

**FRANKFORT PARK DISTRICT, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
MAY 31, 2022**

Prepared By:

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

Certified Public Accountants &  
Business Consultants

Frankfort Park District  
Annual Financial Report  
Year Ended May 31, 2022

Table of Contents

<b>Independent Auditors' Report</b>	1-3
<b>Required Supplementary Information:</b>	
Management's Discussion and Analysis	4-8
<b>Basic Financial Statements:</b>	
Government - Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit s) – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities	14
Notes to the Basic Financial Statements	15-32
<b>Required Supplementary Information:</b>	
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	33
Schedule of Employer Contributions – Illinois Municipal Retirement Fund	34
Budgetary Comparison Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – (Deficit)	
General Fund	35
Recreation Fund	36
Special Recreation Fund	37
Capital Development Fund	38
Debt Service Fund	39
Notes to the Required Supplementary Information	40-41

Frankfort Park District  
Annual Financial Report  
Year Ended May 31, 2022

Table of Contents

**Other Supplementary Information:**

Combining and Individual Fund Financial Statements and Schedules

Major Governmental Funds:

Schedule of Expenditures – Budget and Actual – General Fund 42

Schedule of Expenditures – Budget and Actual – Recreation Fund 43

Nonmajor Governmental Funds:

Combining Balance Sheet 44

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (Deficits) 45

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

Liability Insurance and Workmen’s Compensation Fund 46

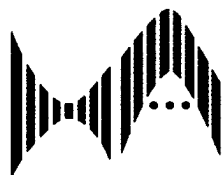
Audit Fund 47

IMRF Fund 48

**Other Supplemental Schedules:**

Taxes Collected and Taxes Receivable – Last Ten Levy Years 49

Assessed Valuation and Extended Tax Rates – Last Ten Levy Years 50



# HEARNE & ASSOCIATES, P.C.

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Certified Public Accountants & Business Consultants

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David J. Hearne, Jr., CPA (1928-2014) Founder

Phillip M. Hearne, CPA

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Board of Commissioners  
Frankfort Park District  
Frankfort, IL

## Independent Auditors' Report

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Frankfort Park District (the "Park District") as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprises the Park District's basic financial statements as listed in the table of contents.

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 Frankfort Park District as of May 31, 2022, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Park District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will

always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Park District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **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.

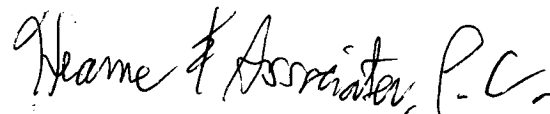
##### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Park 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.

January 4, 2023  
Mokena, IL

  
Heame & Associates, P.C.  
Certified Public Accountants

Frankfort Park District

Management's Discussion and Analysis  
May 31, 2022

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, 2022. Please read it in conjunction with the District's financial statements.

**Financial Highlights**

Net position at May 31, 2022 was \$11,963,728 an increase of \$187,029 from the prior year.

Charges for program revenue increased \$535,024 from the prior year due to the Covid-19 pandemic restrictions being rescinded.

The District expended \$1,227,409 on Capital Assets during the year of which \$762,894 was Construction in Progress. The Park District also paid \$45,000 in debt principal.

The Assessed Valuation of the District increased by \$35,239,702 which will bring it to \$865,713,752 for the 2021 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 9-10) 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 11-14) tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report operations in more detail than government-wide statements by providing information about the District's most financially significant funds.

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

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

**Fund Financial Statements:** The major funds reported in this report are the General Fund, Recreation Fund, Special Recreation Fund, 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.

Frankfort Park District

Management's Discussion and Analysis  
May 31, 2022

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.

**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 15 in this report.

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

**District-wide Financial Analysis**

Condensed Statement of Net Position, May 31,

	2022	2021
Current and Other Assets	\$ 4,885,735	\$ 5,435,127
Capital Assets (net of accum depr)	11,641,997	10,828,069
Total Assets	<u>16,527,732</u>	<u>16,263,196</u>
Deferred Outflows of Resources	<u>257,651</u>	<u>346,476</u>
Current and Other Liabilities	515,059	293,873
Long-Term Debt	1,947,984	2,307,364
Total Liabilities	<u>2,463,043</u>	<u>2,601,237</u>
Deferred Inflows of Resources		
Pension Related	407,363	339,948
Deferred Revenue	1,951,249	1,891,788
Total Deferred Inflows of Resources	<u>2,358,612</u>	<u>2,231,736</u>
Net Position		
Net Investment in Capital Assets	9,640,122	8,778,381
Restricted	1,072,069	2,108,110
Unrestricted	1,251,537	890,208
Total Net Position	<u>\$ 11,963,728</u>	<u>\$ 11,776,699</u>



Frankfort Park District

Management's Discussion and Analysis  
May 31, 2022

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 (80.58%) 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>2022</u>	<u>2021</u>
Program Revenues:		
Charges for Services	\$ 991,705	\$ 467,297
Operating Grants & Contributions	63,564	79,945
Capital Grants & Contributions	<u>50,607</u>	<u>23,610</u>
Total Program Revenues	<u>1,105,876</u>	<u>570,852</u>
General Revenues:		
Property Taxes	1,890,798	1,828,913
Replacement Taxes	44,670	20,493
Unrestricted Interest	55,965	72,128
Other General Revenues	<u>22,469</u>	<u>77,864</u>
Total General Revenues	<u>2,013,902</u>	<u>1,999,398</u>
Total Revenues	<u>3,119,778</u>	<u>2,570,250</u>
Expenses		
Culture & Recreation	2,857,113	2,504,964
Interest on Long-Term Debt	<u>75,636</u>	<u>82,471</u>
Total Expenses	<u>2,932,749</u>	<u>2,587,435</u>
Change in Net Position	187,029	(17,185)
Net Position, Beginning of Year	<u>11,776,699</u>	<u>11,793,884</u>
Net Position, End of Year	<u>\$ 11,963,728</u>	<u>\$ 11,776,699</u>

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

The increase in Charges for Services revenue represents increased program attendance for the current year. The increase was mainly due to the Covid-19 pandemic restrictions being rescinded.

Expenditures for Culture and Recreation increased by \$352,148, or 14.06%. This was primarily due to increased Covid-19 pandemic restrictions being rescinded.

Frankfort Park District

Management's Discussion and Analysis  
May 31, 2022

**Budgetary Highlights**

As seen in the following table, for the general fund, actual revenue was more than budgeted, mainly due to personal property replacement tax 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 and professional fees being less than the budgeted amount.

