

FRANKFORT PARK DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MAY 31, 2023

Prepared By:

HEARNE & ASSOCIATES, P.C.

Certified Public Accountants &
Business Consultants

Frankfort Park District
Annual Financial Report
Year Ended May 31, 2023

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HEARNE & ASSOCIATES, P.C.
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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, 2023, 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, 2023, 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 of 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 Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report 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 and Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report 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 and Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial Report 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 22, 2023
Mokena, IL


Hearne & Associates, P.C.
Certified Public Accountants

Frankfort Park District

Management's Discussion and Analysis
May 31, 2023

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, 2023. Please read it in conjunction with the District's financial statements.

Financial Highlights

Net position at May 31, 2023 was \$11,851,892 a decrease of \$111,836 from the prior year.

Capital grants and contributions revenue increased \$357,240 from the prior year due to the District receiving \$350,000 in state grant revenue.

The District expended \$532,711 on Capital Assets and reclassified \$739,144 from Construction in progress during the year. The Park District also paid \$45,000 in debt principal.

The Assessed Valuation of the District increased by \$75,114,307 which will bring it to \$940,828,059 for the 2022 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 and Capital Development 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, 2023

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,

	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 4,743,310	\$ 4,885,735
Capital Assets (net of accum depr)	<u>11,708,349</u>	<u>11,641,997</u>
Total Assets	<u>16,451,659</u>	<u>16,527,732</u>
Deferred Outflows of Resources	<u>632,882</u>	<u>257,651</u>
Current and Other Liabilities	498,353	515,059
Long-Term Debt	<u>2,394,881</u>	<u>1,947,984</u>
Total Liabilities	<u>2,893,234</u>	<u>2,463,043</u>
Deferred Inflows of Resources		
Pension Related	273,426	407,363
Deferred Revenue	<u>2,065,989</u>	<u>1,951,249</u>
Total Deferred Inflows of Resources	<u>2,339,415</u>	<u>2,358,612</u>
Net Position		
Net Investment in Capital Assets	9,962,411	9,640,122
Restricted	896,824	1,072,069
Unrestricted	<u>992,657</u>	<u>1,251,537</u>
Total Net Position	<u>\$ 11,851,892</u>	<u>\$ 11,963,728</u>

Frankfort Park District

Management's Discussion and Analysis

May 31, 2023

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 (84.05%) 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>2023</u>	<u>2022</u>
Program Revenues:		
Charges for Services	\$ 1,115,519	\$ 991,705
Operating Grants & Contributions	25,480	63,564
Capital Grants & Contributions	<u>407,847</u>	<u>50,607</u>
Total Program Revenues	<u>1,548,846</u>	<u>1,105,876</u>
General Revenues:		
Property Taxes	1,946,880	1,890,798
Replacement Taxes	50,489	44,670
Unrestricted Interest	27,702	55,965
Other General Revenues	<u>17,698</u>	<u>22,469</u>
Total General Revenues	<u>2,042,769</u>	<u>2,013,902</u>
Total Revenues	<u>3,591,615</u>	<u>3,119,778</u>
Expenses		
General Government	1,412,478	1,105,068
Culture & Recreation	2,217,277	1,752,045
Interest on Long-Term Debt	<u>73,696</u>	<u>75,636</u>
Total Expenses	<u>3,703,451</u>	<u>2,932,749</u>
Change in Net Position	(111,836)	187,029
Net Position, Beginning of Year	<u>11,963,728</u>	<u>11,776,699</u>
Net Position, End of Year	<u>\$ 11,851,892</u>	<u>\$ 11,963,728</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. The increase in Capital Grants and Contributions was due to state grant funds received.

Expenditures for Culture and Recreation increased by \$465,232, or 26.55% compared to the prior year. This was primarily due to increased program expenses. Expenditures for General Government increased \$307,410 compared to the prior year. This is primarily due to a recognized pension expense of \$83,355.

Frankfort Park District

Management's Discussion and Analysis
May 31, 2023

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	\$ 1,536,279	\$ 1,581,982
Other Funds	2,091,798	2,009,633
Total Revenues	<u>\$ 3,628,077</u>	<u>\$ 3,591,615</u>
Expenditures:		
General Fund	\$ 1,273,719	\$ 1,198,730
Other Funds	3,134,284	2,618,213
Total Expenditures	<u>\$ 4,408,003</u>	<u>\$ 3,816,943</u>

Capital Assets

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

	<u>2023</u>	<u>2022</u>
Land	\$ 6,903,000	\$ 6,903,000
Construction in Progress	23,750	762,894.00
Buildings and Improvements	11,061,284	10,062,283
Machinery and Equipment	2,667,248	2,552,049
Accumulated Depreciation	<u>(8,946,933)</u>	<u>(8,638,229)</u>
Total Net Capital Assets	<u>\$ 11,708,349</u>	<u>\$ 11,641,997</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, 2023

Long-term Debt

The District retired \$135,000 of principal related to outstanding debt certificates and general obligation bond. The remaining principal balance on the bond issue is \$1,805,000. Additional information on long-term debt can be found in Note 5 in the Notes to the Basic Financial Statements.

	<u>Balance</u> <u>June 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>May 31, 2023</u>
Bonds Payable	\$ 1,940,000	\$ -	\$ 135,000	\$ 1,805,000
Bond Premium	61,875	-	2,813	59,062
Net Pension Liability	<u>81,109</u>	<u>592,523</u>	<u>-</u>	<u>673,632</u>
Totals	<u>\$ 2,082,984</u>	<u>\$ 592,523</u>	<u>\$ 137,813</u>	<u>\$ 2,537,694</u>

