

**FRANKFORT PARK DISTRICT, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
MAY 31, 2021**

Prepared By:

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

Certified Public Accountants &  
Business Consultants

Frankfort Park District  
Annual Financial Report  
Year Ended May 31, 2021

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**HEARNE & ASSOCIATES, P.C.**  
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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 the Frankfort Park District, Illinois, as of and for the year ended May 31, 2021, 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, 2021, 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.

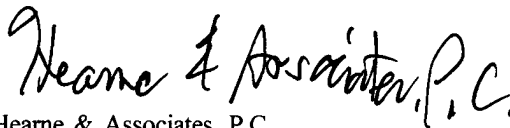
### *Other Information*

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.

November 3, 2021  
Mokena, IL

  
Heame & Associates, P.C.  
Certified Public Accountants

Frankfort Park District  
Management's Discussion and Analysis  
May 31, 2021

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, 2021. Please read it in conjunction with the District's financial statements.

**Financial Highlights**

Net position at May 31, 2021 was \$11,776,699 a decrease of \$17,185 from the prior year.

Charges for service revenue decreased \$440,007 from the prior year.

The District expended \$252,385 on Capital Assets during the year and paid \$45,000 in debt principal.

The Assessed Valuation of the District increased by \$27,819,011 which will bring it to \$830,474,050 for the 2020 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 8-9) 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 10-13) 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, Capital Development Fund and Debt Service Fund. All other funds are considered nonmajor and are grouped together in the Nonmajor Governmental Funds category. Restricted funds do not significantly affect the availability of fund resources for future use.

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, 2021

**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 Basic Financial Statements:** The Notes to the Basic 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 14 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,

	2021	2020
Current and Other Assets	\$ 5,435,127	\$ 5,196,039
Capital Assets (net of accum depr)	10,828,069	10,969,521
Total Assets	<u>16,263,196</u>	<u>16,165,560</u>
Deferred Outflows of Resources	<u>346,476</u>	<u>372,590</u>
Current and Other Liabilities	293,873	111,904
Long-Term Debt	2,307,364	2,529,224
Total Liabilities	<u>2,601,237</u>	<u>2,641,128</u>
Deferred Inflows of Resources		
Pension Related	339,948	269,947
Deferred Revenue	1,891,788	1,833,191
Total Deferred Inflows of Resources	<u>2,231,736</u>	<u>2,103,138</u>
Net Position		
Net Investment in Capital Assets	8,778,381	8,872,020
Restricted	2,108,110	2,132,207
Unrestricted	890,208	789,657
Total Net Position	<u>\$ 11,776,699</u>	<u>\$ 11,793,884</u>

Frankfort Park District

Management's Discussion and Analysis  
May 31, 2021

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 (74.54%) 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>2021</u>	<u>2020</u>
Program Revenues:		
Charges for Services	\$ 467,297	\$ 907,304
Operating Grants & Contributions	79,945	1,850
Capital Grants & Contributions	<u>23,610</u>	<u>168,339</u>
Total Program Revenues	<u>570,852</u>	<u>1,077,493</u>
General Revenues:		
Property Taxes	1,828,913	1,765,527
Replacement Taxes	20,493	16,157
Unrestricted Interest	72,128	83,798
Other General Revenues	<u>77,864</u>	<u>7,772</u>
Total General Revenues	<u>1,999,398</u>	<u>1,873,254</u>
Total Revenues	<u>2,570,250</u>	<u>2,950,747</u>
Expenses		
Culture & Recreation	2,504,964	2,853,170
Interest on Long-Term Debt	<u>82,471</u>	<u>38,063</u>
Total Expenses	<u>2,587,435</u>	<u>2,891,233</u>
Change in Net Position	(17,185)	59,514
Net Position, Beginning of Year	<u>11,793,884</u>	<u>11,734,370</u>
Net Position, End of Year	<u>\$ 11,776,699</u>	<u>\$ 11,793,884</u>

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

The decrease in Charges for Services represents decreased program attendance for the current year. The decrease was mainly due to program revenues that were refunded due to the Covid-19 pandemic.

Operating and Capital Grants/Contributions decreased due to a decrease in Developer Contribution Revenue.

Expenditures for Culture and Recreation decreased by \$348,206, or 12.20%. This was primarily due to a decrease in program expenses and special recreation expenditures.



Frankfort Park District

Management's Discussion and Analysis

May 31, 2021

**Budgetary Highlights**

As seen in the following table, for the general fund, actual revenue was more than budgeted, mainly due to interest income being more 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	\$ 1,399,367	\$ 1,533,605
Other Funds	<u>1,432,964</u>	<u>1,036,646</u>
Total Revenues	<u>\$ 2,832,331</u>	<u>\$ 2,570,251</u>
Expenditures:		
General Fund	\$ 1,172,296	\$ 1,038,687
Other Funds	<u>2,264,281</u>	<u>1,483,832</u>
Total Expenditures	<u>\$ 3,436,577</u>	<u>\$ 2,522,519</u>

**Capital Assets**

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

	<u>2021</u>	<u>2020</u>
Land	\$ 6,903,000	\$ 6,903,000
Buildings and Improvements	9,996,875	9,907,768
Machinery and Equipment	2,152,942	1,989,664
Accumulated Depreciation	<u>(8,224,748)</u>	<u>(7,830,914)</u>
Total Net Capital Assets	<u>\$ 10,828,069</u>	<u>\$ 10,969,518</u>

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

**Long-term Debt**

The District retired \$45,000 of principal related to outstanding debt certificates and general obligation bond. The remaining principal balance on the bond issue is \$1,985,000. Additional information on long-term debt can be found in Note 5 in the Notes to the Basic Financial Statements.

	<u>Balance</u> <u>June 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>May 31, 2021</u>
Bonds Payable	\$ 2,097,501	\$ -	\$ 47,813	\$ 2,049,688
Net Pension Liability	<u>431,723</u>	<u>-</u>	<u>129,047</u>	<u>302,676</u>
Totals	<u>\$ 2,529,224</u>	<u>\$ -</u>	<u>\$ 176,860</u>	<u>\$ 2,352,364</u>

Frankfort Park District

Management's Discussion and Analysis  
May 31, 2021

**Future Events**

Management is not aware of any currently known facts, decisions, or conditions that would have a significant impact on the Park District's financial position (net position) or results of operations (revenues, expenses, and other changes in net position) in the next fiscal year, except for the COVID-19 pandemic, which may have a significant impact.

