

# Freeport Park District

Freeport, Illinois

## Annual Financial Report

March 31, 2017

# Freeport Park District

## **Board of Commissioners**

Tom Jungen, President, (Current term expires May 2021)  
Ken Collin, Vice President, (Current term expires May 2017)  
Dana Stewart, Commissioner, (Current term expires May 2021)  
Debbie Schwartz, Commissioner, (Current term expires May 2017)  
George Yarzak, Commissioner, (Current term expires May 2019)

## **Treasurer**

Vickie L. Witt, Interim

## **Executive Director**

Jack Carey

# Freeport Park District

March 31, 2017

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# Freeport Park District

March 31, 2017

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## **Independent Auditor's Report**

Board of Commissioners  
Freeport Park District  
Freeport, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freeport Park District, Freeport, Illinois (the "Park District") as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freeport Park District, Freeport, Illinois as of March 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States require that the management's discussion and analysis, the schedule of contributions for Illinois municipal retirement fund, schedule of changes in net pension liability for the Illinois municipal retirement fund, and the schedules of revenues and expenditures compared with budget on pages 4 - 10 and 46 - 57 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, 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.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Freeport Park District's financial statements as a whole. The schedules listed in the table of contents as "Supplementary Information" are presented for purposes of additional analysis and are not a required part of the financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Wipfli LLP*

Freeport, Illinois  
July 12, 2017

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## **Management Discussion and Analysis**

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# Freeport Park District

## Management Discussion and Analysis

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As management of the Freeport Park District (the "Park District"), we offer the readers of the Park District's financial statements this narrative overview and analysis of the financial activities of the Freeport Park District for the year ended March 31, 2017.

The MD&A is provided at the beginning of the report to provide an overview of the Park District's financial position at March 31, 2017 and 2016, and the results of operations. This summary should not be taken as a replacement for the annual financial report, which consists of the financial statements, notes to the financial statements, required and supplementary information.

### **Using This Financial Report**

The financial section of this annual report consists of four parts - Independent Auditor's Report, required supplementary information which includes the MD&A (this section), the basic financial statements, and other supplementary information.

### **Government-Wide Financial Statements**

The first two statements are government-wide financial statements that provide both short term and long term information about the Park District's overall financial status, similar to a private sector business. In the government-wide financial statements the Park District's activities are shown in two categories - governmental and business type activities. The Park District's basic services are general government, parks, building, and programs. Current operations of these activities are largely financed with property taxes.

The statement of net position presents information on all of the Park District's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Park District is improving or deteriorating. To assess the overall health of the Park District you need to consider additional non-financial factors such as the condition of the Park District's buildings and facilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. The government-wide financial statements are prepared under the accrual basis of accounting.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Park District's funds - not the Park District as a whole. Funds are accounting devices the Park District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law, while others are established to control and manage money for particular purposes or to show that the Park District is properly using certain revenues.

# Freeport Park District

## Management Discussion and Analysis

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### **Fund Financial Statements (Continued)**

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for each. By doing so, readers may better understand the long-term impact of the Park District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Park District maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for all these funds. Seven of these ten governmental funds are considered major funds of the Park District.

The Park District adopts annual budgets for all major governmental funds and certain other funds. A budgetary comparison statement has been provided for the major governmental funds only, which is in compliance with GASB Statement No. 34.

### **General (Corporate) Fund Budgetary Variances**

Revenues - The most significant revenues for the General Fund during fiscal year 2017 continue to be property and replacement taxes. Total revenues were approximately \$663,000 which was approximately \$17,000 more than the budgeted revenues.

Expenditures - Actual expenditures were less than budgeted disbursements in the General Fund by approximately \$97,000. The primary budgetary differences were related to less costly personal services and maintenance.

### **Recreation Fund Budgetary Variances**

Revenues - The Recreation Fund receives most of its revenues from property taxes and user fees. The overall budgeted revenues for property tax and program fees were less than actual revenues by approximately \$5,000.

Expenditures - The overall expenditures were less than the budgeted disbursements by approximately \$51,000. The Park District attributes this variance to efficient operations as well as reduced variable expenses.

### **Social Security/IMRF Fund Budget Variances**

Revenues - The Social Security/IMRF Fund receives most of its revenues from taxes. The overall budgeted revenues were close to actual revenues.

Expenditures - The overall expenditures were less than the budgeted disbursements by approximately \$7,000. This was primarily due to a decrease in payroll related to the reduction in services.

# Freeport Park District

## Management Discussion and Analysis

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### **Fund Financial Statements (Continued)**

#### **Museum Budget Variances**

Revenues - The Museum Fund receives most of its revenues from taxes. The overall budgeted revenues were close to actual revenues.

Expenditures - The overall expenditures were less than the budgeted disbursements by approximately \$6,000. This was primarily due to savings related to utilities.

#### **Tort Liability Budget Variances**

Revenues - The Tort Liability Fund receives most of its revenues from taxes. The overall budgeted revenues were close to actual revenues.

Expenditures - The overall expenditures were less than the budgeted disbursements by approximately \$5,000. This was primarily due to less payroll related costs charged to risk management.

# Freeport Park District

## Management Discussion and Analysis

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### Condensed Financial Information

Net position is summarized in the table below.

#### Condensed Statement of Net Position as of March 31, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets:</b>						
Current Assets	\$ 7,196,235	\$ 6,815,125	\$1,334,134	\$1,460,775	\$ 8,530,369	\$ 8,275,900
Non-current Assets	<u>11,961,863</u>	<u>12,097,617</u>	<u>1,283,326</u>	<u>1,340,375</u>	<u>13,245,189</u>	<u>13,437,992</u>
Total Assets	<u>19,158,098</u>	<u>18,912,742</u>	<u>2,617,460</u>	<u>2,801,150</u>	<u>21,775,558</u>	<u>21,713,892</u>
<b>Deferred outflows of resources</b>	<u>255,629</u>	<u>303,509</u>	<u>-</u>	<u>-</u>	<u>255,629</u>	<u>303,509</u>
<b>Liabilities:</b>						
Current Liabilities	880,387	932,748	217,893	255,762	1,098,280	1,188,510
Non-current Liabilities	<u>433,056</u>	<u>611,774</u>	<u>13,155</u>	<u>10,299</u>	<u>446,211</u>	<u>622,073</u>
Total liabilities	<u>1,313,443</u>	<u>1,544,522</u>	<u>231,048</u>	<u>266,061</u>	<u>1,544,491</u>	<u>1,810,583</u>
<b>Deferred Inflows of Resources</b>	<u>2,366,093</u>	<u>2,426,080</u>	<u>-</u>	<u>-</u>	<u>2,366,093</u>	<u>2,426,080</u>
<b>Net Position:</b>						
Net investment in capital assets	10,569,155	10,545,027	1,283,326	1,340,375	11,852,481	11,885,402
Restricted	2,439,693	2,320,411	-	-	2,439,693	2,320,411
Unrestricted	<u>2,725,343</u>	<u>2,380,211</u>	<u>1,103,086</u>	<u>1,194,714</u>	<u>3,828,429</u>	<u>3,574,925</u>
Total net position	<u>\$15,734,191</u>	<u>\$15,245,649</u>	<u>\$2,386,412</u>	<u>\$2,535,089</u>	<u>\$18,120,603</u>	<u>\$17,780,738</u>

The largest portion of the Park District's net position is reflected in its investments in capital assets (i.e., land, buildings, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Park District uses these assets to provide services. Therefore these assets are not available for future spending. Although the Park District's investments in its capital assets are reported net of available debt, it should be noted that the resources required to repay this type of debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these types of liabilities.

# Freeport Park District

## Management Discussion and Analysis

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### Condensed Financial Information (Continued)

The Park District's net position consists of net investment in capital assets, restricted net position, and unrestricted net position. Restricted net position represents assets which have restrictions determined by an outside party.

Unrestricted represents net position that has not been restricted by an outside party. This includes funds that the Park District has designated for specific uses as well as amounts that are contractually committed for goods and services.

Revenues, expenses, and changes in net position are summarized in the table below:

#### Condensed Statement of Activities For Fiscal Years Ending March 31, 2017 and 2016

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>2017</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Revenues:</b>						
Program:						
Charges for services	\$ 341,320	\$ 332,115	\$ 839,923	\$ 904,910	\$1,181,243	\$1,237,025
Operating grants & contributions	-	-	-	-	-	-
Capital grants & contributions	415,702	8,146	-	-	415,702	8,146
General:						
Property taxes	2,308,155	2,383,446	-	-	2,308,155	2,383,446
Replacement tax	179,026	190,480	-	-	179,026	190,480
Other:						
Investment earnings	39,782	43,416	6,026	12,597	45,808	56,013
Insurance proceeds	2,478	329	-	-	2,478	329
Miscellaneous	<u>111,877</u>	<u>116,602</u>	<u>3,707</u>	<u>9,643</u>	<u>115,584</u>	<u>126,245</u>
 Total revenues	 <u>3,398,340</u>	 <u>3,074,534</u>	 <u>849,656</u>	 <u>927,150</u>	 <u>4,247,996</u>	 <u>4,001,684</u>

# Freeport Park District

## Management Discussion and Analysis

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### Condensed Statement of Activities For Fiscal Years Ending March 31, 2017 and 2016

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Expenses:</b>						
General government	1,446,355	1,818,605	-	-	1,446,355	1,818,605
Public safety - police	30,893	45,237	-	-	30,893	45,237
Parks department	1,254,261	1,257,746	973,795	995,535	2,228,056	2,253,281
Development	167,812	85,590	-	-	167,812	85,590
Interest on debt	<u>35,015</u>	<u>42,773</u>	<u>-</u>	<u>-</u>	<u>35,015</u>	<u>42,773</u>
Total expenses	<u>2,934,336</u>	<u>3,249,951</u>	<u>973,795</u>	<u>995,535</u>	<u>3,908,131</u>	<u>4,245,486</u>
Transfers - internal activity	<u>24,538</u>	<u>24,538</u>	<u>(24,538)</u>	<u>(24,538)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 488,542</u>	<u>\$ (150,879)</u>	<u>\$ (148,677)</u>	<u>\$ (92,923)</u>	<u>\$ 339,865</u>	<u>\$ (243,802)</u>

Major sources of operating revenues for the Park District's governmental funds include property taxes and membership fees.

