

FREEPORT PARK DISTRICT
Freeport, Illinois

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
MARCH 31, 2025



FREEPORT PARK DISTRICT

Board of Commissioners

Sally Petersen, President (Current term expires May 2029)
George Yarzak, Vice President (Current term expires May 2031)
Debbie Schwartz, Treasurer (Current term expires May 2029)
Dana Stewart, Commissioner (Current term expires May 2027)
Denise McIlwain, Commissioner (Current term expires May 2027)

Executive Director

Bruce Cubberley

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Freeport Park District
Freeport, Illinois

Opinions

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, Illinois, as of and for the year ended March 31, 2025, 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.

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, Illinois, as of March 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 12 to the financial statements, the Park District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to these matters.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Freeport Park District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Freeport Park District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the Illinois Municipal Retirement Fund (IMRF) schedules, budgetary comparison information, and notes on pages 49 through 58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We

do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Freeport Park District's basic financial statements. 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the supplementary financial information on page 61 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lucas Group CPAs + Advisors, PLLC

Freeport, Illinois
September 2, 2025

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
March 31, 2025

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, 2025.

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, 2025 and 2024, 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.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the required supplementary information section that further explains and supports the information in the financial statements.

In addition to all of the required financial statement elements, we have provided sections for combining statements to provide detail on non-major funds for additional 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.

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
March 31, 2025

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.

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. Six of these ten governmental funds are considered major funds of the Park District. The Park District maintains one proprietary fund for the golf course which is also a major fund.

The Park District adopts annual budgets for all major governmental funds and certain other funds. A budgetary comparison statement has been provided for certain 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 2025 continue to be property and replacement taxes. Total revenues were approximately \$1,071,000 which was approximately \$45,000 less than the budgeted revenues.

Expenditures - Actual expenditures were less than budgeted disbursements in the General Fund by approximately \$231,000. The primary budgetary differences were related to less costly repairs and less miscellaneous expenses.

Recreation Fund Budgetary Variances

Revenues - The Recreation Fund receives most of its revenues from property taxes, replacement tax, and user fees. Total revenues were approximately \$1,110,000 which were approximately \$154,000 under budgeted revenues. The primary budgetary differences were related to a decrease in revenue received from replacement taxes.

Expenditures - The overall expenditures were less than the budgeted disbursements by approximately \$123,000. The primary budgetary differences were related to decreases in program expenditures and materials and supplies for recreation programs.

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
 March 31, 2025

Social Security/IMRF Fund Budget Variances

Revenues - The Social Security/IMRF Fund receives most of its revenues from taxes. The overall revenue were more than budgeted revenues by approximately \$7,000.

Expenditures - The overall expenditures were more than the budgeted disbursements by approximately \$13,000. This was primarily due to an increase in payroll related expenditures.

Museum Budget Variances

Revenues - The Museum Fund receives most of its revenues from property taxes. The overall revenue were less than the budgeted revenues by approximately \$14,000.

Expenditures - The overall expenditures were less than budgeted disbursements by approximately \$18,000. This was primarily due to a decrease in payroll related expenditures.

Condensed Financial Information

Net position is summarized in the table below:

Condensed Statement of Net Position as of March 31, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	(Restated)		(Restated)		(Restated)	
	2025	2024	2025	2024	2025	2024
Assets:						
Current assets	\$7,665,059	\$7,601,562	\$602,723	\$738,778	\$8,267,782	\$8,340,340
Non-current assets	<u>12,138,939</u>	<u>11,838,196</u>	<u>1,266,138</u>	<u>1,178,568</u>	<u>13,405,077</u>	<u>13,016,764</u>
Total assets	<u>19,803,998</u>	<u>19,439,758</u>	<u>1,868,861</u>	<u>1,917,346</u>	<u>21,672,859</u>	<u>21,357,104</u>
Deferred Outflows of Resources	<u>274,961</u>	<u>620,602</u>	<u>-</u>	<u>-</u>	<u>274,961</u>	<u>620,602</u>
Liabilities:						
Current liabilities	1,048,065	961,283	217,823	232,428	1,265,888	1,193,711
Non-current liabilities	<u>336,100</u>	<u>482,819</u>	<u>16,015</u>	<u>15,017</u>	<u>352,115</u>	<u>497,836</u>
Total liabilities	<u>1,384,165</u>	<u>1,444,102</u>	<u>233,838</u>	<u>247,445</u>	<u>1,618,003</u>	<u>1,691,547</u>
Deferred Inflows of Resources	<u>2,802,630</u>	<u>2,688,754</u>	<u>-</u>	<u>-</u>	<u>2,802,630</u>	<u>2,688,754</u>
Net Position:						
Net investment in capital assets	10,388,860	10,417,585	1,266,138	1,178,568	11,654,998	11,596,153
Restricted	2,936,101	3,159,099	-	-	2,936,101	3,159,099
Unrestricted	<u>2,567,203</u>	<u>2,350,820</u>	<u>368,885</u>	<u>491,333</u>	<u>2,936,088</u>	<u>2,842,153</u>
Total net position	<u>\$15,892,164</u>	<u>\$15,927,504</u>	<u>\$1,635,023</u>	<u>\$1,669,901</u>	<u>\$17,527,187</u>	<u>\$17,597,405</u>

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
 March 31, 2025

Condensed Financial Information (Continued)

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.

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:

<u>Condensed Statement of Activities for the year ended March 31, 2025 and 2024</u>						
	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues:						
Program:						
Charges for services	\$ 277,369	\$ 211,113	\$1,011,248	\$948,588	\$1,288,617	\$1,159,701
Operating grants & contributions	73,469	6,244	7,250	13,985	80,719	20,229
Capital grants & contributions	131,059	31,872	-	-	131,059	31,872
General:						
Property taxes	2,632,387	2,534,240	-	-	2,632,387	2,534,240
Replacement tax	267,451	435,597	-	-	267,451	435,597
Other:						
Investment earnings	167,689	180,792	47,958	66,689	215,647	247,481
Miscellaneous	<u>309,707</u>	<u>119,587</u>	<u>22,000</u>	<u>-</u>	<u>331,707</u>	<u>119,587</u>
Total revenues	<u>\$3,859,131</u>	<u>\$3,519,445</u>	<u>\$1,088,456</u>	<u>\$1,029,262</u>	<u>\$4,947,587</u>	<u>\$4,548,707</u>

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
March 31, 2025

Condensed Financial Information (Continued)

Condensed Statement of Activities for the year ended March 31, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Expenses:						
General government	\$1,980,374	\$1,950,852	\$ -	\$ -	\$1,980,374	\$1,950,852
Public safety – police	118,072	104,875	-	-	118,072	104,875
Parks department	1,383,510	1,533,963	1,123,334	1,145,368	2,506,844	2,679,331
Development	385,572	156,155	-	-	385,572	156,155
Interest of debt	<u>26,943</u>	<u>29,267</u>	<u>-</u>	<u>-</u>	<u>26,943</u>	<u>29,267</u>
Total expenses	<u>3,894,471</u>	<u>3,775,112</u>	<u>1,123,334</u>	<u>1,145,368</u>	<u>5,017,805</u>	<u>4,920,480</u>
Excess/(Deficiency)	<u>(35,340)</u>	<u>(255,667)</u>	<u>(34,878)</u>	<u>(116,106)</u>	<u>(70,218)</u>	<u>(371,773)</u>
Transfers – internal activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$(35,340)</u>	<u>\$(255,667)</u>	<u>\$(34,878)</u>	<u>\$(116,106)</u>	<u>\$(70,218)</u>	<u>\$(371,773)</u>

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

Capital Asset and Long-Term Debt Activity

Capital Assets

The Park District's investment in capital assets at year-end totaled \$12,775,743 (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 \$874,983 of capital asset additions recorded during the year and \$871,053 of depreciation charges were expensed on the total capital assets. See Footnote (3) for details of capital assets.

Debt Activity

At March 31, 2025, the Park District had \$1,120,745 in debt which consists of general obligation bonds. See Footnote (4) for details of debt.

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
March 31, 2025

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

The Park District's total net position at March 31, 2025 was \$17,527,187. Net position for governmental activities decreased by \$35,340 during the fiscal year and net position for business-type activities decreased by \$34,878 during the fiscal year. The Statement of Net Position reflects an overall decrease in the Park District's total net position from the prior year of \$70,218.