	<u>Budget</u>	<u>Actual</u>
Revenues:		
General Fund	\$ 1,456,500	\$ 1,491,380
Other Funds	1,459,681	1,628,398
Total Revenues	<u>\$ 2,916,181</u>	<u>\$ 3,119,778</u>
Expenditures:		
General Fund	\$ 1,231,945	\$ 1,054,689
Other Funds	3,382,178	2,806,670
Total Expenditures	<u>\$ 4,614,123</u>	<u>\$ 3,861,359</u>

**Capital Assets**

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

	<u>2022</u>	<u>2021</u>
Land	\$ 6,903,000	\$ 6,903,000
Construction in Progress	762,894	-
Buildings and Improvements	10,062,283	9,996,875
Machinery and Equipment	2,552,049	2,152,942
Accumulated Depreciation	<u>(8,638,229)</u>	<u>(8,224,748)</u>
Total Net Capital Assets	<u>\$ 11,641,997</u>	<u>\$ 10,828,069</u>

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

Frankfort Park District

Management's Discussion and Analysis  
May 31, 2022

**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 \$1,940,000. Additional information on long-term debt can be found in Note 5 in the Notes to the Basic Financial Statements.

	Balance <u>June 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>May 31, 2022</u>
Bonds Payable	\$ 1,985,000	\$ -	\$ 45,000	\$ 1,940,000
Bond Premium	64,688	-	2,813	61,875
Net Pension Liability	<u>302,676</u>	<u>-</u>	<u>221,567</u>	<u>81,109</u>
Totals	<u>\$ 2,352,364</u>	<u>\$ -</u>	<u>\$ 269,380</u>	<u>\$ 2,082,984</u>

**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, Illinois  
Statement of Net Position  
May 31, 2022

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Investments	\$ 3,090,870
Property Taxes Receivable	1,794,865
Capital Assets not Being Depreciated	7,665,894
Capital Assets Being Depreciated, net	<u>3,976,103</u>
Total Assets	<u>16,527,732</u>
 <b>Deferred Outflows of Resources</b>	
Related to Pensions	<u>257,651</u>
 <b>Liabilities</b>	
Accrued Expenses	130,681
Accrued Interest	28,393
Unearned Revenue	220,985
Long-term Obligations, due within one year:	
General Obligation Bonds	135,000
Long-term Obligations, due in more than one year:	
Net Pension Liability	81,109
General Obligation Bonds	<u>1,866,875</u>
Total Liabilities	<u>2,463,043</u>
 <b>Deferred Inflows of Resources</b>	
Related to Pensions	407,363
Deferred Revenue	<u>1,951,249</u>
Total Deferred Inflows of Resources	<u>2,358,612</u>
 <b>Net Position</b>	
Net Investment in Capital Assets	9,640,122
Restricted for:	
Special Recreation	313,252
Capital Development	695,019
Liability Insurance	63,748
Audit	50
Unrestricted	<u>1,251,537</u>
Total Net Position	<u><u>\$ 11,963,728</u></u>

See Notes to the Basic Financial Statements

Frankfort Park District, Illinois  
Statement of Activities  
Year Ended May 31, 2022

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	\$ 2,857,113	\$ 991,705	\$ 63,564	\$ 50,607	\$ (1,751,237)
Interest on Long-term Debt	75,636	-	-	-	(75,636)
Total Governmental Activities	<u>\$ 2,932,749</u>	<u>\$ 991,705</u>	<u>\$ 63,564</u>	<u>\$ 50,607</u>	<u>(1,826,873)</u>
General Revenues:					
Taxes:					
Property Taxes					1,890,798
Replacement Taxes					44,670
Unrestricted Interest					55,965
Other General Revenues					<u>22,469</u>
Total General Revenues					<u>2,013,902</u>
Change in Net Position					187,029
Net Position, Beginning of Year					<u>11,776,699</u>
Net Position, End of Year					<u>\$ 11,963,728</u>

See Notes to the Basic Financial Statements

Frankfort Park District, Illinois

Balance Sheet

Governmental Funds

May 31, 2022

	<u>Major Funds</u>					<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Recreation</u>	<u>Special Recreation</u>	<u>Capital Development</u>	<u>Debt Service</u>		
<b>Assets</b>							
Cash and Investments	\$ 1,961,165	\$ -	\$ -	\$ 1,129,705	\$ -	\$ -	\$ 3,090,870
Property Taxes Receivable	1,364,861	796	299,411	-	107,501	22,296	1,794,865
Due From Other Funds	-	168,963	339,338	-	8,892	88,583	605,776
Total Assets	<u>\$ 3,326,026</u>	<u>\$ 169,759</u>	<u>\$ 638,749</u>	<u>\$ 1,129,705</u>	<u>\$ 116,393</u>	<u>\$ 110,879</u>	<u>\$ 5,491,511</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>							
<b>Liabilities:</b>							
Accrued Expenses	\$ 62,911	\$ 44,859	\$ -	\$ -	\$ -	\$ 22,911	\$ 130,681
Unearned Revenue	-	220,985	-	-	-	-	220,985
Due To Other Funds	169,367	-	-	434,686	-	1,723	605,776
Total Liabilities	<u>232,278</u>	<u>265,844</u>	<u>-</u>	<u>434,686</u>	<u>-</u>	<u>24,634</u>	<u>957,442</u>
<b>Deferred Inflows of Resources:</b>							
Deferred Property Taxes	1,364,861	796	299,410	-	107,501	22,297	1,794,865
Advanced Collections	118,920	69	26,087	-	9,366	1,942	156,384
Total Deferred Inflows of Resources	<u>1,483,781</u>	<u>865</u>	<u>325,497</u>	<u>-</u>	<u>116,867</u>	<u>24,239</u>	<u>1,951,249</u>
<b>Fund Balances (Deficits):</b>							
Non-Spendable:							
Restricted for:							
Special Recreation	-	-	313,252	-	-	-	313,252
Capital Development	-	-	-	695,019	-	-	695,019
Liability Insurance	-	-	-	-	-	63,748	63,748
Audit	-	-	-	-	-	50	50
Unassigned	1,609,967	(96,950)	-	-	(474)	(1,792)	1,510,751
Total Fund Balances (Deficits)	<u>1,609,967</u>	<u>(96,950)</u>	<u>313,252</u>	<u>695,019</u>	<u>(474)</u>	<u>62,006</u>	<u>2,582,820</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,326,026</u>	<u>\$ 169,759</u>	<u>\$ 638,749</u>	<u>\$ 1,129,705</u>	<u>\$ 116,393</u>	<u>\$ 110,879</u>	<u>\$ 5,491,511</u>