### Capital Asset and Long-Term Debt Activity

#### Capital Assets

The Park District's investment in capital assets at year-end totaled \$12,987,481 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, office furniture and equipment, and other equipment related to programs. There were \$477,831 of capital asset additions recorded during the year and \$765,753 of depreciation charges were expensed on the total capital assets. See Footnote (3) for details of capital assets.

#### Long-term debt activity

At March 31, 2017, the Park District had approximately \$1,135,000 in long-term debt which consists of general obligation bonds. See Footnote (4) for details of debt.



# Freeport Park District

## Management Discussion and Analysis

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### **Management's Analysis of the District's Overall Financial Position and Results of Operations**

The Statement of Net Position reflects an overall increase in the Park District's total net position from the prior year of approximately \$340,000.

The Park District's General Fund balance increased approximately \$100,000 from the prior year. The general fund is the primary operating fund of the Park District.

The Park District has created financial stability through careful planning and use of our fund balances. The Park District will continue to complete capital improvements and repairs in accordance with our Capital Improvement Plan as well as continue to assess and implement the programming needs of our community.

### **Factors or Conditions Impacting Future Periods**

Future goals include the expansion of the Park Districts trail system and continue cooperation with the City of Freeport and the Freeport School District to provide additional community programming to include special events. The Park District hopes that the additional special events will enrich the lives of our constituents as well as improve the financial health of the community through tourism revenue.

### **Contacting the Park District's Financial Management**

This financial report is designed to provide our citizens, taxpayers and customers with a general overview of the District's finances and to demonstrate the Park District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Freeport Park District, 1122 S. Burchard Ave., Freeport, IL 61032.

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## **Basic Financial Statements**

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# Freeport Park District

## Statement of Net Position

March 31, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<b>Current assets:</b>			
Cash, cash equivalents, and investments	\$ 4,398,121	\$ 1,296,931	\$ 5,695,052
Investment in trust	66,468	-	66,468
Other receivables	503,471	-	503,471
Property taxes receivable	2,228,175	-	2,228,175
Inventory	-	37,203	37,203
<b>Total current assets</b>	<b>7,196,235</b>	<b>1,334,134</b>	<b>8,530,369</b>
<b>Non-current assets:</b>			
Net pension asset	257,708	-	257,708
Land (non-depreciable)	1,746,069	560,000	2,306,069
Land improvements	9,357,311	1,822,823	11,180,134
Buildings & equipment	11,210,033	2,432,550	13,642,583
Less allowance for depreciation	(10,609,258)	(3,532,047)	(14,141,305)
<b>Total noncurrent assets</b>	<b>11,961,863</b>	<b>1,283,326</b>	<b>13,245,189</b>
<b>Total assets</b>	<b>19,158,098</b>	<b>2,617,460</b>	<b>21,775,558</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of pension resources	255,629	-	255,629
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	90,594	26,169	116,763
Flex benefit plan payable	3,931	-	3,931
Accrued salaries	14,050	5,658	19,708
Accrued interest payable	6,480	-	6,480
Compensated absences - current	7,207	2,009	9,216
Unearned revenue - charges for services	1,740	165,895	167,635
Unearned revenue - unredeemed gift certificates	1,385	18,162	19,547
Bonds payable - current portion	755,000	-	755,000
<b>Total current liabilities</b>	<b>880,387</b>	<b>217,893</b>	<b>1,098,280</b>
<b>Noncurrent:</b>			
Compensated absences - noncurrent	53,056	13,155	66,211
Bonds payable - non-current portion	380,000	-	380,000
<b>Total noncurrent liabilities</b>	<b>433,056</b>	<b>13,155</b>	<b>446,211</b>
<b>Total liabilities</b>	<b>1,313,443</b>	<b>231,048</b>	<b>1,544,491</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of pension resources	137,918	-	137,918
Property taxes	2,228,175	-	2,228,175
<b>Total deferred inflows of resources</b>	<b>2,366,093</b>	<b>-</b>	<b>2,366,093</b>
<b>Net Position</b>			
Net investment in capital assets	10,569,155	1,283,326	11,852,481
<b>Restricted for:</b>			
Debt service	114,764	-	114,764
Other purposes	2,324,929	-	2,324,929
Unrestricted	2,725,343	1,103,086	3,828,429
<b>Total net position</b>	<b>\$ 15,734,191</b>	<b>\$ 2,386,412</b>	<b>\$ 18,120,603</b>

# Freeport Park District

## Statement of Activities

Year ended March 31, 2017

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,446,355	\$ -	\$ -	\$ -
Public safety - police	30,893	3,096	-	-
Culture and recreation	1,254,261	338,224	-	415,702
Development	167,812	-	-	-
Interest on long-term debt	35,015	-	-	-
Total governmental activities	2,934,336	341,320	-	415,702
Business-type activities:				
Golf course	973,795	839,923	-	-
Total business-type activities	973,795	839,923	-	-
Total primary government	\$ 3,908,131	\$ 1,181,243	\$ -	\$ 415,702
General revenues:				
Taxes:				
Property taxes				
Corporate replacement tax				
Investment income				
Contributions				
Miscellaneous				
Insurance/claims proceeds				
Transfers - internal activity				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,446,355)	\$ -	\$ (1,446,355)
(27,797)	-	(27,797)
(500,335)	-	(500,335)
(167,812)	-	(167,812)
(35,015)	-	(35,015)
(2,177,314)	-	(2,177,314)
-	(133,872)	(133,872)
-	(133,872)	(133,872)
(2,177,314)	(133,872)	(2,311,186)
2,308,155	-	2,308,155
179,026	-	179,026
39,782	6,026	45,808
4,000	3,707	7,707
107,877	-	107,877
2,478	-	2,478
24,538	(24,538)	-
2,665,856	(14,805)	2,651,051
488,542	(148,677)	339,865
15,245,649	2,535,089	17,780,738
\$ 15,734,191	\$ 2,386,412	\$ 18,120,603

# Freeport Park District

## Balance Sheet Governmental Funds

March 31, 2017

	General Fund	Recreation Fund	Social Security/ Mun. Retire. Fund
<b>Assets</b>			
Cash, cash equivalents, and investments	\$ 549,712	\$ 179,787	\$ 367,708
Receivables	-	-	-
Investment in trust	-	66,468	-
Taxes receivable	784,764	397,381	173,902
Due from other funds	11,136	-	-
Prepaid advertising	-	-	-
<b>Total assets</b>	<b>\$ 1,345,612</b>	<b>\$ 643,636</b>	<b>\$ 541,610</b>
<b>Liabilities</b>			
Liabilities			
Accounts payable	\$ 34,193	\$ 11,646	\$ -
Flex benefit plan payable	3,931	-	-
Accrued salaries	4,730	4,375	-
Unearned revenue - charges for services	-	1,740	-
Unearned revenue - unredeemed gift certificates	-	1,385	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>42,854</b>	<b>19,146</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Property taxes	784,764	397,381	173,902
<b>Total deferred inflows of resources</b>	<b>784,764</b>	<b>397,381</b>	<b>173,902</b>
<b>Fund balances</b>			
Fund balances:			
Nonspendable	-	-	-
Restricted for:			
Tort liability insurance	-	-	-
Recreation - Gelwicks donation	-	66,468	-
Payroll taxes/retirement contribution	-	-	367,708
Special Recreation	-	-	-
Museum	-	-	-
Police	-	-	-
Audit	-	-	-
Debt service	-	-	-
Committed	-	-	-
Unassigned	517,994	160,641	-
<b>Total fund balances</b>	<b>517,994</b>	<b>227,109</b>	<b>367,708</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 1,345,612</b>	<b>\$ 643,636</b>	<b>\$ 541,610</b>



Museum Fund	Tort Liability Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 206,507	\$ 1,082,084	\$ 114,764	\$ 1,654,282	\$ 243,277	\$ 4,398,121
-	-	-	503,471	-	503,471
-	-	-	-	-	66,468
143,372	-	584,848	-	143,908	2,228,175
-	-	-	-	-	11,136
-	-	-	-	-	-
<u>\$ 349,879</u>	<u>\$ 1,082,084</u>	<u>\$ 699,612</u>	<u>\$ 2,157,753</u>	<u>\$ 387,185</u>	<u>\$ 7,207,371</u>
\$ 193	\$ -	\$ -	\$ 44,302	\$ 260	\$ 90,594
-	-	-	-	-	3,931
2,236	962	-	-	1,747	14,050
-	-	-	-	-	1,740
-	-	-	-	-	1,385
-	-	-	-	11,136	11,136
<u>2,429</u>	<u>962</u>	<u>-</u>	<u>44,302</u>	<u>13,143</u>	<u>122,836</u>
143,372	-	584,848	-	143,908	2,228,175
<u>143,372</u>	<u>-</u>	<u>584,848</u>	<u>-</u>	<u>143,908</u>	<u>2,228,175</u>
-	-	-	-	-	-
-	1,081,122	-	-	-	1,081,122
-	-	-	-	-	66,468
-	-	-	-	-	367,708
-	-	-	-	94,719	94,719
204,078	-	-	-	-	204,078
-	-	-	-	113,017	113,017
-	-	-	-	22,398	22,398
-	-	114,764	-	-	114,764
-	-	-	2,113,451	-	2,113,451
-	-	-	-	-	678,635
<u>204,078</u>	<u>1,081,122</u>	<u>114,764</u>	<u>2,113,451</u>	<u>230,134</u>	<u>4,856,360</u>
<u>\$ 349,879</u>	<u>\$ 1,082,084</u>	<u>\$ 699,612</u>	<u>\$ 2,157,753</u>	<u>\$ 387,185</u>	<u>\$ 7,207,371</u>

# Freeport Park District

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

March 31, 2017

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Total fund balances - governmental funds	\$ 4,856,360
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 as assets in governmental funds.	22,313,413
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Deferred outflows related to pensions	255,629
Net pension asset	257,708
Accumulated depreciation relative to capital assets has not been reported on the governmental fund balance sheet.	(10,609,258)
General obligation bonds payable debt has not been reported on the governmental funds balance sheet.	(1,135,000)
Interest on long-term debt is not accrued in governmental funds, but is recognized as an expenditure when due.	(6,480)
Long-term liabilities, not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(60,263)
Deferred inflows related to pensions	<u>(137,918)</u>
Total net position - governmental activities	<u>\$ 15,734,191</u>