The Park District's General Fund balance increased \$48,467 from the prior year. The Recreation Fund had a decrease of fund balance of \$145,428 from the prior year. The General Fund and Recreation Fund are the primary operating funds 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

Freeport Park District adopted a Master Plan in September 2021. Future goals include the expansion of trails and bicycle amenities; improving access to parks and facilities; collaborating with community partners to offer recreation programs; enhancing existing parks and facilities; and increasing biodiversity of natural areas. Improving the health, wellness and overall quality of life of the Park District's constituents continues to be paramount.

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 Park 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.

FREEPORT PARK DISTRICT
Statement of Net Position
March 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash, cash equivalents, and investments	\$ 4,644,772	587,688	5,232,460
Investments in trust	69,336	-	69,336
Other government receivables	185,101	-	185,101
Taxes receivable	2,765,850	-	2,765,850
Inventory	-	15,035	15,035
Total current assets	7,665,059	602,723	8,267,782
Non-current assets:			
Net pension asset - IMRF	629,334	-	629,334
Capital assets not being depreciated	2,311,964	560,000	2,871,964
Capital assets (net of accumulated depreciation)	9,197,641	706,138	9,903,779
Total non-current assets	12,138,939	1,266,138	13,405,077
Total assets	19,803,998	1,868,861	21,672,859
Deferred Outflows of Resources:			
Pension items - IMRF	274,961	-	274,961
Total assets and deferred outflows of resources	20,078,959	1,868,861	21,947,820

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Net Position (Continued)
March 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities:			
Current liabilities:			
Accounts payable	146,575	18,072	164,647
Accrued payroll liabilities	52,413	12,808	65,221
Compensated absences - current	20,953	9,514	30,467
Unearned revenue - charges for services	1,756	153,049	154,805
Unearned revenue - unredeemed gift certificates	2,623	24,380	27,003
Bonds payable - current portion	823,745	-	823,745
Total current liabilities	<u>1,048,065</u>	<u>217,823</u>	<u>1,265,888</u>
Noncurrent liabilities:			
Compensated absences - noncurrent portion	39,100	16,015	55,115
Bonds payable - noncurrent portion	297,000	-	297,000
Total noncurrent liabilities	<u>336,100</u>	<u>16,015</u>	<u>352,115</u>
Total liabilities	<u>1,384,165</u>	<u>233,838</u>	<u>1,618,003</u>
Deferred Inflows of Resources:			
Property taxes	2,750,959	-	2,750,959
Pension items - IMRF	51,671	-	51,671
Total liabilities and deferred inflows of resources	<u>4,186,795</u>	<u>233,838</u>	<u>4,420,633</u>
Net Position:			
Net investment in capital assets	10,388,860	1,266,138	11,654,998
Restricted for:			
Pension benefits	852,624	-	852,624
Debt service	160,901	-	160,901
Other purposes	1,922,576	-	1,922,576
Unrestricted	2,567,203	368,885	2,936,088
Total Net Position	<u>\$ 15,892,164</u>	<u>1,635,023</u>	<u>17,527,187</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Activities
For the Year Ended March 31, 2025

					Net (Expense) Revenue and Changes in Net Position		
		Program Revenues			Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,980,374	-	-	-	(1,980,374)	-	(1,980,374)
Public safety	118,072	499	-	-	(117,573)	-	(117,573)
Culture and recreation	1,383,510	276,870	73,469	131,059	(902,112)	-	(902,112)
Development	385,572	-	-	-	(385,572)	-	(385,572)
Interest on long-term debt	26,943	-	-	-	(26,943)	-	(26,943)
Total governmental activities	3,894,471	277,369	73,469	131,059	(3,412,574)	-	(3,412,574)
Business-type activities:							
Golf course	1,123,334	1,011,248	7,250	-	-	(104,836)	(104,836)
Total business-type activities	1,123,334	1,011,248	7,250	-	-	(104,836)	(104,836)
Total primary government	\$ 5,017,805	1,288,617	80,719	131,059	(3,412,574)	(104,836)	(3,517,410)
General revenues:							
Property taxes					\$ 2,632,387	-	2,632,387
Corporate replacement tax					267,451	-	267,451
Investment income					167,689	47,958	215,647
Miscellaneous					309,307	-	309,307
Gain/(loss) on sale of capital assets					400	22,000	22,400
Transfers:							
Transfers - internal activity					-	-	-
Total general revenues and transfers					<u>3,377,234</u>	<u>69,958</u>	<u>3,447,192</u>
Change in net position					(35,340)	(34,878)	(70,218)
Net position:							
Beginning					15,951,254	1,679,769	17,631,023
Prior period adjustments					(23,750)	(9,868)	(33,618)
Ending					<u>\$ 15,892,164</u>	<u>1,635,023</u>	<u>17,527,187</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Balance Sheet
Governmental Funds
March 31, 2025

	General Fund	Recreation Fund	Social Security/ Mun. Retire. Fund	Museum Fund
Assets:				
Cash, cash equivalents, and investments	\$ 1,530,955	735,885	501,992	43,581
Investment in trust	-	69,336	-	-
Taxes receivable	909,254	547,159	154,958	144,803
Other government receivables	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 2,440,209	1,352,380	656,950	188,384
Liabilities:				
Accounts payable	\$ 10,799	68,002	-	299
Accrued payroll liabilities	22,872	16,538	-	5,866
Unearned revenue - charges for services	-	1,756	-	-
Unearned revenue - gift certificates	-	2,623	-	-
Due to other funds	-	-	-	-
Total liabilities	33,671	88,919	-	6,165
Deferred Inflows of Resources:				
Property taxes	902,074	539,979	154,427	144,803
Total liabilities and deferred inflows of resources	935,745	628,898	154,427	150,968
Fund balances:				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Special revenue funds	-	723,482	502,523	37,416
Debt service fund	-	-	-	-
Committed to:				
Capital projects funds	-	-	-	-
Unassigned	1,504,464	-	-	-
Total fund balances	1,504,464	723,482	502,523	37,416
Total liabilities, deferred inflows of resources, & fund balances	\$ 2,440,209	1,352,380	656,950	188,384

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Balance Sheet (Continued)
Governmental Funds
March 31, 2025

	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash, cash equivalents, and investments \$	160,901	1,004,690	666,768	4,644,772
Investment in trust	-	-	-	69,336
Taxes receivable	703,530	-	306,146	2,765,850
Other government receivables	-	185,101	-	185,101
Due from other funds	-	-	-	-
Total assets	\$ 864,431	1,189,791	972,914	7,665,059
Liabilities:				
Accounts payable \$	-	66,999	476	146,575
Accrued payroll liabilities	-	-	7,137	52,413
Unearned revenue - charges for services	-	-	-	1,756
Unearned revenue - gift certificates	-	-	-	2,623
Due to other funds	-	-	-	-
Total liabilities	-	66,999	7,613	203,367
Deferred Inflows of Resources:				
Property taxes	703,530	-	306,146	2,750,959
Total liabilities and deferred inflows of resources	703,530	66,999	313,759	2,954,326
Fund balances:				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Special revenue funds	-	-	659,155	1,922,576
Debt service fund	160,901	-	-	160,901
Committed to:				
Capital projects funds	-	1,122,792	-	1,122,792
Unassigned	-	-	-	1,504,464
Total fund balances	160,901	1,122,792	659,155	4,710,733
Total liabilities, deferred inflows of resources, & fund balances	\$ 864,431	1,189,791	972,914	7,665,059

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**
March 31, 2025

Fund balances of Governmental Funds	\$ 4,710,733
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:

Capital assets	26,924,785	
Accumulated depreciation	<u>(15,415,180)</u>	11,509,605

Net pension assets (liabilities) are not financial resources, and therefore, are not reported in the funds.	629,334
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Bonds payable	(1,120,745)	
Compensated absences	<u>(60,053)</u>	(1,180,798)

Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position.

