SP4056302
<u>Liability</u>					
General	None	500,000	\$21,500,000/Occurrence	PDRMA Reinsurers:	L010117
Auto Liability	None	500,000	\$21,500,000/Occurrence	GEM/ Great	GEM-0003- A17001
Employment Practices	None	500,000	\$21,500,000/Occurrence	American	
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, 2017

**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	OB010117
<u>Information Security &amp; 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 PEPPIP 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	\$50,000 Hourly Sublimit/\$50,000 Forensic Expense/\$150,000 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, 2017

**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, 2016 and the Statement of Revenues and Expenses for the period ending December 31, 2016. The Frankfort Park District's portion of the overall equity of the pool is 0.108% or \$42,703.

Assets	\$62,209,572
Deferred Outflows of Resources – Pension	1,117,312
Liabilities	23,580,657
Deferred Inflows of Resources – Pension	34,088
Member Balances	39,712,139
Revenues	20,508,977
Expenditures	21,505,049

Since 92.44% 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, 2017 was \$157,536.

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, 2017 was \$111,881. 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

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>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>		
Service Cost	\$ 72,860	\$ 66,708
Interest	139,094	134,344
Differences Between Expected and Actual Experience	21,956	(49,404)
Changes of Assumptions	(2,874)	-
Benefit Payments, Including Refunds of Member Contributions	<u>(108,448)</u>	<u>(74,158)</u>
Net Change in Total Pension Liability	122,588	77,490
Total Pension Liability - Beginning	<u>1,874,858</u>	<u>1,797,368</u>
Total Pension Liability - Ending	<u>\$ 1,997,446</u>	<u>\$ 1,874,858</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	73,906	73,167
Contributions - Employee	29,962	29,280
Net Investment Income	103,801	7,561
Benefit Payments, Including Refunds of Member Contributions	(108,448)	(74,158)
Net Transfer	<u>22,323</u>	<u>20,844</u>
Net Change in Plan Fiduciary Net Position	121,544	56,694
Plan Fiduciary Net Position - Beginning	<u>1,554,682</u>	<u>1,497,988</u>
Plan Fiduciary Net Position - Ending	<u>\$ 1,676,226</u>	<u>\$ 1,554,682</u>
<b>Net Pension Liability</b>	<u>\$ 321,220</u>	<u>\$ 320,176</u>
Plan Fiduciary Net Position of the Total Pension Liability	83.92%	82.92%
Covered-Valuation Payroll	\$ 665,827	\$ 643,848
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	48.24%	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%
2016	73,907	73,906	1	665,827	11.10%

