

FRANKFORT PARK DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MAY 31, 2018

Prepared By:

HEARNE & ASSOCIATES, P.C.

Certified Public Accountants &
Business Consultants

Frankfort Park District
Annual Financial Report
Year Ended May 31, 2018

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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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2018, 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.

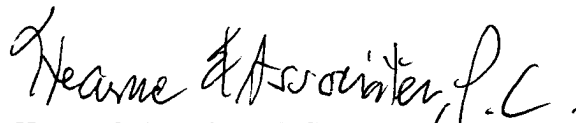
Other Information

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.

December 5, 2018
Mokena, IL


Hearne & Associates, P.C.
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

Frankfort Park District

Management's Discussion and Analysis
May 31, 2018

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, 2018. Please read it in conjunction with the District's financial statements.

Financial Highlights

Net position at May 31, 2018 was \$11,740,952, a decrease of \$46,756 from the prior year.

Total program revenues increased \$124,938 from the prior year.

The District expended \$122,459 on Capital Assets during the year and paid \$175,000 in debt principal.

The Assessed Valuation of the District increased by \$26,565,292 which will bring it to \$755,562,054 for the 2017 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, 2018

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>2018</u>	<u>2017</u>
Current and Other Assets	\$ 3,147,950	\$ 2,998,724
Capital Assets (net of accum depr)	<u>11,537,731</u>	<u>11,857,769</u>
Total Assets	<u>14,685,681</u>	<u>14,856,493</u>
Deferred Outflows of Resources	<u>187,176</u>	<u>121,801</u>
Current and Other Liabilities	224,055	237,948
Long-Term Debt	<u>880,953</u>	<u>1,171,220</u>
Total Liabilities	<u>1,105,008</u>	<u>1,409,168</u>
Deferred Inflows of Resources		
Pension Related	225,150	32,794
Deferred Revenue	<u>1,801,747</u>	<u>1,748,624</u>
Total Deferred Inflows of Resources	<u>2,026,897</u>	<u>1,781,418</u>
Net Position		
Net Investment in Capital Assets	10,687,731	10,832,769
Restricted	736,674	724,418
Unrestricted	<u>316,547</u>	<u>230,521</u>
Total Net Position	<u>\$ 11,740,952</u>	<u>\$ 11,787,708</u>

Frankfort Park District

Management's Discussion and Analysis
May 31, 2018

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's net position (91.0%) 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>2018</u>	<u>2017</u>
Program Revenues:		
Charges for Services	\$ 970,170	\$ 875,281
Operating Grants & Contributions	7,724	2,150
Capital Grants & Contributions	<u>43,178</u>	<u>18,703</u>
Total Program Revenues	<u>1,021,072</u>	<u>896,134</u>
General Revenues:		
Property Taxes	1,652,415	1,606,711
Replacement Taxes	13,642	16,303
Unrestricted Interest	73	1,439
Other General Revenues	<u>2,178</u>	<u>4,151</u>
Total General Revenues	<u>1,668,308</u>	<u>1,628,604</u>
Total Revenues	<u>2,689,380</u>	<u>2,524,738</u>
Expenditures		
Culture & Recreation	2,711,277	2,553,576
Interest on Long-Term Debt	<u>24,859</u>	<u>30,318</u>
Total Expenditures	<u>2,736,136</u>	<u>2,583,894</u>
Change in Net Position	(46,756)	(59,156)
Net Position, Beginning of Year, as restated	<u>11,787,708</u>	<u>11,846,864</u>
Net Position, End of Year	<u>\$ 11,740,952</u>	<u>\$ 11,787,708</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 increase in Charges for Services represents increased program attendance for the current year. The main increase was the increased attendance for the Summer Day Camp, Preschool and Prairie Care Programs.

Operating and Capital Grants/Contributions increased primarily due to Developer Contribution Revenue.

Expenditures for Culture and Recreation increased by \$157,701, or 6.18%. This was primarily due to an increase in program expenses and special recreation expenditures.

Frankfort Park District

Management's Discussion and Analysis
May 31, 2018

Budgetary Highlights

As seen in the following table, actual revenue was less than budgeted for the general fund due to rental being less than expected. The other funds actual revenue exceeded the budget.

Expenditures were less than budgeted amounts mainly due to actual salaries being less than the budgeted amount.