223,290

Net position of governmental activities	\$ <u>15,892,164</u>
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FREEPORT PARK DISTRICT
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2025

	General Fund	Recreation Fund	Social Security/ Mun. Retire. Fund	Museum Fund
Revenues:				
Property taxes	\$ 900,451	535,794	148,517	143,318
Corporate replacement tax	128,747	128,747	9,957	-
Investment earnings	24,666	49,769	14,478	2,293
Building and other rentals	13,020	17,372	-	-
Charges & fees	-	227,449	-	-
Foundation reimbursement	-	-	-	-
Fines	-	-	-	-
Grants	-	126,511	-	-
J.A.T. Commission - reimbursements	-	-	-	-
Insurance reimbursement	3,674	-	-	-
Miscellaneous	133	24,603	-	26,992
Total revenue	<u>1,070,691</u>	<u>1,110,245</u>	<u>172,952</u>	<u>172,603</u>
Expenditures:				
Current:				
General government	977,014	654,902	142,640	-
Public safety	-	-	-	-
Culture and recreation	-	282,385	47,546	183,377
Development	-	-	-	-
Capital outlay	47,829	318,386	-	18,572
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,024,843</u>	<u>1,255,673</u>	<u>190,186</u>	<u>201,949</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,848</u>	<u>(145,428)</u>	<u>(17,234)</u>	<u>(29,346)</u>
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in (out)	2,619	-	-	-
Total other financing sources (uses)	<u>2,619</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	48,467	(145,428)	(17,234)	(29,346)
Fund balances:				
Beginning	<u>1,455,997</u>	<u>868,910</u>	<u>519,757</u>	<u>66,762</u>
Ending	<u>\$ 1,504,464</u>	<u>723,482</u>	<u>502,523</u>	<u>37,416</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended March 31, 2025

	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 616,194	-	288,113	2,632,387
Corporate replacement tax	-	-	-	267,451
Investment earnings (losses)	2,663	49,982	23,838	167,689
Building and other rentals	-	-	-	30,392
Charges & fees	-	-	19,029	246,478
Foundation reimbursement	-	73,469	-	73,469
Fines	-	-	499	499
Grants	-	-	4,548	131,059
J.A.T. Commission - reimbursements	-	237,376	-	237,376
Insurance reimbursement	-	-	-	3,674
Miscellaneous	-	1,382	15,147	68,257
Total revenue	<u>618,857</u>	<u>362,209</u>	<u>351,174</u>	<u>3,858,731</u>
Expenditures:				
Current:				
General government	-	-	256,368	2,030,924
Public safety	-	-	118,072	118,072
Culture and recreation	-	-	96,099	609,407
Development	-	385,572	-	385,572
Capital outlay	-	323,689	-	708,476
Debt service:				
Principal	587,660	145,000	-	732,660
Interest	20,336	6,607	-	26,943
Total expenditures	<u>607,996</u>	<u>860,868</u>	<u>470,539</u>	<u>4,612,054</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,861</u>	<u>(498,659)</u>	<u>(119,365)</u>	<u>(753,323)</u>
Other financing sources (uses):				
Bond proceeds	-	677,745	-	677,745
Proceeds from sale of capital assets	-	400	-	400
Transfers in (out)	-	(12,619)	10,000	-
Total other financing sources (uses)	<u>-</u>	<u>665,526</u>	<u>10,000</u>	<u>678,145</u>
Net change in fund balances	<u>10,861</u>	<u>166,867</u>	<u>(109,365)</u>	<u>(75,178)</u>
Fund balances:				
Beginning	<u>150,040</u>	<u>955,925</u>	<u>768,520</u>	<u>4,785,911</u>
Ending	<u>\$ 160,901</u>	<u>1,122,792</u>	<u>659,155</u>	<u>4,710,733</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental
Funds to the Statement of Activities**
For the Year Ended March 31, 2025

Net Change in Fund Balances - total governmental funds	\$	(75,178)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, they are capitalized and depreciated in the statement of activities:

Capital asset purchases capitalized	708,476	
Depreciation expense	(792,116)	
Gain/(loss) on sale of capital assets	-	(83,640)

The issuance of long-term debt is reported as an other financing source in the governmental funds but as an increase in outstanding principal in the statement of net position:

Bond proceeds		(677,745)
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The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities:

Bond payments	732,660	
Other debt	-	732,660

The change in the net pension liability/asset for the Illinois Municipal Retirement Fund is reported only in the statement of activities.

384,383

The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities.

(316,869)

Certain revenue are reported as unavailable in the fund financial statements but are accrued and reported as revenue on the statement of activities.

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Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in compensated absences		1,049
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Change in net position of governmental activities	\$	(35,340)
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FREEPORT PARK DISTRICT
Statement of Net Position
Proprietary Fund - Golf Course
March 31, 2025

	Golf Course Enterprise Fund
Current Assets:	
Cash, cash equivalents, and investments	\$ 587,688
Inventory	15,035
Total current assets	<u>602,723</u>
Noncurrent Assets:	
Capital assets:	
Land (non-depreciable)	560,000
Depreciable, net of accumulated depreciation	
depreciation	706,138
Total noncurrent assets	<u>1,266,138</u>
Total Assets	<u>1,868,861</u>
Current Liabilities:	
Accounts payable	18,072
Accrued salaries	12,808
Compensated absences	9,514
Unearned revenue - charges for services	153,049
Unearned revenue - gift/golf certificates	24,380
Due to other funds	-
Total current liabilities	<u>217,823</u>
Noncurrent Liabilities:	
Compensated absences	16,015
Total noncurrent liabilities	<u>16,015</u>
Total Liabilities	<u>233,838</u>
Net Position:	
Net investment in capital assets	1,266,138
Unrestricted	368,885
Total Net Position	<u>\$ 1,635,023</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Revenues, Expenses, and
Changes in Fund Net Position
Proprietary Fund - Golf Course
For the Year Ended March 31, 2025

	Golf Course Enterprise Fund
Operating revenues:	
Charges for services	\$ 1,011,248
Total operating revenues	<u>1,011,248</u>
Operating expenses:	
Salaries	440,676
Contractual services	51,789
Utilities	38,013
Repairs and maintenance	36,216
Other supplies and expenses	477,703
Depreciation	78,937
Total operating expenses	<u>1,123,334</u>
Net operating income (loss)	<u>(112,086)</u>
Nonoperating revenue (expense):	
Investment income (loss)	47,958
Gain on sale of capital assets	22,000
Donations	7,250
Total nonoperating revenue (expense)	<u>77,208</u>
Net income (loss) before transfers	<u>(34,878)</u>
Other financing sources:	
Transfers in (out)	-
Total other financing sources	<u>-</u>
Change in net position	<u>(34,878)</u>
Net position:	
Beginning	1,679,769
Prior period adjustments	(9,868)
Ending	<u>\$ 1,635,023</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Cash Flows
Proprietary Fund - Golf Course
For the Year Ended March 31, 2025

	Golf Course Enterprise Fund
Cash flows from operating activities:	
Receipts from customers & users	\$ 1,023,641
Payments to suppliers	(632,868)
Payments to employees	(435,600)
Net cash provided (used) by operating activities	<u>(44,827)</u>
Cash flows from non-capital financing activities:	
Donations	<u>7,250</u>
Net cash provided (used) by non-capital and related financing activities	<u>7,250</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	(166,507)
Proceeds from disposal of capital assets	<u>22,000</u>
Net cash provided (used) by capital and related financing activities	<u>(144,507)</u>
Cash flows used in investing activities:	
Investment income (loss)	<u>47,958</u>
Net cash provided (used) by investing activities	<u>47,958</u>
Net increase (decrease) in cash and cash equivalents	(134,126)
Cash and cash equivalents:	
Beginning	<u>721,814</u>
Ending	<u>\$ 587,688</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Cash Flows (Continued)
Proprietary Fund - Golf Course
For the Year Ended March 31, 2025

	Golf Course Enterprise <u>Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (112,086)
Adjustment to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	78,937
Changes in assets and liabilities:	
Inventory	1,929
Accrued salaries/compensated absences	5,076
Accounts payable	(31,076)
Unearned revenue - charges for services	10,073
Unearned revenue - gift/golf certificates	<u>2,320</u>
Net cash provided (used) by operating activities	\$ <u>(44,827)</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Freeport Park District, Illinois (the Park District) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Park District's accounting policies are described below.

- A. The 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 Park District's major operations include public safety, golf course operations, recreation, development, and general government services. The Park District is located primarily in Freeport, Illinois.

B. Financial Reporting Entity

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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 is a primary government unit and has determined that there are no component units required to be included in the financial statements.

C. Fund Accounting

The Park District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

financial management by segregating transactions related to certain Park District functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: government and proprietary. Each category, in turn, is divided into separate fund types.

Governmental funds are used to account for all or most of a Park District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of long-term debt (debt service funds).

The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are usually provided to outside parties (enterprise funds).