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, 2023

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 836,906
Investments	1,993,447
Property Taxes Receivable	1,904,767
Other Receivable	8,190
Capital Assets not Being Depreciated	6,926,750
Capital Assets Being Depreciated, net	4,781,599
Total Assets	16,451,659
 Deferred Outflows of Resources	
Related to Pensions	632,882
 Liabilities	
Accrued Expenses	99,110
Accrued Interest	26,712
Unearned Revenue	229,718
Long-term Obligations, due within one year:	
General Obligation Bonds	140,000
Bond Premium	2,813
Long-term Obligations, due in more than one year:	
Net Pension Liability	673,632
General Obligation Bonds	1,665,000
Bond Premium	56,249
Total Liabilities	2,893,234
 Deferred Inflows of Resources	
Related to Pensions	273,426
Unavailable Property Tax Revenue	2,065,989
Total Deferred Inflows of Resources	2,339,415
 Net Position	
Net Investment in Capital Assets	9,962,411
Restricted for:	
Capital Development	550,424
Special Recreation	277,302
Debt Service	1
Liability Insurance	67,676
IMRF	1,421
Unrestricted	992,657
Total Net Position	\$ 11,851,892

See Notes to the Basic Financial Statements

Frankfort Park District, Illinois
Statement of Activities
Year Ended May 31, 2023

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:					
General Government	\$ 1,412,478	\$ -	\$ -	\$ -	\$ (1,412,478)
Culture and Recreation	2,217,277	1,115,519	25,480	407,847	(668,431)
Interest on Long-term Debt	<u>73,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,696)</u>
Total Governmental Activities	<u>\$ 3,703,451</u>	<u>\$ 1,115,519</u>	<u>\$ 25,480</u>	<u>\$ 407,847</u>	<u>(2,154,605)</u>
General Revenues:					
Taxes:					
Property Taxes					1,946,880
Replacement Taxes					50,489
Unrestricted Interest					27,702
Other General Revenues					<u>17,698</u>
Total General Revenues					<u>2,042,769</u>
Change in Net Position					(111,836)
Net Position, Beginning of Year					<u>11,963,728</u>
Net Position, End of Year					<u>\$ 11,851,892</u>

See Notes to the Basic Financial Statements

Frankfort Park District, Illinois

Balance Sheet

Governmental Funds

May 31, 2023

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Recreation	Special Recreation	Capital Development		
Assets						
Cash and Investments	\$ 1,696,130	\$ -	\$ -	\$ 1,134,223	\$ -	\$ 2,830,353
Property Taxes Receivable	1,284,788	941	325,512	-	293,526	1,904,767
Other Receivables	8,190	-	-	-	-	8,190
Due From Other Funds	260,486	-	277,303	-	69,097	606,886
Total Assets	\$ 3,249,594	\$ 941	\$ 602,815	\$ 1,134,223	\$ 362,623	\$ 5,350,196
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)						
Liabilities:						
Accrued Expenses	\$ 71,034	\$ 28,076	\$ -	\$ -	\$ -	\$ 99,110
Unearned Revenue	-	229,718	-	-	-	229,718
Due To Other Funds	-	22,452	-	583,799	635	606,886
Total Liabilities	71,034	280,246	-	583,799	635	935,714
Deferred Inflows of Resources:						
Deferred Property Taxes	1,284,788	941	325,513	-	293,525	1,904,767
Advanced Collections	161,222	-	-	-	-	161,222
Total Deferred Inflows of Resources	1,446,010	941	325,513	-	293,525	2,065,989
Fund Balances (Deficits):						
Restricted for:						
Capital Development	-	-	-	550,424	-	550,424
Special Recreation	-	-	277,302	-	-	277,302
Debt Service	-	-	-	-	1	1
Liability Insurance	-	-	-	-	67,676	67,676
IMRF	-	-	-	-	1,421	1,421
Unassigned	1,732,550	(280,246)	-	-	(635)	1,451,669
Total Fund Balances (Deficits)	1,732,550	(280,246)	277,302	550,424	68,463	2,348,493
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,249,594	\$ 941	\$ 602,815	\$ 1,134,223	\$ 362,623	\$ 5,350,196

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, 2023

Total Fund Balances - Governmental Funds	\$	2,348,493
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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		20,655,282
Accumulated Depreciation		(8,946,933)

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		632,882
Deferred Inflows of Resources Related to Pensions		(273,426)
General Obligation Bond Payable		(1,805,000)
Bond Premium		(59,062)
Net Pension Liability		(673,632)
Accrued Interest		(26,712)

Net Position of Governmental Activities	\$	<u>11,851,892</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, 2023

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Recreation	Special Recreation	Capital Development		
Revenues						
Property Taxes	\$ 1,479,408	\$ 866	\$ 325,497	\$ -	\$ 141,109	\$ 1,946,880
Replacement Taxes	50,489	-	-	-	-	50,489
Grants (Refunds)	2,850	-	-	350,000	-	352,850
Program Revenue	-	1,073,521	-	-	-	1,073,521
Developer Contributions	-	-	-	57,847	-	57,847
Donations	5,000	-	-	17,630	-	22,630
Rental	7,900	34,098	-	-	-	41,998
Interest	23,187	-	-	4,515	-	27,702
Miscellaneous	13,148	809	-	-	3,741	17,698
Total Revenues	<u>1,581,982</u>	<u>1,109,294</u>	<u>325,497</u>	<u>429,992</u>	<u>144,850</u>	<u>3,591,615</u>
Expenditures						
Current:						
General Government	1,198,730	-	-	-	133,210	1,331,940
Culture and Recreation	-	1,347,590	208,837	-	-	1,556,427
Debt Service:						
Principal	-	-	-	-	135,000	135,000
Interest and Other Charges	-	-	-	-	75,378	75,378
Capital Outlay:	-	-	152,609	574,589	-	727,198
Total Expenditures	<u>1,198,730</u>	<u>1,347,590</u>	<u>361,446</u>	<u>574,589</u>	<u>343,588</u>	<u>3,825,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>383,252</u>	<u>(238,296)</u>	<u>(35,949)</u>	<u>(144,597)</u>	<u>(198,738)</u>	<u>(234,328)</u>
Other Financing Sources (Uses)						
Transfers In (Out)	(260,669)	55,000	-	-	205,669	-
Total Other Financing Sources (Uses)	<u>(260,669)</u>	<u>55,000</u>	<u>-</u>	<u>-</u>	<u>205,669</u>	<u>-</u>
Net Change in Fund Balance	122,583	(183,296)	(35,949)	(144,597)	6,931	(234,328)
Fund Balance (Deficit), Beginning of Year	<u>1,609,967</u>	<u>(96,950)</u>	<u>313,251</u>	<u>695,021</u>	<u>61,532</u>	<u>2,582,821</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,732,550</u>	<u>\$ (280,246)</u>	<u>\$ 277,302</u>	<u>\$ 550,424</u>	<u>\$ 68,463</u>	<u>\$ 2,348,493</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, 2023

