

FRANKFORT PARK DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MAY 31, 2019

Prepared By:

HEARNE & ASSOCIATES, P.C.

Certified Public Accountants &
Business Consultants

Frankfort Park District
Annual Financial Report
Year Ended May 31, 2019

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Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Frankfort Park District, Illinois, as of and for the year ended May 31, 2019, 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, 2019, 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.

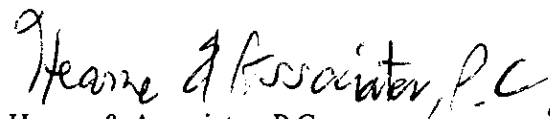
Other Information

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 other supplemental schedules 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, 2019
Mokena, IL


Hearne & Associates, P.C.
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

Frankfort Park District

Management's Discussion and Analysis
May 31, 2019

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, 2019. Please read it in conjunction with the District's financial statements.

Financial Highlights

Net position at May 31, 2019 was \$11,734,370 a decrease of \$6,582 from the prior year.

Total program revenues increased \$142,711 from the prior year.

The District expended \$70,809 on Capital Assets during the year and paid \$430,000 in debt principal.

The Assessed Valuation of the District increased by \$22,249,300 which will bring it to \$777,811,354 for the 2018 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 9-14) 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, 2019

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 15 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>2019</u>	<u>2018</u>
Current and Other Assets	\$ 4,997,426	\$ 3,147,950
Capital Assets (net of accum depr)	\$ 11,161,889	11,537,731
Total Assets	<u>\$ 16,159,315</u>	<u>14,685,681</u>
Deferred Outflows of Resources	<u>413,043</u>	<u>187,176</u>
Current and Other Liabilities	156,681	224,055
Long-Term Debt	<u>2,619,468</u>	<u>880,953</u>
Total Liabilities	<u>2,776,149</u>	<u>1,105,008</u>
Deferred Inflows of Resources		
Pension Related	162,366	225,150
Deferred Revenue	<u>1,899,473</u>	<u>1,801,747</u>
Total Deferred Inflows of Resources	<u>2,061,839</u>	<u>2,026,897</u>
Net Position		
Net Investment in Capital Assets	10,409,882	10,687,731
Restricted	2,191,979	736,674
Unrestricted	<u>(867,491)</u>	<u>316,547</u>
Total Net Position	<u>\$ 11,734,370</u>	<u>\$ 11,740,952</u>

Frankfort Park District

Management's Discussion and Analysis
May 31, 2019

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 (88.7%) 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>2019</u>	<u>2018</u>
Program Revenues:		
Charges for Services	\$ 1,132,483	\$ 970,170
Operating Grants & Contributions	1,063	7,724
Capital Grants & Contributions	<u>30,237</u>	<u>43,178</u>
Total Program Revenues	<u>1,163,783</u>	<u>1,021,072</u>
General Revenues:		
Property Taxes	1,706,425	1,652,415
Replacement Taxes	14,758	13,642
Unrestricted Interest	22,977	73
Other General Revenues	<u>37,100</u>	<u>2,178</u>
Total General Revenues	<u>1,781,260</u>	<u>1,668,308</u>
Total Revenues	<u>2,945,043</u>	<u>2,689,380</u>
Expenditures		
Culture & Recreation	2,928,612	2,711,277
Interest on Long-Term Debt	<u>23,013</u>	<u>24,859</u>
Total Expenditures	<u>2,951,625</u>	<u>2,736,136</u>
Change in Net Position	(6,582)	(46,756)
Net Position, Beginning of Year, as restated	<u>11,740,952</u>	<u>11,787,708</u>
Net Position, End of Year	<u>\$ 11,734,370</u>	<u>\$ 11,740,952</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 decreased due to a fall in Developer Contribution Revenue.

Expenditures for Culture and Recreation increased by \$217,335, or 8.0%. This was primarily due to an increase in program expenses and special recreation expenditures.

Frankfort Park District

Management's Discussion and Analysis
May 31, 2019

Budgetary Highlights

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

For the General Fund, 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	\$ 1,254,270	\$ 1,155,739
Other Funds	<u>1,536,230</u>	<u>1,789,304</u>
Total Revenues	<u>\$ 2,790,500</u>	<u>\$ 2,945,043</u>
Expenditures:		
General Fund	\$ 1,114,553	\$ 953,753
Other Funds	<u>1,748,767</u>	<u>2,032,480</u>
Total Expenditures	<u>\$ 2,863,320</u>	<u>\$ 2,986,233</u>

Capital Assets

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

	<u>2019</u>	<u>2018</u>
Land	\$ 6,903,000	\$ 6,903,000
Buildings and Improvements	9,778,432	9,771,932
Machinery and Equipment	1,901,368	1,837,059
Accumulated Depreciation	<u>(7,420,911)</u>	<u>(6,974,260)</u>
Total Net Capital Assets	<u>\$ 11,161,889</u>	<u>\$ 11,537,731</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 \$430,000 of principal related to outstanding debt certificates and general obligation bond. The remaining principal balance on the bond issue is \$150,000. The District issued new general obligation bonds with a balance of \$1,715,000 during the 2019 fiscal year. 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, 2019