See Notes to the Basic Financial Statements

Frankfort Park District, Illinois  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
May 31, 2022

Total Fund Balances - Governmental Funds	\$	2,582,820
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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		20,280,226
Accumulated Depreciation		(8,638,229)

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		257,651
Deferred Inflows of Resources Related to Pensions		(407,363)
General Obligation Bond Payable		(1,940,000)
Bond Premium		(61,875)
Net Pension Liability		(81,109)
Accrued Interest		(28,393)
		<hr/>

Net Position of Governmental Activities	\$	<u>11,963,728</u>
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See Notes to the Basic Financial Statements



Frankfort Park District, Illinois  
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Governmental Funds  
Year Ended May 31, 2022

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Recreation	Special Recreation	Capital Development	Debt Services		
<b>Revenues</b>							
Property Taxes	\$ 1,380,362	\$ 1,660	\$ 325,350	\$ -	\$ 113,708	\$ 69,718	\$ 1,890,798
Replacement Taxes	44,670	-	-	-	-	-	44,670
Grants (Refunds)	6,822	-	-	-	-	-	6,822
Program Revenue	-	920,685	-	-	-	-	920,685
Developer Contributions	-	-	-	50,607	-	-	50,607
Donations	5,216	-	-	51,526	-	-	56,742
Rental	14,168	56,852	-	-	-	-	71,020
Interest	20,838	-	-	35,127	-	-	55,965
Miscellaneous	19,304	1,665	-	-	-	1,500	22,469
Total Revenues	<u>1,491,380</u>	<u>980,862</u>	<u>325,350</u>	<u>137,260</u>	<u>113,708</u>	<u>71,218</u>	<u>3,119,778</u>
<b>Expenditures</b>							
Current:							
Culture and Recreation	1,054,689	1,074,314	210,730	22	-	171,065	2,510,820
Debt Service:							
Principal	-	-	-	-	45,000	-	45,000
Interest and Other Charges	-	-	-	-	78,128	-	78,128
Capital Outlay:	-	-	445,917	781,494	-	-	1,227,411
Total Expenditures	<u>1,054,689</u>	<u>1,074,314</u>	<u>656,647</u>	<u>781,516</u>	<u>123,128</u>	<u>171,065</u>	<u>3,861,359</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>436,691</u>	<u>(93,452)</u>	<u>(331,297)</u>	<u>(644,256)</u>	<u>(9,420)</u>	<u>(99,847)</u>	<u>(741,581)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In (Out)	(491,104)	27,925	(62,175)	-	334,811	190,543	-
Total Other Financing Sources (Uses)	<u>(491,104)</u>	<u>27,925</u>	<u>(62,175)</u>	<u>-</u>	<u>334,811</u>	<u>190,543</u>	<u>-</u>
Net Change in Fund Balance	(54,413)	(65,527)	(393,472)	(644,256)	325,391	90,696	(741,581)
Fund Balance (Deficit), Beginning 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>
Fund Balance (Deficit), End of Year	<u>\$ 1,609,967</u>	<u>\$ (96,950)</u>	<u>\$ 313,252</u>	<u>\$ 695,019</u>	<u>\$ (474)</u>	<u>\$ 62,006</u>	<u>\$ 2,582,820</u>

See Notes to the Basic Financial Statements

Frankfort Park District, Illinois  
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, 2022

Net change in fund balance	\$	(741,581)
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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		1,227,409
Depreciation Expense		(413,481)

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
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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		65,327
Amortization Expense		2,813
Accrued Interest		1,542
		187,029

Change in net position of governmental activities	\$	187,029
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See Notes to the Basic Financial Statements

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

**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.

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

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

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

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.

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

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

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

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

**Debt Service Fund** – 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.

**Special Revenue Fund** – 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.

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.

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

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

***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).

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.

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

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

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

*Use of Resources Policy*

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

*Use of Estimates*

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

**2. Cash and Investments**

*Deposits*

Cash consisted of checking accounts, which were carried at cost. At May 31, 2022, the carrying amount of the District's deposits was \$1,105,377 (exclusive of \$500 held in petty cash funds) and the bank balance was \$1,170,088.

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, 2022, the District has investments in bank certificates of deposit that total \$1,985,493.

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.

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

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

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, 2022:

<u>Per Statement of Net Position:</u>		<u>Per Note 2:</u>	
Certificates of Deposit	\$ 1,985,493	Cash and Equivalents	\$ 1,104,877
Cash Equivalents	<u>1,105,377</u>	Petty Cash	500
Total Cash and		Certificates of Deposit	<u>1,985,493</u>
Investments	<u>\$ 3,090,870</u>	Total per Note 2	<u>\$ 3,090,870</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.

The property tax calendar for the 2021 tax levy year is as follows:

	<u>Cook County</u>	<u>Will County</u>
Lien Date	January 1, 2021	January 1, 2021
Levy Date	December 9, 2021	December 9, 2021
First Installment Due Date	March 1, 2022	June 1, 2022
Second Installment Due Date	December 30, 2022	September 1, 2022

**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
Construction in Progress	<u>-</u>	<u>762,894</u>	<u>-</u>	<u>762,894</u>
Total Capital Assets not being Depreciated	<u>6,903,000</u>	<u>762,894</u>	<u>-</u>	<u>7,665,894</u>
Capital Assets being Depreciated				
Buildings and Improvements	9,996,875	65,408	-	10,062,283
Machinery & Equipment	<u>2,152,942</u>	<u>399,107</u>	<u>-</u>	<u>2,552,049</u>
Total Capital Assets being Depreciated	<u>12,149,817</u>	<u>464,515</u>	<u>-</u>	<u>12,614,332</u>



Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

**4. Capital Assets (continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Less: Accumulated Depreciation for:				
Buildings and Improvements	\$ 6,660,452	\$ 330,045	\$ -	\$ 6,990,497
Machinery & Equipment	<u>1,564,296</u>	<u>83,436</u>	<u>-</u>	<u>1,647,732</u>
Total Accumulated Depreciation	<u>8,224,748</u>	<u>413,481</u>	<u>-</u>	<u>8,638,229</u>
Total Capital Assets being Depreciated, Net	<u>3,925,069</u>	<u>51,034</u>	<u>-</u>	<u>3,976,103</u>
Governmental Activities, Total Capital Assets, Net	<u>\$ 10,828,069</u>	<u>\$ 813,928</u>	<u>\$ -</u>	<u>\$ 11,641,997</u>

Depreciation expense of \$413,481 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 General Obligation bond is a direct obligation and pledges the full faith and credit from the District. Both the bond and the notes are payable from property taxes deposited into the District's Debt Service Fund. During the fiscal year, the following changes occurred in long-term liabilities of Governmental Activities.