	<u>Budget</u>	<u>Actual</u>
Revenues:		
General Fund	\$ 1,231,050	\$ 1,201,113
Other Funds	<u>1,475,336</u>	<u>1,488,268</u>
Total Revenues	<u>\$ 2,706,386</u>	<u>\$ 2,689,381</u>
Expenditures:		
General Fund	\$ 1,047,991	\$ 974,689
Other Funds	<u>1,614,069</u>	<u>1,599,697</u>
Total Expenditures	<u>\$ 2,662,060</u>	<u>\$ 2,574,386</u>

Capital Assets

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

	<u>2018</u>	<u>2017</u>
Land	\$ 6,903,000	\$ 6,903,000
Buildings and Improvements	9,771,932	9,724,192
Machinery and Equipment	1,837,059	1,762,340
Accumulated Depreciation	<u>(6,974,260)</u>	<u>(6,531,763)</u>
Total Net Capital Assets	<u>\$ 11,537,731</u>	<u>\$ 11,857,769</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 \$175,000 of principal related to outstanding debt certificates and general obligation bond. The remaining principal balance on the bond issue is \$850,000. 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, 2018

	Governmental Activities
Assets	
Cash and Investments	\$ 1,756,325
Property Taxes Receivable	1,391,625
Capital Assets not Being Depreciated	6,903,000
Capital Assets Being Depreciated, net	4,634,731
Total Assets	14,685,681
 Deferred Outflows of Resources	
Related to Pensions	187,176
 Liabilities	
Accrued Expenses	44,055
Long-term Obligations, due within one year:	
General Obligation Bonds	180,000
Long-term Obligations, due in more than one year:	
Net Pension Liability	210,953
General Obligation Bonds	670,000
Total Liabilities	1,105,008
 Deferred Inflows of Resources	
Related to Pensions	225,150
Deferred Revenue	1,801,747
Total Deferred Inflows of Resources	2,026,897
 Net Position	
Net Investment in Capital Assets	10,687,731
Restricted for:	
Audit	21,742
Recreation	168,685
Special Recreation	546,247
Unrestricted	316,547
Total Net Position	\$ 11,740,952

See Notes to the Basic Financial Statements

Frankfort Park District
Statement of Activities
Year Ended May 31, 2018

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	\$ 2,711,277	\$ 970,170	\$ 7,724	\$ 43,178	\$ (1,690,205)
Interest on Long-term Debt	24,859	-	-	-	(24,859)
Total Governmental Activities	<u>\$ 2,736,136</u>	<u>\$ 970,170</u>	<u>\$ 7,724</u>	<u>\$ 43,178</u>	<u>(1,715,064)</u>
General Revenues:					
Taxes:					
Property Taxes					1,652,415
Replacement Taxes					13,642
Unrestricted Interest					73
Other General Revenues					<u>2,178</u>
Total General Revenues					<u>1,668,308</u>
Change in Net Position					(46,756)
Net Position, Beginning of Year, as restated					<u>11,787,708</u>
Net Position, End of Year					<u>\$ 11,740,952</u>

See Notes to the Basic Financial Statements

Frankfort Park District
Balance Sheet
Governmental Funds
May 31, 2018

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Recreation	Special Recreation		
Assets					
Cash and Investments	\$ 1,756,325	\$ -	\$ -	\$ -	\$ 1,756,325
Property Taxes Receivable	957,976	41,765	250,888	140,996	1,391,625
Due From Other Funds	-	316,159	600,548	46,026	962,733
	-	316,159	600,548	46,026	962,733
Total Assets	\$ 2,714,301	\$ 357,924	\$ 851,436	\$ 187,022	\$ 4,110,683
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities:					
Accrued Expenses	\$ 24,762	\$ 11,343	\$ 6,000	\$ 1,950	\$ 44,055
Due To Other Funds	482,775	-	-	479,958	962,733
	482,775	-	-	479,958	962,733
Total Liabilities	507,537	11,343	6,000	481,908	1,006,788
Deferred Inflows of Resources:					
Deferred Property Taxes	957,976	41,765	250,888	140,998	1,391,627
Unearned Revenue	190,912	136,131	48,301	34,778	410,122
	190,912	136,131	48,301	34,778	410,122
Total Deferred Inflows of Resources	1,148,888	177,896	299,189	175,776	1,801,749
Fund Balances (Deficits):					
Restricted for:					
Audit	-	-	-	21,742	21,742
Recreation	-	168,685	-	-	168,685
Special Recreation	-	-	546,247	-	546,247
Unassigned	1,057,876	-	-	(492,404)	565,472
	1,057,876	-	-	(492,404)	565,472
Total Fund Balances (Deficits)	1,057,876	168,685	546,247	(470,662)	1,302,146
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 2,714,301	\$ 357,924	\$ 851,436	\$ 187,022	\$ 4,110,683

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, 2018

Total Fund Balances - Governmental Funds	\$	1,302,146
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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		18,511,993
Accumulated Depreciation		(6,974,260)

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		187,176
Deferred Intflows of Resources Related to Pensions		(225,150)
General Obligation Bond Payable		(850,000)
Net Pension Liability		(210,953)
		(210,953)

Net Position of Governmental Activities	\$	11,740,952
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Frankfort Park District
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Governmental Funds
Year Ended May 31, 2018