Net change in fund balance	\$	(234,328)
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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		532,711
Depreciation Expense		(429,373)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Statement of Net Position.		135,000
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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		(83,355)
Amortization Expense		2,813
Accrued Interest		1,682
Loss (Gain) on Disposition of Assets		<u>(36,986)</u>

Change in net position of governmental activities	\$	<u>(111,836)</u>
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See Notes to the Basic Financial Statements

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

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, 2023

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, 2023

1. Summary of Significant Accounting Policies (continued)

The District also reports the following nonmajor governmental funds:

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.

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.

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

1. Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Investments

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

Short-term Interfund Receivable/Payables

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

Other Significant Accounting Policies

Capital Assets

Capital assets are stated on the basis of historical cost. Major capital asset additions are financed primarily from bond proceeds. Assets acquired through gifts or donations are recorded at their estimated fair value at the time of acquisition. The District has established a capitalization threshold of \$5,000 for land improvements, buildings, and equipment.

Depreciation of Capital Assets

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are shown below:

Buildings and Improvements	20-50 Years
Machinery and Equipment	5-20 Years

Fund Balances

The District’s fund balances are required to be reported using five separate classifications as listed below. The District may not necessarily utilize each classification in a given fiscal year.

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification may include inventories and assets held for sale.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the District’s highest level of decision-making authority, the District’s Board of Commissioners.

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

1. Summary of Significant Accounting Policies (continued)

Assigned fund balance – Amounts that are constrained by the District’s intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the District’s Board of Commissioners, or another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, assigned fund balance is the residual fund balance classification for all governmental funds with positive balances.

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

Use of Resources Policy

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

Use of Estimates

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

2. Cash and Investments

Deposits

Cash consisted of checking accounts, which were carried at cost. At May 31, 2023, the carrying amount of the District’s deposits was \$836,906 (exclusive of \$500 held in petty cash funds) and the bank balance was \$965,672.

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, 2023, the District has investments in bank certificates of deposit that total \$1,993,447.

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

2. Cash and Investments (continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk – The District limits the amount it may invest in any one bank or savings and loan to ten percent of the investment portfolio. At year-end, the District held all of its deposits in one bank.

Interest Rate Risk – The District’s formal investment policy limits investment maturities to money market mutual funds and short-term investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

The following is a summary of cash equivalents and investments at May 31, 2023:

Per Statement of Net Position:		Per Note 2:	
Cash Equivalents	\$ 836,906	Cash and Equivalents	\$ 836,406
Certificates of Deposit	1,993,447	Petty Cash	500
Total Cash and		Certificates of Deposit	1,993,447
Investments	\$ 2,830,353	Total per Note 2	\$ 2,830,353

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 2022 tax levy year is as follows:

	<u>Cook County</u>	<u>Will County</u>
Lien Date	January 1, 2022	January 1, 2022
Levy Date	December 20, 2022	December 20, 2022
First Installment Due Date	April 3, 2023	June 1, 2023
Second Installment Due Date	December 1, 2023	September 1, 2023

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

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>762,894</u>	<u>11,500</u>	<u>(750,644)</u>	<u>23,750</u>
Total Capital Assets not being Depreciated	<u>7,665,894</u>	<u>11,500</u>	<u>(750,644)</u>	<u>6,926,750</u>
Capital Assets being Depreciated				
Buildings and Improvements	10,062,283	1,156,657	(157,656)	11,061,284
Machinery & Equipment	<u>2,552,049</u>	<u>115,199</u>	<u>-</u>	<u>2,667,248</u>
Total Capital Assets being Depreciated	<u>12,614,332</u>	<u>1,271,856</u>	<u>(157,656)</u>	<u>13,728,532</u>
Less: Accumulated Depreciation for:				
Buildings and Improvements	\$ 6,990,497	\$ 352,020	\$ (120,670)	\$ 7,221,847
Machinery & Equipment	<u>1,647,733</u>	<u>77,353</u>	<u>-</u>	<u>1,725,086</u>
Total Accumulated Depreciation	<u>8,638,230</u>	<u>429,373</u>	<u>(120,670)</u>	<u>8,946,933</u>
Total Capital Assets being Depreciated, Net	<u>3,976,102</u>	<u>842,483</u>	<u>(36,986)</u>	<u>4,781,599</u>
Governmental Activities, Total Capital Assets, Net	<u>\$ 11,641,996</u>	<u>\$ 853,983</u>	<u>\$ (787,630)</u>	<u>\$ 11,708,349</u>

Depreciation expense of \$429,373 was all charged to the Cultural and Recreation Governmental activity.

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

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.

	Balance			Balance	Amount Due
	June 1, 2022	Issuances	Retirements	May 31, 2023	Within One Year
General Obligation Bond:					
Series 2019	\$ 1,670,000	\$ -	\$ 50,000	\$ 1,620,000	\$ 50,000
Premium on GO Debt - 2019	61,875	-	2,813	59,062	2,813
Debt Certificates 2014	270,000	-	85,000	185,000	90,000
Net Pension Liability	81,109	592,523	-	673,632	-
Total	<u>\$ 2,082,984</u>	<u>\$ 592,523</u>	<u>\$ 137,813</u>	<u>\$ 2,537,694</u>	<u>\$ 142,813</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%.