D. 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 Park District. The effect of material inter-fund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The fund types of the reporting entity are described below:

Governmental Funds

The General Fund accounts for the resources devoted to finance the services traditionally associated with local government. Included in these services are general administration of the Park District and financial management. Any other activity for which a special fund has not been created is accounted for in the general fund.

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

The Capital Projects Fund 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.

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 the principal and interest on the Park District's debt retirement requirements.

Proprietary Funds

The Park District reports the following major proprietary fund to account for business-like activities to the general public:

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Golf Course Enterprise Fund accounts for revenues and cost of operations of the Park District's golf course. These operations are financed similar to a private business enterprise; the intent is that the cost of the service is financed by user charges and the activities be measured on a net income basis.

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

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

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the GASB issued Statement 34, the Park 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 Park District has chosen to include the Social Security/Retirement funds and Museum Fund as major even though the fund calculations do not classify them as major funds. The Park District views these funds as particularly important to the financial statement users.

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred.

Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants, contributions and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days. The Park District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

The revenues susceptible to accrual are property taxes. Fees, admissions and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Park District reports deferred inflows of resources on its financial statements for property taxes, levied in the current year to finance the subsequent year's budget, since they do not meet both the "measurable" and "available" criteria for revenue recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflows of resources are removed from the financial statements and revenue is recognized.

F. Cash and Investments

The Park District maintains and controls several major cash accounts in which the general, special revenue, capital project funds, and the golf course funds are pooled but account 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 investment 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 investment 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).

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 U.S. 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 account 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 investment consist of the investment mentioned in the previous items 1, 2, and 3.

G. Inventory

The Park District owns and operates a municipal golf course. The course offers a Pro Shop with a varied full line of golf merchandise. Inventory is recorded at cost using the first-in/first-out (FIFO) method of valuation. Merchandise inventory is stated at lower of cost or net realizable value to reflect the amount of items on hand at March 31, 2025.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Interfund Receivables/Payables

During the course of operations, a few transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as interfund receivables/payables.

J. Receivables

In the government-wide financial statements, receivables consist of revenues 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 therefor has chosen to not record an allowance for these items. Major receivable balances for the governmental activities include property taxes, replacement taxes, and grant funds. Business-type activities have no reported receivables.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

K. Property Taxes

The Park District annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by its Board of Commissioners. Property taxes are recognized as a receivable at the time they are levied. Revenue from property taxes is recognized as the taxes are collected in the year intended to finance or when they become available to be used to pay liabilities of the current period, generally considered to be within sixty days after year-end.

Revenue from those taxes which are not considered available is reported as a deferred inflow of resources.

The property tax calendar for the 2023 tax levy, for which the Park District records as revenue in the current fiscal year, is as follows:

Lien Date	January 1, 2023
Levy Date	December 5, 2023
Tax Bills Mailed (at least 30 days prior to first installment due date)	
First Installment Due	June, 2024
Second Installment Due	September, 2024

Property taxes are billed and collected by the County Treasurer. The 2024 tax levy, which attached as an enforceable lien on property as of January 1, 2024, has been recorded as a receivable as of March 31, 2025 as the tax was levied on December 17, 2024. However, since the tax will not be received within 60 days and is budgeted for use in the next fiscal year, the entire levy is also recorded as a deferred inflow of resources.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets

Capital assets, which include property, plant, equipment, vehicles, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Park District as assets with an initial, individual cost of \$10,000 or more with an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Donated capital assets are recorded at their acquisition value at the date of donation. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Equipment	5-20
Vehicles	5-10
Infrastructure	25-40
Improvements	15-20

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

M. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental 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 consist 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.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. 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.

O. 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.

P. Fund Equity/Net Position

Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent.

The non-spendable classification contains amounts not in spendable form or legally or contractually required to be maintained intact.

Restricted amounts contain restraints on their use externally imposed by creditors, grantors, contributors, or law or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation. The Park District reports restricted fund balance amounts for the debt service fund and special revenue funds imposed by tax levies.

Committed amounts can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. The highest level of decision-making authority is the Park District's Board of Commissioners, and it takes an ordinance, resolution, or formal vote of approval to establish, modify, or rescind a fund balance commitment. Capital projects fund balances are reported as committed based on the Budget & Appropriation Ordinance.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts intended to be used for specific purposes are assigned. Assignments should not cause deficits in the unassigned fund balance. The Park District did not have any assigned fund balances at the end of the year.

Unassigned fund balance is the residual classification for the general fund and is used for any deficit fund balances.

When both restricted and unrestricted resources are available for use, the Park District uses restricted resources first, and then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, the Park District uses committed resources first, then assigned resources, and then unassigned resources as they are needed.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets. All other net position that does not meet the definition of "restricted" or "net investment in capital assets" is classified as unrestricted net position.

Q. Special Accounts/Restrictions

Golf Course Capital Improvement Policy

The Park Board of Commissioners shall establish a separate "fund" within the Enterprise Fund to be name the Park Hills Capital Improvement Fund. The Park Board of Commissioners, by Board approved action, may transfer any net income derived from golf course operations annually into the Park Hills Capital Improvement Fund. For the purposes of this policy, net income is defined as operating revenues minus operating expenses less depreciation. Expenses from the Park Hills Capital Improvement Fund shall be included in the annual budget and Board approved based on the merit of each project. For the year ending March 31, 2025, the accumulated Board internal designation within the Enterprise Fund's unrestricted net position was \$189,594.

R. 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
March 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

S. 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.

Note 2. DEPOSITS AND INVESTMENTS

The Park District's cash and cash equivalents are considered to be cash on hand, demand deposits, public funds money market and short-term certificates of deposit with original maturities of three months or less from date of acquisition.

The Park District's investment policy allows funds to be invested in savings, money market accounts, certificates of deposit, Illinois Park District Liquid Asset Fund, Illinois Public Treasurer's Investment Pool and U.S. Government Securities backed by the full faith and credit of the U.S. Government.

Deposits or investments in financial institutions in excess of amounts of Federal Depository Insurance are to be collateralized with a third party for the benefit of the Park District. For pledged securities with a maturity in excess of one year, the market value at the time of pledging shall equal or exceed 110% of the portion of the deposit requiring collateralization.

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2025

Note 2. DEPOSITS AND INVESTMENTS (Continued)

At March 31, 2025, the Park District's cash, cash equivalents, and investments consist of the following:

Statement of Net Position

Cash, cash equivalents, and investments	\$ 5,232,460
Restricted: Investment in trust	<u>69,336</u>
Total cash, cash equivalents, and investments	<u>\$5,301,796</u>

Cash, cash equivalents, and investments as of March 31, 2025 consist of the following:

Cash on hand	\$ 1,219
Deposits with financial institutions	2,332,671
Investments in trust	69,336
Certificates of deposit	<u>2,898,570</u>
Total cash, cash equivalents, and investments	<u>\$5,301,796</u>

Separate bank accounts are not maintained for all Park District funds; instead, certain funds maintain their cash balances in a common checking account and a common investment account, with the accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally certain funds participating in the common bank account will incur overdrafts (deficit cash balances) in the account. A deficit in one fund restricts the cash available for use by the other funds in the same common bank account.