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# Freeport Park District

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

Year ended March 31, 2017

	General Fund	Recreation Fund	Social Security/ Mun. Retire. Fund
<b>Revenues</b>			
Property taxes	\$ 526,485	\$ 387,383	\$ 173,852
Corporate replacement tax	85,513	85,513	8,000
Investment earnings (losses)	24,465	16,204	(125)
Labor reimbursement	-	-	-
Building rentals	8,983	-	-
Grants - state	-	-	-
Donations/Foundation reimbursement	-	-	-
J.A.T. Commission - reimbursements	-	27,064	-
Fines	-	-	-
Insurance reimbursement	2,478	-	-
Charges for services	-	318,254	-
Miscellaneous	15,469	4,410	-
<b>Total revenues</b>	<b>663,393</b>	<b>838,828</b>	<b>181,727</b>
<b>Expenditures</b>			
Current:			
General government	564,238	433,214	121,795
Public safety	-	-	-
Culture and recreation	-	311,786	40,599
Development	-	-	-
<b>Total current expenditures</b>	<b>564,238</b>	<b>745,000</b>	<b>162,394</b>
Debt service - interest	-	-	-
Debt service - principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>564,238</b>	<b>745,000</b>	<b>162,394</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>99,155</b>	<b>93,828</b>	<b>19,333</b>
<b>Other Financing Sources (Uses)</b>			
Transfer of administrative services	30,770	-	-
Other transfers in	-	-	-
Other transfers out	(30,000)	-	-
General obligation debt issued	-	-	-
<b>Total other financing sources (uses)</b>	<b>770</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>99,925</b>	<b>93,828</b>	<b>19,333</b>
Fund balances - beginning	418,069	133,281	348,375
<b>Fund balances - ending</b>	<b>\$ 517,994</b>	<b>\$ 227,109</b>	<b>\$ 367,708</b>

Museum Fund	Tort Liability Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 149,175	\$ 248,331	\$ 673,755	\$ -	\$ 149,174	\$ 2,308,155
-	-	-	-	-	179,026
419	(616)	-	(1,077)	512	39,782
-	-	-	-	-	-
-	-	-	-	-	8,983
-	3,202	-	412,500	-	415,702
-	-	-	4,000	-	4,000
-	-	-	-	-	27,064
-	-	-	-	3,096	3,096
-	-	-	-	-	2,478
-	-	-	-	19,970	338,224
26,337	10,534	-	15,080	-	71,830
175,931	261,451	673,755	430,503	172,752	3,398,340
-	258,118	-	76,149	19,300	1,472,814
-	-	-	-	30,893	30,893
172,111	-	-	-	95,854	620,350
-	-	-	167,812	-	167,812
172,111	258,118	-	243,961	146,047	2,291,869
-	-	36,949	-	-	36,949
-	-	830,000	-	-	830,000
-	-	-	421,352	-	421,352
172,111	258,118	866,949	665,313	146,047	3,580,170
3,820	3,333	(193,194)	(234,810)	26,705	(181,830)
-	-	-	-	(10,000)	20,770
-	-	198,848	-	33,768	232,616
-	-	-	(198,848)	-	(228,848)
-	-	-	575,000	-	575,000
-	-	198,848	376,152	23,768	599,538
3,820	3,333	5,654	141,342	50,473	417,708
200,258	1,077,789	109,110	1,972,109	179,661	4,438,652
\$ 204,078	\$ 1,081,122	\$ 114,764	\$ 2,113,451	\$ 230,134	\$ 4,856,360

# Freeport Park District

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities

March 31, 2017

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Excess (deficiency) of revenues received and other sources over (under) expenditures disbursed and other uses - Governmental funds	\$ 417,708
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation expense reported in the current period exceeded capital outlays	(230,872)
Proceeds from the issuance of bonds during the current fiscal year are not reported as revenue in the statement of activities	(575,000)
Retirement of general obligation debt principal during the current fiscal year is not reported as expenditures in the statement of activities	830,000
Interest expense accrual in the government-wide statement of activities does not require the use of current financial resources, and therefore, is not reported as an expenditure in the governmental funds	1,934
Change in pension related assets/liabilities are not reported in the statement of activities	37,925
Change in the accrual for compensated absences is reported as a current fiscal year adjustment in the statement of activities	<u>6,847</u>
Change in net position of governmental activities	<u>\$ 488,542</u>

# Freeport Park District

## Statement of Net Position Proprietary Fund

March 31, 2017

	Golf Course Enterprise Fund
<b>Assets</b>	
Current assets:	
Cash, cash equivalents, and investments	\$ 1,296,931
Inventory	37,203
<b>Total current assets</b>	<b>1,334,134</b>
Noncurrent assets:	
Land (nondepreciable)	560,000
Land improvements	1,822,823
Buildings and equipment	2,432,550
Less allowance for depreciation	(3,532,047)
<b>Total noncurrent assets</b>	<b>1,283,326</b>
<b>Total assets</b>	<b>2,617,460</b>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	26,169
Accrued salaries	5,658
Compensated absences	2,009
Unearned revenue - charges for services	165,895
Unearned revenue - unredeemed gift/golf certificates	18,162
<b>Total current liabilities</b>	<b>217,893</b>
Noncurrent liabilities:	
Compensated absences	13,155
<b>Total liabilities</b>	<b>231,048</b>
<b>Net Position</b>	
Net investment in capital assets	1,283,326
Unrestricted	1,103,086
<b>Total net position</b>	<b>\$ 2,386,412</b>

# Freeport Park District

## Statement of Revenues, Expenses and Changes in Net Position Proprietary Fund

Year ended March 31, 2017

	Golf Course Enterprise Fund
<hr/>	
Operating revenues:	
Charges for services	\$ 839,923
Total operating revenues	<hr/> 839,923 <hr/>
Operating expenses:	
Salaries	388,758
Contractual services	39,170
Utilities	36,569
Repair and maintenance	43,869
Other supplies and expenses	351,900
Depreciation	113,529
Total operating expenses	<hr/> 973,795 <hr/>
Operating income (loss)	(133,872)
Non-operating revenues (expenses):	
Investment income	6,026
Donations	3,707
Miscellaneous revenue	-
Total non-operating revenue (expenses)	<hr/> 9,733 <hr/>
Income (loss) before contributions and transfers	(124,139)
Transfers in	-
Transfers out	(24,538)
Change in net position	<hr/> (148,677) <hr/>
Net position, beginning	2,535,089
Net position, ending	<hr/> \$ 2,386,412 <hr/> <hr/>



# Freeport Park District

## Statement of Cash Flows Proprietary Fund

Year ended March 31, 2017

	Golf Course Enterprise Fund
<b>Cash Flows From Operating Activities</b>	
Receipts from customers	\$ 811,079
Payments to suppliers	(480,304)
Payments to employees	(387,350)
Net cash provided by (used in) operating activities	(56,575)
<b>Cash Flows From Non-Capital Financing Activities</b>	
Miscellaneous	-
Donations	3,707
Transfer of management/user fees	-
Transfer of administrative services	(20,770)
Transfer to other funds	(3,768)
Transfer from other funds	-
Net cash provided by (used in) non-capital financing activities	(20,831)
<b>Cash Flows From Capital and Related Financing Activities</b>	
Purchases of capital assets	(56,480)
Net cash provided by (used in) capital and related financing activities	(56,480)
<b>Cash Flows From Investing Activities</b>	
Investment income	6,026
Net cash provided by (used in) investing activities	6,026
Net increase (decrease) in cash, cash equivalents, and investments	(127,860)
Beginning cash, cash equivalents, and investments	1,424,791
Ending cash, cash equivalents, and investments	\$ 1,296,931

# Freeport Park District

## Statement of Cash Flows (Continued) Proprietary Fund

Year ended March 31, 2017

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	Golf Course Enterprise Fund
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ (133,872)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:	
Depreciation	113,529
Changes in assets and liabilities:	
Inventory	(1,219)
Accrued salaries/compensated absences	1,408
Accounts payable	(7,577)
Unredeemed gift/golf certificates	1,703
Unearned revenue	(30,547)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (56,575)</b>

## **Notes to Financial Statements**

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# Freeport Park District

## Notes to Financial Statements

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### **Note 1      Summary of Significant Accounting Policies**

The Park District's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed below.

#### **The Financial Reporting Entity**

The Freeport Park District (Park District) is a municipal unit of local government authorized under Chapter 70 of the Illinois Compiled Statutes (ILCS), section 1205, governed by a five member elected Board of Park Commissioners. The District's major operations include public safety, golf course operations, recreation and general government services. The Park District is located primarily in Freeport, Illinois.

In evaluating how to define the government, for financial reporting purposes, the Park District has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

The Park District's financial reporting entity comprises the following:

*Primary Government - Freeport Park District*

The Park District has determined that there are no component units required to be included in the financial statements.

#### **Government Wide and Fund Financial Statements**

The government wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government as a whole. For the most part any inter-fund activity has been eliminated from these two statements. The statements distinguish between governmental and business-type activities. Governmental-type activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in large part by fees charged to external parties for goods or services.

# Freeport Park District

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (Continued)**

The Statement of Activities demonstrates the degree to which the direct expense of a given function or identifiable activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity.

Program revenues include 1) charges for services which report fees, fines and forfeitures, and other charges to users of the Park District's services; 2) grants and contributions which finance annual operating activities including restricted investment income; and 3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. Taxes and other revenue sources not properly included with program revenues are reported as general revenue.

Separate fund financial statements are provided for governmental funds, proprietary funds and if applicable, fiduciary funds which are not included in the government-wide financial statements.

Funds of the Park District are organized into two major categories: governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Park District or meets the following criteria:

- 1) 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
- 2) Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

### **Fund Financial Statements**

The fund types of the reporting entity are described below:

#### **Governmental Funds**

**General Fund** - The general fund is the primary operating fund of the Park District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in all other funds. The Park District's general fund accounts for the operation of the Park District's administration.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources such as police fines, special recreational programs, and regular recreational programs including pool revenue that are legally restricted to expenditures for certain purposes.