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

Year Ending May 31st	Principal	Interest	Total
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	60,000	56,200	116,200
2029-2033	330,000	243,600	573,600
2034-2038	410,000	171,600	581,600
2039-2043	495,000	83,000	578,000
2044	110,000	4,400	114,400
Total	<u>\$ 1,805,000</u>	<u>\$ 814,791</u>	<u>\$ 2,619,791</u>

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

5. Long-Term Debt (continued)

The Legal Debt Margin for the District is as follows:

2022 Assessed Valuation	\$ 940,828,059
Statutory Debt Limitation (2.875%)	\$ 27,048,807
Less: Outstanding General Obligation Bonds	<u>1,620,000</u>
Legal Debt Margin	<u>\$ 25,428,807</u>

6. Individual Fund Disclosures

The following funds had deficit fund balances as of May 31, 2023 in the amount indicated:

<u>Fund Name</u>	<u>Deficit</u>
Recreation	\$ 280,246
Audit	635

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

<u>Fund Name</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 260,486	\$ -
Recreation	-	22,452
Special Recreation	277,303	-
Capital Development	-	583,799
Liabilty and Workmen's Compensation	67,676	-
Audit	-	635
IMRF	1,421	-
	<u>\$ 606,886</u>	<u>\$ 606,886</u>

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

<u>Fund Name</u>	<u>Transfer Out</u>	<u>Transfer In</u>
General	\$ 260,669	\$ -
Recreation	-	55,000
Debt Service	-	94,460
Audit	-	9,584
IMRF	-	101,625
	<u>\$ 260,669</u>	<u>\$ 260,669</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 General to the Recreation Funds as part of routine operations.

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

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.

Benefits Provided

The District participates in the Regular Plan (RP).

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

Under Tier 1, the pension has increased by 3% of the original amount on January 1 every year after retirement.

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

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

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

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

7. Pension and Retirement Commitments (continued)

Employees Covered by Benefit Terms

As of December 31, 2022, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	14
Inactive Plan Members entitled to but not yet receiving benefits	8
Active Plan Members	<u>16</u>
Total	<u><u>38</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 2022 was 11.37%. For the calendar year 2022, the District contributed \$95,867 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, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

- 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.

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

7. Pension and Retirement Commitments (continued)

- 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, 2022:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.50%	6.50%
International Equity	18.00%	7.60%
Fixed Income	25.50%	4.90%
Real Estate	10.50%	6.20%
Alternative Investments	9.50%	6.25%-9.90%
Cash Equivalents	<u>1.00%</u>	4.00%
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 4.05%, and the resulting single discount rate is 7.25%.

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

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)
Balances Beginning at 1/1/2022	<u>\$ 3,031,415</u>	<u>\$ 2,950,306</u>	<u>\$ 81,109</u>
Charges for the year:			
Service Cost	78,202	-	78,202
Interest	217,560	-	217,560
Actuarial Experience	47,908	-	47,908
Assumptions Changes	-	-	-
Plan Changes	-	-	-
Contributions - Employer	-	95,867	(95,867)
Contributions - Employee	-	37,942	(37,942)
Net Investment Income	-	(362,071)	362,071
Benefit Payments from Trust	(139,366)	(139,366)	-
Other (Net Transfer)	-	(20,591)	20,591
Net Changes	<u>204,304</u>	<u>(388,219)</u>	<u>592,523</u>
Balances Ending at 12/31/2022	<u>\$ 3,235,719</u>	<u>\$ 2,562,087</u>	<u>\$ 673,632</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	\$ 3,745,685	\$ 3,235,719	\$ 2,830,891
Less: Plan Fiduciary Net Position	<u>2,562,087</u>	<u>2,562,087</u>	<u>2,562,087</u>
Net Pension Liability	<u>\$ 1,183,598</u>	<u>\$ 673,632</u>	<u>\$ 268,804</u>

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

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, 2023, the District recognized pension expense of \$83,355. At May 31, 2023, 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	\$ 135,362	\$ -
Changes of assumptions	-	23,176
Net difference between projected and actual earnings on pension plan investments	<u>460,016</u>	<u>250,250</u>
Total Deferred Amounts to be recognized in future periods	595,378	273,426
Pension Contributions made subsequent to the Measurement Date	<u>37,504</u>	-
Total Deferred Amounts Related to Pensions	<u>\$ 632,882</u>	<u>\$ 273,426</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	\$ 45,103
2023	74,720
2024	86,173
2025	115,956
2026	-
Thereafter	-
Total	<u>\$ 321,952</u>

8. Risk Management

PDRMA – The Frankfort Park District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and net income losses. The amount of settlements have not exceeded insurance coverage in the past three years.

Since June 1, 1992, the Frankfort Park District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. PDRMA is a public entity risk pool consisting of park districts, forest preserve districts, special recreation associations and certain non-profit organizations serving the needs of public entities formed in accordance with the terms of an intergovernmental cooperative agreement among its members. The following table is a summary of the property/casualty coverage in effect for the period January 1, 2022 through January 1, 2023:

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

8. Risk Management

<u>Coverage</u>	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company	Policy Number
<u>Property</u>					
All Losses per Occurrence	\$ 1,000	\$ 1,000,000	\$1,000,000/All members Declaration 11	PDRMA Reinsurers: Various Reinsurers	P070122
Flood/except Zones A & V	\$ 1,000	\$ 1,000,000	\$100,000,000/Occurrence/Annual/ Aggregate	through the Alliant Property Insurance	
Flood, Zones A & V	\$ 1,000	\$ 1,000,000	\$50,000,000/Occurrence/Annual/ Aggregate	Program (APIP)	
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		
Fidelity and Crime	\$ 1,000	\$ 24,000	\$2,000,000/Occurrence	National Union	01-932-36-99
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	WC010123
Employers' Liability		\$ 500,000	\$3,500,000	Gov't Entities Mutual (GEM) Safety National	GEM-0003-A20001 SP4067759
<u>Liability</u>					
General	None	\$ 500,000	\$21,500,000/Occurrence	PDRMA Reinsurers: GEM/ Great American	L010123
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	C501-23
Law Enforcement Liability	None	\$ 500,000	\$21,500,000/Occurrence	AWAC	0312-6656
Uninsured/Underinsured Motorist	None	\$ 500,000	\$1,000,000/Occurrence \$250,000/claim/aggregate;\$5M		
Communicable Disease	\$1,000/\$5,000	\$ 5,000,000	aggregate all members		