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, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 1,026,600	\$ 1,156,568	\$ 129,968
Personal Property Replacement Taxes	13,000	16,303	3,303
Donations	14,000	2,150	(11,850)
Rental	48,000	20,517	(27,483)
Miscellaneous	15,000	4,152	(10,848)
Interest	50	30	(20)
Total Revenues	<u>1,116,650</u>	<u>1,199,720</u>	<u>83,070</u>
<b>Expenditures</b>			
Operating	1,062,151	953,168	(108,983)
Capital Outlay	28,000	26,835	(1,165)
Total Expenditures	<u>1,090,151</u>	<u>980,003</u>	<u>(110,148)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,499</u>	<u>219,717</u>	<u>193,218</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	<u>(2,000)</u>	21,250	23,250
Total Other Financing Sources (Uses)	<u>(2,000)</u>	<u>21,250</u>	<u>23,250</u>
Net Change in Fund Balance	<u>\$ 24,499</u>	240,967	<u>\$ 216,468</u>
Fund Balance, Beginning of Year		<u>569,235</u>	
Fund Balance, End of Year		<u>\$ 810,202</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, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 145,140	\$ 17,448	\$ (127,692)
Preschool Program	162,670	139,204	(23,466)
Summer Day Camp	62,370	29,561	(32,809)
Prairie Care Program	152,450	172,487	20,037
Advertising	17,000	2,800	(14,200)
Recreation Program	185,220	200,150	14,930
Fitness	40,285	42,790	2,505
Special Events	49,145	49,063	(82)
Adults/Seniors	69,425	55,313	(14,112)
Leagues	121,980	101,330	(20,650)
LWHS Pool Rental	16,295	11,236	(5,059)
Splash Park	8,600	9,902	1,302
Dog Park	6,500	4,175	(2,325)
Concession Stand	5,600	7,242	1,642
Athletic Field Reimbursement	15,000	14,554	(446)
Rental	4,500	6,590	2,090
Vending Machine	300	-	(300)
Fund Raising	4,300	7,499	3,199
Miscellaneous	3,150	867	(2,283)
Total Revenues	<u>1,069,930</u>	<u>872,211</u>	<u>(197,719)</u>
<b>Expenditures</b>			
Current Program	<u>983,430</u>	<u>896,565</u>	<u>(86,865)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>86,500</u>	<u>(24,354)</u>	<u>(110,854)</u>
<b>Other Financing Sources</b>			
Transfers In	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net Change in Fund Balance	<u>\$ 86,500</u>	<u>(19,354)</u>	<u>\$ (105,854)</u>
Fund Balance, Beginning of Year		<u>188,950</u>	
Fund Balance, End of Year		<u>\$ 169,596</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, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 287,625	\$ 279,159	\$ (8,466)
Total Revenues	<u>287,625</u>	<u>279,159</u>	<u>(8,466)</u>
<b>Expenditures</b>			
Contractual	<u>192,591</u>	<u>192,591</u>	<u>-</u>
Total Expenditures	<u>192,591</u>	<u>192,591</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>95,034</u>	<u>86,568</u>	<u>(8,466)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers Out	<u>-</u>	<u>(26,250)</u>	<u>(26,250)</u>
Net Change in Fund Balance	<u>\$ 95,034</u>	<u>60,318</u>	<u>\$ (34,716)</u>
Fund Balance, Beginning of Year		<u>462,948</u>	
Fund Balance, End of Year		<u>\$ 523,266</u>	

See the notes to the required supplementary information

Frankfort Park District

Notes to the Required Supplementary Information  
Year Ended May 31, 2017

**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 10, 2016 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>
Nonmajor Funds:		
Audit	(10,746)	(7,746)
Illinois Municipal Retirement Fund	(848)	-
Debt Service Fund	(99,618)	(70,793)

Frankfort Park District

Notes to the Required Supplementary Information  
Year Ended May 31, 2017

**4. Summary of Actuarial Methods and Assumptions used in the Calculation of the 2016 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 2016 Contribution Rates*

Actuarial Cost Method:	Aggregated entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	27-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.50%
Price Inflation:	2.75% approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	3.75% to 14.50%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality:	RP-2014 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, 2017

	Original and Final Budget	Actual	Variance Over(Under)
<b>Expenditures</b>			
Operating:			
Salaries - Maintenance	\$ 259,350	\$ 250,888	\$ (8,462)
Saleries Part time Maintenance	-	856	856
Salaries - Admin	169,000	181,115	12,115
Salaries - Clerical	92,700	104,581	11,881
FICA	75,000	70,270	(4,730)
Group Insurance	52,620	43,894	(8,726)
Telephone	9,200	6,365	(2,835)
Cable / Internet Phone	5,000	4,400	(600)
Postage	2,000	1,271	(729)
Dues	7,300	6,518	(782)
Bank Charges	-	22	22
Conference & Seminar	17,055	13,467	(3,588)
Mileage Reimbursement	4,000	2,550	(1,450)
Meeting Expenses	3,000	2,254	(746)
Advertising	9,801	10,697	896
Board Expenses	3,250	2,160	(1,090)
Attorney Fees	25,000	11,245	(13,755)
Professional Fees	63,000	29,739	(33,261)
Legal Publications	750	203	(547)
Memorial Bench Expense	-	37	37
Office Supplies / Repairs	5,000	4,165	(835)
Computer / Website	13,470	6,902	(6,568)
Equipment Rental / Lease	17,150	17,976	826
Building Supplies	12,260	8,839	(3,421)
Maintenance Supplies	13,950	12,490	(1,460)
Park Equipment / Maint	40,545	38,970	(1,575)
Natural Area Maintenance	15,100	4,348	(10,752)
Equipment Rental	3,050	1,257	(1,793)
Equipment Repair	19,700	13,781	(5,919)
Building Repair & Maint	43,650	38,761	(4,889)
Utilities	34,000	33,024	(976)
Vehicle Expense	9,000	7,305	(1,695)
Fuel	30,000	16,609	(13,391)
Uniforms	1,750	1,132	(618)
Living Tree Expenses	1,500	1,542	42
Contingencies	4,000	3,535	(465)
<b>Total Operating</b>	<u>1,062,151</u>	<u>953,168</u>	<u>(108,983)</u>
<b>Capital Outlay</b>	<u>28,000</u>	<u>26,835</u>	<u>(1,165)</u>
<b>Total Expenditures</b>	<u>\$ 1,090,151</u>	<u>\$ 980,003</u>	<u>\$ (110,148)</u>