	<u>Major Funds</u>			Nonmajor Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Recreation</u>	<u>Special Recreation</u>		
Revenues					
Property Taxes	\$ 1,159,896	\$ 26,229	\$ 291,432	\$ 174,859	\$ 1,652,416
Replacement Taxes	13,642	-	-	-	13,642
Grants (Refunds)	-	2,374	-	-	2,374
Program Revenue	-	920,144	-	-	920,144
Developer Contributions	-	-	-	43,178	43,178
Donations	5,350	-	-	-	5,350
Rental	20,880	28,361	-	-	49,241
Interest	73	-	-	-	73
Miscellaneous	1,272	1,691	-	-	2,963
Total Revenues	<u>1,201,113</u>	<u>978,799</u>	<u>291,432</u>	<u>218,037</u>	<u>2,689,381</u>
Expenditures					
Current:					
Culture and Recreation	927,206	984,710	242,201	129,839	2,283,956
Capital Outlay	47,483	-	-	42,613	90,096
Debt Service					
Principal	-	-	-	175,000	175,000
Interest and Other Charges	-	-	-	25,334	25,334
Total Expenditures	<u>974,689</u>	<u>984,710</u>	<u>242,201</u>	<u>372,786</u>	<u>2,574,386</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>226,424</u>	<u>(5,911)</u>	<u>49,231</u>	<u>(154,749)</u>	<u>114,995</u>
Other Financing Sources (Uses)					
Transfers In (Out)	<u>21,250</u>	<u>5,000</u>	<u>(26,250)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	247,674	(911)	22,981	(154,749)	114,995
Fund Balance (Deficit), Beginning of Year	<u>810,202</u>	<u>169,596</u>	<u>523,266</u>	<u>(315,913)</u>	<u>1,187,151</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,057,876</u>	<u>\$ 168,685</u>	<u>\$ 546,247</u>	<u>\$ (470,662)</u>	<u>\$ 1,302,146</u>

See Notes to the Basic 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, 2018

Net change in fund balance	\$	114,995
<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		122,459
Depreciation Expense		(442,497)
<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>		
		175,000
<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		(16,713)
Change in net position of governmental activities.	\$	<u>(46,756)</u>

See Notes to the Basic Financial Statements

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2018

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 Basic Financial Statements
Year Ended May 31, 2018

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 Basic Financial Statements
Year Ended May 31, 2018

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 expenditures 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 expenditures 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 Basic Financial Statements
Year Ended May 31, 2018

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 Basic Financial Statements
Year Ended May 31, 2018

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, 2018, the carrying amount of the District’s deposits was \$1,756,005 (exclusive of \$320 held in petty cash funds) and the bank balance was \$1,923,312.

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 Basic Financial Statements
Year Ended May 31, 2018

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 2017 tax levy year is as follows:

	<u>Cook County</u>	<u>Will County</u>
Lien Date	January 1, 2017	January 1, 2017
Levy Date	December 12, 2017	December 12, 2017
First Installment Due Date	March 1, 2018	June 1, 2018
Second Installment Due Date	September 1, 2018	September 1, 2018

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	47,740	-	9,771,932
Machinery & Equipment	1,762,340	74,719	-	1,837,059
Total Capital Assets being Depreciated	11,486,532	122,459	-	11,608,991

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2018

4. Capital Assets (continued)

	Beginning Balance	Additions	Dispositions	Ending Balance
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 5,291,590	\$ 353,134	\$ -	\$ 5,644,724
Machinery & Equipment	1,240,173	89,363	-	1,329,536
Total Accumulated Depreciation	<u>6,531,763</u>	<u>442,497</u>	<u>-</u>	<u>6,974,260</u>
 Total Capital Assets being Depreciated, Net	 <u>4,954,769</u>	 <u>(320,038)</u>	 <u>-</u>	 <u>4,634,731</u>
 Governmental Activities, Total Capital Assets, Net	 <u>\$ 11,857,769</u>	 <u>\$ (320,038)</u>	 <u>\$ -</u>	 <u>\$ 11,537,731</u>

Depreciation expense of \$442,497 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, 2017 As Restated	Issuances	Retirements	Balance May 31, 2018	Amount Due Within One Year
General Obligation Bond:					
Series 2007	\$ 95,000	\$ -	\$ 95,000	\$ -	\$ -
Series 2014	250,000	-	-	250,000	100,000
Debt Certificates 2014	680,000	-	80,000	600,000	80,000
Net Pension Liability	321,220	-	110,267	210,953	-
Compensated Absences	-	-	-	-	-
Total	<u>\$ 1,346,220</u>	<u>\$ -</u>	<u>\$ 285,267</u>	<u>\$ 1,060,953</u>	<u>\$ 180,000</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 Basic Financial Statements
Year Ended May 31, 2018