**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, 2021

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Investments	\$ 3,563,121
Property Taxes Receivable	1,868,541
Other Receivables	1,256
Prepaid Expenses	2,210
Capital Assets not Being Depreciated	6,903,000
Capital Assets Being Depreciated, net	<u>3,925,069</u>
Total Assets	<u>16,263,197</u>
 <b>Deferred Outflows of Resources</b>	
Related to Pensions	<u>346,476</u>
 <b>Liabilities</b>	
Accrued Expenses	102,713
Accrued Interest	29,935
Unearned Revenue	116,226
Long-term Obligations, due within one year:	
General Obligation Bonds	45,000
Long-term Obligations, due in more than one year:	
Net Pension Liability	302,676
General Obligation Bonds	<u>2,004,688</u>
Total Liabilities	<u>2,601,238</u>
 <b>Deferred Inflows of Resources</b>	
Related to Pensions	339,948
Deferred Revenue	<u>1,891,788</u>
Total Deferred Inflows of Resources	<u>2,231,736</u>
 <b>Net Position</b>	
Net Investment in Capital Assets	8,778,381
Restricted for:	
Capital Development	1,339,275
Special Recreation	706,724
Liability Insurance	62,111
Unrestricted	<u>890,208</u>
Total Net Position	<u><u>\$ 11,776,699</u></u>

See Notes to the Basic Financial Statements

Frankfort Park District  
Statement of Activities  
Year Ended May 31, 2021

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	\$ 2,504,965	\$ 467,297	\$ 79,945	\$ 23,610	\$ (1,934,113)
Interest on Long-term Debt	82,471	-	-	-	(82,471)
Total Governmental Activities	<u>\$ 2,587,436</u>	<u>\$ 467,297</u>	<u>\$ 79,945</u>	<u>\$ 23,610</u>	<u>(2,016,584)</u>
General Revenues:					
Taxes:					
Property Taxes					1,828,913
Replacement Taxes					20,493
Unrestricted Interest					72,128
Other General Revenues					<u>77,865</u>
Total General Revenues					<u>1,999,399</u>
Change in Net Position					(17,185)
Net Position, Beginning of Year					<u>11,793,884</u>
Net Position, End of Year					<u>\$ 11,776,699</u>

See Notes to the Basic Financial Statements

Frankfort Park District  
Balance Sheet  
Governmental Funds  
May 31, 2021

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Recreation	Special Recreation	Capital Development	Debt Service		
<b>Assets</b>							
Cash and Investments	\$ 2,394,883	\$ -	\$ -	\$ 1,168,238	\$ -	\$ -	\$ 3,563,121
Property Taxes Receivable	1,364,083	1,641	321,540	-	112,375	68,902	1,868,541
Other Receivables	1,256	-	-	-	-	-	1,256
Prepaid Expense	-	2,210	-	-	-	-	2,210
Due From Other Funds	-	125,501	710,717	171,037	-	62,926	1,070,181
Total Assets	<u>\$ 3,760,222</u>	<u>\$ 129,352</u>	<u>\$ 1,032,257</u>	<u>\$ 1,339,275</u>	<u>\$ 112,375</u>	<u>\$ 131,828</u>	<u>\$ 6,505,309</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>							
Liabilities:							
Accrued Expenses	\$ 59,825	\$ 42,888	\$ -	\$ -	\$ -	\$ -	\$ 102,713
Unearned Revenue	-	116,226	-	-	-	-	116,226
Due To Other Funds	654,951	-	-	-	324,469	90,761	1,070,181
Total Liabilities	<u>714,776</u>	<u>159,114</u>	<u>-</u>	<u>-</u>	<u>324,469</u>	<u>90,761</u>	<u>1,289,120</u>
Deferred Inflows of Resources:							
Deferred Property Taxes	1,364,084	1,641	321,539	-	112,375	68,902	1,868,541
Advanced Collections	16,982	20	3,994	-	1,396	855	23,247
Total Deferred Inflows of Resources	<u>1,381,066</u>	<u>1,661</u>	<u>325,533</u>	<u>-</u>	<u>113,771</u>	<u>69,757</u>	<u>1,891,788</u>
Fund Balances (Deficits):							
Non-Spendable:							
Prepaid Expenses	-	2,210	-	-	-	-	2,210
Restricted for:							
Special Recreation	-	-	706,724	-	-	-	706,724
Capital Development	-	-	-	1,339,275	-	-	1,339,275
Liability Insurance	-	-	-	-	-	62,111	62,111
Unassigned	1,664,380	(33,633)	-	-	(325,865)	(90,801)	1,214,081
Total Fund Balances (Deficits)	<u>1,664,380</u>	<u>(31,423)</u>	<u>706,724</u>	<u>1,339,275</u>	<u>(325,865)</u>	<u>(28,690)</u>	<u>3,324,401</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,760,222</u>	<u>\$ 129,352</u>	<u>\$ 1,032,257</u>	<u>\$ 1,339,275</u>	<u>\$ 112,375</u>	<u>\$ 131,828</u>	<u>\$ 6,505,309</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, 2021

Total Fund Balances - Governmental Funds	\$ 3,324,401
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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	19,052,817
Accumulated Depreciation	(8,224,748)

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	346,476
Deferred Inflows of Resources Related to Pensions	(339,948)
General Obligation Bond Payable	(1,985,000)
Bond Premium	(64,688)
Net Pension Liability	(302,676)
Accrued Interest	(29,935)

Net Position of Governmental Activities	<u>\$ 11,776,699</u>
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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, 2021