	Governmental Activities
Assets	
Cash and Investments	\$ 3,281,306
Property Taxes Receivable	1,663,717
Prepaid Interest	52,403
Capital Assets not Being Depreciated	6,903,000
Capital Assets Being Depreciated, net	4,258,889
Total Assets	16,159,315
 Deferred Outflows of Resources	
Related to Pensions	413,043
 Liabilities	
Accrued Expenses	51,681
Long-term Obligations, due within one year:	
General Obligation Bonds	105,000
Long-term Obligations, due in more than one year:	
Net Pension Liability	519,154
General Obligation Bonds	2,100,314
Total Liabilities	2,776,149
 Deferred Inflows of Resources	
Related to Pensions	162,366
Deferred Revenue	1,899,473
Total Deferred Inflows of Resources	2,061,839
 Net Position	
Net Investment in Capital Assets	10,409,882
Restricted for:	
Audit	9,525
Recreation	315,309
Special Recreation	612,959
Liability Insurance	13,920
Debt Service	1,198,766
Unrestricted	(825,991)
Total Net Position	\$ 11,734,370

See Notes to the Basic Financial Statements

Frankfort Park District
Statement of Activities
Year Ended May 31, 2019

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	\$ 2,928,612	\$ 1,132,483	\$ 1,063	\$ 30,237	\$ (1,764,829)
Interest on Long-term Debt	23,013	-	-	-	(23,013)
Total Governmental Activities	<u>\$ 2,951,625</u>	<u>\$ 1,132,483</u>	<u>\$ 1,063</u>	<u>\$ 30,237</u>	<u>(1,787,842)</u>
General Revenues:					
Taxes:					
Property Taxes					1,706,425
Replacement Taxes					14,758
Unrestricted Interest					22,977
Other General Revenues					<u>37,100</u>
Total General Revenues					<u>1,781,260</u>
Change in Net Position					(6,582)
Net Position, Beginning of Year, as restated					<u>11,740,952</u>
Net Position, End of Year					<u>\$ 11,734,370</u>

See Notes to the Basic Financial Statements

Frankfort Park District
Balance Sheet
Governmental Funds
May 31, 2019

	<u>Major Funds</u>				Nonmajor Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Recreation</u>	<u>Special Recreation</u>	<u>Debt Services</u>		
Assets						
Cash and Investments	\$ 1,827,999	\$ -	\$ -	\$ 1,453,307	\$ -	\$ 3,281,306
Property Taxes Receivable	1,194,744	6,585	292,650	102,428	67,310	1,663,717
Prepaid Interest				52,402		52,402
Due From Other Funds	-	460,511	631,421	7,564	27,646	1,127,142
Total Assets	<u>\$ 3,022,743</u>	<u>\$ 467,096</u>	<u>\$ 924,071</u>	<u>\$ 1,615,701</u>	<u>\$ 94,956</u>	<u>\$ 6,124,567</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)						
Liabilities:						
Accrued Expenses	\$ 35,744	\$ 13,986	\$ -	\$ -	\$ 1,951	\$ 51,681
Due To Other Funds	738,987	-	-	308,045	80,110	1,127,142
Total Liabilities	<u>774,731</u>	<u>13,986</u>	<u>-</u>	<u>308,045</u>	<u>82,061</u>	<u>1,178,823</u>
Deferred Inflows of Resources:						
Deferred Property Taxes	1,194,744	6,585	292,650	102,428	67,310	1,663,717
Unearned Revenue	75,370	131,216	18,462	6,462	4,246	235,756
Total Deferred Inflows of Resources	<u>1,270,114</u>	<u>137,801</u>	<u>311,112</u>	<u>108,890</u>	<u>71,556</u>	<u>1,899,473</u>

See Notes to the Basic Financial Statements

Frankfort Park District
Balance Sheet
Governmental Funds
May 31, 2019

	<u>General</u>	<u>Recreation</u>	<u>Special Recreation</u>	<u>Debt Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances (Deficits):						
Restricted for:						
Audit	-	-	-	-	9,525	9,525
Liability Insurance	-	-	-	-	13,920	13,920
Recreation	-	315,309	-	-	-	315,309
Special Recreation	-	-	612,959	-	-	612,959
Debt Services	-	-	-	1,198,766	-	1,198,766
Unassigned	<u>977,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(82,106)</u>	<u>895,792</u>
Total Fund Balances (Deficits)	<u>977,898</u>	<u>315,309</u>	<u>612,959</u>	<u>1,198,766</u>	<u>(58,661)</u>	<u>3,046,271</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	 <u>\$ 3,022,743</u>	 <u>\$ 467,096</u>	 <u>\$ 924,071</u>	 <u>\$ 1,615,701</u>	 <u>\$ 94,956</u>	 <u>\$ 6,124,567</u>

See Notes to the Basic Financial Statements

Frankfort Park District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
May 31, 2019

Total Fund Balances - Governmental Funds	\$	3,046,271
<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		18,582,802
Accumulated Depreciation		(7,420,911)
<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		413,043
Deferred Intflows of Resources Related to Pensions		(162,367)
General Obligation Bond Payable		(2,135,000)
Premium on Sale of Bonds		(70,314)
Net Pension Liability		(519,154)
Net Position of Governmental Activities	\$	<u>11,734,370</u>