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:

Year Ending May 31st	Principal	Interest	Total
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	85,000	5,778	90,778
2024-2028	185,000	6,390	191,390
Total	<u>\$ 850,000</u>	<u>\$ 84,028</u>	<u>\$ 934,028</u>

6. Lease Obligations

The District is under obligation for a copier lease. The District paid \$2,778 in lease payments during fiscal year 2018. Remaining obligations for the leases are as follows:

Year Ending May 31st	Principal
2019	\$ 2,778
2020	2,778
2021	231
	<u>\$ 5,787</u>

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2018

7. Individual Fund Disclosures

The following funds had deficit equity balances as of May 31, 2018 in the amount indicated:

<u>Fund Name</u>	<u>Deficit</u>
Capital Projects	\$ 189,975
Debt Service	210,439
Liability Insurance	25,668
IMRF	66,322

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 Basic Financial Statements
Year Ended May 31, 2018

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, 2017, 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>16</u>
Total	<u><u>40</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 2017 was 9.6%. For the calendar year 2017, the District contributed \$64,838 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2018

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 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37.00%	6.85%
International Equity	18.00%	6.75%
Fixed Income	28.00%	3.00%
Real Estate	9.00%	5.75%
Alternative Investments	7.00%	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 Basic Financial Statements
Year Ended May 31, 2018

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 3.31%, 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 Basic 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:

	<u>1% Lower (6.50%)</u>	<u>Current (7.50%)</u>	<u>1% Higher (8.50%)</u>
Total Pension Liability	\$ 2,489,904	\$ 2,158,322	\$ 1,891,893
Plan Fiduciary Net Position	<u>1,947,369</u>	<u>1,947,369</u>	<u>1,947,369</u>
Net Pension Liability	<u>\$ 542,535</u>	<u>\$ 210,953</u>	<u>\$ (55,476)</u>

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

For the year ended May 31, 2018, the District recognized pension expense of \$16,714. At May 31, 2018, 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 Basic Financial Statements
Year Ended May 31, 2018

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	\$ 106,772	\$ 21,039
Changes of assumptions	-	61,608
Net difference between projected and actual earnings on pension plan investments	<u>50,733</u>	<u>142,503</u>
Total Deferred Amounts to be recognized in future periods	157,505	225,150
Pension Contributions made subsequent to the Measurement Date	<u>29,671</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 187,176</u>	<u>\$ 225,150</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>
2018	\$ 22,064
2019	(7,606)
2020	(21,606)
2021	(30,826)
2022	-
Total	<u>\$ (37,974)</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, 2018 through January 1, 2019:

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2018

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)	P070117
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		
Business Interruption, Rental Income, Tax Income	1,000	Included	\$25,000,000 \$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	1,000	\$ 24,000	\$2,000,000/Occurrence	National Union	03-582-80-45
Seasonal Employees	1,000	9,000	\$1,000,000/Occurrence	Fire Insurance Co.	
Blanket Bond	1,000	24,000	\$2,000,000/Occurrence		
<u>Workers' Compensation</u>	N/A	500,000	Statutory	PDRMA	WC010118
Employers' Liability		500,000	\$3,500,000 Employers Liability	Gov't Entities Mutual (GEM) Safety National	GEM-0003- A18001 SP4058065
<u>Liability</u>					
General	None	500,000	\$21,500,000/Occurrence	PDRMA Reinsurers:	L010118
Auto Liability	None	500,000	\$21,500,000/Occurrence	GEM/ Great American	GEM-0003- A18001
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 Basic Financial Statements
Year Ended May 31, 2018

9. Risk Management (continued)

<u>Coverage</u>	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company	Policy Number
<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	OB010118
<u>Information Security & Privacy Insurance</u>					
<u>Electronic Media Liability Coverage</u>					
Information Security & Privacy Liability	None	100,000	\$2,000,000/Occurrence/A Annual Aggregate	Beazley Lloyds Syndicate AFB 2623/623 through the PEPIP program	PH1533938
Privacy Notification Costs	None	100,000	\$500,000/Occurrence/ Annual Aggregate		
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 Basic Financial Statements
Year Ended May 31, 2018

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, 2017 and the Statement of Revenues and Expenses for the period ending December 31, 2017. The Frankfort Park District's portion of the overall equity of the pool is 0.117% or \$51,015.

Assets	\$65,528,169
Deferred Outflows of Resources – Pension	1,031,198
Liabilities	22,979,446
Deferred Inflows of Resources – Pension	5,600
Member Balances	43,574,321
Revenues	23,353,271
Expenditures	17,402,060

Since 88.70% 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, 2018 was \$189,024.

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, 2018 was \$94,501. This debt is expected to be paid directly by LWSRA and is therefore not included as a financial obligation of the Frankfort Park District.