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Recreation	Special Recreation	Capital Development	Debt Services		
<b>Revenues</b>							
Property Taxes	\$ 1,324,450	\$ 2,402	\$ 320,294	\$ -	\$ 114,506	\$ 67,261	\$ 1,828,913
Replacement Taxes	20,493	-	-	-	-	-	20,493
Grants (Refunds)	79,945	-	-	-	-	-	79,945
Program Revenue	-	447,209	-	-	-	-	447,209
Developer Contributions	-	-	-	22,110	-	1,500	23,610
Rental	6,382	13,706	-	-	-	-	20,088
Interest	36,974	-	-	35,154	-	-	72,128
Miscellaneous	65,361	729	-	11,775	-	-	77,865
Total Revenues	<u>1,533,605</u>	<u>464,046</u>	<u>320,294</u>	<u>69,039</u>	<u>114,506</u>	<u>68,761</u>	<u>2,570,251</u>
<b>Expenditures</b>							
Current:							
Culture and Recreation	1,038,687	772,688	193,204	-	-	137,449	2,142,028
Debt Service:							
Principal	-	-	-	-	45,000	-	45,000
Interest and Other Charges	-	-	-	22	79,307	-	79,329
Capital Outlay:	-	-	43,720	212,442	-	-	256,162
Total Expenditures	<u>1,038,687</u>	<u>772,688</u>	<u>236,924</u>	<u>212,464</u>	<u>124,307</u>	<u>137,449</u>	<u>2,522,519</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>494,918</u>	<u>(308,642)</u>	<u>83,370</u>	<u>(143,425)</u>	<u>(9,801)</u>	<u>(68,688)</u>	<u>47,732</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In (Out)	<u>(111,540)</u>	<u>15,750</u>	<u>(40,750)</u>	<u>-</u>	<u>-</u>	<u>136,540</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(111,540)</u>	<u>15,750</u>	<u>(40,750)</u>	<u>-</u>	<u>-</u>	<u>136,540</u>	<u>-</u>
Net Change in Fund Balance	383,378	(292,892)	42,620	(143,425)	(9,801)	67,852	47,732
Fund Balance (Deficit), Beginning of Year, as restated	<u>1,281,002</u>	<u>261,469</u>	<u>664,104</u>	<u>1,482,700</u>	<u>(316,064)</u>	<u>(96,542)</u>	<u>3,276,669</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,664,380</u>	<u>\$ (31,423)</u>	<u>\$ 706,724</u>	<u>\$ 1,339,275</u>	<u>\$ (325,865)</u>	<u>\$ (28,690)</u>	<u>\$ 3,324,401</u>

See Notes to the Basic Financial Statements



Frankfort Park District  
Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances (Deficits) of Governmental Funds to the Statement of Activities  
Year Ended May 31, 2021

Net change in fund balance	\$ 47,732
Amounts reported for governmental activities in the Statement of Activities are different because:	
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:	
Capital Outlay	252,385
Depreciation Expense	(393,834)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Statement of Net Position.	45,000
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:	
Change in Pension Obligation	32,932
Amortization Expense	2,813
Accrued Interest	(4,213)
Change in net position of governmental activities	<u>\$ (17,185)</u>

See Notes to the Basic Financial Statements

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**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, 2021

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, 2021

**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 assets 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, 2021

**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.

***Cash, Cash Equivalents and Investments***

The Park District considers cash and investments with an original maturity of less than 90 days to be cash equivalents. Cash and cash equivalents consisted of checking, and money market accounts at financial institutions. Investments are stated at fair value.

***Short-term Interfund Receivable/Payables***

During the course of operation, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Interfund Receivable" or Interfund Payable" on the balance sheet.

***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).

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

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

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.

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.

*Prepaid Expenses*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**2. Cash and Investments**

*Deposits*

Cash consisted of checking accounts, which were carried at cost. At May 31, 2021, the carrying amount of the District’s deposits was \$1,628,680 (exclusive of \$499 held in petty cash funds) and the bank balance was \$1,858,722.

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**2. Cash and Investments (continued)**

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 May 31, 2021, the District has investments in bank certificates of deposit that total \$1,628,864.

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 following is a summary of cash equivalents and investments at May 31, 2021

<u>Per Statement of Net Position:</u>		<u>Per Note 2:</u>	
Certificates of Deposit	\$ 1,934,440	Cash and Equivalents	\$ 1,628,181
Cash Equivalents	<u>1,628,680</u>	Petty Cash	499
Total Cash and		Certificates of Deposit	<u>1,934,440</u>
Investments	<u>\$ 3,563,120</u>	Total per Note 2	<u>\$ 3,563,120</u>

**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.

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**3. Property Taxes (continued)**

The property tax calendar for the 2020 tax levy year is as follows:

	<u>Cook County</u>	<u>Will County</u>
Lien Date	January 1, 2020	January 1, 2020
Levy Date	December 11, 2020	December 11, 2020
First Installment Due Date	March 1, 2021	June 1, 2021
Second Installment Due Date	September 1, 2021	September 1, 2021

**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	9,907,768	89,107	-	9,996,875
Machinery & Equipment	1,989,664	163,278	-	2,152,942
Total Capital Assets being Depreciated	11,897,432	252,385	-	12,149,817
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 6,333,674	\$ 326,778	\$ -	\$ 6,660,452
Machinery & Equipment	1,497,240	67,056	-	1,564,296
Total Accumulated Depreciation	7,830,914	393,834	-	8,224,748
Total Capital Assets being Depreciated, Net	4,066,518	(141,449)	-	3,925,069
Governmental Activities, Total Capital Assets, Net	\$ 10,969,518	\$ (141,449)	\$ -	\$ 10,828,069

Depreciation expense of \$393,834 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.



Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**5. Long-Term Debt (continued)**

	Balance June 1, 2020	Issuances	Retirements	Balance May 31, 2021	Amount Due Within One Year
General Obligation Bond:					
Series 2014	\$ 45,000	\$ -	\$ 45,000	\$ -	\$ -
Series 2019	1,715,000	-	-	1,715,000	45,000
Premium on GO Debt - 2019	67,501	-	2,813	64,688	-
Debt Certificates 2014	270,000	-	-	270,000	-
Net Pension Liability	431,723	-	129,047	302,676	-
Total	<u>\$ 2,529,224</u>	<u>\$ -</u>	<u>\$ 176,860</u>	<u>\$ 2,352,364</u>	<u>\$ 45,000</u>

*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
2022	\$ 45,000	\$ 79,471	\$ 124,471
2023	135,000	75,378	210,378
2024	140,000	70,913	210,913
2025	150,000	66,078	216,078
2026	55,000	60,600	115,600
2027-2031	305,000	268,600	573,600
2032-2036	375,000	202,200	577,200
2037-2041	460,000	120,600	580,600
2042-2044	320,000	25,800	345,800
Total	<u>\$ 1,985,000</u>	<u>\$ 969,640</u>	<u>\$ 2,954,640</u>

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**5. Long-Term Debt (continued)**

The Legal Debt Margin for the District is as follows:

2020 Assessed Valuation	\$ 830,474,050
Statutory Debt Limitation (2.875%)	\$ 23,876,129
Less: Outstanding General Obligation Bonds	<u>1,715,000</u>
Legal Debt Margin	<u>\$ 22,161,129</u>

**6. Individual Fund Disclosures**

The following funds had deficit fund balances as of May 31, 2021 in the amount indicated:

<u>Fund Name</u>	<u>Deficit</u>
Recreation	\$ 31,422
Audit	8,133
IMRF	82,668
Debt Service	325,865

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

<u>Fund Name</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ -	\$ 654,951
Recreation	125,501	-
Special Recreation	710,717	-
Debt Services	-	324,469
Liabilty and Workmen's Compensation	62,926	-
Audit	-	8,113
IMRF	-	82,648
Capital Development	171,037	-
	<u>\$ 1,070,181</u>	<u>\$ 1,070,181</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	\$ 111,540	\$ -
Recreation	-	15,750
Special Recreation	40,750	-
Audit	-	14
IMRF	-	136,526
	<u>\$ 152,290</u>	<u>\$ 152,290</u>

The District made transfers to the Audit Fund and the IMRF Fund to correct negative fund balances from the previous year.