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, 2019

	<u>Major Funds</u>				Nonmajor Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Recreation</u>	<u>Special Recreation</u>	<u>Debt Services</u>		
Revenues						
Property Taxes	\$ 1,077,570	\$ 153,066	\$ 301,609	\$ 105,563	\$ 68,617	\$ 1,706,425
Replacement Taxes	14,758	-	-	-	-	14,758
Program Revenue	-	1,076,256	-	-	-	1,076,256
Developer Contributions	-	-	-	-	30,237	30,237
Donations	1,063	-	-	-	-	1,063
Rental	18,491	37,736	-	-	-	56,227
Interest	21,771	-	-	1,206	-	22,977
Miscellaneous	22,086	15,014	-	-	-	37,100
Total Revenues	<u>1,155,739</u>	<u>1,282,072</u>	<u>301,609</u>	<u>106,769</u>	<u>98,854</u>	<u>2,945,043</u>
Expenditures						
Current:						
Culture and Recreation	953,753	1,135,448	234,896	-	132,359	2,456,456
Capital Outlay	-	-	-	-	46,898	46,898
Debt Service						
Principal	-	-	-	430,000	-	430,000
Interest and Other Charges	-	-	-	23,488	-	23,488
Cost of Bond Issuance	-	-	-	29,391	-	29,391
Total Expenditures	<u>953,753</u>	<u>1,135,448</u>	<u>234,896</u>	<u>482,879</u>	<u>179,257</u>	<u>2,986,233</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>201,986</u>	<u>146,624</u>	<u>66,713</u>	<u>(376,110)</u>	<u>(80,403)</u>	<u>(41,190)</u>

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, 2019

Other Financing Sources (Uses)	<u>General</u>	<u>Recreation</u>	<u>Special Recreation</u>	<u>Debt Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Sale of Bonds	-	-	-	1,715,000	-	1,715,000
Premium on Sale of Bonds	-	-	-	70,314	-	70,314
Transfers In (Out)	<u>(281,965)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,965</u>	<u>-</u>
Total Other Financing Sources	<u>(281,965)</u>	<u>-</u>	<u>-</u>	<u>1,785,314</u>	<u>281,965</u>	<u>1,785,314</u>
Net Change in Fund Balance	(79,979)	146,624	66,713	1,409,204	201,562	1,744,124
Fund Balance (Deficit), Beginning of Year	<u>1,057,877</u>	<u>168,685</u>	<u>546,246</u>	<u>(210,438)</u>	<u>(260,223)</u>	<u>1,302,147</u>
Fund Balance (Deficit), End of Year	<u>\$ 977,898</u>	<u>\$ 315,309</u>	<u>\$ 612,959</u>	<u>\$ 1,198,766</u>	<u>\$ (58,661)</u>	<u>\$ 3,046,271</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, 2019

Net change in fund balance	\$	1,744,124
<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		70,809
Depreciation Expense		(446,651)
<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>		
Liabilities in the Statement of Net Position		430,000
Premiums on Sale of Bonds		(1,715,000)
<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		(70,314)
Decrease in net pension expense		<u>(19,550)</u>
Change in net position of governmental activities	\$	<u><u>(6,582)</u></u>

See Notes to the Basic Financial Statements

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

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 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, 2019

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, 2019

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.

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.

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).

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, 2019

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, 2019

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 an 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, 2019, the carrying amount of the District’s deposits was \$1,467,760 (exclusive of \$529 held in petty cash funds) and the bank balance was \$1,544,560.

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. As of April 30, 2019, the District has investments in bank certificates of deposit that total \$1,813,017.

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

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 2018 tax levy year is as follows:

	<u>Cook County</u>	<u>Will County</u>
Lien Date	January 1, 2018	January 1, 2018
Levy Date	December 11, 2018	December 11, 2018
First Installment Due Date	March 1, 2019	June 1, 2019
Second Installment Due Date	September 1, 2019	September 1, 2019

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	<u>\$ 6,903,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,903,000</u>
Capital Assets being Depreciated				
Buildings and Improvements	9,771,932		-	9,771,932
Machinery & Equipment	<u>1,837,059</u>	<u>70,809</u>	<u>-</u>	<u>1,907,868</u>
Total Capital Assets being Depreciated	<u>11,608,991</u>	<u>70,809</u>	<u>-</u>	<u>11,679,800</u>

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

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	\$ 5,644,705	\$ 354,170	\$ -	\$ 5,998,875
Machinery & Equipment	<u>1,329,555</u>	<u>92,481</u>	<u>-</u>	<u>1,422,036</u>
Total Accumulated Depreciation	<u>6,974,260</u>	<u>446,651</u>	<u>-</u>	<u>7,420,911</u>
Total Capital Assets being Depreciated, Net	<u>4,634,731</u>	<u>(375,842)</u>	<u>-</u>	<u>4,258,889</u>
Governmental Activities, Total Capital Assets, Net	<u>\$11,537,731</u>	<u>\$ (375,842)</u>	<u>\$ -</u>	<u>\$11,161,889</u>

Depreciation expense of \$375,842 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.

	<u>Balance June 1, 2018</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance May 31, 2019</u>	<u>Amount Due Within One Year</u>
General Obligation Bond:					
Series 2014	250,000	-	100,000	150,000	105,000
Series 2019	-	1,715,000	-	1,715,000	-
Premium on GO Debt - 2019	-	70,314	-	70,314	-
Debt Certificates 2014	600,000	-	330,000	270,000	-
Net Pension Liability	<u>210,953</u>	<u>308,201</u>	<u>-</u>	<u>519,154</u>	<u>-</u>
Total	<u>\$ 1,060,953</u>	<u>\$ 2,093,515</u>	<u>\$ 430,000</u>	<u>\$ 2,724,468</u>	<u>\$ 105,000</u>

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

5. Long-Term Debt (Continued)

General Obligation Bonds

\$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%.