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>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability			
Service Cost	\$ 62,980	\$ 72,860	\$ 66,708
Interest	148,642	139,094	134,344
Differences Between Expected and Actual Experience	120,361	21,956	(49,404)
Changes of Assumptions	(77,010)	(2,874)	-
Benefit Payments, Including Refunds of Member Contributions	<u>(94,097)</u>	<u>(108,448)</u>	<u>(74,158)</u>
Net Change in Total Pension Liability	160,876	122,588	77,490
Total Pension Liability - Beginning	<u>1,997,446</u>	<u>1,874,858</u>	<u>1,797,368</u>
Total Pension Liability - Ending	<u>\$ 2,158,322</u>	<u>\$ 1,997,446</u>	<u>\$ 1,874,858</u>
Plan Fiduciary Net Position			
Contributions - Employer	64,837	73,906	73,167
Contributions - Employee	30,393	29,962	29,280
Net Investment Income	302,664	103,801	7,561
Benefit Payments, Including Refunds of Member Contributions	(94,097)	(108,448)	(74,158)
Net Transfer	<u>(32,654)</u>	<u>22,323</u>	<u>20,844</u>
Net Change in Plan Fiduciary Net Position	271,143	121,544	56,694
Plan Fiduciary Net Position - Beginning	<u>1,676,226</u>	<u>1,554,682</u>	<u>1,497,988</u>
Plan Fiduciary Net Position - Ending	<u>\$ 1,947,369</u>	<u>\$ 1,676,226</u>	<u>\$ 1,554,682</u>
Net Pension Liability	<u>\$ 210,953</u>	<u>\$ 321,220</u>	<u>\$ 320,176</u>
Plan Fiduciary Net Position of the Total Pension Liability	90.23%	83.92%	82.92%
Covered-Valuation Payroll	\$ 675,398	\$ 665,827	\$ 643,848
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	31.23%	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%
2017	64,838	64,837	1	675,398	9.60%

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, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 1,160,510	\$ 1,159,896	\$ (614)
Personal Property Replacement Taxes	14,500	13,642	(858)
Donations	10,000	5,350	(4,650)
Rental	45,000	20,880	(24,120)
Miscellaneous	1,000	1,272	272
Interest	40	73	33
Total Revenues	<u>1,231,050</u>	<u>1,201,113</u>	<u>(29,937)</u>
Expenditures			
Operating	1,010,491	927,206	(83,285)
Capital Outlay	37,500	47,483	9,983
Total Expenditures	<u>1,047,991</u>	<u>974,689</u>	<u>(73,302)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>183,059</u>	<u>226,424</u>	<u>43,365</u>
Other Financing Sources (Uses)			
Transfers In	<u>(2,000)</u>	<u>21,250</u>	<u>23,250</u>
Total Other Financing Sources (Uses)	<u>(2,000)</u>	<u>21,250</u>	<u>23,250</u>
Net Change in Fund Balance	<u>\$ 181,059</u>	247,674	<u>\$ 66,615</u>
Fund Balance, Beginning of Year		<u>810,202</u>	
Fund Balance, End of Year		<u>\$ 1,057,876</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, 2018

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	\$ 16,000	\$ 26,229	\$ 10,229
Grants	-	2,374	2,374
Preschool Program	149,160	161,699	12,539
Summer Day Camp	55,000	88,513	33,513
Prairie Care Program	173,424	146,907	(26,517)
Advertising	15,000	5,210	(9,790)
Recreation Program	213,114	212,182	(932)
Fitness	38,835	49,360	10,525
Special Events	48,605	54,108	5,503
Adults/Seniors	59,250	74,049	14,799
Leagues	118,982	99,453	(19,529)
LWHS Pool Rental	12,795	7,358	(5,437)
Splash Park	9,450	9,656	206
Dog Park	6,285	1,839	(4,446)
Concession Stand	6,900	8,840	1,940
Athletic Field Reimbursement	15,000	13,723	(1,277)
Rental	3,700	7,280	3,580
Vending Machine	100	-	(100)
Fund Raising	7,000	8,328	1,328
Miscellaneous	2,775	1,691	(1,084)
Total Revenues	<u>951,375</u>	<u>978,799</u>	<u>27,424</u>
Expenditures			
Current Program	<u>995,085</u>	<u>984,710</u>	<u>(10,375)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(43,710)</u>	<u>(5,911)</u>	<u>37,799</u>
Other Financing Sources			
Transfers In	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net Change in Fund Balance	<u>\$ (43,710)</u>	<u>(911)</u>	<u>\$ 42,799</u>
Fund Balance, Beginning of Year		<u>169,596</u>	
Fund Balance, End of Year		<u>\$ 168,685</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, 2018