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**7. 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 cost-sharing defined benefit multiple-district public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

*Benefits Provided*

The District participates in the Regular Plan (RP).

Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48.

Under Tier 1, the pension 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.

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**7. Pension and Retirement Commitments (continued)**

*Employees Covered by Benefit Terms*

As of December 31, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	13
Inactive Plan Members entitled to but not yet receiving benefits	8
Active Plan Members	<u>15</u>
Total	<u><u>36</u></u>

*Contributions*

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires Districts to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2020 was 11.21%. For the calendar year 2020, the District contributed \$83,204 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, 2020. 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, 2020:

- 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 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, 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 2020 valuation according to an experience study from years 2017 to 2019.
- The IMRF-specific rates for Mortality (for non-disabled retirees) the Pub-2010, Amount Weighted, below-median income, General Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

- For Disabled Retirees, the Pub-2010, Amounted Weighted, below median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For Active Members, the Pub-2010, Amount Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- 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, 2020:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37.00%	5.00%
International Equity	18.00%	6.00%
Fixed Income	28.00%	1.30%
Real Estate	9.00%	6.20%
Alternative Investments	7.00%	2.85% - 6.95%
Cash Equivalents	<u>1.00%</u>	0.70%
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 2.00%, and the resulting single discount rate is 7.25%.

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**7. Pension and Retirement Commitments (continued)**

*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 follows:

	(a)	(b)	(a) - (b)
<b>Balances Beginning at 1/1/2020</b>	\$ 2,625,074	\$ 2,193,351	\$ 431,723
<b>Charges for the year:</b>			
Service Cost	78,953	-	78,953
Interest	188,058	-	188,058
Actuarial Experience	130,131	-	130,131
Assumptions Changes	(59,365)	-	(59,365)
Plan Changes	-	-	-
Contributions - Employer	-	83,204	(83,204)
Contributions - Employee	-	33,401	(33,401)
Net Investment Income	-	310,497	(310,497)
Benefit Payments from Trust	(141,281)	(141,281)	-
Other (Net Transfer)	-	39,722	(39,722)
<b>Net Changes</b>	<u>196,496</u>	<u>325,543</u>	<u>(129,047)</u>
<b>Balances Ending at 12/31/2020</b>	<u>\$ 2,821,570</u>	<u>\$ 2,518,894</u>	<u>\$ 302,676</u>

*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 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current (7.25%)	1% Higher (8.25%)
Total Pension Liability	\$ 3,266,070	\$ 2,821,570	\$ 2,475,834
Less: Plan Fiduciary Net Position	<u>2,518,894</u>	<u>2,518,894</u>	<u>2,518,894</u>
Net Pension Liability	<u>\$ 747,176</u>	<u>\$ 302,676</u>	<u>\$ (43,060)</u>

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**7. Pension and Retirement Commitments (continued)**

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

For the year ended May 31, 2021, the District recognized pension benefit of \$70,204. At May 31, 2021, 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	\$ 182,015	\$ -
Changes of assumptions	26,266	55,804
Net difference between projected and actual earnings on pension plan investments	<u>101,481</u>	<u>284,144</u>
Total Deferred Amounts to be recognized in future periods	309,762	339,948
Pension Contributions made subsequent to the Measurement Date	<u>36,714</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 346,476</u></u>	<u><u>\$ 339,948</u></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>
2021	\$ 7,787
2022	25,516
2023	(46,553)
2024	(16,936)
2025	-
Thereafter	<u>-</u>
Total	<u><u>\$ (30,186)</u></u>

**8. 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. The amount of settlements have not exceeded insurance coverage in the past three years.

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, 2020 through January 1, 2021:

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**8. Risk Management (continued)**

<u>Coverage</u>	<u>Member Deductible</u>	<u>PDRMA Self-Insured Retention</u>	<u>Limits</u>	<u>Insurance Company</u>	<u>Policy Number</u>
<u>Property</u>					
All Losses per Occurrence \$	1,000	\$1,000,000	\$1,000,000,000/All members Declaration 11	PDRMA Reinsurers: Various Reinsurers through the Public Entity Property Reinsurance Program (PEPIP)	P070120
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	03-156-74-13
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	WC010121
Employers' Liability		500,000	\$3,500,000 Employers Liability	Gov't Entities Mutual (GEM) Safety National	GEM-0003- A20001 SP4064239
<u>Liability</u>					
General	None	500,000	\$21,500,000/Occurrence	PDRMA Reinsurers: GEM/ Great American	L010121
Auto Liability	None	500,000	\$21,500,000/Occurrence		GEM-0003-
Employment Practices	None	500,000	\$21,500,000/Occurrence		
Public Official's Liability	None	500,000	\$21,500,000/Occurrence	Genesis	C501
Law Enforcement Liability	None	500,000	\$21,500,000/Occurrence	AWAC	0312-6656
Uninsured/Underinsured Motorist	None	500,000	\$1,000,000/Occurrence		



Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**8. Risk Management (continued)**