	<u>Balance June 1, 2021</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance May 31, 2022</u>	<u>Amount Due Within One Year</u>
General Obligation Bond:					
Series 2019	\$ 1,715,000	\$ -	\$ 45,000	\$ 1,670,000	\$ 50,000
Premium on GO Debt - 2019	64,688	-	2,813	61,875	-
Debt Certificates 2014	270,000	-	-	270,000	85,000
Net Pension Liability	<u>302,676</u>	<u>-</u>	<u>221,567</u>	<u>81,109</u>	<u>-</u>
Total	<u>\$ 2,352,364</u>	<u>\$ -</u>	<u>\$ 269,380</u>	<u>\$ 2,082,984</u>	<u>\$ 135,000</u>

*General Obligation Bonds*

\$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 \$85,000 to \$95,000 on January 15th with interest payable semiannually on January and July 15th with rates ranging from 1.2% to 3.45%.

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

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

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

<u>Year Ending May 31st</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	55,000	58,400	113,400
2028-2032	320,000	256,400	576,400
2033-2037	390,000	187,200	577,200
2038-2042	480,000	102,200	582,200
2043-2044	215,000	13,000	228,000
Total	<u>\$ 1,940,000</u>	<u>\$ 890,169</u>	<u>\$ 2,830,169</u>

The Legal Debt Margin for the District is as follows:

2021 Assessed Valuation	<u>\$ 865,713,752</u>
Statutory Debt Limitation (2.875%)	\$ 24,889,270
Less: Outstanding General Obligation Bonds	<u>1,670,000</u>
Legal Debt Margin	<u>\$ 23,219,270</u>

**6. Individual Fund Disclosures**

The following funds had deficit fund balances as of May 31, 2022 in the amount indicated:

<u>Fund Name</u>	<u>Deficit</u>
Recreation	\$ 96,950
Debt Service	474
IMRF	1,792

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

<u>Fund Name</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ -	\$ 169,367
Recreation	168,963	-
Special Recreation	339,338	-
Capital Development	-	434,686
Debt Services	8,892	-
Liabilty and Workmen's Compensation	88,464	-
Audit	119	-
IMRF	-	1,723
	<u>\$ 605,776</u>	<u>\$ 605,776</u>

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

**6. Individual Fund Disclosures (continued)**

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	\$ 491,104	\$ -
Recreation	-	27,925
Special Recreation	62,175	-
Debt Service	-	334,811
Audit	-	18,708
IMRF	-	171,835
	<u>\$ 553,279</u>	<u>\$ 553,279</u>

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

Additionally, transfers were made from the Special Recreation Fund to the General and Recreation Funds for allocated expenses of the Special Recreation Fund paid by the other funds.

**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.

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings.

Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

*Employees Covered by Benefit Terms*

As of December 31, 2021, 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	9
Active Plan Members	<u>15</u>
Total	<u><u>37</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 2021 was 12.14%. For the calendar year 2021, the District contributed \$95,305 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, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

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

*Actuarial Assumptions*

The following are the methods and assumptions used to determine total pension liability at December 31, 2021:

- 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.
- For Disabled Retirees, the Pub-2010, Amount 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, 2021:

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

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

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	39.00%	4.50%
International Equity	15.00%	5.75%
Fixed Income	25.00%	2.00%
Real Estate	10.00%	5.90%
Alternative Investments	10.00%	4.30%-8.10%
Cash Equivalents	<u>1.00%</u>	1.70%
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 1.84%, and the resulting single discount rate is 7.25%.

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

**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:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
<b>Balances Beginning at 1/1/2021</b>	<u>\$ 2,821,570</u>	<u>\$ 2,518,894</u>	<u>\$ 302,676</u>
<b>Charges for the year:</b>			
Service Cost	74,195	-	74,195
Interest	202,490	-	202,490
Actuarial Experience	64,561	-	64,561
Assumptions Changes	-	-	-
Plan Changes	-	-	-
Contributions - Employer	-	95,305	(95,305)
Contributions - Employee	-	37,123	(37,123)
Net Investment Income	-	428,215	(428,215)
Benefit Payments from Trust	(131,401)	(131,401)	-
Other (Net Transfer)	<u>-</u>	<u>2,170</u>	<u>(2,170)</u>
<b>Net Changes</b>	<u>209,845</u>	<u>431,412</u>	<u>(221,567)</u>
<b>Balances Ending at 12/31/2021</b>	<u><u>\$ 3,031,415</u></u>	<u><u>\$ 2,950,306</u></u>	<u><u>\$ 81,109</u></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	\$ 3,501,147	\$ 3,031,415	\$ 2,662,005
Less: Plan Fiduciary Net Position	<u>2,950,306</u>	<u>2,950,306</u>	<u>2,950,306</u>
Net Pension Liability	<u><u>\$ 550,841</u></u>	<u><u>\$ 81,109</u></u>	<u><u>\$ (288,301)</u></u>

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

**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, 2022, the District recognized pension benefit of \$65,327. At May 31, 2022, 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	\$ 164,993	\$ -
Changes of assumptions	7,825	35,239
Net difference between projected and actual earnings on pension plan investments	<u>50,741</u>	<u>372,124</u>
Total Deferred Amounts to be recognized in future periods	223,559	407,363
Pension Contributions made subsequent to the Measurement Date	<u>34,092</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 257,651</u></u>	<u><u>\$ 407,363</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>
2022	\$ (9,571)
2023	(81,640)
2024	(52,023)
2025	(40,570)
2026	-
Thereafter	-
Total	<u><u>\$ (183,804)</u></u>



Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

**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, 2021 through January 1, 2022:

<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 Alliant Property Insurance Program (APIP)	P070121
Flood/except Zones A & V	1,000	\$ 1,000,000	\$100,000,000/Occurrence /Annual/Aggregate		
Flood, Zones A & V	1,000	\$ 1,000,000	\$50,000,000/Occurrence/ Annual/Aggregate		
Earthquake Shock	1,000	\$ 100,000	\$100,000,000/Occurrence /Annual/Aggregate		
Auto Physical Damage					
Comprehensive & Collision	1,000	\$ 1,000,000	Included		
Course of Construction/		Included	\$25,000,000/projects in excess of \$15,000,000 require approval		
Tax Revenue Interruption	1,000	\$ 1,000,000	\$300,000,000/Reported Values \$1,000,000/Non-Reported Values		
Business Interruption, Rental Income, Tax Income	1,000		\$100,000,000/Reported Values \$500,000/ \$2,500,000/Non-Reported Values		
Off Premises 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		

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

**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>
Fidelity and Crime	\$ 1,000	\$ 24,000	\$2,000,000/Occurrence	National Union	02-359-34-00
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	WC010122
Employers' Liability		\$ 500,000	\$3,500,000	Gov't Entities Mutual (GEM)	GEM-0003-A20001
				Safety National	SP4064239
<u>Liability</u>					
General	None	\$ 500,000	\$21,500,000/Occurrence	PDRMA Reinsurers: GEM/ Great American	L010122
Auto Liability	None	\$ 500,000	\$21,500,000/Occurrence		GEM-0003-A21001
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		
Uninsured/Underinsured				AWAC	0312-6656
Motorist	None	\$ 500,000	\$1,000,000/Occurrence		
Communicable Disease	1,000/5,000	\$ 5,000,000	\$250,000/claim/aggregate;\$5M aggregate all members		
<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>			\$1 million aggregate policy limit	Great American	OB010122
Outbreak suspension	24 Hours	N/A	\$5,000/\$25,000/day all locations \$150,000,\$500,000 aggregate		
Workplace violence suspension	24 Hours	N/A	\$15,000 Per Day all locations 5 day maximum		
Fungus suspension	24 Hours	N/A	\$15,000 Per Day all locations 5 day maximum \$1,000,000 Aggregate Policy Limit		
<u>Information Security &amp; Privacy Insurance with Electronic Media Liability Coverage Breach Response</u>	1,000	\$ 50,000	\$500,000/Occurrence/Annual Aggregate \$1 million if Beazley vendors used	Beazley Lloyds Syndicate AFB 2623/623 through the PEPiP program	PH1833938

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

**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>
Business Interruption due to Security Breach	8 hours	\$ 50,000	\$750,000/Occurrence/Annual Aggregate		
Business Interruption Due to System Failure	8 hours	\$ 50,000	\$500,000/Occurrence/ Annual Aggregate		
Dependent Business Loss Due to Security Breach	8 hours	\$ 50,000	\$750,000/Occurrence/Annual Aggregate		
Liability	1,000	\$ 50,000	\$2,000,000/Occurrence/ Annual Aggregate		
Crime	1,000	\$ 50,000	\$75,000/Occurrence/Annual Aggregate		
Criminal Reward	1,000	\$ 50,000	\$25,000/Occurrence Annual Aggregate		
<u>Deadly Weapon Response</u>				Underwritten at Lloyds of London	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 Expenses and AD&D Excess of other Collectible Insurance	Self-Insurance	
<u>Underground Storage Tank Liability</u>	None	N/A	\$10,000 follows Illinois Leaking Underground Tank Fund	Self-Insured	
<u>Unemployment Comp.</u>	N/A	N/A	Statutory	Member-Funded	

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

As a member of PDRMA's Property/Casualty Program, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the Frankfort Park District's governing body. The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report

Frankfort Park District  
Notes to the Basic Financial Statements  
Year Ended May 31, 2022

**8. Risk Management (continued)**

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, 2021 and the Statement of Revenues and Expenses for the period ending December 31, 2021. The Frankfort Park District's portion of the overall equity of the pool is 0.142% or \$80,845.

Assets	\$77,156,496
Deferred Outflows of Resources – Pension	\$871,829
Liabilities	\$19,465,811
Deferred Inflows of Resources – Pension	\$1,466,716
Member Balances	\$57,095,798
Revenues	\$20,026,295
Expenditures	\$19,688,616

Since 96.36% 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, 2022 was \$179,936.

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, 2022 was \$19,551. 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.

**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.

**REQUIRED SUPPLEMENTARY INFORMATION**

Frankfort Park District, Illinois  
Schedule of Changes in Employer's Net Pension Liability and Related Ratios  
Illinois Municipal Retirement Fund  
(schedule to be built prospectively from 2015)

<b>Total Pension Liability</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Service Cost	\$ 74,195	\$ 78,953	\$ 73,234	\$ 68,317	\$ 62,980	\$ 72,860	\$ 66,708
Interest	202,490	188,058	171,595	160,617	148,642	139,094	134,344
Differences Between Expected and Actual Experience	64,561	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	(131,401)	(141,281)	(111,760)	(101,841)	(94,097)	(108,448)	(74,158)
Net Change in Total Pension Liability	209,845	196,496	238,982	227,770	160,876	122,588	77,490
Total Pension Liability - Beginning	2,821,570	2,625,074	2,386,092	2,158,322	1,997,446	1,874,858	1,797,368
Total Pension Liability - Ending	<u>\$ 3,031,415</u>	<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	\$ 95,305	\$ 83,204	\$ 66,996	\$ 65,819	\$ 64,837	\$ 73,906	\$ 73,167
Contributions - Employee	37,123	33,401	31,437	30,161	30,393	29,962	29,280
Net Investment Income	428,215	310,497	347,541	(106,665)	302,664	103,801	7,561
Benefit Payments, Including Refunds of Member Contributions	(131,401)	(141,281)	(111,760)	(101,841)	(94,097)	(108,448)	(74,158)
Other	2,170	39,722	(7,801)	32,095	(32,654)	22,323	20,844
Net Change in Plan Fiduciary Net Position	431,412	325,543	326,413	(80,431)	271,143	121,544	56,694
Plan Fiduciary Net Position - Beginning	2,518,894	2,193,351	1,866,938	1,947,369	1,676,226	1,554,682	1,497,988
Plan Fiduciary Net Position - Ending	<u>\$ 2,950,306</u>	<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>Employer's Net Pension Liability</b>	<u>\$ 81,109</u>	<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 as a Percentage of the Total Pension Liability	97.32 %	89.27 %	83.55 %	78.24 %	90.23 %	83.92 %	82.92 %
Covered-Valuation Payroll	\$ 785,051	\$ 742,236	\$ 698,601	\$ 670,244	\$ 675,398	\$ 665,827	\$ 643,848
Employer's Net Pension Liability as a Percentage of Covered Payroll	10.33 %	40.78 %	61.80 %	77.46 %	31.23 %	48.24 %	49.73 %