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	\$ 291,585	\$ 291,432	\$ (153)
Total Revenues	291,585	291,432	(153)
 Expenditures			
Contractual	240,000	242,201	2,201
Total Expenditures	240,000	242,201	2,201
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 51,585	 49,231	 (2,354)
 Other Financing Sources (Uses)			
Transfers Out	-	(26,250)	(26,250)
Net Change in Fund Balance	\$ 51,585	22,981	\$ (28,604)
 Fund Balance, Beginning of Year		523,266	
 Fund Balance, End of Year		\$ 546,247	

See the notes to the required supplementary information

Frankfort Park District

Notes to the Required Supplementary Information
Year Ended May 31, 2018

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 9, 2017 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</u> <u>Excess of</u> <u>Budget</u>
Funds:	
Speccial Recreation	\$ 2,201
Illinois Municipal Retirement Fund	2,298
Debt Service Fund	98,183
Tort	6,998

Frankfort Park District

Notes to the Required Supplementary Information
Year Ended May 31, 2018

4. Summary of Actuarial Methods and Assumptions used in the Calculation of the 2017 Contribution Rate

Valuation Date

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

Methods and Assumptions Used to Determine 2017 Contribution Rates

Actuarial Cost Method:	Aggregated entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	26-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:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar 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. The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014. The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over(Under)</u>
Expenditures			
Operating:			
Salaries - Maintenance	\$ 181,829	\$ 168,886	\$ (12,943)
Salaries Part-time Maintenance	80,150	72,575	(7,575)
Salaries - Admin	170,920	170,093	(827)
Salaries - Clerical	96,400	83,293	(13,107)
FICA	73,500	72,255	(1,245)
Group Insurance	62,214	63,585	1,371
Telephone	6,750	8,210	1,460
Cable / Internet Phone	4,450	4,204	(246)
Postage	1,600	1,344	(256)
Dues	7,100	6,798	(302)
Conference & Seminar	17,130	13,443	(3,687)
Mileage Reimbursement	3,400	2,472	(928)
Meeting Expenses	2,425	1,271	(1,154)
Advertising	11,051	7,768	(3,283)
Board Expenses	3,250	1,719	(1,531)
Attorney Fees	12,500	22,129	9,629
Professional Fees	38,000	24,990	(13,010)
Legal Publications	750	478	(272)
Office Supplies / Repairs	4,500	5,543	1,043
Computer / Website	9,720	7,861	(1,859)
Equipment Rental / Lease	20,382	16,083	(4,299)
Building Supplies	17,125	7,109	(10,016)
Maintenance Supplies	13,000	10,121	(2,879)
Park Equipment / Maint	42,595	41,436	(1,159)
Natural Area Maintenance	20,200	17,825	(2,375)
Equipment Rental	3,200	283	(2,917)
Equipment Repair	14,500	13,475	(1,025)
Building Repair & Maint	21,150	17,727	(3,423)
Utilities	34,450	33,339	(1,111)
Vehicle Expense	9,000	6,533	(2,467)
Fuel	20,000	17,488	(2,512)
Uniforms	1,700	1,066	(634)
Living Tree Expenses	1,550	2,424	874
Contingencies	4,000	3,380	(620)
 Total Operating	 <u>1,010,491</u>	 <u>927,206</u>	 <u>(83,285)</u>
 Capital Outlay	 <u>37,500</u>	 <u>47,483</u>	 <u>9,983</u>
 Total Expenditures	 <u>\$ 1,047,991</u>	 <u>\$ 974,689</u>	 <u>\$ (73,302)</u>

Frankfort Park District
Schedule of Expenditures - Budget and Actual - Recreation Fund
Year Ended May 31, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over(Under)</u>
Expenditures			
Salaries - Maintenance	\$ 47,369	\$ 31,217	\$ (16,152)
Salaries - Admin	165,782	168,395	2,613
Salaries - Clerical	17,148	17,093	(55)
Group Insurance	31,890	35,345	3,455
Telephone	7,470	7,218	(252)
Postage	1,000	298	(702)
Garden Plot Expense	600	216	(384)
Bank Charges	35,000	42,757	7,757
Conference & Seminar	7,450	5,029	(2,421)
Mileage Reimbursement	5,150	4,584	(566)
Advertising	2,600	-	(2,600)
Office Supplies / Repairs	-	1,935	1,935
Computer / Website	5,000	2,002	(2,998)
Brochure Printing	21,900	20,503	(1,397)
Concession Stand Exp	3,844	3,996	152
Rental Expense	3,000	3,203	203
Pre-School Expenses	101,612	104,646	3,034
Summer Camp Expenses	40,150	48,576	8,426
Prairie Care Expenses	61,939	59,156	(2,783)
Fund Raising Expense	6,075	6,126	51
Program Expenses	148,278	150,904	2,626
Fitness	23,795	32,181	8,386
Special Events Expense	34,122	32,048	(2,074)
Adult / Seniors	55,888	58,049	2,161
League Expenses	67,000	61,156	(5,844)
Dog Park Expenses	500	2,711	2,211
Splash Park Expenses	5,296	5,568	272
LWE Field House Expense	11,702	9,442	(2,260)
Building Supplies	5,500	-	(5,500)
Recreation Supplies Equip	-	1,586	1,586
Supplies Janitorial	5,000	4,649	(351)
Building Repair & Maint	12,650	12,047	(603)
Utilities	23,050	21,769	(1,281)
Vehicle Expense	500	-	(500)
Landscaping Improvements	21,325	12,607	(8,718)
Uniforms	2,000	1,716	(284)
Athletic Field Equip	12,000	14,982	2,982
Contingencies	1,500	1,000	(500)
Total Expenditures	<u>\$ 995,085</u>	<u>\$ 984,710</u>	<u>\$ (10,375)</u>