At March 31, 2025, the Park District's carrying amount of deposits and investments was \$5,300,577 and the bank balance was \$5,281,665, of which all were covered by federal depository insurance or by collateral held by the Park District's agent in the Park District's name.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (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 Districts investments (fair value quoted at market prices) as of March 31, 2025 are considered Level 1 (traded in active exchange markets) with no risk rating and are as follows:

	<u>Fair Value</u>	<u>Cost</u>
Gelwick's Trust Account	<u>\$69,336</u>	<u>\$69,336</u>

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 3. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2025 was as follows:

	<u>Balance at 3/31/2024</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance at 3/31/2025</u>
Governmental activities:				
Non-depreciable assets:				
Land	\$2,031,939	\$ -	\$ -	\$2,031,939
Construction in progress	<u>974,595</u>	<u>254,038</u>	<u>(948,608)</u>	<u>280,025</u>
Total non-depreciable assets	<u>3,006,534</u>	<u>254,038</u>	<u>(948,608)</u>	<u>2,311,964</u>
Depreciable assets:				
Buildings	9,331,863	18,572	-	9,350,435
Land improvements	11,107,237	1,112,744	-	12,219,981
Vehicles	588,625	94,560	(21,141)	662,044
Software	66,644	-	-	66,644
Machinery & equipment	<u>2,136,547</u>	<u>177,170</u>	<u>-</u>	<u>2,313,717</u>
Total depreciable assets	<u>23,230,916</u>	<u>1,403,046</u>	<u>(21,141)</u>	<u>24,612,821</u>
Totals at historical cost	<u>26,237,450</u>	<u>1,657,084</u>	<u>(969,749)</u>	<u>26,924,785</u>
Less accumulated depreciation:				
Buildings	4,433,456	191,710	-	4,625,166
Land improvements	8,158,136	417,143	-	8,575,279
Vehicles	488,670	37,378	(21,141)	504,907
Software	66,644	-	-	66,644
Machinery & equipment	<u>1,497,299</u>	<u>145,885</u>	<u>-</u>	<u>1,643,184</u>
Total accumulated depreciation	<u>14,644,205</u>	<u>792,116</u>	<u>(21,141)</u>	<u>15,415,180</u>
Governmental activities capital assets, net	<u>\$11,593,245</u>	<u>\$ 864,968</u>	<u>\$ (948,608)</u>	<u>\$11,509,605</u>

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

Governmental Activities:

General government	\$ 18,013
Culture and recreation	<u>774,103</u>

Total depreciation expense, governmental activities \$ 792,116

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 3. CAPITAL ASSETS (Continued)

	<u>Balance at 3/31/2024</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance at 3/31/2025</u>
Business-type activities:				
Land	\$ 560,000	\$ -	\$ -	\$ 560,000
Total non-depreciable assets	<u>560,000</u>	<u>-</u>	<u>-</u>	<u>560,000</u>
Depreciable assets:				
Buildings	1,027,487	16,860	-	1,044,347
Land improvements	1,884,276	-	-	1,884,276
Software	-	15,000	-	15,000
Machinery & equipment	<u>1,573,825</u>	<u>134,647</u>	<u>(30,900)</u>	<u>1,677,572</u>
Total depreciable assets	<u>4,485,588</u>	<u>166,507</u>	<u>(30,900)</u>	<u>4,621,195</u>
Totals at historical cost	<u>5,045,588</u>	<u>166,507</u>	<u>(30,900)</u>	<u>5,181,195</u>
Less accumulated depreciation:				
Buildings	635,048	19,943	-	654,991
Land improvements	1,813,973	6,754	-	1,820,727
Software	-	83	-	83
Machinery & equipment	<u>1,417,999</u>	<u>52,157</u>	<u>(30,900)</u>	<u>1,439,256</u>
Total accumulated depreciation	<u>3,867,020</u>	<u>78,937</u>	<u>(30,900)</u>	<u>3,915,057</u>
Business-type activities capital assets, net	<u>\$1,178,568</u>	<u>\$ 87,570</u>	<u>\$ -</u>	<u>\$1,266,138</u>

Note 4. LONG-TERM DEBT

- A. The following is a summary of debt transactions of the Park District for the year ended March 31, 2025 and are to be repaid from governmental activities:

Limited Tax Park Bonds – Series 2024

<u>Series 2024</u>	
Issue:	\$587,660
Dated:	February 29, 2024
Rate:	4.58%
Principal & Interest:	December 1
Maturity Date:	December 1, 2024

Limited Tax Park Bonds – Series 2025

<u>Series 2025</u>	
Issue:	\$677,745
Dated:	February 28, 2025
Rate:	4.33%
Principal & Interest:	December 1
Maturity Date:	December 1, 2025

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2025

Note 4. LONG-TERM DEBT (Continued)

Park Bonds – Series 2021B

<u>Series 2021B</u>	
Issue:	\$1,017,000
Dated:	June 1, 2021
Rate:	.65 - 1.27%
Principal & Interest:	March 1
Maturity Date:	March 1, 2028

Debt service requirements to maturity over the life of the bonds are as follows:

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 823,745	\$ 27,440	\$ 851,185
2027	148,000	3,624	151,624
2028	149,000	1,892	150,892
2029	-	-	-
2030	-	-	-
2031-2034	-	-	-
Total	<u>\$1,120,745</u>	<u>\$ 32,956</u>	<u>\$1,153,701</u>

G.O. Bonds were issued to fund the capital projects activities. Compensated absences are paid from the general and golf enterprise fund. All debt is paid from the capital projects fund and the debt service fund.

The following is a summary of changes in long-term debt for the year ended March 31, 2025:

	<u>Balance</u> <u>3/31/2024</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>3/31/2025</u>	<u>Due within</u> <u>One Year</u>
General obligation bonds	<u>\$1,175,660</u>	<u>\$677,745</u>	<u>\$732,660</u>	<u>\$1,120,745</u>	<u>\$823,745</u>

	<u>As Restated</u> <u>Balance</u> <u>3/31/2024</u>	<u>Change in</u> <u>Accrual</u>	<u>Balance</u> <u>3/31/2025</u>	<u>Current</u> <u>Portion</u>
Government activities:				
Compensated absences	\$61,102	\$ (1,049)	\$60,053	\$20,953
Business-type activities:				
Compensated absences	<u>24,002</u>	<u>1,527</u>	<u>25,529</u>	<u>9,514</u>
Total	<u>\$85,104</u>	<u>\$ 478</u>	<u>\$85,582</u>	<u>\$30,467</u>

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 4. LONG-TERM DEBT (Continued)

B. Legal Debt Margin

The Park District's aggregate indebtedness is subject to a statutory limitation by the State of Illinois of 2.875% of its equalized assessed value (EAV) of \$294,314,579. At March 31, 2025, the statutory limit for the Park District was \$8,461,544. The Park District's legal debt margin was \$7,340,799.

The Park District may issue general obligation bonds without submitting the proposition of the issue in a referendum as long as the aggregate balance of bonds and notes does not exceed 0.575% of the total equalized assessed value of the Park District. As of March 31, 2025, the limit on the nonreferendum general obligation bonds was \$1,692,309.

Note 5. EMPLOYEE RETIREMENT SYSTEMS

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

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

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 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.

IMRF 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 an agent 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.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Benefits Provided

The Park District's defined benefit pension plan has 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.

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
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2024, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	20
Inactive plan members entitled to buy not yet receiving benefits	16
Active plan members	<u>29</u>
Total	<u>65</u>

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 2024 was 3.94%.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

For the fiscal year ended March 31, 2025, the Park District contributed \$46,402 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

The Park District's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2024:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021, was used.
- **For Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021, was used.
- **For Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021, was used.
- 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.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/2024</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	33.50%	19.02%	5.70%	4.35%
International Equities	18.00%	6.35%	7.10%	5.40%
Fixed Income	24.50%	3.14%	5.30%	5.20%
Real Estate	10.50%	2.25%	7.30%	6.40%
Alternatives:	12.50%	6.72%	-	-
Private Equity	-	N/A	10.00%	6.25%
Hedge Funds	-	N/A	N/A	N/A
Commodities	-	N/A	6.05%	4.85%
Cash Equivalents	1.00%	5.57%	3.60%	3.60%

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that 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 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

Changes in Net Pension Liability

Changes in the Park District's net pension liability for the year ended December 31, 2024 were as follows:

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (Asset) (A)-(B)
Balance at January 1, 2024	\$7,958,560	\$8,203,511	\$ (244,951)
Service Costs	101,048	-	101,048
Interest on total pension liability	566,009	-	566,009
Difference between expected and actual experience	11,833	-	11,833
Changes in assumptions	-	-	-
Employer contributions	-	49,699	(49,699)
Employee contributions	-	56,763	(56,763)
Net investment income	-	808,114	(808,114)
Benefit payments – net of refunds	(404,117)	(404,117)	-
Administrative expense	-	-	-
Other changes (Net Transfer)	-	148,697	(148,697)
Net changes	274,773	659,156	(384,383)
Balance at December 31, 2024	\$8,233,333	\$8,862,667	\$ (629,334)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.25%)	Current Discount Rate Assumption (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 170,240	\$ (629,334)	\$ (1,286,295)

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

5. EMPLOYEE RETIREMENT SYSTEM (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended March 31, 2025, the Park District realized pension income of \$17,397. At March 31, 2025, the Park District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 52,721	\$ 49,356
Changes in assumptions	-	2,315
Net difference between projected and actual earnings on pension plan investments	215,064	-
Employer contributions subsequent to the measurement date	7,176	-
 Total	 \$ 274,961	 \$ 51,671

The Park District reported \$7,176 as deferred outflows of resources to pension 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2026	\$ 131,607
2027	236,928
2028	(101,494)
2029	(43,751)
Thereafter	-
Total	\$ 223,290

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Park District has evaluated its potential other postemployment benefits (OPEB) liability. The Park District provides limited health insurance coverage for its eligible retired employees until age 65, when coverage ends. Former employees who choose to retain their rights to health insurance through the Park District are required to pay 100% of the current premium.