<u>Coverage</u>	<u>Member Deductible</u>	<u>PDRMA Self-Insured Retention</u>	<u>Limits</u>	<u>Insurance Company</u>	<u>Policy Number</u>
<u>Pollution Liability</u>					
Liability-Third Party	None	\$ 25,000	\$5,000,000/Occurrence	XL Environmental	PEC2535806
Property-First Party	\$ 1,000	24,000	\$30,000,000 3yr Aggregate	Insurance	
<u>Outbreak Expense</u>	24 Hours	N/A	\$15,000 Per Day \$1,000,000 Aggregate Policy Limit	Great American	OB010121
<u>Information Security &amp; Privacy Insurance</u>					
<u>Electronic Media Liability Coverage</u>					
Information Security	None	100,000	\$2,000,000/Occurrence	Beazley Lloyds	PH1833938
Privacy Notification Co	None	100,000	\$500,000/Occurrence/ Annual Aggregate		
Regular Defense & Pen	None	100,000	\$2,000,000/Occurrence / Annual Aggregate		
Website Media Content	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/		
<u>Deadly Weapon Response</u>					PJ1900050
Liability	1,000	9,000	\$500,000 per occ/ \$2,500,000 annual agg. For all members		
First Party Property	1,000	9,000	\$250,000 per occ. as par of overall limit		
Crisis Mgmt. Services	1,000	9,000	\$250,000 per occ. as par of overall limit		
Counseling/Funeral Expenses	1,000	9,000	\$250,000 per occ. as par of overall limit		
Medical Expenses	1,000	9,000	\$25,000 per person/\$500,000 annual agg. as part of overall limit		
AD&D	1,000	9,000	\$50,000 per person/\$500,000 annual agg. as part of overall limit		
<u>Volunteer Medical</u>	None	5,000	\$5,000 Medical	Self-Insurance	
<u>Underground Storage Tank Liability</u>	None	N/A	\$10,000 follows Illinois Leaking Underground Tank Fund	Self-Insured	
<u>Unemployment Comp.</u>	N/A	N/A	Statutory	Member-Funded	

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**8. 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, 2020 and the Statement of Revenues and Expenses for the period ending December 31, 2020. The Frankfort Park District's portion of the overall equity of the pool is 0.109% or \$61,835.

Assets	\$76,433,761
Deferred Outflows of Resources – Pension	\$1,015,561
Liabilities	\$19,892,387
Deferred Inflows of Resources – Pension	\$798,816
Member Balances	\$56,758,119
Revenues	\$23,563,351
Expenditures	\$16,158,333

Since 89.98% 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.

**9. 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, 2021 was \$236,925.

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, 2021 was \$39,103. This debt is expected to be paid directly by LWSRA and is therefore not included as a financial obligation of the Frankfort Park District. Separate financial statements for the LWSRA are available upon written request to the Frankfort Park District.

Frankfort Park District

Notes to the Basic Financial Statements  
Year Ended May 31, 2021

**10. Uncertainty**

The Park District's operations may be affected by the ongoing outbreak of coronavirus disease 2019 (COVID-2019) which was declared a pandemic by the World Health Organization in March of 2020. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. The ultimate disruption to the Park District is uncertain at this time.

**11. Commitments**

On August 12, 2021, the Park District signed an agreement with a construction company in the amount of \$515,750 for construction of a new Splash Pad park at Commissioners Park in Frankfort.

**12. Prior Period Adjustment**

During the fiscal year ending May 31, 2019, the Park District's financial statements had included the total proceeds from a debt issuance in that year (GO Bonds 2019) in its debt service fund. The proceeds should have been divided between the debt service fund to payoff prior debt and the remaining proceeds were to be used for capital projects and should have been included with the Capital Development Fund. Additionally, subsequent year payments for the debt (for the fiscal year ending May 31, 2020) had been included with the Capital Development Fund.

In the current year, a prior period adjustment has been made to reallocate the debt proceeds applicable to Capital Projects to that fund and the debt repayment activity to the debt service fund. The following table details the restatement of the Debt Service and the Capital Development Fund Balances:

Debt Service Fund Balance as previously reported, May 31, 2020	\$ 1,098,084
Reclassification of Fund Balance to Capital Projects Fund	<u>(1,414,148)</u>
Debt Service Fund Balance as restated, May 31, 2020	<u>\$ (316,064)</u>
Capital Development Fund Balance as previously reported, May 31, 2020	\$ 68,552
Reclassification of Fund Balance from the Debt Service Fund	<u>1,414,148</u>
Capital Development Fund Balance as restated, May 31, 2020	<u>\$ 1,482,700</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

Frankfort Park District, Illinois

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>						
Service Cost	\$ 78,953	\$ 73,234	\$ 68,317	\$ 62,980	\$ 72,860	\$ 66,708
Interest	188,058	171,595	160,617	148,642	139,094	134,344
Differences Between Expected and Actual Experience	130,131	105,913	19,088	120,361	21,956	(49,404)
Changes of Assumptions	(59,365)	-	81,589	(77,010)	(2,874)	-
Benefit Payments, Including Refunds of Member Contributions	<u>(141,281)</u>	<u>(111,760)</u>	<u>(101,841)</u>	<u>(94,097)</u>	<u>(108,448)</u>	<u>(74,158)</u>
Net Change in Total Pension Liability	196,496	238,982	227,770	160,876	122,588	77,490
 Total Pension Liability - Beginning	<u>2,625,074</u>	<u>2,386,092</u>	<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>\$2,821,570</u>	<u>\$2,625,074</u>	<u>\$ 2,386,092</u>	<u>\$ 2,158,322</u>	<u>\$ 1,997,446</u>	<u>\$ 1,874,858</u>
 <b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 83,204	\$ 66,996	\$ 65,819	\$ 64,837	\$ 73,906	\$ 73,167
Contributions - Employee	33,401	31,437	30,161	30,393	29,962	29,280
Net Investment Income	310,497	347,541	(106,665)	302,664	103,801	7,561
Benefit Payments, Including Refunds of Member Contributions	(141,281)	(111,760)	(101,841)	(94,097)	(108,448)	(74,158)
Net Transfer	<u>39,722</u>	<u>(7,801)</u>	<u>32,095</u>	<u>(32,654)</u>	<u>22,323</u>	<u>20,844</u>
Net Change in Plan Fiduciary Net Position	325,543	326,413	(80,431)	271,143	121,544	56,694
 Plan Fiduciary Net Position - Beginning	<u>2,193,351</u>	<u>1,866,938</u>	<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>\$ 2,518,894</u>	<u>\$ 2,193,351</u>	<u>\$ 1,866,938</u>	<u>\$ 1,947,369</u>	<u>\$ 1,676,226</u>	<u>\$ 1,554,682</u>
 <b>Net Pension Liability</b>	<u>\$ 302,676</u>	<u>\$ 431,723</u>	<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	89.27%	83.55%	78.24%	90.23%	83.92%	82.92%
 Covered-Valuation Payroll	\$ 742,236	\$ 698,601	\$ 670,244	\$ 675,398	\$ 665,827	\$ 643,848
 Employer's Net Pension Liability as a Percentage of Covered Payroll	40.78%	61.80%	77.46%	31.23%	48.24%	49.73%