Frankfort Park District
Combining Balance Sheet
Nonmajor Governmental Funds
May 31, 2018

	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	
Assets						
Property Taxes Receivable	\$ 58,090	\$ 627	\$ 627	\$ 81,652	\$ -	\$ 140,996
Due From Other Funds	-	21,863	-	24,163	-	46,026
Total Assets	\$ 58,090	\$ 22,490	\$ 627	\$ 105,815	\$ -	\$ 187,022
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)						
Liabilities:						
Accrued Expenses	\$ -	\$ -	\$ 1,950	\$ -	\$ -	\$ 1,950
Due To Other Funds	14,195	-	64,251	211,537	189,975	479,958
Total Liabilities	14,195	-	66,201	211,537	189,975	481,908
Deferred Inflows of Resources:						
Deferred Property Taxes	58,091	627	627	81,653	-	140,998
Unearned Revenue	11,472	121	121	23,064	-	34,778
Total Deferred Inflows of Resources	69,563	748	748	104,717	-	175,776
Fund Balances (Deficits):						
Restricted for:						
Audit	-	21,742	-	-	-	21,742
Unassigned	(25,668)	-	(66,322)	(210,439)	(189,975)	(492,404)
Total Fund Balances (Deficits)	(25,668)	21,742	(66,322)	(210,439)	(189,975)	(470,662)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 58,090	\$ 22,490	\$ 627	\$ 105,815	\$ -	\$ 187,022

Frankfort Park District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
Year Ended May 31, 2018

	<u>Special Revenue Fund Type</u>			<u>Debt Service Fund Type</u>	<u>Capital Development Fund Type</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Liability Insurance and Workman's Compensation</u>	<u>Audit</u>	<u>IMRF</u>	<u>Debt Service</u>	<u>Capital Development</u>	
Revenues						
Property Taxes	\$ 70,672	\$ 729	\$ 728	\$ 102,730	\$ -	\$ 174,859
Developer Contributions	-	-	-	-	43,178	43,178
Total Revenues	<u>70,672</u>	<u>729</u>	<u>728</u>	<u>102,730</u>	<u>43,178</u>	<u>218,037</u>
Expenditures						
Current:						
Contractual	-	10,543	-	-	-	10,543
Employee Benefits	-	-	65,298	-	-	65,298
Insurance	53,998	-	-	-	-	53,998
Capital Outlay	-	-	-	-	42,613	42,613
Debt Service						
Principal	-	-	-	175,000	-	175,000
Interest and Other Charges	-	-	-	25,334	-	25,334
Total Expenditures	<u>53,998</u>	<u>10,543</u>	<u>65,298</u>	<u>200,334</u>	<u>42,613</u>	<u>372,786</u>
Net Change in Fund Balance	16,674	(9,814)	(64,570)	(97,604)	565	(154,749)
Fund Balance (Deficit), Beginning of Year	<u>(42,342)</u>	<u>31,556</u>	<u>(1,752)</u>	<u>(112,835)</u>	<u>(190,540)</u>	<u>(315,913)</u>
Fund Balance (Deficit), End of Year	<u>\$ (25,668)</u>	<u>\$ 21,742</u>	<u>\$ (66,322)</u>	<u>\$ (210,439)</u>	<u>\$ (189,975)</u>	<u>\$ (470,662)</u>

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, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 70,000	\$ 70,672	\$ 672
Total Revenues	<u>70,000</u>	<u>70,672</u>	<u>672</u>
Expenditures			
Insurance	<u>47,000</u>	<u>53,998</u>	<u>6,998</u>
Total Expenditures	<u>47,000</u>	<u>53,998</u>	<u>6,998</u>
Net Change in Fund Balance	<u>\$ 23,000</u>	16,674	<u>\$ (6,326)</u>
Fund Balance, Beginning of Year		<u>(42,342)</u>	
Fund Balance (Deficit), End of Year		<u>\$ (25,668)</u>	