In addition, the Park District does not have any current employment contracts in place where the Park District has agreed to pay any future postemployment health insurance costs, and the Park District does not intend to offer to pay for any postemployment health insurance costs for any current or future employees.

Therefore, there is no implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* (which became effective for fiscal years beginning after June 15, 2017 and replaced GASB Statement No. 45), and the Park District has no current employees with agreements for future explicit subsidies upon retirement. Consequently, the Park District has not recorded any post-employment benefit liability as of March 31, 2025.

Note 7. RISK MANAGEMENT

The Park District is exposed to various risks 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, 2025 range from \$0 - \$5,000. During the year ended March 31, 2025, 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.

Note 8. NET POSITION AND FUND BALANCES

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, 2025 of \$69,336 has been restricted within that fund.

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2025

Note 8. NET POSITION AND FUND BALANCES (Continued)

Net position reported on the government wide statement of net position at March 31, 2025:

Governmental activities:

Net investment in capital assets		
Capital assets, net of accumulated depr.		\$11,509,605
Less: related long-term debt outstanding		<u>(1,120,745)</u>
Total net investment in capital assets		<u>\$10,388,860</u>
Restricted:		
Pension Benefits	State Pension	\$ 852,624
Special Revenue Fund	Donor Trust Restrictions	69,336
Debt Service	Enabling Legislation	160,901
Other Purposes	Enabling Legislation	<u>1,853,240</u>
Total restricted		<u>\$2,936,101</u>
Unrestricted		<u>\$2,567,203</u>
Total governmental activities net position		<u>\$15,892,164</u>

Governmental fund balances reported on the fund financial statements at March 31, 2025 include the following:

Restricted:

State statutes and enabling legislation:

Major Funds:

Recreation Fund by enabling legislation	\$ 654,146
Recreation Fund by donation	69,336
Social Security by enabling legislation	148,580
IMRF by enabling legislation	353,943
Museum Fund by enabling legislation	37,416
Debt Service by enabling legislation	<u>160,901</u>
Total major funds	<u>1,424,322</u>

Nonmajor Funds:

Special Recreation Fund by enabling legislation	144,058
Tort Liability Fund by enabling legislation	486,398
Police Fund by enabling legislation	1,807
Audit Fund by enabling legislation	<u>26,892</u>
Total nonmajor funds	<u>659,155</u>

 Total restricted 2,083,477

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2025

Note 8. NET POSITION AND FUND BALANCES (Continued)

Committed:	
Capital Projects Fund	<u>1,122,792</u>
Unassigned:	
Major Funds:	
General Fund	<u>1,504,464</u>
Total unassigned major funds	<u>1,504,464</u>
Total governmental fund balances	<u>\$4,710,733</u>

Note 9. OPERATING BUDGET

The Park District is required statutorily to adopt a combined annual budget and appropriation ordinance. Such ordinance presents cash on hand at the beginning of the fiscal year, an estimate of cash expected to be received in the fiscal year, an estimated amount of expenditures contemplated in the fiscal year, and a statement of estimated cash on hand at the end of the fiscal year. The budgeted revenues and expenditures contemplated and reported in the financial statements represent the budgeted figures from the Park District's combined annual budget and appropriation. Funds listed below are those that exceed the combined annual budget and appropriation during fiscal year ending March 31, 2025:

<u>Fund</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Variance</u>
Police Fund	\$83,508	\$118,072	\$34,564
Tort Fund	\$205,224	\$232,784	\$27,560
Audit Fund	\$22,500	\$23,584	\$1,084
Social Sec/IMRF Fund	\$177,120	\$190,186	\$13,066

Note 10. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

There were no interfund receivables and payables as of March 31, 2025.

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

The individual fund interfund transfers as of March 31, 2025 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 2,619	\$ -
Capital Projects Fund	-	12,619
Nonmajor Governmental Funds	<u>10,000</u>	<u>-</u>
Totals	<u>\$12,619</u>	<u>\$12,619</u>

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2025

Note 10. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

The interfund transfers are approved during the budget approval process. An interfund transfer was made from the Capital Projects Fund to the Audit Fund. These transfers will not be repaid.

Note 11. CONTINGENCIES

From time to time, the Park District is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Park District's financial position or results of operations.

Note 12. NEW ACCOUNTING PRINCIPLE

For the year ended March 31, 2025, the Park District implemented GASB Statement No. 101, Compensated Absences, which requires retrospective presentation for the earliest period presented. Therefore, the fiscal year 2025 financial statements have been restated as follows:

Government Wide Governmental Activities:

Ending net position, March 31, 2024, as previously reported	\$15,951,254
Restatement of March 31, 2024 ending balance for accrued sick pay	(23,750)
Ending net position, March 31, 2024, as restated	<u>\$15,927,504</u>

Business Type Activities:

Ending net position, March 31, 2024, as previously reported	\$1,679,769
Restatement of March 31, 2024 ending balance for accrued sick pay	(9,868)
Ending net position, March 31, 2024, as restated	<u>\$1,669,901</u>

FREEPORT PARK DISTRICT
Illinois Municipal Retirement Fund
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Calendar Years
(schedule to be built prospectively from 2015)

Calendar year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 101,048	\$ 104,478	\$ 83,705	\$ 91,249	\$ 107,785	\$ 98,556	\$ 92,119	\$ 103,612	\$ 105,887	\$ 102,775
Interest on the Total Pension Liability	566,009	555,099	518,849	488,180	447,831	423,827	406,651	387,477	365,352	350,254
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	11,833	(104,322)	264,045	196,474	360,854	56,498	(56,760)	83,035	(64,151)	(168,801)
Assumption Changes	-	(4,893)	-	-	(33,990)	-	163,189	(159,834)	-	-
Benefit Payments and Refunds	(404,117)	(392,196)	(361,785)	(336,439)	(298,910)	(205,905)	(163,176)	(142,602)	(79,279)	(89,675)
Net Change in Total Pension Liability	274,773	158,166	504,814	439,464	583,570	372,976	442,023	271,688	327,809	194,553
Total Pension Liability - Beginning	7,958,560	7,800,394	7,295,580	6,856,116	6,272,546	5,899,570	5,457,547	5,185,859	4,858,050	4,663,497
Total Pension Liability - Ending (a)	<u>\$ 8,233,333</u>	<u>\$ 7,958,560</u>	<u>\$ 7,800,394</u>	<u>\$ 7,295,580</u>	<u>\$ 6,856,116</u>	<u>\$ 6,272,546</u>	<u>\$ 5,899,570</u>	<u>\$ 5,457,547</u>	<u>\$ 5,185,859</u>	<u>4,858,050</u>
Plan Fiduciary Net Position										
Employer Contributions	\$ 49,699	\$ 16,990	\$ 43,974	\$ 36,076	\$ 38,578	\$ 24,436	\$ 51,100	\$ 55,858	\$ 57,406	\$ 64,809
Employee Contributions	56,763	49,971	50,397	42,498	44,974	44,520	41,358	40,477	43,636	42,889
Pension Plan Net Investment Income	808,114	835,088	(1,161,527)	1,312,733	955,320	1,073,515	(291,272)	873,724	348,956	26,741
Benefit Payments and Refunds	(404,117)	(392,196)	(361,785)	(336,439)	(298,910)	(205,905)	(183,176)	(142,602)	(79,279)	(89,675)
Other (Net Transfer)	148,697	211,821	6,605	43,827	18,884	82,301	86,659	52,072	52,208	(363,389)
Net Change in Plan Fiduciary Net Position	659,156	721,674	(1,422,336)	1,098,695	758,846	1,018,867	(295,331)	879,529	422,927	(318,625)
Plan Fiduciary Net Position - Beginning	8,203,511	7,481,837	8,904,173	7,805,478	7,046,632	6,027,765	6,323,096	5,443,567	5,020,640	5,339,265
Plan Fiduciary Net Position - Ending (b)	<u>\$ 8,862,667</u>	<u>\$ 8,203,511</u>	<u>\$ 7,481,837</u>	<u>\$ 8,904,173</u>	<u>\$ 7,805,478</u>	<u>\$ 7,046,632</u>	<u>\$ 6,027,765</u>	<u>\$ 6,323,096</u>	<u>\$ 5,443,567</u>	<u>5,020,640</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	(629,334)	(244,951)	318,557	(1,608,593)	(949,362)	(774,086)	(128,195)	(865,549)	(257,708)	(162,590)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.64%	103.08%	95.92%	122.05%	113.85%	112.34%	102.17%	115.86%	104.97%	103.35%
Covered Valuation Payroll	\$ 1,261,397	\$ 1,110,465	\$ 1,104,876	\$ 944,415	\$ 999,432	\$ 989,329	\$ 919,074	\$ 899,488	\$ 969,682	\$ 953,082
Net Pension Liability as a Percentage of Covered Valuation Payroll	-49.89%	-22.06%	28.83%	-170.33%	-94.99%	-78.24%	-13.95%	-96.23%	-26.58%	-17.06%