\$1,715,000 2019 General Obligation Limited Tax Park Bonds, payable in annual installments ranging from \$45,000 to \$110,000 on January 15th with interest payable semiannually on January and July 15th with rates at 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
2020	105,000	52,177	157,177
2021	45,000	82,593	127,593
2022	45,000	87,472	132,472
2023	135,000	72,578	207,578
2024	140,000	67,912	207,912
2025-2029	380,000	295,078	675,078
2030-2034	345,000	230,400	575,400
2035-2039	425,000	155,200	580,200
2040-2044	515,000	63,200	578,200
Total	<u>\$ 2,135,000</u>	<u>\$ 1,106,610</u>	<u>\$ 3,241,610</u>

6. Lease Obligations

The District is under obligation for a copier lease. The District paid \$2,778 in lease payments during fiscal year 2019. Remaining obligations for the leases are as follows:

Year Ending May 31st	Principal
2020	\$ 2,778
2021	231
	<u>\$ 3,009</u>

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

7. Individual Fund Disclosures

The following funds had deficit equity balances as of May 31, 2019 in the amount indicated:

<u>Fund Name</u>	<u>Deficit</u>
IMRF	\$ 63,946
Capital Development	18,161

The District has the following interfund receivables and payables as follows:

<u>Fund Name</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ -	\$ 738,987
Recreation	460,511	-
Special Recreation	631,421	-
Debt Services	7,564	308,045
Liabilty and Workmen's Compensation	18,074	-
Audit	9,572	-
IMRF	-	61,949
Capital Development	-	18,161
	<u>\$ 1,127,142</u>	<u>\$ 1,127,142</u>

The District had the following transfers between funds during the fiscal year:

<u>Fund Name</u>	<u>Transfer Out</u>	<u>Transfer In</u>
General	\$ 281,965	\$ -
Liabilty and Workmen's Compensation		25,668
IMRF		66,322
Capital Development		189,975
	<u>\$ 281,965</u>	<u>\$ 281,965</u>

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

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

8. Pension and Retirement Commitments (continued)

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 has 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 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 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 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, 2018, 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	11
Active Plan Members	<u>16</u>
Total	<u><u>39</u></u>

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

8. Pension and Retirement Commitments (continued)

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 2018 was 9.82%. For the calendar year 2018, the District contributed \$65,819 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, 2018. 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, 2018:

- 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 7.25%.
- 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.

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

8. Pension and Retirement Commitments (continued)

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, 2018:

<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 7.25% 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. 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 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

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.

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

8. Pension and Retirement Commitments (continued)

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>(6.25%)</u>	Current <u>(7.25%)</u>	1% Higher <u>(8.25%)</u>
Total Pension Liability	\$ 2,760,932	\$ 2,386,092	\$ 2,084,505
Plan Fiduciary Net Position	<u>1,866,938</u>	<u>1,866,938</u>	<u>1,866,938</u>
Net Pension Liability	<u>\$ 893,994</u>	<u>\$ 519,154</u>	<u>\$ 217,567</u>

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

For the year ended May 31, 2019, the District recognized pension expense of \$19,551. At May 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<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	\$ 91,400	\$ 11,584
Changes of assumptions	69,264	43,906
Net difference between projected and actual earnings on pension plan investments	<u>229,675</u>	<u>106,877</u>
Total Deferred Amounts to be recognized in future periods	390,339	162,367
Pension Contributions made subsequent to the Measurement Date	<u>22,704</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 413,043</u>	<u>\$ 162,367</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>
2019	\$ 95,720
2020	51,889
2021	42,669
2022	60,398
2023	-
Thereafter	<u>-</u>
Total	<u>\$ 250,676</u>

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

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, 2019 through January 1, 2020:

<u>Coverage</u>	<u>Member Deductible</u>	<u>PDRMA Self-Insured Retention</u>	<u>Limits</u>	<u>Insurance Company</u>	<u>Policy Number</u>
<u>Property</u>					
All Losses per Occurrence	\$ 1,000	\$1,000,000	\$1,000,000,000/All members Declaration 11	PDRMA Reinsurers: Various Reinsurers through the Public Entity Property Reinsurance Program (PEPIP)	P070118
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		
Service Interruption	24 Hours	N/A	\$100,000,000/Reported Values \$500,000/ \$2,500,000/Non-Reported Values		
Boiler and Machinery			\$25,000,000 Other Sub-Limits Apply - Refer to Coverage Document		
Property Damage	1,000	9,000	\$100,000,000 Equipment Breakdown	Travelers Indemnity Co. of Illinois	BME10525L478
Business Income	48 Hours	N/A	Property Damage - Included		
Fidelity and Crime Seasonal Employees Blanket Bond	1,000	\$ 24,000	Included Other Sub-Limits Apply - Refer to Coverage Document	National Union Fire Insurance Co.	04-406-05-38