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

8. Risk Management (continued)

<u>Coverage</u>	Member <u>Deductible</u>	PDRMA Self-Insured <u>Retention</u>	<u>Limits</u>	<u>Insurance Company</u>	<u>Policy Number</u>
<u>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>					
Outbreak suspension	24 Hours	N/A	\$1 million aggregate policy limit \$5,000/\$25,000/day all locations \$150,000,\$500,000 aggregate	Great American	OB010123
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 & Privacy Insurance with Electronic Media Liability Coverage</u>					
<u>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
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		
Ecrime	\$ 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>					
Liability	\$ 1,000	\$ 9,000	\$500,000 per occ/ \$2,500,000 annual agg. For all members	Underwritten at Lloyds of London	PJ1900050
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	

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

8. Risk Management (continued)

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

As a member of PDRMA's Property/Casualty Program, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the Frankfort Park District's governing body. The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by PDRMA.

Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Program Council. PDRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

The following represents a summary of PDRMA's Property/Casualty Program's balance sheet at December 31, 2022 and the Statement of Revenues and Expenses for the period ending December 31, 2022. The Frankfort Park District's portion of the overall equity of the pool is 0.107% or \$47,232.

Assets	\$66,570,393
Deferred Outflows of Resources – Pension	\$787,406
Liabilities	\$20,949,149
Deferred Inflows of Resources – Pension	\$2,223,803
Member Balances	\$44,184,847
Revenues	\$10,644,001
Expenditures	\$23,554,952

Since 97.22% 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, 2023 was \$141,124.

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, 2023 was paid in full. This debt is expected to be paid directly by LWSRA and is therefore not included as a financial obligation of the Frankfort Park District. Separate financial statements for the LWSRA are available upon written request to the Frankfort Park District.

Frankfort Park District
Notes to the Basic Financial Statements
Year Ended May 31, 2023

10. Contracts and Commitments

On August 8, 2023, the Park District entered into an agreement in the amount of \$384,303 for construction and land improvements at Windy Hill Park. Construction is expected to be completed by June 15, 2024.

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)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability								
Service Cost	\$ 78,202	\$ 74,195	\$ 78,953	\$ 73,234	\$ 68,317	\$ 62,980	\$ 72,860	\$ 66,708
Interest	217,560	202,490	188,058	171,595	160,617	148,642	139,094	134,344
Differences Between Expected and Actual Experience	47,908	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	<u>(139,366)</u>	<u>(131,401)</u>	<u>(141,281)</u>	<u>(111,760)</u>	<u>(101,841)</u>	<u>(94,097)</u>	<u>(108,448)</u>	<u>(74,158)</u>
Net Change in Total Pension Liability	204,304	209,845	196,496	238,982	227,770	160,876	122,588	77,490
Total Pension Liability - Beginning	<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>	<u>1,797,368</u>
Total Pension Liability - Ending	<u>\$ 3,235,719</u>	<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>
Plan Fiduciary Net Position								
Contributions -Employer	\$ 95,867	\$ 95,305	\$ 83,204	\$ 66,996	\$ 65,819	\$ 64,837	\$ 73,906	\$ 73,167
Contributions - Employee	37,942	37,123	33,401	31,437	30,161	30,393	29,962	29,280
Net Investment Income	(362,071)	428,215	310,497	347,541	(106,665)	302,664	103,801	7,561
Benefit Payments, Including Refunds	(139,366)	(131,401)	(141,281)	(111,760)	(101,841)	(94,097)	(108,448)	(74,158)
Other	<u>(20,591)</u>	<u>2,170</u>	<u>39,722</u>	<u>(7,801)</u>	<u>32,095</u>	<u>(32,654)</u>	<u>22,323</u>	<u>20,844</u>
Net Change in Plan Fiduciary Net Position	(388,219)	431,412	325,543	326,413	(80,431)	271,143	121,544	56,694
Plan Fiduciary Net Position - Beginning	<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>	<u>1,497,988</u>
Plan Fiduciary Net Position - Ending	<u>\$ 2,562,087</u>	<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>
Employer's Net Pension Liability	<u>\$ 673,632</u>	<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	79.18 %	97.32 %	89.27 %	83.55 %	78.24 %	90.23 %	83.92 %	82.92 %
Covered-Valuation Payroll	\$ 843,148	\$ 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	79.89 %	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 %
2022	95,866	95,867	(1)	843,148	11.37 %

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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 1,483,779	\$ 1,479,408	\$ (4,371)
Personal Property Replacement Taxes	20,000	50,489	30,489
Grants (Refunds)	2,000	2,850	850
Donations	9,000	5,000	(4,000)
Rental	12,500	7,900	(4,600)
Miscellaneous	1,000	13,148	12,148
Interest	8,000	23,187	15,187
Total Revenues	<u>1,536,279</u>	<u>1,581,982</u>	<u>45,703</u>
Expenditures			
Operating	<u>1,273,719</u>	<u>1,198,730</u>	<u>(74,989)</u>
Total Expenditures	<u>1,273,719</u>	<u>1,198,730</u>	<u>(74,989)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>262,560</u>	<u>383,252</u>	<u>120,692</u>
Other Financing Sources (Uses)			
Transfers	<u>(96,588)</u>	<u>(260,669)</u>	<u>(164,081)</u>
Net Change in Fund Balance	<u>\$ 165,972</u>	122,583	<u>\$ (43,389)</u>
Fund Balance, Beginning of Year		<u>1,609,967</u>	
Fund Balance, End of Year		<u>\$ 1,732,550</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, 2023