# Freeport Park District

## Notes to Financial Statements

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### **Note 1      Summary of Significant Accounting Policies (Continued)**

#### **Government Wide and Fund Financial Statements (Continued)**

**Capital Projects Fund** - The Capital Projects Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items. Funding is provided both through annual capital improvement bond sale proceeds and, state and federal grants.

**Debt Service Fund** - The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the Park District other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the District's debt retirement requirements.

#### **Proprietary Funds**

**Enterprise Fund** - The Enterprise Fund is used to account for business-like activities to the general public. The activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Enterprise Fund includes the Golf Course Fund.

# Freeport Park District

## Notes to Financial Statements

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**Note 1      Summary of Significant Accounting Policies (Continued)**

**Government Wide and Fund Financial Statements (Continued)**

**Major and Non-major Funds**

The Funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Description</u>
<b>Major:</b>	
General Fund	See above for description
Special Revenue Funds:	
Recreation Fund	Accounts for activities of promoting and maintaining recreational programs of the Park District.
Museum Fund	Accounts for operation of the Park District’s museum facility and functions. Funding is provided by property tax levy.
Tort Liability Fund	Accounts for the Park District’s insurance and risk management
Social Security/Municipal Retirement Fund	Accounts for activities resulting from participation in both the Illinois Municipal Retirement Program and the Federal government’s Social Security program.
Capital Projects Fund	See above for description
Debt Service Fund	See above for description
Enterprise Fund:	
Golf Course Funds	See above for description
<b>Non-major:</b>	
Special Revenue Funds:	
Special Recreation Fund	Accounts for the operation of the Park District’s special recreational programs. Funding is provided by property tax levy and program fees.
Police Fund	Accounts for the operation of a portion of the expense salary of the Police Dept. Funding is provided by property tax levy and assessed fines.
Audit Fund	Accounts for expenditures in connection with the Park District’s annual financial compliance audit as mandated by state statute. Funding is provided by property tax levy.

Under the GASB issued Statement 34, the District may report any governmental fund as a major fund if the government’s officials believe the fund is “particularly important to financial statement users”. The District has chosen to include the Social Security and Retirement funds as major even though the fund calculations do not classify them as major funds. The District views these funds as particularly important to the financial statements users.



# Freeport Park District

## Notes to Financial Statements

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### **Note 1      Summary of Significant Accounting Policies (Continued)**

#### **Measurement Focus, Basis of Accounting and Basis of Presentation**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transaction are recorded regardless of the measurement focus applied.

The government-wide financial statements and the proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of when the cash is received or paid.

The Governmental Funds Financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are generally measurable and available. Revenues are considered to be available if they are received within the current reporting period or soon enough thereafter in order to pay the current liabilities of the current period. The Park District generally considers revenues to be available if received within 60 days after the end of the fiscal year. Expenditures are usually recorded when a liability is incurred under the modified accrual basis. Expenditures for debt service and compensated absences are recorded when they become due. The government-wide financial statements classify expenses by function for both governmental and business-type activities.

Governmental funds report expenditures relating to use of financial resources. Proprietary funds report expenses relating to use of economic resources.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By character:

Current (further classified by function), Capital Outlay, or Debt Service

In the propriety fund financial statements, expenses are classified as operating and non-operating.

Permanent re-allocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

# Freeport Park District

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Cash and Investments**

The Park District maintains and controls several major cash accounts in which the general, special revenue, capital projects funds and the golf course funds are pooled, but accounted for separately by fund. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at year end. An individual fund's monies in pooled cash accounts are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with maturity of ninety days or less are also considered to be "cash equivalents".

Occasionally one or more of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Park District Board. Negative balances incurred in pooled cash and investments at year end are shown as due to/from balances in the financial statements. At year end, no funds had deficit balances in the cash or investment commingled accounts.

For purposes of the proprietary fund Statement of Cash Flows, "cash, cash equivalents, and investments" include all demand and savings accounts, and certificate of deposits or short-term investments with an original maturity of three months or less.

All investments are recorded at their fair value based on quoted market prices. Cash deposits are reported at carrying amount which reasonably estimates fair value. Additional cash and investment disclosures are presented in Note (2).

Investments of the District are limited by State law to the following:

1. Direct obligations of the U.S. Government or its agencies or instrumentalities to which the full faith and credit of the US Government is pledged, or obligations to the payment of which the full faith and credit of the State of Illinois is pledged.
2. Certificates of deposit or savings accounts which are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
3. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper, and repurchase agreements with certain limitations.
4. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous items 1, 2, and 3.

# Freeport Park District

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Prepaid Items**

Prepaid balances are for payments made by the Park District in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures. The Park District did not have any prepaid balances at year end.

#### **Inventories**

The Park District owns and operates a municipal golf course. The course offers a Pro Shop with a varied full line of golfing merchandise. Merchandise inventory is stated at the lower of cost or market using the LIFO method to reflect the amount of items on hand at March 31, 2017.

#### **Interfund Receivables and Payables**

Any residual balances between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". There were no interfund balances that required elimination in the government-wide financial statements at March 31, 2017.

#### **Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. The Park District considers the allowance for uncollectible accounts receivable and the allowance for uncollectible property taxes receivable as immaterial and therefore has chosen to not record an allowance for these items. Major receivables balances for the governmental activities include property taxes and police fines. Business-type activities have no reported receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

# Freeport Park District

## Notes to Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued as their fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are not capitalized. Estimated historical cost was used to value the majority of the assets acquired prior to April 1, 2004.

Assets capitalized, including infrastructure assets, have an original cost of \$10,000 or more and an estimated useful life in excess of three years. Depreciation has been calculated on each class of depreciable property using the straight-line method.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Equipment	5 - 20 years
Vehicles	5 - 10 years
Infrastructure	25 - 40 years
Improvements	15 - 20 years

Infrastructure assets prior to April 1, 2004 have not been capitalized.

#### Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. The long-term debt consists primarily of bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for the proprietary fund is the same in the fund statements as it is in the government-wide statements.

The Illinois Park District Code limits the amount of outstanding general obligation bonded debt of the Park District to no more than 5.75% of net assessed valuation. For the year ended March 31, 2017, the Park District had outstanding general obligation debt of \$1,135,000.

# Freeport Park District

## Notes to Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Capital Assets (Continued)

#### Legal Debt Margin

Based on assessed valuation for fiscal year 2016 of \$206,142,637, the legal debt margin is:

Statutory Debt Limitation	\$206,142,637 x 5.75% =	\$11,853,202
Total Debt Outstanding		<u>1,135,000</u>
Legal Debt Margin		<u>\$10,718,202</u>

#### Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Park District. The liability for these compensated absences is recorded in the government-wide financial statements. Governmental funds report only the compensated absences liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

#### Equity Classifications

#### Fund Balance

Clearly defined fund balance categories are shown below to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balances - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegate the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

# Freeport Park District

## Notes to Financial Statements

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### **Note 1      Summary of Significant Accounting Policies (Continued)**

#### **Equity Classifications (Continued)**

##### **Fund Balance (Continued)**

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Only the Board of Commissioners may modify or rescind this commitment. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund.

Assigned fund balance is established by the Board of Commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purpose).

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Park District's policy to use restricted amounts first and then unrestricted amounts as they are needed.

For unrestricted amounts of fund balance, it is the Park District's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

#### ***Government-wide Statements***

Equity is classified as net position and displayed in three components:

Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

Unrestricted – net position that does not meet the definition of “restricted” or “net investment in capital assets”.

#### ***Fund Statements***

Proprietary fund equity is classified the same as in the government-wide statements.

# Freeport Park District

## Notes to Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Property Taxes

The Park District recognizes property tax revenue utilizing the “available” basis. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time period shall not exceed 60 days past the end of the current fiscal year.

For those funds on the modified accrual basis, the current year tax levy is recorded as Property Taxes Receivable with a corresponding entry to Property Tax Revenue to reflect those taxes received within 60 days after the end of the fiscal year. The remainder of the Receivable is recorded as Deferred Inflows of Resources.

The Park District’s property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2015 tax levy was passed by the Board on December 15, 2015. The 2016 tax levy was passed by the Board on December 20, 2016. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments, usually in June and September.

The tax rates for 2016 and 2015 are as follows:

	<u>2016 Levy</u>		<u>2015 Levy</u>	
	<u>Limit</u>	<u>Actual</u>	<u>Limit</u>	<u>Actual</u>
General (Corporate)	0.3500	0.26196	0.3500	0.24985
Recreation	0.3700	0.19404	0.3700	0.18368
Special recreation	0.0400	0.04000	0.0400	0.04000
Museum	0.0700	0.07000	0.0700	0.07000
Social Security	As needed	0.04851	As needed	0.04715
I.M.R.F.	As needed	0.03639	As needed	0.03536
Bond & interest	As needed	0.28229	As needed	0.31458
Audit	0.0050	0.00500	0.0050	0.00500
Liability insurance	As needed	0.12128	As needed	0.11786
Police	0.0250	<u>0.02500</u>	0.0250	<u>0.02500</u>
		<u>1.08447</u>		<u>1.08866</u>

For the fiscal year ended March 31, 2017, the Park District had not received any of their 2016 tax levy.

# Freeport Park District

## Notes to Financial Statements

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### **Note 1      Summary of Significant Accounting Policies (Continued)**

#### **Special Accounts/Restrictions**

##### *Park Hills Master Plan Account Restriction*

The Board of Commissioners, at their March 17, 1992 meeting, approved the establishing of a separate “fund” or account within the Enterprise Fund to be named the Park Hills Master Plan. Annually, 50% of the net income, if any, from all Park Hills operations is to be transferred into the Master Plan account to be used for future renovations approved by the Board from the priority listing supplied to them by the architect.

During the fiscal year ended March 31, 2017, Park Hills yielded a net loss from operations, which therefore does not allow for a transfer allocation to be made in this fiscal year.

The Master Plan Account is restricted by its original establishment for future use. These are Board restrictions only and are subject to review and possible change by future Boards. As future projects arise, the Board reviews and approves the expenditures based on the merit to the Park District of each project.