See Notes to the Required Supplementary Information

Frankfort Park District, Illinois

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%
2019	66,996	66,996	-	698,601	9.59%
2020	83,205	83,204	1	742,236	11.21%

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, 2021

	Original and Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Property Taxes	\$ 1,323,367	\$ 1,324,450	\$ 1,083
Personal Property Replacement Taxes	16,000	20,493	4,493
Grants (Refunds)	3,000	79,945	76,945
Donations	3,500	-	(3,500)
Rental	2,500	6,382	3,882
Miscellaneous	1,000	65,361	64,361
Interest	50,000	36,974	(13,026)
Total Revenues	<u>1,399,367</u>	<u>1,533,605</u>	<u>134,238</u>
<b>Expenditures</b>			
Operating	1,172,296	1,038,687	(133,609)
Total Expenditures	<u>1,172,296</u>	<u>1,038,687</u>	<u>(133,609)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>227,071</u>	<u>494,918</u>	<u>267,847</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	(111,540)	(111,540)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(111,540)</u>	<u>(111,540)</u>
Net Change in Fund Balance	<u>\$ 227,071</u>	383,378	<u>\$ 156,307</u>
Fund Balance, Beginning of Year		<u>1,281,002</u>	
Fund Balance, End of Year		<u>\$ 1,664,380</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, 2021

	Original and Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Property Taxes	\$ 2,000	\$ 2,402	\$ 402
Preschool Program	195,101	83,541	(111,560)
Summer Day Camp	10,000	2,711	(7,289)
Prairie Care Program	268,025	54,344	(213,681)
Advertising	7,500	(60)	(7,560)
Recreation Program	174,533	172,887	(1,646)
Fitness	3,800	25,154	21,354
Special Events	39,229	29,897	(9,332)
Adults/Seniors	30,038	3,508	(26,530)
Leagues	58,392	63,412	5,020
LWHS Pool Rental	405	(215)	(620)
Splash Park	4,900	5,625	725
Dog Park	500	2,961	2,461
Concession Stand	3,000	1,571	(1,429)
Athletic Field Reimbursement	3,000	-	(3,000)
Rental	12,500	13,921	1,421
Fund Raising	8,500	1,658	(6,842)
Miscellaneous	500	729	229
Total Revenues	<u>821,923</u>	<u>464,046</u>	<u>(357,877)</u>
<b>Expenditures</b>			
Current Program	<u>926,324</u>	<u>772,688</u>	<u>(153,636)</u>
Total Expenditures	<u>926,324</u>	<u>772,688</u>	<u>(153,636)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,401)	(308,642)	(204,241)
<b>Other Financing Sources</b>			
Transfers	<u>-</u>	<u>15,750</u>	<u>15,750</u>
Net Change in Fund Balance	<u>\$ (104,401)</u>	(292,892)	<u>\$ (188,491)</u>
Fund Balance, Beginning of Year		<u>261,469</u>	
Fund Balance, End of the Year		<u>\$ (31,423)</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, 2021

	Original and Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Property Taxes	\$ 321,062	\$ 320,294	\$ (768)
Total Revenues	<u>321,062</u>	<u>320,294</u>	<u>(768)</u>
<b>Expenditures</b>			
Contractual	453,957	193,165	(260,792)
Contingencies	-	39	39
Capital Outlay	-	43,720	43,720
Total Expenditures	<u>453,957</u>	<u>236,924</u>	<u>(217,033)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(132,895)	83,370	216,265
<b>Other Financing Sources (Uses)</b>			
Transfers Out	-	(40,750)	(40,750)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(40,750)</u>	<u>(40,750)</u>
Net Change in Fund Balance	<u>\$ (132,895)</u>	42,620	<u>\$ 175,515</u>
Fund Balance, Beginning of Year		<u>664,104</u>	
Fund Balance, End of Year		<u>\$ 706,724</u>	

See the Notes to the Required Supplementary Information

Frankfort Park District  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Capital Development Fund  
Year Ended May 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Developer Contributions	\$ 35,000	\$ 22,110	\$ (12,890)
Interest	80,000	35,154	(44,846)
Miscellaneous	<u>-</u>	<u>11,775</u>	<u>11,775</u>
Total Revenues	<u>115,000</u>	<u>69,039</u>	<u>(45,961)</u>
<b>Expenditures</b>			
Miscellaneous	-	22	22
Capital Outlay	<u>621,600</u>	<u>212,442</u>	<u>(409,158)</u>
Total Expenditures	<u>621,600</u>	<u>212,464</u>	<u>(409,136)</u>
Net Change in Fund Balance	<u>\$ (506,600)</u>	(143,425)	<u>\$ 363,175</u>
Fund Balance, Beginning of Year		<u>1,482,700</u>	
Fund Balance, End of Year		<u>\$ 1,339,275</u>	

See the Notes to the Required Supplementary Information

Frankfort Park District  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual (Deficit) - Debt Service Fund  
Year Ended May 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 114,779	\$ 114,506	\$ (273)
Total Revenues	<u>114,779</u>	<u>114,506</u>	<u>(273)</u>
<b>Expenditures</b>			
Principal	45,000	45,000	-
Interest	78,258	79,307	1,049
Total Expenditures	<u>123,258</u>	<u>124,307</u>	<u>1,049</u>
Net Change in Fund Balance	<u>\$ (8,479)</u>	(9,801)	<u>\$ (1,322)</u>
Fund Balance, Beginning of Year		<u>(316,064)</u>	
Fund Balance, End of Year		<u>\$ (325,865)</u>	

See the Notes to the Required Supplementary Information

Frankfort Park District

Notes to the Required Supplementary Information  
Year Ended May 31, 2021

**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 November 10 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 fund had an excess of actual expenditures over budget and appropriations in the current fiscal year:

Funds:	Amount in Excess of Budget
IMRF	\$ 14,196

**4. Summary of Actuarial Methods and Assumptions used in the Calculation of the 2020 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 2020 Contribution Rates*

Actuarial Cost Method:	Aggregated entry age = normal
Amortization Method:	Level percentage of payroll, closed

Frankfort Park District

Notes to the Required Supplementary Information  
Year Ended May 31, 2021

**4. Summary of Actuarial Methods and Assumptions used in the Calculation of the 2020 Contribution Rate (continued)**

Remaining Amortization Period:	23-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.25%
Price Inflation:	2.50%
Salary Increases:	3.35% to 14.25%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
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 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 adjustment 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.
<i>Other Information</i>	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, 2021