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	\$ 866	\$ 866	\$ -
Preschool Program	191,376	161,735	(29,641)
Summer Day Camp	99,934	92,741	(7,193)
Prairie Care Program	190,550	123,622	(66,928)
Recreation Program	289,577	339,027	49,450
Fitness	36,737	46,283	9,546
Special Events	68,018	70,822	2,804
Adults/Seniors	85,606	101,993	16,387
Leagues	131,460	105,374	(26,086)
Splash Park	14,500	17,948	3,448
Dog Park	500	2,199	1,699
Concession Stand	5,700	7,471	1,771
Athletic Field Reimbursement	8,000	7,181	(819)
Rental	42,500	26,917	(15,583)
Fund Raising	9,000	4,306	(4,694)
Miscellaneous	370	809	439
Total Revenues	<u>1,174,694</u>	<u>1,109,294</u>	<u>(65,400)</u>
Expenditures			
Current Program	<u>1,353,945</u>	<u>1,347,590</u>	<u>(6,355)</u>
Total Expenditures	<u>1,353,945</u>	<u>1,347,590</u>	<u>(6,355)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(179,251)	(238,296)	(59,045)
Other Financing Sources			
Transfers	<u>-</u>	<u>55,000</u>	<u>55,000</u>
Net Change in Fund Balance	<u>\$ (179,251)</u>	(183,296)	<u>\$ (4,045)</u>
Fund Balance, Beginning of Year		<u>(96,950)</u>	
Fund Balance, End of the Year		<u>\$ (280,246)</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 325,497	\$ 325,497	\$ -
Total Revenues	<u>325,497</u>	<u>325,497</u>	<u>-</u>
Expenditures			
Contractual	232,420	208,837	(23,583)
Capital Outlay	133,157	152,609	19,452
Total Expenditures	<u>365,577</u>	<u>361,446</u>	<u>(4,131)</u>
Net Change in Fund Balance	<u>\$ (40,080)</u>	(35,949)	<u>\$ 4,131</u>
Fund Balance, Beginning of Year		<u>313,251</u>	
Fund Balance, End of Year		<u>\$ 277,302</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Grants	\$ -	\$ 350,000	\$ 350,000
Developer Contributions	450,000	57,847	(392,153)
Donations	-	17,630	17,630
Interest	500	4,515	4,015
Total Revenues	<u>450,500</u>	<u>429,992</u>	<u>(20,508)</u>
Expenditures			
Capital Outlay	<u>1,040,701</u>	<u>574,589</u>	<u>(466,112)</u>
Total Expenditures	<u>1,040,701</u>	<u>574,589</u>	<u>(466,112)</u>
Net Change in Fund Balance	<u>\$ (590,201)</u>	(144,597)	<u>\$ 445,604</u>
Fund Balance, Beginning of Year		<u>695,021</u>	
Fund Balance, End of Year		<u>\$ 550,424</u>	

See accompanying notes to the required supplementary information

Frankfort Park District
Notes to the Required Supplementary Information
Year Ended May 31, 2023

1. Budgetary Basis of Accounting

The budget is prepared on a consistent basis as that used in financial reporting by the District. The budget was passed on May 17, 2022 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:

<u>Funds:</u>	<u>Amount in Excess</u>
Audit	\$ 135

4. Summary of Actuarial Methods and Assumptions used in the Calculation of the 2022 Contribution Rate

Valuation Date

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

Methods and Assumptions Used to Determine 2022 Contribution Rates

Actuarial Cost Method:	Aggregated entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	21-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor

Frankfort Park District
Notes to the Required Supplementary Information
Year Ended May 31, 2023

4. Summary of Actuarial Methods and Assumptions used in the Calculation of the 2022 Contribution Rate (continued)

Wage Growth:	2.75%
Price Inflation:	2.25%
Salary Increases:	2.85% to 13.75%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
Mortality:	<p>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.</p> <p>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.</p> <p>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.</p>
<i>Other Information</i>	There were no benefit changes during the year.

OTHER SUPPLEMENTARY INFORMATION

Frankfort Park District, Illinois
Schedule of Expenditures - Budget and Actual - General Fund
Year Ended May 31, 2023

Expenditures	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Operating:			
Salaries - Maintenance	\$ 241,948	\$ 243,040	\$ 1,092
Salaries Part-time Maintenance	56,387	22,009	(34,378)
Salaries - Admin	216,406	228,007	11,601
Salaries - Clerical	118,058	90,591	(27,467)
Group Insurance	130,096	109,117	(20,979)
Telephone	6,947	8,777	1,830
Postage	4,500	1,913	(2,587)
Dues	8,228	7,182	(1,046)
Conference & Seminar	26,485	20,230	(6,255)
Mileage Reimbursement	3,550	3,550	-
Meeting Expenses	2,540	2,127	(413)
Advertising	5,144	9,723	4,579
Board Expenses	2,300	852	(1,448)
Attorney Fees	20,000	15,552	(4,448)
Professional Fees	49,983	33,487	(16,496)
Legal Publications	1,800	637	(1,163)
Bank Charges Updated	-	1,236	1,236
Active net CC processing fees	2,000	-	(2,000)
Memorial Bench Expense	2,000	4,248	2,248
Office Supplies / Repairs	4,300	2,747	(1,553)
Computer / Website	28,007	32,294	4,287
Equipment Rental / Lease	28,651	29,181	530
Insurance Claim-Replacement	-	5,246	5,246
Building Supplies	9,950	3,181	(6,769)
Maintenance Supplies	10,850	14,302	3,452
Park Equipment / Maintenance	30,700	39,411	8,711
Natural Area Maintenance	173,560	168,487	(5,073)
Equipment Rental	1,100	132	(968)
Equipment Repair	12,700	5,369	(7,331)
Building Repair & Maint	13,700	8,349	(5,351)
Utilities	29,829	22,295	(7,534)
Vehicle Expense	7,000	3,830	(3,170)
Fuel	19,500	23,135	3,635
Uniforms	1,500	255	(1,245)
Athletic Org Billables	-	3,274	3,274
Miscellaneous Expense - PDRMA Claim	-	32,230	32,230
Contingencies	4,000	2,734	(1,266)
Total Expenditures	<u>\$ 1,273,719</u>	<u>\$ 1,198,730</u>	<u>\$ (74,989)</u>

Frankfort Park District, Illinois
Schedule of Expenditures - Budget and Actual - Recreation Fund
Year Ended May 31, 2023