See accompanying 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)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Valuation Payroll	Actual Contribution as a %	
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	%
2021	95,305	95,305	-	785,051	12.14	%

See accompanying notes to the required supplementary information

Frankfort Park District, Illinois  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund  
Year Ended May 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 1,381,000	\$ 1,380,362	\$ (638)
Personal Property Replacement Taxes	14,500	44,670	30,170
Grants (Refunds)	2,000	6,822	4,822
Donations	9,000	5,216	(3,784)
Rental	25,000	14,168	(10,832)
Miscellaneous	1,000	19,304	18,304
Interest	24,000	20,838	(3,162)
Total Revenues	<u>1,456,500</u>	<u>1,491,380</u>	<u>34,880</u>
<b>Expenditures</b>			
Operating	1,231,945	1,054,689	(177,256)
Total Expenditures	<u>1,231,945</u>	<u>1,054,689</u>	<u>(177,256)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>224,555</u>	<u>436,691</u>	<u>212,136</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	-	(491,104)	(491,104)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(491,104)</u>	<u>(491,104)</u>
Net Change in Fund Balance	<u>\$ 224,555</u>	(54,413)	<u>\$ (278,968)</u>
Fund Balance, Beginning of Year		<u>1,664,380</u>	
Fund Balance, End of Year		<u>\$ 1,609,967</u>	

See accompanying notes to the required supplementary information



Frankfort Park District, Illinois  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Recreation Fund  
Year Ended May 31, 2022

	Original and Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Property Taxes	\$ 1,666	\$ 1,660	\$ (6)
Preschool Program	152,883	168,876	15,993
Summer Day Camp	50,970	69,669	18,699
Prairie Care Program	129,725	125,768	(3,957)
Recreation Program	229,071	287,513	58,442
Fitness	37,682	32,775	(4,907)
Special Events	45,436	54,404	8,968
Adults/Seniors	88,000	38,959	(49,041)
Leagues	118,395	116,485	(1,910)
LWHS Pool Rental	1,920	(273)	(2,193)
Splash Park	9,375	14,520	5,145
Dog Park	500	2,248	1,748
Concession Stand	5,000	5,077	77
Athletic Field Reimbursement	8,000	3,100	(4,900)
Rental	17,500	54,025	36,525
Fund Raising	8,500	4,391	(4,109)
Miscellaneous	-	1,665	1,665
	<hr/>	<hr/>	<hr/>
Total Revenues	904,623	980,862	76,239
	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>			
Current Program	1,146,329	1,074,314	(72,015)
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,146,329	1,074,314	(72,015)
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(241,706)	(93,452)	148,254
	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources</b>			
Transfers	-	27,925	27,925
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	<u>\$ (241,706)</u>	(65,527)	<u>\$ 176,179</u>
	<hr/>	<hr/>	<hr/>
Fund Balance, Beginning of Year		(31,423)	
		<hr/>	
Fund Balance, End of the Year		<u>\$ (96,950)</u>	

See accompanying notes to the required supplementary information

Frankfort Park District, Illinois  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Special Recreation Fund  
Year Ended May 31, 2022

	Original and Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Property Taxes	\$ 325,533	\$ 325,350	\$ (183)
Total Revenues	<u>325,533</u>	<u>325,350</u>	<u>(183)</u>
<b>Expenditures</b>			
Contractual	-	210,730	210,730
Capital Outlay	775,971	445,917	(330,054)
Total Expenditures	<u>775,971</u>	<u>656,647</u>	<u>(119,324)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(450,438)	(331,297)	119,141
<b>Other Financing Sources (Uses)</b>			
Transfers Out	-	(62,175)	(62,175)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(62,175)</u>	<u>(62,175)</u>
Net Change in Fund Balance	<u>\$ (450,438)</u>	(393,472)	<u>\$ 56,966</u>
Fund Balance, Beginning of Year		<u>706,724</u>	
Fund Balance, End of Year		<u>\$ 313,252</u>	

See accompanying notes to the required supplementary information

Frankfort Park District, Illinois  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Capital Development Fund  
Year Ended May 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Developer Contributions	\$ 30,000	\$ 50,607	\$ 20,607
Donations	-	51,526	51,526
Interest	16,000	35,127	19,127
Total Revenues	<u>46,000</u>	<u>137,260</u>	<u>91,260</u>
<b>Expenditures</b>			
Miscellaneous	-	22	22
Capital Outlay	1,189,238	781,494	(407,744)
Total Expenditures	<u>1,189,238</u>	<u>781,516</u>	<u>(407,722)</u>
Net Change in Fund Balance	<u>\$ (1,143,238)</u>	(644,256)	<u>\$ 498,982</u>
Fund Balance, Beginning of Year		<u>1,339,275</u>	
Fund Balance, End of Year		<u>\$ 695,019</u>	

See accompanying notes to the required supplementary information

Frankfort Park District, Illinois  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual (Deficit) - Debt Service Fund  
Year Ended May 31, 2022

	Original and Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Property Taxes	\$ 113,770	\$ 113,708	\$ (62)
Total Revenues	<u>113,770</u>	<u>113,708</u>	<u>(62)</u>
<b>Expenditures</b>			
Principal	46,080	45,000	(1,080)
Interest	77,178	78,128	950
Total Expenditures	<u>123,258</u>	<u>123,128</u>	<u>(130)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,488)</u>	<u>(9,420)</u>	<u>68</u>
<b>Other Financing Sources (Uses)</b>			
Transfer In (Out)	-	334,811	334,811
Total Other Financing Sources (Uses)	<u>-</u>	<u>334,811</u>	<u>334,811</u>
Net Change in Fund Balance	<u>\$ (9,488)</u>	325,391	<u>\$ 334,879</u>
Fund Balance, Beginning of Year		<u>(325,865)</u>	
Fund Balance, End of Year		<u>\$ (474)</u>	

See accompanying notes to the required supplementary information

Frankfort Park District  
Notes to the Required Supplementary Information  
Year Ended May 31, 2022

**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 June 22, 2021 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
Liability Insurance and Workers Compensation	\$ 8,061
Audit	1,559
IMRF	14,060

**4. Summary of Actuarial Methods and Assumptions used in the Calculation of the 2021 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.