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Illinois Municipal Retirement Fund
 Multiyear Schedule of Contributions
 Last 10 Fiscal Years (prospective from 2015)

<u>Fiscal Year Ending March 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2016	\$ 65,501	\$ 65,501	\$ -	\$ 1,002,831	6.53%
2017	57,384	57,384	-	957,579	5.99%
2018	54,434	54,434	-	901,878	6.04%
2019	44,093	44,093	-	936,808	4.71%
2020	28,421	28,421	-	999,392	2.84%
2021	36,498	36,498	-	947,805	3.85%
2022	38,437	38,437	-	995,046	3.86%
2023	37,004	37,004	-	1,075,598	3.44%
2024	23,838	23,838	-	1,139,346	2.09%
2025	46,402	46,402	-	1,260,374	3.68%

Estimated based on 2.71% 2025 calendar year contribution rate, 3.94% 2024 calendar contribution rate, and covered valuation payroll of \$1,260,374.

The Park District implemented GASB Statement No. 68 in March 31, 2016.

FREEPORT PARK DISTRICT
Required Supplementary Information
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended March 31, 2025

	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes:			
Property taxes	\$ 857,579	900,451	42,872
Corporate replacement tax	204,750	128,747	(76,003)
Total taxes	<u>1,062,329</u>	<u>1,029,198</u>	<u>(33,131)</u>
Investment income	<u>22,576</u>	<u>24,666</u>	<u>2,090</u>
Miscellaneous:			
Building rentals	10,000	13,020	3,020
Insurance reimbursement	5,000	3,674	(1,326)
Miscellaneous	11,000	133	(10,867)
Total miscellaneous	<u>26,000</u>	<u>16,827</u>	<u>(9,173)</u>
Intergovernmental:			
Grants - state	-	-	-
State gasoline tax refund	5,000	-	(5,000)
Total intergovernmental	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total revenues	<u><u>1,115,905</u></u>	<u><u>1,070,691</u></u>	<u><u>(45,214)</u></u>
Expenditures:			
General government:			
Personal services:			
Administrative	192,691	157,180	35,511
Maintenance	364,139	391,504	(27,365)
Total personal services	<u>556,830</u>	<u>548,684</u>	<u>8,146</u>
Other services and charges:			
Medical insurance	65,457	19,012	46,445
Insurance:			
Self insurance pool	-	-	-
Workers compensation	-	-	-
Unemployment compensation/services	-	-	-
Utilities	60,300	77,768	(17,468)
Total other services and charges	<u>125,757</u>	<u>96,780</u>	<u>28,977</u>

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Required Supplementary Information
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual (Continued)
General Fund
For the Year Ended March 31, 2025

	Original & Final Budget	Actual	Variance Positive (Negative)
Materials and supplies:			
Office materials and supplies	13,500	3,210	10,290
Publicity	2,500	2,162	338
Total materials and supplies	<u>16,000</u>	<u>5,372</u>	<u>10,628</u>
Other general government:			
Dues and subscriptions	6,000	10,260	(4,260)
Legal services	11,000	5,752	5,248
Professional fees	45,000	30,844	14,156
Staff training/first aid & testing	-	-	-
Computer service hardware/software	12,500	14,883	(2,383)
Pre-employment testing	2,000	700	1,300
Repair and maintenance:			
Grounds and facilities	331,250	271,347	59,903
Vehicles	9,000	7,908	1,092
Equipment	16,000	12,925	3,075
Miscellaneous	125,000	19,388	105,612
Total other general government	<u>557,750</u>	<u>374,007</u>	<u>183,743</u>
Total expenditures	<u>1,256,337</u>	<u>1,024,843</u>	<u>231,494</u>
Excess (deficiency) of revenues over (under) expenditures	(140,432)	45,848	186,280
Other financing sources (uses):			
Transfer from other funds - administrative services	-	-	-
Transfer in (out)	<u>(10,000)</u>	<u>2,619</u>	<u>12,619</u>
Net change in fund balance	<u>\$ (150,432)</u>	48,467	<u>198,899</u>
Fund balance			
Beginning		<u>1,455,997</u>	
Ending		<u>\$ 1,504,464</u>	

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Required Supplementary Information
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Recreation Fund
For the Year Ended March 31, 2025

	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 531,344	535,794	4,450
Corporate replacement tax	204,750	128,747	(76,003)
Investment earnings	36,790	49,769	12,979
Building and other rentals	18,400	17,372	(1,028)
Recreation programs - charges & fees	286,411	227,449	(58,962)
Sales	20,500	-	(20,500)
Grants	144,325	126,511	(17,814)
Miscellaneous	22,000	24,603	2,603
Total revenues	1,264,520	1,110,245	(154,275)
Expenditures:			
General government and administration:			
Personal services:			
Administrative	241,172	215,527	25,645
Maintenance	192,838	221,312	(28,474)
Total personal services	434,010	436,839	(2,829)
Other services and charges:			
Medical insurance	50,000	42,672	7,328
Credit card fee	4,000	4,525	(525)
Utilities	15,500	19,663	(4,163)
Miscellaneous	14,228	-	14,228
Total other services and charges	83,728	66,860	16,868
Materials and supplies:			
Office materials and supplies	9,000	8,380	620
Office equipment repairs	21,500	11,942	9,558
Publicity	57,500	60,728	(3,228)
Motor fuel	37,000	37,748	(748)
Brochure printing	500	489	11
Dues and subscriptions	3,500	669	2,831
Training and education	-	1,848	(1,848)
Custodial	33,500	29,349	4,151
Professional fees	33,500	-	33,500
Miscellaneous	-	50	(50)
Total materials and supplies	196,000	151,203	44,797
Total general government	713,738	654,902	58,836

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Required Supplementary Information
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual (Continued)
Recreation Fund
For the Year Ended March 31, 2025

	Original & Final Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Culture and recreation:			
Program expenditures	509,991	474,184	35,807
Computer service hardware/software	10,000	10,513	(513)
Grounds and facilities repair	130,000	100,258	29,742
Miscellaneous	15,000	15,816	(816)
Total culture and recreation	<u>664,991</u>	<u>600,771</u>	<u>64,220</u>
Total expenditures	<u>1,378,729</u>	<u>1,255,673</u>	<u>123,056</u>
Excess (deficiency) of revenues over (under) expenditures	(114,209)	(145,428)	(31,219)
Other financing sources (uses):			
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (114,209)</u>	<u>(145,428)</u>	<u>(31,219)</u>
Fund balance			
Beginning		<u>868,910</u>	
Ending		<u>\$ 723,482</u>	

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Required Supplementary Information
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual (Continued)
Social Security/Municipal Retirement Fund
For the Year Ended March 31, 2025

	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 147,259	148,517	1,258
Corporate replacement tax	10,000	9,957	(43)
Interest	8,672	14,478	5,806
Miscellaneous	-	-	-
	<u>165,931</u>	<u>172,952</u>	<u>7,021</u>
Total revenues			
Expenditures:			
General government, public safety, and culture and recreation:			
Administrative - payroll taxes	<u>177,120</u>	<u>190,186</u>	<u>(13,066)</u>
	<u>177,120</u>	<u>190,186</u>	<u>(13,066)</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(11,189)	(17,234)	(6,045)
Other financing sources (uses):			
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (11,189)</u>	<u>(17,234)</u>	<u>(6,045)</u>
Fund balance			
Beginning		<u>519,757</u>	
Ending		<u>\$ 502,523</u>	