	Original and Final Budget	Actual	Variance Over (Under)
Expenditures			
Salaries - Maintenance	\$ 47,034	\$ 53,590	\$ 6,556
Salaries - Admin	292,603	287,921	(4,682)
Salaries - Clerical	45,919	51,888	5,969
Group Insurance	34,493	31,063	(3,430)
Telephone	8,300	7,331	(969)
Postage	700	573	(127)
Dues	135	-	(135)
Garden Plot Expense	-	56	56
Active Net Usage Fees	15,000	15,000	-
Conference & Seminar	6,820	5,733	(1,087)
Mileage Reimbursement	5,630	6,339	709
Advertising	7,365	4,929	(2,436)
Active net CC processing fees	35,000	33,698	(1,302)
Office Supplies / Repairs	2,200	2,042	(158)
Computer / Website	17,598	19,000	1,402
Brochure Printing	21,900	20,865	(1,035)
Concession Stand Expense	2,815	4,481	1,666
Rental Expense	8,500	9,768	1,268
Pre-School Expenses	134,481	8,489	(125,992)
Pre-School Payroll	-	120,186	120,186
Summer Camp Expenses	56,962	61,107	4,145
Prairie Care Expenses	78,498	69,515	(8,983)
Fund Raising Expense	8,500	3,367	(5,133)
Program Expenses	205,072	247,256	42,184
Fitness	23,619	32,024	8,405
Fitness payroll	-	57	57
Special Events Expense	49,608	45,878	(3,730)
Adult / Seniors	71,472	68,613	(2,859)
League Expenses	91,332	67,490	(23,842)
Warriors payroll reimbursable	-	5,542	5,542
Dog Park Expenses	1,500	1,599	99
Splash Park Expenses	12,263	13,586	1,323
Recreation Supplies Equip	11,950	9,821	(2,129)
Supplies Janitorial	6,000	7,594	1,594
Building Repair & Maint	17,800	7,843	(9,957)
Utilities	22,476	16,474	(6,002)
Landscaping Improvements	500	503	3
Uniforms	1,900	1,122	(778)
Athletic Field Equip	5,500	2,644	(2,856)
Contingencies	2,500	2,603	103
Total Expenditures	<u>\$ 1,353,945</u>	<u>\$ 1,347,590</u>	<u>\$ (6,355)</u>

Frankfort Park District, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
May 31, 2023

	Debt Service	Liability Insurance and Workmen's Compensation	Audit	IMRF	Total Nonmajor Governmental Funds
Assets					
Property Taxes Receivable	\$ 115,717	\$ 46,099	\$ 11,289	\$ 120,421	\$ 293,526
Due From Other Funds	-	67,676	-	1,421	69,097
Total Assets	<u>\$ 115,717</u>	<u>\$ 113,775</u>	<u>\$ 11,289</u>	<u>\$ 121,842</u>	<u>\$ 362,623</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities:					
Due To Other Funds	-	-	635	-	635
Total Liabilities	-	-	635	-	635
Deferred Inflows of Resources:					
Deferred Property Taxes	115,716	46,099	11,289	120,421	293,525
Total Deferred Inflows of Resources	<u>115,716</u>	<u>46,099</u>	<u>11,289</u>	<u>120,421</u>	<u>293,525</u>
Fund Balances (Deficits):					
Restricted for:					
Special Recreation	-	-	-	-	-
Debt Service	1	-	-	-	1
Liability Insurance and Workmen's Compensation	-	67,676	-	-	67,676
Employee Benefits	-	-	-	1,421	1,421
Unassigned	-	-	(635)	-	(635)
Total Fund Balances (Deficits)	<u>1</u>	<u>67,676</u>	<u>(635)</u>	<u>1,421</u>	<u>68,463</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 115,717</u>	<u>\$ 113,775</u>	<u>\$ 11,289</u>	<u>\$ 121,842</u>	<u>\$ 362,623</u>

Frankfort Park District, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
Year Ended May 31, 2023

	Debt Service	Liability Insurance and Workmen's Compensation	Audit	IMRF	Total Nonmajor Governmental Funds
Revenues					
Property Taxes	\$ 116,868	\$ 22,509	\$ 866	\$ 866	\$ 141,109
Miscellaneous	-	3,741	-	-	3,741
Total Revenues	<u>116,868</u>	<u>26,250</u>	<u>866</u>	<u>866</u>	<u>144,850</u>
Expenditures					
Current:					
Contractual	475	-	11,135	-	11,610
Employee Benefits	-	-	-	99,278	99,278
Insurance	-	22,322	-	-	22,322
Debt Service:					
Principal	135,000	-	-	-	135,000
Interest and Other Charges	75,378	-	-	-	75,378
Total Expenditures	<u>210,853</u>	<u>22,322</u>	<u>11,135</u>	<u>99,278</u>	<u>343,588</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(93,985)</u>	<u>3,928</u>	<u>(10,269)</u>	<u>(98,412)</u>	<u>(198,738)</u>
Other Financing Sources					
Transfers In	<u>94,460</u>	<u>-</u>	<u>9,584</u>	<u>101,625</u>	<u>205,669</u>
Net Change in Fund Balance	475	3,928	(685)	3,213	6,931
Fund Balance (Deficit), Beginning of Year	<u>(474)</u>	<u>63,748</u>	<u>50</u>	<u>(1,792)</u>	<u>61,532</u>
Fund Balance (Deficit), End of Year	<u>\$ 1</u>	<u>\$ 67,676</u>	<u>\$ (635)</u>	<u>\$ 1,421</u>	<u>\$ 68,463</u>