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

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>Workers' Compensation</u>	N/A	500,000	Statutory	PDRMA	WC010119
Employers' Liability		500,000	\$3,500,000 Employers Liability	Gov't Entities Mutual (GEM) Safety National	GEM-0003-A19001 SP4059655
<u>Liability</u>					
General	None	500,000	\$21,500,000/Occurrence	PDRMA Reinsurers:	L010119
Auto Liability	None	500,000	\$21,500,000/Occurrence	GEM/ Great American	GEM-0003-A19001
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		
<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	OB010119
<u>Information Security & Privacy Insurance</u>					
<u>Electronic Media Liability Coverage</u>					
Information Security & Privacy Liability	None	100,000	\$2,000,000/Occurrence/Annual Aggregate	Beazley Lloyds Syndicate AFB	PH1833938
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	

Frankfort Park District

Notes to the Basic Financial Statements
Year Ended May 31, 2019

9. Risk Management (continued)

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.

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, 2018 and the Statement of Revenues and Expenses for the period ending December 31, 2018. The Frankfort Park District's portion of the overall equity of the pool is 0.126% or \$60,949.

Assets	\$64,598,180
Deferred Outflows of Resources – Pension	\$735,579
Liabilities	\$20,358,043
Deferred Inflows of Resources – Pension	\$1,157,368
Member Balances	\$43,818,350
Revenues	\$18,891,688
Expenditures	\$18,647,660

Since 99.39% 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

10. Joint Venture – Lincolnway Special Recreation Association

The District is a member of the Lincolnway Special Recreation Association (LWSRA) to provide recreation facilities and programs for special populations within the respective park districts. The Park District's contributions to LWSRA for the year ended May 31, 2019 was \$170,000.

In fiscal year 2013, LWSRA issued \$2,025,000 in debt certificates for facility construction. The proportionate share of this debt to the Frankfort Park District as of May 31, 2019 was \$76,035. 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service Cost	\$ 68,317	\$ 62,980	\$ 72,860	\$ 66,708
Interest	160,617	148,642	139,094	134,344
Differences Between Expected and Actual Experience	19,088	120,361	21,956	(49,404)
Changes of Assumptions	81,589	(77,010)	(2,874)	-
Benefit Payments, Including Refunds of Member Contributions	<u>(101,841)</u>	<u>(94,097)</u>	<u>(108,448)</u>	<u>(74,158)</u>
Net Change in Total Pension Liability	227,770	160,876	122,588	77,490
Total Pension Liability - Beginning	<u>2,158,322</u>	<u>1,997,446</u>	<u>1,874,858</u>	<u>1,797,368</u>
Total Pension Liability - Ending	<u>\$ 2,386,092</u>	<u>\$ 2,158,322</u>	<u>\$ 1,997,446</u>	<u>\$ 1,874,858</u>
Plan Fiduciary Net Position				
Contributions - Employer	65,819	64,837	73,906	73,167
Contributions - Employee	30,161	30,393	29,962	29,280
Net Investment Income	(106,665)	302,664	103,801	7,561
Benefit Payments, Including Refunds of Member Contributions	(101,841)	(94,097)	(108,448)	(74,158)
Net Transfer	<u>32,095</u>	<u>(32,654)</u>	<u>22,323</u>	<u>20,844</u>
Net Change in Plan Fiduciary Net Position	(80,431)	271,143	121,544	56,694
Plan Fiduciary Net Position - Beginning	<u>1,947,369</u>	<u>1,676,226</u>	<u>1,554,682</u>	<u>1,497,988</u>
Plan Fiduciary Net Position - Ending	<u>\$ 1,866,938</u>	<u>\$ 1,947,369</u>	<u>\$ 1,676,226</u>	<u>\$ 1,554,682</u>
Net Pension Liability	<u>\$ 519,154</u>	<u>\$ 210,953</u>	<u>\$ 321,220</u>	<u>\$ 320,176</u>
Plan Fiduciary Net Position of the Total Pension Liability	78.24%	90.23%	83.92%	82.92%
Covered-Valuation Payroll	670,244	\$ 675,398	\$ 665,827	\$ 643,848
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	77.46%	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%
2018	65,818	65,819	(1)	670,244	9.82%

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, 2019

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	\$ 1,193,770	\$ 1,077,570	\$ (116,200)
Personal Property Replacement Taxes	14,500	14,758	258
Donations	11,000	1,063	(9,937)
Rental	25,000	18,491	(6,509)
Miscellaneous	1,000	22,086	21,086
Interest	9,000	21,771	12,771
Total Revenues	<u>1,254,270</u>	<u>1,155,739</u>	<u>(98,531)</u>
Expenditures			
Operating	1,076,553	953,753	(122,800)
Capital Outlay	36,000		(36,000)
Total Expenditures	<u>1,112,553</u>	<u>953,753</u>	<u>(158,800)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>141,717</u>	<u>201,986</u>	<u>60,269</u>
Other Financing Sources (Uses)			
Transfers In	<u>(2,000)</u>	<u>(281,965)</u>	<u>(279,965)</u>
Total Other Financing Sources (Uses)	<u>(2,000)</u>	<u>(281,965)</u>	<u>(279,965)</u>
Net Change in Fund Balance	<u>\$ 139,717</u>	<u>(79,979)</u>	<u>\$ (219,696)</u>
Fund Balance, Beginning of Year		<u>1,057,877</u>	
Fund Balance, End of Year		<u>\$ 977,898</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, 2019