	Original and Final Budget	Actual	Variance Over(Under)
<b>Expenditures</b>			
Operating:			
Salaries - Maintenance	\$ 200,184	\$ 193,469	\$ (6,715)
Salaries Part-time Maintenance	66,592	24,081	(42,511)
Salaries - Admin	191,465	190,079	(1,386)
Salaries - Clerical	104,898	79,418	(25,480)
FICA	82,484	69,281	(13,203)
Group Insurance	101,423	100,007	(1,416)
Telephone	11,001	8,063	(2,938)
Cable / Internet Phone	4,772	4,782	10
Postage	1,100	1,665	565
Dues	8,248	7,602	(646)
Conference & Seminar	11,970	1,002	(10,968)
Mileage Reimbursement	3,800	3,006	(794)
Meeting Expenses	2,634	1,990	(644)
Advertising	10,225	6,418	(3,807)
Covid related-Advertising	-	348	348
Board Expenses	1,200	849	(351)
Attorney Fees	14,500	20,021	5,521
Professional Fees	44,286	21,974	(22,312)
Legal Publications	1,100	881	(219)
Bank Charges Updated	2,000	1,483	(517)
Memorial Bench Expense	1,100	-	(1,100)
Office Supplies / Repairs	3,600	2,557	(1,043)
Computer / Website	18,322	14,048	(4,274)
Covid related-Computer/Website Supplies	-	6,012	6,012
Equipment Rental / Lease	23,257	21,882	(1,375)
Grant Expenditures	-	7,760	7,760
Building Supplies	11,250	5,433	(5,817)
Covid related-Building Supplies	-	230	230
Maintenance Supplies	8,350	4,665	(3,685)
Covid related-Maintenance Supplies	-	3,839	3,839
Park Equipment / Maint	25,845	25,427	(418)
Covid related-Park Equipment Maintenance	-	4,495	4,495
Natural Area Maintenance	124,090	95,594	(28,496)
Equipment Rental	1,100	113	(987)
Equipment Repair	12,700	6,098	(6,602)
Building Repair & Maint	17,100	5,911	(11,189)
Covid 19-Building Repair/Maint	-	918	918
Utilities	35,450	14,345	(21,105)
Vehicle Expense	6,500	6,537	37
Fuel	12,000	13,336	1,336
Uniforms	1,250	749	(501)
Covid related-Uniforms	-	2,538	2,538
Athletic Org Billables	-	1,184	1,184
Living Tree Expenses	2,500	2,300	(200)
Miscellaneous Expense - PDRMA Claim	-	54,782	54,782
Contingencies	4,000	1,515	(2,485)
Total Expenditures	<u>\$ 1,172,296</u>	<u>\$ 1,038,687</u>	<u>\$ (133,609)</u>

Frankfort Park District  
Schedule of Expenditures - Budget and Actual - Recreation Fund  
Year Ended May 31, 2021

	Original and Final Budget	Actual	Variance Over(Under)
<b>Expenditures</b>			
Salaries - Maintenance	\$ 40,192	\$ 28,605	\$ (11,587)
Salaries Part-time Maintenance	-	3,254	3,254
Salaries - Admin	221,140	219,082	(2,058)
Salaries - Clerical	21,240	29,321	8,081
Salaries-Building Maint	-	1,051	1,051
Group Insurance	38,000	31,496	(6,504)
Telephone	6,905	8,783	1,878
Postage	700	247	(453)
Garden Plot Expense	135	192	57
Bank Charges	15,000	10,277	(4,723)
Conference & Seminar	3,930	1,594	(2,336)
Mileage Reimbursement	5,030	5,410	380
Active net CC processing fees	35,000	17,133	(17,867)
Office Supplies / Repairs	2,200	1,143	(1,057)
Computer / Website	6,285	2,685	(3,600)
Brochure Printing	12,900	4,158	(8,742)
Concession Stand Exp	1,800	535	(1,265)
Rental Expense	11,103	2,939	(8,164)
Pre-School Expenses	127,599	76,463	(51,136)
Summer Camp Expenses	4,510	5,769	1,259
Prairie Care Expenses	94,548	54,819	(39,729)
Fund Raising Expense	6,550	1,123	(5,427)
Program Expenses	119,000	120,786	1,786
Fitness	3,800	17,497	13,697
Special Events Expense	28,107	20,020	(8,087)
Adult / Seniors	22,000	6,861	(15,139)
League Expenses	32,000	42,087	10,087
Dog Park Expenses	-	1,454	1,454
Splash Park Expenses	3,000	3,680	680
LWE Program Expenses	1,000	-	(1,000)
Recreation Supplies Equip	6,700	4,596	(2,104)
Supplies Janitorial	5,200	3,167	(2,033)
Building Repair & Maint	8,300	7,391	(909)
Utilities	36,350	28,763	(7,587)
Landscaping Improvements	-	3,192	3,192
Uniforms	1,600	1,442	(158)
Athletic Field Equip	3,000	4,624	1,624
Contingencies	1,500	1,049	(451)
Total Expenditures	<u>\$ 926,324</u>	<u>\$ 772,688</u>	<u>\$ (153,636)</u>



Frankfort Park District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
May 31, 2021

	Special Revenue Fund Type			Total Nonmajor Governmental Funds
	Liability Insurance and Workmen's Compensation	Audit	IMRF	
<b>Assets</b>				
Property Taxes Receivable	\$ 65,620	\$ 1,641	\$ 1,641	\$ 68,902
Due From Other Funds	62,926	-	-	62,926
Total Assets	<u>\$ 128,546</u>	<u>\$ 1,641</u>	<u>\$ 1,641</u>	<u>\$ 131,828</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>				
Liabilities:				
Due To Other Funds	\$ -	\$ 8,113	\$ 82,648	\$ 90,761
Total Liabilities	<u>-</u>	<u>8,113</u>	<u>82,648</u>	<u>90,761</u>
Deferred Inflows of Resources:				
Deferred Property Taxes	65,620	1,641	1,641	68,902
Advanced Collections	815	20	20	855
Total Deferred Inflows of Resources	<u>66,435</u>	<u>1,661</u>	<u>1,661</u>	<u>69,757</u>
Fund Balances (Deficits):				
Restricted for:				
Liability Insurance and Workmen's Compensation	62,111	-	-	62,111
Unassigned	-	(8,133)	(82,668)	(90,801)
Total Fund Balances (Deficits)	<u>62,111</u>	<u>(8,133)</u>	<u>(82,668)</u>	<u>(28,690)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 128,546</u>	<u>\$ 1,641</u>	<u>\$ 1,641</u>	<u>\$ 131,828</u>