##### *Park Hills Irrigation Account*

The Park District Board of Commissioners, during their October 5, 1999 meeting, voted to create a new Golf Irrigation “Fund”/account within the Enterprise Fund. Annually, an amount of money equal to the difference between the original bond payment schedule and the refunding bond payment schedule for the Series 1989 bond will be transferred to the new Golf Irrigation account. The purpose of the account is to begin accumulating funds for the purpose of paying future irrigation project expenditures. Final payment on the Series 1989 bond was made during a prior fiscal year, therefore no current year transfer was required to be made to the Golf Irrigation Fund.

For the year ending March 31, 2017, the accumulated Board internal designations within the Enterprise Fund’s unrestricted net position were \$453,466 for capital projects, \$74,982 for golf cart replacement, and \$417,844 for general course improvement.

#### **Budget Basis of Accounting**

The Park District budgets for all General, Special Revenue, Proprietary, Debt Service and Capital Project Fund types. The Park District’s budget is prepared on a basis consistent with generally accepted accounting principles, except the proprietary fund which adopts a current financial resources measurement focus budget in that depreciation is not budgeted and capital outlay is budgeted.



# Freeport Park District

## Notes to Financial Statements

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### **Note 1      Summary of Significant Accounting Policies (Continued)**

#### **Budget Basis of Accounting (Continued)**

The ordinance was passed on June 28, 2016, and was not amended. For each fund, total fund expenditures may not legally exceed the budgeted expenditures. The ordinance lapses at the end of each fiscal year.

The Park District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) Prior to July 1, the Park District prepares an annual appropriation ordinance for the fiscal year commencing April 1 of that year. The ordinance includes proposed expenditures and the means of financing them.
- b) Legal spending and management control for Park District monies is at the fund level. The Park District may amend the ordinance after the first half of the year by a two-thirds vote of all Park District board members. The board may make transfers between funds, but no appropriation may be reduced below an amount sufficient to cover such obligation.

### **Note 2      Deposits and Investments**

#### **Deposits**

*Custodial credit risk* for deposits is the risk that in the event of a bank failure, the Park District's deposits may not be returned or the Park District will not be able to recover collateral securities in the possession of an outside party. The Park District's policy requires deposits in excess of the Federal Deposit Insurance Corporation limits to be secured by collateral valued at market or par, whichever is lower.

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligation or its agencies and instrumentalities or direct obligation of the State of Illinois or its agencies or instrumentalities that have a market value of not less than the principal amount of the deposits. The Park District's deposits, including certificates of deposits, were fully insured or collateralized as required by the state statutes at March 31, 2017.

At year end, the carrying amount of the Park District's deposits was \$5,693,833, which excludes several petty cash funds totaling \$1,219 held at the Park District. The bank balance was \$5,719,886.

# Freeport Park District

## Notes to Financial Statements

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**Note 2      Deposits and Investments (Continued)**

Cash, cash equivalents, and investments as of March 31, 2017 are classified in the accompanying financial statements as follows:

**Statement of Net Position**

Cash, cash equivalents, and investments	\$5,695,052
Restricted:	
Investments in trust	<u>66,468</u>
Total cash, cash equivalents, and investments (including trust)	<u>\$5,761,520</u>

Cash, cash equivalents, and investments as of March 31, 2017 consist of the following:

Cash on hand	\$ 1,219
Deposits with financial institutions	3,023,256
Investments in trust	66,468
Certificates of deposit	<u>2,670,577</u>
Total cash, cash equivalents, and investments (including trust)	<u>\$5,761,520</u>

As of March 31, 2017, all of the Park District’s bank balances were covered by federal depository insurance or by collateral held by the Park District’s agent in the Park District’s name.

The Park District is allowed to invest in Securities as authorized by 85 ILCS 901 and 85 ILCS 906. The Park District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates and limits its investment choices to those allowed by Illinois law and in the amount the Park District may invest in any one issuer.

*Custodial credit risk* for investments is the risk that, in the event of the failure of the counter-party (e.g. broker-dealer) to a transaction, the Park District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to indirect investments in securities through use of mutual funds or governmental investment pools. The Park District’s exposure to this risk is \$-0- for marketable securities directly held by the investment corporation. The Park District does not have an investment policy for custodial credit risk.

The Park District’s investments (fair value quoted at market prices) as of March 31, 2017 are as follows:

	<u>Fair Value</u>	<u>Cost</u>
Gelwick’s Trust Account	<u>\$66,468</u>	<u>\$59,377</u>

# Freeport Park District

## Notes to Financial Statements

### Note 3 Capital Assets

Capital asset activity for the year ended March 31, 2017, is as follows:

	<u>Balance at 04/01/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 03/31/2017</u>
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 1,704,569	\$ 41,500	\$ -	\$ 1,746,069
Depreciable assets:				
Buildings	9,220,955	61,068	-	9,282,023
Land improvements	9,107,696	249,615	-	9,357,311
Vehicles	506,893	38,125	29,560	515,458
Software	51,024	-	-	51,024
Machinery & equipment	<u>1,3330,484</u>	<u>31,044</u>	<u>-</u>	<u>1,361,528</u>
Total depreciable assets	<u>20,217,052</u>	<u>379,852</u>	<u>29,560</u>	<u>20,567,344</u>
Totals at historical cost	<u>21,921,621</u>	<u>421,352</u>	<u>29,560</u>	<u>22,313,413</u>
Less accumulated depreciation				
Buildings	3,136,615	185,354	-	3,321,969
Land improvements	5,480,140	358,772	-	5,838,912
Vehicles	387,356	35,715	29,560	393,511
Software	37,525	2,842	-	40,367
Machinery & equipment	<u>944,958</u>	<u>69,541</u>	<u>-</u>	<u>1,014,499</u>
Total accumulated depreciation	<u>9,986,594</u>	<u>652,224</u>	<u>29,560</u>	<u>10,609,258</u>
Governmental activities capital assets, net	<u>\$11,935,027</u>	<u>\$ (230,872)</u>	<u>\$ -</u>	<u>\$11,704,155</u>

Depreciation expense was charged to function/programs of the primary government as follows:

<b>Governmental activities:</b>	
General government	\$ 18,313
Culture and recreation	<u>633,911</u>
Total depreciation expense, governmental activities	<u>\$652,224</u>

# Freeport Park District

## Notes to Financial Statements

### Note 3 Capital Assets (Continued)

	<u>Balance at 04/01/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 03/31/2017</u>
Business-type activities:				
Land	\$ 560,000	\$ -	\$ -	\$ 560,000
Buildings	894,542	-	-	894,542
Land improvements	1,822,823	-	-	1,822,823
Machinery & equipment	<u>1,481,528</u>	<u>56,480</u>	<u>-</u>	<u>1,538,008</u>
Totals at historical cost	<u>4,758,893</u>	<u>56,480</u>	<u>-</u>	<u>4,815,373</u>
Less accumulated depreciation				
Buildings	517,797	14,518	-	532,315
Land improvements	1,683,148	36,207	-	1,719,355
Machinery & equipment	<u>1,217,573</u>	<u>62,804</u>	<u>-</u>	<u>1,280,377</u>
Total accumulated depreciation	<u>3,418,518</u>	<u>113,529</u>	<u>-</u>	<u>3,532,047</u>
Business-type activities capital assets, net	<u>\$1,340,375</u>	<u>\$(57,049)</u>	<u>\$ -</u>	<u>\$1,283,326</u>

### Note 4 Long-Term Debt

The reporting entity's long-term debt listed below is to be repaid from governmental activities:

#### Limited Tax Park Bonds - Series of 2016

##### Series 2016

Issue: \$575,000  
Dated: December 2, 2016  
Rate: 1.25%  
Principal & Interest: November 1, 2017

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
November 1, 2017	<u>\$575,000</u>	<u>\$7,188</u>	<u>\$582,188</u>

#### Limited Tax Park Bonds – Series of 2015

##### Series 2015

Issue: \$660,000  
Dated: December 2, 2015  
Rate: 1.21%  
Principal & Interest: November 1, 2016

# Freeport Park District

## Notes to Financial Statements

### Note 4 Long-Term Debt (Continued)

The Series 2015 bonds were paid off during the fiscal year ending March 31, 2017.

#### General Obligation Limited Tax Park Bonds Series 2007

##### Series 2007

Issue:	\$2,000,000
Dated:	March 1, 2007
Rate:	3.95%-4.00%
Principal & Interest:	December 15

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
December 15, 2017	\$ 180,000	\$ 22,218	\$ 202,218
December 15, 2018	185,000	15,107	200,107
December 15, 2019	<u>195,000</u>	<u>7,800</u>	<u>202,800</u>
	<u>560,000</u>	<u>45,125</u>	<u>605,125</u>
Total all bonds	<u>\$1,135,000</u>	<u>\$52,313</u>	<u>\$1,187,313</u>

The following is a summary of changes in long-term debt for the year ended March 31, 2017:

	<u>Balance 4/1/2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 3/31/2017</u>	<u>Due within One Year</u>
General Obligation bonds	<u>\$1,390,000</u>	<u>\$575,000</u>	<u>\$830,000</u>	<u>\$1,135,000</u>	<u>\$755,000</u>
		<u>Balance 4/01/2016</u>	<u>Change in Accrual</u>	<u>Balance 3/31/2017</u>	<u>Current Portion</u>
Governmental Activities: Compensated absences	\$ 67,110	\$ (6,847)	\$ 60,263	\$ 7,207	
Business-Type Activities: Compensated absences	<u>15,188</u>	<u>(24)</u>	<u>15,164</u>	<u>2,009</u>	
Total	<u>\$ 82,298</u>	<u>\$ (6,871)</u>	<u>\$ 75,427</u>	<u>\$ 9,216</u>	

### Note 5 Employee Pension and Other Pension Benefit Plans

The Park District participates in two employee retirement/pension plan/systems as follows:

A Deferred Compensation Plan and the Illinois Municipal Retirement Fund (IMRF)

# Freeport Park District

## Notes to Financial Statements

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### Note 5 Employee Pension and Other Pension Benefit Plans (Continued)

#### Deferred Compensation Plan

The Park District offers its employees a deferred compensation plan created in accordance with Internal Revenue code Section 457. The plan, available to all eligible Park District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan was approved to comply with IRC Section 457(g) which allows for the plan to hold its assets in trust. Under these requirements, the assets of the plan are not subject to the general creditors of the Park District, the Park District does not own the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

#### Benefit Pension Plan

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

**Benefits provided** - IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

# Freeport Park District

## Notes to Financial Statements

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### Note 5 Employee Pension and Other Pension Benefit Plans (Continued)

#### Benefit Pension Plan (Continued)

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

**Employees Covered by the Benefit Terms** - At the December 31, 2016 valuation date, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	13
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	20
<hr/>	
Total	41
<hr/>	

**Contributions** - As set by statute, the Park District’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Park District’s annual contribution rate for calendar year 2016 was 5.92%. For the fiscal year ended March 31, 2017, the Park District contributed \$57,384 to the plan. The Park 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 (Asset)** - The Park District’s Net Pension Liability (Asset) was measured as of December 31, 2016, and the total pension liability (asset) used to calculate the Net Pension Liability (Asset) was determined by an annual actuarial valuation as of that date.