Frankfort Park District, Illinois
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Deficit) - Debt Service Fund
Year Ended May 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 116,867	\$ 116,868	\$ 1
Total Revenues	<u>116,867</u>	<u>116,868</u>	<u>1</u>
Expenditures			
Contractual	-	475	475
Principal	135,000	135,000	-
Interest	76,328	75,378	(950)
Total Expenditures	<u>211,328</u>	<u>210,853</u>	<u>(475)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(94,461)</u>	<u>(93,985)</u>	<u>476</u>
Other Financing Sources (Uses)			
Transfer In (Out)	-	94,460	94,460
Total Other Financing Sources (Uses)	<u>-</u>	<u>94,460</u>	<u>94,460</u>
Net Change in Fund Balance	<u>\$ (94,461)</u>	475	<u>\$ 94,936</u>
Fund Balance, Beginning of Year		<u>(474)</u>	
Fund Balance, End of Year		<u>\$ 1</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, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Property Taxes	\$ 22,508	\$ 22,509	\$ 1
Miscellaneous Income	-	3,741	3,741
Total Revenues	<u>22,508</u>	<u>26,250</u>	<u>3,742</u>
Expenditures			
Insurance	<u>47,600</u>	<u>22,322</u>	<u>(25,278)</u>
Total Expenditures	<u>47,600</u>	<u>22,322</u>	<u>(25,278)</u>
Net Change in Fund Balance	<u>\$ (25,092)</u>	3,928	<u>\$ 29,020</u>
Fund Balance, Beginning of Year		<u>63,748</u>	
Fund Balance, End of Year		<u>\$ 67,676</u>	

Frankfort Park District, Illinois
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
Audit Fund
Year Ended May 31, 2023

	<u>Original and</u> <u>Final Budget</u>	<u>Actual</u>	<u>Variance Over</u> <u>(Under)</u>
Revenues			
Property Taxes	\$ 866	\$ 866	\$ -
Total Revenues	<u>866</u>	<u>866</u>	<u>-</u>
Expenditures			
Contractual Audit	<u>11,000</u>	<u>11,135</u>	<u>135</u>
Total Expenditures	<u>11,000</u>	<u>11,135</u>	<u>135</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,134)</u>	<u>(10,269)</u>	<u>(135)</u>
Other Financing Sources (Uses)			
Transfers In	<u>-</u>	<u>9,584</u>	<u>9,584</u>
Net Change in Fund Balance	<u>\$ (10,134)</u>	<u>(685)</u>	<u>\$ 9,449</u>
Fund Balance, Beginning of Year		<u>50</u>	
Fund Balance, (Deficit) End of Year		<u>\$ (635)</u>	

Frankfort Park District, Illinois
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
IMRF Fund
Year Ended May 31, 2023

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Property Taxes	\$ 866	\$ 866	\$ -
Total Revenues	866	866	-
Expenditures			
IMRF Contributions	104,133	99,278	(4,855)
Total Expenditures	104,133	99,278	(4,855)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(103,267)	(98,412)	4,855
Other Financing Sources (Uses)			
Transfers In	-	101,625	101,625
Net Change in Fund Balance	\$ (103,267)	3,213	\$ 106,480
Fund Balance (Deficit), Beginning of Year		(1,792)	
Fund Balance, End of Year		\$ 1,421	

Frankfort Park District
Illinois Grant Accountability and Transparency Act
Consolidated Year-End Financial Report
for the Year Ended May 31, 2023

CSFA NUMBER	Program Name	State	Federal	Other	Total
420-00-1758	Site Improvements	350,000	-	-	350,000
	All Other Costs not Allocated	-	-	3,475,943	3,475,943
	Totals	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ 3,475,943</u>	<u>\$ 3,825,943</u>

OTHER SUPPLEMENTAL SCHEDULES

Frankfort Park District

Taxes Collected and Taxes Receivable - Last Ten Levy Years

Tax Levy Year	Gross Taxes Collected				Percent Collected	Gross Taxes Receivable	Provision for Loss and Cost on Collections	Net Taxes Receivable
	Extensions	Prior Years	Year Ended May 31, 2023	Total May 31, 2023				
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%	945	7,209	-
2017	1,709,761	1,706,352	-	1,706,352	99.80%	3,409	3,409	-
2018	1,768,671	1,765,452	-	1,765,452	99.82%	3,219	3,219	-
2019	1,833,193	1,828,881	-	1,828,881	99.76%	4,312	4,312	-
2020	1,891,750	1,890,686	-	1,890,686	99.94%	1,064	1,064	-
2021	1,951,248	156,383	1,790,496	1,946,879	99.78%	4,369	4,369	-
2022	<u>2,065,990</u>	<u>-</u>	<u>161,223</u>	<u>161,223</u>	<u>7.80%</u>	<u>1,904,767</u>	<u>-</u>	<u>1,904,767</u>
	<u>\$ 17,608,670</u>	<u>\$ 13,724,595</u>	<u>\$ 1,951,719</u>	<u>\$ 15,676,314</u>		<u>\$ 1,932,356</u>	<u>\$ 33,853</u>	<u>\$ 1,904,767</u>

Add: Advance Collections 2021 Tax Levy \$ 156,384

Less: Advance Collections 2022 Tax Levy 161,223

Property Tax Revenues May 31, 2023 \$ 1,946,880

Gross Taxes Collected By Fund

Corporate	\$ 1,479,408
Recreation	866
Special Recreation	325,497
Audit	866
Liability & Workmen's Compensation	22,509
IMRF	866
Debt Service	<u>116,868</u>
	<u>\$ 1,946,880</u>

Net Taxes Receivable by Fund

Corporate	\$ 1,284,788
Recreation	941
Special Recreation	325,512
Audit	11,289
Liability & Workmen's Compensation	46,099
IMRF	120,421
Debt Service	<u>115,717</u>
	<u>\$ 1,904,767</u>

Frankfort Park District

Assessed Valuation and Extended Tax Rates - Last Ten Levy Years

<u>Tax Levy Year</u>	<u>Assessed Valuations</u>	<u>Extended Tax Rates</u>
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
2022	940,828,059	0.2196

Analysis of the 2022 Tax Levy

<u>Fund</u>	<u>Rate</u>	<u>Percent</u>	<u>Extension</u>
Corporate	0.1537	69.98	\$ 1,446,005
Recreation	0.0001	0.05	941
IMRF	0.0128	5.83	120,422
Audit	0.0012	0.55	11,290
Workmen's Compensation	0.0049	2.23	46,099
Special Recreation	0.0346	15.76	325,516
Debt Service	0.0123	5.60	115,717
	<u>0.2196</u>	<u>100.00</u>	<u>\$ 2,065,990</u>