Frankfort Park District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
Year Ended May 31, 2021

	Special Revenue Fund Type			Total Nonmajor Governmental Funds
	Liability Insurance and Workmen's Compensation	Audit	IMRF	
<b>Revenues</b>				
Property Taxes	\$ 64,059	\$ 1,601	\$ 1,601	\$ 67,261
Developer Contributions	1,500	-	-	1,500
Total Revenues	<u>65,559</u>	<u>1,601</u>	<u>1,601</u>	<u>68,761</u>
<b>Expenditures</b>				
Current:				
Contractual	-	9,734	-	9,734
Employee Benefits	-	-	84,269	84,269
Insurance	43,446	-	-	43,446
Total Expenditures	<u>43,446</u>	<u>9,734</u>	<u>84,269</u>	<u>137,449</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,113</u>	<u>(8,133)</u>	<u>(82,668)</u>	<u>(68,688)</u>
<b>Other Financing Sources</b>				
Transfers In	<u>-</u>	<u>14</u>	<u>136,526</u>	<u>136,540</u>
Net Change in Fund Balance	22,113	(8,119)	53,858	67,852
Fund Balance (Deficit), Beginning of Year	<u>39,998</u>	<u>(14)</u>	<u>(136,526)</u>	<u>(96,542)</u>
Fund Balance (Deficit), End of Year	<u>\$ 62,111</u>	<u>\$ (8,133)</u>	<u>\$ (82,668)</u>	<u>(28,690)</u>

Frankfort Park District  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Liability Insurance and Workmen's Compensation Fund  
Year Ended May 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Property Taxes	\$ 58,200	\$ 64,059	\$ 5,859
Developers Contributions	-	1,500	1,500
Total Revenues	58,200	65,559	7,359
 <b>Expenditures</b>			
Insurance	58,200	43,446	(14,754)
Total Expenditures	58,200	43,446	(14,754)
 Net Change in Fund Balance	\$ -	22,113	\$ 22,113
 Fund Balance, Beginning of Year		39,998	
 Fund Balance, End of Year		\$ 62,111	

Frankfort Park District  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance (Deficit) - Budget and Actual  
Audit Fund  
Year Ended May 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Property Taxes	\$ 1,000	\$ 1,601	\$ 601
Total Revenues	<u>1,000</u>	<u>1,601</u>	<u>601</u>
 <b>Expenditures</b>			
Contractual Audit	<u>11,470</u>	<u>9,734</u>	<u>(1,736)</u>
Total Expenditures	<u>11,470</u>	<u>9,734</u>	<u>(1,736)</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,470)</u>	<u>(8,133)</u>	<u>2,337</u>
 <b>Other Financing Sources (Uses)</b>			
Transfers In	<u>-</u>	<u>14</u>	<u>14</u>
 Net Change in Fund Balance	<u>\$ (10,470)</u>	<u>(8,119)</u>	<u>\$ 2,351</u>
 Fund Balance, Beginning of Year		<u>(14)</u>	
 Fund Balance (Deficit), End of Year		<u>\$ (8,133)</u>	

Frankfort Park District  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance (Deficit) - Budget and Actual  
IMRF Fund  
Year Ended May 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 1,000	\$ 1,601	\$ 601
Total Revenues	<u>1,000</u>	<u>1,601</u>	<u>601</u>
<b>Expenditures</b>			
IMRF Contributions	<u>69,472</u>	<u>84,269</u>	<u>14,797</u>
Total Expenditures	<u>69,472</u>	<u>84,269</u>	<u>14,797</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(68,472)</u>	<u>(82,668)</u>	<u>(14,196)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	<u>-</u>	<u>136,526</u>	<u>136,526</u>
Net Change in Fund Balance	<u><u>\$ (68,472)</u></u>	<u>53,858</u>	<u><u>\$ 122,330</u></u>
Fund Balance (Deficit), Beginning of Year		<u>(136,526)</u>	
Fund Balance (Deficit), End of Year		<u><u>\$ (82,668)</u></u>	

## **OTHER SUPPLEMENTAL SCHEDULES**

Frankfort Park District

Taxes Collected and Taxes Receivable - Last Ten Levy Years

		<u>Gross Taxes Collected</u>						
Tax Levy			Year Ended	Total	Percent	Gross Taxes	Provision for	Net Taxes
Year	Extensions	Prior Years	May 31, 2020	May 31, 2020	Collected	Receivable	Loss and Cost on Collections	Receivable
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	1,706,352	-	1,706,352	99.80	3,409	3,409	-
2018	1,768,671	1,765,567	-	1,765,567	99.82	3,219	3,219	-
2019	1,833,193	167,004	1,661,909	1,828,913	99.77	4,280	4,280	-
2020	1,891,750	-	23,209	23,209	1	1,868,541	-	1,868,541
	<u>\$ 16,604,540</u>	<u>\$ 13,018,927</u>	<u>\$ 1,685,118</u>	<u>\$ 14,704,045</u>		<u>\$ 1,906,874</u>	<u>\$ 38,333</u>	<u>\$ 1,868,541</u>

Add: Advance Collections 2019 Tax Levy \$ 167,004

Less: Advance Collections 2020 Tax Levy 23,209

Property Tax Revenues May 31, 2021 \$ 1,828,913

Gross Taxes Collected By Fund

Corporate	\$ 1,324,450
Recreation	2,402
Special Recreation	320,294
Audit	1,601
Liability & Workmen's Compensation	64,059
IMRF	1,601
Debt Service	<u>114,506</u>
	<u>\$ 1,828,913</u>

Net Taxes Receivable by Fund

Corporate	\$ 1,364,083
Recreation	1,641
Special Recreation	321,540
Audit	1,641
Liability & Workmen's Compensation	65,620
IMRF	1,641
Debt Service	<u>112,375</u>
	<u>\$ 1,868,541</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>
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
2019	802,655,039	0.2284
2020	830,474,050	0.2278

Analysis of the 2020 Tax Levy

<u>Fund</u>	<u>Rate</u>	<u>Percent</u>	<u>Extension</u>
Corporate	0.1663	73.00	\$ 1,381,026
Recreation	0.0002	0.09	1,661
IMRF	0.0002	0.09	1,661
Audit	0.0002	0.09	1,661
Workmen's Compensation	0.0080	3.51	66,435
Special Recreation	0.0392	17.21	325,533
Debt Service	0.0137	6.01	113,771
	<u>0.2278</u>	<u>100.00</u>	<u>\$ 1,891,748</u>