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	\$ 36,000	\$ 153,066	\$ 117,066
Preschool Program	152,000	173,629	21,629
Summer Day Camp	82,000	80,943	(1,057)
Prairie Care Program	173,729	183,664	9,935
Advertising	10,000	3,350	(6,650)
Recreation Program	219,700	240,786	21,086
Fitness	45,000	48,851	3,851
Special Events	50,139	69,873	19,734
Adults/Seniors	82,000	109,683	27,683
Leagues	103,000	128,361	25,361
LWHS Pool Rental	11,120	7,708	(3,412)
Splash Park	8,700	9,808	1,108
Dog Park	4,800	11,211	6,411
Concession Stand	8,300	5,762	(2,538)
Athletic Field Reimbursement	16,000	24,243	8,243
Rental	5,500	5,785	285
Vending Machine	100	-	(100)
Fund Raising	7,500	10,335	2,835
Miscellaneous	500	15,014	14,514
Total Revenues	<u>1,016,088</u>	<u>1,282,072</u>	<u>265,984</u>
Expenditures			
Current Program	<u>1,068,837</u>	<u>1,135,448</u>	<u>66,611</u>
Net Change in Fund Balance	<u>\$ (52,749)</u>	146,624	<u>\$ 199,373</u>
Fund Balance, Beginning of Year		<u>168,685</u>	
Fund Balance, End of Year		<u>\$ 315,309</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, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 291,585	\$ 301,609	\$ 10,024
Total Revenues	<u>291,585</u>	<u>301,609</u>	<u>10,024</u>
 Expenditures			
Contractual	<u>301,275</u>	<u>234,896</u>	<u>(66,379)</u>
Total Expenditures	<u>301,275</u>	<u>234,896</u>	<u>(66,379)</u>
Net Change in Fund Balance	<u>\$ (9,690)</u>	66,713	<u>\$ 76,403</u>
Fund Balance, Beginning of Year		<u>546,246</u>	
Fund Balance, End of Year		<u>\$ 612,959</u>	

See the Notes to the Required Supplementary Information

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Debt Service Fund
Year Ended May 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 102,783	\$ 105,563	\$ 2,780
Interest	-	1,206	1,206
Total Revenues	<u>102,783</u>	<u>106,769</u>	<u>3,986</u>
Expenditures			
Principal	100,000	430,000	330,000
Interest	2,543	23,488	20,945
Cost of Bond Issuance	-	29,391	29,391
Total Expenditures	<u>102,543</u>	<u>482,879</u>	<u>350,945</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>240</u>	<u>(376,110)</u>	<u>(346,959)</u>
Other Financing Sources (Uses)			
Bond Proceeds	-	1,715,000	1,715,000
Premium on Sale of Bonds	-	70,314	70,314
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,785,314</u>	<u>1,785,314</u>
Net Change in Fund Balance	<u>\$ 240</u>	1,409,204	<u>\$ 1,408,964</u>
Fund Balance, Beginning of Year		<u>(210,438)</u>	
Fund Balance, End of Year		<u>\$ 1,198,766</u>	

See the Notes to the Required Supplementary Information

Frankfort Park District

Notes to the Required Supplementary Information
Year Ended May 31, 2019

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 8, 2018 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:

	Amount in Excess of <u>Budget</u>
Funds:	
Recreation	\$ 66,611
Illinois Municipal Retirement Fund	454
Debt Service Fund	20,945
Tort	680
Audit	3,225

Frankfort Park District

Notes to the Required Supplementary Information
Year Ended May 31, 2019

4. Summary of Actuarial Methods and Assumptions used in the Calculation of the 2018 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 2018 Contribution Rates

Actuarial Cost Method:	Aggregated entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	25-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, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over(Under)</u>
Expenditures			
Operating:			
Salaries - Maintenance	\$ 186,167	\$ 147,778	\$ (38,389)
Salaries Part-time Maintenance	56,120	26,266	(29,854)
Salaries - Admin	179,028	176,001	(3,027)
Salaries - Clerical	104,677	99,706	(4,971)
FICA	75,404	71,214	(4,190)
Group Insurance	100,685	77,451	(23,234)
Telephone	6,750	8,016	1,266
Cable / Internet Phone	4,512	4,183	(329)
Postage	1,600	743	(857)
Dues	7,160	7,192	32
Conference & Seminar	15,270	16,757	1,487
Mileage Reimbursement	3,100	2,749	(351)
Meeting Expenses	2,000	1,896	(104)
Advertising	12,218	9,090	(3,128)
Board Expenses	2,360	3,075	715
Attorney Fees	20,000	19,974	(26)
Professional Fees	42,700	42,444	(256)
Legal Publications	550	1,773	1,223
Bank Charges Updated	6,200	766	(5,434)
Office Supplies / Repairs	5,200	4,795	(405)
Computer / Website	5,750	9,558	3,808
Equipment Rental / Lease	19,682	22,341	2,659
Building Supplies	12,725	7,320	(5,405)
Maintenance Supplies	12,450	7,258	(5,192)
Park Equipment / Maint	24,295	28,327	4,032
Natural Area Maintenance	73,700	76,720	3,020
Equipment Rental	2,700	762	(1,938)
Equipment Repair	14,500	12,915	(1,585)
Building Repair & Maint	16,800	9,444	(7,356)
Utilities	35,450	37,245	1,795
Vehicle Expense	7,500	3,799	(3,701)
Fuel	12,000	13,221	1,221
Uniforms	1,600	972	(628)
Living Tree Expenses	1,700	-	(1,700)
Contingencies	4,000	2,002	(1,998)
Total Operating	<u>1,076,553</u>	<u>953,753</u>	<u>(122,800)</u>
Capital Outlay	<u>36,000</u>	<u>-</u>	<u>(36,000)</u>
Total Expenditures	<u>\$ 1,112,553</u>	<u>\$ 953,753</u>	<u>\$ (158,800)</u>