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Audit Fund
Year Ended May 31, 2018

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	\$ 7,296	\$ 729	\$ (6,567)
Total Revenues	7,296	729	(6,567)
 Expenditures			
Contractual Audit	19,000	10,543	(8,457)
Net Change in Fund Balance	\$ (11,704)	(9,814)	\$ 1,890
Fund Balance, Beginning of Year		31,556	
Fund Balance, End of Year		\$ 21,742	

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
IMRF Fund
Year Ended May 31, 2018

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	\$ 7,296	\$ 728	\$ (6,568)
Total Revenues	7,296	728	(6,568)
 Expenditures			
IMRF Contributions	63,000	65,298	2,298
Net Change in Fund Balance	\$ (55,704)	(64,570)	\$ (8,866)
Fund Balance, Beginning of Year		(1,752)	
Fund Balance, End of Year		\$ (66,322)	

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
Debt Service Fund
Year Ended May 31, 2018

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	\$ 102,784	\$ 102,730	\$ (54)
Total Revenues	102,784	102,730	(54)
 Expenditures			
Debt Service:			
Principal	95,000	175,000	80,000
Interest and Other Charges	7,151	25,334	18,183
Total Expenditures	102,151	200,334	98,183
 Net Change in Fund Balance	 \$ 633	 (97,604)	 \$ (98,237)
 Fund Balance (Deficit), Beginning of Year		 (112,835)	
 Fund Balance (Deficit), End of Year		 \$ (210,439)	

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
Capital Development Fund
Year Ended May 31, 2018

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Developer Contributions	\$ 45,000	\$ 43,178	\$ (1,822)
Total Revenues	45,000	43,178	(1,822)
 Expenditures			
Capital Outlay	147,833	42,613	(105,220)
Total Expenditures	147,833	42,613	(105,220)
Net Change in Fund Balance	\$ (102,833)	565	\$ 103,398
Fund Balance (Deficit), Beginning of Year		(190,540)	
Fund Balance (Deficit), End of Year		\$ (189,975)	

STATISTICAL INFORMATION

Frankfort Park District

Taxes Collected and Taxes Receivable - Last Ten Levy Years

Tax Levy Year	<u>Gross Taxes Collected</u>				Percent Collected	Gross Taxes Receivable	Provision for Loss and Cost on Collections	Net Taxes Receivable
	Extensions	Prior Years	Year Ended May 31, 2017	Total May 31, 2016				
2008	\$ 1,688,175	\$ 1,679,506	\$ -	\$ 1,679,506	\$ 99	\$ 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	1,606,560	-	1,606,560	99.68	5,149	5,149	-
2016	1,653,290	163,292	1,489,053	1,652,345	99.94	7,209	7,209	-
2017	<u>1,709,761</u>	<u>-</u>	<u>301,111</u>	<u>301,039</u>	17.61	<u>1,408,722</u>	<u>17,097</u>	<u>1,391,625</u>
	<u>\$ 15,725,637</u>	<u>\$ 12,479,358</u>	1,790,164	<u>\$ 14,269,450</u>		<u>\$ 1,462,451</u>	<u>\$ 70,826</u>	<u>\$ 1,391,625</u>
Add: Advance Collections 2016 Tax Levy			163,292					
Less: Advance Collections 2017 Tax Levy			<u>301,039</u>					
Property Tax Revenues May 31, 2018			<u>\$ 1,652,417</u>					
<u>Gross Taxes Collected By Fund</u>				<u>Net Taxes Receivable by Fund</u>				
Corporate		\$ 1,159,897		Corporate		\$ 957,976		
Recreation		26,229		Recreation		41,765		
Special Recreation		291,431		Special Recreation		250,888		
Audit		729		Audit		627		
Liability & Workers' Compensation		70,672		Liability & Workers' Compensation		58,090		
IMRF		729		IMRF		627		
Debt Service		<u>102,730</u>		Debt Service		<u>81,652</u>		
		<u>\$ 1,652,417</u>				<u>\$ 1,391,625</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>
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
2017	755,562,054	0.2263

Analysis of the 2017 Tax Levy

<u>Fund</u>	<u>Rate</u>	<u>Percent</u>	<u>Extension</u>
Corporate	0.1536	67.87	\$ 1,160,493
Recreation	0.0092	4.07	69,509
IMRF	0.0001	0.04	756
Audit	0.0001	0.04	756
Workers' Compensation	0.0093	4.11	70,264
Special Recreation	0.0400	17.68	302,212
Debt Service	0.0140	6.19	105,771
	<u>0.2263</u>	<u>100.00</u>	<u>\$ 1,709,761</u>