# Freeport Park District

## Notes to Financial Statements

### Note 5 Employee Pension and Other Pension Benefit Plans (Continued)

#### Benefit Pension Plan (Continued)

**Actuarial assumptions** - The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- 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 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from year 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	100%	



# Freeport Park District

## Notes to Financial Statements

### Note 5 Employee Pension and Other Pension Benefit Plans (Continued)

**Discount rate** - A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer 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 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

### Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance January 1, 2016	\$4,858,050	\$5,020,640	\$(162,590)
Service costs	105,887	-	105,887
Interest on total pension liability	365,352	-	365,352
Difference between expected and actual experience	(64,151)	-	(64,151)
Changes in assumptions	-	-	-
Employer contributions	-	57,406	(57,406)
Employee contributions	-	43,636	(43,636)
Net investment income	-	348,956	(348,956)
Benefit payments – net of refunds	(79,279)	(79,279)	-
Administrative expense	-	-	-
Other changes	-	52,208	(52,208)
<b>Net changes</b>	<b>327,809</b>	<b>422,927</b>	<b>(95,118)</b>
<b>Balances as of December 31, 2016</b>	<b>\$5,185,859</b>	<b>\$5,443,567</b>	<b>\$(257,708)</b>

# Freeport Park District

## Notes to Financial Statements

### Note 5 Employee Pension and Other Pension Benefit Plans (Continued)

**Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate** - The following presents the Park District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Park District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)
Park District's proportionate share of the net pension liability (asset)	\$427,556	\$(257,708)	\$(821,238)

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report which is publicly available at <http://imrf.org>.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended December 31, 2016 the Park District had a pension expense of \$37,925. At March 31, 2017, the Park District had 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>
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	\$ -	\$137,918
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	240,744	-
<hr/>		
Total deferred amounts to be recognized in pension expense in future periods	240,744	137,918
<hr/>		
Pension contributions made subsequent to the measurement date	14,885	-
<hr/>		
Total	\$255,629	\$137,918

# Freeport Park District

## Notes to Financial Statements

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### **Note 5 Employee Pension and Other Pension Benefit Plans (Continued)**

The Park District reported \$14,885 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended March 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>Net Deferred Outflows of Resources</b>
2017	\$ 23,386
2018	23,386
2019	55,563
2020	491
2021	-
Thereafter	-
Total	<u>\$102,826</u>

### **Social Security**

Employees not qualifying for coverage under the IMRF are considered as “non-participating employees” and are covered under Social Security.

### **Note 6 Other Post-Employment Benefits**

The Park District has evaluated its potential other post-employment benefits liability. The Park District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Township are required to pay 100% of the current premium. However, no former employee has chosen to stay in the Park District’s health insurance plan in at least the last five years. Therefore, there has been low utilization and, therefore, an immaterial implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Park District has no former employees for whom the District was providing an explicit subsidy and no employees with agreements for future explicit subsidies upon retirement. Therefore, the Park District has not recorded any post-employment benefit liability as of March 31, 2017.

### **Note 7 Risk Management**

The Park District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Park District purchases insurance as a participant in the Illinois Parks Association Risk Services, a public entity risk pool, to provide the Park District with such insurance coverage. The deductibles in effect through these policies as of March 31, 2017 range from \$0 - \$5,000. During the year ended March 31, 2017, there were no significant reductions in insurance coverage. Also there have been no settlement amounts which have exceeded insurance coverage in each of the past three years. Potentially the Park District could be assessed additional premiums for its share of any losses of the pool. Historically, the Park District has not been assessed any additional premiums.

# Freeport Park District

## Notes to Financial Statements

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### Note 8 Restricted Fund Balances and Net Position

#### Recreation Fund - Endowment Account

The Park District received a permanently restricted contribution during 1997 from Gelwicks Trust stipulating that the contribution is to be used solely for purposes of maintaining and updating the Oakdale Nature Preserve and Trails. The Park District invested these funds in a separate investment management account at State Bank - Freeport. All income and expenses relative to this activity have been recorded in the Recreation Fund and the cumulative remaining fund balance at March 31, 2017 of \$66,468 has been restricted within that fund.

The following table shows the net position restricted for debt and other purposes as shown in the Statement of Net Position:

<b>Governmental activities:</b>		
Special Revenue Funds	Enabling Legislation	\$ 434,212
Special Revenue Fund	Donor Trust Restrictions	66,468
Debt Service	Enabling Legislation	114,764
Pension related	Enabling Legislation	375,419
General Fund Liability Ins.	Enabling Legislation	1,081,122
Municipal Retirement Fund	State and Federal Pension	<u>367,708</u>
		<u>\$2,439,693</u>

### Note 9 Operating Budget

The Park District is required by statute to file an Appropriations Ordinance each fiscal year. Per Statutes of Illinois, expenditures may not legally exceed their appropriations. During the fiscal year ending March 31, 2017, the following funds had expenditures in excess of appropriations:

<u>Fund</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
Debt Service	\$866,145	\$866,949	\$804

### Note 10 Interfund Receivables, Payables, and Transfers

The individual fund interfund receivables and payables as of March 31, 2017 are as follows:

	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
General Fund - Corporate Fund	\$11,136	\$ -
Other Governmental Funds	<u>-</u>	<u>11,136</u>
	<u>\$11,136</u>	<u>\$11,136</u>

# Freeport Park District

## Notes to Financial Statements

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**Note 10 Interfund Receivables, Payables, and Transfers (Continued)**

The purpose of the individual interfund receivables and payables is due to temporary borrowings in the commingled cash and investments accounts to cover short-term cash flow shortages.

The individual fund interfund transfers as of March 31, 2017 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund – Corporate Fund	\$ 30,770	\$ 30,000
Debt Service Fund	198,848	-
Capital Projects Fund	-	198,848
Recreation Fund	-	-
Other Governmental Funds	33,768	10,000
Golf Course Fund	<u>-</u>	<u>24,538</u>
	<u>\$263,386</u>	<u>\$263,386</u>

The Interfund Transfers are approved during the budget approval process. An interfund transfer was made from bond proceeds within the Capital Projects Fund to the Debt Service Fund for making payments on the bonds. Additional transfers were made from the Golf Course Fund to the General Fund for reimbursement of administrative services.

**Note 11 Pending Accounting Pronouncements**

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73* amends the required the presentation to include the covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. The requirements of this Statement are effective for reporting period in which the measurement date of the pension liability is after June 15, 2017.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes criteria for determining the timing and pattern recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations, and requires the current value of a government’s asset retirement obligations to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this Statement are effective for reporting period in which the measurement date of the pension liability is after June 15, 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

Management has not completed its assessment of these pending standards as to the effect, if any, they may have on the financial statements.

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## **Required Supplementary Information**

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# Freeport Park District

## Required Supplementary Information

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**Illinois Municipal Retirement Fund (IMRF)  
Multiyear Schedule of Contributions  
Last 10 Fiscal Years (prospective from 2015)**

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<b>Fiscal Year Ending March 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a % of Covered Valuation Payroll</b>
2016	\$65,501	\$65,501	\$ -	\$1,002,831	6.53%
2017	\$57,384	\$57,384	\$ -	\$957,579	5.99%

# Freeport Park District

## Required Supplementary Information - Illinois Municipal Retirement (IMRF) Multiyear Schedule of Changes in Net Pension Liability and Related Ratios IMRF Regular Plan Last 10 Calendar Years

(Schedule to be built prospectively from 2015)

	<u>2016</u>	<u>2015</u>
Calendar year ending December 31,		
Total pension liability:		
Service cost	\$ 105,887	\$ 102,775
Interest on the total pension liability	365,352	350,254
Benefit changes	-	-
Difference between expected and actual experience	(64,151)	(168,801)
Assumption changes	-	-
Benefit payments and refunds	<u>(79,279)</u>	<u>(89,675)</u>
Net change in total pension liability	327,809	194,553
Total pension liability - beginning	4,858,050	4,663,497
Total pension liability - ending (a)	5,185,859	4,858,050
Plan fiduciary net position:		
Employer contributions	57,406	64,809
Employee contributions	43,636	42,889
Pension plan net investment income	348,956	26,741
Benefit payments and refunds	(79,279)	(89,675)
Other	<u>52,208</u>	<u>(363,389)</u>
Net change in plan fiduciary net position	422,927	(318,625)
Plan fiduciary net position - beginning	<u>5,020,640</u>	<u>5,339,265</u>
Plan fiduciary net position - ending (b)	<u>5,443,567</u>	<u>5,020,640</u>
Net pension liability(asset) - Ending (a) - (b)	<u>\$ (257,708)</u>	<u>\$ (162,590)</u>
Plan fiduciary net position as a percentage of total pension liability		
	104.97%	103.35%
Covered valuation payroll	\$ 969,682	\$ 953,082
Net pension liability as a percentage of covered valuation payroll	-26.58%	-17.06%

The District implemented GASB 68 for the year ending March 31, 2016

# Freeport Park District

## General Fund Schedule of Revenues Compared with Budget Required Supplementary Information

Year ended March 31, 2017

	Original & Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Taxes:			
Property taxes	\$ 523,977	\$ 526,485	\$ 2,508
Corporate replacement tax	89,000	85,513	(3,487)
Total taxes	612,977	611,998	(979)
Investment income	17,500	24,465	6,965
Miscellaneous:			
Building rentals	8,500	8,983	483
Insurance reimbursement	1,500	2,478	978
Miscellaneous	3,000	9,373	6,373
Total miscellaneous	13,000	20,834	7,834
Intergovernmental:			
State gasoline tax refund	2,700	6,096	3,396
Total revenues	\$ 646,177	\$ 663,393	\$ 17,216