Frankfort Park District  
Schedule of Expenditures - Budget and Actual - Recreation Fund  
Year Ended May 31, 2017

	Original and Final Budget	Actual	Variance Over(Under)
<b>Expenditures</b>			
Salaries - Maintenance	\$ 44,650	\$ 42,737	\$ (1,913)
Salaries - Admin	164,775	136,285	(28,490)
Salaries - Clerical	16,500	9,607	(6,893)
Group Insurance	30,980	26,671	(4,309)
Telephone	8,000	5,791	(2,209)
Cable / Internet Phone	-	3,137	3,137
Postage	1,500	449	(1,051)
Garden Plot Expense	600	636	36
Bank Charges	35,000	35,655	655
Conference & Seminar	6,500	3,022	(3,478)
Mileage Reimbursement	5,320	4,739	(581)
Advertising	2,600	4	(2,596)
Office Supplies / Repairs	-	1,344	1,344
Computer / Website	4,025	2,037	(1,988)
Brochure Printing	21,900	20,462	(1,438)
Concession Stand Exp	3,570	3,472	(98)
Rental Expense	3,000	2,445	(555)
Pre-School Expenses	114,700	97,549	(17,151)
Summer Camp Expenses	46,725	36,099	(10,626)
Prairie Care Expenses	63,790	58,290	(5,500)
Fund Raising Expense	4,300	5,573	1,273
Program Expenses	127,345	146,131	18,786
Fitness	24,675	25,763	1,088
Special Events Expense	31,620	32,213	593
Adult / Seniors	57,650	50,058	(7,592)
League Expenses	66,120	62,837	(3,283)
Dog Park Expenses	500	551	51
Splash Park Expenses	5,000	6,587	1,587
LWE Field House Expense	13,260	9,990	(3,270)
Building Supplies	3,000	5,423	2,423
Supplies Janitorial	5,000	3,313	(1,687)
Building Repair & Maint	9,250	4,016	(5,234)
Utilities	25,000	20,941	(4,059)
Vehicle Expense	500	54	(446)
Landscaping Improvements	21,325	15,094	(6,231)
Uniforms	1,250	1,505	255
Athletic Field Equip	12,000	14,839	2,839
Contingencies	1,500	1,246	(254)
<b>Total Expenditures</b>	<b>\$ 983,430</b>	<b>\$ 896,565</b>	<b>\$ (86,865)</b>

Frankfort Park District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
May 31, 2017