## **OTHER SUPPLEMENTARY INFORMATION**

Frankfort Park District, Illinois  
Schedule of Expenditures - Budget and Actual - General Fund  
Year Ended May 31, 2022

	Original and Final Budget	Actual	Variance Over(Under)
<b>Expenditures</b>			
Operating:			
Salaries - Maintenance	\$ 209,678	\$ 199,424	\$ (10,254)
Salaries Part-time Maintenance	42,000	38,878	(3,122)
Salaries - Admin	196,405	204,889	8,484
Salaries - Clerical	97,349	79,775	(17,574)
FICA	84,091	53,021	(31,070)
Group Insurance	110,971	88,852	(22,119)
Telephone	12,723	5,457	(7,266)
Cable / Internet Phone	5,180	5,109	(71)
Postage	4,100	384	(3,716)
Dues	8,248	7,539	(709)
Conference & Seminar	11,825	13,149	1,324
Mileage Reimbursement	3,800	3,188	(612)
Meeting Expenses	2,924	2,608	(316)
Advertising	9,765	8,738	(1,027)
Board Expenses	1,200	1,450	250
Attorney Fees	40,000	11,631	(28,369)
Professional Fees	54,286	13,132	(41,154)
Legal Publications	1,800	1,186	(614)
Bank Charges Updated	2,000	1,443	(557)
Memorial Bench Expense	2,000	-	(2,000)
Office Supplies / Repairs	3,600	2,874	(726)
Computer / Website	22,542	18,189	(4,353)
Equipment Rental / Lease	25,568	24,684	(884)
Grant Expenditures	-	3,650	3,650
Building Supplies	11,250	3,370	(7,880)
Covid related-Building Supplies	-	330	330
Maintenance Supplies	8,350	9,144	794
Park Equipment / Maint	30,700	36,208	5,508
Natural Area Maintenance	134,090	150,079	15,989
Equipment Rental	500	991	491
Equipment Repair	12,700	7,742	(4,958)
Building Repair & Maint	17,100	4,289	(12,811)
Utilities	35,450	18,882	(16,568)
Vehicle Expense	6,500	3,939	(2,561)
Fuel	15,500	18,335	2,835
Uniforms	1,250	677	(573)
Athletic Org Billables	-	2,302	2,302
Living Tree Expenses	2,500	-	(2,500)
Miscellaneous Expense - PDRMA Claim	-	5,049	5,049
Contingencies Covid-Related Exp	-	350	350
Contingencies	4,000	3,752	(248)
Total Expenditures	\$ 1,231,945	\$ 1,054,689	\$ (177,256)



Frankfort Park District, Illinois  
Schedule of Expenditures - Budget and Actual - Recreation Fund  
Year Ended May 31, 2022

	Original and Final Budget	Actual	Variance Over(Under)
<b>Expenditures</b>			
Salaries - Maintenance	\$ 55,366	\$ 29,987	\$ (25,379)
Salaries - Admin	231,720	235,004	3,284
Salaries - Clerical	42,756	36,977	(5,779)
Group Insurance	27,825	29,628	1,803
Telephone	8,300	6,101	(2,199)
Postage	700	588	(112)
Garden Plot Expense	145	362	217
Active Net Usage Fees	15,000	12,500	(2,500)
Conference & Seminar	5,000	2,291	(2,709)
Mileage Reimbursement	5,630	5,667	37
Active net CC processing fees	35,000	32,732	(2,268)
Office Supplies / Repairs	2,200	2,350	150
Computer / Website	9,385	7,555	(1,830)
Brochure Printing	18,600	11,598	(7,002)
Concession Stand Exp	2,815	2,338	(477)
Rental Expense	-	9,319	9,319
Pre-School Expenses	126,661	100,706	(25,955)
Summer Camp Expenses	30,334	36,731	6,397
Prairie Care Expenses	73,197	54,856	(18,341)
Fund Raising Expense	6,550	2,225	(4,325)
Advertising Expense	-	8	8
Program Expenses	162,051	193,716	31,665
Fitness	24,730	22,383	(2,347)
Sponsor Expense	-	304	304
Special Events Expense	29,161	35,343	6,182
Adult / Seniors	75,405	48,088	(27,317)
League Expenses	83,689	77,619	(6,070)
Dog Park Expenses	1,500	2,276	776
Splash Park Expenses	5,933	8,513	2,580
LWE Program Expenses	1,276	-	(1,276)
Recreation Supplies Equip	6,450	5,673	(777)
Supplies Janitorial	5,200	4,060	(1,140)
Building Repair & Maint	8,300	15,435	7,135
Utilities	36,350	29,196	(7,154)
Landscaping Improvements	1,500	1,470	(30)
Uniforms	1,600	1,230	(370)
Athletic Field Equip	4,500	6,779	2,279
Contingencies	1,500	2,706	1,206
Total Expenditures	<u>\$ 1,146,329</u>	<u>\$ 1,074,314</u>	<u>\$ (72,015)</u>

Frankfort Park District, Illinois  
Combining Balance Sheet  
Nonmajor Governmental Funds  
May 31, 2022

	Special Revenue Fund Type			Total Nonmajor Governmental Funds
	Liability Insurance and Workmen's Compensation	Audit	IMRF	
<b>Assets</b>				
Property Taxes Receivable	\$ 20,704	\$ 796	\$ 796	\$ 22,296
Due From Other Funds	88,464	119	-	88,583
Total Assets	<u>\$ 109,168</u>	<u>\$ 915</u>	<u>\$ 796</u>	<u>\$ 110,879</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>				
Liabilities:				
Accrued Expenses	\$ 22,911	\$ -	\$ -	\$ 22,911
Due To Other Funds	-	-	1,723	1,723
Total Liabilities	<u>22,911</u>	<u>-</u>	<u>1,723</u>	<u>24,634</u>
Deferred Inflows of Resources:				
Deferred Property Taxes	20,705	796	796	22,297
Advanced Collections	1,804	69	69	1,942
Total Deferred Inflows of Resources	<u>22,509</u>	<u>865</u>	<u>865</u>	<u>24,239</u>
Fund Balances (Deficits):				
Restricted for:				
Liability Insurance and Workmen's Compensation	63,748	-	-	63,748
Audit	-	50	-	50
Unassigned	-	-	(1,792)	(1,792)
Total Fund Balances (Deficits)	<u>63,748</u>	<u>50</u>	<u>(1,792)</u>	<u>62,006</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 109,168</u>	<u>\$ 915</u>	<u>\$ 796</u>	<u>\$ 110,879</u>