# Freeport Park District

## General Fund Schedule of Expenditures Compared with Budget Required Supplementary Information

Year ended March 31, 2017

	Original & Final Budget	Actual	Over (Under) Budget
<b>Expenditures</b>			
General government:			
Personal services:			
Administrative	\$ 158,480	\$ 125,695	\$ (32,785)
Maintenance	259,025	237,110	(21,915)
Total personal services	417,505	362,805	(54,700)
Other services and charges:			
Medical insurance	48,360	47,630	(730)
Insurance:			
Self insurance pool	-	-	-
Workman's compensation	-	-	-
Unemployment compensation/services	-	-	-
Claims repairs	-	-	-
Utilities	55,180	52,645	(2,535)
Total other services and charges	103,540	100,275	(3,265)
Materials and supplies:			
Office materials and supplies	6,400	2,391	(4,009)
Publicity	500	502	2
Total materials and supplies	6,900	2,893	(4,007)

# Freeport Park District

## General Fund Schedule of Expenditures Compared with Budget (Continued) Required Supplementary Information

Year ended March 31, 2017

	Original & Final Budget	Actual	Over (Under) Budget
<b>Expenditures (Continued)</b>			
General government (continued):			
Other general government:			
Dues and subscriptions	5,600	5,445	(155)
Legal services	25,300	17,785	(7,515)
Professional fees	2,200	2,664	464
Staff training/first aid & testing	-	-	-
Miscellaneous	20,200	11,432	(8,768)
Computer service hardware/software	6,000	4,265	(1,735)
Pre-employment testing	1,500	1,406	(94)
Repair and maintenance:			
Grounds and facilities	56,100	40,467	(15,633)
Vehicles	4,650	4,651	1
Equipment	11,450	10,150	(1,300)
<b>Total other general government</b>	<b>133,000</b>	<b>98,265</b>	<b>(34,735)</b>
<b>Total expenditures</b>	<b>\$ 660,945</b>	<b>\$ 564,238</b>	<b>\$ (96,707)</b>
<b>Other financing sources (uses)</b>			
Transfer from other funds - administrative services	\$ 30,770	\$ 30,770	\$ -
Transfer out	(15,000)	(30,000)	(15,000)
<b>Total other financing sources (uses)</b>	<b>\$ 15,770</b>	<b>\$ 770</b>	<b>\$ (15,000)</b>

# Freeport Park District

## Recreation Fund Schedule of Revenues and Expenditures Compared with Budget Required Supplementary Information

Year ended March 31, 2017

	Original & Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ 385,600	\$ 387,383	\$ 1,783
Corporate replacement tax	89,000	85,513	(3,487)
Total taxes	474,600	472,896	(1,704)
Investment income	11,500	16,204	4,704
Miscellaneous	33,850	31,474	(2,376)
Recreation programs	323,790	318,254	(5,536)
Total revenues	\$ 843,740	\$ 838,828	\$ (4,912)
<b>Expenditures</b>			
General government and administration:			
Personal services:			
Administrative	\$ 133,059	\$ 134,014	\$ 955
Maintenance	109,674	104,341	(5,333)
Total personal services	242,733	238,355	(4,378)
Other services and charges:			
Medical insurance	100,000	66,877	(33,123)
Charge card fee	4,000	2,853	(1,147)
Miscellaneous	19,430	23,009	3,579
Utilities	14,000	11,446	(2,554)
Total other services and charges	137,430	104,185	(33,245)
Materials and supplies:			
Office materials and supplies	4,800	4,083	(717)
Office equipment repairs	4,100	4,030	(70)
Publicity	10,900	13,501	2,601
Motor fuel	34,000	17,466	(16,534)
Brochure printing	23,500	26,023	2,523
Dues and subscriptions	4,725	3,572	(1,153)
Training and education	-	-	-
Custodial	15,200	21,999	6,799
Professional fees	1,500	-	(1,500)
Total material and supplies	98,725	90,674	(8,051)
Total general government	478,888	433,214	(45,674)

# Freeport Park District

## Recreation Fund Schedule of Expenditures Compared with Budget (Continued) Required Supplementary Information

Year ended March 31, 2017

	Original & Final Budget	Actual	Over (Under) Budget
<b>Expenditures (Continued)</b>			
Culture and recreation:			
Program expenses	285,636	291,337	5,701
Miscellaneous	6,000	2,201	(3,799)
Computer service hardware/software	6,500	5,788	(712)
Grounds and facilities repair	18,500	12,460	(6,040)
<b>Total culture and recreation</b>	<b>316,636</b>	<b>311,786</b>	<b>(4,850)</b>
<b>Total expenditures</b>	<b>\$ 795,524</b>	<b>\$ 745,000</b>	<b>\$ (50,524)</b>
<b>Other financing sources (uses)</b>			
Transfer from other funds - administrative services	\$ -	\$ -	\$ -
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Freeport Park District

## Social Security/Municipal Retirement Fund Schedule of Revenues and Expenditures Compared with Budget Required Supplementary Information

Year ended March 31, 2017

	Original & Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ 173,054	\$ 173,852	\$ 798
Corporate replacement tax	8,000	8,000	-
Total taxes	181,054	181,852	798
Investment income (loss)	600	(125)	(725)
Miscellaneous:			
Building rentals	-	-	-
Surplus sales	-	-	-
Insurance reimbursement	-	-	-
Miscellaneous	-	-	-
Total miscellaneous	-	-	-
Intergovernmental:			
State gasoline tax refund	-	-	-
Total revenues	\$ 181,654	\$ 181,727	\$ 73
<b>Expenditures</b>			
General government, administration, and public safety:			
Other services and charges:			
Administrative - payroll taxes	\$ 169,386	\$ 162,394	\$ (6,992)
Total expenditures	\$ 169,386	\$ 162,394	\$ (6,992)
<b>Other Financing Sources (uses)</b>			
Transfer from other funds -			
administrative services	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -



# Freeport Park District

## Museum Fund

### Schedule of Revenues and Expenditures Compared with Budget Required Supplementary Information

Year ended March 31, 2017

	Original & Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ 148,500	\$ 149,175	\$ 675
Total taxes	148,500	149,175	675
Investment income (loss)	300	419	119
Miscellaneous:			
Miscellaneous	29,200	26,337	(2,863)
Total revenues	\$ 178,000	\$ 175,931	\$ (2,069)
<b>Expenditures</b>			
Culture and recreation:			
Salaries - administration	\$ 75,426	\$ 79,851	\$ 4,425
Salaries - maintenance	59,508	59,187	(321)
Contractual - medical insurance	15,540	15,540	-
Utilities	16,100	10,384	(5,716)
Alarm monitoring	340	2,262	1,922
Professional services	-	-	-
Materials and supplies	600	63	(537)
Equipment repair	400	431	31
Dues and subscriptions	200	190	(10)
Brochure printing/postage	2,200	110	(2,090)
Miscellaneous	150	-	(150)
Computer service hardware/software	1,800	-	(1,800)
Motor fuel - gasoline	1,700	1,700	-
Repairs - grounds and facilities	1,890	2,200	310
Utilities	2,000	193	(1,807)
Total expenditures	\$ 177,854	\$ 172,111	\$ (5,743)

# Freeport Park District

## Tort Liability Fund Schedule of Revenues and Expenditures Compared with Budget Required Supplementary Information

Year ended March 31, 2017

	Original & Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ 247,193	\$ 248,331	\$ 1,138
Total taxes	247,193	248,331	1,138
Investment income (loss)	500	(616)	(1,116)
Miscellaneous:			
Miscellaneous	20,702	13,736	(6,966)
Total revenues	\$ 268,395	\$ 261,451	\$ (6,944)
<b>Expenditures</b>			
General government:			
Personal services:			
Administrative - risk management	\$ 59,889	\$ 54,070	\$ (5,819)
Other services and charges:			
Insurance:			
Self insurance pool	155,875	167,202	11,327
Workman's compensation	35,900	34,754	(1,146)
Miscellaneous	500	287	(213)
Unemployment compensation/services	11,500	1,805	(9,695)
Total other services and charges	203,775	204,048	273
Total expenditures	\$ 263,664	\$ 258,118	\$ (5,546)
<b>Other Financing Sources (uses)</b>			
Transfer from other funds -			
administrative services	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -

# Freeport Park District

## Notes to Required Supplementary Information

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**a. Budgets**

The Park District prepares its annual budget on a basis consistent with generally accepted accounting principles, except the proprietary funds which adopt a current financial resources measurement focus budget in that depreciation is not budgeted and capital outlay is budgeted. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service and Enterprise Funds. All annual appropriations lapse at fiscal year-end.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The treasurer is authorized to transfer amounts between departments within any fund; however, any revisions that alter total expenditures of any fund must be approved by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. The final budget figures included in this report do not include any amendments increasing the originally adopted budget.

**b. Excess of Actual Expenditures/Expenses Over Budget in Individual Funds**

No funds presented as Required Supplementary Information exceeded their appropriated budget.