	Special Revenue Fund Type			Debt Service Fund Type	Capital Development Fund Type	Total Nonmajor Governmental Funds
	Liability Insurance and Workmen's Compensation	Audit	IMRF	Debt Service	Capital Development	
<b>Assets</b>						
Property Taxes Receivable	63,022	650	650	91,610	-	155,932
Due From Other Funds	-	31,628	101	11,142	-	42,871
Total Assets	<u>\$ 63,022</u>	<u>\$ 32,278</u>	<u>\$ 751</u>	<u>\$ 102,752</u>	<u>\$ -</u>	<u>\$ 198,803</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>						
Liabilities:						
Accrued Expenses	\$ -	\$ -	\$ 1,782	\$ -	\$ -	\$ 1,782
Due To Other Funds	35,362	-	-	113,830	190,540	339,732
Total Liabilities	<u>35,362</u>	<u>-</u>	<u>1,782</u>	<u>113,830</u>	<u>190,540</u>	<u>341,514</u>
Deferred Inflows of Resources:						
Deferred Property Taxes	63,022	650	650	91,610	-	155,932
Unearned Revenue	6,980	72	72	10,146	-	17,270
Total Deferred Inflows of Resources	<u>70,002</u>	<u>722</u>	<u>722</u>	<u>101,756</u>	<u>-</u>	<u>173,202</u>
Fund Balances (Deficits):						
Restricted for:						
Audit	-	31,556	-	-	-	31,556
Unassigned	(42,342)	-	(1,753)	(112,834)	(190,540)	(347,469)
Total Fund Balances (Deficits)	<u>(42,342)</u>	<u>31,556</u>	<u>(1,753)</u>	<u>(112,834)</u>	<u>(190,540)</u>	<u>(315,913)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 63,022</u>	<u>\$ 32,278</u>	<u>\$ 751</u>	<u>\$ 102,752</u>	<u>\$ -</u>	<u>\$ 198,803</u>

Frankfort Park District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
Year Ended May 31, 2017

	Special Revenue Fund Type			Debt Service Fund Type	Capital Development Fund Type	Total Nonmajor Governmental Funds
	Liability Insurance and Workman's Compensation	Audit	IMRF	Debt Service	Capital Development	
<b>Revenues</b>						
Property Taxes	\$ 17,447	\$ 17,447	\$ 17,447	\$ 101,195	\$ -	\$ 153,536
Developer Contributions	-	-	-	-	18,703	18,703
Interest	-	-	-	-	1,409	1,409
Total Revenues	17,447	17,447	17,447	101,195	20,112	173,648
<b>Expenditures</b>						
Current:						
Contractual	-	22,746	-	-	-	22,746
Employee Benefits	-	-	69,848	-	-	69,848
Insurance	48,468	-	-	-	-	48,468
Capital Outlay	-	-	-	-	31,519	31,519
Debt Service						
Principal	-	-	-	170,000	-	170,000
Interest and Other Charges	-	-	-	30,793	-	30,793
Total Expenditures	48,468	22,746	69,848	200,793	31,519	373,374
Net Change in Fund Balance	(31,021)	(5,299)	(52,401)	(99,598)	(11,407)	(199,726)
Fund Balance (Deficit), Beginning of Year	(11,321)	36,855	50,648	(13,236)	(179,133)	(116,187)
Fund Balance (Deficit), End of Year	\$ (42,342)	\$ 31,556	\$ (1,753)	\$ (112,834)	\$ (190,540)	\$ (315,913)

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, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 61,950	\$ 17,447	\$ (44,503)
Total Revenues	<u>61,950</u>	<u>17,447</u>	<u>(44,503)</u>
<b>Expenditures</b>			
Insurance	53,000	48,468	(4,532)
Total Expenditures	<u>53,000</u>	<u>48,468</u>	<u>(4,532)</u>
Net Change in Fund Balance	<u>\$ 8,950</u>	(31,021)	<u>\$ (39,971)</u>
Fund Balance, Beginning of Year		<u>(11,321)</u>	
Fund Balance (Deficit), End of Year		<u>\$ (42,342)</u>	

Frankfort Park District  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Audit Fund  
Year Ended May 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 885	\$ 17,447	\$ 16,562
Total Revenues	<u>885</u>	<u>17,447</u>	<u>16,562</u>
<b>Expenditures</b>			
Contractual Audit	<u>12,000</u>	<u>22,746</u>	<u>10,746</u>
Net Change in Fund Balance	<u>\$ (11,115)</u>	<u>(5,299)</u>	<u>\$ 5,816</u>
Fund Balance, Beginning of Year		<u>36,855</u>	
Fund Balance, End of Year		<u>\$ 31,556</u>	