Frankfort Park District
Schedule of Expenditures - Budget and Actual - Recreation Fund
Year Ended May 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over(Under)</u>
Expenditures			
Salaries - Maintenance	\$ 43,385	\$ 31,457	\$ (11,928)
Salaries - Admin	194,921	189,996	(4,925)
Salaries - Clerical	17,582	20,425	2,843
Group Insurance	35,314	32,106	(3,208)
Telephone	8,070	7,626	(444)
Postage	1,000	407	(593)
Garden Plot Expense	600	50	(550)
Bank Charges	25,000	27,740	2,740
Conference & Seminar	6,175	4,631	(1,544)
Mileage Reimbursement	5,030	5,088	58
Active net CC processing fees	14,000	23,899	9,899
Office Supplies / Repairs	3,800	1,530	(2,270)
Computer / Website	4,300	8,893	4,593
Brochure Printing	21,900	21,740	(160)
Concession Stand Exp	4,706	4,631	(75)
Rental Expense	3,800	2,957	(843)
Pre-School Expenses	109,349	109,909	560
Summer Camp Expenses	49,840	48,889	(951)
Prairie Care Expenses	59,000	60,993	1,993
Fund Raising Expense	6,075	10,019	3,944
Program Expenses	154,000	160,622	6,622
Fitness	31,000	35,533	4,533
Special Events Expense	31,300	30,074	(1,226)
Adult / Seniors	79,228	108,068	28,840
League Expenses	63,000	86,872	23,872
Dog Park Expenses	500	879	379
Splash Park Expenses	5,807	5,458	(349)
LWE Field House Expense	9,955	8,786	(1,169)
Building Supplies	5,450	-	(5,450)
Recreation Supplies Equip	-	4,782	4,782
Supplies Janitorial	4,000	4,407	407
Building Repair & Maint	9,000	16,642	7,642
Utilities	23,500	26,397	2,897
Vehicle Expense	1,000	1,486	486
Landscaping Improvements	19,900	14,927	(4,973)
Uniforms	1,850	808	(1,042)
Athletic Field Equip	14,000	15,177	1,177
Contingencies	1,500	1,544	44
	<u>1,068,837</u>	<u>1,135,448</u>	<u>66,611</u>
Total Expenditures	\$ 1,068,837	\$ 1,135,448	\$ 66,611

Frankfort Park District
Combining Balance Sheet
Nonmajor Governmental Funds
May 31, 2019

	Special Revenue Fund Type			Capital Development Fund Type	Total Nonmajor Governmental Funds
Liability	Insurance and Workmen's Compensation	Audit	IMRF	Capital Development	
Assets					
Property Taxes Receivable	\$ 65,846	\$ 732	\$ 732	\$ -	\$ 67,310
Due From Other Funds	18,074	9,572	-	-	27,646
Total Assets	\$ 83,920	\$ 10,304	\$ 732	\$ -	\$ 94,956
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities:					
Accrued Expenses	\$ -	\$ -	\$ 1,951	\$ -	\$ 1,951
Due To Other Funds	-	-	61,949	18,161	80,110
Total Liabilities	-	-	63,900	18,161	82,061
Deferred Inflows of Resources:					
Deferred Property Taxes	65,846	733	732	-	67,311
Unearned Revenue	4,154	46	46	-	4,246
Total Deferred Inflows of Resources	70,000	779	778	-	71,557
Fund Balances (Deficits):					
Restricted for:					
Audit	-	9,525	-	-	9,525
Liability Insurance and Workmen's Compensation	13,920	-	-	-	13,920
Unassigned	-	-	(63,946)	(18,161)	(82,107)
Total Fund Balances (Deficits)	13,920	9,525	(63,946)	(18,161)	(58,662)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 83,920	\$ 10,304	\$ 732	\$ -	\$ 94,956

Frankfort Park District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
Year Ended May 31, 2019

	Special Revenue Fund Type			Capital Development Fund Type	Total Nonmajor Governmental Funds
	Liability Insurance and Workman's Compensation	Audit	IMRF	Capital Development	
Revenues					
Property Taxes	\$ 65,600	\$ 1,508	\$ 1,508	\$ -	\$ 68,616
Developer Contributions	1,500	-	-	28,737	30,237
Total Revenues	67,100	1,508	1,508	28,737	98,853
Expenditures					
Current:					
Contractual	-	13,725	-	-	13,725
Employee Benefits	-	-	65,454	-	65,454
Insurance	53,180	-	-	-	53,180
Capital Outlay	-	-	-	46,898	46,898
Total Expenditures	53,180	13,725	65,454	46,898	179,257
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,920	(12,217)	(63,946)	(18,161)	(80,404)
Other Financing Sources					
Transfers In	25,668	-	66,322	189,975	281,965
Net Change in Fund Balance	39,588	(12,217)	2,376	171,814	201,561
Fund Balance (Deficit), Beginning of Year	(25,668)	21,742	(66,322)	(189,975)	(260,223)
Fund Balance (Deficit), End of Year	\$ 13,920	\$ 9,525	\$ (63,946)	\$ (18,161)	\$ (58,662)