**c. Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate for IMRF\***

**Methods and Assumptions Used to Determine 2016 Contribution Rates:**

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period.  Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period).  Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.  SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%

# Freeport Park District

## Notes to Required Supplementary Information (Continued)

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### c. Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate for IMRF\* (Continued)

Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
<b>Other Information:</b>	
Notes	There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation

## **Supplementary Information**

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# Freeport Park District

## Nonmajor Governmental Funds Combining Balance Sheet

March 31, 2017

	Total Nonmajor Governmental Funds	Special Revenue		
		Special Recreation Fund	Police Fund	Audit Fund
<b>Assets</b>				
Cash, cash equivalents, and investments	\$ 243,277	\$ 96,208	\$ 113,535	\$ 33,534
Accounts receivable	-	-	-	-
Taxes receivable	143,908	82,457	51,206	10,245
<b>Total assets</b>	<b>\$ 387,185</b>	<b>\$ 178,665</b>	<b>\$ 164,741</b>	<b>\$ 43,779</b>
<b>Liabilities</b>				
Due to other funds - cash	\$ 11,136	\$ -	\$ -	\$ 11,136
Accrued salaries	1,747	1,279	468	-
Accounts payable	260	210	50	-
<b>Total liabilities</b>	<b>13,143</b>	<b>1,489</b>	<b>518</b>	<b>11,136</b>
<b>Deferred Inflows of Resources</b>				
Property taxes	143,908	82,457	51,206	10,245
<b>Fund Balances</b>				
Fund equity:				
Restricted	230,134	94,719	113,017	22,398
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>230,134</b>	<b>94,719</b>	<b>113,017</b>	<b>22,398</b>
<b>Total liabilities, deferred inflows, and fund equity</b>	<b>\$ 387,185</b>	<b>\$ 178,665</b>	<b>\$ 164,741</b>	<b>\$ 43,779</b>

# Freeport Park District

## Nonmajor Governmental Funds

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended March 31, 2017

	Total Nonmajor Governmental Funds	Special Revenue		
		Special Recreation Fund	Police Fund	Audit Fund
<b>Revenues</b>				
Taxes	\$ 149,174	\$ 85,241	\$ 53,277	\$ 10,656
Intergovernmental	-	-	-	-
Charges for services	19,970	19,970	-	-
Fines	3,096	-	3,096	-
Investment income	512	559	-	(47)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>172,752</b>	<b>105,770</b>	<b>56,373</b>	<b>10,609</b>
<b>Expenditures</b>				
General government	19,300	-	-	19,300
Public safety	30,893	-	30,893	-
Culture and recreation	95,854	95,854	-	-
<b>Total expenditures</b>	<b>146,047</b>	<b>95,854</b>	<b>30,893</b>	<b>19,300</b>
Excess of revenues over (under) expenditures	26,705	9,916	25,480	(8,691)
<b>Other financing sources (uses)</b>				
Operating transfers in	33,768	-	-	33,768
Operating transfers out	(10,000)	-	(10,000)	-
<b>Total other financing sources (uses)</b>	<b>23,768</b>	<b>-</b>	<b>(10,000)</b>	<b>33,768</b>
<b>Net change in fund balances</b>	<b>50,473</b>	<b>9,916</b>	<b>15,480</b>	<b>25,077</b>
Fund balances - beginning	179,661	84,803	97,537	(2,679)
<b>Fund balances - ending</b>	<b>\$ 230,134</b>	<b>\$ 94,719</b>	<b>\$ 113,017</b>	<b>\$ 22,398</b>



# Freeport Park District

## Capital Projects Fund Combining Balance Sheet

March 31, 2017

	Total Capital Projects	Park District Bond Issues	Kids' Kastle	Mini-Golf Site and Construction	Park Development	Jane Addams Trail	50% Tax Transfer Projects
<b>Assets</b>							
Cash and investments	\$ 1,654,282	\$ 473,583	\$ 6,326	\$ 111,402	\$ 506,958	\$ -	\$ 556,013
Receivables	503,471	503,471	-	-	-	-	-
Prepaid advertising	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,157,753</b>	<b>\$ 977,054</b>	<b>\$ 6,326</b>	<b>\$ 111,402</b>	<b>\$ 506,958</b>	<b>\$ -</b>	<b>\$ 556,013</b>
<b>Liabilities</b>							
Cash - deficit balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments - deficit balance	-	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-	-
Accounts payable	44,302	44,302	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>44,302</b>	<b>44,302</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance - committed	2,113,451	932,752	6,326	111,402	506,958	-	556,013
<b>Total liabilities and fund equity</b>	<b>\$ 2,157,753</b>	<b>\$ 977,054</b>	<b>\$ 6,326</b>	<b>\$ 111,402</b>	<b>\$ 506,958</b>	<b>\$ -</b>	<b>\$ 556,013</b>

# Freeport Park District

## Capital Projects Fund Combining Statement of Revenue and Expenditures

Year ended March 31, 2017

	Total Capital Projects	Park District Bond Issues	Kids' Kastle	Mini-Golf Site and Construction	Park Development	Jane Addams Trail	50% Tax Transfer Projects
<b>Revenue</b>							
Pepsi sponsorship	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on investments	3,045	3,045	-	-	-	-	-
Unrealized gain/loss on investments	(4,122)	(2,449)	(9)	(161)	(702)	-	(801)
Surplus sales	-	-	-	-	-	-	-
Foundation reimbursement	-	-	-	-	-	-	-
Miscellaneous	15,080	15,080	-	-	-	-	-
Grants received	412,500	412,500	-	-	-	-	-
<b>Total revenue</b>	<b>430,503</b>	<b>432,176</b>	<b>(9)</b>	<b>(161)</b>	<b>(702)</b>	<b>-</b>	<b>(801)</b>

# Freeport Park District

## Capital Projects Funds (Continued) Combining Statement of Revenue and Expenditures

Year ended March 31, 2017

	Total Capital Projects	Park District Bond Issues	Kids' Kastle	Mini-Golf Site and Construction	Park Development	Jane Addams Trail	50% Tax Transfer Projects
<b>Expenditures</b>							
Per combining statement of expenditures	\$ 665,313	\$ 628,514	\$ -	\$ -	\$ 36,799	\$ -	\$ -
Excess of revenue over (under) expenditures	(234,810)	(196,338)	(9)	(161)	(37,501)	-	(801)
Other financing sources (uses):							
Proceeds on sale of bonds	575,000	575,000	-	-	-	-	-
Retire principal on debt certificates	-	-	-	-	-	-	-
Transfer portion of CI bond proceeds to bond and interest fund	(198,848)	(198,848)	-	-	-	-	-
Transfer management user fees	-	-	-	-	-	-	-
Other transfer	-	-	-	-	-	-	-
Excess of revenue and other financing sources over (under) expenditures and other financing sources	141,342	179,814	(9)	(161)	(37,501)	-	(801)
Fund balance, beginning	1,972,109	752,938	6,335	111,563	544,459	-	556,814
Fund balance, ending	\$ 2,113,451	\$ 932,752	\$ 6,326	\$ 111,402	\$ 506,958	\$ -	\$ 556,013

# Freeport Park District

## Capital Projects Funds (Continued) Combining Statement of Expenditures

Year ended March 31, 2017

	Total Capital Projects	Park District Bond Issues	Kids' Kastle	Mini-Golf Site and Construction	Park Development	Jane Addams Trail	50% Tax Transfer Projects
<b>Expenditures</b>							
Vehicle replacement	\$ 39,434	\$ 39,434	\$ -	\$ -	\$ -	\$ -	\$ -
Oakdale	36,715	-	-	-	36,715	-	-
Bridges	27,672	27,672	-	-	-	-	-
Krape Park Trail	176,627	176,627	-	-	-	-	-
Bond issuance expenses	9,624	9,624	-	-	-	-	-
Krape Read road paving	79,101	79,101	-	-	-	-	-
Little Cubs Field	1,681	1,681	-	-	-	-	-
Krape OSLAD Grant	107,174	107,174	-	-	-	-	-
Miscellaneous	4,468	4,384	-	-	84	-	-
Master plan update	5,503	5,503	-	-	-	-	-
Forestry	19,160	19,160	-	-	-	-	-
IT upgrades	11,008	11,008	-	-	-	-	-
Property acquisition	60,661	60,661	-	-	-	-	-
Equipment maintenance	6,495	6,495	-	-	-	-	-

# Freeport Park District

## Capital Projects Funds (Continued) Combining Statement of Expenditures

Year ended March 31, 2017

	Total Capital Projects	Park District Bond Issues	Kids' Kastle	Mini-Golf Site and Construction	Park Development	Jane Addams Trail	50% Tax Transfer Projects
<b>Expenditures, continued</b>							
Krape Park general	8,255	8,255	-	-	-	-	-
Park Hills marketing	24,292	24,292	-	-	-	-	-
Equipment	580	580	-	-	-	-	-
Playground equipment	24,363	24,363	-	-	-	-	-
Training and education	22,500	22,500	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 665,313</b>	<b>\$ 628,514</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,799</b>	<b>\$ -</b>	<b>\$ -</b>

# Freeport Park District

## Schedule of Tax Rates, Extensions and Assessed Valuations

Year ended March 31, 2017

Levy Year	Corporate	Recreation	Special Recreation	Museum	Social Security
<b>Tax Rates</b>					
2012	0.10000	0.12000	0.04000	0.07000	0.05879
2013	0.21155	0.15148	0.04000	0.07000	0.04844
2014	0.23178	0.17270	0.04000	0.07000	0.05454
2015	0.24985	0.18386	0.04000	0.07000	0.04715
2016	0.26196	0.19404	0.04000	0.07000	0.04851
<b>Tax Extensions</b>					
2012	358,331	319,635	97,227	169,418	151,918
2013	454,720	348,450	92,488	161,855	110,061
2014	509,301	377,999	88,015	154,027	96,999
2015	547,169	402,674	88,607	155,062	103,271
2016	536,383	397,381	82,457	143,372	99,361
<b>Tax Collections</b>					
	Extension	Collections	Collection Percent	Corporate Replacement	
2012	2,520,276	2,534,913	100.58%	180,244	
2013	2,478,367	2,487,730	100.38%	172,222	
2014	2,380,627	2,383,446	100.12%	190,480	
2015	2,399,162	2,308,155	96.21%	179,026	
2016	2,228,175	-	-	-	
	Assessed Valuation				
2012	243,068,113				
2013	231,221,230				
2014	220,038,271				
2015	212,128,174				
2016	206,142,637				

<b>IMRF</b>	<b>Bond and Interest</b>	<b>Audit</b>	<b>Insurance</b>	<b>Police</b>	<b>Total</b>
0.04585	0.37705	0.00500	0.13495	0.02500	0.97664
0.04369	0.39342	0.00500	0.10596	0.02500	1.09454
0.04772	0.35020	0.00500	0.11362	0.02500	1.11056
0.03536	0.31458	0.00500	0.11786	0.02500	1.08866
0.03639	0.28229	0.00500	0.12128	0.02500	1.08447
118,496	963,789	12,105	268,833	60,524	2,520,276
100,119	900,144	11,561	241,164	57,805	2,478,367
72,001	770,574	11,002	245,699	55,010	2,380,627
77,442	700,348	11,076	258,134	55,379	2,399,162
74,541	584,847	10,245	248,381	51,206	2,228,174