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Required Supplementary Information
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual (Continued)
Museum Fund
For the Year Ended March 31, 2025

	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 142,113	143,318	1,205
Charges & fees	-	-	-
Interest	2,161	2,293	132
Other	42,350	26,992	(15,358)
	<u>186,624</u>	<u>172,603</u>	<u>(14,021)</u>
Total revenues			
	<u>186,624</u>	<u>172,603</u>	<u>(14,021)</u>
Expenditures:			
Culture & recreation:			
Salaries - administration	90,503	78,239	12,264
Salaries - maintenance	63,060	64,190	(1,130)
Contractual - medical insurance	28,000	21,087	6,913
Utilities	12,350	13,148	(798)
Alarm monitoring	2,500	1,873	627
Professional services	-	-	-
Materials and supplies	-	170	(170)
Equipment repair	-	536	(536)
Dues and subscriptions	500	-	500
Brochure printing/postage	-	-	-
Computer service hardware/software	-	400	(400)
Motor fuel - gasoline	1,000	1,000	-
Repairs - grounds and facilities	22,000	20,783	1,217
Miscellaneous	-	523	(523)
	<u>219,913</u>	<u>201,949</u>	<u>17,964</u>
Total expenditures			
	<u>219,913</u>	<u>201,949</u>	<u>17,964</u>
Excess (deficiency) of revenues over (under) expenditures	(33,289)	(29,346)	3,943
Other financing sources (uses):			
Transfers in (out)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>(33,289)</u>	(29,346)	<u>3,943</u>
Fund balance			
Beginning		<u>66,762</u>	
Ending		\$ <u><u>37,416</u></u>	

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Notes to Required Supplementary Information
March 31, 2025

Illinois Municipal Retirement Fund
Summary of Actuarial Methods and Assumptions
Used in the Calculation of the 2024 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2024 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): 19-year closed 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 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; three employers were financed over 23 years; four employers were financed over 24 years; and one employer was financed over 25 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.75% to 13.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-210 Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-210, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active member, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes There were no benefit changes during the year.

**Based on Valuation Assumptions used in the December 31, 2022 actuarial valuation.*

FREEPORT PARK DISTRICT
Notes to Required Supplementary Information
March 31, 2025

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets are adopted 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 (at the fund level) for the General, all Special Revenue, Debt Service, Capital Projects and Enterprise funds on the modified accrual basis with a line items basis by fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

The Park District follows these procedures in establishing the budgetary date reflected in the financial statements.

- A. The Park District Executive Director submits to the Board of Commissioners a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. The budget is legally enacted by Board of Commissioners action. This is the amount reported as original budget.
- D. The Board of Commissioners is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by following the same procedures as adopting the original budget.
- E. Budgets are adopted and formal budgetary integration is employed as a management control device during the year.
- F. All budgets for these funds are adopted on a basis consistent with U.S. generally accepted accounting principles.
- G. Budgetary authority lapses at year-end.
- H. State law requires that "expenditures be made in conformity with appropriations/budget." As under the budget act, transfers between line items, departments and funds may be made by administrative action. No budget amendments were made during the year. The level of legal control is at the fund level.
- I. The following major Special Revenue Fund had expenditures that exceed appropriated budgets: Social Security/IMRF Fund.

FREEPORT PARK DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2025

	Special Revenue				
	Special Recreation Fund	Tort Liability Fund	Police Fund	Audit Fund	Total
Assets:					
Cash, cash equivalents, and investments \$	147,649	486,599	5,628	26,892	666,768
Taxes receivable	114,547	116,372	62,277	12,950	306,146
Total assets	262,196	602,971	67,905	39,842	972,914
Liabilities:					
Accounts payable	307	-	169	-	476
Accrued wages	3,284	201	3,652	-	7,137
Due to other funds	-	-	-	-	-
Total liabilities	3,591	201	3,821	-	7,613
Deferred inflows of resources:					
Property taxes	114,547	116,372	62,277	12,950	306,146
Total liabilities and deferred inflows of resources	118,138	116,573	66,098	12,950	313,759
Fund balances:					
Restricted	144,058	486,398	1,807	26,892	659,155
Unassigned	-	-	-	-	-
	144,058	486,398	1,807	26,892	659,155
Total liabilities, deferred inflows of resources, and fund balances	\$ 262,196	602,971	67,905	39,842	972,914

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended March 31, 2025

	Special Revenue				
	Special Recreation Fund	Tort Liability Fund	Police Fund	Audit Fund	Total
Revenues:					
Property taxes	\$ 98,837	115,141	61,771	12,364	288,113
Charges for services	19,029	-	-	-	19,029
Fines	-	-	499	-	499
Investment income	1,712	18,998	2,561	567	23,838
Grants - state	-	4,548	-	-	4,548
Miscellaneous	-	15,147	-	-	15,147
Total revenues	<u>119,578</u>	<u>153,834</u>	<u>64,831</u>	<u>12,931</u>	<u>351,174</u>
Expenditures:					
General government	-	232,784	-	23,584	256,368
Public safety	-	-	118,072	-	118,072
Culture and recreation	<u>96,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,099</u>
Total expenditures	<u>96,099</u>	<u>232,784</u>	<u>118,072</u>	<u>23,584</u>	<u>470,539</u>
Excess of revenues over expenditures	<u>23,479</u>	<u>(78,950)</u>	<u>(53,241)</u>	<u>(10,653)</u>	<u>(119,365)</u>
Other financing sources (uses):					
Operating transfers in	-	-	-	10,000	10,000
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Net change in fund balances	<u>23,479</u>	<u>(78,950)</u>	<u>(53,241)</u>	<u>(653)</u>	<u>(109,365)</u>
Fund balances:					
Beginning	<u>120,579</u>	<u>565,348</u>	<u>55,048</u>	<u>27,545</u>	<u>768,520</u>
Ending	<u>\$ 144,058</u>	<u>486,398</u>	<u>1,807</u>	<u>26,892</u>	<u>659,155</u>

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Assessed Valuations and Property Tax Rates,
Extensions and Collections

	<u>2024</u>		<u>2023</u>		<u>2022</u>	
Assessed valuations	\$	<u>294,314,579</u>	\$	<u>271,292,132</u>	\$	<u>243,850,444</u>
Property tax rates						
	<u>Maximum</u>	<u>Actual</u>	<u>Maximum</u>	<u>Actual</u>	<u>Maximum</u>	<u>Actual</u>
Corporate	0.35000	0.30650	0.35000	0.32833	0.35000	0.33561
Recreation	0.37000	0.18347	0.37000	0.19586	0.37000	0.20382
Special Recreation	0.04000	0.03892	0.04000	0.03613	0.04000	0.03918
Museum	0.07000	0.04920	0.07000	0.05239	0.07000	0.05732
Social Security	0.00000	0.04558	0.00000	0.04607	0.00000	0.04748
IMRF	0.00000	0.00689	0.00000	0.00822	0.00000	0.00997
Bond and Interest	0.00000	0.23904	0.00000	0.22525	0.00000	0.27902
Audit	0.00500	0.00440	0.00500	0.00452	0.00500	0.00499
Insurance	0.00000	0.03954	0.00000	0.04209	0.00000	0.04595
Police	0.02500	0.02116	0.02500	0.02258	0.02500	0.02492
		0.00000				
Total tax rate		<u>0.93470</u>		<u>0.96144</u>		<u>1.04826</u>
Property tax extensions:						
Corporate		902,074		890,733		818,386
Recreation		539,979		531,353		497,016
Special Recreation		114,547		98,018		95,541
Museum		144,803		142,130		139,775
Social Security		134,149		124,984		115,780
IMRF		20,278		22,300		24,312
Bond and Interest		703,530		611,086		680,392
Audit		12,950		12,262		12,168
Insurance		116,372		114,187		112,049
Police		62,277		61,258		60,768
	\$	<u>2,750,958</u>	\$	<u>2,608,311</u>	\$	<u>2,556,187</u>
Property tax collections:						
Total levied taxes collected	\$	<u>-</u>	\$	<u>2,632,387</u>	\$	<u>2,534,240</u>
Percentage of extensions collected:		<u>0.00%</u>		<u>100.92%</u>		<u>99.14%</u>

See Independent Auditor's Report.