Frankfort Park District, Illinois  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
Year Ended May 31, 2022

	<u>Special Revenue Fund Type</u>			
	<u>Liability Insurance and Workmen's Compensation</u>	<u>Audit</u>	<u>IMRF</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>				
Property Taxes	\$ 66,398	\$ 1,660	\$ 1,660	\$ 69,718
Miscellaneous	1,500	-	-	1,500
Total Revenues	<u>67,898</u>	<u>1,660</u>	<u>1,660</u>	<u>71,218</u>
<b>Expenditures</b>				
Current:				
Contractual	-	12,185	-	12,185
Employee Benefits	-	-	92,619	92,619
Insurance	66,261	-	-	66,261
Total Expenditures	<u>66,261</u>	<u>12,185</u>	<u>92,619</u>	<u>171,065</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,637</u>	<u>(10,525)</u>	<u>(90,959)</u>	<u>(99,847)</u>
<b>Other Financing Sources</b>				
Transfers In	<u>-</u>	<u>18,708</u>	<u>171,835</u>	<u>190,543</u>
Net Change in Fund Balance	1,637	8,183	80,876	90,696
Fund Balance (Deficit), Beginning of Year	<u>62,111</u>	<u>(8,133)</u>	<u>(82,668)</u>	<u>(28,690)</u>
Fund Balance (Deficit), End of Year	<u>\$ 63,748</u>	<u>\$ 50</u>	<u>\$ (1,792)</u>	<u>\$ 62,006</u>

Frankfort Park District, Illinois  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Liability Insurance and Workmen's Compensation Fund  
Year Ended May 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 66,435	\$ 66,398	\$ (37)
Miscellaneous Income	-	1,500	1,500
Total Revenues	<u>66,435</u>	<u>67,898</u>	<u>1,463</u>
 <b>Expenditures</b>			
Insurance	<u>58,200</u>	<u>66,261</u>	<u>8,061</u>
Total Expenditures	<u>58,200</u>	<u>66,261</u>	<u>8,061</u>
 Net Change in Fund Balance	<u>\$ 8,235</u>	1,637	<u>\$ (6,598)</u>
 Fund Balance, Beginning of Year		<u>62,111</u>	
 Fund Balance, End of Year		<u>\$ 63,748</u>	

Frankfort Park District, Illinois  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance (Deficit) - Budget and Actual  
Audit Fund  
Year Ended May 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 1,660	\$ 1,660	\$ -
Total Revenues	<u>1,660</u>	<u>1,660</u>	<u>-</u>
 <b>Expenditures</b>			
Contractual Audit	<u>10,625</u>	<u>12,185</u>	<u>1,560</u>
Total Expenditures	<u>10,625</u>	<u>12,185</u>	<u>1,560</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,965)</u>	<u>(10,525)</u>	<u>(1,560)</u>
 <b>Other Financing Sources (Uses)</b>			
Transfers In	<u>-</u>	<u>18,708</u>	<u>18,708</u>
 Net Change in Fund Balance	<u>\$ (8,965)</u>	<u>8,183</u>	<u>\$ 17,148</u>
 Fund Balance (Deficit), Beginning of Year		<u>(8,133)</u>	
 Fund Balance, End of Year		<u>\$ 50</u>	

Frankfort Park District, Illinois  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance (Deficit) - Budget and Actual  
IMRF Fund  
Year Ended May 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Property Taxes	\$ 1,660	\$ 1,660	\$ -
Total Revenues	<u>1,660</u>	<u>1,660</u>	<u>-</u>
<b>Expenditures</b>			
IMRF Contributions	78,557	92,619	14,062
Total Expenditures	<u>78,557</u>	<u>92,619</u>	<u>14,062</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(76,897)</u>	<u>(90,959)</u>	<u>(14,062)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	<u>-</u>	<u>171,835</u>	<u>171,835</u>
Net Change in Fund Balance	<u>\$ (76,897)</u>	<u>80,876</u>	<u>\$ 157,773</u>
Fund Balance (Deficit), Beginning of Year		<u>(82,668)</u>	
Fund Balance (Deficit), End of Year		<u>\$ (1,792)</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, 2021	May 31, 2021	Collected	Receivable	Loss and Cost on Collections	Receivable
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	1,828,913	-	1,828,913	99.77%	4,280	4,280	-
2020	1,891,750	23,209	1,867,590	1,890,799	99.95%	952	952	-
2021	1,951,248	-	156,383	156,383	8.01%	1,794,865	-	1,794,865
	<u>\$ 17,066,648</u>	<u>\$ 13,219,083</u>	<u>\$ 2,023,973</u>	<u>\$ 15,243,056</u>		<u>\$ 1,829,972</u>	<u>\$ 35,107</u>	<u>\$ 1,794,865</u>

Add: Advance Collections 2020 Tax Levy \$ 23,209

Less: Advance Collections 2021 Tax Levy 156,384

Property Tax Revenues May 31, 2022 \$ 1,890,798

Gross Taxes Collected By Fund

Corporate	\$ 1,380,362
Recreation	1,660
Special Recreation	325,351
Audit	1,660
Liability & Workmen's Compensation	66,398
IMRF	1,660
Debt Service	<u>113,707</u>
	\$ 1,890,798

Net Taxes Receivable by Fund

Corporate	\$ 1,364,861
Recreation	796
Special Recreation	299,411
Audit	796
Liability & Workmen's Compensation	20,704
IMRF	796
Debt Service	<u>107,501</u>
	\$ 1,794,865



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>
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
2021	865,713,752	0.2254

Analysis of the 2021 Tax Levy

<u>Fund</u>	<u>Rate</u>	<u>Percent</u>	<u>Extension</u>
Corporate	0.1714	76.06	\$ 1,483,779
Recreation	0.0001	0.04	866
IMRF	0.0001	0.04	866
Audit	0.0001	0.04	866
Workmen's Compensation	0.0026	1.15	22,508
Special Recreation	0.0376	16.68	325,497
Debt Service	0.0135	5.99	116,867
	<u>0.2254</u>	<u>100.00</u>	<u>\$ 1,951,249</u>