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, 2019

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	\$ 70,264	\$ 65,600	\$ (4,664)
Developers Contributions	-	1,500	1,500
Total Revenues	70,264	67,100	(3,164)
 Expenditures			
Insurance	52,500	53,180	680
Total Expenditures	52,500	53,180	680
Transfers In	-	25,668	25,668
Net Change in Fund Balance	\$ 17,764	39,588	\$ 21,824
Fund Balance (Deficit), Beginning of Year		(25,668)	
Fund Balance, End of Year		\$ 13,920	

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Audit Fund
Year Ended May 31, 2019

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	\$ 70,264	\$ 1,508	\$ (68,756)
Total Revenues	70,264	1,508	(68,756)
 Expenditures			
Contractual Audit	10,500	13,725	3,225
Net Change in Fund Balance	\$ 59,764	(12,217)	\$ (71,981)
Fund Balance, Beginning of Year		21,742	
Fund Balance, End of Year		\$ 9,525	

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
IMRF Fund
Year Ended May 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 755	\$ 1,508	\$ 753
Total Revenues	<u>755</u>	<u>1,508</u>	<u>753</u>
Expenditures			
IMRF Contributions	<u>65,000</u>	<u>65,454</u>	<u>454</u>
Other Financing Sources (Uses)			
Transfers In (Out)	<u>-</u>	<u>66,322</u>	<u>66,322</u>
Net Change in Fund Balance	<u>\$ (64,245)</u>	<u>2,376</u>	<u>\$ 66,621</u>
Fund Balance (Deficit), Beginning of Year		<u>(66,322)</u>	
Fund Balance (Deficit), End of Year		<u>\$ (63,946)</u>	

Frankfort Park District
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
Capital Development Fund
Year Ended May 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Developer Contributions	\$ 54,000	\$ 28,737	\$ (25,263)
Total Revenues	<u>54,000</u>	<u>28,737</u>	<u>(25,263)</u>
Expenditures			
Capital Outlay	<u>148,112</u>	<u>46,898</u>	<u>(101,214)</u>
Total Expenditures	<u>148,112</u>	<u>46,898</u>	<u>(101,214)</u>
Transfers	<u>-</u>	<u>189,975</u>	<u>189,975</u>
Net Change in Fund Balance	<u>\$ (94,112)</u>	171,814	<u>\$ 265,926</u>
Fund Balance (Deficit), Beginning of Year		<u>(189,975)</u>	
Fund Balance (Deficit), End of Year		<u>\$ (18,161)</u>	

OTHER SUPPLEMENTAL SCHEDULES

Frankfort Park District

Taxes Collected and Taxes Receivable - Last Ten Levy Years

Tax Levy Year	Gross Taxes Collected		Year Ended May 31, 2018	Total May 31, 2017	Percent Collected	Gross Taxes Receivable	Provision for Loss and Cost on Collections	Net Taxes Receivable
	Extensions	Prior Years						
2009	\$ 1,444,744	\$ 1,430,915	\$ -	\$ 1,430,915	\$ 99	\$ 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	1,652,345	-	1,652,345	99.94	7,209	7,209	-
2017	1,709,761	301,111	1,405,241	1,706,352	99.80	3,409	3,409	-
2018	1,768,671	-	104,995	104,995	5.94	1,663,676	(41)	1,663,717
	<u>\$ 15,806,133</u>	<u>\$ 12,590,016</u>	1,510,236	<u>\$ 14,100,252</u>		<u>\$ 1,712,145</u>	<u>\$ 48,428</u>	<u>\$ 1,663,717</u>

Add: Advance Collections 2017 Tax Levy 301,144

Less: Advance Collections 2018 Tax Levy 104,955

Property Tax Revenues May 31, 2019 \$ 1,706,425

Gross Taxes Collected By Fund

Corporate	\$ 1,077,570
Recreation	153,066
Special Recreation	301,609
Audit	1,509
Liability & Workers' Compensation	65,600
IMRF	1,508
Debt Service	105,563
	<u>\$ 1,706,425</u>

Net Taxes Receivable by Fund

Corporate	\$ 1,194,744
Recreation	6,585
Special Recreation	292,650
Audit	732
Liability & Workers' Compensation	65,846
IMRF	732
Debt Service	102,428
	<u>\$ 1,663,717</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>
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
2018	777,811,354	0.2274

Analysis of the 2018 Tax Levy

<u>Fund</u>	<u>Rate</u>	<u>Percent</u>	<u>Extension</u>
Corporate	0.1633	71.81	\$ 1,270,115
Recreation	0.0009	0.40	7,000
IMRF	0.0001	0.04	778
Audit	0.0001	0.04	778
Workers' Compensation	0.0090	3.96	70,000
Special Recreation	0.0400	17.59	311,112
Debt Service	0.0140	6.16	108,288
	<u>0.2274</u>	<u>100.00</u>	<u>\$ 1,768,671</u>