Frankfort Park District  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
IMRF Fund  
Year Ended May 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 885	\$ 17,447	\$ 16,562
Total Revenues	<u>885</u>	<u>17,447</u>	<u>16,562</u>
 <b>Expenditures</b>			
IMRF Contributions	<u>69,000</u>	<u>69,848</u>	<u>848</u>
Net Change in Fund Balance	<u>\$ (68,115)</u>	(52,401)	<u>\$ 15,714</u>
Fund Balance, Beginning of Year		<u>50,648</u>	
Fund Balance, End of Year		<u>\$ (1,753)</u>	



Frankfort Park District  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance (Deficit) - Budget and Actual  
Debt Service Fund  
Year Ended May 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 101,175	\$ 101,195	\$ 20
Total Revenues	<u>101,175</u>	<u>101,195</u>	<u>20</u>
<b>Expenditures</b>			
Debt Service:			
Principal	101,175	170,000	68,825
Interest and Other Charges	<u>-</u>	<u>30,793</u>	<u>30,793</u>
Total Expenditures	<u>101,175</u>	<u>200,793</u>	<u>99,618</u>
Net Change in Fund Balance	<u>\$ -</u>	(99,598)	<u>\$ (99,598)</u>
Fund Balance (Deficit), Beginning of Year		<u>(13,236)</u>	
Fund Balance (Deficit), End of Year		<u>\$ (112,834)</u>	

Frankfort Park District  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance (Deficit) - Budget and Actual  
Capital Development Fund  
Year Ended May 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Developer Contributions	100,000	18,703	(81,297)
Interest	-	1,409	1,409
Total Revenues	<u>100,000</u>	<u>20,112</u>	<u>(79,888)</u>
<b>Expenditures</b>			
Capital Outlay	136,878	31,519	(105,359)
Total Expenditures	<u>136,878</u>	<u>31,519</u>	<u>(105,359)</u>
Net Change in Fund Balance	<u>\$ (36,878)</u>	(11,407)	<u>\$ 25,471</u>
Fund Balance (Deficit), Beginning of Year		<u>(179,133)</u>	
Fund Balance (Deficit), End of Year		<u>\$ (190,540)</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				
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	1,575,026	-	1,575,026	99.84	2,548	2,548	-
2015	1,611,709	239,560	1,367,000	1,606,560	99.68	5,149	16,044	-
2016	1,653,290	-	163,292	163,292	9.88	1,489,998	16,460	1,473,538
	<u>\$ 15,687,129</u>	<u>\$ 12,614,055</u>	<u>1,530,292</u>	<u>\$ 14,144,347</u>		<u>\$ 1,542,782</u>	<u>\$ 80,139</u>	<u>\$ 1,473,538</u>

Add: Advance Collections 2015 Tax Levy 239,711

Less: Advance Collections 2016 Tax Levy 163,292

Property Tax Revenues May 31, 2017 \$ 1,606,711

Gross Taxes Collected By Fund

Corporate	\$ 1,156,568
Recreation	17,448
Special Recreation	279,159
Audit	17,447
Liability & Workers' Compensation	17,447
IMRF	17,447
Debt Service	101,195
	<u>\$ 1,606,711</u>

Net Taxes Receivable by Fund

Corporate	\$ 1,034,330
Recreation	23,390
Special Recreation	259,886
Audit	650
Liability & Workers' Compensation	63,022
IMRF	650
Debt Service	91,610
	<u>\$ 1,473,538</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>
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
2016	728,996,762	0.2268

Analysis of the 2016 Tax Levy

<u>Fund</u>	<u>Rate</u>	<u>Percent</u>	<u>Extension</u>
Corporate	0.1592	70.19	\$ 1,160,510
Recreation	0.0036	1.59	26,243
IMRF	0.0001	0.04	729
Audit	0.0001	0.04	729
Workers' Compensation	0.0097	4.28	70,709
Special Recreation	0.0400	17.64	291,586
Debt Service	0.0141	6.22	102,784
	<u>0.2268</u>	<u>100.00</u>	<u>\$ 1,653,290</u>